LEDES Oversight Committee

Members Meeting

August 23, 2007

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- President's Report – Jane Bennitt
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- Report of Marketing Subcommittee - Cathy Reilly
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- Report of Budgeting Subcommittee – Cole Morgan and Adam Jaffe
- Report of UTBMS Subcommittee – Jeff Hodge on behalf of Brad Blickstein

- Other Business

President's Report

Jane Bennitt

LEDES Oversight Committee

The LEDES™ (Legal Electronic Data Exchange Standard) Oversight Committee ("LOC") is an international, voluntary, not-for-profit organization comprised of legal industry representatives and is charged with creating and maintaining open standard formats for the electronic exchange of billing and other information between corporations and law firms. The LOC is dedicated to using open standards which cater to no one organization or group of organizations to uniformly satisfy the complex needs of the legal industry based on 5 basic principles: keep it simple; make it unambiguous; diverge from existing formats as little as absolutely necessary; only ask for information the law firm is typically able to provide from their financial system; and meet the needs of corporations, law firms and legal industry software vendors to the maximum extent possible consistent with the first four criteria.

Executive Committee

President: Jane Bennitt, Baker Robbins & Company

Vice President: Patrick Hurley, Thomson Global Resources

Secretary: Daniel Foster, Serengeti Law

Treasurer/Membership: Catherine R. Reilly, Martin Clearwater & Bell LLP

Board of Directors

Jane Bennitt, Baker, Robbins & Company
Brad Blickstein, The Blickstein Group
Andrew Dawson, Aderant
Matt DenOuden, CT TyMetrix
Daniel Foster, Serengeti Law
Patrick Harrington, Edwards Angell Palmer & Dodge LLP
Patrick Hurley, Thomson Global Resources
Bill Mertes, Winston & Strong LLP
Cole Morgan, DataCert
Anthony R Mozeleski, GM Law and Public Policy
Heather Pyatt, Armstrong Teasdale LLP
Alison Regan, Linklaters
Catherine R. Reilly, Martin Clearwater & Bell LLP
Bob Solofra, McDermott Will & Emery, LLP
Scott Wirtz, Loeb & Loeb

Peggy Weschler, ILTA – Board Advisor

Focus Group Heads

Globalization: Keith Brown, CT TyMetrix

Law Firm: Alison Regan, Linklaters

Australia: Denis Henry, Grosvenors

Vendors & Consultants: Cathi Collins, Bridgeway

Canada: ?

President’s Report

- D&O insurance obtained
- Need to resolve our Agent for Service of Process
- Discussion of expansion of LOC in UK
- Modifications to LEDES 98BI format
- International ebilling

98BI Modifications - #1

Although we had stated that 98BI would not be modified again, modifications to format were proposed to meet the EU Directive's directive for VAT compliant invoices. The directive states:

"The amounts on invoices may be expressed in any currency.

However, the amount of tax to be paid must be expressed in the national currency of the Member State where the supply takes place (see 'place of taxable transactions' in Directive 77/388/EEC), using the correct conversion mechanism."

In July the Executive Committee approved change in wording for INVOICE_TAX_TOTAL to,

> The sum of all LINE_ITEM_TAX_TOTAL items in this invoice expressed in the VAT currency of the client. (Note: the currency exchange rate used will be either (a) the exchange rate dictated by applicable law, or (b) the exchange rate or rate calculations means, as determined between the provider and the consumer). A null value would denote a tax exempt invoice. The client may request that the tax amount, such as VAT, which they often must track separately for accounting purposes.

This was viewed as a clarification of the field and not a modification of the format. DataCert reports other changes are also required.

98BI Modifications - #2

Because the LINE_ITEM_TAX_TOTAL may now be in a different currency, the INVOICE_NET_TOTAL math formula also needs to be updated. INVOICE_NET_TOTAL currently reads,

> The sum of all LINE_ITEM_TOTAL values in this invoice minus the INVOICE_TAX_TOTAL. A null value (“”) would be an error. The client may request that the tax amount be only the reimbursable tax amount, such as VAT, which they often must track separately for accounting purposes.

It needs to be changed to read,

> The sum of all LINE_ITEM_TOTAL values in this invoice minus the LINE_ITEM_TAX_TOTAL. A null value (“”) would be an error. The client may request that the tax amount be only the reimbursable tax amount, such as VAT, which they often must track separately for accounting purposes. i.e SUM(LINE_ITEM_TOTAL – LINE_ITEM_TAX_TOTAL). The receiving application is encouraged to verify that INVOICE_NET_TOTAL is equal to the sum of that Invoice’s Line Item Net Totals, within a reasonable variance to account for rounding errors that may have been made when the sending application calculated.

98BI Modifications - #3

Lastly, because the LINE_ITEM_TAX_TOTAL field may or may not be in a different currency, there should be an indicator of what that additional currency is. The proposal is to add a final field to the format to indicate this.

INVOICE_TAX_CURRENCY, Character*3, defined as: The currency of INVOICE_TAX_TOTAL denoted by the 3 character ISO currency code (ISO 4217). A null value (“”) would mean that the total tax on an invoice is in the same currency as the INVOICE_CURRENCY.

International Ebilling

UK

- Work in 2005-2006 with LITIG to establish beta version of 98BI format
- Contacted this year by ELF organization about need for organization to spearhead discussion of ebilling in UK
- Alison Regan on Board of Directors
- Linda Runham on Ebilling Format Review Team

Australia

- Denis Henry on Board of Directors
- Michael Hemphill was on Ebilling Format Review Team

Canada

- At beginning of 2007 had 5 member organizations in Canada
- We know there is an active ad-hoc group that meets in Toronto to discuss ebilling

International Ebilling - Vendors

Vendor	Countries	Non-US Firms	Format Accepted
Allegient Systems	1		LEDES 2000
Bottomline Technologies			Word, Excel, PDF or the equivalent
CT TyMetrix	125+	1100+	XML Ebilling Ver 2
DataCert	113	1500+	98BI; working on XML Ebilling Ver 2
LexisNexis Examen	~60		98B, Examen and 2000, paper and .PDF; XML Ebilling Ver 2 in development
Serengeti Law	All over: UK, France, Germany, even Oman and Pakistan	3000+	Word and .PDF which are converted internally

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Treasurer & Membership Report

Cathy Reilly

Membership Statistics

- 2007 – 70 members
- 45 Renewals
- 3 Members who did not pay in ’06
- 16 UTBMS members
- 4 New members
- 2 Free members
  - Advanced Legal
  - ILTA

- 2006 – 71 members

Membership Statistics

- 2007 – 70 members

- Consultants 2 members
- Corporations/Educational institutions 14 members
- Law Firms 38 members
- Vendors 16 members

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Marketing Subcommittee Report

Cathy Reilly

Common Communication Approach Subcommittee Report

Andrew Dawson & Patrick Hurley

History

- Formed in 2006
  - Are standards around E-Bill Transmissions needed and/or possible?
- Law Firm Survey and White Paper completed
  - Definitive findings
  - Controversial
  - Inconclusive to overall LOC constituency?

Subcommittee Charter

- Continue and extend the research and findings as identified in the 2006 submitted white paper “Analysis of Law Firm Issues” to include other eBilling constituents with the intent of presenting a working paper on a simple EBilling lifecycle communication protocol.

Key Tasks

- More formally survey the Corporate Counsel constituency, and in doing so educate them on the issues law firms are facing
- One-on-one interviews with eBilling vendors on transmission issues
- Propose transmission protocol for simple bill transmission lifecycle

Progress So Far

- Corporate counsel survey drafted
  - Should be online in next 30 days
  - Results tabulated by end of October, 2007
- eBilling vendor survey draft in progress
  - Results tabulated by end of October, 2007

Ebilling Subcommittee Report

Bill Mertes & Jane Bennitt

XML Ebilling Format Revision Team Report

Format Revision Team:

- Jane Bennitt, Baker Robbins & Company
- Linda Runham, Slaughter & May
- Keith Brown, CT TyMetrix
- Ted Best, LexisNexis Examen
- Rupali Kothari, DataCert
- Wanda Moore, McCarthy Tetrault
- Jennifer Zimmerman, Husch & Eppenberger

XML Ebilling Format Revision Team Report

- Comments received from:
  - Dexter Carpenter at Wyeth on 5/31
  - Linda Runham at Slaughter & May on 5/31 and 6/19. Reply to questions received, additional feedback obtained.
  - Jeff Hodge at DataCert on 6/1. Reply to questions received. May send more feedback.
  - Daniel Garcia at eBillingHub on 6/19
  - Globalization Focus Group on 6/22
  - Nigel Lang at Herbert Smith on 6/22
  - Keith Brown at CT TyMetrix on 6/28
  - Mike Stevens at Huron on 6/29
- Created one document with all comments received.

XML Ebilling Format Revision Team Report

- Format Revision Team met in July to review all comments received to date.
- Emailed Globalization Task Force requesting comments or issues on format
- Period for submission of comments on format ends at end of August.
- Will publish revised format specification document to web showing fields with known issues.

XML Ebilling Format Revision Team Report

- Issue with order of math calculations? Emailed Vendors & Consultants Focus Group for comments on math calculations in format. Requested feedback on 3 issues:

(1) Currently the format applies all discounts and credits to an invoice at the matter/invoice level. The only discount applied at the invoice level is a quick pay discount if the terms of the quick pay have been met. This then forces the time and billing system to apply all splits and discounts at the matter level, and to repeat this information for every matter/invoice associated with the invoice. Does this represent a problem for you? If so, why?

XML Ebilling Format Revision Team Report

(2) We would like information on discounts and credits applied to a matter/invoice in your system. The format currently specifies the following types of discounts and credits that can be applied:

"MISF" (Matter/Invoice Shared Fee) - fee is shared with another client and the client only pays a percentage of the bill, applied at the matter/invoice level

"MIDB" (Matter/Invoice Discounted Bill) - client receives a percentage discount assessed at the matter/invoice level

"MIFF" (Matter/Invoice Flat Fee) – Where the matter/invoice is billed at a Flat Fee

"MIA" (Matter/Invoice Adjustment) - A flat adjustment (reduction or credit) applied at the matter/invoice level

"MIDHR" (Matter/Invoice Discounted Hourly Rate) - a discounted hourly rate applied at the matter/invoice level

"MIR" (Matter/Invoice Retainer) - a retainer to be paid to the law firm

"MICF" (Matter/Invoice Contingency Fee) - the contingency fee to be paid to the law firm

"MIB" (Matter/Invoice Bonus) - a bonus to be paid to the law firm

“MICM” (Matter/Invoice Credit Memo) - a credit memo for a specific purpose, as requested by the client on the matter

"Other" - All other types have to be explained in a note field in the segment

For each type of discount or credit above, it must be identified as either a percent or flat amount, whether it applies to fees or expenses, if it is percentage based then the percent must be identified, and an amount filled in for the total of that type of discount on the matter/invoice.

Most of these appear to be additional line items for the matter invoice represented as a dollar amount with the exception of the MISF (Shared Fee) and MIDB (Discounted Bill). Do you agree with this statement? If not, why?

XML Ebilling Format Revision Team Report

(3) We need to understand the order of the math in calculating the total of the invoice. The format currently works this way.

Fee items and their discounts are totaled

<u>+ We add all fee discounts at the matter level except the Shared Fee percent discount</u>

A sum is calculated

<u>x This is then multiplied by the Shared Fee percent.</u>

A total is calculated

<u>+ We add a tax amount on the taxable Fee items after application of the Shared Fee percent</u>

The sum is the amount due on the invoice for Fees

A similar calculation occurs for Expenses. The final sums for Fees and Expenses are added together and this gives the matter/invoice total.

Right now MIDB discounts for Discounted Bills are part of the 2nd line that shows all of the fee discounts. Do Discounted Bill amounts need to be represented elsewhere in this calculation? If so, is the Discounted Bill discount percent applied before or after the Shared Fee?

(4) Is tax calculated before or after the application of any MISF (Shared Fee) and/or MIDB (Discount on the Bill)?

XML Ebilling Format Revision Team Report

- We received replies from:
  - DDI, Inc.
  - LexisNexis Examen
  - CT TyMetrix
  - Rainmaker Software
- Committee to meet again in September once comment period has closed.

Issues with LEDES 98BI

- Request from DataCert to clarify 2 field definitions and add another field.
- Modification of format approved by the Board, membership vote will be coordinated in the next couple of weeks.

LEDES Sub-Committee on E-Budgeting
The Electronic Budgeting Format

Cole Morgan

23-August-2007

The Budget Issue

- Law departments are required to comply with increasingly complicated compliance practices
- Primacy placed upon creating predictability in spending
    - Highly contentious litigation
    - Standardized transactional work
- Also (though less commonly) used to audit performance
- Friction occurs in the origination of the budget
    - The *chicken* or the *egg*

Charter & Goals

Define an effective and internationally adoptable standard for the secure transport of budgets / matter staffing plans from outside counsel to corporations.

Key Decisions…

- Appropriate supporting technology platform (ASCII, XML, etc)
- Data formatting and structural standards
- Relevant naming conventions
- Required and non-required data elements
- Additional return data formats to support the response to budgets/staff plans
- Vendor initiated matter creation request

Activities

- Established mid-2005
- Immediately decided on XML as a supporting technology
- Initial revision outlined and made available for review in Aug 2005.
- V.2 revision was submitted through the committee on Dec 16, 2005
- Comments were incorporated and final draft posted to web site in mid Jan. 2006
- Adopted as a beta standard at the last annual meeting
- Efforts since then have focused on marketing and awareness

XML File Format

ledesbudgetxml>

- <firm>
  - <lf_tax_id />
  - <lf_id />
  - <lf_name />
  - <lf_address />
- <lf_remit_address>
- <address_info>
  - <address_1 />
  - <address_2 />
  - <city />
  - <state_province />
  - <zip_postal_code />
  - <phone />
  - <fax />
  - </address_info>
  - </lf_remit_address>
  - <lf_budget_contact_lname />
  - <lf_budget_contact_fname />
  - <lf_budget_contact_id />
  - <lf_budget_contact_phone />
  - <lf_budget_contact_fax />
  - <lf_budget_contact_email />
  - <source_app />
  - <app_version />
  - <extend_header />
- </firm>

Firm Information

XML File Format - Header

<matter>

<cl_matter_id />
<lf_matter_id />
<matter_name />
<matter_desc />
<lf_managing_contact_lname />
<lf_managing_contact_fname />
<lf_contact_id />
<lf_contact_phone />
<lf_contact_email />
<cl_contact_lname />
<cl_contact_fname />
<cl_contact_id />
<cl_contact_phone />
<cl_contact_email />

- <budget>

<budget_start_date />
<budget_end_date />
<budget_type />
<budget_period /> -- 'YR', 'BIAN', 'QTR', 'MO', 'LOM'
<budget_id />
<total_budget />
<preparation_date />
<budget_version />
<budget_currency />
<budget_description />
<budget_assumptions />

- <budget_details>

Matter & Budget Header

XML File Format - Details

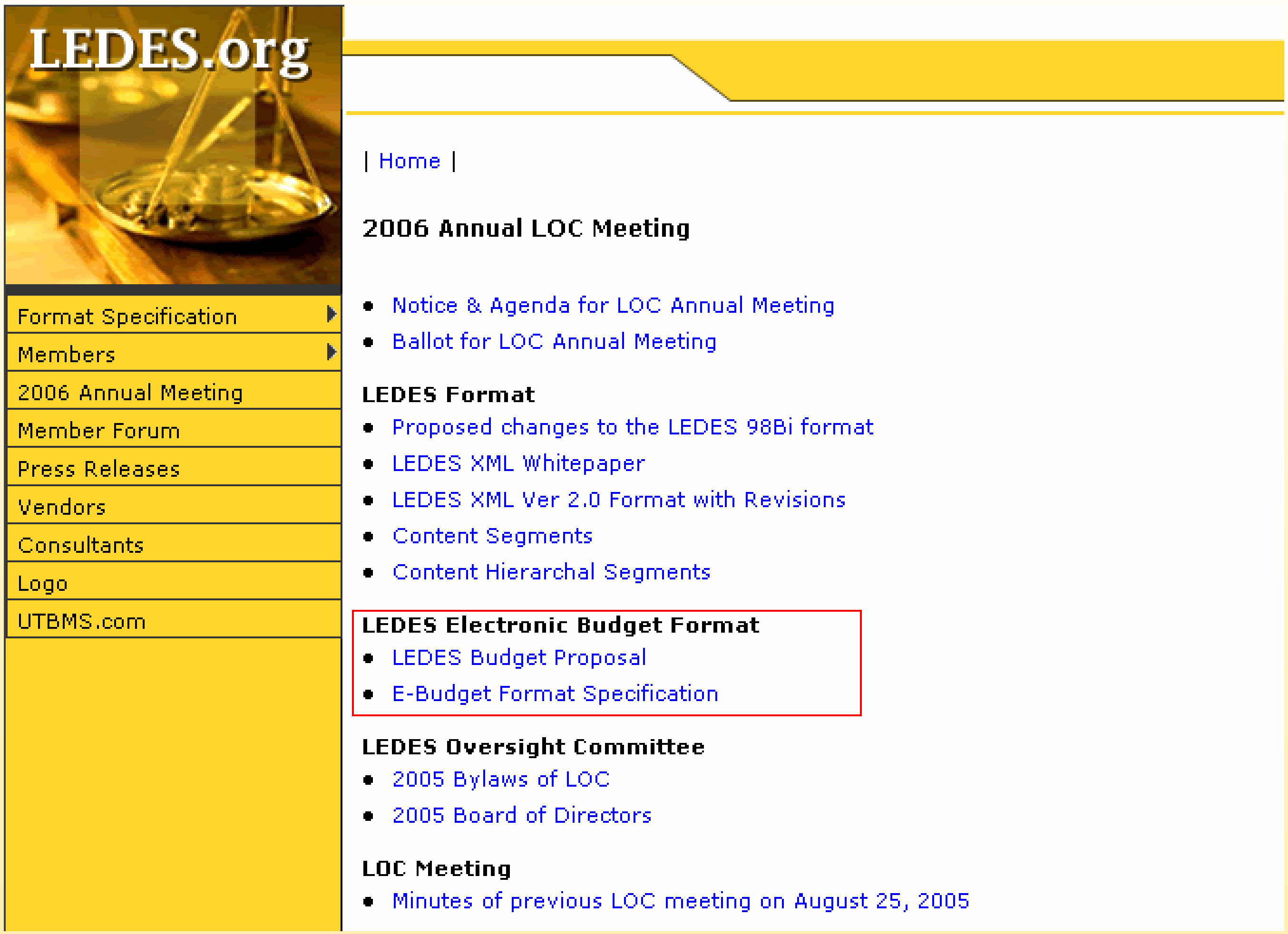
```
<detail_level />          -- 'Phase', 'Task', 'Fee/Expense', 'Matter'
<detail_code />           -- Phase Code, Task Code, 'Fee', 'Expense', 'Total'
<sub_detail_code />       -- Activity Code
<detail_desc />
<budget_hours />
<budget_amount />
<tk_level />              -- optional
<tk_id />                 -- optional
</budget_details>
- <tksum>
      <tk_id />
      <tk_fname />
      <tk_lname />
      <rate />
      <budget_hours />
      <tk_level />        -- 'PT', 'AS', 'OC', 'LA', 'OT'
      <minority_status />
</tksum>
</budget>
</matter>
```

Budget Detail

LEDES.org The Standard in Legal E-billing

XML File Format

Available at http://www.ledes.org



Contact Information

Committee Chairs

Cole Morgan

- **DataCert, Inc. cole.morgan@datacert.com (832) 369-6020**

Adam Jaffe

- **Huron Consulting Group ajaffe@huronconsultinggroup.com (646) 277-2225**

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www.utbms.com

UTBMS Subcommittee

Presented by:

Jeffery Hodge
Senior Director EMEA
DataCert Europe

August 23, 2007, Orlando, Florida

UTBMS - Background

- 1995 – Creation of the Uniform Task-Based Management System (‘UTBMS’)
    - Four UTBMS “codes sets” including: litigation, counseling, bankruptcy and projects
    - Additional “sets” developed for “Activity” and “Expense”
- 1996-2005 Basically no activity

UTBMS - Initiative

- 2005 – Response to a need for updating
  - Three-pronged approach focusing
    - 1) litigation code updates
    - 2) internationalization
    - 3) intellectual property
  - Developed website, “UTBMS.COM”, and began to solicit membership for the initiative
- 2006 – Merged into LEDES Oversight Committee as Subcommittee

UTBMS - Process

- Litigation code set – decision was made not to update at this time.
- IP – Decided to create 2 new code sets
  - Trademark
  - Patent
- Internationalisation
  - Largely pushed by banking segment
  - Decided to update Project code set.

Data Exchange Standard Legal Electronic LEDES™

UTBMS – IP Status

- Both IP sets have been in use by some law departments for a year or more
- Approved by LEDES Oversight Committee August 2007
- Next steps
  - Reach out to other boards, e.g. ACC, ABA
  - Publicity campaign

UTBMS – Project Status

- Approved by Internationalisation Working Group
- Ready for LOC Approval
  - To be submitted by 31.8
- New Finance Working Group is already working on a new update

UTBMS – New Initiatives

- Finance Working Group
- Litigation Support Working Group
    - Off to a slow start

Data Exchange Standard Legal Electronic LEDES™

UTBMS – Challenges

- Publicity and traction as standards board
- DRI Initiative

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Meeting Wrap Up

- Join us in this room at 10:30 for an educational session on the LEDES XML formats
- Join Michelle Clark from Baker & McKenzie at 3:30 p.m. in Palazzo F for her presentation entitled “Ebilling Can Work!”

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