

LEDES Oversight Committee

Members Meeting

February 7, 2008



Agenda

- President's Report – Jane Bennitt
- Membership/Treasurer's Report and discussion of 2008 proposed budget – Cathy Reilly
- UK/Europe Efforts – Alison Regan - Received
- UTBMS Subcommittee Report – Michael Boutot and Brad Blickstein
- CCA Survey – Patrick Hurley and Andrew Dawson
- Proposed 98BI Format Changes – Rupali Kothari
- Proposed Budgeting Documentation Changes – Cole Morgan and Adam Jaffe
- Proposed XML Ebilling Ver 2 Documentation Changes – Bill Mertes and Jane Bennitt
- Proposed XML Ebilling Ver. 2 Format Changes (resulting in XML Ebilling Ver. 2.1) – Bill Mertes and Jane Bennitt
- Marketing Subcommittee Report - Cathy Reilly

President's Report

Jane A. Bennett, Baker Robbins & Company

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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 Bennett, 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



Subcommittee Heads

- **Communications** – Patrick Hurley and Andrew Dawson
- **Marketing** – Cathy Reilly
- **XML Education** – Jane Bennitt
- **Ebilling** – Bill Mertes
- **UTBMS** – Brad Blickstein and Michael Boutot
- **Budgeting** – Cole Morgan and Adam Jaffe

Focus Group Heads

- **Australian** - Denis Henry
- **Globalization** - Keith Brown, Jeff Hodge, Adam Jaffe
- **Law Firm** – Alison Regan
- **Vendors/Consultants** – Cathi Collins and Jim Harris

2007 Achievements

- Obtained D&O Insurance
- Changed Registered Agent
- Brought current the organization's SOS filings
- Had many discussions on plans for expansions in UK and Europe
- Conducted session at ILTA on using XML
- UTBMS Subcommittee work product approved: Patent, Trademark and Revised Project Code sets
- Votes on Revisions to 98BI Format
- Changes to Web Site
 - “Contact the LOC” Feature

Pending Member Vote on Standards

- Budgeting Revisions
- 98BI Format Revisions
- XML Ebilling Version 2 documentation changes
- XML Ebilling Version 2 proposed revisions (resulting in XML Ebilling Version 2.1)

2008 LOC Board Elections

- Nominations to patrick.hurley@thomson.com
- Each candidate will be asked to provide a bio and respond to the following questions:
 - What 3 issues facing the LOC are most important to you and why?
 - In the past, what LOC initiatives have you participated in and what was the extent of your involvement?
 - Describe your organization's support of your involvement in the LOC.
- Fifteen Director positions
- Can be more than one member per organization on the board.

2008 LOC Board Candidates

- Hans Bengard
- Jane Bennitt
- Michael Boutot
- Cathi Collins
- Andrew Dawson
- Dan Foster
- Patrick Harrington
- Denis Henry*
- Patrick Hurley
- Bill Mertes
- Anthony Mozeleski
- Alison Regan
- Cathy Reilly
- Bob Solofra
- Scott Wirtz

Possible Objectives in 2008

- Subcommittees on Formats (Budgeting, Ebilling, Timekeeper Attributes*)
- Expansion into UK and Europe:
 - Creation of UK/European Focus Group*
 - Addition of one members meeting in London
- Law Firm Subcommittee*
- Law Department Focus Group*

*Volunteer(s) Needed



Possible Objectives in 2008

- Marketing – Three functions of subcommittee: web site*, writing articles* and issuing press releases*
- Other Suggestions:
 - Designate Organizational Liaisons*
 - Timekeeper positions*

*Volunteer(s) Needed

2008 Opportunities

- Session at ILTA Insight Conference, April 15, London
- Session at Elite User's Conference, June 23-25 at the Westin in Hollywood, FL
- Members meeting and session at ILTA Conference, August 25-28 at The Gaylord Texan in Grapevine, TX
- Legal Tech NY, February 2009

Other Conferences

- ABA Tech Show, March 13-15, Chicago
- Council on Ethical Billing Conference, March 13-14, Orlando
- ACC Conference October 19-22, Seattle

Membership/Treasurer's Report

2008 Proposed Budget

Catherine Reilly, Martin Clearwater & Bell

reillc@mcblaw.com



Membership

- 12/2006 68 member organizations
- 1/2008 85 member organizations*
 - 25% increase in membership
 - *2 memberships are free
 - Advanced Legal Systems and ILTA

Membership

- 1/2008 85 member organizations
 - 43 Law Firms
 - 27 Vendors
 - 15 Law Departments

Membership

- 1/2008 85 member organizations
 - 15 were former UTBMS members
 - 12 are new members
 - 10 members did not renew

Membership

- 1/2008 85 member organizations
 - 11 UK organizations
 - 4 Canadian organizations
 - 2 Australian organizations
 - 1 European organization

LOC Assets

- Bank Balance as of 12/31/2007 was:
\$25,586.15

LOC Revenue

- 83 paying members will generate \$8,300 in revenue.
 - Assuming a 10% increase in membership will increase annual revenue to \$9,100

LOC Expense

- Members sponsor a number of LOC activities.
 - Monthly Board calls are sponsored by a Board member – estimated annual cost is \$3,600.

LOC Expense

- Members sponsor a number of LOC activities.
 - Website is sponsored and supported by Advanced Legal System, Inc. –
 - 2007 cost for maintenance and redesign was
\$2,800

LOC Expense

- Members sponsor a number of LOC activities.
 - Listservs are sponsored and supported by ILTA –
 - Estimated annual cost is \$200 to \$300 per month - \$2,400 to \$3,600 per year

LOC Standard Expenses

- D&O insurance \$2,100
- Marketing expense \$1,000
- Filing Fees (registry, etc.) \$ 800

LOC 2008 Expenses

- Search project \$3,000
 - To find all the corporate filings for the LOC
- Annual trip to UK to \$3,100
meet with members
- Webinars (3) for membership \$2,000

And that leaves us...

- Assets 12/31/07 \$25,586.15
- New Revenue from dues \$ 9,100.00
- Expenses (without support) \$20,600.00
- Expenses (with support) \$ 9,900.00

- Assets 12/31/08 \$24,786.15

UK/European Efforts

Alison Regan, Linklaters

alison.regan@linklaters.com

Background

- Forum set up by key UK based law firms in 2006.
- Main purpose was to work together to overcome issues within the UK and European markets.
- The forum is now to become a sub-committee of the LOC.

Key Issues - Regulatory

- Regulatory – Need to ensure compliance with EU Invoicing Directive, Solicitors Accounts Rules, Solicitors Act and HMRC guidelines.
- Changes to support above proposed in recent LEDES amendments.
- If changes to XML e-billing Ver. 2 format are approved invoices would be pretty much compliant from UK standpoint.

Key Issues - Commercial

- e-billing is still relatively new within the UK/European market.
- e-billing does not really suit all of the commercial deals provided (a high amount of value billing is carried out).
- Move to UTBMS codes is a challenge for the market.
- Process requires working practice change.

Progress

- Sub-committee members to include law firms, vendors and appropriate regulatory bodies.
- Progress is good and 2008 should see legal e-bills raised from UK and Europe.

UTBMS Subcommittee

Brad Blickstein, Blickstein Group

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and

Michael Boutot, Esquire Litigation Solutions

mboutot@esquirecom.com



2007 Successes

- LOC ratification of two new UTBMS Code Sets
 - Trademark http://www.utbms.com/0605/TrademarkCodeSet_0605.pdf
 - Patent http://www.utbms.com/0605/PatentCodeSet_0605.pdf
- LOC ratification on one revised UTBMS Code Set
 - Project http://www.utbms.com/0605/RevisedProjectCodes_0605.pdf
- Introductory session to discuss litigation support code set
- Recent endorsement of the code sets from the Council on Ethical Billing (www.EthicalBilling.org)

Next Steps

- Seek Endorsement of Code Sets from:
 - ABA
 - ACC
 - IBA
 - Others as deemed appropriate
- Publicize Changes
- Coordinate Efforts with the Insurance-based UTBMS Panel

2008 Challenges

- Publicity/Education campaign is off to a slow start
- Collaborative issues with “Insurance-based” UTBMS panel

2008 Objectives

- Continued Efforts By Working Group on Litigation Support Codes
- New Working Group for Corporate/Transactional Work
- Establish a UTBMS landing page within LEDES.org (thus redirect UTBMS to this landing page)

Questions & Answers

CCA Survey

Patrick Hurley, Thomson Global Resources

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and

Andrew Dawson, Aderant

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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.

First Key Task

- More formally survey the Corporate Counsel constituency, and in doing so educate them on the issues law firms are facing
 - Distributed notices through ILTA, Findlaw, UTBMS, LOC, Vendors websites and email lists
- RESULT:
 - 14 Responses
 - *Not statistically valid*

Thoughts & Suggestions

- Is the LOC the appropriate vehicle to solve a problem that only exists for law firms?
- Are eBilling vendors working to solve the problem individually?
- Could this be a task for the Law Firm Focus Group?
 - Best Practices for law firms?

In Summary...

- Does the LOC see any value in continuing the CCA under it's current charter?

Proposed 98BI Format Changes

Rupali Kothari, DataCert

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Rounding Issue With Tax Calculation

The UK VAT is calculated on the total and thus the sum of the individual line item tax might result in a variance to the calculation of tax on the total.

Type	Length	Field	Description
Currency	12.4	INVOICE_TAX_TOTAL	The sum of all LINE_ITEM_TAX_TOTAL items in this invoice. A null value would denote a tax exempt invoice. 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. The receiving application is encouraged to allow for a reasonable variance to account for rounding errors when the sending application calculated the INVOICE_TAX_TOTAL.

Invoice Currency Differs From Tax Currency

“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.”

Type	Length	Field	Description
Currency	12.4	INVOICE_REPORTED_TAX_TOTAL	The amount of tax in the national currency as reported to the tax authorities. Information purposes only and not used in the invoice calculation. A null value ("") would be acceptable.
Char	3	INVOICE_TAX_CURRENCY	The currency of INVOICE_REPORTED_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.

*Proposed Budgeting Documentation
Changes*

Cole Morgan, DataCert

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and

Adam Jaffe, Huron Consulting Group

ajaffe@huronconsultinggroup.com



Budgeting Format

- Approved in 2006
- Discrepancies in the Word and Excel documents: need to be reconciled

*Proposed XML Ebilling Ver. 2
Documentation Changes*

Bill Mertes, Winston & Strawn

bmertes@winston.com

and

Jane Bennett, Baker Robbins & Company

jbennitt@brco.com



XML Ebilling Ver. 2 Documentation

- Issues noted by Ebilling Format Review Team

*Proposed XML Ebilling Ver. 2
Format Changes*

Bill Mertes, Winston & Strawn

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and

Jane Bennitt, Baker Robbins & Company

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XML Ebilling Ver. 2 Proposed Revisions

Format Review Team Members

US Members: Jane Bennitt, Bill Mertes, Ted Best, Jennifer Zimmerman, Rupali Kothari, Keith Brown, Paige Williams, Debbie Weaver

Canadian Members: Wanda Moore

UK Members: Linda Runham, Spencer Smith, David Nelson, Gary Markham

Special Thanks to:

The ebilling and time and billing vendors who responded to my questions throughout the discussion process, including particularly Jim Hammond

Also to Ken Wilson who pointed out the need to better document tax-on-tax situations in Canada

Highlights of Proposed Changes

- The proposed revisions include the addition of only one new segment to the file and a total of 60 fields overall.
- The math statement was revised to more accurately represent the true nature of the invoices between law firms and their clients. The result is a very detailed and difficult math statement, but one that represents the different accommodations made by law firms when billing their clients. By publishing our math statement, we hope to encourage adoption of a more uniform standard for the math calculation on invoices.
- To the extent understood, accommodations have been made to provide information required by statute or regulation for ebilling outside of the United States.
- Language was added to address tax-on-tax situations in Canada for Quebec and PEI.
- Instruction was provided on how to enter Withholding Tax.

Highlights of Proposed Changes

- In that the client name requested in the @CLIENT segment is that mandated by the ebilling vendor, a number of additional "client" names were added to the @INVOICE segment: the tax_invoice_cl_name (the name of the party paying the VAT), the bill_to_cl_name (the name of the party being billed on the invoice), and the payable_by_cl_name (the name of the party actually paying the invoice). These were added as conditional fields to meet legal requirements outside of the US.
- We added a field for the po_number in the @MATTER segment.
- As for your ability to enter adjustments and Alternate Fee Agreements on the matter level in the @MATTER_DISC_CRED segment, previously you could only note whether these were subject to tax. We now allow law firms to indicate whether the item is applied before or after splits are applied and whether it results in increasing or decreasing the invoice. These changes allow for greater flexibility in the math statement.

Highlights of Proposed Changes

- Many field lengths were increased including specifically the verbal description associated with time and expense entries. Here's why: the 2007 Revised Project Code Set approved by LOC members earlier this year to accommodate global ebilling submissions will result in longer time entries being submitted by timekeepers than is traditionally seen when using the Litigation Code Set.
- We added a payee_name for expenses.

We did not add:

- An element to carry an image of the invoice as requested because this would result in the inability to manually edit invoice files.
- Support for character sets other than UTF 8 as this represents a programming hurdle for some ebilling vendors. We did state, however, "While the ebilling vendor may support other UTF character sets, submissions using anything other than UTF-8 could be rejected by the receiving system." This leaves the character set to the discretion of the ebilling vendor.

Review Format Documentation

(Go to document)

Marketing Subcommittee Report

Catherine Reilly, Martin Clearwater & Bell

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LOC Marketing Subcommittee Charter

- Identify opportunities to publicize the work of the LOC
- Issue press releases and articles in professional publications on new standards and activities of the organization.
- Manage the organization's website, both the design and the maintenance.

LOC Marketing Subcommittee

- Articles published
 - ILTA's *Peer to Peer* – quarterly column
 - *Law Firm, Inc.*

LOC Marketing Subcommittee

- Press Releases
 - Press Release on new standards

LOC Marketing Subcommittee

- Website
 - Redesign accomplished
 - Updated and added information

LOC Marketing Subcommittee

- Marketing
 - Promotional piece done for ILTA Conference

LOC Marketing Subcommittee

- 2008
 - Need more member participation
 - Need to do more articles
 - Need to do more press releases
 - Need to do more “marketing”