

LEDES Oversight Committee

Members Meeting

February 4, 2009



Agenda

President's Report – Jane Bennitt

Membership/Treasurer's Report – Cathy Reilly

President's Report

Treasurer/Membership Report

Subcommittee Reports

- E-Billing Format - Jane Bennitt for Bill Mertes
- Budgeting Format - Cathi Collins and Bob Mullen
- Timekeeper Attributes Format - Cathi Collins
- Law Firm E-Billing Best Practices - Alison Regan and Jennifer Zimmerman
- UK/Europe - Patrick Collins and Spencer Smith
- Web Site - Bob Solofra and Nelson Ricardo
- LOC Governance - Patrick Hurley and Patrick Collins
 - Issues with Current Structure – Jane Bennitt
 - Proposed Changes – The Patricks

Meeting Wrap-Up

President's Report

Jane A. Bennitt, Baker Robbins & Company

jbennitt@brco.com



Leadership

Executive Committee

President

Jane Bennett, Baker Robbins & Company

Vice President

Patrick Hurley, Thomson Elite

Secretary

Daniel Foster, Serengeti Law

Treasurer/Membership:

Catherine R. Reilly, Martin Clearwater & Bell LLP

Board of Directors

Jane Bennett, Baker, Robbins & Company

Michael Boutot, Esquire Litigation Services

Cathi Collins, Bridgeway Software

Patrick Collins, Allen & Overy

Andrew Dawson, Aderant

Richard Doyle, Herbert Smith

Dan Foster, Serengeti Law

Patrick Harrington, Edwards Angel Palmer & Dodge

Patrick Hurley, Thomson Elite

Bill Mertes, Winston & Strawn

Bob Mullen, Bottomline Technologies

Alison Regan, Linklaters

Cathy Reilly, Martin, Clearwater & Bell

Nelson Ricardo, Skadden Arps

Bob Solofra, McDermott Will & Emery

Scott Wirtz, Loeb & Loeb

Jennifer Zimmerman, Husch Blackwell Sanders

Peggy Weschler, ILTA – Board Advisor



Leadership

Subcommittee Heads

Budgeting - Bob Mullen and Cathi Collins

E-Billing - Bill Mertes

Law Firm E-Billing Best Practices - Alison Regan and Jennifer Zimmerman

LOC Governance - Patrick Hurley and Patrick Collins

Marketing - Jennifer Zimmerman

Timekeeper Attributes - Cathi Collins

UK/Europe - Spencer Smith and Patrick Collins

UTBMS - Mike Boutot and Joe Benson

Web Site - Bob Solofra and Nelson Ricardo

Focus Group Heads

Australia - Denis Henry

Canada - Brian McCorry

Vendors/Consultants – Cathi Collins and Jim Harris

2008 Issues

- Our Constituencies
 - Competing agendas
 - Global differences
 - How we relate to each other
 - How we are regarded
- Formats
 - Usage
 - Globalization
 - Taxes
 - Complexity
- LOC Governance
 - Purpose and direction
 - Sustainability of organization

Membership/Treasurer's Report

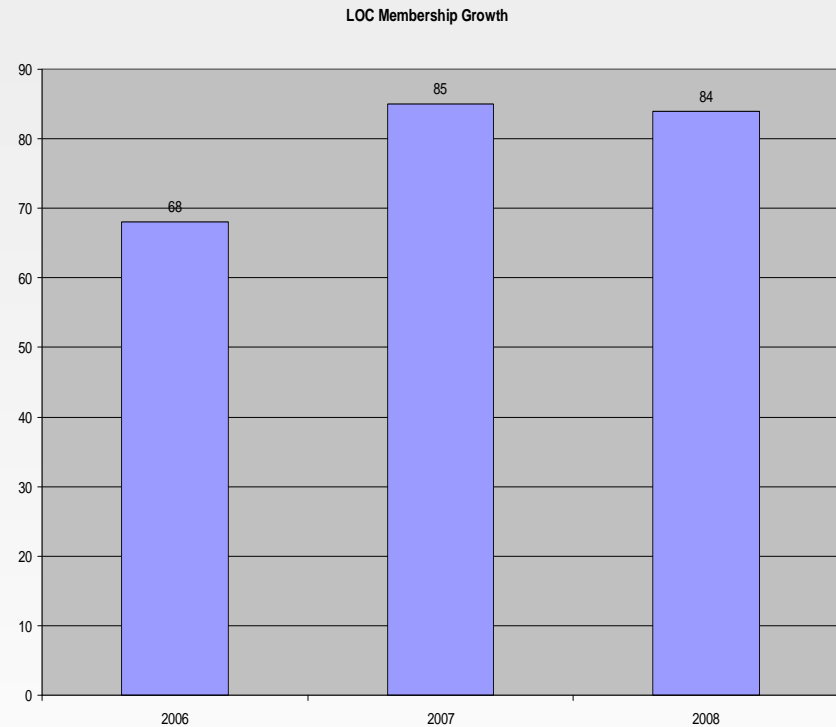
Catherine Reilly, Martin Clearwater & Bell

reillic@mcblaw.com



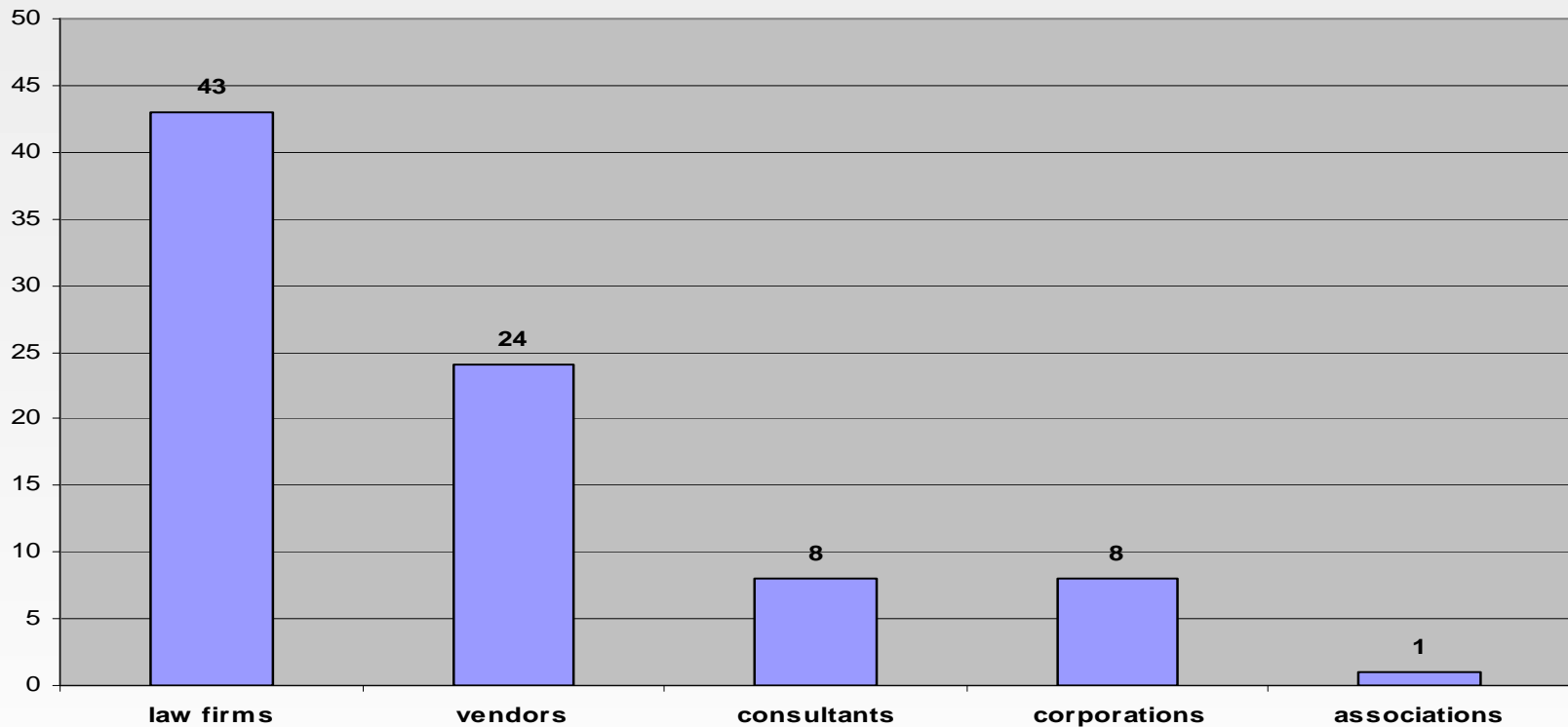
Membership Growth

- **1/2007** **68**
member organizations
- **1/2008** **85**
member organizations
- **1/2009** **84**
member organizations



Membership Demographics

2008 Membership Mix



Membership Demographics

- **1/2009** **84 member organizations**
 - 18 are new members
 - 16 members did not renew
 - 3 members were lost with mergers

Membership Demographics

- **1/2009** **84 member organizations**
 - **16 UK organizations**
 - **3 Canadian organizations**
 - **3 Australian organizations**

LOC revenue

- **Dues increase for 2009 to \$200**
 - **Assuming stable membership revenue should be \$16,800**

LOC Annual Expenses

- **Members continue to sponsor a number of LOC activities saving approximately \$10,000 in expense.**
 - **Monthly Board calls**
 - **Website and ListServs are hosted and supported by Advanced Legal System, Inc.**

LOC Annual Expenses

- **D&O Insurance, marketing expense and corporate filings cost approximately \$4,000 annually.**

Potential LOC 2009 expenses

- **Annual trip to UK to meet with members** **\$3,100**
- **Webinars (3) for membership** **\$2,000**

E-Billing Subcommittee

Bill Mertes, Winston & Strawn

bmertes@winston.com

and

Jane Bennett, Baker Robbins & Company

jbennitt@brco.com



Current Status

- Taking comments on current formats
 - LEDES 98B - Retired
 - LEDES 98BI
 - LEDES 2000 – Retired/replaced by XML 2.0
 - LEDES E-Billing XML 2.0 – Retired/Replaced by XML 2.1
 - LEDES E-Billing XML 2.1
- LEDES 98BI, XML 2.0 and 2.1 formats are in use or under development by several e-billing vendors

Budgeting Subcommittee

Cathi Collins, Bridgeway Software

cathi.collins@bridge-way.com

and

Bob Mullen, Bottomline Technologies

rmullen@bottomline.com



Subcommittee 2008 Charter

To reconcile the original proposal documentation (Excel spreadsheet and Word document) and the LEDES XML 2.1 eBilling format.

Overview

- Appearance Rules were added to the Content Segments
- The Hierarchical Relationships were updated to conform with the XML format updates and Explanations added
- A Narrative Tab was added which contains History and Contact information for questions.

Overview

- Detail Format Specifications were changed as follows:
 - A field number column was added to make it easier to identify Segment Rows for reference purposes
 - Descriptions were updated for purposes of clarification

Overview

- file_item_nbr required field was added across all Segments to accommodate item number count within each segment
- 7 string character fields were adjusted to conform to current XML 2.1 eBilling format standards
- 2 decimal fields were adjusted to conform to current XML 2.1 eBilling format standards

Overview

- In the **@FIRM** Segment redundant contact rows were removed
- In the **@Budget** Segment budget_period_note conditional field was added to define “Other” budget type

- In the **@BUDGET_DETAIL** Segment tk_budget_hours optional field was added to define the subset timekeeper/rate/position hours defined in tk_total_budget_hours in **@BUDGET_TKSUM** Segment
- In the **@BUDGET_TKSUM** Segment tk_total_budget_hours optional field was added to define the total budget hours for budget line item

Conclusion

- These proposed changes can be found on the LEDES.org website
- Questions can be directed to Cathi Collins at cathi.collins@bridge-way.com or Jane Bennitt at jbennitt@brco.com

Timekeeper Attributes Subcommittee

Cathi Collins, Bridgeway Software

cathi.collins@bridge-way.com



*Law Firm E-Billing Best Practices
Subcommittee*

Alison Regan, Linklaters

alison.regan@linklaters.com

and

Jennifer Zimmerman, Husch Blackwell Sanders,

Jennifer.Zimmerman@huschblackwell.com



Objectives

- What are our objectives?
 - To look at best practice suggestions to make e-billing easier for law firms (and therefore clients).
 - Regulatory - consolidation of global regulatory considerations and regulatory body listings – create webpage (link to region specific sub-committees).

Progress

- What did we say we were going to do?
 - Talk to law firms
 - Document key best practices, improvements and tips and tricks.
 - Create a law firm section on ledes.org



In progress

To do

Best practice discussion

Breaking down the process

- Getting started
- System set-up
- Go-live
- On-going submission of e-bills

Understand client needs – read provided material!

Define internal process and roles

Work with client and vendor

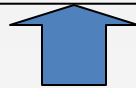
Ensure regulatory compliance

Communicate with fee earners



Client on-boarding process

Set-up (system and data)



Attend training

Set up Firm, Users, Timekeepers, Rates

Update Matter information as necessary – reconcile your data with your clients

What else do you need to do to comply with the submission guidelines?

Can your systems cope?

What can you do now to make e-bills a success (system flags, time recording working practices)

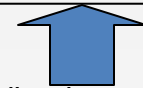
What can a law firm do to reduce error rate prior to upload?

What training/communication is required?

How could you phase a go-live?



Go-live (training/comms)



Submission of e-bills

Feedback to client and vendor

Maintain good relations

What can it do for me?

Subcommittee

Jennifer Zimmerman

Alison Regan

Valerie Milewski

Scott Wirtz

Nelson Ricardo

Richard Doyle

Additional members always welcome!



UK/European Subcommittee

Spencer Smith, Tata Consulting
spencer.creminsmith@tcs.com

and

Patrick Collins, Allen & Overy
patrick.collins@AllenOvery.com



Agenda

- Mission Statement
- Why?
- Who?
- What?

Mission Statement

- *Research, analyze and provide information on UK / EU e-billing regulations.*
- *Gain buy in to global standards from all parties involved in e-billing.*
- *Lead the way on influencing these standards by feeding back concerns from all UK / EU parties to ensure that e-billing becomes an easier process for everyone.*

Why?

- Electronic invoices within the EU are statutory binding documents
- New processes, systems and ideals
- Drive for operational efficiencies

Who?

Simmons & Simmons



Linklaters

Herbert Smith

CT TyMetrix



CLIFFORD
CHANCE

ALLEN & OVERY

Lovells



ashurst



SLAUGHTER AND MAY



TATA CONSULTANCY SERVICES



What?

- LEDES Formats White Paper

Statutory Requirements

Information Required (VAT)	LEDES98	LEDES98BI	LEDES2000	LEDES 2.0	LEDES 2.1
An identifying number	✓	✓	✓	✓	✓
The time of the supply					✓
The date of the issue of the document	✓	✓	✓	✓	✓
The name, address and registration number of the supplier		✓	✓	✓	✓
Information Required (SRA)	LEDES98	LEDES98BI	LEDES2000	LEDES 2.0	LEDES 2.1
Disbursements Payment Status	✓	✓	✓	✓	✓
Client Account Deductions	✓	✓	✓	✓	✓

What?

- Sales Tax & Electronic Billing Clarifications

What Is The VAT Invoice?

What?

- Membership Balance

Actively seeking new members and alliances

- EU Expert Working Group on Electronic Billing
- Legal IT Innovators Group (LITIG)



Web Site Subcommittee

Bob Solofra, McDermott Will & Emery

rsolofra@mwe.com

and

Nelson Ricardo, Skadden Arps

nricardo@skadden.com



Web Site

Editing Member Profile

- Must be the voting member
- Changes verified

List Servs

- Will be moved to loc.org from iltanet.org by February 15th
- Voting members will be able to manage list serv subscriptions

LOC Governance Subcommittee

Patrick Hurley, Thomson Elite

patrick.hurley@thomson.com

and

Patrick Collins, Allen & Overy

patrick.collins@AllenOvery.com



Governance Subcommittee Issues with Current Structure

Jane Bennitt



“Charter”

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.



Current By-Laws

- P. 1 – Purpose
- P. 2 – Classes of Membership with ability to set different dues rates
- P. 2-3 – Termination of membership by resignation, expiration of membership, “occurrence of event which renders... member ineligible for membership” effective at end of membership year, or determination by board or committee that person should be terminated
- P. 3 – “Membership cannot be transferred to another person”
- P. 4 – Meeting notice requirement to publish notice “at least once in a national publication for the legal profession”
- P. 5 – Quorum at a meeting is 1/3 of members
- P. 8 – Proxy vote was accommodated through designation of Alternate Voting Member, but this is an outdated concept with electronic voting
- P. 9 – Nominations by Committee designated by President or nomination by members
- P. 10 – Instead of mailing election materials, we collect bios and responses to 3 questions by candidates
- P. 10 – Directors elected by majority vote

Current By-Laws

- P. 11 – “The business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the board of directors. The power to create new standards and to modify existing standards is expressly reserved to members.”
- P.11 – Board selects and removes officers, agents and employees, prescribe their powers and duties and fix their compensation, change principal office address, fix seal, borrow money and incur debt on behalf of corporation
- P. 11 – Requires between 5 and 25 directors
- P. 11 – Directors elected at each annual meeting
- P. 12 – Vacancy on board can be created by death/resignation/removal; resolution of BoD because of mental deficiency or conviction; vote of members to remove a Director; increase in authorized number of Directors; failure by members to elect authorized number of Directors
- P. 13 – Requires meeting of BoD immediately after annual meeting electing Board

Current By-Laws

- P. 13 – Sets conditions for calling “Special Meeting”
- P.14 – Quorum of authorized Directors is required to approve contracts, appoint committees, indemnify directors
- P. 15 – Directors and committee members may receive compensation and expense reimbursement for expenses
- P. 15 – Allows for electronic meetings
- P. 15-16 – Board sets committees consisting of 2 or more Directors, identifies actions Committees cannot perform
- P. 16 – Gives parameters for meeting of Committees
- P. 16 – Allows for President, Vice-President, Secretary and Treasurer as officers of the corporation
- P. 16 – Officers are selected by the Board
- P. 16 – Officers can be removed by the Board with or without cause
- P. 16 – Sets conditions for resignation of Officers
- P. 17 – Officer vacancies filled in same manner as selection (by BoD)

Current By-Laws

- P. 17-18 – Identifies responsibilities of each role
- P. 18-21 – Outlines responsibility of LOC to indemnify costs associated with litigation
- P. 21 – Limits responsibility to indemnify only Directors or Officers
- P. 21 – Allows BoD to purchase insurance
- P. 22 – Outlines records that must be kept by the corporation
- P. 22-23 – Sets conditions for inspection of corporate records
- P. 23 – Provides for annual report to members
- P. 23 – Governing law is CA Non-Profit Corporation Law
- P. 24 – Members can amend/repeal/adopt new by-laws
- P. 24-25 – Directors can amend/repeal/adopt new by-laws except they can not change the minimum/maximum/authorized number of Directors; increase the term of Directors; allow Director to hold office except by election of the members; adopt provision to give BoD power to fill board vacancy created by removal of Director; increase size of quorum; repeal, restrict, create or expand proxy rights.

Mandate-Based Issues

- Organizational structure does not create many opportunities for participating in the running of the organization outside of BoD
- BoD has broad-reaching mandate in deciding affairs of LOC; EC is more administrative in function
- Vote requires Quorum and majority vote
- Instructions for replacing resigned members of Board requires additional election
- Original vote-related mandates only contemplated in-person voting at meetings
- Does not accommodate a geographically dispersed membership well or contemplate international growth
- Process for ratification of standards is unwieldy
- Does not provide instruction for retiring old standards
- Confusing use of term “member”

Process-Based Issues

Board decides administratively the issues of the organization

- Larger board size is impossible to manage

The organization survives financially only because of the generosity of our members

- Current dues structure would not pay for expenses if we had to pay them ourselves

Membership year runs from February 15 through February 14

- Election after Legal Tech often results in new Board not being seated until end of March
- Requires work to be started and completed within one membership year
- We have had difficulty getting a quorum of the membership to vote if votes occur at any time other than just after Legal Tech
- Many member organizations do not pay dues until just before Legal Tech meeting

Governance Subcommittee Proposed Changes

Patrick Collins and Patrick Hurley



Charter

- Research, analyze and propose recommendations to the LOC on the following three governance-related issues:
 - Should the annual membership dues be increased, and if so, by how much?
 - Should the LOC consider altering its structure to formally allow for, recognize and empower different types of operating organizations within it, like regions, special interest groups, etc.?
 - Should the LOC consider altering its charter and mission statement to more accurately reflect the work it is currently doing or wants to do in the future, and if so, what should the charter/mission statement be?

Status

- Membership Dues
 - Increase to \$200 for 2009 membership year
- Everything else:
 - Evolved into significant proposal ; lengthy discussion planned for today, including:
 - New board composition, positions, term limits
 - New mission / goals
 - Non-performing board members / removing members
 - and more...

Meeting Wrap-Up

Jane Bennitt



Upcoming Calendar

- Next week: Voting members will receive emails on how to cast their vote for proposed Budget format and Governance changes
- Results of vote will be circulated to members, nominations and volunteers will be solicited for 2009 Board members
- Board candidates will have short window to provide bio and respond to questions for ballot
- Voting members will receive emails on how to cast their vote for 2009 Board
- Board election results will be circulated to members
- Board will convene to elect officers (as we have done in the past) or to designate the Board positions (this is the process in the Governance proposed changes)
- Results will be circulated to members

Other Business

Special Thank You



Upcoming Conferences

Conference	Dates	Location	URL
Data Governance Conference Europe 2009	February 2-5, 2009	London, UK	http://www.irmuk.co.uk/dg2009/
Legal IT Show 2009	February 4-5, 2009	London, UK	http://www.it-director.com/technology/event.php?eve=211
Chief Legal Officer Leadership Forum	March 11, 2009	New York, NY	http://www.argyleforum.com/events/eventimages/03.11.09/main.html
Council on Litigation Management Annual Conference	March 11-13, 2009	Phoenix, AZ	http://www.litmgmt.org/AnnualConference/
INSIGHT	April 15, 2009	London, UK	http://www.iltanet.org/connections/meeting_detail.aspx?nvID=00000010005&h4ID=000001404805
ABA TechShow	April 4-9, 2009	Chicago, IL	http://www.abanet.org/techshow/
Corporate Counsel Exchange	April 19-21, 2009	Amelia Island, FL	http://www.corporatecounselexchange.com/index2009.php
European e-Invoicing Forum: Enabling e-Invoicing at the Pan-European Level	April 23-24, 2009	Munich, Germany	http://www.e-invoicingforum.com/
SuperConference	May 5-6, 2009	Chicago, IL	http://www.summitliveevents.com/sites/SuperConference/Pages/home.aspx
Corporate Counsel Forum -Middle East	June 23, 2009	Dubai	http://www.legalweek.com/events/details.aspx?liEventID=1163216
General Counsel Conference	June 9-10, 2009	New York, NY	http://www.almevents.com/conf_page.cfm?instance_id=24&web_id=1177&pid=788
ILTA Annual Conference	August 24-28, 2009	Dallas, TX	http://www.iltanet.org/
Corporate Counsel Leadership Forum	September 17, 2009	Chicago, IL	http://www.argyleforum.com/
Corporate Counsel Forum - Europe	September 23-24, 2009	Lusanne, Switzerland	http://www.legalweek.com/events/details.aspx?liEventID=1166767
ACC Annual Conference	October 18-21, 2009	Boston, MA	http://am.acc.com/
General Counsel West Coast Conference	November 11-12, 2009	San Francisco, CA	http://www.almevents.com/conf_page.cfm?instance_id=24&web_id=1179&pid=790

Acknowledgements

Thomson – New York meeting host; host of conference call and webinar

Allen & Overy – London meeting host

Advanced Legal Systems – Hosts/maintains web sites

ILTA – Advisory services, hosts list serv

Thomson – Hosts monthly Executive Committee conference calls