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MEMORANDUM

TO: Section and Committee Chairs
Presidents and Executive Directors of State and Local Bar
Associations
State and Section Delegates in the House of Delegates
ABA Directors and Department Heads

FROM: Marina B. Jacks

SUBJECT: Summary of Action of the October 2007 Board of Governors
Meeting

DATE: October 25, 2007

Attached is the Summary of Action of the October 19-20, 2007, meeting of the Board of Governors held at the Four Seasons Hotel in Austin, Texas. This Summary does not constitute official Minutes of the meeting. Minutes will be presented for Board approval at its next meeting in February 2008.

Approval of Business Conduct Standards for ABA Members, Employees and Contractors

Please note that at the October 2007 meeting, the Board approved Business Conduct Standards, which set out ethical and legal responsibilities that ABA Members, Employees and Contractors are expected to follow when conducting ABA business. (See Exhibit 3.12.) The Business Conduct Standards are attached to the Summary of Action.

If you have any questions with respect to the action taken, please let me know.

CC: Board of Governors

Attachment

**SUMMARY OF ACTION
AMERICAN BAR ASSOCIATION
BOARD OF GOVERNORS**

**Four Seasons Hotel
Austin, Texas
October 19 - 20, 2007**

1. REPORTS OF OFFICERS AND THE EXECUTIVE DIRECTOR

The Board received the reports of the President, President-elect, Chair of the House of Delegates, Secretary, Treasurer and Executive Director. The minutes of the Board's August 10, 2007, meeting in San Francisco, California, were approved as presented. The minutes of the Executive Committee's August 14, August 22, September 6, October 5 and October 18, 2007, meetings were received.

2. MATTERS FOR DIRECT BOARD ACTION

2.1 Membership Strategic Plan Report Card Presentation

Robert A. Zupkus, Chair of the Standing Committee on Membership, and Diane R. Bruhl, Director of the ABA Membership and Marketing Division, presented a progress report on the implementation of the Strategic Plan for Membership Growth (Plan). The Plan, which was received by the ABA Board of Governors in February 2006, outlines a strategy for the ABA to reach 500,000 members by the year 2010 and consists of two parts: a) loyalty and positioning of the ABA brand and b) development of initiatives for particular segments of ABA membership. The Board commended the Standing Committee on Membership and the Membership and Marketing Division on their work to date. The Board also discussed, in considerable detail, the various challenges inherent in reaching the goal of 500,000 members by the year 2010 and the value of developing fewer and shorter-term goals for membership growth.

2.2 Rule of Law Initiative Presentation

Rob Boone, Director of the ABA Rule of Law Initiative (ROLI), updated the Board on the work of ROLI in furtherance of ABA Goal VIII ("to advance the rule of law in the world") and the consolidation of the ABA's international rule of law programming into a single ABA entity. ROLI's goals are to a) promote transparent, fair and efficient legal systems world wide; b) improve public awareness of and confidence in the rule of law; c) build sustainable, institutional capacities in the governmental and non-governmental sectors; and d) provide thought leadership in the field of rule of law promotion. At present, ROLI operates to provide technical legal assistance in over 40 countries in five regions: Africa, Asia, Europe and Eurasia, Latin America and the Caribbean, and the Middle East and North Africa. Currently, ROLI has 50 full-time staff and over 300 volunteers. ROLI's program areas include anti-corruption and public integrity, criminal law reform and human trafficking, gender issues, human rights and conflict mitigation, judicial reform, legal education reform, and legal profession reform. For Fiscal Year 2006-2007, ROLI projects received approximately \$30,000,000.00 in federal grants. On behalf of the Board, President Neukom expressed his sincere appreciation to those individuals who

are willing to give of their time to go to these regions to provide necessary assistance without pay.

2.3 Fund for Justice and Education

The Board, sitting as the members of the Board of the American Bar Association Fund for Justice and Education (ABA/FJE) a) approved the minutes of the August 10, 2007, meeting of the ABA/FJE Board as presented; and b) accepted the ABA/FJE restricted grants and contributions received or awarded through September 20, 2007, and not previously reported, as requested by the Association's Grant Development & Administration Office. c) Krista D. Kauper, Director of Development, discussed with the the process for seeking and accepting grants, as set forth in the policy adopted by the Board in October 2006, and also explained the specific information set forth in the aforementioned request of the Association's Grant Development & Administration Office.

2.4 Consent Calendar: Report of Board Committee Chairs

The Board adopted the Consent Calendar as presented by the Secretary. Action on all items contained on the Consent Calendar is set forth in items 3 through 5 of this Summary of Action relating to the reports of the Board Committees.

2.5 Discussion Regarding Board Consideration of Reports to the House of Delegates

Section 24.1 of the Association Bylaws provides the Board with the option to transmit to the House of Delegates the resolutions to be considered by the House with any recommendations that the Board may have. The Board considers and makes recommendations regarding House resolutions only when requested to do so by a Board member at the February or August Board meetings. The Board discussed the extent to which the Board should take positions on matters coming before the House. No formal action was taken on this issue. Rather, a) the Board requested that Board Liaisons work closely throughout the year with the entities they represent to determine, well in advance of the February or August Board meetings, whether any resolutions their entities are submitting to the House are complex or controversial and should be considered by the Board at the February or August Board meetings. b) In addition, the Board asked that the Executive Committee review the resolutions to be considered by the House and request that the Board discuss any complex or controversial resolutions at the February and August Board meetings. President Neukom requested that this two-step procedure commence with the 2008 Midyear Meeting.

2.6 Discussion Regarding Efficient Operation of Board Committees

The chairs of the Operations and Communications Committee, Program and Planning Committee and Finance Committee discussed procedures each committee has instituted to increase each committee's efficiency.

3. OPERATIONS AND COMMUNICATIONS COMMITTEE

A. MATTERS FOR REVIEW BY THE BOARD

3.1 Requests for Bylaw Amendments

a. Forum Committee on Affordable Housing and Community Development Law

The Board approved the request of the Forum Committee on Affordable Housing and Community Development Law to amend its bylaws to i) designate the Forum's Vice Chairperson as an officer of the Forum, ii) increase the maximum number of Members-at-Large from nine to fourteen, and iii) correct a typographical error in relation to the Immediate Past Chairperson. The proposed amendments were approved by the Forum's Governing Committee on June 14, 2007.

b. National Conference of the Administrative Law Judiciary

The Board approved the request of the Judicial Division National Conference of the Administrative Law Judiciary (NCALJ) to amend its bylaws to allow members of the Judicial Division Lawyers Conference and individuals who teach administrative law to hold Associate membership status in the NCALJ after joining the Lawyers Conference and paying dues to both the Lawyers Conference and the NCALJ. An individual who holds Associate membership status in the NCALJ may not vote or hold an elective position as an officer of the NCALJ or as a member of the Executive Committee of the NCALJ. The proposed amendments were approved by the NCALJ and the Judicial Division Council at the 2007 Annual Meeting.

3.2 Nominations to the Council on Legal Education Opportunity

The Board elected Damon L. White of Detroit, Michigan, and Mari Carmen Aponte of Washington, DC, as representatives to the Council on Legal Education Opportunity (CLEO), each for three-year terms, to take effect as of July 2007 and to conclude in July 2010.

3.3 Request for Funding for the Abraham Lincoln Presidential Library and Museum

The Board declined to approve a financial contribution to the Abraham Lincoln Presidential Library and Museum. However, the Board indicated its desire to work collaboratively with other entities to support the Presidential Library and Museum in non-financial ways.

3.4 Requests to Charge Registration Fees for Programs at 2008 Midyear Meeting

a. Government and Public Sector Lawyers Division

The Board approved the request of the Government and Public Sector Lawyers Division to charge registration fees of \$20.00 for a program on the transitioning of military lawyers to civilian life, \$30.00 for an ethics course, \$30.00 for a course in public law office management, and \$20.00 for a program on "Pathways to Success for Women and Minorities in the Public Sector" at the 2008 Midyear Meeting. In addition, the Board approved the Division's request to charge a discounted fee of \$90.00 to register for all four programs.

b. Section of International Law

The Board approved the request of the Section of International Law to charge a registration fee, not to exceed \$50.00, for CLE programs to be jointly sponsored with other ABA entities (including the Judicial Division and the Section of Science and Technology Law), and the International Law Section of the California Bar at the 2008 Midyear Meeting. Each entity will split expenses and revenues for the program(s) equally.

c. Section of Administrative Law and Regulatory Practice

The Board approved the request of the Section of Administrative Law and Regulatory Practice to charge a registration fee, not to exceed \$50.00 per program, for a maximum of ten CLE programs to be presented at the 2008 Midyear Meeting.

3.5 Request to Amend Policies and Procedures for Corporate Support/Sponsorship to Correctly Classify Sponsorship Revenue

The Board deferred the request of the ABA Corporate Sponsorship Office and the ABA Financial Services Division to amend the policies and procedures for corporate support/sponsorship to correctly classify sponsorship revenue under a dedicated sponsorship budget line item until additional information is submitted by the Executive Director.

3.6 Awards

a. Section of Science and Technology Law

The Board approved the request of the Section of Science and Technology Law for a) the creation of "The (annual) ABA Section of Science and Technology Law Student Writing Contest" and b) a waiver of the policy prohibiting the reimbursement of ABA Annual Meeting expenses to permit the award winner to attend the Section luncheon and have expenses reimbursed. The award winner will receive a plaque with a maximum value of \$100.00, airfare and hotel accommodations to attend the ABA Annual

Meeting, and complimentary meeting registration. All expenses will be paid with Section funds.

b. Request to Ratify Operations and Communications Committee's Preliminary Approval of Section of Legal Education and Admissions to the Bar Award

The Board ratified the September 18, 2007, action of the Operations and Communications Committee that approved, on a preliminary, expedited basis, the request of the Section of Legal Education and Admissions to the Bar to create a one-time award, to be co-sponsored with the American Association of Law Schools (AALS), to recognize the efforts of Senator Kennedy and Representatives Sarbanes and Miller in passing the College Cost Reduction Act on September 7, 2007. The award presentation will take place on January 4, 2008, during the AALS Annual Meeting. The Section had requested preliminary, expedited approval to permit invitations to be sent to the Congressmen for the award presentation.

In ratifying the Operations Committee's preliminary, expedited approval of the request, the Board understood that no additional ABA general revenue is requested or required for the creation or presentation of the awards.

3.7 Request to Revise Jurisdictional Statement of Non-Dues Revenue Subcommittee

The Board increased the membership of the Non-Dues Revenue Subcommittee from six to seven members, for the 2007-2008 Association Year only, to include the immediate past chair of the Subcommittee as a member in 2007-2008, as requested by President William H. Neukom.

3.8 Judicial Division Request for Programmatic Approval to Establish Annual Film Competition and to Establish Annual Award to be Presented at the Competition

The request of the Judicial Division for programmatic approval to establish an annual, national film competition and to establish "The (annual) Judicial Division Film Competition Festival Award" was withdrawn.

3.9 Section of Public Contract Law and Section of State and Local Government Law Request for Extension of Authority to Comment on State and Local Procurement Matters

The Board extended the authority of the sections of Public Contract Law and State and Local Government Law to submit comments to state and local governments on proposed procurement policies and practices based on the ABA Model Procurement Code, for a three-year period to commence on December 31, 2007, and expire on December 31, 2010.

3.10 Standing Committee on Membership Request to Give Executive Director Dues Pricing Discretion Authority

The Board granted the Executive Director the authority to offer, at his discretion, up to 50 percent discounted dues to potential new members of the Association, up to a maximum of 500 members per year, with the understanding that the Executive Director may request the discount for more than 500 members per year if the need is demonstrated.

3.11 Standing Committee on Meetings and Travel Requests

a. 2008 Annual Meeting Registration Fee Recommendation

The Board approved the following fee schedule for the 2008 Annual Meeting in New York, New York: i) Increase the "early-bird" registration fee from \$165.00 to \$175.00; ii) increase the member standard registration fee from \$295.00 to \$320.00; iii) increase the non-member fee from \$500.00 to \$600.00; iv) increase the President's Reception fees as follows: Adult Guest from \$40.00 to \$50.00 and Youth Guest from \$20.00 to \$25.00; and v) increase the Affiliate Fee from \$100.00 to \$115.00.

b. 2012 New Orleans Midyear Meeting Date Change

The Board changed the dates of the 2012 New Orleans Midyear Meeting from February 8-14, 2012, to February 1-7, 2012, to permit the Golf Course Superintendents Association of America Golf Industry Show to move dates and avoid a conflict with the PGA.

c. 2017 Annual Meeting Site

The Board approved New York, New York, as the site of the August 10-15, 2017, Annual Meeting.

d. 2020 Annual Meeting Site

The Board approved Toronto, Ontario, Canada, as the site of the August 6-11, 2020, Annual Meeting.

3.12 Consideration of Business Conduct Standards

The Board approved Business Conduct Standards, which set out ethical and legal responsibilities that ABA Members, Employees and Contractors are expected to follow when conducting ABA business. (See Attachment 1.)

3.13 Standing Committee on Pro Bono and Public Service Request to Co-Sponsor and Increase the Number of Pro Bono Awards

The request of the Standing Committee on Pro Bono and Public Service to increase the number of Pro Bono Publico Awards from three to five, develop an awards partnership with the Legal Services Corporation, and present the two new Pro Bono Publico Awards annually in conjunction with ABA Day in Washington was withdrawn.

3.14 Section of State and Local Government Law Request to Eliminate Section Dues for Law Students

The Board approved the request of the Section of State and Local Government Law and eliminated the Section's Law Student dues, which are currently \$10.00, to offer free membership to law students. The Section's Executive Committee and Council approved the proposal at their October 4-7, 2007, meeting.

3.17 Section of Science and Technology Law Request for Approval to Support Nomination for the Congressional Gold Medal

The Board approved the request of the Section of Science and Technology Law to support the nomination of Dr. Francis Collins for the Congressional Gold Medal. Dr. Collins is the Director of the National Human Genome Institute and leader of the Human Genome Project. The Congressional Gold Medal is the nation's highest and most distinguished civilian Congressional award. Legislation bestowing a Congressional Gold Medal upon a recipient must be co-sponsored by two-thirds of the membership of both the U.S. House of Representatives and the U.S. Senate before their respective committees will consider it.

B. MATTERS OF INDEPENDENT JURISDICTION

3.15 Requests for Co-Sponsorships

a. Section of Litigation (2 Requests)

i) Vail, Colorado

The Operations and Communications Committee approved the request of the Section of Litigation, on behalf of its International Litigation Committee, to co-sponsor the third winter seminar/program of the Union Internationale des Avocats (UIA) in Vail, Colorado, on February 23, 2008 – March 1, 2008. The Committee on International Litigation will participate in the seminar by promoting the seminar to Section leadership who may possibly serve as speakers at the program.

In approving the request, the Operations Committee understood that no ABA general revenue is requested or required for the seminar.

ii) Bilbao, Spain

The Operations and Communications Committee approved the request of the Section of Litigation, on behalf of its International Litigation Committee, to co-sponsor a Union Internationale des Avocats program in Bilbao, Spain, on May 7-10, 2008, which will focus on a country by country comparison of jury trials.

In approving the request, the Operations Committee understood that a) the Section will contribute a maximum of \$10,000.00 in Section funds towards translation costs for the program as well as a maximum of \$5,000.00 in Section funds to cover the travel expenses of judges from the U.S. who participate as program speakers, and b) no ABA general revenue is requested or required for the program.

b. Standing Committee On Professionalism and Section of Legal Education and Admissions to the Bar

The Operations and Communications Committee approved the requests of the Standing Committee on Professionalism and the Section of Legal Education and Admissions to the Bar, on behalf of the Section's Professionalism Committee, to co-sponsor the "Conference on the Future of Legal Education" with the W. Lee Burge Endowment for Law & Ethics at Georgia State University School of Law, the Council of Australian Law Deans, the Global Alliance for Justice Education and the National Institute for Teaching and Professionalism. The Conference will be held on February 20-24, 2008, at the Georgia State University College of Law in Atlanta, Georgia. The Chair of the Standing Committee on Professionalism will participate as a speaker at the conference. In addition, the Fourth "Annual Award for Innovation and Excellence in Teaching Professionalism", approved by the Board of Governors in August 2004, will be presented at the Conference.

In approving the requests, the Operations Committee understood that The Georgia State University College of Law will cover all expenses associated with the Conference, and no ABA general revenue is requested or required for the Conference.

c. President William H. Neukom

The Operations and Communications Committee approved the request of President William H. Neukom to have the ABA co-sponsor the National Association of Women Lawyers Summit, "From Theory to Action: Advancing Women Leaders in the Legal Profession," which will be held in Washington, DC, on November 5, 2007, with the understanding that the Board of Governors and the Standing Committee on Publishing Oversight will review and approve any publication that results from the Summit prior to its release to ensure that the publication does not conflict with Association policy.

In approving the request, the Operations Committee also understood that the ABA will have no financial responsibility for the Summit. Therefore, no ABA general revenue is requested or required.

3.16 Meetings Outside the United States

a. Section of Environment, Energy, and Resources

The Operations and Communications Committee received notification that the Section of Environment, Energy, and Resources will hold its Spring 2008 Council Meeting on May 15-17, 2008, at the Fairmont Chateau Laurier, in Ottawa, Ontario, Canada.

b. Section of Litigation

The Operations and Communications Committee received notification from the Section of Litigation that the program the Section's International Litigation Committee will co-sponsor with the Union Internationale des Avocats comparing jury trials in different countries (See 3.15 a. ii) will be held in Bilbao, Spain.

c. Tort Trial & Insurance Practice Section

The Operations and Communications Committee received notification from the Tort Trial & Insurance Practice Section that a CLE program the Section will co-sponsor with the Temple University (Tokyo Campus—Mita Hall), will be held in Tokyo, Japan, on December 5-6, 2007. (The Standing Committee on Continuing Legal Education approved the co-sponsorship of the CLE program on August 10, 2007.)

d. Section of Dispute Resolution

The Operations and Communications Committee received notification that the Section of Dispute Resolution will hold its Seventh Annual Advanced Mediation and Advocacy Training at the Hague, the Netherlands, in October 2008.

4. PROGRAM AND PLANNING COMMITTEE

A. MATTERS FOR REVIEW BY THE BOARD

4.1 Standing Committee on Legal Assistance for Military Personnel (LAMP) Request for Funds for Military Pro Bono Project

The Board approved the request of the Standing Committee on Legal Assistance for Military Personnel a) for a multi-entity ABA project to facilitate large-firm pro bono civil-law assistance to active-duty members of the United States Armed Forces and b) to seek outside funding for the project, with the understanding that if the sections of Business Law and Litigation are not able to provide funding for the project, the Executive Director may request that the Executive Committee authorize emergency supplemental funding for the project.

B. MATTERS OF INDEPENDENT JURISDICTION

4.10 Reports of Subcommittees of the Program and Planning Committee

The Subcommittees on Annual Association Program Initiatives, Collaborative Planning, the Enterprise Fund and Program Evaluation made reports on their work to date, including conference calls held prior to the October meeting. The Subcommittees convened during the October 19, 2007, Program and Planning Committee meeting to continue their dialogue on the issues.

The Program and Planning Committee approved the timeline and revised Guidelines for the Enterprise Fund. Materials will be sent to all ABA entities following the October 2007 meeting of the Board of Governors.

4.11 Joint Session with Finance Committee on International Programming

The Program and Planning Committee held a joint session with the Finance Committee on the ABA's international work. The session included presentations from the sections of Business Law, Litigation, Intellectual Property Law, International Law, and from the Rule of Law Initiative.

In addition, the Committee received written information on the international work of ten additional sections, divisions and forums and from 12 committees, commissions or task forces. The chairs of most of these entities participated by telephone at the October meeting.

Following the joint session, the Program and Planning Committee discussed the presentations and agreed on the importance of developing follow-up procedures. While specific recommendations will be developed by the Subcommittee on Collaboration, the Committee approved a motion that the Program and Planning Committee coordinate and make available to those entities that participated in the joint session the information that was submitted regarding international programming.

4.12 Program and Planning Committee Jurisdiction

The Chair of the Program and Planning Committee appointed a subcommittee of the Program and Planning Committee to review the Committee's jurisdiction and make recommendations to the full Committee. Appointments to the Subcommittee, one member from each Board class, are Louraine Arkfeld, Suzanne Gilbert and Jack Young.

5. **FINANCE COMMITTEE**

A. **MATTERS FOR REVIEW BY THE BOARD**

5.1 **Commission on Law and Aging Request for Resolution of Certain Budget Matters**

The Board approved, for one year only, the request of the Commission on Law and Aging to charge grant-funded staff to ABA General Revenue budget salary lines within the already approved salary budget, as long as the terms of the original grant are not changed.

5.2 **Request to Establish CLEO Legacy Justice Fund**

The Board approved the request of the Council on Legal Education Opportunity (CLEO) to establish a Justice Fund, to be maintained within the Fund for Justice and Education, to help CLEO continue its work of expanding opportunities for low-income, minority and otherwise disadvantaged students to attend law school and become members of the legal profession.

B. **MATTERS OF INDEPENDENT JURISDICTION**

5.15 **Discussion of Finance Committee's Jurisdictional Statement**

The Chair of the Finance Committee appointed Board members Mathew Nelson and Alison Nelson to a Subcommittee to review the Finance Committee's jurisdictional statement.

Business Conduct Standards

American Bar Association

October 20, 2007

AMERICAN BAR ASSOCIATION
BUSINESS CONDUCT STANDARDS

CONTACT INFORMATION

As discussed below, the American Bar Association's Business Conduct Standards ("BCS") apply whenever a Member or Employee is performing services for or on behalf of the ABA, and whenever a Contractor is performing services for or supplying goods to the ABA. It is therefore particularly important that all Members, Employees and Contractors consider the BCS whenever they are conducting ABA business and, if they find themselves in situations that may raise legal or ethical issues, or that are otherwise identified in the BCS, they make the following contacts:

1. For making a report or requesting advice concerning conduct or contemplated conduct that raises or may raise legal or ethical issues, or that otherwise involves violations of the BCS, you may contact either:

ABA Ethics Officer/Internal Auditor

J. Heather Meister
telephone: 312-988-5127
email: meisterh@staff.abanet.org
mail: ABA Ethics Officer
321 N. Clark Street
Chicago, IL 60610-4714

ABA Ethics Hotline

www.ethicspoint.com

2. For reporting or requesting advice concerning legal issues, you may also contact:

General Counsel's Office

R. Thomas Howell, Jr.
telephone: 312-988-5217
e-mail: thowell@staff.abanet.org

3. For reporting unsafe practices or conditions in the office or while attending ABA functions, you may contact:

Director, Administrative Services

Diana Gilbert
telephone: 312-988-6251
e-mail: GilbertDiana@staff.abanet.org

Meetings and Travel Department

general telephone: 312-988-5871
or the assigned meeting planner

4. For reporting or for questions concerning copyright or other intellectual property issues, you may contact:

Director, Copyrights & Contracts

Alexis Hart McDowell
telephone: 312-988-6101
e-mail: McDowelA@staff.abanet.org

AMERICAN BAR ASSOCIATION

BUSINESS CONDUCT STANDARDS

A. Introduction

The American Bar Association (the "ABA" or "Association") is the largest voluntary professional membership association in the world. The mission of the Association is to be the national representative of the legal profession, serving the public and the profession by promoting justice, professional excellence and respect for the law. It is of particular importance that every individual working on ABA business -- whether they are members, staff, or contractors -- lead by example by adhering to the highest ethical and legal standards. Members of the Association (including without limitation, its Officers, House of Delegates, Board of Governors, Section Chairs, Committee members and all other members who conduct ABA business, including member volunteers working on projects on behalf of the ABA and law student members (together, "Members"), the staff of the Association ("Employees"), and third parties who conduct business with or for the Association, such as independent contractors, consultants or vendors ("Contractors") have an obligation to conduct Association business at the highest ethical level, as well as within the law.

The Business Conduct Standards ("BCS") apply whenever Members, Employees or Contractors conduct ABA business; that is, they apply whenever a Member or Employee is performing services for or on behalf of the ABA, and whenever a Contractor is performing services for or supplying goods to the ABA. The BCS set out ethical and legal responsibilities that all ABA Members, Employees, and Contractors are expected to follow when conducting ABA business. Because they cannot cover all situations that may arise, each Member, Employee and Contractor is entrusted with abiding by the spirit and intent of the BCS in every situation each faces when conducting ABA business.

B. The Ethics Process

Making Ethical Decisions

Making ethical decisions is critical to promoting respect for the law and to achieving the highest standards of professionalism and competence in the legal profession. All Members, Employees and Contractors are expected to bring professional skills, personal values and good judgment when conducting ABA business, to assist them in making ethical decisions.

Members, Employees and Contractors are also expected to fully comply with all applicable governmental laws, rules and regulations ("Law"), and all ABA policies, including the BCS, that govern the conduct ABA business ("Policies"). For Employees, the Policies also include those set out in the ABA Employee Handbook.

It makes no difference if a Member, Employee or Contractor engages in illegal or unethical conduct to benefit themselves or others, or whether they do so in a misguided attempt to benefit the ABA. Good intentions do not justify improper conduct or violations of Law or Association Policy. Members, Employees and Contractors may not use third parties to do anything they themselves are prohibited from doing. Pressures from other Members, Employees or Contractors or business demands are no excuse. The ABA's success in maintaining the highest standards of legal and ethical compliance can best be achieved when ABA Members, Employees and Contractors keep the BCS in mind whenever they are conducting ABA business.

Seeking Assistance and Making Reports

Anyone who, while conducting ABA business, becomes aware of conduct or contemplated conduct that raises or appears to raise legal or ethical issues, should make a report to the ABA Ethics Officer or the Ethics Hotline. In addition, anyone conducting ABA business who finds him/herself working in circumstances that may be questionable under the BCS should contact the ABA Ethics Officer or the Hotline for clarification as to whether the conduct or contemplated conduct is appropriate. If at any time there is doubt about whether the ABA Ethics Officer or the Hotline should be contacted, the contact should be made.

ABA Ethics Officer and the Ethics Hotline

The ABA has established an Ethics Officer and an Ethics Hotline for the confidential reporting of, and for seeking advice on, potential legal and ethical concerns that arise in the course of conducting ABA business.

The ABA Ethics Officer is the Association's Internal Auditor, J. Heather Meister, or her successor. The Ethics Officer can be contacted by telephone at 312-988-5127, or by mail at ABA Ethics Officer, 321 N. Clark Street, Chicago, IL 60610-4714, or by email at meisterh@staff.abanet.org.

The ABA Ethics Hotline can be contacted at www.ethicspoint.com. The Ethics Hotline is available to Members, Employees, Contractors and the public. It is administered by EthicsPoint®, an independent third party. Anonymity as to the person making a report on the Ethics Hotline, if requested, is guaranteed by EthicsPoint®. Reports received by the Ethics Hotline are sent to the Ethics Officer.

C. Investigation of Reports

Each report will be investigated. Investigations will be overseen by the Ethics Officer and the General Counsel, who may utilize Members, Employees or outside resources to assist them. The existence of an investigation will be kept confidential, to the extent practicable, until the investigation is concluded and a decision is made as to any action to be taken. Obstructing or undermining investigations, withholding or destroying information or providing misleading information related to possible illegal or unethical conduct are also violations of the BCS.

The Ethics Officer and the General Counsel will jointly prepare their recommendation of the action to be taken. Written notification of the recommendation will be sent to both the party against whom the report was made and the party who made the report (if known).

If an investigation involves, in whole or in part, a Member (including ABA Officers and members of the Board of Governors), the recommendation will be presented to the Board of Governors, after recusal of any Officer or Governor for whom the matter presents a conflict of interest. The presentation will be in executive session, at which the Member will be given a reasonable opportunity to be present with counsel and be heard in his/her own defense. The Board of Governors will determine what action will be taken which, on a finding of good cause, may include censure or suspension or removal from membership. The decision by the Board is final and not appealable.

If the investigation involves, in whole or in part, an Employee or Contractor, the recommendation will be presented to the Executive Director. After the Employee or Contractor is given a reasonable opportunity to be heard in his/her/its defense, the Executive Director will make the decision as to any action to be taken, which may include discipline up to and including termination of employment for Employees, and up to and including termination of present and

future business relations for Contractors. The Executive Director's decision is final and not appealable. If the investigation involves the Ethics Officer, the investigation will be overseen by the General Counsel; if it involves the General Counsel, it will be overseen by the Ethics Officer. If the investigation involves the Executive Director, the results of the investigation shall be presented to the President, who will determine how the matter will proceed.

If the Board of Governors or the Executive Director, as applicable, determine that the action should be publicly disclosed, no disclosure will occur until after written notification of the decision is received by the Member, Employee or Contractor, as applicable. Written notification of the action taken will also be sent to the party who made the report (if known).

No Retaliation (Whistleblower Protection)

The ABA does not permit retaliation against any Member, Employee or Contractor who, in good faith, reports a situation or event to the ABA Ethics Officer or the Hotline. Any Member, Employee or Contractor who, after the ABA's investigation as set out in this Section C, below, is found to have been involved in retaliation is subject to the actions described in this Section C.

D. ABA Environment

The ABA's commitment to maintaining the highest standards of legal and ethical compliance includes all factors that create the environment under which ABA Members, Employees and Contractors conduct ABA business. Anyone conducting ABA business who finds him/herself working in circumstances that may be questionable under the BCS should contact the ABA Ethics Officer or the Hotline for clarification as to whether conduct or contemplated conduct is appropriate.

Equitable Treatment

The ABA is committed to the equitable treatment of all Members, Employees and Contractors. The ABA actively promotes diversity within its membership, in activity-related matters such as Section, Committee or other ABA entity assignments, and in its workforce and within the legal profession.

The ABA is dedicated to equal employment opportunity for its workforce that is without regard to race, color, sex, national origin, age, religion, disability, veteran status, sexual orientation or other protected characteristics. Equal employment opportunity applies to all aspects of the employment process including promotion, placement, training and compensation. The ABA is committed to compliance with all applicable employment laws.

Members, Employees and Contractors are encouraged to promptly report conduct that does not comply with this commitment to the Ethics Officer or the Ethics Hotline.

Harassment and Discrimination

In addition to complying with the Law, the ABA will not tolerate verbal, sexual or physical harassment of any kind by a Member, Employee, or Contractor that disrupts another's duties or job performance, or creates an intimidating, offensive, abusive or hostile environment. It is a violation of the BCS to engage in harassment, including but not limited to unwelcome sexual advances, requests for sexual favors, and otherwise to engage in unwelcome verbal or physical conduct of a sexual nature through jokes, e-mails and other forms of communication.

Members, Employees and Contractors are encouraged, but are not required, to inform the harasser that the conduct is unwelcome, but they should promptly report the conduct to the Ethics Officer or the Ethics Hotline, to make it possible for the ABA to institute an investigation of the conduct.

Health and Safety

In addition to complying with the Law, Members, Employees and Contractors must observe the health and safety rules and practices that apply to their duties or position, and foster a safe work and activity environment for everyone. Members, Employees, and Contractors should immediately report unsafe practices or conditions to the Ethics Officer or the Ethics Hotline. If a practice or condition appears to be hazardous, the Director of Administrative Services or, if applicable, the responsible Meeting Planner, if known, or the Meetings and Travel general telephone number should be contacted at once. Contact information for each is provided on page 2 of the BCS.

Violence in the Workplace

The ABA has "zero tolerance" for any behavior that endangers the safety of its Members, Employees and Contractors. In addition to reports made to law enforcement, Members, Employees and Contractors should also report attempts at or actual violence against themselves or third parties on ABA premises, including sites being used in connection with ABA functions, to the Ethics Officer or the Ethics Hotline, or, if applicable, to the responsible Meeting Planner.

Alcohol and Drugs

Although alcohol is an enjoyable part of many ABA functions, Members, Employees and Contractors may not participate in any such functions in a condition that prevents them from participating safely and from conducting ABA business effectively. With the exception of such functions only, Employees must report to work and/or conduct ABA business free from the influence of alcohol or any illegal substance. The ABA prohibits the possession, sale, purchase, delivery, use or transfer of illegal substances on ABA property or at Association functions.

Managerial Responsibility

Managers (Employees who supervise other Employees or oversee Contractors) are expected to lead by example and exemplify the highest of ethical and legal standards in conducting ABA business. Managers are expected to foster a work environment that promotes honest and ethical behavior and to be familiar with the Law and Policies applicable to their areas of responsibility. When a Manager reasonably believes an Employee or Contractor is engaging in illegal or unethical conduct, the Manager must promptly report the conduct to the Manager's supervisor or, if that is not practicable, to the supervisor's supervisor. The Manager may also contact the Ethics Officer or the Ethics Hotline.

Managers are also expected to encourage the Employees they supervise to receive appropriate training and guidance on relevant safety policies, and to see that work areas are regularly monitored for unsafe conditions and practices and that timely action is taken to correct known unsafe conditions.

E. Conflicts of Interest

When conducting ABA business, Members, Employees and Contractors must be cognizant of conflicts of interest that may arise, especially those involving in improper personal or financial gain, as described below.

Improper Personal or Financial Gain: Described

When conducting ABA business, Members, Employees and Contractors must not use their positions with the ABA for improper personal or financial gain.

Improper personal or financial gain is any gain that results from a decision that is not made in a good-faith belief that the decision is in the ABA's best interest. It includes any improper gain received by a Member, Employee or Contractor, or by anyone in a family or close personal or financial relationship with that Member, Employee or Contractor.

Family relationships include spouses, children, parents, siblings, in-laws and domestic partners, and close personal relationships include dating or live-in relationships. Close personal and/or financial relationships include long-term friendships and those with law or business partners or others. However, a Member will not be considered to have a close personal or financial relationship with those for whom a Member's law firm provides legal services, if the Member does not participate in decisions concerning those services.

Financial relationships also include any substantial direct or indirect interest in a business, such as ownership interest in a publicly owned company of 5% or greater, or any other interest in a closely held company or venture valued at \$15,000 or greater. It also includes any interest sufficient to result in the ability to participate in a business's management decisions, which may be as an officer, director, trustee or employee, or through provision of services to the business as a legal counsel or consultant.

Further, when conducting ABA business, Members should not supervise, directly or indirectly, anyone with whom they have a family or financial relationship, if the supervision could result in improper personal or financial gain. Employees may not supervise, directly or indirectly, anyone with whom they have a family or financial relationship.

While Contractors will necessarily make decisions based on their own and/or their company's financial interests, those decisions will not raise conflict of interest issues if they are made in good-faith fulfillment of the applicable contractual obligations. If Contractors make recommendations as to the use of third parties with which they have a family or close personal or financial relationship, however, any such recommendations must be made in a good-faith belief that the recommendation is in the ABA's best interest.

Recusals, Disclosures and Waivers

As soon as Members, Employees or Contractors become aware that a family or business relationship, as those terms are described, above, is present in a matter under consideration as ABA business, they must disclose the relationship to the ABA Ethics Officer, who shall determine whether recusal from the decision-making process is required, or whether a waiver is appropriate

under the circumstances. In the alternative, the Member, Employee or Contractor may voluntarily recuse him/herself and take no further part in the decision-making process, in which case no disclosure is required.

Members, Employees and Contractors must recuse themselves and must not participate in making, or attempt to influence, an ABA business decision that could result in improper personal or financial gain, as those terms are described, above.

Prohibition of Receipt of Fees

Members, Employees and Contractors are prohibited from personally receiving payment for services they render to a third party if they render those services on behalf of the ABA or any of its entities, unless the payment is permitted by written contract with the ABA or by a resolution of the Board of Governors.

In addition, Members may not receive a fee for services rendered as a contractor to the ABA or any of its entities while they serve on the Board of Governors or on the governing body of a section or other ABA entity, regardless of whether the services are related to the duties arising from their positions, except by resolution of the Board of Governors. This does not apply to a Member's law firm, as long as it does not result in improper personal or financial gain to the Member or law firm, as that term is described above.

Outside Employment (For Employees)

ABA Employees may engage in employment outside the Association; however, outside employment that conflicts with the Employee's work performance and other obligations to the ABA is prohibited. Employees must disclose existing or proposed outside employment to their supervisors and obtain the supervisor's written approval. If approved, the Employee must advise the supervisor of any change in employment or in the employer's relationship to the ABA that may impact the prior approval. Supervisors must consult with the ABA Ethics Officer if they are uncertain whether the employment satisfies these requirements.

F. Gifts, Favors and Entertainment

Definition of Gift

A "Gift" is generally intended as a sincere expression of friendship and appreciation based on a personal relationship that has developed in the normal conduct of ABA business. As used in the BCS, a "Gift" is any item (except compensation) that is accepted, solicited or offered for the personal benefit of a Member, Employee or Contractor in connection with ABA business. A "Gift" may be cash, including cash equivalents such as gift certificates, checks, or other items that may readily be converted to cash. A "Gift" may also be food, meals, unusual discounts, merchandise or services received or purchased at a lower-than-normal price and any favors, benefits, advantages or loans. A "Gift" includes complimentary entertainment (such as sporting events and dinners) and accommodations from third parties. A "Gift" also includes mementos that are purchased with funds from the ABA or any of its entities, and that are given in appreciation for service to the ABA or its entities. However, such mementos are not considered "Gifts" if no ABA or entity funds are used in their purchase.

As used in the BCS, "Gift" does not include hotel accommodations, meals, entertainment or amenities received in connection with ABA-approved site inspections, or as an integral part of an ABA contract related to a meeting or other event, or that are otherwise received through the ABA in connection with an ABA-sanctioned activity. "Gift" does not include items received from Contractors that are raffled at the employee holiday party. Finally, "Gift" does it include meals or

entertainment that are of reasonable value, do not occur too frequently, and have in attendance both the giving and receiving party for the purpose of discussing business.

Accepting, Soliciting or Offering Gifts

Members, Employees and Contractors are discouraged from accepting, soliciting or offering Gifts that are intended for the recipient's personal benefit in connection with, or in anticipation of, conducting business for or with the ABA. Members and Employees, however, are permitted to accept Gifts for their personal benefit that are under \$200 in value, or have an annual aggregate value of under \$200 from a source, unless the Gift would affect, or may be perceived to affect, the judgment and objectivity of the recipient, or where there is an intention to influence or reward a business decision or transaction.

Reporting of Gifts

Members, Employees, or Contractors who are offered Gifts valued at more than \$200 must promptly notify the ABA Ethics Officer. The Ethics Officer will decide if the Gift can be accepted or should be returned with a letter explaining ABA policy. If the Gift is impractical to return, the Ethics Officer will determine whether the Gift may be used in a drawing as a form of employee recognition, may be shared with the entire department, or will be donated to a recognized charity.

If a Member, Employee or Contractor is offered a Gift of any amount by or on behalf of a vendor under consideration for ABA business, the Member, Employee or Contractor must report the offer to the Ethics Officer, who may require that the Member, Employee or Contractor recuse him/herself from the selection process, regardless of whether acceptance of the Gift was ultimately approved.

Sponsorships

Provided that policies governing sponsorships are followed, Members, Employees and Contractors may offer, solicit and accept sponsorships from third parties for the benefit of the ABA and its entities, but Gifts may not be offered or received in connection with such solicitations for sponsorships.

G. Doing Business with Others

The ABA requires that all relationships with third parties that provide services or goods to the ABA be developed in a fair, honest and ethical manner.

Purchasing Practices

All purchasing decisions must be based on the best value received by the ABA. Obtaining competitive bids and otherwise adhering to all ABA policies (including conflicts of interest, which are discussed in Section E, above), verifying quality and service claims, and confirming the financial condition of the third party providing the goods or services are all important steps in making a good purchasing decision.

Sales and Marketing Practices

The ABA requires that all sales, marketing and promotion materials be honest, accurate and non-deceptive. All such materials must follow ABA policy that prohibits endorsement of other organizations or their products or services. Any use of the ABA name or logo must receive written pre-approval prior to the dissemination of materials on which they appear. Violations of these standards erode consumer confidence, dilute the value of the ABA name and/or may expose the ABA to legal action.

H. ABA Assets

Protecting ABA Assets

The integrity of the assets of the ABA is a key to the Association's continued success. All ABA Members, Employees, and Contractors have a special responsibility to protect and safeguard the ABA's physical, financial, intellectual property and other assets to ensure their efficient use. Members, Employees and Contractors must not use these assets for purposes not related to Association business without proper written authorization. When it becomes necessary to utilize ABA's communications equipment and resources, including the Internet, for occasional and infrequent non-business use, good judgment should be used at all times.

Accuracy of ABA Records

All ABA accounting reports, financial statements and other business records must materially conform to legal requirements and the ABA's system of internal controls. Members, Employees and Contractors must not permit false or intentionally misleading entries that hide or disguise the true nature of transactions to be made in the ABA's records. Dishonest and unethical reporting within the ABA, or to organizations or people outside the ABA, is strictly prohibited. The transfer of funds or assets in an undisclosed or unrecorded manner may only take place as expressly permitted by applicable law or regulation.

Intellectual Property

The ABA works to identify, establish, protect and defend its rights in its intellectual property assets, including patents, trademarks, copyrights and other proprietary information. Members, Employees and Contractors are expected to safeguard these assets. Employees are expected to identify and disclose any new works of authorship, technology advances and/or unique solutions to business problems that belong to the ABA, to enable the ABA to establish and protect its rights to such proprietary assets. The intellectual property assets of the ABA, as well

as its name, logo, trademarks and service marks, may only be used for authorized Association business, except with the ABA's prior written approval.

In addition, the ABA respects the intellectual property rights of others, including rights belonging to its Members, Employees and Contractors. Members and Employees must consult with the General Counsel's Office and/or the ABA's Director, Copyrights and Contracts concerning necessary licenses and approvals prior to using intellectual property belonging to others.

I. Protecting Confidential Information

Confidential information includes all non-public information that might be of use to competitors, or otherwise harmful to the ABA, its Members, Employees or Contractors, if disclosed. Examples of confidential information include, but are not limited to financial information, product or marketing plans, technical information and computer source codes, information about litigation, contracts and alliance agreements, and member information, including membership lists. Members, Employees or Contractors may only disclose ABA confidential information if disclosure is authorized in writing by the General Counsel's Office.

J. The Law

Antitrust

The purpose of antitrust laws is to preserve fair and open competition in our free market economy. The ABA works to fully comply with all antitrust and other competition laws. Members, Employees and Contractors or their agents may not enter directly or indirectly into any formal or informal agreement with competitors that fixes prices or allocates markets, eliminates competition, or otherwise unreasonably restrains trade unless an immunity exception has been granted by the competent governmental authority. It is the responsibility of any individual who has a question about potential antitrust implications of a discussion, decision or action to consult with the General Counsel's Office before such action takes place.

Foreign Corrupt Practices Act ("FCPA")

The ABA complies with the FCPA, which relates to anyone directly or indirectly offering, promising to pay, or authorizing the payment of money or anything of value to foreign government officials, parties, or candidates if the payment could reasonably be construed as being intended to influence acts by such officials. The fact that bribery may be an accepted local practice in a country does not relieve Members, Employees and Contractors from complying with the FCPA. Any Member, Employee or Contractors faced with a situation that raises questions or doubts concerning compliance with the FCPA should immediately contact the Ethics Officer, the Ethics Hotline or the General Counsel's Office.

Political Contributions

The ABA prohibits political contributions from ABA funds and resources to any political candidate or party, whether domestic or foreign. Members, Employees and Contractors are free to make private individual political contributions to the party or candidates of their choice. Any decision to do so must be completely voluntary.

K. Conclusion

The Business Conduct Standards ("BCS") set out ethical and legal responsibilities that all ABA Members, Employees, and Contractors are expected to consider when conducting ABA business. While it is not a comprehensive discussion of all situations that may arise, Members, Employees and Contractors are expected to apply the spirit and intent of the BCS, along with their professional skills, personal values and good judgment, to assist the ABA in maintaining the highest standards of legal and ethical compliance.