

**1974 Memorandum of Understanding Between
The American Law Institute (ALI) and
The American Bar Association (ABA)
As Amended and Restated in 2005**

Since 1947 ALI and ABA have collaborated to advance the continuing education of the bar. For the past 58 years, this has been achieved through a joint committee known as the ALI-ABA Committee on Continuing Professional Education (recently renamed ALI-ABA Continuing Professional Education). Because of the constantly changing need for and methods of delivering continuing legal education, it is now desirable to reappraise and modify the 1974 Memorandum of Understanding between ALI and ABA with respect to the governance of their collaboration to provide continuing legal education to the profession.

This amended and restated Memorandum of Understanding shall supersede all previous agreements between ALI and ABA and shall become effective upon approval by their governing bodies.

Accordingly, it is agreed as follows:

- I. ALI and ABA agree to collaborate in a program of continuing legal education through the medium of ALI-ABA Continuing Professional Education, in the manner herein set forth. It is mutually understood that each organization shall be free to engage in other educational efforts, singly or with others, and that this collaborative program constitutes only one of the ways in which ALI and ABA will meet their educational responsibilities.

- II. Among the objectives of ALI-ABA Continuing Professional Education are the following:
 - (a) To promote post-admission legal education.
 - (b) To stress the responsibility of the profession to provide such education.
 - (c) To encourage and assist the organized bar and educational institutions to develop, conduct, and participate in effective high-quality post-admission legal education programs.
 - (d) To encourage and assist in the organization of regional, state, and local agencies to engage in post-admission educational activities and, when desired, aid in their operation.
 - (e) To engage in relevant research and experimentation in educational techniques, methods, and technologies likely to be useful in continuing legal education, including the methods of teaching and developing a sense of professional responsibility.
 - (f) To conduct conferences of agencies and institutions engaged or interested in continuing legal education activities with a view to coordinating, expanding, and improving such activities, and to encourage cooperation among such groups.
 - (g) To maintain and expand a publications program of post-admission legal education audio-visual material and texts, handbooks, study outlines, and periodicals and other material designed to further the objectives of ALI-ABA Continuing Professional Education.
 - (h) To organize and conduct post-admission legal education courses of study.

(i) To take such other actions as may be proper and necessary to achieve programs of post-admission legal education of high quality for all lawyers that will meet the needs of the bar in discharging its public and professional responsibilities.

III. (a) ALI-ABA Continuing Professional Education shall be governed by a Board of Directors (“the ALI-ABA Board” or “the Board”) composed of thirteen persons consisting of twelve regular members and the President of the ALI-ABA Board, none of whom shall receive compensation from ALI, ABA, or ALI-ABA for this service. In addition, the ALI Director, the ABA Executive Director, and the ALI Treasurer shall be non-voting ex officio members of the Board. The ABA President and the ALI President may attend Board meetings as honorary chairs but shall not have a vote. Of the regular members, six shall be appointed by the President of ALI and six by the President of ABA. Any vacancy in the regular membership of the Board shall be filled for the unexpired term by the President of the appointing organization. In the event of a vacancy in the ex officio membership of the Board, the President of the organization concerned may designate another officer of the organization to serve on an interim basis.

(b) The terms of office of the regular members of the ALI-ABA Board shall be four years, except that, for the first Board, three ALI appointees and three ABA appointees shall be selected by the appointing President to serve an initial term of two years. Regular Board members may serve for no more than two consecutive terms, but may be reappointed after an eight-year absence from the Board.

(c) The ALI-ABA Board of Directors shall meet no fewer than four times a year. The Board may establish and appoint committees and additional officers as it deems necessary or prudent. The Board may appoint non-Board members to serve on advisory committees or as non-voting advisers to any committee of the Board except an Executive Committee. Any action that may be taken by the Board or any committee at a meeting may be taken without a meeting by approval of a majority of the Board or of the committee voting in written or electronic form.

(d) The President of the ALI-ABA Board shall preside at Board meetings. The first ALI-ABA Board President shall be selected jointly by the President of ABA and the President of ALI. Subsequent Presidents of the ALI-ABA Board shall be selected by the Board and can but need not be selected from among the members of the Board. The Board President shall serve a non-renewable term of four years, which may follow any time of service as a regular Board member, and shall be a voting member of the Board except that the President shall not vote on the selection of the next President. Any vacancy on the Board created by the selection of a regular Board member as President shall be filled for the unexpired term by the ALI President or the ABA President, whichever organization last appointed that person to the Board. Any vacancy in the office of President of the ALI-ABA Board shall be filled by the ALI-ABA Board for the unexpired term, except that if the unexpired term is less than two years the successor President shall be eligible for an additional four-year term as President.

(e) ALI-ABA Continuing Professional Education shall be managed and directed by a full-time, compensated Executive Director, who shall report to and be responsible to the ALI-ABA Board of Directors. The Executive Director shall hire and terminate additional staff, prepare an annual budget for the consideration of the ALI-ABA Board, and have such other duties as are set by the Board. The Executive Director who immediately succeeds the ALI-ABA Executive Director

at the time of execution of this amended and restated Memorandum of Understanding shall be selected by the Special Committee on ALI-ABA (previously appointed by the ABA and the ALI) upon terms of employment approved by the Special Committee and by the President and the Treasurer of ALI. Thereafter, successor Executive Directors of ALI-ABA shall be selected by the ALI-ABA Board of Directors provided, however, that the appointment of any such successor shall not be effective until the terms of employment have been approved by the Board and also by the President and the Treasurer of ALI. The decision to terminate the employment of any Executive Director may be made by the ALI-ABA Board of Directors.

(f) The ALI-ABA Board President and the ALI-ABA Executive Director shall report annually to the Council of ALI and the Board of Governors of ABA.

IV. (a) ALI and ABA shall cooperate with ALI-ABA Continuing Professional Education in facilitating its work by supplying it with appropriate information and assistance, making available their mailing lists (in the case of ABA sections, upon the written approval of the respective section chair), publications, and public relations facilities, and providing staff assistance; the cost of any such assistance may be charged to ALI-ABA Continuing Professional Education. ALI-ABA Continuing Professional Education shall render similar assistance to ALI and ABA in their individual continuing education endeavors, as either may from time to time request, and the cost of any such assistance may be charged to the organization making the request.

(b) Any program sponsored by ALI-ABA Continuing Professional Education which involves coordination or cooperation with a section, committee, or any other entity of ABA shall be cleared with the ABA Standing Committee on Continuing Education of the Bar, or such other ABA committee as shall be appropriate, at the commencement of any negotiations for such a program.

(c) ALI shall continue, as heretofore, to have the responsibility for the financial and administrative affairs of ALI-ABA Continuing Professional Education, and title to assets relating to the work of ALI-ABA Continuing Professional Education shall continue to vest in ALI and such assets shall be held in trust for ALI-ABA Continuing Professional Education to be disbursed by ALI to advance the education of the bar through the ALI-ABA Board, after advice and consultation by the Board. The assets may be commingled by ALI with its other assets solely for investment and banking purposes. In the event of the termination of this agreement, the assets of ALI-ABA Continuing Professional Education shall continue to be held in trust to be applied by ALI or others as ALI may determine to advance the education of the bar.

(d) The ALI-ABA Board shall appoint two of its voting members to be voting members of the ALI Investment Committee and two to be voting members of the ALI Audit Committee, each such appointment to be for a renewable one-year term. It is desirable but not required that the Board's appointees to the respective committees include one ALI appointee to the Board and one ABA appointee.

V. It is specifically recognized that ABA and ALI, in addition to assisting ALI-ABA Continuing Professional Education to carry out the objectives outlined in paragraph II of this agreement, may carry out such objectives in their individual capacities or with any other entities with which they may elect to collaborate. The program conducted by ALI-ABA Continuing Professional Education shall be deemed to be no more than one of the methods by which ABA and ALI shall fulfill their responsibilities in meeting the educational needs of the bar. However, ALI,

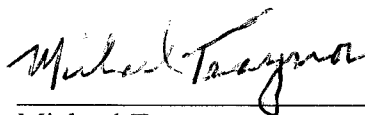
ABA, and ALI-ABA Continuing Professional Education, in order to coordinate their plans and activities in fulfillment of their responsibilities, shall each keep the other fully informed thereof.

VI. ALI-ABA Continuing Professional Education shall not be operated for profit and no part of its net earnings shall inure to the benefit of any regular Board member or private individual.

VII. Each party hereto may request a review of this agreement on six months' prior notice, and the parties hereto shall review the operations of the provisions of this agreement every five years and shall make such recommendations or modifications as may be deemed necessary, appropriate, or beneficial. To keep the parties fully informed for this purpose, the ALI-ABA Board of Directors shall submit periodic reports, but not less frequently than annually, to ALI and to ABA.

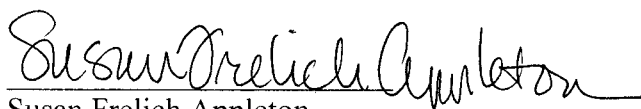
VIII. This agreement may be terminated by written notice to that effect being given by either party to the other, and termination shall become effective one year after such notice shall have been given.

Approved by the Council of
the American Law Institute
at its meeting on May 16, 2005.



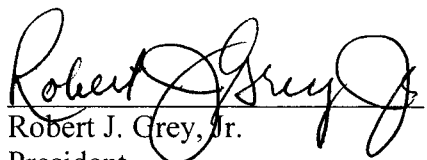
Michael Traynor
President
American Law Institute

Attest:



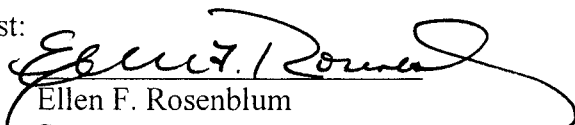
Susan Frelich Appleton
Secretary
American Law Institute

Approved by the Board of Governors
of the American Bar Association at
its meeting on June 11, 2005.



Robert J. Grey, Jr.
President
American Bar Association

Attest:



Ellen F. Rosenblum
Secretary
American Bar Association