

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

LEGAL SERVICES CORPORATION, et al.     )  
v.   )  
  )  
HOWARD DANA, et al.                     )  
  )

No.

DECLARATION OF WILLIAM J. OLSON

I, William J. Olson, declare and state as follows:

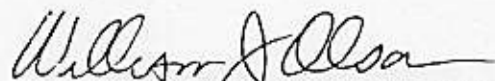
1. On December 30, 1981 I received a recess appointment by the President of the United States to be a member of the Board of Directors of the Legal Services Corporation.
2. In accordance with the By-laws, upon receiving a request from seven directors, a special meeting of the Board was called for December 31, 1981. All notice requirements of the Corporation's By-laws and the Government in the Sunshine Act were satisfied to notify both Directors and the public.
3. On December 31, 1981 a special meeting of the Board occurred, with four members present in Washington, D.C., six members present by telephone conference call in other cities, and one member absent due to being overseas.
4. At that meeting, two items were considered pursuant to the noticed agenda. First, I was elected as Chairman, to serve until the next regular meeting of the Board prescribed in the Corporation By-laws, the first Friday in March. Second, a resolution was adopted to suspend further commitments for grants and contracts of the Corporation until such time as the new Directors could become oriented to the Corporation's internal policies, and conduct a review of grant and contract policy. The resolution provided that for January, all grantees and contractors would be authorized to expend (either from unexpended funds or from additional Corporation monies) their full proportional amount of the reduced Congressional appropriation for 1982, so as to preserve the status quo.

5. Subsequent to the meeting, the other Directors and I were informed by the President of the Corporation that he had issued grants and contracts for calendar year 1982, to approximately 335 grantees and contractors, pursuant to prior authorization by the Board. This was confirmed in a telephone conversation between me and former Board Chairman William McCalpin. Since January 1, Corporate funds have been paid to all existing grantees and contractors on a monthly basis, as provided for in the grant and contract instruments executed by the President in December. The President informed me that he would not approve further grants which were being then evaluated, pending further Board action.

6. In mid-February, pursuant to the By-laws, I obtained the consent of a majority of the Board to schedule a two day meeting on March 4 and 5. On Monday, February 22, 1982 I submitted to the Federal Register for publication a notice of the March 4 and 5 Board meeting. The primary purpose of the meeting, as demonstrated by the published agenda, is to orient and educate the new Directors concerning the activities of the Corporation and their responsibilities as Board Members.

7. The matters on the agenda, other than orientation items, were intentionally kept to a minimum. The Board is faced with the responsibility of choosing an interim President because the the current President's contract expires on March 31, 1982 and he has indicated to me that he has no desire to extend this contract nor serve after the contract expires. Grant and contract policy must be considered because the Board's resolution of December 31, 1981 needs further clarification by the Board.

8. I have discussed plans for the next Board meeting with all other members of the Board, and the general consensus is to act upon only those matters minimally necessary for the proper management of the Corporation and use this meeting primarily to orient Board members to their new duties.



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William J. Olson  
Chairman, Legal Services Corporation