CONFLICT OF INTEREST POLICY

Section 1. General

(a) No person shall be elected to serve or shall serve as director:

(1) who is a contractor of the corporation;

(2) who has an interest that conflicts with the purposes and intent of the corporation set forth in Article II;

(3) who has an economic conflict of interest; or

(4) who is involved in a co-counseling relationship (including a plaintiff-intervener or defendant intervener relationship) with the corporation's staff. Simply requesting information, materials, or advice will not rise to the level of a co-counseling relationship.

(b) In addition, any director with a loyalty conflict of interest shall disclose such conflict and abstain from voting on or deliberating in any action involving an agency or entity that provides treatment, services or habilitation to individuals with disabilities which causes the conflict. Finally, no director may vote on or deliberate in any board action which would result in the director becoming a contractor of the corporation.

(c) Furthermore, in the event an issue is presented to the Board of Directors which involves a potential conflict of interest between the corporation and a member of the board, the affected director shall disclose such conflict to the board of directors and shall abstain from the deliberations and voting on the matter.

(d) **Definitions.** The following definitions are used in order to assist the board members in determining whether or not they are ineligible to serve on the board of directors.

(1) **Contractor of the corporation** shall mean any person who is an employee, officer, director, or owner of any public or private entity which receives a grant from and/or contracts directly with the corporation, whether or not such person is an agency or entity that provides treatment, services or habilitation to individuals with disabilities. The board of directors may waive this provision in situations involving grants or contracts that cumulatively total less than one thousand dollars ($1,000.00) in any one year.

(2) **Economic conflict of interest** shall apply to any person who derives income or earnings from, or has an investment or ownership interest in, any agency or entity that provides treatment, services or habilitation to individuals with disabilities.

(3) **Loyalty conflict of interest** shall apply to any person who has no economic conflict of interest but who is a volunteer officer, director or employee of any agency or entity that provides treatment, services or habilitation to individuals with disabilities. A loyalty conflict of interest would adversely affect the independence of the corporation or be an undue influence from any agency or entity that provides treatment, services or habilitation to individuals with disabilities.

Section 2. Situations in which board member of the corporation has or may appear to have a conflict with client of the corporation.

(a) The board of directors of the corporation determines the types of cases that may be undertaken through priority setting and other strategic planning processes. There should not be any interference with the attorney-client relationship by the corporation's board of directors. Decisions related to the legal representation of individual clients are the responsibility of its attorneys, managing attorneys, and, ultimately, its legal director. Board members shall not be

involved or attempt to be involved in individual case advocacy decisions by the staff of the corporation, unless they are the client or the legal representative of the client as set forth in Section 3. Board members shall not be privy to client confidential information, including the identities of clients, unless the legal director or the corporation's counsel determines that revelation of client confidential information to the board is necessary. When the identity of a client becomes publicly known, typically through the filing of litigation, or becomes known through any other means to a board member, the corporation wishes to avoid even the appearance of a conflict between any board member and a party in opposition to that client. Toward that end:

(1) The executive director shall advise the board on a quarterly basis, of the names of clients which have become public knowledge, through the filing of litigation or otherwise. Additionally, the executive director shall instruct all staff of the corporation to notify him/her whenever they have information on any other matters which may involve a possible conflict of interest for a board member.

(2) Whenever any board member of the corporation is or becomes an adverse party, is associated with or represents a party in a case, controversy, or proceeding involving client of the corporation, the board member shall fully and immediately disclose his or her involvement in the matter to the Chairperson of the corporation's board of directors and to the corporation's Executive Director.

(3) The proper means of disclosure is by written letter addressed to the chairperson and executive director, copies of such letters to be kept with the corporation's board of director's minutes. In addition, the corporation's board of director's chairperson shall inform all board members, on a periodic basis, of any conflicts of interest brought to his/her attention.

(4) Upon notification that a board member has an association, conflict or potential conflict with client of the corporation, the chairperson of the board will immediately consult with executive director, legal director and, if necessary, outside counsel of the corporation.

(b) There are instances in which staff must convey client confidential information to members of the board. This occurs routinely when a client grievance reaches the board's grievance committee. Before discussing any client confidential information, as defined by the State Bar Rules of Professional Conduct, with any board member, managers of the corporation have been instructed to advise the board member(s) of the parties involved. When so advised, the board member(s) shall determine if an association, conflict, or potential conflict appears to exist. The board member(s) shall advise the manager of any association, conflict, or potential conflict. Managers have been instructed not to proceed with the discussion with any board member who so advises them. Having identified an association, conflict or potential conflict, the board member(s) shall not participate in any discussion of the matter unless and until advised to do so by the legal director or legal counsel of the corporation.

(c) Board members shall not knowingly discuss matters if the corporation represents a party, is a party, or might become a party with anyone other than fellow board members, the corporation's managers, and the corporation's legal counsel or the board member's own legal counsel. The board, in writing, or the executive director may authorize a board member to speak publicly on such matters.

(d) **Definitions**. The following definitions are used in order to assist board members in determining whether or not they have a conflict of interest:

(1) The term " the corporation's client" means anyone who has an attorney-client relationship, as defined by the State Bar Rules

of Professional Conduct, with the corporation. It is the responsibility of the managers of the corporation, as ultimately determined by the legal director, to advise board members whether someone is a client of the corporation.

(2) The term "associated with" means common employment by or common membership in (a) a law firm or (b) any organization, entity, agency, body, or person which employs a board member of the corporation or (c) any organization in which a board member is an officer, director, or controlling person or otherwise has an active involvement therein.

(3) In assessing whether one has an "indirect" interest, consideration should be given as to whether there is a real possibility of an appearance of impropriety, even though no actual impropriety may exist.

Section 3.

(a) Board members or their immediate family members may become clients of the corporation, but only pursuant to the same rules affecting eligibility, priorities, and other selection criteria applied to all other prospective clients. In such circumstances, the board member shall not use his or her board position to influence the services provided by the corporation's staff but must disclose their membership on the board of directors when applying for services. In the event of board discussion of policies, procedures, priorities, or similar issues which would have a direct or immediate impact on individual services to a board member or his or her immediate family member, the board member shall indicate a conflict situation and shall refrain from debating or voting on the issues. Immediate family member includes one's spouse, children, parents, grandchildren, grandparents or siblings.

(d) If at any time, a board member's role as a client conflicts with his or her role as a board member, he or she shall either resign as a board member or terminate his or her client relationship with the

corporation. A board member may file an appeal regarding his or her client matter, but in such instance the decision of the legal director shall be final and the matter shall not be submitted to the executive director or board of directors for review.

Section 4. The chairperson is empowered to act in accordance with the advice of outside counsel regarding conflicts of interest, including advice from counsel to request the immediate resignation of a board member. In the event of such a request and the failure of the board member to resign, the board will consider removal of the board member by majority vote, with the executive committee empowered to act for the board until a meeting of the full board can be convened.

Section 5. Board members and members of advisory committees must resign their board or committee positions before applying for staff position of the corporation. Such job application cannot be submitted within ninety (90) days of the board or committee member's resignation or termination date from the board.