LegalCORPS Has Strong First Year – and it Plans to Expand

Business law pro bono program was launched in the Spring of 2004

By Michelle Lore and published in Minnesota Lawyer on April 25, 2005

(Reprinted with permission from Minnesota Lawyer)

It’s been a year since the Minnesota State Bar Association (MSBA) launched LegalCORPS, the business-law pro bono program that pairs attorneys with nonprofits and microenterprises that need legal assistance but otherwise could not afford it. According to those involved with the program, it’s going strong and expanding as time goes on.

More than a hundred business lawyers have signed up to help, almost two dozen cases have been paneled and at least a dozen more are awaiting action. Moreover, promotional materials have been developed and are being distributed statewide, and just a week ago, the program’s Web site went online.

“IT’s getting its feet under it now,” said LegalCORPS’ Executive Director Caroline Palmer. “We have a very committed board that did great work laying the foundation for the program and now those plans are being put into fruition. ... It’s an exciting period; things are starting to develop and happen and I am happy to be a part of that.”

Minneapolis attorney L. Joseph Genereux, president of LegalCORPS’ board of directors, was honored earlier this month for his work with the organization. He received the 2005 American Bar Association Section of Business Law’s Pro Bono National Public Service Award at the section’s spring meeting in Nashville, Tenn.

“We are still a young organization,” Genereux recently told Minnesota Lawyer. “But things are moving along nicely.”

Helping the distressed

LegalCORPS provides free legal assistance to low-income individuals who want to start a for-profit business and to for-profit businesses expanding operations into economically distressed neighborhoods and communities.

Through the program, business lawyers donate their time and legal services to these individuals or entities in the following areas:

- Organizational formation and governance (e.g., entity incorporation, fiduciary duties, liability insurance);
- Taxation (e.g., general advice regarding state and local taxes, application/maintenance or exempt status);
- Business contracts, structure and transactions (e.g., partnerships, joint ventures, reorganizations, mergers);
- Employment (e.g., contracts, human resources, personnel policies);
- Real Estate (e.g., leases, property taxes); and
- Intellectual property (e.g., trademarks, copyrights, technology licenses).

The program was initiated in 2003 as part of the MSBA Legal Assistance to the Disadvantaged Committee’s (LAD) 10-point plan to increase the amount of pro bono work being done by Minnesota lawyers. It came about in large part due to the vision of former MSBA president James L. Baillie, who now serves as vice president of LegalCORPS.
One of Baillie’s pet projects as bar president was an effort to draw more business lawyers into doing pro bono work. He and several other interested attorneys, including Genereux, formed the MSBA’s Task Force on Business Law Pro Bono to look into the possibility of forming a business law pro bono program. For nearly a year, the task force heard presentations from people and community groups that had insight into the need for small businesses to receive legal services.

At the end of the process, the task force issued a report of its findings, which indicated that both nonprofits and small businesses have unmet needs for legal services. “The nature of these needs change as these entities develop and mature, but they often continue to be unmet when the means for paying for them are not available,” the report stated.

Thus, the task force recommended that a program be formed to match volunteer business lawyers with eligible clients who are not being served by existing programs. In September 2003, the MSBA Board of Governors provided $15,000 in “seed money” to facilitate the early operations of the program.

After a lot of hard work on the part of numerous dedicated volunteers, LegalCORPS was launched last spring. Its mission is to strengthen the nonprofits and microenterprises that serve and support Minnesota’s low-income communities by providing them with the legal advice that they could not otherwise afford to purchase.

Last fall, LegalCORPS made a broad announcement to its “collaborators” — or community partners — that it was actively seeking work.

Baillie explained that LegalCORPS doesn’t go directly to the public to solicit cases. Instead it works through agencies that work “on the ground” with nonprofits and microenterprises to develop the skills to start and grow successful businesses. Thus, LegalCORPS heavily relies on its collaborators to refer cases to the program.

“A good number are involved already,” Baillie noted. “We are just starting to accelerate now.”

According to the LegalCORPS Web site, at least a dozen Minnesota-based organizations have now been identified as collaborators, including the Minnesota Council of Nonprofits, Community Action of Minneapolis and the University of St. Thomas Small Business Development Center.

Enthusiasm exhibited

The program appears to be a hit with business lawyers. More than 100 attorneys have already expressed a desire to work with LegalCORPS and many have already been put to work.

“We are off to a good start,” said Genereux. “We got a tremendous response from the legal community. We have more than 100 volunteers — largely through an e-mail solicitation.”

According to Palmer, the number of interested attorneys is growing all the time. “And some law firms have expressed interest in learning more about [the program],” she added.

Many of the lawyers who have signed up to volunteer have gone through some sort of training, for which they also received continuing legal education credit.

Palmer explained that training programs were offered last fall as well as in January and February of this year. To date, the seminars have included an overview of the LegalCORPS program itself, as well as information about nonprofit organizations and small business law. Additional programs are in the works, Palmer added.
Baillie noted that the attorneys who have signed up and attended training seem very enthusiastic about the program. “We’ve got the attorneys,” he said. “We are now developing relationships with clients to refer services.”

While LegalCORPS is still actively seeking clients, to date, 21 cases have been paneled and 10 to 12 more are awaiting action, according to Palmer. “We’ve had really good growth over the past few months,” she said. “The initial steps are done. We are now looking to expand service to clients further.”

Necessary screening

To help screen eligible businesses for the program and provide case placement with volunteer attorneys, LegalCORPS partners with Volunteer Lawyers Network (VLN), which coordinates the delivery of pro bono services for the Hennepin County Bar Association.

The VLN staff person, Sherene Judeh, determines an entity’s eligibility status, helps it complete the application process and drafts representation and case-closing letters. For a nonprofit to be eligible for the program, it must demonstrate that it:

- has a primary charitable or community-based purpose;
- is or seeks to become a 501(c)(3) or 501(c)(4).

A microbusiness must demonstrate that it:

- is owned by a person of limited means;
- is a for-profit business that exists in, or will assist in developing, an economically distressed neighborhood; and
- is in need of discrete business legal services or advice.

All eligible entities must also demonstrate that they are unable to pay for legal fees without significant impairment to their resources, and that they require assistance on legal issues unrelated to current or expected litigation.

According to those involved with LegalCORPS, while the program is still “ramping up,” it’s been a great success.

Genereux pointed out that the business clients receiving services seem to be enthusiastically endorsing the program. He explained that he recently attended a community event in which it was brought to his attention by a collaborator that LegalCORPS “has been very responsive and professional in all of its dealings” with the three clients the collaborator had referred to the program.

“It’s working out well so far,” Palmer added. “We are trying to be watchful and vigilant about getting the best client-attorney matches we can. … Case closing forms indicate that the matches that we’ve made have worked out and been pretty effective.”

Expanding its reach

Organizers of the program are confident that LegalCORPS will continue to develop and be successful in Minnesota.

For one thing, funding for the program has progressed favorably. Following receipt of the seed money from the MSBA, organizers received several donations and grants to support the program, including a major three-year grant from the Bush Foundation that materialized last summer. (The Bush Foundation provides grants and fellowships to support the work of nonprofit organizations and the professional
development of individuals.) Those involved are quick to point out, however, that fundraising is an ongoing effort and they are seeking additional, long-term funding from other sources as well.

The organization also has a dedicated board of directors that is committed to the success of LegalCORPS.

“We have a very active and enthusiastic board and a lot of energy and excitement about the program,” said Baillie. “I am very pleased.”

In addition to a strong board of directors and an increasing number of attorneys expressing interest in LegalCORPS, the organization is working with the Minnesota Justice Foundation to get law students involved in the program.

LegalCORPS administrators are also putting together a monthly clinic program that they hope will be up and running by the end of May. Also in the works is the development of a telephone referral service, where businesses that qualify would be referred to attorneys for quick legal answers to questions that arise during the course of their business activity.

LegalCORPS is also taking steps to reach out to businesses and individuals outside the metro area. Palmer explained that information about the program is being mailed to outstate areas in the hope of reaching potential clients in those areas. “We anticipate definite growth in the next two to three months,” she said.

Genereux agreed. “It is off to a very good start and we are looking forward to the program continuing to grow and expand,” he said.

To learn more about LegalCORPS, or to volunteer for the program, visit www.legalcorps.org.