

UPDATED STATEMENT FROM FORMER VOLUNTEER EXECUTIVE OF THE FORMER CCCA BOARD

On January 17, CBA dissolved the volunteer CCCA board, relieved the CCCA volunteer board members of their duties, and dismissed CCCA's executive director. CBA and CCCA met with a mediator on January 15 and 16 and, while the session ended without an agreement, CCCA expected that negotiations would continue until the issues were resolved, and confirmed as much shortly after the mediation ended. Consequently, the CBA communications sent to all board members shortly after the mediation were very surprising to the former CCCA board volunteers.

In response to media and public enquiries, we would like to clarify the following:

Former volunteer board was dissolved in response to requests for more funding for corporate counsel.

- In 2010, the CBA collected, on average, over \$600 per member from counsel wishing to be part of the CCCA.
- In the same year the funding directed to the CCCA was only \$40 per member to fund corporate counsel services. More than 90% of the fees paid by CCCA members were retained by the CBA.
- Negotiations were held in confidence but it can be said that the CBA never conceded that it would discontinue its practice of retaining the large majority of the membership fees paid by corporate counsel.
- As a comparison point, the Association of Corporate Counsel (a global corporate counsel association) offers a comprehensive set of services at \$295 per member. The entire ACC membership fee is used to support corporate counsel services.
- CBA receives substantial funds from insurance and financial services sponsorships. Those arrangements are exclusive and preclude the CCCA from obtaining sponsorship from any similar providers and yet the CCCA receives none of the substantial fees paid to the CBA as a result of these sponsorships.

CBA agrees CCCA has been entitled to greater funding for three years – Why did CBA wait so long?

- The first statement, issued on January 17, 2011, indicates "The CBA acknowledged more than three years ago that additional funding was necessary for CCCA". Apparently the CBA has advised potential sponsors that it has increased the funding in the wake of the dissolution decision. **The question all members of the CCCA should be asking is why did they wait so long and what percentage of the CCCA membership fees is now going to the CCCA?**

Did CBA have the authority to dissolve the former CCCA board?

- The CCCA board was dissolved pursuant to section 33 of the CBA Bylaws. However, it is not clear that this section of the Bylaws or the broader delegation of Council powers in certain circumstances authorizes this kind of action.
- There appear to be fundamental irregularities respecting the CBA board meeting at which the decision to dissolve the CCCA board was taken and the decision may not be valid.
- CBA should now be asked about the process followed to appoint the current board – there was no transparency at all.

- CBA has alleged that the processes for former CCCA board nominations and elections were not transparent. These processes were developed and approved by CBA many years ago and have not been criticized or challenged by CBA until now.

CBA now taking credit for initiatives implemented by dismissed former Executive Director and Board

The most recent statement from the newly implanted Chair of the CCCA touts the World Summit, the Compensation Survey and the In-House Barometer Survey as highlights of the newly formed CCCA. It should be made very clear that these initiatives were conceived of or developed under the direction of the CCCA's former Executive Director and the former board – the very group “relieved of their duties” on January 17.

Indeed, under the recently dismissed Executive Director, Silvie Kuppek, the CCCA was revitalized through the following:

- The implementation of a market research-based methodology to design benefits and services, especially for programs (an approach the CBA has only recently recognized as being useful).
- The development of a mentoring program.
- The development of a new compensation survey.
- Improvement and revision of the barometer survey including revamping the survey following focus group findings.
- The building of a global network of in-house counsel associations and contacts.
- The launch of the CCCA Magazine.
- Changing the major form of communication to eCommunication and vastly improving eCommunications.
- Building a new website with social networking capabilities (awaiting adequate funding from the CBA to launch to members).
- The development of General Counsel Roundtables both with and without speakers.
- The rebranding of the CCCA with a new logo and new tagline.
- The vast improvement of relationships with suppliers and law firms.
- Building a board consisting of an engaged group of senior counsel .
- The significant increase in spring conference sponsorship revenues and building upon registration revenues (including the addition of an exhibit hall which kept growing).
- The development of the idea for, the building of necessary relationships, and obtaining buy-in to develop and deliver two profitable World Summits.
- Very importantly – the engagement of international law firms (DLA Piper, Jones Day, Eversheds etc.)

Most of the above was accomplished with three or less staff under Ms. Kuppek's direction and with the support of a highly engaged board of senior counsel. Dismissing Ms. Kuppek and the dedicated former board has left the organization without their collective vision and has severely damaged the national and global relationships cultivated during Ms. Kuppek's tenure.

Volunteers

A group of senior counsel and sponsors from across Canada and abroad is deeply dismayed at the heavy-handed action taken by CBA against the CCCA Board. The CCCA Board members have given hours of their personal and professional time, with support and funding from their employers and with their personal energy and creativity focused on making CCCA successful. The former CCCA Board members see their dismissal as a clear indication that the CBA has failed to understand the issues that are important to corporate counsel in Canada.

The 2010 CCCA board was comprised of senior counsel from a number of leading organizations across Canada, including Sun Life Assurance Company of Canada, Best Buy Canada Ltd., Viterra Inc., Enbridge Inc., E. I. DuPont Canada Company, Ontario Teachers' Pension Plan, CanWest Global Communications Corp., Imperial Oil Limited, iStockphoto, National Bank Financial, Johnson Inc., Assumption Life, Emera Inc., Air Canada, Canada Lands Company, the Alberta Securities Commission and Carleton University. These people were deeply committed to serving Canada's corporate counsel community and demonstrated their talent, passion and professional integrity through insightful guidance of many high-quality initiatives and programs delivered by CCCA to Canada's in-house counsel over many years.

Future

We continue to be fully committed to the ideal of providing a national forum and voice for Canada's in-house counsel, facilitating their access to resources, contacts and ideas critical to their professional development and success.

The current situation is an opportunity to begin a dialogue on how to create an organization that will allow us to realize our values and commitment to the corporate counsel community more effectively and efficiently, through organizational models and relationships unconstrained by the CBA.

Our team has a wealth of experience, talent and knowledge bringing together people and ideas to facilitate professional opportunities for Canadian corporate counsel, both in Canada and abroad, and we are exploring alternative options to leverage this valuable capital to offer better value and better service for Canada's corporate counsel in an increasingly global world.

Dated: January 23, 2011

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