July 18, 2019

Dear Administrator:

Re: ACSI Legal Defense Reimbursement Program

Our firm works with the Association of Christian Schools International (ACSI) in the administration of the Legal Defense Reimbursement Program (hereafter the “Program”) offered by ACSI, as well as representing various member schools that may otherwise be involved in the Program. Since your school has joined the Program for this 2019-2020 school year, we wanted to take this opportunity on behalf of ACSI to remind you of several important Program aspects. Understanding these and following the requirements will help the school in receiving reimbursement for defense costs, including attorney’s fees, should the school have a qualifying claim.

The Program operates under an Indemnity Agreement (hereafter the “Agreement”). Each participating member school agrees to the terms and requirements of the Agreement when agreeing to participation in the Program. For your convenience, I am enclosing a copy of the Agreement with this letter. You may also access the Agreement on ACSI’s website.

This correspondence will answer questions you may have about the Program and explain the areas covered by the Agreement and amounts available for reimbursement. Please note several important aspects of the Program to assist you in the event your school is faced with a possible legal matter:

1. The Agreement covers several types of legal matters: (1) A student lawsuit; (2) an employment practices proceeding (for example, an employment discrimination claim, resulting in mediation/arbitration, charge of discrimination involving an employee, or lawsuit); and (3) a belief-based decision or practice. ACSI has included this area for reimbursement in response to numerous societal issues facing member Christian schools.

A belief-based decision or practice involves a school’s decision to pursue a particular course of action; or a practice, policy or stance; that is undertaken or otherwise pursued in accordance with, and in furtherance of, the spiritual or religious beliefs. Participating member schools are able to receive reimbursement for defense costs associated with Title IX actions and a belief based legal challenge, as defined in the Agreement.

2. The Agreement will not reimburse any attorney fees incurred by the school before the school notifies ACSI. It is extremely important that a school notify Dr. Tom Cathey, Chief of Staff and Assistant VP for Legal Legislative Services and Staff Relations at ACSI, or our office, as soon as the school becomes aware of a possible student lawsuit or employment practices proceeding.

3. ACSI has the right to select or approve counsel. While I am not aware of an instance where ACSI has declined reimbursement due to the selection of counsel, ACSI is endeavoring to ensure that counsel familiar with the legal issues is assisting the school.
4. If the school discharges an employee mid-year, without obtaining legal advice before the discharge, the school is responsible for the first $5,000.00 of attorney’s fees. After the first $5,000.00 in fees, the Program reimburses the school thereafter up to the limits (currently $35,000.00).

5. The Program also provides for reimbursement of attorney’s fees for consultation with an attorney prior to the termination of an employee, up to $750.00 per year. In addition, under specified circumstances involving a faith-based decision with a student, the Program will provide for reimbursement pre suit. If the school has consulted counsel involving termination of an employee, the invoice for attorney’s fees should be submitted to ACSI for reimbursement.

6. The Program reimburses the school for attorney’s fees up to the rate of $250.00 per hour. If counsel charges a higher rate, the school is responsible for the amount above the $250.00 per hour. The total maximum amount available for reimbursement is $35,000.00 per year for all claims as defined in the Indemnity Agreement.

7. The school must also check with its insurance carrier and determine if the school’s insurance policy provides coverage. The Program is contingent to any applicable insurance coverage. If the school has insurance providing a defense, the Program does not reimburse any attorney’s fees and related defense costs, regardless of whether attorney’s fees charged are in excess of what the insurance company will pay.

8. The Program is not insurance and does not provide any indemnity coverage. As noted above, it provides only for reimbursement of attorney’s fees and reasonable defense costs.

9. The school must pay the Program fee for the Program to provide reimbursement.

While it is our hope that no ACSI member school would ever have to deal with litigation, legal challenge or employment related legal matters, the Legal Defense Reimbursement Program was instituted as a way to provide reimbursement, up to the limits of the Program, for qualifying legal expenses so the school can properly defend itself by obtaining the necessary legal counsel and advice. If I can explain the Program in more detail, if you have any questions or ever need any assistance, please do not hesitate to contact us.

Very truly yours,

Law Office of Cooley And Associates PLC

[Signature]

John L. Cooley