

## 3 *Legal Services Agreement (LSA)*

### 3.1 Application

As Outside Counsel interested in representing the FDIC, you requested and received an application package from the Legal Division. The application package requires various disclosures and requests information including areas of expertise, firm composition, and conflicts of interest.

Application procedures are set forth in the brochure entitled *Information for Prospective Outside Counsel*. This brochure is part of the application package and can be printed from the FDIC Internet site: <http://www.fdic.gov/buying/legal/ocbrochure/index.html>.

The information and disclosures, some statutorily mandated, were necessary for the Legal Division to determine whether the FDIC could retain your services. The Legal Division considers rates, abilities, areas of expertise, conflicts of interests, need for additional Outside Counsel in a particular geographic area and other factors when determining whether to negotiate an LSA with a firm. The firm proposed a rate schedule for each office (location) of the firm that may provide services. Included in the application package was the FDIC standard form Legal Services Agreement (“LSA”). Refer to *Appendix D (1)*.

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### 3.2 Purpose of LSA

The LSA is an agreement between you and the FDIC that contains terms and conditions applicable to legal referrals and is incorporated in all referral letters. The Deskbook, as it may be amended from time to time, is expressly incorporated in the LSA and the referral letter. FDIC’s execution of an LSA with your firm is not a guarantee that you will receive legal referrals from the FDIC.

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### 3.3 LSA Duration

The FDIC will execute only one LSA with your firm for the duration of the LSA. *Refer to [Appendix D \(1\)](#).* Your LSA is effective on the date specified in the LSA. If no effective date is indicated, it is effective as of the date signed by the FDIC. The term of your LSA is two years from the effective date unless the Legal Division elects to terminate or extend it prior to its expiration. FDIC reserves the right to terminate your LSA without cause or advance notice. Absent compelling reasons no increase in the rate schedule attached to the LSA will be permitted during its term.

If at the end of the term you are working on a legal referral and do not renew your LSA, your LSA will continue for the sole purpose of completing existing work under the same terms and conditions provided your LSA expressly permits continuation. If your LSA has the continuation provision, your LSA will continue until the earliest of:

- All work on outstanding legal referrals is complete;
- A new LSA is executed; or
- FDIC exercises its right to terminate your LSA.

Continuation of your LSA is not the same as renewal of your LSA. Continuation does not permit you to receive any new referrals.

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### 3.4 LSA Renewal

When your LSA is within 90 days of expiration, you should contact the Legal Division office or section that oversees your LSA if you wish to renew your LSA. This is usually the FDIC office or section that entered into the LSA with your firm. LSA renewal is necessary to receive new referrals and to request new hourly rates. The FDIC's need for Outside Counsel continues to decline. FDIC does not guarantee that it will agree to the renewal.

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### 3.5 LSA Amendment

An amendment to your LSA may be necessary when there has been a change in the information you submitted in your application package. *Refer to the LSA Amendment forms in Appendix D (3).* It is your responsibility to inform the FDIC of all new or changed information concerning your firm. If your LSA information is not current, you may not be able to perform legal services for the FDIC. This information includes, but is not limited to:

- Structural changes in your firm; and
- Adding or removing billable individuals.

In addition, payment of your invoices may be delayed if information is not up-to-date. If you are unsure whether or not you need to amend your LSA, contact the Legal Division office or section that oversees your LSA immediately.

#### *Structural Changes*

You may need to amend your LSA when a structural change occurs in your firm. Structural changes may impact your relationship with the FDIC in areas such as conflicts of interest or malpractice insurance coverage. In addition, these changes may also impact the FDIC's invoice payment process. Examples of law firm structural changes include:

- Firm dissolution;
- Merger or other ownership changes;
- Change from a partnership to a professional corporation;
- Law firm name change; or
- Change of address or addition of a new branch office.

After reviewing information that you submit concerning any structural change, the FDIC office or section that oversees your LSA will determine what action is appropriate.

**NOTE:** If your firm has multiple offices, identify the branch office(s) in which the structural change occurred by entering the city and state in which the office is located on the LSA Amendment form.

*New Tax  
Identification Number  
(TIN)*

A new TIN requires, at a minimum, an amendment to your LSA. You should submit an LSA Amendment form. *Refer to [Appendix D \(3\)](#).* If the FDIC determines that a new LSA is necessary, the FDIC may permit you to continue handling existing assignments and may place your firm in “Restricted” status until you have entered into a new LSA. In this situation, you will not be eligible to receive new referrals until the FDIC executes a new LSA.

**NOTE:** Structural changes that result in a new federal TIN usually require a new application and the execution of a new LSA. A new TIN also changes information used for payment of your invoices by electronic funds transfer (EFT) and may require the execution of new EFT forms. The EFT guidelines and forms are found in [Appendix O](#).

**WARNING:** *If after the FDIC required your firm to enter into a new LSA and you do not do so within 90 days from the date the FDIC receives notification of the new TIN, the Legal Division may transfer all matters you are currently handling to another firm.*

### *Adding and Removing Billable Individuals*

You must inform the FDIC in writing when you are adding or removing billable individuals to a rate schedule attached to your LSA. Complete the LSA Amendment form when any attorney, paraprofessional, or other billable individual is added or removed. *Refer to the sample in Appendix D (6).*

**NOTE:** If an attorney who is primarily responsible for any legal matter is *to be removed* from the list of billable individuals, you should provide the following additional information to the appropriate Oversight Attorney(s):

- Each case matter number for which the attorney is responsible; and
- New proposed law firm contact attorney for each matter.

### 3.6 Completion of LSA Amendment Form

1. When completing an LSA Amendment form (*refer to Appendix D (3)*):
  - a. Complete a separate form for each branch office of a multiple-office firm. Enter the federal tax identification number, law firm name, and branch office location.
  - b. Make changes, as appropriate, to the law firm name, address, telephone number, fax number, e-mail address, and contact attorney.
  - c. For each billable individual, listed alphabetically, type A to add or D to delete and provide the following information:
    - State License;
    - Position; and
    - Years in Practice.

- d. **For each attorney added, submit a completed background investigation form with an original signature. Refer to [Appendix D \(5\)](#). REVOKED 6/99.**
- e. If the individual has a minority status, type:
  - A for Asian American
  - B for Black American
  - H for Hispanic American
  - N for Native American Indian.
- f. Type M for male or F for female in the gender field.
- g. Type the standard rate, percent discount, and proposed FDIC rate.
- h. **Sign and date the completed LSA Amendment form.**

**NOTE:** *You may attach continuation sheets if necessary to document changes to the LSA.*

2. If you submit a letter rather than the LSA Amendment form, your letter must include all of the information requested on the LSA Amendment form.
3. Mail the original form or letter to the FDIC office or section that oversees your LSA.
4. Mail a copy of the form or letter to the Legal Division:

Federal Deposit Insurance Corporation  
Attn: Outside Counsel Liaison  
550 17<sup>th</sup> Street, NW, Room H-10015  
Washington, D.C. 20429-9990

5. Send a copy of the form or letter to any other Legal Division office with which you do business.

6. The FDIC will notify you if your request to amend your LSA is approved. You will receive a copy of the fully-executed LSA Amendment form in the mail. **You may not bill the FDIC for the services of billable individuals who have not been included on the FDIC-approved rate schedule.**

**NOTE:** *When you request an amendment to your LSA, the Legal Division may elect to:*

- *Amend the existing LSA;*
- *Require you to enter into a new LSA; or*
- *Take other actions to protect the interests of the FDIC.*

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