

CHARLESTON
SCHOOL OF LAW

September 23, 2013

Hon. Robert S. Carr
164 Market Street, Suite 307
Charleston, SC 29401

Hon. George C. Kosko
2910 Luvian Blvd.
DeBordieu Colony
Georgetown, SC 29440

Dear Fellow Founders:

We are at an important crossroads in the future of the Charleston School of Law. A decision must be made by you who control the Board whether to press ahead with a now-contentious effort to sell the school to Infilaw, a private enterprise backed by venture capital, or pursue an alternative, less controversial path. I am writing to foster a rational discussion of alternatives in an effort to forestall the further controversy that is almost certain to ensue if you continue to pursue the Infilaw path.

In order to have hope of success and avoid the mistakes of the past, I propose that discussions concerning these alternative paths take place in a different atmosphere from the secret negotiations that surrounded the Infilaw deal. Accordingly, I recommend that the numerous constituencies who make up and have supported the Charleston School of Law over the past decade be involved in these discussions so their views can be considered before further decisions are made. Specifically, I propose that these discussions should include:

1. Hon. P. Michael Duffy, Chair of the CSOL Board of Advisors – Because neither Judge Duffy nor any member of the Board of Advisors was approached for advice during the Infilaw negotiations, the Advisors were left completely in the dark. We formed the Board of Advisors specifically to seek advice on important matters. On this most important matter, the Board of Advisors must have input, even if belatedly, on how the school should best move forward.
2. Leigh Ellen Gray, Editor of the CSOL Law Review – Ms. Gray, as Editor of the Law Review, has experienced firsthand the negative effects of a proposed Infilaw takeover through the transfer of a number of her most valued law review members after they learned of the possibility of Infilaw ownership. She and other student leaders can provide valuable input on student reaction to the various proposals I set forth below. The students are our “customers”, *i.e.* the very reason the school exists. They pay its bills and need to be involved in this important decision on its future. To date they have been told of decisions after-the-fact. They should have input before final decisions.
3. John Robinson, Esq., President of the CSOL Alumni Association – The alumni are the legacy of CSOL in the legal community. Many of them were our “pioneers” who came to the school when it was unaccredited. They took a chance on us and our representations about what CSOL was

going to be. CSOL's reputation in the legal community has a significant effect on their professional lives, and they deserve to be heard on its future.

4. Dean Andy Abrams, Esq. – The Dean, who also now serves as temporary President of Charleston School of Law, LLC, has a role in both the academic and business sides of school operations. He should also have a good feel for the views of the administration and the legal community on CSOL's future, and can add valuable input as we explore alternatives.
5. J. David Hawkins, Esq. and Edward M. Hughes, Esq. - David, Ed and their firm, Nexsen Pruet, are CSOL's counsel. David and Ed are respected members of the South Carolina legal community and bring great expertise to business matters. I have seen no evidence that they were asked to conduct any due diligence on the Infilaw transaction even though they were acting as CSOL's counsel. I believe that was a mistake, and they should be involved to vet the proposals I set forth below and any others that may come out of our discussion.
6. Professor Stephen A. Spitz, Esq. – Professor Spitz was one of our “pioneer” faculty who took a chance and came to us when we were a fledgling, first-year institution. Over the years, Professor Spitz has shared with each of us valuable thoughts on school operation. Since under ABA Rules the faculty plays a major role in law school operation, I believe it would be valuable to have faculty input on this important decision. Again, it was an error of judgment in my view to have informed the faculty of your plans only after-the-fact.
7. Alice F. Paylor, Esq. President, South Carolina Bar – The Bar is vitally interested in legal education and the welfare of the members of the profession. Ms. Paylor could provide valuable input on the attitude of the profession to the various options. CSOL has benefitted greatly from the support of the Bar. A decision on CSOL's future without involving the Bar risks gutting that support.
8. Hon. Alexander M. Sanders, Jr., Founder/Director Emeritus of CSOL – Judge Sander's wisdom and experience would add greatly to any discussion.
9. Kathryn C. Bender, Esq., Counsel for the College of Charleston – If discussions with the College of Charleston prove feasible (see below), we obviously need its input.
10. Mayor Joseph P. Riley, Jr., Mayor of the City of Charleston – Mayor Riley was an early supporter of the school and was instrumental in it locating on the peninsula. The City has a great interest in the future of the school as an institution in the city. The Mayor's views on CSOL's future importance to the city should be carefully considered.

I propose that we assemble with this group to explore the options below, and any others that members of the group might propose. I have no monopoly on wisdom, but the following three options are my thoughts on ways to move the law school ahead that should be much less controversial and, indeed, I believe will garner widespread support:

1. It appears that much of the opposition to the Infilaw deal is focused, in part, on the concept of a foreign entity coming in and buying the school. As you know, I have always thought that the concept of a "sale" of the school was incompatible with its status as an institution having professional duties and public trust aspects. With that in mind, my first suggestion is that you consider an arrangement whereby we would continue the current LLC and its ownership of the school, you two would receive a payment for some part of your interest (to give you an immediate, partial retirement payment), we would bring on the Board respected members of the legal community (impeccable individuals upon whom we would agree), hire a business manager to replace the retired Ralph McCullough, stabilize the school, stop the student attrition and unrest, reassure the faculty, and work with Dean Abrams to implement additional measures to improve our bar passage. Once things have calmed down, we could look at redeeming the remainder of your interest if you two wish.
2. If for some reason you are not willing to continue in the short-term as Directors/Owners at the school (I note your recent public statements that your reason for the Infilaw deal was so that you could "pull back and retire"), then we could look at the option of redeeming your stock, as Judge Sanders and Ralph McCullough were redeemed. Such redemptions presumptively do not require CHE or ABA approval (and none was sought for Judge Sanders or Ralph McCullough), because management of the school remains in the LLC. If that is so, we could accomplish this redemption in short order and allow you two to retire if that is your near term goal. To do that, the group would need to know what amount you two would like for redemption of your stock. If you would like to pursue this option, please give some thought to a payment amount and procedure. Under this option, we would proceed after your retirement with the additional steps outlined in Option 1 above. If CHE or ABA action is required, we would seek that as well. But the important point is that stability needs to be restored to the school fairly quickly and continuing the school's LLC ownership is a first step in that direction.
3. A third alternative worth exploring is the transfer of school ownership and operation to the College of Charleston. As you know, my view of successorship for the law school has always included the possibility of transforming the school into a non-profit. While this could be done internally, it may be most easily accomplished by transfer to a non-profit such as the College of Charleston. I believe that having the Charleston School of Law under the auspices of the College of Charleston would be a natural fit and a great asset to both institutions, the City of Charleston, and the state. In order to facilitate such a transfer, I would be willing to

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donate my entire one-third ownership interest in the Charleston School of Law to the College of Charleston. I do not expect you to do the same, but would ask that you consider some partial donation of your ownership interest. Donation of all or part of our interests should greatly enhance the prospect of the college being able to take over the law school and ensure its long-term institutional stability. If you require a payment before being willing to transfer your interest, please give thought to its amount and timing.

I know you have sent out a missive with ABA-related questions for any new entities that wish to bid to "purchase" the school. (Attach. 1.) What I have in mind in the first two options is not a purchase of the school by some outside entity, but a continuation of the school through the same LLC and an internal transition that can potentially meet your need for retirement money, the law school community's need for stability, and allow the school to get back to its primary mission of educating our great student body. On the third option, I have no doubt that the College of Charleston could satisfy the ABA of its ability to run a law school, since it has already satisfied its accrediting agencies of its commitments to excellence in education, diversity, etc., and we would have the same fine faculty that the ABA has previously found excellent.

With respect to potential discussions with the College of Charleston, I note that you recently announced publicly that you were willing to consider serious proposals from "accredited South Carolina non-profit colleges and universities and local Charleston community non-profit entities." (See Owners' Notice, Attach. 2.) Likewise, Infilaw publicly announced that it was "prepared to step aside" if another offer came in "that the owners regard as better positioning the school for the future." (See Infilaw Notice, Attach. 3.) I believe an offer from the College of Charleston would certainly fit the bill. To the extent you may have concern that CSOL's license could be jeopardized by initiating discussions with the College of Charleston, I suggest that we join together immediately to seek clarification and/or a waiver from CHE of any perceived prohibition on negotiating with the College of Charleston. I also note that the prohibition on CSOL initiating discussions does not by its terms prohibit CSOL from responding to a proposal. It is my understanding that the College of Charleston has inquired about the possibility of such negotiations and its overture should not be dismissed unless CHE prohibits it.

I believe that any of the options I outline above is preferable to continuing to slog through a contentious regulatory approval process and adverse publicity which is pitting the two of you against many in the South Carolina legal community, our alumni, and student leaders. The school has suffered since the Infilaw process began, and I hope you will carefully consider whether something better can be done for everyone.

If you are willing to meet with the group on these ideas, let me know. As part of this process, I urge that you release the Infilaw sales contract to the group so they may have an understanding of the financial and other terms that satisfied you previously. The discussion group should also know what financial obligations (loans, contracts, etc.) you may have committed the school to with Infilaw, since these are obligations whose fate needs to be considered. You should also decide whether you are willing to take less money to keep the school in local hands than you stand to get from the Infilaw deal.

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I am copying those whom I propose as group members, as well as the CHE which may eventually be involved in reviewing one of these options. I hope you will seriously consider this proposed course of action before proceeding any further with Infilaw. When you respond, please copy all recipients of this letter so everyone knows the status of discussions at the same time.

Sincerely,



Edward J. Westbrook
Founder

EJW/kaj

Attachments

cc: Hon. P. Michael Duffy (with attachments)
Ms. Leigh Ellen Gray (with attachments)
John Robinson, Esq. (with attachments)
Dean Andy Abrams, Esq. (with attachments)
J. David Hawkins, Esq. (with attachments)
Edward M. Hughes, Esq. (with attachments)
Prof. Stephen A. Spitz (with attachments)
Alice F. Paylor, Esq. (with attachments)
Hon. Alexander M. Sanders (with attachments)
Kathryn C. Bender, Esq. (with attachments)
Mayor Joseph P. Riley, Jr. (with attachments)
Renea H. Eshleman (with attachments)

ATTACH. 1

Application for Accredited South Carolina non-profit colleges and universities and local Charleston community non-profit entities to Negotiate for the Purchase Charleston School of Law

Like all law schools, the Charleston School of Law is regulated by the American Bar Association, which has set certain standards that must be met in a transfer of ownership and ongoing accreditation. Accordingly, prospective purchasers must demonstrate that they have the capability of obtaining ABA approval of the transaction and ongoing accreditation. Please provide the following information that will be required by the ABA (and /or the South Carolina Commission on Higher Education) in order to approve the transaction.

1. Please provide the name, address and legal status of the entity proposing to buy the school.
2. Please describe the governing structure of the entity (and if different the governing structure for the entity's law school, if any) and provide the names and addresses of any parties with legal, beneficial or governing interests in the entity and the entity's law school, if any, and describe those interests.
3. Please explain for each legal, beneficial or governing member of the entity and the entity's law school, if any, the extent of his or her dedication to the maintenance of a sound program of legal education, including, but not limited to, any experience he or she may have had in the operation of a program of legal education. (See ABA Standard 204 and SCCHE Reg. 62-6 J).
4. Please provide financial information demonstrating that the entity has financial resources adequate to sustain a sound program of legal education, accomplish its mission, and meet the substantial financial obligations of the Charleston School of Law. (See ABA Standard 201 and SCCHE Reg. 62-6(l) and 62-8).
5. Please describe your vision for the Charleston School of Law, including your proposed mission of the school, and your business intentions for the school as an entity over the next ten years.
6. Please describe your specific goals for improving the Charleston School of Law's programs and identify the means for accomplishing those goals. (See ABA Standard 203).
7. Please describe your commitment to successful student outcomes, to non-discrimination, equality of opportunity and diversity, and accommodation for the disabled and your goals in that regard, as well as describe the means and methods by which you plan to meet those goals. (see ABA Standards 211, 212 and 213).
8. Please describe any audits/investigations conducted, and/or sanctions imposed, by any accrediting or regulatory body with jurisdiction over the entity, as well as any pending or threatened litigation or any other circumstance which may affect the entity's ability to purchase or operate the Charleston School of Law. (See SCCHE 62-6)
9. Please acknowledge your governing board's understanding and commitment to the requirement that the dean and faculty shall have the authority to formulate and administer the educational program of the law school, including curriculum; methods of instruction; admissions; and academic standards for retention, advancement, and graduation of students; and shall recommend the selection, retention, advancement, and graduation of students; and shall recommend the selection, retention, promotion, and tenure (or granting of security of position) of the faculty. (See ABA Standard 205 and SCCHE 62-6.2).

Return by October 1, 2013 to
Edward Hughes
Nexsen Pruet, LLC
400 Main Street Office Campus,
Suite 100A
Hilton Head Island, South Carolina
29925-3526
T: 843.689.6277 F: 843.682.1586
By submitting this application, you acknowledge and agree that (i) we cannot guarantee the confidentiality of any information provided with this application; (ii) we cannot guarantee that your application will be accepted or that you will be afforded the opportunity to purchase the Charleston School of Law; (iii) we are not responsible for any costs/expenses incurred by you in connection with this application and all matters related thereto; and (iv) all decisions regarding this application and all matters related thereto shall be at the discretion of the Charleston School of Law.

ATTACH. 2

CHARLESTON
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As you are well aware, for some time now, but which only recently became public, the founders of the Charleston School of Law have been working on a plan for the orderly succession of ownership. We are announcing today that we have signed an agreement expressing our intent to transfer ownership to InfiLaw Systems, which would become effective if approved by the South Carolina Commission on Higher Education (CHE) and the American Bar Association.

We made this decision because a majority of owners have expressed a desire to pull back and retire. We regret the delay in making this announcement, but we had held back based on advice we received from our lawyers and ABA consultants. We wish this whole situation had been handled differently and that we could have brought this to your attention more smoothly. We are sorry for that because we know that the future of the School means a great deal to you as alumni as well as the students and all members of the community. It means a great deal to us as well.

As we have stated previously, this transaction is part of a necessary succession plan that ensures that the Charleston School of Law will be viable and thrive over the long term.

We have not reached this decision in haste and in fact, have been working for quite a while to come up with a viable succession plan. We know that there has been speculation that CSOL should be sold to a private or public institution. We have not been approached at all by any public institution interested in buying our interests and private institutions that expressed an interest elected not to engage in substantive discussions. We also looked at other options, such as becoming a non-profit institution and the sale to a current owner. None of these options, in the end, would have done as much to protect the interests of the School of Law for the foreseeable future as the contract with InfiLaw. Without such an agreement, the long-term future of the law school might be in jeopardy.

It is important to understand that one of the reasons we chose to move forward with InfiLaw is because they are committed to maintaining the best of the Charleston School of Law, including our culture and vision, while at the same time bringing its strengths, including investment in the School in terms of systems, programs, and infrastructure, as well as a demonstrated commitment to public service.

However, because we have CSOL's best interests at heart, we are willing to consider well thought out and financially responsible alternative proposals that would accomplish our objective, which is why we have set up a mechanism for considering serious proposals. Accredited South Carolina non-profit colleges and universities and local Charleston community non-profit entities with a serious interest, a comprehensive proposal and the financial strength to execute it, should get in touch with our lawyer, Edward Hughes at Nexsen Pruet, LLC, 400 Main Street Office Campus, Suite 100A, Hilton Head Island, SC 29925-3526; (843) 689-6277; ehughes@nexsenpruet.com, to obtain an application. Completed applications must be received by October 1, 2013, as we must move forward with the process of securing approval from CHE and accreditation from the ABA, a process that is likely to take many months.

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We appreciate your ongoing commitment to the CSOL community and all that you do for our students. We thank you for that.

We plan to hold a series of meetings at CSOL today to respond to questions. We would like to invite alumni to come to a presentation and question and answer session today from 6:30-7:15 p.m in the Courtroom so we can address your concerns as well.

We look forward to seeing you this afternoon.

Robert S. Carr

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George C. Kosko

ATTACH. 3

Infilaw Management Solutions
1100 5th Avenue South, Suite 301
Naples, FL 34102

As you are aware from the email that you have received from the owners of the Charleston School of Law, they have reached an agreement that sets forth their intent to sell CSOL to Infilaw. As they indicate, in an abundance of caution, a decision was made not to announce this agreement until now.

As I have come to know many of you and the community during the last few weeks, I truly appreciate the position that CSOL occupies in the Charleston legal community. As importantly, I recognize the contribution of time and experience that many of you make to students and CSOL.

During my career, I have been Dean at four very different law schools. As I said earlier, every school has its own unique culture and approach. I can assure you that Infilaw seeks to maintain and even enhance the culture and the strong relations that CSOL has with the bench and bar. Indeed, it would be foolish for us not to do so.

As you may know, Infilaw brings systems, processes and procedures that enable a law school to function more effectively and efficiently, often freeing up funds that can be used for programs. We anticipate investing in the school to upgrade technology and facilities, among other things.

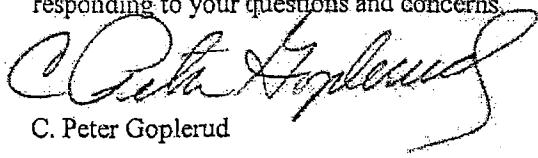
There are a lot of misconceptions about Infilaw. What I can tell you, is that over the long term, wherever we have been, we have enhanced the practical skills of our graduates that employers value and have better prepared our graduates for success, measured not only by bar passage, but also how they perform for employers. I am confident that we can do the same for CSOL.

Like the owners, we are most interested in the long term future of CSOL. Consequently, if another offer comes in that the owners regard as better positioning the school for the future, we are prepared to step aside. We believe, however, that our offer will truly secure the future.

The sale of the law school will not take place until the appropriate approvals are obtained from both the South Carolina Commission on Higher Education (CHE) and the American Bar Association (ABA), which will take many months. Until that time, we will be performing consulting services as set forth in our agreement with CSOL, but we will not be involved in operating decisions.

During this period prior to approval, I hope to have the opportunity to know all of you better and to get your views on how we can make things better together.

I plan to be at the meeting that has been called for at 6:30 p.m. today. I look forward to seeing you and responding to your questions and concerns.



C. Peter Goplerud

President