

THE UNIVERSITY OF TENNESSEE COLLEGE OF LAW'S BUSINESS LAW CLINIC CONTINUES TO MAKE AN IMPACT FOR STUDENTS, CLIENTS, AND THE COMMUNITY

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In 1992, the American Bar Association published a report entitled *Legal Education and Professional Development – An Educational Consortium* (commonly known as the MacCrate Report),¹ and in 2007, the Carnegie Foundation published a report entitled *Educating Lawyers: Preparation for the Profession of Law*, (known as the Carnegie Report).² Both reports made suggestions for improving the immediate usefulness of legal education, and, although published fifteen years apart, both reports essentially advocated the same thing: that legal education should place more of an emphasis on practical skills training in order to increase its usefulness to law graduates and their employers.³ The disconnect between law school and practice seemed especially severe in the business law area.⁴ The challenge for law schools today is how to effectively bring graduates to market who have at least been introduced to the practical skills necessary to succeed in the competitive world of business law.⁵ However, many in legal academia believe that an emphasis on skills training clashes with law schools' emphasis on theory and doctrine.⁶

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¹ SECTION OF LEGAL EDUC. & ADMISSIONS TO THE BAR, AM. BAR ASS'N, LEGAL EDUCATION AND PROFESSIONAL DEVELOPMENT--AN EDUCATIONAL CONTINUUM: REPORT OF THE TASKFORCE ON LAW SCHOOLS AND THE PROFESSION: NARROWING THE GAP (1992) [hereinafter MacCrate Report], available at <http://www.abanet.org/legaled/publications/onlinepubs/maccrate.html>.

² WILLIAM M. SULLIVAN ET AL., THE CARNEGIE FOUNDATION FOR THE ADVANCEMENT OF TEACHING, EDUCATING LAWYERS: PREPARATION FOR THE PROFESSION OF LAW (2007) [hereinafter Carnegie Report].

³ Neil J. Dilloff, *Law School Training: Bridging the Gap Between Legal Education and the Practice of Law*, 24 STAN. L. & POLY REV. 425, 428 (2013); See also Eric J. Gouvin, *Learning Business Law by Doing It Real Transactions in Law School Clinics*, BUS. L. TODAY, September/October 2004, at 53.

⁴ Gouvin, *supra* note 3, at 53.

⁵ Dilloff, *supra* note 3, at 433.

⁶ Gouvin, *supra* note 3, at 53.

Neil Dilloff, senior litigation partner at DLA Piper LLP and adjunct faculty member at both the University of Maryland and the University of Baltimore Schools of Law, recently wrote on how he believes a law school could still go about teaching theory and doctrine, but in a way that incorporates real-life work skills.⁷ He believes that the curriculum for the first one and a half years of law school should continue to include the basic courses in constitutional law, contracts, property, criminal law and procedure, civil procedure, and torts.⁸ However, after students are “imbued with how lawyers think,” Dilloff believes students need to know how things really work in the context of practice.⁹ “As summarized by a writer for The New York Times, [t]o succeed in [the current] environment, graduates will need entrepreneurial skills, management ability, and some expertise in landing clients. They will need to know less about Contracts and more about contracts.”¹⁰ Dilloff believes that in order to accomplish this, law schools need to offer at least one or more courses to be taken in the third year that constitute the actual practice of law.¹¹

The University of Tennessee, College of Law Business Law Clinic has been effectively meeting this challenge for over a decade. In 2002, Professors George W. Kuney and Paulette J. Williams expanded the College of Law's existing legal clinic's scope of representations¹² by adding a business law clinic course.¹³ Since then, spurred by the increasing workload, a Non-Profits Clinic led by Professor Williams has branched off from the Business Clinic and, in 2012, the College of Law brought in Professor Brian Krumm¹⁴ to supervise the Business Clinic. The College of Law's first year curriculum still consists of the traditional building block courses and “imbues students with how lawyers think.” However, once a student has taken the required courses, usually by the end of their second

⁷ Dilloff, *supra* note 3, at 433.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.* (citing David Segal, *What They Don't Teach Law Students: Lawyering*, N.Y. TIMES (Nov. 20, 2011), <http://www.nytimes.com/2011/11/20/business/after-law-school-associates-learn-to-be-lawyers.html>).

¹¹ *Id.* at 447.

¹² The University of Tennessee, College of Law's Advocacy Clinic is the longest continually operated legal clinic in the country and is consistently ranked one of the top clinics in the nation.

¹³ Irmie K. Blanton III, *The Legal Clinic Expands into Business and Transactional Law*, 3 TRANSACTIONS: TENN. J. BUS. L. 5 (2002).

¹⁴ Former consultant with Booz Allen Hamilton, State of Tennessee Deputy Commissioner of Labor, policy advisor to the Governor of the State of Tennessee, and small business attorney.

year, they can apply to the Business Law Clinic. Enrollment is usually limited to around eight participants each semester, and the clinic provides an equivalent of two classes worth of credits.

Dilloff argues that there are many things that law schools should and can teach its students to help them master the practical skills necessary to succeed outside of law school. For example, Dilloff asserts that law schools could better develop students' problem solving and people skills by bringing in clients with problems and letting students deal with them in a supervised atmosphere, as well as have students hold strategy meetings and problem-solving sessions.¹⁵ Similarly, he believes law schools should help give students a general understanding of the way law firms operate, including how to deal with secretaries and paralegals (each working for multiple attorneys), and how to generally keep a professional demeanor.¹⁶ In addition, Dilloff believes law schools need to better develop students' "business savvy" by teaching students how "clients in various businesses think, how they organize their efforts, and understand their objectives" by having students play the role of a lawyer representing a small business owner, or something similar.¹⁷

At the University of Tennessee, College of Law, the Business Clinic has been helping students master these practical skills since its inception, as it provides students with actual experience as an attorney with opportunities for counseling clients, formulating strategy, and implementing solutions.¹⁸ Members of the community who are under-served by the private bar¹⁹ and interested in either starting a business or non-profit or wanting legal help for their existing business reach out to the clinic. After the intake process, in which a strict scope of representation is delineated, an effective game plan is formulated to identify the issues and tasks necessary to address and complete the representation.²⁰ It

¹⁵ Dilloff, *supra* 3, at 438-39.

¹⁶ *Id.* at 430-31.

¹⁷ *Id.* at 441.

¹⁸ Blanton, *supra* note 13, at 5.

¹⁹ The business clinic provides legal services primarily for start-up businesses that are not currently generating revenue, and those more established businesses that are experiencing financial difficulties and are not in a position to obtain services from the private bar. Law firms often refer potential clients to the clinic that are not in a financial position to pay their fees.

²⁰ *Id.* at 6.

then becomes “the *student's* case and the *student's* client, [while] clinic faculty serves as supervisors and resources to assist the students in representing their clients.”²¹

As part of their work in the clinic, students interview clients, assess legal needs, draft retention letters, develop a basic understanding of business entities and formation, and develop an understanding of basic deals such as asset purchases, leases, and simple financings.²² Students develop their professional demeanor, as the clinic runs very much like a small firm; students are required to be physically present in their office during office hours, and work closely with the clinic’s secretaries and paralegals throughout the semester. Students develop their “business savvy” through practice, as they help organizations that need legal assistance on a broad range of legal matters including: basic legal check-ups; choice and formation of business entity; compliance with licensing and regulatory requirements; developing and implementing exit strategies; and negotiating and understanding leases for commercial space or equipment, agreements for the acquisition of real or personal property, and financing documents.²³

Ryan Gardner, a member of the class of 2014 and student-attorney at the Business Clinic during the fall of 2013, confirmed that the clinic made an impact on his ability to handle clients and their problems: “It was great to work with and meet face-to-face with real clients. We had a wide variety of clients, from an established business person to a student with no business knowledge whatsoever, and I think it was helpful to work with these different types of clients and learn the best ways to interact with each.” In terms of the clinic developing his business savvy, Ryan also commented that “the majority of our clients were brand-new startups without much of a business plan. We had to perform some analysis of the clients’ businesses...[and] tried to guide them through the legal issues they would face...try[ing] to make sure that the clients were being realistic when looking at the resources and difficulties they would face moving forward.”

Dilloff also claims that law schools could do more to foster teamwork and teach students how to supervise others by creating problems to be solved by teams of students, where students learn to assign responsibilities among themselves and work effectively in a non-competitive atmosphere.²⁴ The Business Clinic does this by pairing students together for the semester as partners on their assigned cases. Dilloff also says that law schools could do more to give

²¹ *Id.* at 5.

²² *Id.* at 6.

²³ *Id.*

²⁴ Dilloff, *supra* note 3, at 439-40.

guidance on organization and prioritization of work, teaching students how to “juggle various projects at once without dropping the ball.”²⁵ In Dilloff’s experience, the number one reason for a law firm associate’s failure is the inability to manage time, prioritize the work that needs to be done, meet deadlines, and allocate time for continued learning.²⁶ The Business Clinic helps alleviate this problem by putting students through a demanding schedule, as student-attorneys are expected to work approximately 20-25 hours per week on their cases, in addition to class time spent reviewing and introducing areas of substantive law and procedural law concepts, generally with a Tennessee-specific and practice-oriented perspective.²⁷ Altogether, a team of student-attorneys will handle anywhere from three to six different clients and potentially dedicate over 150 hours in one semester to clients, in addition to taking several other courses during the semester.

For a more extensive example of the impact the College of Law’s Business Clinic has had on students and clients, one need look no further than the clinic’s representation of WeScore.com, LLC, in the fall of 2013. Jacqueline Stanfill, founder of WeScore, initially approached the Business Clinic because she needed help forming an entity for her business. She founded WeScore to serve as an independent informational organization consisting of fifty or more financial experts in twelve areas of the country exclusively committed to protecting consumers’ financial interests. WeScore features instant access to the analytical team through a website and app; utilizing a smart phone, a consumer may simply snap a picture of their financial portfolio and upload the photo to initiate membership and receive a value analysis from the team of experts. Other services include: a live working portfolio of the analysts for the consumer to view for educational purposes; a quarterly portfolio competition that affords customers the opportunity to enter their portfolio for a cash prize; an information page that offers educational articles; and a forum for consumers to share insight and investment knowledge, etc.

The Business Clinic took on the case, and assigned student-attorneys Ryan Franklin and Michael Crowder to represent WeScore. WeScore’s founder initially asked that the Business Clinic give advice and ultimately help form the

²⁵ *Id.* at 440-41.

²⁶ *Id.*

²⁷ Blanton, *supra* note 13, at 5.

entity for WeScore; help draft a terms of use agreement for WeScore's website and app; research and possibly draft some disclaimers for the website, so it wouldn't be mistaken for holding itself out as providing financial services; and research potential issues with compliance in the financial industry. Throughout the course of the semester, the student-attorneys were ultimately able to accomplish most of these things for the company. The students drafted WeScore's Articles of Organization and Operating Agreement and formed an LLC for the company; filed for an Employer Identification Number; drafted the Terms of Use and Privacy Policy for WeScore's website; and performed research on multiple legal issues.

Since its formation, WeScore.com, LLC, has garnered widespread attention and publicity. Several articles have been published about WeScore on Yahoo! Finance²⁸ and advertisements for WeScore have been running in Times Square, New York City. The company has already made an impact on the community in Knoxville, Tennessee by paying its more than a dozen University of Tennessee student interns \$22 per hour, (three times the national minimum wage of \$7.25 per hour),²⁹ and offering an eight week social media internship with student loan debt payoff of \$35,000 given to the highest performers, along with a weekly stipend.³⁰ Likewise, WeScore looks poised to make an even bigger impact on the country at large, equalizing the financial playing field by forging a new approach to evaluating financial instruments for middle class consumers through transparency and crowd-sourced intelligence.³¹

Overall, it seems evident that the University of Tennessee, College of Law's Business Law Clinic is playing an integral part in preparing our nation's next generation of business lawyers for careers after law school. Since its creation, the Business Clinic has been providing future business lawyers with the practical skills necessary to succeed in the competitive world of business law. Professor Krumm has been told by several hiring attorneys that "students coming out of the Business Law Clinic are about a year and a half ahead of other first year

²⁸ PR Newswire, *Tennessee Web Startup Seeking Intern Applicants to Have Their Student Loans Paid Off*, YAHOO! FINANCE (Dec. 18, 2013, 9:30AM), <http://finance.yahoo.com/news/knoxville-based-internet-startup-placing-154500018.html> [hereinafter *Loans*]; PR Newswire, *Knoxville-Based Internet Startup Placing Principle Over Profit by Paying Student Interns 3x Minimum Wage*, YAHOO! FINANCE (Nov. 14, 2013, 10:45AM), <http://finance.yahoo.com/news/knoxville-based-internet-startup-placing-154500018.html> [hereinafter *Interns*].

²⁹ *Interns*, *supra* note 27.

³⁰ *Loans*, *supra* note 27.

³¹ *See Interns*, *supra* note 27.

associates that have not had such a clinical experience.” In addition to the benefits it has for the students, the Business Clinic is providing an invaluable service to under-represented and underprivileged clients, providing them with legal services that they would likely not be able to receive otherwise. In turn, those clients have been able to bring their business ideas to fruition and make a positive impact on the community at large. And once Business Clinic clients become more established and are no longer experiencing such extreme financial difficulties, they often look to obtain services from the private bar, providing paying work for local attorneys where there otherwise might not have been any. As such, the Business Clinic at the University of Tennessee, College of Law has and will continue to make an impact on students, clients, and the community.