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MRS JO BONNELL PRES  
MIAMI VALLEY DANCE COUNCIL  
53 CORONA  
KETTERING OH 45419

Re: Miami Valley Dance Council  
BMI/ASCAP

Dear Jo:

Confirming our meeting attended by Steve and myself together with Betty French who accompanied you, we discussed and made some resolutions on the following matters.

1. Council: Generally speaking we feel that the actions of the Council should be put under the category of charitable or non-profit activities with the exception of the convention which occurs only once every three years.

We still have pending however, the question of ASCAP and BMI as to whether or not they consider the Council would have to be licensed even though the Council's role is that all callers must be licensed.

2. Callers: We realize there is a goodly amount of discussion going on among callers about CALLERLAB and in fact it is my understanding that at least one other organization has been created as competition for CALLERLAB, but there is no question but that callers and not the clubs are the ones who own the records, spin the records and are paid for the performance. Many clubs in fact, whether incorporated as such or not, are in fact non-profit.

3. Clubs: The clubs should require each caller to be licensed. This will require each club to notify the callers and to review the contracts. We do not feel this has to be done within the next week but we believe that a good faith effort should be demonstrated.

You asked, also, Jo, at the meeting whether or not we would recommend incorporation for the square dance clubs. We, of course, believe that incorporation is a sound method of operating any organization, but particularly small clubs such as square dance clubs, luncheon clubs, and so forth. Incorporation gives some

limitation of liability and the officers are not personally liable but rather they can be liable only acting as officers of the club and liability generally then extends only to the assets of the club and not to the personal assets of the square dancers. However, there are certain mechanical steps that have to be done to incorporate. You have to file to incorporate with the state and thereafter you should have a minute book, meetings, By-Laws and Regulations and this should include compliance with all state and federal tax regulations. In addition to that protection each club should insure that it is and does have adequate liability insurance coverage.

In terms of legal services, our usual and customary method of handling representation such as this is an hourly basis and not a retainer. In the case of the Council a retainer would not be to your advantage. I think you should pay for only what work is done for you and no more. For the most part, a retainer could work to your disadvantage. In terms of our charges for legal services, this is explained by separate letter to you.

Very truly yours,

McHUGH & McHUGH

John P. McHugh

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