

EXHIBIT "H"

2. Voting Membership

The term of membership on this committee is one conference year.

- a. The chairperson and vice chairperson are elected by the WSC. Other committee members are elected as follows:
- b. One member of the WSO Board of Directors (appointed by that board);
- c. One member of the World Service Board of Trustees (appointed by that board);
- d. Two previous world level trusted servants to be appointed by the newly elected chairperson. Three previous WSC Policy Committee members to be elected by the outgoing WSC Policy Committee; and,
- e. Eight RSRs/RSR alternates elected by the WSC.

3. Participation

At the WSC quarterly meetings, the committee will receive written input, presentations, and/or discussion regarding its work from any interested member of the fellowship. This session will be limited to two hours, after which participation by anyone other than voting members of the committee and the WSO project coordinator will be at the chairperson's discretion.

It was M/S/C Debbie O. (WSC Policy Chairperson)/John H. (RSR, Wisconsin) to postpone the motion until completion of motion #21 in the *Conference Agenda Report*. MOTION CARRIED BY UNANIMOUS VOICE VOTE

Ed D. (WSC Chairperson) announced that, since motion #6 did not carry, motion #9 need not be presented. He called a ten minute recess at 10:50 a.m., and reconvened the meeting at 11:00 a.m.

Ed D. (WSC Chairperson) introduced Stu T. (WSO BOD Chairperson) to begin the WSO and WCC Panel Presentation.

Stu T. (WSO BOD Chairperson) provided a brief overview of his report. He introduced the members of the panel: Bill W. (Chairperson, World Convention Corporation), George H., Anthony E., and Theresa Middlebrook, the intellectual properties attorney for the World Service Office. He then introduced the other members of the WSO Board of Directors and the new Executive Director. He proceeded with his report, beginning with the joint meeting of the Board of Trustees and Board of Directors last June, and the decision not to renew the previous Executive Director's contract. He detailed the interim management team's approach to evaluate the operation of the World Service Office. The team evaluated policies and procedures of the office and came to the conclusion that some problems have resulted from the unclear documentation of direction given by the World Service Conference. Stu went on to talk about the sales practices of the WSO and the evolution of regional offices over the last several years. Literature distribution in other countries was also discussed at length. The financial downturn of the last year and the WSO budgeting process, were explained. Stu discussed the litigation with Creative Arts about the properties of N.A. and also, the litigation about the Basic Text. He talked about the process of the Board of Directors in protecting N.A.'s rights and property in these cases. Stu read a quote from the inside cover of an unauthorized version of



the Basic Text, and emphasized the harm to the fellowship that comes from these publications.

George Hollahan, Director of Fellowship Services, described the written report from the Fellowship Services Division of the WSO, providing detail and insight on several topics. Archives, requests to reprint literature, and the functions of each department in this division were described. He gave an overview of N.A.'s growth inside and outside the U.S. George announced that the approval copy of the Spanish Basic Text went out for approval on April 11, 1991. George showed the conference examples of the various literature items being translated. He then discussed his personal concerns about the literature-approval process and its effects on the WSO's ability to remain financially stable. He also spoke at length about his perception of the fellowship's need to become unified in order to grow and flourish. He closed his presentation with an appeal for the World Service Conference to become unified in nature and purpose.

Anthony Edmondson, Division Director for the Support Services Division, described his role at the WSO to the conference. He then introduced Bob Stewart, Assistant Division Director for Support Services, and went on to provide information regarding the international shipping and handling policies of the WSO. His report described the success of the Canadian Service Office during this past year. He then went into more detail about the various departments in this division. Anthony gave the conference some information regarding the proper usage of the name and logo of Narcotics Anonymous, including the proposed covenant not to sue. He then reported on the expenses involved with WSO travel. The attention of the conference was then drawn to a chart in the report which detailed the income and expenses of the WSO during 1990. He provided information about the manufacture of N.A. medallions and the possibility of changing the design for an interim time period until some legal issues are resolved. Anthony E. added some comments on the progress of the Tape Review committee, and the possibility of adding a "Basic Journal" to the WSO inventory. He then talked about preventive measures which are helpful in dealing with theft of fellowship funds. Anthony closed his presentation with a brief description of the role of WSO in responding to controversy and misunderstandings. He pointed out that dissemination of accurate information to those who seek it is the most useful service WSO can provide, and emphasized that WSO has been doing this over the past year.

Bill W. (Chairperson, World Convention Corporation) gave a report for the World Convention Corporation. He described activities over the past year, including the convention in Portland, and the planning for upcoming conventions in Australia, Toronto, and Chicago.

Appreciation was expressed for the written reports, and an extended question and answer period followed.

It was M/S/F George S. (RSR, Michigan)/Jeff P. (RSR-A, S. Florida) to extend the question and answer period for one hour. MOTION FAILED BY VOICE VOTE

A roll call (#7) of voting participants was conducted by Reuben F. (WSC 2nd Vice-Chair), showing the following participants to be present: Alabama/NW



Florida; Alaska; Alsask; Arizona; Arkansas; Australia; Best Little Region; British Columbia; Buckeye; California Mid-State; Carolina; Central California; Chesapeake/Potomac; Chicagoland; Colorado; Connecticut; Florida; Freestate; Georgia; German Speaking Region; Greater Illinois; Greater New York; Greater Philadelphia; Hawaii; Indiana; Iowa; Ireland; Kentuckiana; London; Lone Star; Louisiana; Michigan; Mid-America; Mid-Atlantic; Mississippi; Mountain Valley; Nebraska; New England; New Jersey; New Mexico; Northern California; Northern New Jersey; Northern New York; Ohio; OK Region; Ontario; Quebec; Region of the Virginias; San Diego/Imperial; Show-Me; Sierra Sage; Southern California; Southern Idaho; Southern Nevada; South Florida/Bahamas; South West; Together We Can; Tri-State; Upper Midwest; Upper Rocky Mountain; Utah; Volunteer; Washington/N. Idaho; Wisconsin; Ed D. (WSC Chairperson); Reuben F. (WSC Vice Chairperson); Barbara J. (WSC Second Vice Chairperson); Tom R. (WSC Treasurer); Debbie O. (WSC Policy Chair); Pete C. (WSC H&I Chair); Steve R. (WSC P.I. Chair); Bryce S. (WSC Literature Chair); Stu T. (WSO BOD Chair); Jack B. (WSB Chair); Becky M. (WSB); Greg P. (WSB); Kim J. (WSB); Garth P. (WSB); Chuck L. (WSB); Stretch G. (WSB).

Tom R. (WSC Treasurer) announced a total of 80 participants present. 54 represents a 2/3 majority; 41 represents a simple majority; and 64 regions were present.

It was M/C WSO BOD "To reaffirm and ratify that the ownership of all of N.A.'s intellectual and physical properties prepared in the past, and to be prepared into the future, is held by WSO, Inc., which holds such title in trust on behalf of the fellowship of Narcotics Anonymous as a whole, in accordance with the decisions of the World Service Conference. MOTION CARRIED BY 2/3 MAJORITY ROLL CALL VOTE (see Roll Call Vote #1) after the following:

Ed D. (WSC Chairperson) explained that the WSO is offering this motion as a substitution for the affirmation in the *Conference Agenda Report*. Shannon L. (RSR, Tri-State) requested that the WSO attorney be called upon to provide information about the effect of these motions on the status of copyright ownership.

Theresa Middlebrook, intellectual property attorney for the WSO, explained that this motion is intended to provide clarity, emphasizing the need for the conference to reaffirm and ratify that WSO is the owner of the legal rights to the fellowship literature, which rights are held in a trust on behalf of the fellowship. She pointed out that this has been established "de facto" ["by the facts"] and a clear, written conference action will be most helpful. The fact that the WSO holds the *legal* title to the properties, and that equitable title is held by the fellowship can be clarified further by this action. Another way to say this is that WSO holds the properties "in trust" for the fellowship. This means that WSO is a "fiduciary" and acting in a "fiduciary capacity" with respect to the fellowship. All "physical properties" belonging to WSO (such as typewriters, tables and chairs, computers) are also held in trust.

Several questions about ownership of the copyright to fellowship literature were asked, which elicited the following information. Ms. Middlebrook pointed out that the claims of some people that effective written transfer of



ownership was never made for the Basic Text, are groundless in her opinion, because they have conveniently forgotten that there are two different ways to have something become a "work made for hire": they are in subsections (1) and (2) of section 101, defining a "work made for hire" under the Copyright Law. These people point out that the individual authors that were members of the Literature Committee never signed a "work made for hire" agreement, as required under subsection (2) of Copyright Law. That may or may not be true. However, the Basic Text still qualifies as a "work made for hire" under subsection (1) of the same law, which does not require any written agreement.

Subsection 1 provides that a work prepared by an "employee" within the scope of their "employment" requires no written transfer. The U.S. Supreme Court, in the case *CCNV vs Reid*, 1989, clarified that for copyright purposes, the rules of agency and employment apply. Under those rules, the term "employee" is not limited to formal salaried employees; it includes anyone that the "employer" has the right to control, such as temps and volunteers. Therefore when a volunteer works on a piece of literature with similar volunteers for the good of the non-profit or public benefit volunteer organization, all the volunteer writers are considered a type of "employee". Under subsection (1) of the copyright act, the "employer" is the owner of the copyright, not the individual authors.

In this case, the volunteers were working for the fellowship through the Literature Committee of the World Service Conference for the benefit of the fellowship. Therefore the "employer" for purposes of copyright was the Literature Committee of the World Service Conference. In 1982, the Literature Committee assigned the Basic Text over to the WSO, which complies with the written assignment requirements of the copyright law.

Literature written by the fellowship for the fellowship is owned by the employer, which is the fellowship as it speaks through the WSC, and administered according to the trust relationship between the WSO and the WSC. When literature is written by a traditional salaried employee of WSO, then WSO, as "employer", owns the copyright, however like all assets WSO has, even in-house WSO literature is held in trust for the benefit of the fellowship. The literature will be copyrighted as "work made for hire".

The WSO has not and does not now take the position that it can do whatever it wants with the literature. WSO has and will always act according to the instructions of the WSC. The WSC will continue to have the right to control what the WSO does. In describing the "legal ownership" and "equitable ownership", Ms Middlebrook said that the equitable owner has no right to do anything with the copyright without cooperation and assistance of the legal owner. The legal owner, on the other hand, cannot do anything to the copyright which would destroy the residual value of the copyright because of the fiduciary obligation to the equitable owner. For every piece of literature, developed in the past or in the future, the equitable rights will belong to the WSC and the legal rights to the WSO. What we are trying to do here, is to clear up the legal ownership which WSO has. Then, procedural objections will be clarified in an easier and less destructive manner. This motion, if passed, will provide a written conference action which says that the WSC said very clearly "we want all the legal ownership rights to belong to the service office which acts on our



behalf." The fellowship is at no risk of the WSO taking a work for hire and disributing it outside of the fiduciary relationship with the WSC.

Stretch G. (BOT) asked to add "ratify" after "reaffirm" and change "who" to "which" in the substitute motion. The request was accepted by Stu T., Ed D., and conference participants.

It was M/S/F Forest B. (RSR, S. Florida)/Bill M. (RSR, Alaska) "to postpone until close of new business on Friday." MOTION FAILED BY VOICE VOTE.

Carlos G. (RSR-Alt, Colorado) requested a standing vote on the motion to postpone. REQUEST FAILED BY VOICE VOTE.

Greg P. (BOT) asked several questions. He asked for confirmation that the difference between the substitute motion and wording in the Conference Agenda Report are to change "holding in a fiduciary capacity" to "ownership", and add "all future intellectual and physical properties". He also pointed out that the conference could revoke the rights of ownership and dissolve the fiduciary relationship, and asked what would happen then. Ms. Middlebrook confirmed his answers and pointed out that the first thing to do is clarify what happened in the past by these actions. Next is to clarify the future, by creation of a written trust document that reduces to writing the unwritten agreement between the service office and the conference that has been followed for the last nine years. Greg also stated his opinion that the opportunity for full discussion was indicated in the CAR and had not yet ocured. Greg insisted on an opportunity to discuss these matters more fully. He was encouraged to make a motion to accomplish this.

It was M/S/F Greg P. (BOT)/Scott A. (RSR, San Diego/Imperial) "to go into a committee of the whole, consisting of conference participants, Board of Directors, and office staff, for one hour for the purpose of discussing both the affirmations." MOTION FAILED BY VOICE VOTE

Theresa Middlebrook (WSO Intellectual Property Attorney) stated that a factual record does exist of the past relationship between the parties involved. What does not exist, however, is one complete clear reaffirmation of the exact intentions of the parties which will help in the future if further disputes arise. This needs to be done for the benefit of those people who do not have the time, energy, nor the interest to look back at what really happened and would rather argue that the past consists of what they believe should have happened.

Ed D. (WSC Chairperson) asked for the consent of the conference to substitute motions #112 and #113 for the affirmations listed in the WSO portion of the 1991 *Conference Agenda Report*. The conference responded in the affirmative BY MAJORITY VOICE VOTE.

It was M/S/C Rudy S. (RSR, Carolina)/Mel N. (RSR, Utah) "to call the question on the substitute motion." MOTION TO END DEBATE CARRIED BY 2/3 MAJORITY VOICE VOTE



It was requested by Greg P. (BOT) to take a yea/nay vote on this matter, whether the substitute motion is conference business or if this is a matter that should be sent to the groups. It was determined by VOICE VOTE that this is conference business.

David L. (RSR, Northern New York) requested a roll call vote on the substitute motion. Ed D. (WSC Chairperson) agreed.

Tom R. (WSC Treasurer) conducted the roll call vote (#1): Alabama/NW Florida-YES; Alaska-NO; Alsask-YES; Arizona-YES; Arkansas-YES; Australia-YES; Bahamas-YES; Best Little Region-YES; British Columbia-YES; Buckeye-NO; California Mid-State-YES; Carolina-YES; Central California-YES; Chesapeake/Potomac-NO; Chicagoland-YES; Colorado-NO; Connecticut-YES; Florida-YES; Freestate-YES; Georgia-YES; German-speaking Region-YES; Greater Illinois-YES; Greater New York-YES; Greater Philadelphia-YES; Hawaii-YES; Indiana-ABSTAIN; Iowa-YES; Ireland-YES; Kentuckiana-YES; London-YES; Lone Star-YES; Louisiana-NO; Michigan-YES; Mid-America-YES; Mid-Atlantic-YES; Mississippi-NO; Mountain Valley-YES; Mountaineer-absent; Nebraska-YES; New England-YES; New Jersey-ABSTAIN; New Mexico-YES; Northern California-YES; Northern New Jersey-YES; Northern New York-YES; Ohio-YES; OK Region-YES; Ontario-YES; Quebec-YES; Region of the Virginias-NO; San Diego/Imperial-YES; Show-Me-YES; Sierra Sage-YES; Southern California-YES; Southern Idaho-YES; Southern Nevada-YES; South Florida-NO; Together We Can-YES; Tri-State-YES; Upper Midwest-YES; Upper Rocky Mountain-YES; Utah-YES; Volunteer-YES; Washington/N. Idaho-YES; Wisconsin-YES; Ed D. (WSC Chairperson)-YES; Reuben F. (WSC Vice Chairperson)-YES; Barbara J. (WSC Second Vice Chairperson)-YES; Debbie O. (WSC Policy Chair)-YES; Pete C. (WSC H&I Chair)-ABSTAIN; Steve R. (WSC P.I. Chair)-YES; Bryce S. (WSC Literature Chair)-YES; Stu T. (WSO BOD Chair)-YES; Jack B. (WSB Chair)-YES; Becky M. (WSB)-YES; Greg P. (WSB)-NO; Kim J. (WSB)-YES; Garth P. (WSB)-YES; Chuck L. (WSB)-YES; Donna M. (WSB)-absent; Danette B. (WSB)-absent; Stretch G. (WSB)-YES.

SUBSTITUTE MOTION CARRIED; YES-67; NO-9; ABSTENTIONS-3; 54 of the yes votes were regions.

It was M/C (WSO BOD) "To reaffirm that the World Service Office, Inc. is the exclusive publisher and distributor of all World Service Conference-approved literature, including all books, pamphlets, handbooks, and other intellectual and physical properties, as directed by the fellowship of Narcotics Anonymous through the World Service Conference." MOTION CARRIED BY 2/3 MAJORITY VOICE VOTE

It was M/C (WSO BOD) "That the WSC ratify the implementation of the World Services Translation Proposal for one year." MOTION CARRIED BY 2/3 MAJORITY VOICE VOTE

It was M/C (WSO BOD) "That the WSC ratify the implementation of the World Services Travel Proposal for one year." MOTION CARRIED BY 2/3 MAJORITY VOICE VOTE

It was M/C (WSO BOD) "That the WSC supports continuing the work in progress outlined in the Unified Budget and Review proposal." (This

EXHIBIT "H"