

CONTINGENCY FEE AGREEMENT

STATE OF ALASKA OPIOID INVESTIGATION

This Agreement contains the terms under which the Alaska Department of Law (the "Department"), on behalf of the State of Alaska (the "State") has retained **Motley Rice LLC** ("Motley Rice") to represent the State in connection with the investigation and possible litigation of claims related to the manufacturing, distribution, marketing, and sale of opioids ("Opioid Conduct") in Alaska.

1. Representation.

The State has NOT filed a complaint relating to any Opioid Conduct, and intends to further investigate potential claims related to the conduct to determine if litigation is warranted. Motley Rice will assist the State in all phases of this investigation, including but not limited to (1) the drafting of proposed civil investigative demands ("CID") or subpoenas, if warranted, and any required motions to compel related to a failure to respond to a CID or subpoena, (2) review and analysis of all responses received, (3) interviewing potential witnesses and other persons with information about the conduct, (4) working with potential experts, and (5) ongoing consultation with the Department on other investigative activities required to fully inform the State about potential claims related to this conduct. Motley Rice will work under the direction of and report to the State on the investigation. The Attorney General will have sole discretion to determine whether the State should pursue any claims through litigation.

If the Attorney General determines to pursue litigation, Motley Rice will provide sufficient resources, including attorney time, to prosecute this action faithfully and with due diligence until its conclusion. Motley Rice and the Department will discuss all major litigation decisions, including but not limited to: (1) which defendants to name; (2) what claims to allege; (3) what damages to pursue; (4) discovery matters, (5) retention of experts; and (6) whether to proceed to trial. It is expressly understood that the Attorney General will have final and exclusive authority over all aspects of this case, including settlement decisions, and may make decisions related to the case without input from Motley Rice if the Attorney General deems it necessary. The Department will also designate an attorney to supervise the investigation and any litigation, and that attorney will be available to any adverse or potentially adverse parties without the participation of Motley Rice, as appropriate.

Motley Rice must obtain written approval from the Department before taking any positions that could potentially impact policy concerns of the State. Motley Rice will provide the Department with drafts of any court filings sufficiently in advance of filing the documents in order for the Department to review the filings and provide comments, unless the Department affirmatively waives such review.

The Department and Motley Rice will hold regular meetings (on a schedule set by the Department) to discuss the prosecution of the case, discovery matters, pre-trial proceedings and pleadings, etc. Upon request, Motley Rice will provide the Department with reports regarding activities on the case, including cost reports.

Motley Rice may associate with additional co-counsel without additional expense to the State only upon written approval by the Department.

2. Attorney General Authority and Settlement.

Motley Rice understands and agrees that the Department, through the Attorney General, will retain absolute and total control over all aspects of this case, including settlement decisions. Motley Rice understands and agrees that the Attorney General does not need approval from Motley Rice to enter a settlement of this case, and may resolve this investigation or litigation in any manner without prior notice to Motley Rice.

3. Costs and Fees.

The cost and fee arrangements under which Motley Rice will handle this investigation and potential litigation are as follows:

Costs: Motley Rice will thoroughly investigate this case in cooperation with the Attorney General. If the Attorney General decides to pursue litigation by filing a complaint, Motley Rice will prosecute this litigation on a contingency fee basis, and will have costs reimbursed, including investigative costs, only if the State receives a payment of money from defendants through settlement, or from a money judgment (collectively a "Recovery"), regardless of whether a Recovery is obtained before or after filing a complaint. Motley Rice will advance all costs of investigation and litigation (including expert witness fees, deposition transcripts, copying, filing fees, travel, telephone, postage, secretarial support, paraprofessional time, etc.). If the Recovery is insufficient to pay all costs, Motley Rice agrees that unpaid costs will not be reimbursed. All costs will be documented with detailed descriptions of the costs along with supporting receipts. No cost will be reimbursed without appropriate supporting documentation. Motley Rice shall obtain advanced written approval from the Department for any cost expected to exceed \$2,500. Allowable costs will be consistent with costs allowed under Alaska Civil Rule 79. The following limits will also be observed by the Firm:

<u>Service or Expense</u>	<u>Charge/Rate</u>
Reproduction/Copying	\$0.10 per page
Courier Services, Automobile Messenger Deliveries	At cost as invoiced

Overnight Deliveries (such as UPS, Federal Express, Express Mail, DHL)	At cost as invoiced
Postage	At cost
Telephone	At cost as invoiced
Telecopier	At cost as invoiced
Hotel Accommodations	Not to exceed \$300.00/night
Air Fare	Not to exceed coach class
Cab Fare	At cost as invoiced

Reimbursement shall not be made for:

- *The purchase or lease of office space, furnishings, equipment, or software;
- *Secretarial or staff overtime or other temporary administrative or clerical assistance;
- *Contract labor of any kind, except expert witnesses;
- *Computerized Database Research (i.e. Westlaw, Lexis).

Unless otherwise approved by the Department, reimbursement for airline travel costs under this contract shall be limited to coach class fares. Motley Rice will use its best efforts to book travel to maximize discounts, such as advanced bookings.

Reimbursement of hotel costs shall be limited to a maximum of \$300.00 per night unless otherwise approved by the Department. The Department understands that in some locations, the cost of reasonable accommodations may exceed \$300 per night. Motley Rice will use best efforts to obtain lodging at the best possible rate considering the location, and provide the Department with all reasonable alternatives, and obtain the Department's approval, before exceeding the \$300 maximum.

All costs incurred by additional approved co-counsel must comply with these restrictions.

Fees:

Motley Rice will be paid attorneys' fees only if the State obtains a recovery through settlement or trial either before or after filing a complaint. Motley Rice shall receive twenty percent (20%) of any such recovery net of all costs. Thus, when calculating Motley Rice' fee, costs shall first be deducted from any recovery, and the 20% contingency will be determined only on the remaining amount of the recovery after costs are deducted. The State and Motley Rice may also agree that its fees will be paid by any defendants in an amount not to exceed the 20% contingency rate (plus expenses). If a court awards or defendants agree to pay attorneys' fees, such fees will be added to the total recovery, from which expenses and the contingency fee is paid.

Motley Rice will be solely responsible for payment of all fees and costs incurred by co-counsel or other firms approved to work on this case. The payment of fees to additional co-counsel or approved firms shall be made from Motley Rice's 20% contingency fee in a manner agreed to between Motley Rice and other co-counsel. The State shall not be responsible, under any scenario, for payment of any fees to anyone beyond its 20% contingency fee.

The Department and Motley Rice may negotiate a separate fee agreement for any appellate work arising from a final judgment entered in litigation.

Because the State requires that each attorney assume joint responsibility for the representation of the State in this litigation, a division of fees between the attorneys may be made.

4. Insurance.

During the term of this Agreement, Motley Rice shall maintain malpractice insurance coverage in amounts satisfactory to the Department that will apply to all services Motley Rice renders to the Department and the State under this Agreement. Motley Rice shall promptly provide a certificate of insurance coverage which shall describe the nature, amount and term of insurance provided. Motley Rice shall provide the Department with 30 days advance written notice of any material modification or termination of such insurance.

5. Indemnification.

To the extent permitted by Alaska law and ethical rules, Motley Rice agrees to indemnify, defend and hold harmless the State of Alaska, its officials, employees and agents from and against all claims brought by any person employed by, or working on behalf of Motley Rice arising from its services under this Agreement including but not limited to liability, suits, expenses, judgments, fines, penalties, costs, attorneys' fees, improper or unethical practices, workers' compensation claims, breach of contract, loss of funds, death, personal injury, or property damage. Nothing herein shall require Motley Rice to indemnify the State for Civil Rule 79 costs and Rule 82 fees properly awarded against the State in connection with the ordinary litigation of this action.

6. Conflicts.

Motley Rice confirms it has no conflict in taking this representation. Motley Rice shall immediately notify the Department if they become aware of any potential or actual conflict of interest, and shall provide a full disclosure of the nature of the conflict. The Department shall consider requests for waivers of any conflict of interest on a case by case basis.

7. Non-assignability.

Motley Rice shall not assign or transfer any interest in this Agreement without the prior written consent of the Department.

8. Modification.

Modifications to this Agreement must be in writing and approved by the Attorney General or her designee.

9. Termination.

This Agreement will terminate at the earlier of (1) a successful recovery from all defendants named in a complaint, (2) the conclusion of trial against the last remaining defendant in the case. The Department and Motley Rice may also terminate this Agreement upon mutual consent without cause in which case the State will ensure that Motley Rice is repaid its expenses, consistent with this Agreement, and reasonable hourly attorneys' fees for its work prior to termination, provided again that no expenses or fees will be paid except from any recovery. Either party may terminate this Agreement for cause. If the Department terminates for cause, then there will be no penalty or obligation on the State to pay past, present, or future fees, costs, or expenses.

10. Confidentiality.

Motley Rice agrees and understands that all information obtained or gathered during the Attorney General's investigation of this matter is strictly confidential, and will not be made available to the public pursuant to AS 45.50.521. Motley Rice shall maintain as confidential all information concerning their legal work product and attorney-client communications. Motley Rice shall not disclose such information to a third-party unless the Department has consented in writing or unless otherwise required by law. The obligations of this section shall survive the termination of this Agreement.

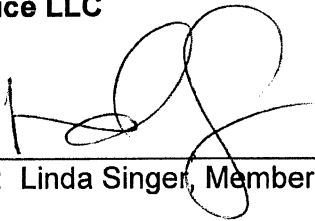
11. Media Contact.

The Department shall be the primary point of contact for all dealings with the media. If Motley Rice is contacted by the media, Motley Rice should decline comment beyond confirming matters that are a matter of public record and refer the individuals to the Department.

12. Governing Law and Venue.

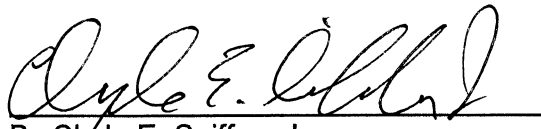
This Agreement is governed by the laws of the State of Alaska.

Motley Rice LLC


By: Linda Singer, Member

DATE: 7/6/17

Jahna Lindemuth
Attorney General of Alaska


By Clyde E. Sniffen, Jr.
Deputy Attorney General

DATE: 7-6-17