

RETENTION AGREEMENT

WHEREAS, the Attorney General has determined that there are unfair and deceptive trade practices affecting Mississippi consumers who participate in debt management "programs." These programs have a dismal record of success (less than 10%).¹ These deceptive practices violate both the Mississippi Consumer Protection Act and the Debt Management Services Act. It is estimated that 2,000 financially troubled Mississippi consumers have participated in these debt management programs; and

WHEREAS, the Attorney General has determined that the investigation, research and litigation of claims against parties presently engaging in these practices, to-wit: Global Client Solutions, LLC, Global Holdings LLC, US Legal Services Group, P.C., Apex Legal Group, P.C., American Financial Law Group, LLC, Moore Legal Center, P.C., the Law Offices of Robert S. Gitmeid & Associates, PLLC, Robert S. Gitmeid, Timberland Financial LLC, GRT Financial, Inc., Consumer Capital Advocates, LLC and Assurance Consumer Services, LLC will require extensive work on behalf of lawyers and others familiar with the deceptive practices which are being challenged and will involve an extended period of time and substantial expense; and

WHEREAS, the Attorney General has further determined that it is in the best interest of the State and its citizens that the State retain attorneys with significant litigation experience; and

WHEREAS, Corlew Munford & Smith PLLC is experienced in multiparty, complex litigation and have consented to represent the State of Mississippi in association with the Attorney General, respecting the claims and pursuant to the terms and conditions hereof.

IT IS ACCORDINGLY, AGREED AS FOLLOWS

1. The Office of the Attorney General hereby retains Corlew Munford & Smith PLLC ("Law Firm"), whose members are hereby designated as Special Assistant Attorneys General, to investigate, research, and prepare claims or complaint(s) for the Office of the Attorney General to file in any appropriate Court or before any appropriate governmental agency.

2. The Attorney General does not relinquish his constitutional or statutory authority or responsibility through this Retention Agreement. The Attorney General has the sole authority to settle this litigation on behalf of the State of Mississippi and its citizens, and

¹ Debt Settlement: Fraudulent, Abusive, and Deceptive Practices Pose Risk to Consumers, GAO-10-593T (April 22, 2012).

the Law Firm shall apprise the Attorney General of all settlement offers. The Law Firm shall consult with the Attorney General and obtain his approval on all material matters pertinent to the claims and any litigation arising therefrom; including whether and how to proceed with litigation, which claims to advance, what relief to seek, and whether and on what terms to settle. The Attorney General shall cooperate with the Law Firm and use his best efforts to secure the cooperation of other State agencies. The Attorney General is not required, however, to assign any member of his staff to pursue the claims, but may from time to time afford staff and other support services as the Attorney General deems appropriate. The Attorney General shall designate one or more members of his staff to monitor these claims, who will be available directly to the parties in this matter as needed, and the Law Firm shall keep the Attorney General and his designated staff member(s) fully informed on all matters pertaining to the claims.

3. The Attorney General and the Law Firm both recognize that the claims present numerous factual and legal obstacles, and that no assurance of success on the claims has or can be made.

4. The Attorney General shall maintain responsibility for the public distribution of information concerning this matter. All press inquiries shall be referred to the Attorney General for comment and response.

5. Notwithstanding the potential difficulties, the Law Firm has agreed to represent the State, and the Attorney General hereby agrees that the Law Firm will be compensated for recovery by the State of Mississippi on the following basis:

A. Recovery of Attorneys' Fees: The Attorney General may request that the court, to the extent permitted by applicable law, award the State and the Law Firm reasonable attorneys' fees. Any such award shall be payable to the Law Firm, unless staff lawyers for the Attorney General are also awarded such fees, in which case that award shall be payable to the Attorney General.

B. In addition, the Law Firm will be entitled to compensation of 25% of compensatory and/or punitive damages awarded by judgment or pursuant to settlement to the extent permitted by applicable law, in no event to exceed the percentages set forth in Miss. Code § 7-5-8 at the date of this Retention Agreement.

C. All reasonable and necessary costs of litigation including, but not limited to, court costs, travel, witness fees, consultants, accounting, and expert fees and expenses, as shall be approved by the Attorney General, shall be borne entirely by the Law Firm, but shall be reimbursed from any gross recoveries from the pursuit of the claims.

D. The Law Firm shall receive no compensation or reimbursement other

than set out above. In the event that no recovery is realized, the Law Firm shall receive no compensation or reimbursement.

6. With the approval the Attorney General, the Law Firm may associate other attorneys at its own expense and at no cost to the State of Mississippi. Notwithstanding such association of other attorneys, this Retention Agreement is non-assignable and not transferable, nor are the Law Firm's commitments delegable without the express, written approval of the Attorney General.

7. The Law Firm shall, from the date hereof until not less than four (4) years after this contract expires or is terminated, maintain detailed current records, including documentation of all expenses, disbursements, charges, credits, underlying receipts and invoices, and other financial transactions that concern the providing of attorney services. In addition, the Law Firm shall maintain detailed contemporaneous time records for the attorneys and paralegals working on this matter in increments of no greater than one-tenth of an hour, and shall promptly provide these records to the Attorney General upon request.

DATED this 20th of March, 2018.

ATTORNEY GENERAL OF THE
STATE OF MISSISSIPPI

BY:


Jim Hood, Attorney General

BY:


CORLEW MUNFORD & SMITH PLLC
JOHN G. CORLEW