

## RETENTION AGREEMENT

**WHEREAS**, the Attorney General has determined that claims should be made against Navient Corporation, Navient Solutions, LLC, and other as yet unnamed entities that have engaged in unfair and/or deceptive trade practices in connection with their origination and servicing of student loans in the State of Mississippi in violation of the Mississippi Consumer Protection Act and other laws;

**WHEREAS**, the Attorney General has authority to bring this action on behalf of the State of Mississippi. Further, acting as a constitutional officer possessing all the power and authority inherited from the common law as well as that specially conferred upon it by statute, the Attorney General has the right to institute, conduct, and maintain this suit in order to enforce the laws of the State of Mississippi, preserve order, and protect the public's right to a fair market place. Finally, the Attorney General has the right to maintain this suit in a *parens patriae* capacity due to State's quasi-sovereign interest in the economic well-being of its residents who have been the subject of unfair and/or deceptive acts or practices with regards to the origination and/or servicing of student loans;

**WHEREAS**, the Attorney General has determined that the claims include unfair and/or deceptive trade practices, unjust enrichment, and various other related common law claims, restitution, interest, penalties, fines, attorney's fees, and costs;

**WHEREAS**, the Attorney General has determined that the investigation, research, and litigation of the Claims will require the expenditure of large sums of money and require the work of numerous lawyers, paralegals, accountants, and secretaries who are familiar with

issues which form the subject matter of this litigation;

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

**WHEREAS**, Abraham & Associates, PA is experienced in such litigation and has 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 the Law Firm of Abraham & Associates, PA ("Law Firm") to investigate, research, and file the Claims in any appropriate Court or Courts 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 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 these Claims and any litigation arising therefrom. The Attorney General shall cooperate with the Law Firm in the prosecution of the Claims and shall use his best efforts to secure the cooperation of other State agencies and subdivisions. Prior to initiating inquiries or demands to any persons or entities, the Attorney General and the Law Firm will agree upon entities and individuals to be named as defendants and/or claims to be pursued; the Law Firm will thereafter be entitled to its

reasonable fees and expenses, as provided below, based on any recovery from such agreed-upon defendants as a consequence of the Law Firm's prosecution of the Claims. The Attorney General shall designate a member(s) of his staff to monitor these Claims, and the Law Firm shall keep the Attorney General and his designated staff member(s) 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 on a fully contingent basis, and the Attorney General hereby agrees that the Law Firm will be compensated for its efforts on the following basis:

A. Recovery of Attorneys' Fees: The sole contingency upon which the Law Firm shall be compensated is a recovery in the prosecution of the Claims, whether by settlement or judgment. The Law Firm's compensation shall be in the form of a percentage of the recovery achieved for the State of Mississippi, net of expenses, and the Law Firm shall limit the percentage sought from the State of Mississippi to the percentage corresponding to the State of Mississippi's estimated recovery set forth in Exhibit A attached hereto, plus reasonable and necessary costs as defined below. Any

fee that Law Firm requests shall be subject to the consent of the Attorney General. In the event that the prosecution of the Claims is resolved by settlement under terms involving any "in-kind" payment, the contingent fee arrangement shall apply to such "in-kind" payment.

B. Reasonable and necessary Costs and Expenses: Law Firm shall advance all costs and expenses related to the prosecution of the Claims including, but not limited to, any costs and expenses incurred by the State of Mississippi and the Attorney General related to depositions or any other legal proceedings. The State of Mississippi and the Attorney General will not pay any costs and expenses incurred in connection with the investigation and prosecution of the Claims. Recovery of any costs and expenses by Law Firm is contingent upon a recovery being obtained. Reasonable and necessary costs and expenses include, but are not limited to, those relating to court fees, travel, depositions, investigators, paralegals, computer research, experts, consultants, accounting, and the retention of additional temporary support counsel, as needed. Such costs and expenses shall be approved by the Attorney General and shall initially be borne entirely by the Law Firm.

C. The Law Firm shall receive no compensation or reimbursement from the State of Mississippi other than set out above. In the event that no recovery is realized, the Law Firm shall receive no compensation or reimbursement.

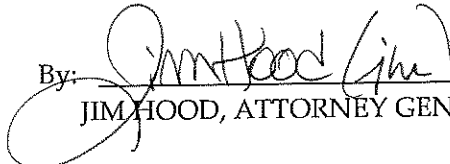
6. With the approval of the Attorney General, the Law Firm may associate other attorneys at its own expense and at no cost to the State of Mississippi. All counsel shall remain

fully responsible for the litigation and its outcome. Notwithstanding such association of other attorneys, this Retention Agreement is non-assignable and non-transferable, nor are the Law Firm's commitments delegable without the express, written approval of the Attorney General.

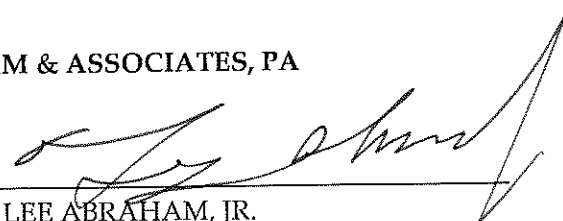
7. The Law Firm shall, from the date hereof until not less than four (4) years after this contract expires or is terminated, maintain detailed current records, including documentation of all expenses, disbursements, charges, credits, underlying receipts and invoices, and other financial transactions 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 (1/10) of an hour, and shall promptly provide these records to the Attorney General upon request.

DATED this the 17<sup>th</sup> day of July, 2018.

ATTORNEY GENERAL OF  
THE STATE OF MISSISSIPPI

By:   
JIM HOOD, ATTORNEY GENERAL

ABRAHAM & ASSOCIATES, PA

By:   
A. LEE ABRAHAM, JR.

## EXHIBIT A

- Twenty-five percent (25%) of any recovery up to Ten Million Dollars (\$10,000,000.00); plus
- Twenty percent (20%) of any portion of such recovery between Ten Million Dollars (\$10,000,000.00) and Fifteen Million Dollars (\$15,000,000.00); plus
- Fifteen percent (15%) of any portion of such recovery between Fifteen Million Dollars (\$15,000,000.00) and Twenty Million Dollars (\$20,000,000.00); plus
- Ten percent (10%) of any portion of such recovery between Twenty Million Dollars (\$20,000,000.00) and Twenty-five Million Dollars (\$25,000,000.00); plus
- Five percent (5%) of any portion of such recovery exceeding Twenty-five Million Dollars (\$25,000,000.00).

## DETERMINATION OF NEED FOR CONTINGENCY FEE REPRESENTATION

The Attorney General has determined that use of outside counsel is cost-effective, in the public interest and necessary to investigate and potentially pursue the Claims against the Defendants which may have engaged in certain unlawful conduct, as described herein. Use of outside counsel is necessary because: there do not exist sufficient and appropriate legal and financial resources within the Attorney General's Office to handle the matter; the time and labor required necessitates outside counsel; the novelty, complexity, and difficulty of the questions involved are within the expertise of outside counsel, who in fact possessed the knowledge necessary to discover this issue in the first instance, and the skill requisite to perform the attorney services properly prohibit our office from being able efficiently to do it in-house. The geographic area where the attorney services are to be provided is expansive because of the diverse locations of the defendants, their operations, and the witnesses. Outside counsel has the amount and type of experience necessary having worked on a number of complex consumer protection claims involving deceptive practices.

OFFICE OF THE ATTORNEY GENERAL OF THE  
STATE OF MISSISSIPPI

By: 

Jacqueline H. Ray

Special Assistant Attorney General