

ENGAGEMENT TO REPRESENT

RE: City of Reno civil suit against those legally responsible for the wrongful manufacture and distribution of prescription opiates and damages caused thereby.

1. **SCOPE OF EMPLOYMENT:** Reno, Nevada (hereinafter "CLIENT"), by and through its City Council, hereby retains the law firm of Wetherall Group, Ltd. ("The FIRM") pursuant to the Nevada Rules of Professional Conduct, on a contingent fee basis, to pursue ***all*** civil remedies against the manufacturers of prescription opiates and those in the chain of distribution of prescription opiates responsible for the opioid epidemic which is harming CLIENT including, but not limited to, filing a claim for public nuisance to abate, enjoin, recover and prevent the damages caused thereby. **Peter C. Wetherall, Esq.**, Nevada Bar #4414, of Wetherall Group, Ltd., shall serve as LEAD COUNSEL. CLIENT authorizes lead counsel to employ and/or associate additional counsel, including Co-lead counsel of his own choosing, with consent of CLIENT, to assist LEAD COUNSEL in the just prosecution of the case. CLIENT consents to the potential participation of the following firms (collectively referred to, herein, as "Attorneys"), if no conflicts exist, including but not limited to conflicts pursuant to the Nevada Rules of Professional Conduct:

ANDREWS THORNTON HIGGINS RAZMARA, LLP
2 Corporate Park, Suite 110
Irvine, CA 92606

WALKUP, MELODIA, KELLY & SCHOENBERGER
650 California Street
San Francisco, CA 94108

SKIKOS CRAWFORD SKIKOS & JOSEPH, LLP
One Sansome Street, Suite 2830
San Francisco, CA 94104

LEVIN, PAPANTONIO, THOMAS, MITCHELL, RAFFERTY & PROCTOR, PA
316 South Baylen Street
Pensacola, FL

2. **ATTORNEYS' FEES:** In consideration, CLIENT **agrees to pay thirty percent (30%) of the total recovery (gross) in favor of the CLIENT as an attorney fee whether the claim is resolved by compromise, settlement, or trial and verdict (and appeal). The gross recovery shall be calculated on the amount obtained before the deduction of costs and expenses.** CLIENT grants the FIRM an interest in a fee based on the gross recovery. If a court awards attorneys' fees, the FIRM shall receive the "greater of" the gross recovery-based contingent fee or the attorneys' fees awarded. **There is no fee if there is no recovery, and CLIENT need not reimburse the FIRM its expenses if there is no recovery.**

The CLIENT acknowledges this fee is reasonable given the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the

legal service properly, the likelihood this employment will preclude other employment by the FIRM, the fee customarily charged in the locality for similar legal services, the anticipated (contingent) litigation expenses and the anticipated results obtained, the experience, reputation, and ability of the lawyer or lawyers performing the services and the fact that the fee is contingent upon a successful recovery.

This litigation is intended to address a significant problem in the community. The litigation focuses on the manufacturers and wholesale distributors and their role in the diversion of millions of prescription opiates into the illicit market which has resulted in opioid and heroin addiction, abuse, morbidity and mortality. There is no easy solution and no precedent for such an action against this sector of the industry. Many of the facts of the case are locked behind closed doors. The billion-dollar industry denies liability. The outcome is uncertain, as is all civil litigation, with compensation contingent upon a successful recovery. Consequently, there must be a clear understanding between the CLIENT and the FIRM regarding the definition of a "successful recovery."

The FIRM intends to present a damage model designed to abate the public health and safety crisis. This damage model may take the form of money damages and/or equitable remedies (e.g., an abatement fund). The purpose of the lawsuit is to seek reimbursement of the costs incurred in the past fighting the opioid epidemic and/or recover the funds necessary to abate the health and safety crisis caused by the unlawful conduct of manufacturers and wholesale distributors. The CLIENT agrees to compensate the FIRM, contingent upon prevailing, by paying 30% of any settlement/resolution/judgment, in favor of the CLIENT, whether it takes the form of monetary damages or equitable relief. For instance, if the remedy is in the form of monetary damages, CLIENT agrees to pay 30% of the gross amount to FIRM as compensation and then reimburse the reasonable litigation expenses. If the remedy is in the form of equitable relief (e.g., abatement fund), CLIENT agrees to pay 30% of the gross value of the equitable relief to the FIRM as compensation and then reimburse the reasonable litigation expenses. To be clear, the FIRM shall not be paid nor receive reimbursement from public funds unless required by law. However, any judgment arising from successful prosecution of the case, or any consideration arising from a settlement of the matter, whether monetary or equitable, shall not be considered public funds for purposes of calculating the contingent fee unless required by law. Under no circumstances shall the CLIENT be obligated to pay any attorneys fee or any litigation expenses except from moneys expended by defendant(s) pursuant to the resolution of the CLIENT's claims. If the defendant(s) expend their own resources to abate the public health and safety crisis in exchange for a release of liability, then the FIRM will be paid the designated contingent fee from the resources expended by the defendant(s). CLIENT acknowledges this is a necessary condition required by the FIRM to dedicate their time and invest their resources on a contingent basis to this enormous project. If the defendant(s) negotiate a release of liability, then the FIRM should be compensated based upon the consideration offered to induce the dismissal of the lawsuit.

Negotiability of Fees: The rates set forth above are not set by law but are negotiable between the FIRM and CLIENT.

3. COSTS AND OTHER EXPENSES: THE FIRM and/or the other law firms in association with the FIRM, hereinafter referred to as the "Attorneys," shall advance all necessary litigation expenses necessary to prosecute these claims. **All such litigation expenses, including the reasonable internal costs of electronically stored information (ESI) and electronic discovery generally or the direct costs incurred from any outside contractor for those services, will be deducted from any recovery after the contingent fee is calculated. There is no reimbursement of litigation expenses if there is no recovery. Costs advanced will be payable out of the Client's share of any recovery and will not affect the contingency rate or fees due to the FIRM.**
4. FEE SHARING WITH CO-COUNSEL: The division of fees, expenses and labor between the Attorneys will be decided by private agreement between the law firms and subject to approval by the CLIENT. Any division of fees will be governed by the Nevada Rules of Professional Conduct, specifically, Rule 1.5(a) and Rule 1.5(e)2-3.
5. COMMUNICATIONS WITH CLIENT: LEAD COUNSEL shall appoint a contact person to keep the CLIENT reasonably informed about the status of the matter in a manner deemed appropriate by the CLIENT. **The CLIENT shall at all times retain the authority to decide the disposition of the case and personally oversee and maintain absolute control of the litigation.**

Upon conclusion of this matter, LEAD COUNSEL shall provide the CLIENT with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to the client and the method of its determination. The closing statement shall specify the manner in which the compensation was determined under the agreement, any costs and expenses deducted by THE FIRM from the judgment or settlement involved, and, if applicable, the actual division of fees with a lawyer or law office not in THE FIRM, as required by the Nevada Rules of Professional Conduct. This closing statement is subject to review and approval by the CLIENT.

6. REVIEW AND UNDERSTANDING OF THIS AGREEMENT: CLIENT acknowledges review and understanding of this agreement, having read its contents in its entirety, and CLIENT understands and agrees with all of its provisions. CLIENT acknowledges that the FIRM, its employees or agents, and nothing in this Agreement has made no promise or guarantee regarding the successful determination of client's claim or causes of action, nor any guarantees regarding the amount of recovery or the type of relief, if any, which Client may obtain therefrom. THE FIRM, Lead Counsel, nor any intended co-counsel make any such promises or guarantees. Attorneys' comments about the outcome of this matter are expressions of opinion only and the Attorneys make no guarantee as to the outcome of any litigation, settlement or trial proceedings.
7. ADDITIONAL PROVISIONS REQUIRED IN A CONTINGENT FEE CONTRACT BY THE NEVADA RULES OF PROFESSIONAL RESPONSIBILITY, RULE 1.5: **In the event of a loss, the client may be liable for the opposing party's attorney fees, and will be liable for the opposing party's costs as required by law.** However, The FIRM and its intended Co-Counsel regard the

risk of an adverse judgment for attorneys' fees and costs to be *de minimus* in this context, and thus hereby agree to indemnify CLIENT in the unlikely event an adverse judgment for attorney's fees or costs occurs. **A suit brought solely to harass or to coerce a settlement may result in liability for malicious prosecution or abuse of process.**

SIGNED, this _____ day of _____, 2017.

City of Reno, Nevada

Mayor, City of Reno

Accepted:

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LAS VEGAS, NV 89148
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pwetherall@wetherallgroup.com

By _____
Peter C. Wetherall, Esq.
Lead Counsel

Date