



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
STATE AUDITOR

June 17, 2019

Re: Retention Agreement for Pharmacy Benefit Investigation and Analysis

This letter in its executed form constitutes a Retention Agreement between the Mississippi Office of the State Auditor (hereinafter "client") and Musgrove Smith Law, Beasley Allen Law Firm, and any other attorneys engaged by Musgrove Smith Law or Beasley Allen to assist in the investigation described in this letter (hereinafter "law firms").

The scope of this retention of law firms by client pertains to the investigation and analysis of the State of Mississippi's (hereinafter "Mississippi") pharmacy benefit data generated by Mississippi and/or by any pharmacy benefit managers, pharmacy benefit administrators, and/or managed care plans or organizations (hereinafter collectively referred to as "PBMs"), including but not limited to, the analysis and interpretation of any documents constituting Mississippi's contractual agreements with such PBMs. This Retention Agreement is subject to the terms of the Retention Agreement between the Mississippi Office of the Attorney General and Musgrove/Smith Law and its principal, Ronnie Musgrove.

As evidenced by the signed Acknowledgment, the terms of this Retention Agreement are as follows:

- (1) The relationship of Attorney and Client shall exist between law firms and client, the Mississippi Office of the State Auditor, and the key personnel of such Office, including Auditor Shad White, with all communications between law firms and such Office, including Auditor Shad White and other key personnel, subject to the attorney-client privilege;
- (2) Following determination of the results of law firms' investigation, analysis and other work within the scope of this Retention Agreement, law firms will disclose such results to Auditor Shad White *via* written report which Auditor Shad White shall own in his official capacity;
- (3) Law firms and client agree that no payment for services rendered by law firms or contractors employed by law firms shall be due from client under this agreement. Any and all compensation and/or reimbursement of costs or expenses shall be governed by the Retention Agreement between the Mississippi Office of the Attorney General and Musgrove/Smith Law and its principal, Ronnie Musgrove, which comports with the requirements of Mississippi law for the retention of counsel;

(4) Client shall cooperate with law firms in obtaining and providing the documentation and data necessary for law firms' investigation, analysis and interpretation. Client and firms further acknowledge that no Protected Health Information (PHI) shall be required for analysis or provided to firm. Any such PHI that comes into firms' possession shall be treated as confidential and shall not be disclosed unless ordered by a court of competent jurisdiction;

(5) Until execution of any contingency fee or other retention agreement with law firms, any work product of law firms, including any consultant reports which pertain to the investigation, analysis and interpretation within the scope of this Retention Agreement, shall be considered proprietary information of law firms, and client shall have no right to receive written, printed or electronic copies of the same. This section shall not apply to the report referenced in section (2);

(6) Client understands that law firms are bound by the Mississippi Rules of Professional Conduct and any statutes or rules which govern the conduct of attorneys, including but not limited to *Miss.R.Civ.P.* 11 and the Mississippi Litigation Accountability Act, and law firms reserve the right to decline further representation of Mississippi in the event that law firms believe that the results of its investigation or analysis do not give rise to a good faith basis for litigation or other collection efforts, or should law firms believe that the prosecution of litigation or collection efforts would be unsuccessful or uneconomical;

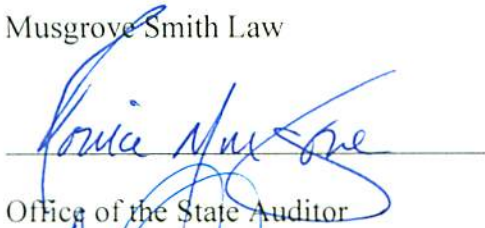
(7) Client shall retain the right to discharge law firms from the representation reflected by this Retention Agreement, but the attorney-client privilege shall survive any such discharge of law firms by client;

(8) Client understands and acknowledges that law firms cannot and do not warrant or guarantee final results in any matter, including any results generated by law firms' work within the scope of this Retention Agreement; and

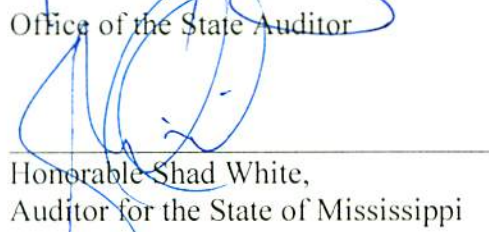
(9) Law firms shall indemnify, defend, save and hold harmless, protect, and exonerate the client, its officers, employees, agents and representatives, and the State of Mississippi from and against claims, demands, liabilities, suits, actions, damages, losses and costs, including court costs, investigative fees and expenses, and attorneys' fees, and claims for damage arising out of or caused by law firms and/or its partners, principals, agents, employees and/or subcontractors limited to the extent the damages were caused by law firms' own negligence or intentional misconduct in the performance of or failure to perform this Contract.

As evidenced by signature of the parties below, parties hereby agree to the terms and conditions set forth in this Retention Agreement.

Musgrove Smith Law

A handwritten signature in blue ink, appearing to read "Monica Musgrove", is written over a horizontal line.

Office of the State Auditor

A handwritten signature in blue ink, appearing to read "Shad White", is written over a horizontal line.

Honorable Shad White,
Auditor for the State of Mississippi

Beasley Allen Law Firm

A handwritten signature in black ink, appearing to read "Beasley Allen Law Firm", is written over a horizontal line.