

AGREEMENT FOR LEGAL SERVICES

THIS AGREEMENT FOR LEGAL SERVICES ("Agreement") is effective as of the 15th day of October, 2013 by and between Morris James LLP ("Morris James") and the Department of Finance ("Finance") for the State of Delaware ("State"), with the approval of the Governor and the Attorney General.

WITNESSETH:

WHEREAS, on August 30, 2013, a Request for Proposal ("RFP") was issued by Finance to engage a law firm to act as Special Counsel ("Special Counsel") to represent Finance and certain officers in their professional capacities (collectively, the "State Defendants") in *Select Medical Corporation v. Cook, et al.*, C.A. 1:13-cv-00694-LPS (the "Action"); and

WHEREAS, Finance received and evaluated proposals from three law firms interested in acting as Special Counsel for the State pursuant to the RFP and interviewed the three firms; and,

WHEREAS, the proposal submitted by Morris James meets the needs of Finance, and was technically superior to those submitted by the other firms (*see* Morris James's Proposal dated September 20, 2013, attached hereto as Exhibit A); and

WHEREAS, Finance has determined to engage Morris James to act as Special Counsel in the Action and in such other matters relating to escheat, abandoned property, and unclaimed property as shall be determined by Finance from time to time (the "Engagement"); and

WHEREAS, Morris James desires to accept the Engagements upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Morris James and Finance (collectively the "Parties") hereto agree as follows:

1. Pursuant to 29 *Del. C.* §2507, Morris James is hereby appointed and employed as a Special Counsel with respect to the Engagement.
2. Morris James agrees to serve as Special Counsel with respect to the Engagement and to perform such legal duties as assigned by the Finance during the duration of the Engagement. Morris James shall commence providing legal services on the date set forth above. Notwithstanding the preceding, the Parties acknowledge that this Agreement is subject to termination at will by Finance, with or without cause.
3. Morris James reserves the right to terminate our services under the circumstances permitted by the Delaware Lawyers' Rules of Professional Conduct, including the State's failure to make payments described in this agreement.
4. Morris James agrees that it will assign members of its firm listed below to perform the legal services under this Agreement. The billing rates for the professionals listed below represent a discount of approximately twenty percent (20%) from such professionals' regular billing rates:

| Name | Title | Hourly Rate |
|-----------------------|-----------|-------------|
| Joseph R. Slight, III | Partner | \$575 |
| Mary M. Matterer | Partner | \$500 |
| Thomas E. Hanson, Jr. | Partner | \$450 |
| Corinne Elise Amato | Associate | \$240 |
| Brett M. McCartney | Associate | \$300 |
| Cynthia Lees | Paralegal | \$160 |
| Tasha Ford | Paralegal | \$160 |

Morris James agrees that the rate for any other professionals who work on this engagement shall be at comparable rates to those above, taking into account each professional's experience. The above fees are subject to adjustment on an annual basis after notice and agreement of the Parties.

5. Morris James shall bill Finance no more frequently than monthly for hours spent on legal services rendered on behalf of and at the request of Finance at the rates agreed to in paragraph 3 of this Agreement. Each invoice shall be in a format customary in the community for Delaware legal billing for services rendered; however, Finance shall have the right to request reasonable alterations in the format of the billing, as it deems appropriate. Morris James agrees to comply with the *Delaware Department of Justice Outside Counsel Billing Policy*, attached hereto as Exhibit B. Copies of the bill should be sent to the Director of Outside Counsel, the Deputy State Solicitor and Governor's Counsel. Bills shall be paid as provided by State law. In the event Finance, the State, the Delaware Department of Justice ("DOJ") or the Governor's Counsel questions the substance of any bill or any item of work performed, Morris James shall provide such additional information as may reasonably be requested, and Morris James shall not charge any additional amount for any discussion, extra documentation or additional information required to settle any dispute regarding any issue related thereto.

6. Morris James agrees that it shall perform legal services as directed by the State and that Finance, the State and the DOJ shall have the right to receive copies of all documents, submissions, filings, and/or pleadings, to monitor, direct, and/or participate in the performance of legal services by Morris James under this Agreement.

7. Morris James agrees that all documents generated by it under this Agreement, including research and all legal work products belong to the State and the DOJ, and upon request such documents will be provided to same. The State and the DOJ shall have the right to use any such legal work product or documents as it deems in its interest, without additional compensation to Morris James apart from the compensation earned under this Agreement.

8. Morris James provided the State a Certificate of Insurance from Beazley Insurance Co., Inc. dated November 19, 2013 indicating the amount and nature of Morris James's professional liability insurance coverage under policy no. 33540. *See Insurance Certificate*, attached hereto as Exhibit C.

9. Morris James performed a comprehensive screening for potential conflicts of interest check for any potential or actual conflicts of interest it has or may have not only with the State, but with any agency thereof. Morris James has disclosed the results of its check with the State and the DOJ and has resolved any potential or perceived conflicts of interest. During the term of this Agreement, Morris James shall notify the State in writing of any actual or potential conflict that

must be disclosed as required by the Delaware Lawyers' Rules of Professional Conduct and that arise subsequent to the execution of this Agreement and during the course of this Engagement. Such notice shall state in writing the names of the parties represented, the nature of the case and the actual or potential conflict. Until such time as it has notified Finance in writing as required by this paragraph and received a written waiver of an actual or potential conflict of interest signed by the Deputy State Solicitor and counsel to the Governor, Morris James shall neither commence work on any new matter nor continue work on any matter that it has undertaken at the time at which the conflict or potential conflict arises. Morris James understands and acknowledges that should Finance choose not to waive the conflict, the State is free to obtain such legal services as necessary from other counsel as it deems appropriate. The State will promptly respond to any request for a waiver and expects that it will entertain a request for a waiver of Morris James' representation of a party in litigation or a real estate client in negotiations with a unit of the State government other than Finance.

10. Morris James understands and acknowledges that Finance will work with Morris James to perform the legal work covered by this Agreement. Nothing in this Agreement guarantees Morris James the right to perform any legal services, except those that Finance specifically requests Morris James to perform.

11. Morris James shall take no position on any legal matter in its representation of this matter without consultation with and approval by the State and the DOJ. No opinion rendered by Morris James may be represented as an opinion of the Attorney General.

12. Prior to incurring any costs to be charged to Finance, Morris James shall consult with the State and the DOJ and obtain their approval.

13. The validity of this Agreement and the determination of the rights and liabilities of the Parties hereunder shall be decided in accordance with the laws of the State of Delaware and no other, except to the extent that federal law be applicable. Any litigation which may be instituted between the State and Morris James regarding this Agreement shall be filed and litigated in the State of Delaware.

14. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement shall exchange among themselves original signed counterparts.

15. This Agreement constitutes the entire Agreement between the parties and any prior agreement or understanding is hereby superseded by this Agreement.

[Remainder of Page Left Blank]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement as of the date first above written.

MORRIS JAMES LLP

DEPARTMENT OF FINANCE
STATE OF DELAWARE

Original on File
By: Joseph R. Sights, III Partner

Original on File
By: Thomas J. Cook, Secretary

APPROVED:

Original on File
By: Jack A. Markell
Governor
State of Delaware

Original on File
By: Joseph R. Biden, III
Attorney General
State of Delaware