

**Agreement for Professional Services Between
the Iowa Attorney General and Cooper & Kirk, PLLC
on the Snap, Inc. (Snapchat) Matter**

The Attorney General and Special Counsel agree to the following terms and conditions regarding advice to and representation of the State:

1 Recitals.

- 1.1 The Attorney General has decided that it is necessary to pursue the Snap, Inc. (Snapchat) Matter.
- 1.2 Because of the nature of the alleged misconduct, the magnitude of the recovery effort, and the anticipated aggressive defense by the Defendants, the Attorney General has determined that it is necessary and appropriate to retain private Special Counsel to assist her office in the representation of the State of Iowa to pursue such litigation and recovery.
- 1.3 Given the scope of the proposed litigation and for the reasons set forth in the Attorney General's January 26, 2024, letter to the Executive Council of Iowa the Attorney General makes the specific finding that the fee and cost arrangements set out below are reasonable and necessary to assure the State of its rightful recovery.
- 1.4 The Attorney General has therefore decided to retain as Special Counsel Cooper & Kirk, PLLC.

2 Definitions.

- 2.1 The *Attorney General* or the *State* is the Office of the Iowa Attorney General.
- 2.2 The *Defendants* are Snap, Inc. (Snapchat); and entities and individuals related to them that facilitate or participate in the Snap, Inc. (Snapchat) Matter.
- 2.3 *Gross Recovery* includes all monies and everything of value recovered, received, or obtained by the State by way of settlement, arbitration award, order, judgment, or otherwise, pertaining to the Snap, Inc. (Snapchat) Matter, including any sums received in connection with the multistate investigation of Snap, Inc. (Snapchat) and subsequent litigation. Such things of value include, but are not limited to, the value of any business deal, restructuring, transaction, or prospective change in conduct entered into by the State with the Defendants or their successors, heirs, or assignees.
- 2.4 *Special Counsel* is Cooper & Kirk, PLLC.
- 2.5 The *Snap, Inc. (Snapchat) Matter* is an investigation into certain business practices by Snap, Inc. (Snapchat), including its potential negligent, deceptive, or otherwise unlawful provision of products and services to minors, and the potential pursuit of claims or charges against it on behalf of the State after completing that investigation.

2.6 *Shall* imposes a mandatory duty. *Shall not* imposes a mandatory duty to refrain. *May* grants permission. *May not* denies permission. *Must* imposes a mandatory condition.

3 **Services.** The Attorney General desires that Special Counsel provide, and Special Counsel agrees to provide, legal services to assist the Attorney General in the Snap, Inc. (Snapchat) Matter.

3.1 As directed by the Attorney General, Special Counsel shall represent the State in investigating Snap, Inc. (Snapchat) and pursuing any resulting claims or charges against Snap, Inc. (Snapchat) to vindicate the State's legal rights and to recover all relief to which the State may be entitled, as well as to settle all claims arising out of the Snap, Inc. (Snapchat) Matter. More specifically, it is anticipated that remedies to which the Attorney General is entitled may include, but not necessarily be limited to, equitable relief, damages, and penalties arising from Snap, Inc. (Snapchat)'s violations of Iowa law. Such remedies shall also include the recovery of all fees, costs, and expenses, including attorneys' fees, investigation costs, and expert-witness retention costs, as provided by law.

3.2 Special Counsel shall coordinate the provision of the legal services with the Attorney General, her designated deputy, and such other counsel as may be appointed by the Attorney General. Special Counsel and Attorney General personnel shall provide each other with copies of all correspondence and legal work product. All substantive pleadings, motions, briefs, and other material which may be filed with any court shall first be approved by the Attorney General or her designated deputy and provided in draft form in a timely manner sufficient to allow for substantive review. Regular status meetings shall be held as requested by Special Counsel or the Attorney General's designated deputy.

3.3 Special Counsel shall communicate with agencies of the State of Iowa only through the Attorney General, unless otherwise agreed to by the Attorney General or her designated deputy.

3.4 Special Counsel shall provide sufficient resources, including attorney time, to investigate and prosecute the Snap, Inc. (Snapchat) Matter faithfully and with diligence.

4 Limitations of Work.

4.1 Special Counsel shall provide legal services, including representation, advice, and consultation, to the Attorney General consistent with the terms and conditions set forth below and as set forth in the attached Standard Addendum—Case Management Contingency Fee Attorney Services (the "Addendum"), as required by Iowa Code section 23B.3(4).

4.2 The Attorney General has final authority over all aspects of the Snap, Inc. (Snapchat) Matter specifically related to the State of Iowa, including the course and conduct of any litigation, as well as control over all discretionary decisions. The Snap, Inc. (Snapchat) Matter may be commenced, conducted, settled, approved, and ended for the State only with the express approval and signature of the Attorney General. The Attorney General at her sole discretion

has the right to designate one or more members of her staff to oversee the Snap, Inc. (Snapchat) Matter, which designation the Attorney General may modify at will. The Attorney General or her designated deputy must approve in advance all aspects of the Snap, Inc. (Snapchat) Matter relating to the State. Special Counsel shall not settle the Snap, Inc. (Snapchat) Matter for the State without receiving the Attorney General's express prior approval in writing. Counsel for any Defendants in the Snap, Inc. (Snapchat) Matter may communicate directly with the Attorney General or her designated deputy without the permission of Special Counsel.

- 4.3 The Attorney General may provide attorneys and other staff members to work on the Snap, Inc. (Snapchat) Matter with Special Counsel. The identity and responsibilities of such personnel so assigned shall be determined solely by the Attorney General.

5 Compensation.

5.1 Fees.

- 5.1.1 This Agreement is fundamentally based on the promise by Special Counsel of a significant commitment of resources by Special Counsel to pursue the Snap, Inc. (Snapchat) Matter. Special Counsel has, however, agreed to reduce the amount of fees from its normal fee agreements based on the public nature of the matter and the involvement by the Attorney General.
- 5.1.2 This Agreement is a contingency fee contract. The State shall compensate Special Counsel for legal services rendered only if Special Counsel obtains any recovery for the State; however, such recovery may be monetary or non-monetary. The State is not be obligated to reimburse any costs or expenses, or pay any attorneys' fees, in the event that there is no recovery in the Snap, Inc. (Snapchat) Matter for the State. In other words, if no recovery is obtained, then the State will not owe Special Counsel fees, costs, or expenses.
- 5.1.3 The parties have agreed to the following contingency fees, which do not exceed the maximum percentages permitted by Iowa Code § 23B.3.
- 5.1.3.1 25% of the Gross Recovery up to and including \$10 million, exclusive of reasonable costs and expenses.
 - 5.1.3.2 20% of any portion of the Gross Recovery between \$10,000,000.01 and \$15 million, exclusive of reasonable costs and expenses.
 - 5.1.3.3 15% of any portion of the Gross Recovery between \$15,000,000.01 and \$20 million, exclusive of reasonable costs and expenses.
 - 5.1.3.4 10% of any portion of the Gross Recovery between \$20,000,000.01 and \$25 million, exclusive of reasonable costs and expenses.
 - 5.1.3.5 5% of any portion of the Gross Recovery that exceeds \$25 million, exclusive of

reasonable costs and expenses.

5.1.3.6 The aggregate contingency fee of the Gross Recovery shall not exceed \$50 million, exclusive of reasonable costs and expenses, and regardless of the number of lawsuits filed or the number of private attorneys retained to achieve the recovery.

5.1.4 This Agreement is for the benefit of the State and not for the benefit of any Defendant in the Snap, Inc. (Snapchat) Matter and will not reduce any statutory liability of Defendants to pay the costs of recovery, including attorneys' fees.

5.1.5 This Agreement is intended to provide for all fees to which Special Counsel may be entitled.

5.2 **Costs and Expenses.**

5.2.1 Special Counsel shall advance on the State's behalf various costs and expenses in performing legal services under this Agreement. "Costs and expenses" include out-of-pocket expenditures paid by Special Counsel in the investigation and pursuit of the Snap, Inc. (Snapchat) Matter. Costs and expenses advanced by Special Counsel may include, but are not limited to, deposition costs, copies of records or other documents, court-reporter fees, charges for computer-assisted legal research, preparation of exhibits and graphics, filing fees, arbitration fees, mediator fees, courier fees, mileage and travel costs (including, without limitation, airfare, ground transportation, vehicle mileage, lodging, and meals) incurred in connection with Special Counsel's handling of the Snap, Inc. (Snapchat) Matter. Additionally, other costs and expenses advanced by Special Counsel include any costs and expenses incurred for investigative demands directed to third parties and expert fees and costs. Costs and expenses do not include the time of any attorneys or other personnel employed directly by Special Counsel, nor do they include use of any of the internal resources of Special Counsel.

5.2.2 Costs and expenses advanced by Special Counsel shall be presumed to be for the public purpose of protecting the State's interests and advancing the State's claims.

5.2.3 The State shall reimburse Special Counsel for all reasonable and necessary costs and expenses paid or owed by Special Counsel in connection with the Snap, Inc. (Snapchat) Matter which have been advanced by Special Counsel on the State's behalf and which the State has not previously paid or reimbursed to Special Counsel out of the State's share of any settlement, judgment, or other award obtained by the State. If no recovery, either monetary or non-monetary, is obtained, the State is not obligated to reimburse Special Counsel for costs or expenses incurred in performing legal services under this Agreement. If the State accepts any part of any relief or other award related to the Snap, Inc. (Snapchat) Matter, the State shall pay the Fee and reasonable and necessary costs and expenses as set forth in this Agreement.

- 5.2.4 The State agrees that Special Counsel may borrow funds from a financial lending institution to finance or pay costs and expenses related to the Snap, Inc. (Snapchat) Matter. Contingent upon the State's approval of any agreement governing a lending arrangement contemplated by this Section 5.2.4, the reasonable interest charged by the institution on such borrowed funds shall constitute part of Special Counsel's costs and expenses to be reimbursed by the State under Section 5.2.3.
- 5.2.5 In the event that the Snap, Inc. (Snapchat) Matter settles with non-monetary relief to the State, or with insufficient monetary relief to reimburse Special Counsel for all costs and expenses, the Attorney General together with Special Counsel shall use all reasonable efforts to obtain from Defendants the payment of Special Counsel's costs and expenses relating to the Snap, Inc. (Snapchat) Matter. The total amount of such costs and expenses recovered shall be paid to Special Counsel.
- 5.2.6 The State acknowledges that Special Counsel represents other plaintiffs in similar investigations or litigation against Snap, Inc. (Snapchat) and that legal work for the State and other plaintiffs may overlap. To the extent possible, Special Counsel shall reasonably apportion such overlapping costs and expenses among any such clients. Costs and expenses incurred specific to the State shall be paid solely by the State.

5.3 Court-Awarded Attorneys' Fees and Costs.

- 5.3.1 **Generally.** Should the recovery by Special Counsel of attorneys' fees, costs, and expenses from the Defendants be appropriate under any law, Special Counsel together with the Attorney General shall use all reasonable efforts to seek such awards. Any monies awarded by a court to Special Counsel as fees, costs, or expenses under this Agreement shall be considered part of the State's Gross Recovery for purposes of calculating the Fee. If the Snap, Inc. (Snapchat) Matter results in only non-monetary recovery for the State, then the total amount of all fees, costs, and expenses obtained from Defendants shall be paid to Special Counsel. Additionally, if court-awarded attorneys' fees exceed the Fee owed to Special Counsel by the State, then, in addition to the Fee, the State shall also pay Special Counsel the difference between the court-awarded fees and the Fee.
- 5.3.2 **Examples.** If the State's entire monetary recovery aside from attorneys' fees—including damages, penalties, costs, and expenses—is \$1,000,000 and there is no award of attorneys' fees, then the Gross Recovery for the State is \$1,000,000 and the Fee is 25% of \$1,000,000: \$250,000. If the State's entire monetary recovery aside from attorneys' fees is \$1,000,000 and there is an award of \$100,000 in attorneys' fees, then the Gross Recovery for the State is \$1,100,000 and the Fee is 25% of \$1,100,000: \$275,000. If the State's entire monetary recovery aside from attorneys' fees is \$1,000,000 and there is an award of \$400,000 in attorneys' fees, then the Gross Recovery for the State is \$1,400,000 and the Fee is 25% of that Gross Recovery: \$350,000; however, because in this example the attorneys' fee award of

\$400,000 exceeds the \$350,000 Fee, then, in addition to the Fee, the State would pay Special Counsel the difference of \$50,000 between the awarded attorneys' fees and the Fee owed by the State so that Special Counsel recover the entire award of \$400,000 in attorneys' fees.

- 5.4 **Billing Statements.** Special Counsel agrees to maintain contemporaneous records of costs and expenses and shall submit copies of those records to the Attorney General upon request. Such records shall be subject to audit by the Attorney General.
- 5.5 **Advance Payment.** Payments in advance or in anticipation of services or supplies under this Agreement shall not be made by the Attorney General.
- 5.6 **Distribution of Funds.** Any monies recovered by Special Counsel shall be paid to the State. However, Special Counsel may retain monies due to them as the Fee, costs, and expenses under the terms of this Agreement. If the State and Special Counsel dispute the amount Special Counsel is entitled to retain, Special Counsel may retain only the portion of the monies that is not disputed.
- 5.7 **Fees and Costs Upon Termination or Withdrawal.** In the event of the State's termination of this Agreement without cause or Special Counsel's withdrawal from this Agreement under Section 9.2, the State agrees that, upon payment of the Gross Recovery in the State's favor in the Snap, Inc. (Snapchat) Matter, the State shall pay Special Counsel a reasonable fee out of the Gross Recovery for the legal services provided by Special Counsel to the State under this Agreement. Such fee will be determined by all circumstances and based upon the principles that govern the quantum meruit payment of legal fees. The State shall also reimburse Special Counsel from the Gross Recovery for all reasonable and necessary costs and expenses incurred by Special Counsel under this Agreement before termination or withdrawal.
- 6 **Counsel.** David H. Thompson, Brian W. Barnes, and Peter Patterson are designated as "Co-Lead Trial Counsel." They shall be responsible for the execution of specified legal tasks. Special Counsel may use other partners, associates, or "of counsel" attorneys at Cooper & Kirk, PLLC, to supplement Co-Lead Trial Counsel's work at its discretion. It is expected that certain attorneys from the Attorney General's office will be acting as co-counsel and will participate in the handling of the Snap, Inc. (Snapchat) Matter to the extent the Attorney General deems appropriate and as set forth in the Addendum and required by Iowa Code section 23B.3(4).
- 7 **Negotiability of Fees.** The Fee and rates set forth herein are fair and reasonable, and any changes to the Fee or other rates, costs, or expenses set forth herein require mutual written consent by the parties to this Agreement.
- 8 **Limitation of Representation.** This Agreement covers Special Counsel's representation of the State only in the Snap, Inc. (Snapchat) Matter. Special Counsel's representation under this

Agreement does not include independent or related matters that may arise. Special Counsel is not representing or expected to represent any person or entity not a party to this Agreement. This Agreement does not include representation in appellate matters; such representation, if desired by the State, will require a separate agreement.

9 Term of the Agreement.

9.1 **Date.** This Agreement begins on the date it has been executed by both parties. Unless terminated earlier under Section 9.2, it ends when final court decisions or settlements are reached on all aspects of the Snap, Inc. (Snapchat) Matter.

9.2 Termination and Withdrawal.

9.2.1 **By the State without cause.** The State may terminate this Agreement without cause and without penalty upon at least 30 days' written notice to Special Counsel.

9.2.2 **By the State for cause.** The State may terminate this Agreement for cause if Special Counsel breaches any material terms or conditions of this Agreement, or fails to perform or fulfill any material obligation under this Agreement. To do so, the State must give Special Counsel 15 days' written notice of an intent to terminate. The Agreement is terminated if Special Counsel does not cure the breach or failure to perform within those 15 days. The State may extend that 15-day deadline in its sole discretion.

9.2.3 **By Special Counsel.** Special Counsel may terminate this agreement and withdraw from representing the State without cause upon at least 60 days' written notice to the State.

9.2.4 **Payments upon termination or withdrawal.** If Special Counsel is terminated without cause or withdraws, the State shall pay Special Counsel fees, costs, and expenses as set forth in Section 5.7. If the State terminates this Agreement for cause, its duty—whether under this Agreement, at law, or at equity—to pay Special Counsel for any work performed or costs or expenses incurred under this Agreement also terminates.

10 **Applicable Law and Venue.** This Agreement is governed by, and interpreted under, the laws of the State of Iowa. Any litigation between the parties arising out of this Agreement shall be filed in the Polk County District Court in the State of Iowa. Special Counsel acknowledges the jurisdiction of the courts of the State of Iowa in this matter and waives any objection to such jurisdiction.

11 Conflicts of Interest.

11.1 Special Counsel agrees that during the term of this Agreement, it shall not represent any person or entity in a matter, proceeding, or lawsuit against the State of Iowa or any of its

agencies, instrumentalities, or officers unless approved in writing in advance by the Attorney General.

- 11.2 Special Counsel represents other states and entities with claims similar to those of the State of Iowa. It is possible that conflicts could arise, including if: (1) Snap, Inc. (Snapchat) offers to settle, but only if a certain number, or all, of the plaintiffs accept the proposed settlement; or (2) certain plaintiffs disagree on questions of case management, such as whether to pursue particular legal theories or strategies. Special Counsel may be required by the rules of professional conduct to share material information about the State's claims and negotiating positions with Special Counsel's other clients and, similarly, to share other clients' information with the State.
- 11.3 If any conflicts of interest such as those described in Section 11.2 arise, the Attorney General consents to allowing Special Counsel to continue representing the State and Counsel's other clients. If other types of conflicts arise, Special Counsel shall inform the State promptly and work with the State to best proceed in accordance with the applicable rules of professional conduct.
- 11.4 The Attorney General acknowledges that Special Counsel represents other states in various unrelated matters. Special Counsel is not currently aware of any conflict between its representation of the State in the Snap, Inc. (Snapchat) Matter and any of its other representations. But should Special Counsel discover a conflict with any of its existing clients, Special Counsel reserves the right to withdraw from this Agreement and continue its representation of its existing clients.
- 12 **Disclaimer of Guarantee.** Nothing in this Agreement and nothing in Special Counsel's statements to the State will be construed as a promise or guarantee about the outcome of the Snap, Inc. (Snapchat) Matter. Special Counsel makes no such promises or guarantees. There can be no assurance that the State will recover any sum or sums in the Snap, Inc. (Snapchat) Matter. Any comments about the outcome of the Snap, Inc. (Snapchat) Matter are expressions of opinion based upon Special Counsel's professional judgment.
- 13 **Approval Necessary for Settlement.** Special Counsel shall not settle the Snap, Inc. (Snapchat) Matter on behalf of the State without the State's approval. The State agrees to consider any settlement offer Special Counsel recommends before making a decision to accept or reject such offer. The Attorney General agrees to notify Special Counsel prior to the Attorney General's engaging directly in settlement discussions or negotiations with another party to the Snap, Inc. (Snapchat) Matter or with any attorney for another party to the Snap, Inc. (Snapchat) Matter.
- 14 **Power of Attorney.** Representatives for Special Counsel are granted a power of attorney so that they may have full authority to prepare, sign, and file all legal instruments, pleadings, drafts, authorizations, and papers as shall be reasonably necessary to conclude this

representation, including through settlement, and reduce to possession all monies or other things of value due to the State in the Snap, Inc. (Snapchat) Matter as fully as the Attorney General could so do. Special Counsel is also authorized and empowered to act as the State's negotiators in all settlement negotiations concerning the Snap, Inc. (Snapchat) Matter in accordance with this Agreement.

15 Referral or Association of Additional Counsel.

- 15.1 Special Counsel may refer this matter to another lawyer or associate additional lawyers to assist in representing the State and prosecuting the Snap, Inc. (Snapchat) Matter. Before doing so, it must inform the State of the material terms of the proposed referral or association and obtain the State's written consent to the referral or association.
- 15.2 The material terms include, but are not limited to, (1) the identity of the lawyers or law firms involved, (2) whether the fees will be divided based on the proportion of services rendered or by the lawyers' agreeing to the joint responsibility for the representation, and (3) the share of the Fee that each lawyer or law firm will receive, or if the division is based on the proportion of services performed, the basis on which the division will be made.
- 15.3 The referral or association of additional attorneys will not increase the total Fee owed by the State.

- 16 **Cooperation of the State.** The State agrees to cooperate with Special Counsel at all times and to comply with all reasonable requests of Special Counsel to permit the Snap, Inc. (Snapchat) Matter to be investigated and developed; to disclose to Special Counsel all facts relevant to the Snap, Inc. (Snapchat) Matter; and to be reasonably available to attend necessary meetings, depositions, preparation sessions, hearings, and the trial.

17 Treatment of Assets.

- 17.1 **Title of Property or Materials.** Title to all property or materials furnished for use by Special Counsel in the Snap, Inc. (Snapchat) Matter by the State remains property of the State. Any property of the State furnished to Special Counsel shall be used solely in the performance of this Agreement by Special Counsel and shall be returned upon termination or withdrawal.
- 17.2 **Loss or Damage to State Property.** Special Counsel shall be responsible for any loss or damage to property of the State that results from negligence of Special Counsel or that results from the failure on the part of Special Counsel to maintain and administer the property in accordance with sound management practices. If State property is lost, destroyed, or damaged, Special Counsel shall immediately notify the State and shall take all reasonable steps to protect the property from further damage or loss. Special Counsel shall surrender to the State all property of the State upon completion or termination of this Agreement.

18 Confidentiality and Return of Documents.

- 18.1 Special Counsel shall maintain as confidential all information concerning their legal work product, attorney-client communications, as well as the business of the State, its financial affairs, relations with its clientele and its employees, and any other information which may be specifically classified as confidential by the State. To the extent consistent with state law, the State shall hold confidential all information that Special Counsel specify in writing.
- 18.2 When the Snap, Inc. (Snapchat) Matter is over, Special Counsel shall give the State written notice of that fact and shall make available for the State's retrieval the State's documents and tangible items. If the State has not retrieved those documents and tangible items within 90 days of receiving Special Counsel's notice, Special Counsel may dispose of those items in accordance with the Addendum and Iowa Code section 23B.3(6).
- 18.3 The obligations of this Section 18 survive termination of this Agreement.

19 **Professional Liability Insurance.** Before commencing work on this Agreement and throughout the term of this Agreement, Special Counsel shall procure and maintain professional liability insurance in the amount of \$5 million for services performed under this Agreement.

20 **Communications With the Public.** All notices, information, pamphlets, press releases, research reports or similar other publications relating to the State's involvement in the Snap, Inc. (Snapchat) Matter shall be issued only through the Attorney General unless the Attorney General or her designee directs otherwise.

21 **Entire Agreement; Modifications to Agreement.** This Agreement is the entire agreement between the State and Special Counsel. There are no other promises, terms, conditions, or obligations other than those set forth in this Agreement. This Agreement supersedes all previous communications, representations, and contracts, whether oral or written, between the State and Special Counsel. Modifications to this Agreement, including expansion of the scope of the task or changes to the maximum compensation or reimbursement for costs and expenses, must be approved in advance by the State. Any modifications shall be reduced to writing and signed by the authorized representatives of all parties.

22 **Use of Electronic Communications.** The parties agree that they may use electronic devices and Internet services to communicate with each other and forward documents, notwithstanding some risk that such communications may be intercepted by or disclosed to

unauthorized parties. The parties agree that the benefits of using such technology outweigh the risks of unauthorized disclosure.

- 23 **Photocopies and Execution.** Photocopies of this Agreement shall have the same force and effect as the original. This Agreement may be executed separately.
- 24 **Legal Construction.** If any part of this Agreement is for any reason be held to be invalid, illegal, or unenforceable in any respect, that holding will not affect the rest of this Agreement, which the parties shall construe as if it had never contained the invalid, illegal, or unenforceable portion.
- 25 **Successors and Assigns.** This Agreement binds and inures to the benefit of the parties and, to the extent permitted by applicable law, their respective successors and assigns.

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IN WITNESS WHEREOF, the State and Special Counsel have caused this Agreement to be executed by their representatives duly authorized so to do on the date written below.

STATE OF IOWA

Leif Olson
Chief Deputy Attorney General

Date: _____

COOPER & KIRK, PLLC



David H. Thompson
Managing Partner

Date: 9/9/24