

**Agreement for Professional Services Between  
the State of Iowa and BarbourHurst LLC  
for Refund Aggregator Matter**

The Attorney General, for the State of Iowa, 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 Matter on behalf of the State of Iowa.
- 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 that pursuit.
- 1.3 Given the scope of the proposed litigation and for the reasons set forth in the Attorney General's July 16, 2025, letter to the Executive Council of Iowa, the Attorney General specifically finds that the fee and cost arrangements set out below are reasonable and necessary.
- 1.4 The Attorney General has therefore decided to retain BarbourHurst LLC as Special Counsel.

**2 Definitions.**

- 2.1 The *Attorney General* is the Office of the Iowa Attorney General.
- 2.2 *Special Counsel* is Barbour Hurst LLC, 1400 Meadowbrook, Jackson, Mississippi, 39211.
- 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 Matter and subsequent litigation. These include 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 The *Matter* is (a) an investigation into certain practices and actions by insurance providers, pension-benefit managers, and related entities regarding the retention of monies payable to the State and its insured employees and (b) the potential pursuit of claims or charges on the State's behalf based on the results of that investigation.

2.5 *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. *Will* and *will not* indicate a promise to perform and a promise to refrain, respectively. *Include* is illustrative, not limiting.

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 Matter.

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

3.2 As directed by the Attorney General, Special Counsel shall represent the State in the Matter to vindicate the State’s legal rights and to recover all relief to which the State may be entitled.

3.3 Special Counsel shall coordinate its work under this Agreement with the Attorney General. Special Counsel shall, and the Attorney General will, provide each other with copies of all correspondence and legal work product.

3.4 Special Counsel may communicate with agencies of the State only through the Attorney General, unless otherwise agreed to by the Attorney General.

3.5 Special Counsel shall devote sufficient resources, including attorney time, to investigate and prosecute the Matter faithfully and diligently.

#### 4 **Compensation.**

##### 4.1 **Fees.**

4.1.1 This Agreement is fundamentally based on Special Counsel’s promise to devote significant resources to pursuing the 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 Attorney General’s involvement.

4.1.2 This Agreement is a contingency fee contract. The State will compensate Special Counsel for the legal services it renders only if Special Counsel obtains a recovery, monetary or non-monetary, for the State. The State does not have to pay attorneys’ fees or reimburse costs or expenses if Special Counsel does not obtain a recovery. That

is, if Special Counsel does not obtain a recovery, then the State will not owe Special Counsel fees, costs, or expenses.

4.1.3 The parties have agreed to the following contingency fees, which do not exceed the maximum amounts permitted by Iowa Code § 23B.3:

4.1.3.1 25% of the Gross Recovery up to and including \$10 million, exclusive of reasonable costs and expenses.

4.1.3.2 20% of any portion of the Gross Recovery between \$10,000,000.01 and \$15 million, exclusive of reasonable costs and expenses.

4.1.3.3 15% of any portion of the Gross Recovery between \$15,000,000.01 and \$20 million, exclusive of reasonable costs and expenses.

4.1.3.4 10% of any portion of the Gross Recovery between \$20,000,000.01 and \$25 million, exclusive of reasonable costs and expenses.

4.1.3.5 5% of any portion of the Gross Recovery that exceeds \$25 million, exclusive of reasonable costs and expenses.

4.1.3.6 The aggregate contingency fee of the Gross Recovery may 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.

4.1.4 This Agreement is for the State's benefit, not for the benefit of any other person. It does not reduce any person's liability for, or obligation to pay, damages, penalties, fees, costs, or expenses.

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

## 4.2 **Costs and Expenses.**

4.2.1 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 Matter. Costs and expenses do not include the pay or benefits of persons employed directly by Special Counsel or Special Counsel's actual or imputed internal or overhead costs.

- 4.2.2 Costs and expenses advanced by Special Counsel are presumed to be for the public purpose of protecting the State's interests and advancing the State's claims.
- 4.2.3 The State will reimburse Special Counsel for all reasonable and necessary costs and expenses that Special Counsel advances on the State's behalf, except that it will reimburse costs and expenses related to travel only at the rates at which State employees are reimbursed. This reimbursement will be paid from the State's share of the Gross Recovery. The State in its sole discretion may reimburse some or all of Special Counsel's costs expenses before receiving the Gross Recovery. If Special Counsel does not obtain a recovery, either monetary or non-monetary, the State need not reimburse it for costs or expenses. If the State accepts any part of any relief or other award related to the Matter, it will pay the Fee and reimburse the reasonable and necessary costs and expenses as set forth in this Agreement.
- 4.2.4 If Special Counsel obtains only non-monetary relief, or insufficient monetary relief to reimburse all reasonable costs and expenses, the Attorney General will, and Special Counsel shall, use all reasonable efforts to obtain from Defendants the payment of Special Counsel's costs and expenses. The total amount thus obtained will be paid to Special Counsel.
- 4.2.5 Special Counsel may not borrow funds to finance or pay costs or expenses related to the Matter without the Attorney General's prior written consent.
- 4.2.6 If Special Counsel's legal work for other clients in similar investigations or litigation overlaps with its legal work for the State, Special Counsel shall reasonably apportion the overlapping costs and expenses.

### 4.3 Court-Awarded Attorneys' Fees and Costs.

- 4.3.1 **Generally.** If the awards are allowed under law, Special Counsel shall, and the Attorney General will, use all reasonable efforts to seek awards of attorneys' fees, costs, and expenses from Defendants. Monies awarded by a court to Special Counsel as fees, costs, or expenses under this Agreement are part of the Gross Recovery. If Special Counsel obtains only a non-monetary recovery, then the total amount of fees, costs, and expenses obtained from Defendants will 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 will also pay Special Counsel the difference between the court-awarded fees and the Fee.

**4.3.2 Examples.**

4.3.2.1 If the State's entire monetary recovery—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.

4.3.2.2 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.

4.3.2.3 If the State's 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. Because the attorneys' fee award of \$400,000 exceeds the \$350,000 Fee, the State would pay Special Counsel \$50,000 so that Special Counsel recovers the entire award of \$400,000 in attorneys' fees.

4.4 **Billing Statements.** Special Counsel shall contemporaneously record costs, expenses, and personnel time and shall submit those records to the Attorney General upon request. The Attorney General may audit those records.

4.5 **Distribution of Funds.** Monies recovered by Special Counsel shall be paid to the State.

4.6 **Fees and Costs Upon Termination or Withdrawal.** If the State terminates this Agreement without cause or Special Counsel withdraws from this Agreement under Section 7.2, the State will, if it obtains a recovery, pay Special Counsel a reasonable fee for the pre-termination or -withdrawal services. The State will make that payment upon receiving the Gross Recovery and will pay it out of the Gross Recovery. That fee will be based upon the principles that govern the quantum meruit payment of legal fees. The State will also reimburse Special Counsel from the Gross Recovery for all reasonable and necessary costs and expenses, as described in Paragraph 4.2.3, incurred before termination or withdrawal.

5 **Counsel.** Matthew C. McDonald and Paul A. Hurst are designated as "Co-Lead Trial Counsel." They shall be responsible for the execution of specified legal tasks. Special Counsel may use other personnel at BarbourHurst to supplement Co-Lead Trial Counsel's work at its discretion.

6 **Limitation of Representation.** This Agreement covers Special Counsel's representation of the State only in the Matter. Special Counsel's representation under this Agreement does not include independent or related matters that may arise. This Agreement does not include representation in appellate matters; such representation, if desired by the State, will require a separate agreement.

7 **Term of the Agreement.**

7.1 **Date.** This Agreement begins on the date it has been executed by both parties. Unless terminated earlier under Section 7.2, it ends when final court decisions or settlements are reached on all aspects of the Matter.

7.2 **Termination and Withdrawal.**

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

7.2.2 **By the State for cause.** The State may terminate this Agreement for cause if Special Counsel breaches a material terms of this Agreement. To do so, the State will 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.

7.2.3 **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.

7.2.4 **Payments upon termination or withdrawal.** If the State terminates this Agreement for cause, it need not pay or reimburse Special Counsel. If Special Counsel is terminated without cause or withdraws, the State will pay fees and reimburse costs and expenses as set forth in Section 4.6. Special Counsel must, within 15 days after termination or withdrawal, submit an itemized description of the work performed and costs and expenses incurred to be eligible for this payment.

8 **Conflicts of Interest.** During the term of this Agreement, Special Counsel 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.

9 **Approval Necessary for Settlement.** Special Counsel shall not settle the Matter on the State's behalf without the Attorney General's approval. The

Attorney General will consider each settlement offer Special Counsel recommends before deciding to accept or reject it. If the Attorney General decides to engage in direct settlement discussions or negotiations with another party to the Matter, she will notify Special Counsel before doing so.

## **10 Referral or Association of Additional Counsel.**

10.1 Special Counsel may not refer the Matter to other lawyers or associate additional lawyers to assist with the Matter without first informing the Attorney General of the material terms of the proposed referral or association and obtaining her written consent to it.

10.2 The material terms include (a) the identity of the lawyers and law firms involved, (b) 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 (c) the share of the Fee that each lawyer or law firm will receive or the basis on which the Fee will be divided.

11 **Attorney General's Cooperation.** The Attorney General will cooperate with Special Counsel to permit the Matter to be investigated and developed, such as by disclosing to Special Counsel all facts relevant to the Matter and being reasonably available to attend necessary meetings, depositions, preparation sessions, hearings, and the trial.

## **12 State Property.**

12.1 **Title to Property and Materials.** The State retains title to all property or materials it furnishes for Special Counsel's use. The property and materials may be used only to perform this Agreement and shall be returned upon termination, withdrawal, or completion.

12.2 **Loss or Damage to State Property.** Special Counsel shall be responsible for any loss or damage to property of the State that results from Special Counsel's negligence or failure to use 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.

## **13 Confidentiality and Return of Documents.**

13.1 Special Counsel shall maintain as confidential all information concerning its 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 other information classified as confidential by the State. To the extent

consistent with state law, the State will hold confidential all information specified by Special Counsel in writing.

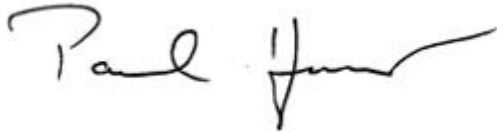
- 13.2 When the Matter is over, Special Counsel shall notify the Attorney General in writing and make the State's documents and other materials available for retrieval. If the State does not retrieve them within 90 days of receiving notice, Special Counsel may dispose of those items in accordance with the Addendum and Iowa Code section 23B.3(6).
- 13.3 The obligations of this Section 13 survive termination of this Agreement.
- 14 **Professional Liability Insurance.** Special Counsel shall procure and maintain for the term of this Agreement professional liability insurance of at least \$5 million for services performed under this Agreement.
- 15 **Communications With the Public.** Special Counsel may not issue notices, information, pamphlets, press releases, research reports, or similar publications relating to the State's involvement in the Matter without the Attorney General's written consent.
- 16 **Entire Agreement; Modifications.** 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. This Agreement can be modified only by a writing signed by both parties.
- 17 **Compliance with Laws.** Special Counsel shall comply with all applicable federal, state, foreign, and local laws, rules, regulations, procedures, ordinances, codes, and orders when performing this Agreement. This includes laws prohibiting employment discrimination; state administrative rules regarding equal employment opportunity; laws relating to prevailing wages, occupational safety and health standards, business permits and registrations, taxes, gifts, and lobbying laws; and laws relating to the use of targeted small businesses as subcontractors or suppliers.
- 18 **Applicable Law and Venue.** This Agreement is governed by the laws of the State of Iowa. The exclusive forum for litigation between the parties concerning this Agreement is the Iowa District Court for Polk County. This

stipulation of an exclusive forum for dispute resolution is not a waiver of immunity to suit or liability.

- 19 **Use of Electronic Communications.** Because the benefits of using such technologies outweigh the risks of interception and disclosure, Special Counsel may, with appropriate security precautions, use electronic devices and Internet services to communicate with the Attorney General and forward documents.
- 20 **Legal Construction.** If any part of this Agreement is for any reason be held to be invalid, illegal, or unenforceable in any respect, the rest of the Agreement continues in force.
- 21 **Successors and Assignees.** This Agreement binds and inures to the benefit of the parties and, to the extent permitted by applicable law, their respective successors and assignees.

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**Approved by:**



9/15/2025

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Paul A. Hurst  
BarbourHurst LLC

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Date



Digitally signed by Leif Olson  
DN: cn=Leif Olson, o=Attorney  
General of Iowa, ou,  
email=leif.olson@ag.iowa.gov, c=US  
Date: 2025.09.15 17:43:16 -05'00'

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Leif Olson  
Deputy Attorney General

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Date

  
Kristi Onstot (Sep 16, 2025 08:32:29 CDT)

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Sep 16, 2025

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Kristi Onstot  
Executive Council

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Date








# 2025.09.15 Barbour Hurst refund aggregator engagement agreement (BH LAO Executed)

Final Audit Report

2025-09-16

Created:	2025-09-16
By:	Kristi Onstot (kristi.onstot@tos.iowa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAG7c2QswUOKYtc6GISxpdjGFDNPW7R_th

## "2025.09.15 Barbour Hurst refund aggregator engagement agreement (BH LAO Executed)" History

-  Document digitally presigned by Leif Olson (leif.olson@ag.iowa.gov)  
2025-09-15 - 10:43:16 PM GMT
-  Document created by Kristi Onstot (kristi.onstot@tos.iowa.gov)  
2025-09-16 - 1:30:12 PM GMT
-  Document emailed to klonstot@gmail.com for signature  
2025-09-16 - 1:30:46 PM GMT
-  Email viewed by klonstot@gmail.com  
2025-09-16 - 1:31:08 PM GMT
-  Signer klonstot@gmail.com entered name at signing as Kristi Onstot  
2025-09-16 - 1:32:27 PM GMT
-  Document e-signed by Kristi Onstot (klonstot@gmail.com)  
Signature Date: 2025-09-16 - 1:32:29 PM GMT - Time Source: server
-  Agreement completed.  
2025-09-16 - 1:32:29 PM GMT