

ATTORNEY-CLIENT ENGAGEMENT AGREEMENT

The Attorney-Client Engagement Agreement (“Agreement”) is entered into by and between J Sterling Morton High School District 201 (“Client” or “District”) and Wagstaff & Cartmell, LLP and its co-counsel Beasley Allen Crow Methvin Portis & Miles, P.C., Goza & Honnold, LLC, Scott Yonover, Attorney at Law (“Attorneys” or “We”), each of whom assumes joint responsibility for the representation of the District, and encompasses the following provisions:

1. CONDITIONS

This Agreement will not take effect, and Attorneys will have no obligation to provide legal services, until Client returns a signed copy of this Agreement.

2. SCOPE

Client hires Attorneys to provide legal services in connection with pursuing claims for damages associated with social media litigation, including against Facebook, Meta, Instagram, Snapchat, TikTok, YouTube, and Google, as well as other defendants Attorneys determine appropriate and in the best interests of Client (“Action”).

3. DUTIES AND RESPONSIBILITIES OF PARTIES

All professional work performed under this Agreement shall be performed by Attorneys in accordance with existing professional standards. Attorneys shall exert their best efforts and use their best judgment in review and analysis and preparation of opinions and memoranda and representation in such proceedings. Client will cooperate with Attorneys and their representatives at all times and comply with all reasonable requests of Attorneys in the prosecution of this matter on a timely basis. Client agrees to be truthful at all times with Attorneys, to provide whatever information is necessary (in the Attorneys’ estimation) in a timely and competent manner, and to provide immediate information as to any change in Client’s status which may have any impact on the prosecution of the Action. At the end of this Agreement, Client shall designate a “District Representative” as the authorized representative to be the primary individual to communicate with Attorneys regarding the subject matter of Attorneys’ representation of Client under this Agreement.

4. LEGAL SERVICES SPECIFICALLY EXCLUDED

Unless otherwise agreed in writing by Client and Attorneys, Attorneys will *not* provide legal services with respect to (a) defending any legal proceeding or claim against the Client commenced by any person unless such proceeding or claim is filed against the Client in the Action or (b) proceedings before any federal or state administrative or governmental agency, department, or board. With Client’s permission, however, Attorneys may elect to appear at such administrative proceedings to protect Client’s rights. If Client wishes to retain Attorneys to provide any legal services not provided under this Agreement for additional compensation, a separate written agreement between Attorneys and Client will be required.

5. FEES

- a. Client will pay Attorneys’ fees (“Attorneys’ Fees”) of:
 - i. For any monetary settlement or recovery, or any non-monetary recovery, that Attorneys obtain for Client, Attorneys shall be entitled to thirty-three percent (33%), including thirty-three percent (33%) of the value of any non-monetary settlement or recovery, provided that such fee will be paid only by money recovered from defendants. However, if money recovered from defendants is less than thirty-three percent (33%) of the value of any non-monetary settlement or recovery, Client is

not responsible for paying Attorneys any money other than what has been recovered from defendants.

ii. Client understands and acknowledges that Attorneys are co-counsel in this Action and are entitled to share in the Attorneys' Fees. Client understands that this Agreement will not increase the total amount of attorneys' fees owed to Attorneys by Client. Client understands and acknowledges that the Attorneys' Fees will be shared as follows:¹

1. Wagstaff & Cartmell, LLP	25.84%
2. Beasley Allen Crow Methvin Portis & Miles, P.C.	25.83%
3. Goza & Honnold, LLC	25.83%
4. Scott Yonover, Attorney at Law	22.50%

- b. For determining the Attorneys' Fees as outlined in paragraph 5(a), the date of recovery shall be the date that monies are paid or non-monetary value conveyed by defendants as a result of the Action, whether through settlement, judgment, or other means, rather than the date such monies are promised, agreed, or ordered to be paid.
- c. Contingency fee rates are not set by law but have been negotiated. If no recovery is made, no fees will be charged.
- d. The contingent fee is calculated as a percent of any settlement or recovery prior to the deduction of any expense or cost, i.e., the "Gross Recovery," unless prohibited by law or Court rule. If Client and Attorneys disagree as to the fair market value of any non-monetary property or services included in the Gross Recovery, Attorneys and Client agree that a binding appraisal will be conducted to determine this value.
- e. The Gross Recovery shall include, without limitation, any monetary payments, or the fair market value of any non-monetary property and/or services to be transferred and/or rendered for the benefit of the District, agreed or ordered to be made by the adverse parties or their insurance carriers as a result of the Action, whether by settlement, arbitration award, court judgment (after all appeals exhausted), or otherwise. Any statutory attorneys' fee paid by defendants shall be included in calculating the Gross Recovery.
- f. If, by judgment, there is *no* monetary recovery and District receives nonmonetary or "in kind" relief, Attorneys acknowledge that District is not obligated to pay Attorneys' Fees from public funds for the value of the in kind relief. In the event of in kind relief by judgment, Attorneys' sole source of recovery of contingent fees will come from a common fund or court ordered attorneys' fees.
- g. District agrees the defendants shall pay all attorneys' fees in a settlement that includes only nonmonetary relief. Client understands that Attorneys have and will invest resources into prosecuting this action on behalf of the Client and Client agrees to make a good faith effort to include attorneys' fees for Attorneys as part of the terms of any settlement or resolution of the Action.

¹ In the event that MDL or State Court coordinated proceedings result in the assessment of common benefit or similar fees, and, notwithstanding Section 6, those fees are ordered to be paid from the Attorneys' Fees, each fee percentage in this paragraph will be calculated net of those common benefit or similar fees.

6. FEDERAL MDL AND STATE COORDINATION FEE ASSESSMENTS

- a. In the event there is a Court ordered assessment or agreement for fees and costs required to be paid to any current or future Federal Multidistrict Litigation (MDL) or any State Court coordinated proceedings, which typically ranges from 6% to 10% of the gross proceeds, any such assessment will be paid from Client's share of any recovery proceeds as part of the costs and expenses advanced, unless otherwise ordered by the Court or prohibited by law or Court rules. At this time, Attorneys cannot determine what Court ordered assessment, if any, will be paid to an MDL or to a State Court coordinated proceeding.
- b. District understands that additional Attorneys' Fees and/or litigation expense reimbursement(s) may be received by Attorneys from common benefit fund(s) or plaintiff's steering committee discretionary funds from an MDL or State Court coordinated proceeding, Attorneys' representation of other claimants in this litigation, or from other sources. District agrees and understands that the Attorneys' Fees set forth above in Section 5 shall be recoverable to Attorneys in addition to and notwithstanding such other fees, and that Attorneys' Fees are calculated prior to the assessment of any Court ordered assessment, i.e., from the Gross Recovery.

7. SETTLEMENT

Client has the authority to accept or reject any final settlement amount after receiving the advice of Attorneys. District understands settlements are a "compromise" of its claim, and that Attorneys' Fees, as outlined in Section 5 above, apply to settlements. For example, if a settlement is reached, and includes future or structured payments, Attorneys' Fees shall include its contingent portion of those future or structured payments.

8. ASSOCIATE COUNSEL

- a. District agrees that Attorneys may, in their discretion, employ associate counsel to assist in prosecuting District's claim, and District agrees to the participation of any lawyers that Attorneys may choose to involve in District's case. With the exceptions set forth below, payment of Attorneys' Fees to any such additional counsel will be the responsibility of Attorneys and will not increase the total Attorneys' Fees to be paid by District. Appropriate costs and expenses incurred by any such additional counsel on District's behalf, however, will be chargeable to District on the same terms (set out in this Agreement) as costs and expenses incurred on District's behalf by Attorneys.
- b. In some instances, it may be necessary for Attorneys to retain special outside counsel to assist on matters other than prosecuting District's claim for damages. Examples of such instances include the following: a defendant may seek bankruptcy protection and District seeks bankruptcy counsel that affects District's claim; or a complex, group settlement may require an ethics opinion from outside counsel; or special action in probate court may be necessary. District understands that Attorneys do not specialize in these areas of the law and agrees that Attorneys may retain such special outside counsel to represent District when Attorneys deem such assistance to be reasonably necessary. District understands that the fees for such counsel will be deducted from District's share of the recovery.

9. REASONABLE FEE IF CONTINGENT FEE IS UNENFORCEABLE OR IF ATTORNEY IS DISCHARGED BEFORE ANY RECOVERY

In the event that the contingent fee portion of this agreement is determined to be unenforceable for any reason or the Attorneys are prevented from representing Client on a contingent fee basis, Client agrees to pay a reasonable fee for the services rendered. If the parties are unable to agree on a reasonable fee for the services rendered, Attorneys and Client agree that the fee will be determined by arbitration proceedings before a mutually agreed upon neutral affiliate with the Judicial Arbitration and Mediation Services

(JAMS); in any event, Attorneys and Client agree that the fee determined by arbitration shall not exceed thirty-three percent (33%) of the Gross Recovery as defined herein.

10. NO GENERAL FUND PAYMENTS

Notwithstanding any other provision in this Agreement, in no event will the Client be required to pay legal fees out of any fund other than the monies recovered from defendants in this litigation. Under no circumstances shall Client's own funds be obligated to satisfy the Attorneys' Fees as a result of the Action or this Agreement.

11. COSTS AND EXPENSES

In addition to paying Attorneys' Fees, Client shall reimburse Attorneys for all "costs/expenses" incurred on the Client's behalf subsequent to Attorneys being retained in this matter, which include but is not limited to the following: process servers' fees, fees fixed by law or assessed by courts or other agencies, court reporters' fees, messenger and other delivery fees, parking, investigation expenses, consultants' fees, expert witness fees, travel expenses, and other similar items incurred by Attorneys. The costs/expenses incurred that Attorneys advance will be owed in addition to Attorneys' Fees and Client will reimburse those costs/expenses after Attorneys' Fees have been deducted, unless prohibited by law or Court rule. If there is no recovery, Client will not be required to reimburse Attorneys for costs/expenses. In the event a recovery is less than incurred costs/expenses, Client will not be required to reimburse Attorneys for any costs/expenses above and beyond the recovery.

12. SHARED EXPENSES

Client understands that Attorneys may incur certain expenses that jointly benefit multiple clients, including, for example, expenses for travel, experts, and copying. Client agrees that Attorneys shall divide such expenses equally, or pro rata, among such clients, and deduct Client's portion of those expenses from Client's share of any recovery. Client is not responsible for Shared Expenses incurred prior to Attorneys being retained by Client in this matter.

13. DISBURSEMENT OF PROCEEDS TO CLIENT

- a. The proceeds of any settlement, judgment or recovery on District's behalf under the terms of this Agreement shall be disbursed to District as soon as reasonably practicable after receipt by Attorneys. At the time of disbursement of any proceeds recovered on District's behalf under the terms of this Agreement, District will be provided with a detailed disbursement sheet reflecting the method by which Attorneys' Fees have been calculated and the expenses of litigation which are due to Attorneys from such proceeds. Attorneys are authorized to retain out of any monies that may come into their hands by reason of its representation of District the fees, costs, expenses and disbursements to which they are entitled as determined in this Agreement.
- b. It is possible that payment to the Client by the adverse parties to the Action or their insurance carrier(s) or any third-party may be deferred, as in the case of an annuity, a structured settlement, or periodic payments. The Attorneys' Fees will be paid out of the initial payment if there are sufficient funds to satisfy the Attorneys' Fees. If there are insufficient funds to pay the Attorneys' Fees in full from the initial payment, the balance owed to Attorneys will be paid from subsequent payments to Client before there is any distribution to Client.

14. LIEN

In the event any third-party attempts to lien any proceeds recovered in this Action, Client hereby grants, and agrees, to the extent permitted by law or Court rule, that Attorneys hold a first priority and superior lien on any and all proceeds recovered from defendants in the Action in the amount of the Attorneys' Fees and costs that the Attorneys are entitled to under this Agreement. This lien right is limited to only those monies recovered from defendants and in no way affects any other rights of Client in any way whatsoever.

15. DURATION

This Agreement shall cover the period from date of execution until the termination of the Action or termination of the legal services rendered hereunder, whichever is sooner. This Agreement may be terminated by District upon at least 10-days' notice, and in the event of such termination, neither party shall have any further rights against the other, except that in the event of a recovery by District against the defendant(s) subsequent to termination, Attorneys shall have rights in the nature of *quantum meruit* to recover fees, costs and expenses reasonably allocable to its work prior to termination. In the event of termination of this Agreement for any reason, Attorneys shall immediately return to District all materials and documents of every kind and nature, including but not limited to District documents and computer disks, relating to this Agreement and the Action. Attorneys may withdraw as District's attorneys at any time if they determine, in their sole discretion, that District's claim lacks merit or that it is not worthwhile to pursue District's claim further.

16. DISCLAIMER OF GUARANTEE

Nothing in this Agreement and nothing in Attorneys' statements to Client will be construed as a promise or guarantee about the outcome of Client's matter. Attorneys make no such promises or guarantees. Attorneys' comments about the outcome of Client's matter are expressions of opinion only.

17. MULTIPLE REPRESENTATIONS

District understands that Attorneys do or may represent many other individuals/entities with actual or potential claims in the Action. Attorneys' representation of multiple claimants at the same time may create certain actual or potential conflicts of interest in that the interests and objectives of each client individually on certain issues are, or may become, inconsistent with the interests and objectives of the other. As attorneys, Attorneys are governed by specific rules and regulations relating to Attorneys' professional responsibility in Attorneys' representation of clients, and especially where conflicts of interest may arise from Attorneys' representation of multiple clients against the same or similar defendants, Attorneys are required to advise Attorneys' clients of any actual or potential conflicts of interest and obtain their informed written consent to Attorneys' representation when actual, present, or potential conflicts of interest exist. By signing this Agreement, the District is acknowledging that they have been advised of the potential conflicts of interest which may be or are associated with Attorneys' representation of District and other multiple claimants and that District nevertheless wants Attorneys to represent District, and that District consents to Attorneys' representation of others in connection with the Action. Attorneys strongly advise District, however, that District remains completely free to seek other legal advice at any time even after District signs this Agreement.

18. AGGREGATE SETTLEMENT

Often times in cases where Attorneys represent multiple clients in similar litigation, the opposing parties or defendants attempt to settle or otherwise resolve Attorneys' cases in a group or groups, by making a single settlement offer to settle a number of cases simultaneously. There exists a potential conflict of interest whenever attorneys represent multiple clients in a settlement of this type because it necessitates choices concerning the allocation of limited settlement amounts among the multiple clients. However, if all clients consent, a group settlement can be accomplished and a single offer can be fairly distributed among the clients by assigning settlement amounts based upon the strengths and weaknesses of each case, the relative nature, severity and extent of injuries, and individual case evaluations. In the event of a group or aggregate settlement proposal, Attorneys may implement a settlement program, overseen by a referee or special master, who may be appointed by a court, designed to ensure consistency and fairness for all claimants, and which will assign various settlement values and amounts to each client's case depending upon the facts and circumstances of each individual case. District authorizes Attorneys to enter into and engage in group settlement discussions and agreements which may include District's individual claims. Although District authorizes Attorneys to engage in such group settlement discussions and agreements,

District will still retain the right to approve, and Attorneys are required to obtain District's approval of, any settlement of District's case.

19. ENTIRE AGREEMENT

It is expressly agreed that this Agreement represents the entire agreement of the parties, that all previous understandings are merged in this Agreement, and that no modification of this Agreement shall be valid unless written and executed by both parties.

20. SEVERANCE CLAUSE

It is expressly agreed that if any term or provision of this Agreement, or the application thereof to any person or circumstance, shall be held invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby; and every other term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

21. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. Facsimile or PDF versions of this Agreement shall have the same force and effect as signature of the original.

The above is approved and agreed upon by all parties.

[SIGNATURE PAGE FOLLOWS]

ACKNOWLEDGMENT OF CLIENT

The undersigned agrees to the terms and provisions of this Attorney-Client Engagement Agreement.

Signature: _____

Print Name: _____

Print Title: _____

Print Date: _____

Print Name of School District: _____ (the “Client” or “District”)

AUTHORIZED REPRESENTATIVE OF THE DISTRICT FOR THIS AGREEMENT
(the “District Representative”)

Print Name: _____

Print Title: _____

Print Phone Number: _____

Print Email: _____

ACKNOWLEDGMENT OF ATTORNEYS

The undersigned agrees to the terms and provisions of this Attorney-Client Engagement Agreement.

Dated: _____

Tom Cartmell, Esq.
Wagstaff & Cartmell, LLP

Dated: _____

Joseph VanZandt, Esq.
Beasley Allen Crow Methvin Portis
& Miles, P.C.

Dated: _____

Kirk Goza, Esq.
Goza & Honnold, LLC

Dated: _____

Scott Yonover, Esq.
Scott Yonover, Attorney at Law