

Board Information Item

Information Packet	Board Agenda Information	Board Agenda Action	Board Agenda Consent
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

03/10/ 025

Subject: Act to Consider and Approve a Contingent Fee Legal Services Agreement with Thompson & Horton, LLP, Eiland & Bonnin, PC and O'Hanlon, Demerath & Castillo, PC

Contact Person: Dr. Bard Schnautz, Superintendent
Paula Barbaroux, Chief Operations Officer

Policy/Code: Board Policy CH(LEGAL), Purchasing and Acquisition, Contingent Fee Contract for Legal Services

Priority and Performance Objective: Priority 4: Strong Financial Stewardship and Internal System Efficiency
Objective 4.1: Transparent Financial Stewardship

Summary: After having provided adequate notice as required by Sec. 2254.1036 of the Texas Government Code, the recommendation is to approve the Contingent Fee Legal Services Agreement (“Agreement”) with Thompson & Horton, LLP, Eiland & Bonnin, PC, and O’Hanlon, Demerath & Castillo, PC and authorize the Superintendent or any officer of the Board of Trustees of the Grapevine-Colleyville Independent School District to execute the Agreement.

The purpose of this recommendation is for the Board of Trustees to consider and take action on an agreement with the law firms of Thompson & Horton, LLP, Eiland & Bonnin, PC, and O’Hanlon, Demerath & Castillo, PC as special counsel to perform all legal services necessary to recover damages sustained by the District related to youth social media usage and any other action that may be necessary to pursue the best interests of the District in related litigation on a contingent fee basis.

The purpose of the agreement is to pursue any and all available causes of action in Multi-District Litigation 3047 or JCCP 5255 seeking to recover damages due to youth social media usage and addiction sustained by Grapevine-Colleyville Independent School District. By way of this agreement, the Grapevine-Colleyville Independent School District seeks to recover damages, court costs, penalties, and other relief under applicable law.

Thompson & Horton, LLP is a full-service school law firm whose mission is to provide the highest quality personalized legal service to public and private schools, institutions of higher education, local governments, and private individuals and companies. Thompson & Horton attorneys have unique and specialized qualifications based on several hundred years of combined experience. Leaders in the field, their attorneys have been directly involved in many of the most significant court cases, administrative decisions, and public policy developments affecting their clients over the past 40 years. Thompson & Horton discussed the social media litigation with the District in February 2025. Thompson & Horton introduced Eiland & Bonnin and O'Hanlon, Demerath & Castillo to the District to consider the social media litigation in February 2025.

Eiland & Bonnin, PC engages in complex contingent fee litigation which has required the investment of hundreds of thousands to millions of dollars of litigation expenses. Lawyers in the firm have served in past MDL leadership committees. The firm has worked in many high-profile litigations like the MGM Grand Las Vegas Mass Shooting, Syngenta GMO Corn, and BP Texas City Refinery Explosion. After 20 years of service as a member of the Texas House of Representatives for Districts 23 & 24, Craig Eiland has a unique understanding of what elected officials and public entities are confronted with when navigating complex litigation. Mr. Eiland regularly advises multiple Texas school districts in litigation. The inception of the relationship between Eiland & Bonnin and the District began when Thompson & Horton introduced Eiland & Bonnin to the District in February 2025 to consider the social media litigation.

O'Hanlon, Demerath & Castillo, PC regularly serves school districts across the state of Texas in a general counsel capacity and maintains a principal office in Austin, Texas and also offices in Pharr, San Antonio and Fort Worth. The firm has litigated statewide high profile public education related cases such as the No Pass No Play, the A-F litigation and multiple Edgewood decisions related to the school finance system. After serving as

General Counsel for the Texas Education Agency and litigating various high-profile issues for the public education system for the Attorney General of Texas, Kevin O'Hanlon founded the firm in 1992 to serve the needs of Public Entity clients. Justin Demerath operates a contingent fee litigation practice within the firm that regularly represents public entities on a contingent fee basis, often in the scope of property insurance disputes. Additionally, his practice has recovered millions of dollars in recovery in high-profile multi-district litigations, including Syngenta GMO Corn, General Motors ignition switch recall, Trans-vaginal mesh, and NFL concussion litigation, as well as serving in leadership of cases that garnered national attention like the Sutherland Springs Mass Shooting. The inception of the relationship between O'Hanlon, Demerath & Castillo and the District began when Thompson & Horton introduced O'Hanlon, Demerath & Castillo to the District in February 2025 to consider the social media litigation.

Thompson & Horton has not previously represented Grapevine-Colleyville Independent School District on a contingency fee arrangement. Eiland & Bonnin has not previously represented Grapevine-Colleyville Independent School District on a contingency fee arrangement. Eiland & Bonnin has not previously represented Grapevine-Colleyville ISD in any capacity. O'Hanlon, Demerath & Castillo has not previously represented Grapevine-Colleyville Independent School District on a contingency fee arrangement. O'Hanlon, Demerath & Castillo has not previously represented Grapevine-Colleyville Independent School District in any capacity. Thompson & Horton, LLP, Eiland & Bonnin, PC, and O'Hanlon, Demerath & Castillo, PC have, and continue to represent, claimants with competence and professionalism.

The specialized legal services, advancement of significant expenses, and compensation on a contingent fee basis required by this agreement cannot be performed by the attorneys and supporting personnel of Grapevine-Colleyville Independent School District because the District does not currently employ attorneys who have specialized knowledge and experience regarding Multi-District Litigation and analysis and legal remedies under both Texas and federal law on a contingent fee basis. In addition, the District has not budgeted the financial resources necessary to advance the significant litigation expenses required by this type of litigation nor to compensate competent and experienced attorneys and staff regarding Multi-District Litigation as District employees or to reasonably compensate a

firm in private practice with the necessary experience under a contract providing for payment on an hourly basis without contingency.

Due to the complexity of the matter and expected difficulties in performing the legal work for this matter, the risk of no recovery, the expected expenses, including expert witness fees and other litigation costs, a reasonable hourly fee for a firm in private practice to prosecute this matter would exceed the amount for which the District would be able to adequately budget and expend financial resources. The District also does not have the financial resources required to pay the additional, significant costs of implementing appropriate infrastructure and technology necessary to fully and properly perform the needed legal services. The District also does not have the financial resources required to properly pursue its claims and causes of action, including to retain independent experts as testifying witnesses and to finance all costs of litigation through final resolution of the matter. Additionally, many law firms that handle large, complex matters strictly on an hourly basis have institutional clients, including social media corporations, insurance companies, and social media corporations; and it would be difficult to find a firm with experience in this area that does not have a conflict of interest that would hinder the firm's ability to effectively represent the District. The proposed law firms have certified that they have no such conflict of interest in representing Grapevine-Colleyville ISD.

The legal services cannot be reasonably obtained from attorneys in private practice charging hourly fees without contingency because a contract to pay attorneys on an hourly basis without contingency would represent an additional and significant cost to Grapevine-Colleyville Independent School District. Furthermore, the District would be responsible for payment of all costs and expenses of the litigation through appeals, including to retain independent experts as testifying witnesses and to finance all discovery expenses and other costs of litigation through final resolution of the matter. The District does not have the financial resources necessary to pay for these additional and significant expenses necessitated by this social media multi-district litigation.

Thompson & Horton, LLP, Eiland & Bonnin, PC, and O'Hanlon, Demerath & Castillo, PC will be compensated on a contingent fee basis. Entering into the proposed agreement is in the best interests of the residents of Tarrant and Dallas Counties, Texas.

The District has sustained significant damages due to youth social media usage and addiction and for which there exists a potential recovery from the perpetrating social media corporations. Thompson & Horton, LLP, Eiland & Bonnin, and O’Hanlon, Demerath & Castillo, PC possess the specialized skills, knowledge, experience, financial, and technological resources needed to competently and fully pursue maximum potential recovery of the District's damages. Furthermore, the proposed agreement enables the District to pursue its legal remedies without diverting essential monies and resources from the ongoing needs and operations of its students, staff, and community at large. In addition, the proposed agreement shifts the financial risk and burden of litigation costs and expenses to Thompson & Horton, LLP, Eiland & Bonnin, PC, and O’Hanlon, Demerath & Castillo, PC with the District owing no such monies to the law firms unless and until it recovers monies. Moreover, Texas statutory and common law provide for penalty damages and for recovery of court costs, and for recovery of attorneys' fees for certain of the District's claims, including for breaches of contract.

Additionally, time is of the essence in the provision of these legal services. Potentially impending legal deadlines require urgent action by counsel.

Attachments:

Legal Services Contract presented during executive session on February 24, 2025

Recommendation:

The recommendation is for the Board of Trustees to approve a contingent fee legal services contract with Thompson & Horton, LLP, Eiland & Bonnin, PC and O'Hanlon, Demerath & Castillo, PC.