



Date: June 24, 2025

To: Legislative Advisory Commission Members

Senator Erin P. Murphy
Senate Majority Leader

Senator John Marty, Chair
Senate Finance Committee

Senator Tou Xiong, Chair
State and Local Government Committee

Representative Lisa Demuth
Speaker of the House

Representative Zack Stephenson, Co-Chair
Ways and Means Committee

Representative Ginny Klevorn, Co-Chair
State Government Finance and Policy Committee

From: Erin Campbell, Secretary, Legislative Advisory Commission *EC*

RE: Submission of Proposed Legal Services Contract

I received from the Minnesota Office of the Attorney General the attached proposed contract for legal services. I am forwarding the contract to you for your possible recommendation under Minn. Stat. § 8.065.

Minnesota Statutes Section 8.065 provides:

“The attorney general may not enter into a contract for legal services in which the fees and expenses paid by the state exceed, or can reasonably be expected to exceed, \$1,000,000 unless the attorney general first submits the proposed contract to the Legislative Advisory Commission and waits at least 20 days to receive a possible recommendation from the commission.”

If you require additional information on this agreement, please contact Liz Kramer, Minnesota Office of the Attorney General, at Liz.Kramer@ag.state.mn.us or (651) 757-1010. To respond with a recommendation on the proposed legal service agreement before July 15, please email Dan Hintz, Minnesota Management and Budget, at Daniel.Hintz@state.mn.us.

Attachment

cc: Emily Adriaens, Chief Fiscal Analyst, House Fiscal Analysis Department
Eric Nauman, Principal Fiscal Analyst, Minnesota Senate Counsel, Research and Fiscal Analysis
Michelle Yurich, Executive Director, Legislative Coordinating Commission
Liz Kramer, Solicitor General, Minnesota Office of the Attorney General
Chris McNulty, General Counsel, Minnesota Management and Budget



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Minnesota Attorney General Keith Ellison
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June 18, 2025

Via U.S. Mail and email: Erin.Campbell@state.mn.us

Commissioner Erin Campbell
Minnesota Management and Budget
400 Centennial Building
658 Cedar Street
Saint Paul, MN 55155

Re: Proposed Legal Services Contract for Legislative Advisory Commission approval

Dear Commissioner Campbell:

Attached is a proposed special attorney appointment for review pursuant to Minn. Stat. § 8.065. The agreement follows our solicitation of multiple vendors for this work, and selection of the experienced team at Relman Colfax. Relman Colfax will only be entitled to fees if they are successful; our Office is submitting this for approval in an abundance of caution because there is some chance that the firm could recover over a million dollars.

We request that the 20 day Legislative Advisory Commission review process begin as soon as possible. Please call me if you need any further information.

Very truly yours,

LIZ KRAMER
Solicitor General

(651) 757-1010 (Voice)
(651) 282-5832 (Fax)
liz.kramer@ag.state.mn.us

Enclosure

cc: Chris McNulty

|#6110582-v1

**STATE OF MINNESOTA
OFFICE OF THE ATTORNEY GENERAL
SPECIAL ATTORNEY APPOINTMENT**

I, KEITH ELLISON, Attorney General of the State of Minnesota, by virtue of the authority vested in me by statute, do hereby constitute and appoint:

Zoila Hinson
and the law firm of Relman Colfax

of Washington, D.C., as Special Attorneys to serve at the pleasure of the Attorney General specifically to provide legal services to the State of Minnesota, subject to the terms and conditions set forth.

1. ***DUTIES.*** The Special Attorneys, who shall not be considered state employees and shall not be eligible for any state employee leave or other benefits except those expressly provided herein, shall provide legal services to the State of Minnesota and the Attorney General to examine, investigate, recommend, and litigate, including through trials and appeals, the State’s statutory and common-law claims against C4D, LLC (“this Case”) alongside members of the Attorney General’s Office.
2. ***COMPENSATION AND EXPENSES.*** Special Attorneys shall be reimbursed and compensated, if at all, for performing their duties under this appointment according to the Fee Agreement in Exhibit A.
3. ***BILLING STATEMENTS.*** If the Special Attorney incurs expenses that are reimbursable pursuant to Exhibit A, the Special Attorney shall submit quarterly statements via email to: outsidecounsel@ag.state.mn.us; setting forth in detail the expenses and including either receipts for the claimed expenses or an explanation for how the expense is calculated.
4. ***ARTIFICIAL INTELLIGENCE TECHNOLOGY.*** The Special Attorneys may use generative artificial intelligence tools, large language models, or similar technologies (“AI Technology”) in the performance of the services or the creation of any work, provided that: (1) any output generated by AI Technology must be reviewed and verified for accuracy by the Special Attorneys before it is provided to anyone; (2) the Special Attorneys must disclose the use of generated AI Technology to the Attorney General’s Office, and (3) the Special Attorneys expressly take full responsibility for all of their work product, including any content created using AI Technology. This responsibility includes ensuring the accuracy, appropriateness, and compliance with all applicable ethical and legal standards of any AI-generated content and indemnifying, defending, and holding harmless the Attorney General’s Office, to the extent allowable by the Attorney General, from all claims, damages, losses, liabilities, and expenses (including

reasonable attorneys' fees) arising out of or in connection with the use of AI Technology, including, but not limited to, third-party claims arising from software malfunctions, data breaches, incorrect outputs, and intellectual property infringement. The Special Attorneys' use of AI Technology does not diminish their professional obligations or liability with respect to any work performed under this appointment.

5. ***AVOIDANCE OF CONFLICTS.*** Unless and until the Special Attorneys have informed the Attorney General or his delegate of the proposed representation and received written approval to proceed, the Special Attorneys shall neither undertake legal work for the Attorney General outside of the scope of this appointment nor represent a party involved in a claim, dispute or transaction of any kind which would create a conflict of interest for the Special Attorneys. The Special Attorneys also agree to inform their clients in any matter involving a potential conflict.
6. ***STATE AUDITS AND DATA PRACTICES.*** All records, documents and accounting procedures and practices of the Special Attorneys relevant to this appointment shall be subject to examination by the Attorney General, and the Minnesota Legislative Auditor. The Special Attorneys must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by Minnesota State in accordance with this appointment, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Special Attorneys in accordance with this appointment. In the event the Special Attorneys receive a request to release the data referred to in this clause the Special Attorneys must immediately notify the Attorney General's Office. The Attorney General's Office will give the Special Attorneys instructions concerning the release of the data to the requesting party before it is released.
7. ***MALPRACTICE INSURANCE.*** Special Attorney represents that they will maintain malpractice insurance during the services provided pursuant to this appointment, as well as for six years after the services conclude.
8. ***TERM.*** This appointment is effective as of the date of execution and may continue for the duration of this Case unless terminated by either party at any time by the giving of seven (7) calendar days' written notice. If the Special Attorneys materially breach this Agreement or acts unethically or illegally, the Appointment may be terminated immediately by the Attorney General's Office.
9. ***SEVERABILITY.*** If any part of this appointment is unenforceable, then that party shall be severed from the Appointment and the remaining provisions shall be enforceable.
10. ***LAWS AND FORUM.*** This appointment is governed by the laws of the State of Minnesota. Any litigation regarding the parties' agreement or their attorney-client relationship shall be venued in Ramsey County District Court.

- 11. OTHER POLICIES AND PROCEDURES.** The State expects Special Attorneys to devote the time and skill level appropriate to the tasks at hand. All work product should be high quality and reflect well on the State. The State expects Special Attorneys to comply with the Rules of Professional Conduct and the highest ethical standards. Special Attorneys should avoid taking extreme advocacy positions that are not likely to have a substantive impact on the litigation. Coercive, delaying, or obstructive tactics shall not be used. Special Attorneys and their staff should not speak to any media representatives about the work covered by the Special Attorney appointment without the prior approval of the Attorney General's communications director, a chief deputy attorney general, solicitor general or a deputy attorney general. The State expects Special Attorneys to comply with the Minnesota Government Data Practices Act (MGDPA), Minnesota Statutes section 13.05, subdivision 11(a), wherein upon entering into a contract with a government entity, Special Attorneys must comply with those requirements as if it were a government entity. Should Special Attorneys receive a request, please refer any such request to Assistant Attorney General assigned to the Case.

Executed in St. Paul, Minnesota, this _____ day of June, 2025.

KEITH ELLISON
Attorney General
State of Minnesota

LIZ KRAMER
Solicitor General

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

I, **Zoila Hinson**, and Relman Colfax, do swear that we will support the Constitutions of the United States and of the State of Minnesota and that we will faithfully discharge the duties of the position of Special Attorney under the terms and conditions of this appointment to the best of our judgment and ability. The undersigned represents and warrants that they are fully authorized to execute this appointment on behalf of Relman Colfax, and that they execute this appointment in an official capacity that binds Relman Colfax to the obligations set forth in the appointment.

Relman Colfax

BY: _____
Zoila Hinson

Subscribed and sworn to before me
on this ____ day of June 2025.

**EXHIBIT A
FEE AGREEMENT**

WHEREAS, the Minnesota Attorney General’s Office has documented a pattern of likely unlawful behavior by C4D, LLC (“C4D”) that injures Minnesota residents;

WHEREAS, the Minnesota Attorney General’s Office has numerous priorities which necessitates the request of assistance to pursue civil enforcement investigation and litigation against C4D, LLC;

WHEREAS, the Minnesota Attorney General’s Office recognizes that Relman Colfax, PLLC, has special knowledge and skill in the applicable area of law, and that its undertakings pursuant to the Special Attorney Appointment will involve substantial and complex factual and legal issues;

WHEREAS, the State acknowledges that the successful resolution of any litigation will require the Special Attorneys to devote substantial resources in furtherance of their undertaking;

THEREFORE, due to all the complex considerations involved in the Special Attorney Appointment, the State and the Special Attorneys agree as follows:

1. The State is not liable to pay any compensation to Special Attorneys other than from any amounts recovered by the State in the Case (whether by settlement or final non-appealable judgment) through pursuit of the Case by or with the assistance of the Special Attorneys. “Amounts recovered by the State” shall be defined to mean any and all monetary awards in the Case, including civil penalties, actual damages recovered by the State, punitive damages, damages ultimately payable to consumers, and attorneys’ fees and costs, except attorneys’ fees and costs recovered pursuant to an award by the Court after the filing of a bill of costs and/or fee petition shall not be considered an amount recovered by the State.

2. In the event no monetary recovery is obtained in this Case (whether by settlement or final non-appealable judgment), the Special Attorneys shall not receive compensation from the State but may petition the court for their costs and fees expended in the Case.

3. Subject to the terms set out in the Reimbursement Guidelines in Exhibit B, Special Attorneys will be reimbursed from any recovery for their actual costs and disbursements advanced for the purpose of carrying out their duties under this Special Attorney Appointment, as long as those costs comply with the terms of the Special Attorney Appointment and its exhibits. Costs and disbursements shall be paid solely out of amounts recovered by the State received through settlement with C4D or final non-appealable judgment or paid solely as a result of a court's award of costs and fees as outlined in paragraph 2.

4. In the event that the State recovers money in the Case, then payment to Special Attorneys for their legal services (i.e., attorneys' fees) shall be made as follows, unless Special Attorneys separately submit a petition to the court for their costs and fees per paragraph 5:

- a. Special Attorneys shall be paid their lodestar (their hourly rate times their hours spent on the case, subject to paragraph 6) up to a cap;
- b. Special Attorneys' lodestar is capped at 25% of the net dollars recovered by the State in the Case; and
- c. The net dollars recovered by the State is calculated as the total amount recovered by the State after deducting Special Attorneys' reimbursable costs as described in paragraphs 3 and 4, and in Exhibit B.

5. In the event Special Attorneys submit a petition to the court for their costs and fees, Special Attorneys are not subject to the cap in paragraph 4 and shall be entitled to the fees and costs awarded by the Court. If the amount of fees and costs awarded by the court is less than

Special Attorneys' actual fees and costs, the State shall pay the difference between the amount awarded by the court and the amount to which Special Attorneys are entitled under paragraph 4 out of the monetary recovery obtained in the Case.

6. Special Attorneys agree to record time spent on this Case contemporaneously in increments of tenths of an hour with descriptions of work performed by each attorney billing time. Special Attorneys agree to provide those narrative descriptions for each attorney billing time in monthly reports to the Attorney General's Office.

7. Special Attorneys shall use their best efforts to maximize the ultimate net recovery for the State as well as impactful non-monetary relief. If the court awards, or the adverse parties pay, attorneys' fees and costs, such fees and costs shall be allocated (a) to Special Attorneys to the extent that the award is based on services furnished by Special Attorneys and (b) to the State to the extent that the award is based on services furnished by the Attorney General or other employees or agents of the State. As to any costs paid under (a) of this paragraph, the State shall no longer be responsible to reimburse those costs to Special Attorneys, except as provided for in paragraph 5. The timing of these payments is governed by paragraph 9.

8. All monies recovered by the State shall be made payable to the State or to the injured consumers. Assuming the Attorney General is satisfied that the Special Attorneys have satisfactorily fulfilled the terms of this Agreement (*see* Minn. Stat. § 16C.08, subd. 2 (10)), the State shall, within 30 days after its receipt of full payment of a settlement or final judgment, pay the undisputed fees and costs owing to Special Attorneys pursuant to this Agreement.

9. In the event any final recovery is less than sufficient to fully reimburse the Special Attorneys for their costs and disbursements, the State shall not be responsible for any deficiency in reimbursements of the costs and disbursements. The State shall not be responsible for court

awarded costs and disbursements to adverse parties to the extent any such court award is attributable to the conduct or actions of Special Attorneys.

10. The State shall pay or be responsible for paying the following litigation costs: court-filing fees, document-review platform expenses (but not time spent doing document review), court-reporter expenses, and expert expenses. The State expects Special Attorneys' fees, costs, and disbursements to be reasonable.

11. This Agreement is governed by the laws of Minnesota and the parties agree that any disputes or disagreements between them shall be subject to binding arbitration pursuant to the Commercial Rules of the AAA with a single arbitrator, with the hearing in St. Paul, Minnesota. If a court is needed to resolve disputes over arbitrability, the parties agree that venue shall be in Ramsey County District Court.

EXHIBIT B

SPECIAL ATTORNEY REIMBURSEMENT GUIDELINES

The following items are taken from the State of Minnesota Rules and Procedures governing reimbursement of state employees for certain expenses incurred in the performance of their jobs. Certain other reimbursable expenses have been added to specify what additional expenses the state will reimburse when they are incurred by Special Attorney.

1. Motor Vehicle Expenses

Reimbursement for Minnesota mileage is based on the most direct route according to Transportation Department mileage tables or odometer readings. Reimbursement for out-of-state mileage is based on the most direct route as recorded by the car odometer or reported in standard mileage tables.

a. Mileage Allowance Rate

These rates are adjusted periodically to reflect changes in the price of gasoline and other operating costs. The reimbursement rate is the Internal Revenue Service mileage rate (currently 70 cents per mile in 2025) based on actual miles for the most direct route either from the Special Attorney's permanent work location or from a temporary work location, whichever is less. (Invoice should state purpose of trip, destination and number of miles.)

2. Bus and Cab Expenses

Payment for these expenses are reimbursed. No receipts are required if less than \$25. The invoice should indicate the destination and purpose of the trip.

3. Airline Expenses

Receipts for airline tickets will be reimbursed, but State rules preclude reimbursement of first class tickets. *Prior approval needs to be obtained for all airline tickets.* The invoice should indicate the destination and purpose of the trip. If a meal is served on the flight, no additional claim can be made for that meal under "Meal Allowance."

4. Parking Fees and Toll Charges

Payments of toll charges and parking fees are reimbursed. Receipts are required for parking ramp/lot parking. No receipts are required for meter parking.

5. Meal Allowance

Reimbursement for meals is the actual cost of the meal, including tax (reimbursement is not allowed for alcoholic beverages) and a reasonable gratuity,

and is currently being reimbursed according to the following schedule.

Reimbursement for meals is permissible if the Special Attorney is in travel status more than 35 miles away from his/her normal office or is away from home overnight.

a. Breakfast (\$11.00 maximum)

In order to claim a breakfast when not away from home overnight the previous evening, the person must state on his/her reimbursement request that he/she left home before 6:00 a.m.

b. Lunch (\$13.00 maximum)

Lunch reimbursement may be claimed if the person is in travel status and the work assignment extends over the normal noon meal period.

c. Dinner (\$20.00 maximum)

In order to claim a dinner when not away from home overnight the same evening, an employee must state on his/her reimbursement request that he/she returned home after 7:00 p.m.

6. Overhead Expenses Not Covered

Costs and expenses normally considered part of the overhead of legal organizations, such as legal research costs, copying, and telephone expenses will not be reimbursed as they are considered to be already included in the negotiated recovery of fees on a contingent basis.