

## CONTRACT FOR LEGAL SERVICES

This Contract for Legal Services ("Contract") is made this 8<sup>th</sup> day of May 2014, between the PENNSYLVANIA HOUSE OF REPRESENTATIVES (the "House") and FOX ROTHSCHILD, LLP (the "Law Firm").

The House has a need for professional and specialized legal services to represent the House Committee on Ethics in matters described in Appendix A attached hereto. The Law Firm has represented that it is qualified to and has agreed to perform such professional and specialized legal services.

NOW THEREFORE, the House and the Law Firm, in consideration of the mutual promises and agreements of the parties hereto, and intending to be legally bound, hereby agree as follows:

1. **SERVICES.** The House hereby retains, for the period indicated below, the Law Firm to serve as an independent contractor to provide the services described on the Scope of Work attached as Appendix A, which is incorporated herein by reference. The Law Firm hereby accepts such retention and agrees to perform the services. The Law Firm agrees that Patrick Egan, Esquire, will be the primary attorney performing services required by this Contract.
2. **IDENTITY OF PARTIES.**
  - (a) **CLIENT.** The Law Firm is being retained by the House to represent the Committee on Ethics of the House of Representatives (the "Committee"). Any and all privileges, including the attorney-client privilege, the attorney work-product doctrine and those provisions related to confidentiality as provided for in House Rule 47, apply.
  - (b) **THIRD PARTY PAYOR.** The House will serve as Third Party Payor for this contract. This contract is not an agreement to represent the House in its entirety or its individual Members, officers or staff (collectively, "Affiliates"). The House agrees that the Law Firm's representation of the Committee under this Contract does not give rise to an attorney-client relationship between the Law Firm and any of the Affiliates.
  - (c) **ADMINISTRATOR.** The Co-Counsels of the House Committee on Ethics will serve as Administrators of this Contract. The Administrators shall review and approve invoices for payment by the House. The Administrators will also serve as the primary contact between the Law Firm and the Committee. The Law Firm shall provide the Administrators with copies of all memoranda, pleadings, briefs, reports and related work products regarding matters under the scope of this Contract.
3. **COMPENSATION AND EXPENSES.**
  - (a) No retainer shall be required by the Law Firm for representation of the Committee under this Contract.

- (b) The House agrees to pay the Law Firm for services based upon the hourly billing rates of the lawyers and other professionals of the Law Firm providing services under this Contract up to the maximum amounts set forth below:

Egan, Patrick J. at a maximum rate of \$425 per hour;  
Junior Partner at a maximum rate of \$375 per hour;  
Associates at a maximum rate of \$200 per hour;  
Paralegals at a maximum rate of \$125 per hour.

The maximum hourly rates reflected above shall remain in force for the entire term of this Contract. The Firm's time will be recorded in increments of rounded tenths of an hour, with one-tenth (0.1) being the minimum for any activity.

- (c) The Law Firm shall be eligible for reimbursement of reasonable and necessary expenses, as follows:

- (1) Travel costs, mileage at the maximum rate approved by the Federal Government, and hotel expenses, all of which must be pre-approved by the Administrators.
- (2) Express mailing expenses, postage, long distance telephone costs, telecopying charges, electronic research charges and photocopying charges.

The Law Firm shall not be eligible for payment of the hourly rates described in subparagraph (b) above for travel time, unless working on matters covered under the scope of this contract. Receipts must be submitted for all out-of-pocket expenses billed.

- (d) All payments for compensation and expenses to the Law Firm shall be made contingent upon the Law Firm submitting Invoices ("Invoices") as required to the House documenting the dates, hours and nature of services provided. The Law Firm will issue regular Invoices that detail the fees and costs incurred under this Contract. Although the Law Firm attempts to capture all fees charged and disbursements made on the Committee's behalf through the closing date set forth in each Invoice, there may be fees or charges for a particular time period that will not appear on certain Invoices. Any such fees or charges will appear on subsequent Invoices.
4. **STATUS.** The Law Firm shall devote such time, resources and personnel as deemed necessary to perform the services hereunder. The Law Firm shall be an independent contractor and shall be solely responsible for reporting all earnings under this Contract for all tax purposes. Neither the Law Firm nor its employees or agents shall be considered an employee of the Pennsylvania House of Representatives, nor be entitled to any insurance or other benefits made available to employees of the Pennsylvania House of Representatives, nor be entitled to membership in the State Employees Retirement system, by virtue of this Contract.
5. **TERM.** This Contract shall commence on the effective date set forth below and shall continue thereafter until November 30, 2014, or until such time as the Administrators

determine that there is no longer a need for the Law Firm to serve as an independent contractor, whichever shall occur first.

6. **SUBCONTRACTING.** Subcontracting, assignment, or transfer of all or part of the interest of the Law Firm in this Contract or the work covered by this Contract is prohibited without the prior written approval of the Administrators. The Law Firm may, upon such approval, engage investigators or experts in various fields related to the subject matter of this Contract to assist the Law Firm in the performance of its services under this Contract. The hourly rates, fees or other compensation to be paid to such experts shall be subject to the approval of the Administrators. In the event that any consent is given under this paragraph, the terms and conditions of this Contract shall apply to and bind the party or parties to whom such work is subcontracted, assigned, or transferred as fully and completely as the Law Firm is bound and obligated hereby and the Law Firm shall obtain written acknowledgment thereof from all subcontractors and experts so engaged.
7. **TERMINATION.** The House and the Committee have the right to terminate this Contract for any of the following reasons. Termination shall be effective upon written notice to the Law Firm. The Law Firm shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Law Firm be entitled to recover loss of profits.
  - (a) The Committee or the House shall have the right to terminate this Contract for its convenience if the Committee determines termination to be in its best interest.
  - (b) The Committee or the House shall have the right to terminate this Contract in the event sufficient funds are not available through the appropriation process for the payment of any sums due to the Law Firm under this Contract.
  - (c) The Committee or the House shall have the right to terminate this Contract upon the default by the Law Firm of any of its obligations under this Contract or for other cause as specified in this Contract or by law. If it is later determined that the Committee or the House erred in terminating this Contract for cause, then, at the Committee's or the House's discretion, this Contract shall be deemed to have been terminated for convenience under subparagraph (a) above.
8. **OTHER REPRESENTATION.** The Law Firm certifies that as of the date of its execution of this Contract, the Law Firm is not employed by the House for any other purpose or in any other capacity. The Law Firm understands that the Operating Rules of the House prohibit the utilization by the House of the Law Firm for any other matter during the term of this Contract and agrees not to take on any such representation of the House.
9. **INTEGRITY PROVISIONS.**
  - (a) For purposes of this paragraph and paragraph 10, the following words and phrases shall have the meanings ascribed to them below unless the context clearly indicates otherwise:

- (1) "Confidential information" means information that is not public knowledge, or available to the public upon request.
  - (2) "Consent" means written permission given by a duly authorized officer or employee of the House, provided that where the material facts have been disclosed, in writing, by prequalification, bid proposal, or contractual terms, the House shall be deemed to have consented by virtue of execution of this Contract.
  - (3) "Gratuity" means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.
- (b) The Law Firm shall maintain the highest standards of integrity in the performance of this Contract and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the House.
  - (c) The Law Firm shall not disclose to others any confidential information gained by virtue of this Contract.
  - (d) The Law Firm shall not, in connection with this or any other agreement with the House, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the Commonwealth.
  - (e) The Law Firm shall not, in connection with this or any other agreement with the House, directly or indirectly, offer, give, agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the Commonwealth.
  - (f) Except with the consent of the House, the Law Firm shall not accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of work under this Contract.
  - (g) Except with the consent of the House, the Law Firm shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, under this Contract.
  - (h) Upon the submission of each bill or invoice for payment under this Contract, the Law Firm represents and warrants to the House that the Law Firm is not in violation of any of the provisions of this paragraph. The Law Firm shall immediately notify the House in writing upon receipt of notice of the violation or potential violation of any of the provisions of this paragraph.

- (i) The Law Firm, upon the request of the House shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the House to the Law Firm's integrity or responsibility under this paragraph and paragraph 10. Such information may include, but shall not be limited to, the Law Firm's business or financial records, or documents or files of any type or form which refer to or concern this Contract. Such information shall be retained by the Law Firm for a period of three (3) years beyond the termination of this Contract unless otherwise provided by law or with the consent of the House.
- (j) For violation of any of the above provisions, the House may terminate this and any other Contract with the Law Firm, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, and claim damages for all expenses incurred in obtaining another contractor to complete performance hereunder. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the House may have under law, statute, regulation, or otherwise.

#### **10. RESPONSIBILITY PROVISIONS.**

- (a) The Law Firm certifies that as of the date of its execution of this Contract, the Law Firm is not under suspension or debarment by the Commonwealth, the federal government or any other governmental entity, instrumentality, or authority and, if the Law Firm cannot so certify, then it agrees to submit with the return of this Contract to the House a written explanation of why such certification cannot be made.
- (b) The Law Firm also certifies that as of the date of its execution of this Contract, it has no tax liabilities or other outstanding Commonwealth obligations.
- (c) The Law Firm's obligations pursuant to this paragraph are ongoing from and after the effective date of this Contract through the termination date thereof. Accordingly, the Law Firm shall have an obligation to inform the House if, at any time during the term of this Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it is suspended or debarred by the Commonwealth, the federal government, or any other governmental entity, instrumentality or authority. Such notification shall be made within 15 days of the date of delinquency, suspension or debarment.
- (d) The failure of the Law Firm to notify the House of its suspension or debarment by the Commonwealth, the federal government or any other governmental entity, instrumentality or authority, or its delinquency in the payment of taxes or other Commonwealth obligations shall constitute an event of default under this Contract.
- (e) The Law Firm agrees to reimburse the House for the reasonable costs of investigation incurred by the House for investigations of the Law Firm's compliance with the terms of this or any other Contract between the Law Firm and the House which results in the termination of this Contract by the House or the suspension or debarment of Law

Firm by the Commonwealth. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Law Firm shall not be responsible for investigative costs for investigations that do not result in the termination of this Contract by the House or the suspension or debarment of Law Firm by the Commonwealth.

11. **RIGHT TO KNOW DISCLAIMER.** This Contract is subject to Act 3 of 2008, known as the Pennsylvania Right-to-Know Law (Act of Feb. 14, 2008, P.L. 6, No. 3). This Contract may be transmitted to the Pennsylvania Treasury Department to be posted on a website available for public inspection. Additionally, this Contract may be disclosed pursuant to a right to know request submitted to the House of Representatives' Right to Know Officer. Neither the House nor the Committee shall be liable to the Law Firm for complying with any such request. Any language or information in this Contract deemed by the Law Firm to be a trade secret or confidential information may be subject to redaction prior to transmission of this Contract to the Pennsylvania Treasury Department or disclosure of this Contract under a right to know request. To make a redaction request, the Law Firm should contact the Administrators immediately.
12. **CONFLICT OF INTEREST.** The Law Firm represents and warrants that it has no conflicting representation that has not been fully disclosed to and waived by the Committee and shall not undertake any representation that conflicts with the performance of the services or obligations under this Contract unless such conflicting representation has been fully disclosed to and waived by the Committee. Any conflicting representation shall be promptly disclosed to the Administrators. The Administrators shall determine whether such conflict is cause for termination of this Contract. By its execution of this Contract where provided below, the Committee understands that new attorneys frequently join the Law Firm who may have represented parties adverse to the Committee while employed by other law firms or organizations. The Committee has no objection to the Law Firm continuing its representation of the Committee under this Contract notwithstanding these attorneys' prior professional engagements.
13. **OWNERSHIP RIGHTS.**
  - (a) All documents, data and records produced by the Law Firm and any experts in carrying out the obligations and services hereunder, whether preliminary or final, except as described in subparagraph (b) below, are and shall become and remain the property of the Committee. The Committee shall have the right to use all documents, data, and records without restriction or limitation, except as described in subparagraph (b) below, and without additional compensation to the Law Firm and any experts, and the Law Firm and any experts shall have no right or interest therein.
  - (b) The Law Firm's own files pertaining to this Contract, which may include the Law Firm's administrative records, time and expense reports, personnel and staffing materials, and internal attorneys' work products such as drafts, notes, and internal memoranda, will be retained by the Law Firm.

- (c) Upon completion of the services hereunder or at the termination of this Contract, all such documents, data and records shall, if requested by the Committee or by the Administrators, be appropriately arranged, indexed and delivered to the Committee by the Law Firm.
- (d) No document, data or record given to or prepared by the Law Firm or any subcontractors or experts under this Contract shall be made available to any individual or organization by the Law Firm or any subcontractors or experts without the prior approval of the Committee. Any information secured by the Law Firm, subcontractors or experts in connection with carrying out the services under this Contract shall be kept confidential unless disclosure of such information is approved in writing by the Administrators or is directed by a court or other tribunal of competent jurisdiction.

14. **NOTICES.** Unless otherwise provided, any notice required or desired to be given hereunder shall be deemed given when delivered by hand or by nationally recognized overnight mail delivery service or sent by certified mail, return receipt requested, addressed to the parties as follows:

If to the House:

Hon. Scott Petri, Chair  
House Committee on Ethics  
PA House of Representatives  
107 Ryan Office Building  
PO Box 202178  
Harrisburg, PA 17120-2178  
Attention: Ethics Counsel

AND

Hon. Nick Kotik, Vice Chair  
House Committee on Ethics  
PA House of Representatives  
226 Irvis Office Building  
PO Box 202045  
Harrisburg, PA 17120-2045  
Attention: Ethics Counsel

If to the Law Firm:

Fox Rothschild, LLP  
2000 Market Street, 20<sup>th</sup> Floor  
Philadelphia, PA 19103-3222  
Attention: Patrick Egan, Esq.

15. **ENTIRE AGREEMENT; CONFLICTS; AMENDMENT.** This Contract and the Scope of Work attached hereto contain the entire agreement of the parties with respect to the subject matter of this Contract. In the event of a conflict between any provision of this Contract and

the Scope of Work, the provisions of this Contract shall prevail. This Contract may be modified only by agreement in writing, signed by the party against whom enforcement of any modification or change is sought.

16. **APPLICABLE LAW.** This Contract shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of law provision) and the decisions of the Pennsylvania courts. The Law Firm consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal court in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Law Firm agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by Pennsylvania law.

17. **EXECUTION.** Handwritten signatures shall not be required on this Contract in order for this Contract to be legally enforceable.

18. **EFFECTIVE DATE.** This Contract shall take effect upon execution by the House.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have executed this Contract as follows:

PA HOUSE OF REPRESENTATIVES

FOX ROTHSCHILD, LLP

By:   
Name: Anthony Frank Barbush  
Title: Chief Clerk  
Date: 5.14.14

By:   
Name: Patrick Egan, Esq.  
Title: Partner  
Date: 5/7/2014

**APPENDIX A**

**SCOPE OF WORK.** The Law Firm will serve as Independent Counsel to the Pennsylvania House of Representatives' Committee on Ethics on such matters as the Committee shall direct.

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