



INVESTIGATIVE REPORT

Jared Prentice, Inspector General

OFFICE: OFFICE OF THE INDIANA ATTORNEY GENERAL (OAG)
TITLE: CONTINGENCY FEE CONTRACT
CASE ID: 2025-02-0059
DATE: February 24, 2025

After examination and review, Office of Inspector General Senior Attorney Elaine Vullmahn reports as follows:

The purpose of this Report is to fulfill the statutory requirements of Ind. Code § 4-6-3-2.5 regarding contingency fee contracts. This statute requires the Inspector General (IG) to review proposed contingency fee contracts for possible conflicts of interests and potential Code of Ethics violations. Under this statute, an agency may not enter into a contingency fee contract unless the IG has made a written determination that entering into the contract would not violate the Code of Ethics, set forth in Ind. Code 4-2-6 and 42 IAC 1-5, or an agency rule concerning conflicts of interests.

On February 19, 2025, the Office of the Indiana Attorney General (OAG) notified the Indiana Office of Inspector General (OIG) that it wished to enter into a contingency fee contract (Agreement) with Salim Beasley, LLC (Counsel), a law firm. The term of the Agreement begins upon approval of the last State signatory and is effective for a period of four (4) years. The Agreement may be renewed for a period not to exceed the original term upon written agreement by both parties.

The purpose of the Agreement is to assist the State of Indiana in evaluating, investigating and pursuing potential causes of action against General Motors, OnStar and related entities who

are alleged to have improperly collected, used and distributed or otherwise sold drivers' data (Defendants). The OAG submits that Counsel specializes and has experience in providing legal services pursuing the matters and potential causes of action of concern to the State.

The State will compensate Counsel through a contingency fee contract. The parties have agreed to the following contingency fees, which do not exceed the maximum percentages permitted by Ind. Code § 4-6-3-2.5(g):

- (1) Zero percent (0%) of any recovery that is two million dollars (\$2,000,000) or less.
- (2) Twenty-five percent (25%) of any recovery that exceeds two million dollars (\$2,000,000) and that is not more than ten million dollars (\$10,000,000).
- (3) Twenty percent (20%) of any part of a recovery of more than ten million dollars (\$10,000,000) and not more than fifteen million dollars (\$15,000,000).
- (4) Fifteen percent (15%) of any part of a recovery of more than fifteen million dollars (\$15,000,000) and not more than twenty million dollars (\$20,000,000).
- (5) Ten percent (10%) of any part of a recovery of more than twenty million dollars (\$20,000,000) and not more than twenty-five million dollars (\$25,000,000).
- (6) Five percent (5%) of any part of a recovery of more than twenty-five million dollars (\$25,000,000).

Pursuant to Ind. Code § 4-6-3-2.5(b) an agency is required to make a written determination before entering into the contract that the contingency fee representation is cost effective and in the public interest. The OAG must consider five factors when making this determination as outlined by Ind. Code § 4-6-3-2.5(c). Those factors are as follows:

- (1) Whether the agency has sufficient and appropriate legal and financial resources to handle the matter.
- (2) The time and labor required to conduct the litigation.
- (3) The novelty, complexity and difficulty of the questions involved in the litigation.
- (4) The expertise and experience required to perform the attorney services properly.
- (5) The geographical area where the attorney services are to be provided.

The OAG made such a determination and considered all the factors outlined in the statute. The OAG explains that the matter to be handled by Counsel is based on work from the OAG's Data Privacy and ID Theft section within the Consumer Protection Division (CPD), which is staffed by six full-time Deputy Attorneys General. CPD already has numerous active litigation and investigative matters pending on behalf of the State of Indiana.

According to the OAG, CPD possesses the knowledge and skills to pursue consumer protection claims arising from Defendants' actions; however, the State's interests are best served by the efficient and specialized services of Counsel in a complex area of the law. The potential causes of action stem from prolific practices by Defendants throughout the country, and the OAG believes Counsel's services will be necessary to address a number of claims that may arise in the investigation. The OAG also notes that the legal services Counsel will perform require a detailed understanding of federal and state regulations concerning personal data tracking and sales, automobile regulation and laws governing consent. The OAG believes the State's interests will be better served if assisted by Counsel who possesses specialized knowledge and practice in the area of mass tort litigation, multi-jurisdictional litigation and consumer data protection laws.

The OAG asserts the following: Counsel does not employ any state employees, no OAG employee or immediate family member of an OAG employee has a financial interest in Counsel or the Agreement, and no OAG employee is contracting with or will be supervising the work of a business entity in which a relative is a partner, executive officer or sole proprietor. The OAG also asserts that neither Counsel nor any employee of Counsel has a conflict of interests that would violate either the Code of Ethics or any ethics rule of the Indiana Supreme Court.

Based on the information provided and after careful review and examination, the IG finds that entering into this contingency fee contract will not violate the Code of Ethics or any statute or

agency rule concerning conflicts of interests. This Report is issued in compliance with the above noted statutory requirements.

Dated: February 24, 2025

APPROVED BY:


Jared Prentice, Inspector General