

Invitation to Negotiate (ITN)

Securities Litigation Counsel – Search to Update Pool of Law Firms

State Board of Administration of Florida

Issue Date: October 19, 2009

Requests for Clarification Deadline: October 23, 2009

Responses to Requests for Clarification Posted: October 27, 2009

Response Deadline: November 3, 2009

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Do not contact SBA staff or any member of the SBA's Board of Trustees (or their respective staff) regarding this ITN. Direct all correspondence during the ITN process to the contacts listed above.

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SECTION I – INTRODUCTION AND PURPOSE

A. Background

The State Board of Administration of Florida (the “SBA” or the “Board”) is an agency of Florida state government that provides a variety of investment services to various governmental entities. These include managing the assets of the Florida Retirement System (FRS) Pension Plan (i.e., defined benefit plan) and Investment Plan (i.e., defined contribution plan), the Lawton Chiles Endowment Fund, the Local Government Surplus Funds Trust Fund, the Florida Hurricane Catastrophe Fund, the Lottery Fund and a variety of smaller funds. The total market value of the FRS Pension Plan was approximately \$104.438 billion as of July 31, 2009. Total assets under management as of July 31, 2009 were approximately \$126.873 billion. The SBA currently invests in six asset classes: Domestic Equity, Foreign Equity (both developed and emerging markets), Fixed Income, Strategic Investments, Private Equity and Real Estate.

A Board of Trustees governs the SBA. Comprised of Charlie Crist, Governor, as Chairman; Alex Sink, Chief Financial Officer, as Treasurer; and Bill McCollum, Attorney General, as Secretary, the Trustees have ultimate authority and oversight for the SBA’s overall strategy. All three of the Trustees of the Board are elected statewide to their respective positions as Governor, Chief Financial Officer, and Attorney General.

The Trustees delegate authority to the Executive Director & CIO, who serves at the discretion of the Trustees and is responsible for managing and directing all administrative, personnel, budgeting, investment policy, and investment functions. The Executive Director & CIO manages 215 professional and administrative support staff. The management of the investments is conducted with the assistance of the Deputy Executive Director.

The Board of Trustees appoints six members to serve on the Investment Advisory Council. The Investment Advisory Council reviews investments made by the staff of the SBA and makes recommendations regarding investment policy, strategy and procedures. The Council meets on an ongoing basis to discuss general investment policies and broad topics related to the general economic outlook. The Board of Trustees also appoints six members to serve on the Participant Local Government Advisory Council for the purpose of regularly reviewing the administration of the Local Government Surplus Funds Trust Fund and making related recommendations to the Board of Trustees.

The SBA provides investment management of assets of the Florida Retirement System (FRS) Pension Plan. The Division of Retirement of the Department of Management Services, the administrative agency for the FRS Pension Plan, provides full accounting and administration of benefits and contributions for the FRS Pension Plan. The Division of Retirement initiates actuarial studies, recommends benefit and contribution changes, and proposes rules for the administration of the FRS. The State Legislature has the responsibility of setting contribution and benefit levels and providing statutory guidance for the administration of the FRS.

The SBA is responsible for investing a number of other mandates, including the Local Government Surplus Funds Trust Fund, Florida Hurricane Catastrophe Fund (and its bond proceeds accounts), and the Commingled Asset Management Program Money Market pooled fund (“CAMP MM”). Further information on these mandates can be found at www.sbafla.com.

B. Purpose

The SBA currently maintains a pool of law firms that are eligible to serve as the SBA’s securities litigation counsel for securities class action litigation, individual or opt-out litigation and derivative litigation. As a fiduciary, the SBA has a duty to ensure that it is retaining the most qualified and effective counsel to represent the SBA in all matters, including securities litigation. The SBA believes it is prudent and would be in the best interest of all of the funds it manages to review and revise (potentially) the pool of law firms with which the SBA may contract from time to time to represent the SBA in securities litigation matters. The SBA is issuing this Invitation to Negotiate (ITN) for the purpose of soliciting responses from qualified law firms (the “Respondents”) that seek to be included in the updated pool of eligible law firms.

The SBA has adopted and implemented a Securities Litigation Policy (Executive Director Policy No. 10-033) which sets forth the SBA’s position on securities litigation matters and the criteria used by the SBA in its evaluation of whether to prosecute and pursue actively any securities-related legal claim that is the subject of a class action. A copy of the SBA’s Securities Litigation Policy is attached to this ITN as Exhibit A. The SBA will use the updated pool of eligible law firms when the SBA determines, in its sole discretion, that it is necessary or appropriate to retain counsel to provide securities litigation representation and related services. The SBA from time to time also may request advice from one or more of the firms included in the pool about securities law matters before making a decision whether to pursue actively any securities-related legal claim.

Selection of a law firm under this ITN to be included in the SBA’s updated pool of law firms that are eligible to serve as the SBA’s securities litigation counsel in no way guarantees or assures that (1) the SBA will decide to pursue actively any particular securities-related legal claim or (2) the SBA will ever engage an eligible law firm if and/or when the SBA does elect to pursue actively any securities-related legal claim. Selection of law firms under this ITN only assures that if the SBA decides to pursue actively any securities-related legal claim, then the SBA will contact one or more of the eligible firms to submit a litigation plan and fee proposal with respect to such claim. The selection process for any individual securities-related matter will be conducted on a competitive basis, in accordance with the SBA’s Securities Litigation Policy.

The SBA intends ultimately to select 5-8 of the Respondents to be included in the updated pool of eligible securities litigation counsel, but the actual number of Respondents selected may be more or less as determined by the SBA, in its sole discretion, at any time during this ITN process.

The issuance of this ITN is merely the beginning of the negotiation process. The SBA intends, and will require the selected Respondents, to enter into a master legal services agreement (the “Master Agreement”), and each Master Agreement may include terms (including terms relating to range of fees, handling of costs and services) that are materially different from the requirements of this ITN or the terms of any response submitted under this ITN. As a result, the SBA may consider any and all responses (including modifications to any response), any information obtained from oral interviews or information from any other source or alternative in determining whether to enter into one or more Master Agreements and the terms and provisions of such Master Agreement. All Master Agreements will be developed through the negotiation process.

The SBA may enter into negotiations with the Respondent(s) in order to achieve the most effective result for the SBA. The SBA reserves the right to negotiate concurrently or separately with competing Respondents any time after the short-listed Respondents are selected. Selection or rejection of a response will not affect this right. The SBA reserves the right to reject any and all responses or portions thereof. The SBA reserves the right to withdraw this ITN or a portion of this ITN without selecting any new securities litigation firms. The unlimited right of the SBA to set aside submitted responses and re-negotiate with the existing securities litigation firms in the pool is retained without exception.

C. Minimum Qualifications

Each Respondent must be able to respond affirmatively to each of the following statements in order for its response to be reviewed and evaluated by the Evaluation Team as contemplated by Section V of this ITN:

1. The Respondent must accept and enter into a Master Agreement in substantively the form set forth in Exhibit B to this ITN, only with such revisions that are acceptable to the SBA, in its sole discretion. The Master Agreement will be negotiated in final form during the negotiation process unless the SBA elects otherwise in its sole discretion.
2. The Respondent must agree (by written affirmation) to provide the services as detailed in Section II, as well as agree to all other requirements as stated in the ITN.
3. The Respondent’s key professionals and the law firm must disclose any past or current actual, potential or perceived conflicts of interest with the staff of the SBA or the members of its Board of Trustees (or their respective staffs).
4. The Respondent’s response to this ITN must be responsive fully to all of the requirements and questions set forth in this ITN.

Each Respondent further must meet all of the following minimum requirements in order for its response to be reviewed and evaluated by the Evaluation Team as contemplated by Section V of this ITN:

1. Respondents must have experience handling securities class action litigation.
2. Respondents must have actively participated as lead counsel in at least one (1) securities litigation case with an ultimate settlement or judgment equal to or in excess of \$25 million.
3. Respondents must have one (1) principal assigned to provide legal services to the SBA who has five (5) years of securities litigation experience.

Failure by any Respondent to satisfy the Minimum Qualifications described in this Section I, subsection C. will result in the automatic rejection of the Respondent's response.

SECTION II – SCOPE OF SERVICES

The SBA is seeking responses to this ITN from law firms that are interested and qualified to provide legal representation to the SBA on matters related to securities litigation. In addition to satisfying the Minimum Qualifications set forth in Section I, subsection C. of this ITN, the selected Respondents should demonstrate that its attorneys have significant trial experience, experience in securities class action litigation, securities individual and opt-out litigation and derivative litigation, knowledge and experience in the areas of securities law (including the impact of bankruptcy or insolvency proceedings) and corporate governance, and that the Respondent has resources sufficient to conduct extensive discovery and trials. The SBA's General Counsel (or his or her designee) will provide monitoring, direction, technical assistance and strategic guidance to any securities litigation counsel handling litigation on behalf of the SBA.

As described in Section I, subsection B of this ITN, the SBA will use the updated pool of eligible law firms when the SBA determines, in its sole discretion, that it is necessary or appropriate to retain counsel to provide securities litigation representation and related services. The SBA from time to time also may request advice from one or more of the firms included in the pool about securities law matters before making a decision whether to pursue actively any securities-related legal claim.

Selection of a law firm under this ITN to be included in the SBA's updated pool of law firms that are eligible to serve as the SBA's securities litigation counsel in no way guarantees or assures that (1) the SBA will decide to pursue actively any particular securities-related legal claim or (2) the SBA will ever engage an eligible law firm if and/or when the SBA does elect to pursue actively any securities-related legal claim. Selection of law firms under this ITN only assures that if the SBA decides to pursue actively any securities-related legal claim, then the SBA will contact one or more of the eligible firms to submit a litigation plan and fee proposal with respect to such claim. The selection process for any individual securities-related matter will be conducted on a competitive basis, in accordance with the SBA's Securities Litigation Policy.

The SBA is committed to developing and implementing an industry best practices process, in both the selection of securities litigation firms to be included in the updated pool and the possible representation of the SBA in future securities litigation matters, that is consistent with its duties as a fiduciary and that is prudent, competitive, transparent and fair.

SECTION III – REQUIRED INFORMATION

The purpose of this section is to identify the information that should be submitted in response to the ITN, and the order in which it should appear in the response package. Each response package should include the following, in the order listed below:

A. Cover Letter

The response shall include a cover letter addressed to the designated contacts identifying the Respondent's name and principal address and the name, telephone number and email address of a person authorized to represent the Respondent regarding all matters related to the response. The letter shall explicitly affirm the following:

1. The Respondent has the current capability to provide the proposed services.
2. The Respondent has reviewed the minimum qualifications and meets the eligibility criteria set forth in Section I, subsection C of this ITN.
3. The Respondent has thoroughly reviewed the ITN.
4. The Respondent acknowledges and accepts all terms and conditions included in the ITN.
A person authorized to bind the Respondent to all commitments made in its response is the signatory of the letter.

B. Services Questionnaire

The Respondent shall complete and submit the Services Questionnaire attached hereto as Appendix I. When completing the Services Questionnaire, the Respondent must give clear, concise, quantifiable replies to all questions, restating each question in bold face type and using no smaller than 12 point font, with its response directly below. Responses should be limited to no more than 30 pages and are expected to be concise, to contain full and fair disclosure of essential elements, and should not be redundant or contain references to an appendix or attachment. Tables and graphs are exempt from the font requirement, but must be readable. Any omitted or incomplete responses may eliminate a Respondent from evaluation under this ITN.

C. Service Requirements Affirmation Statement

The response shall include a signed copy of the Service Requirements Affirmation Statement attached as Appendix II.

D. Fee and Handling of Costs Proposal (Separate Document) The response must include (i) the range of fees that the Respondent would propose to the SBA and (ii) a statement whether the Respondent would cover litigation costs, any bonds required by a court and potential Rule 11 liability in the event the SBA requests the Respondent to submit a litigation plan and fee proposal in the future on any specific securities litigation matter. The terms relating to the range of fees and the handling costs ultimately negotiated will be included as a required term in the Master Agreement. Respondents are encouraged to provide the SBA with their most competitive fee (and handling of costs) structure offered to large public institutions.

E. Revisions to the Master Agreement

The response shall include any proposed revisions to the form of the Master Agreement attached as to this ITN as Exhibit B, but such revisions must reflect only those revisions that the Respondent considers definitively as mandatory prerequisites to its ability and willingness to provide the securities litigation services contemplated by this ITN. In the event that any Respondent attempts to modify further the Master Agreement after the SBA selects the Respondent to be included in the updated pool of eligible law firms, the SBA may, in its sole discretion, elect to reject and exclude the Respondent at that time and replace such Respondent with one or more Respondents or not at all.

SECTION IV – RESPONSE REQUIREMENTS

The purpose of this section is to indicate the terms and conditions that will govern the submission and review of responses to the ITN. The selected Respondents will be required to enter into a Master Agreement with the SBA.

A. Completeness

A response must be complete as to all terms and conditions, including the appendices, on the date submitted. Additional information submitted after the response or separate from the response will not be considered unless specifically requested by the SBA, in its sole discretion, and then only to the extent requested. Incomplete responses may be eliminated from further consideration, in the SBA's sole discretion.

B. Requests for Modification of a Response

A Respondent may withdraw and modify its response prior to the response deadline specified in E. below, only upon prior approval by the SBA. A request for modification of any response must be in writing and addressed to Thomas A. Beenck and Maureen M. Hazen at the delivery address set forth in G. below and must adequately explain the reasons for the request to modify the response. If the SBA approves the request, a modified response may then be submitted. The SBA will not consider modifications offered in any other manner, whether oral or written. Under no circumstances may the Respondent modify a response unilaterally at a date or time subsequent to the response deadline specified in E. below.

C. Respondent Guarantees

All terms and conditions submitted in response to the ITN (all parts) must be guaranteed to remain effective and may not be changed, amended, modified, qualified, or otherwise altered by the selected Respondent(s) for a period beginning on the date of the response filing deadline for this ITN and ending at the conclusion of the term of the Master Agreement. All range of fees and charges, as proffered in response to this ITN must be guaranteed for the term of the Master Agreement.

D. Requests for Clarification of the ITN

All questions regarding the clarification of any requirement, standard, or question in this ITN because of any ambiguity, conflict, discrepancy, omission or other error, must be received by the SBA no later than 5:00 p.m. ET on October 23, 2009.

Requests for clarification should be sent via e-mail to tom.beenck@sbafla.com and maureen.hazen@sbafla.com or to the delivery address, as provided in G. below.

The SBA reserves the right to accept or reject or consolidate any or all requests for clarification, either in whole or in part, and may require requests to be clarified or supplemented through additional written submissions. Respondents will be notified of the rejection of their request for clarification.

Oral requests for clarification will not be accepted.

Written requests for clarification accepted by the SBA, along with the SBA's corresponding responses, will be posted on the SBA website at www.sbafla.com under "Vendors". Respondents unable to download responses should direct their requests for hard copies via e-mail to tom.beenck@sbafla.com and maureen.hazen@sbafla.com, or the delivery address, as provided in G. below. Such responses shall be considered an addendum to and, as such, an integral part of this ITN.

The SBA does not guarantee the validity or reliability of information obtained from other sources. If it becomes necessary to revise any part of this ITN, an addendum will be posted on the SBA website at www.sbafla.com under "Vendors," and may be provided directly to the Respondents/Short-Listed Respondents. The Respondent is responsible for checking the website for any addenda or updates.

E. Response Deadline

All responses must include the completed items listed in Section III of this ITN. The response deadline for this ITN is **5:00 p.m. ET, November 3, 2009**. Each Respondent must submit eight (8) bound copies of its response, an unbound original document, and an electronic copy of its response on a CD in PDF format to the premises of the SBA at the delivery address as provided in G. below. Facsimile and electronic transmissions are not acceptable. All responses must be submitted in a sealed envelope or box and must be marked "ITN for Securities Litigation Counsel - Search to Update Pool of Law Firms". The SBA accepts no responsibility whatsoever for failure to deliver or late delivery by postal or commercial courier services. Failure by the postal or commercial courier services to meet the response deadline may result in disqualification.

F. SBA Not Liable for Respondent's Cost

The SBA shall not be liable or responsible for any costs incurred by any Respondent for preparing and submitting any response to this ITN, attending any oral interview or for any other activities or occurrences related in any way to this ITN (except as subsequently agreed in a Master Agreement for securities litigation services that may be provided in the future).

G. Delivery Address

Thomas A. Beenck, General Counsel
Maureen M. Hazen, Deputy General Counsel
State Board of Administration of Florida
1801 Hermitage Boulevard, Suite 100
Tallahassee, Florida 32308
Phone: (850) 488-4406

H. Respondent's Responsibility

Each Respondent should familiarize itself with the service requirements and the work to be performed before submitting a response. All responses shall remain valid and binding for at least 180 days from the date of submission.

I. Oral Interview

Respondents that submit a response to this ITN may be required to conduct an oral interview with the SBA with respect to their responses. Should oral interviews be entertained for any such Respondent, each selected Respondent will be given an opportunity to clarify or elaborate on its response. The SBA will determine the occurrence, date, time, and location of such presentation(s), if needed.

J. Disclosure of Response Contents

All material submitted by Respondents shall become the property of the SBA and will not be returned. Responses submitted may be reviewed and evaluated by persons designated by the SBA, in its sole discretion. Each Respondent understands and agrees that all documents and records made and received by the SBA in connection with this ITN or any official business of the SBA are public records and must be furnished and disclosed to any person under a request to inspect or copy such documents or records, pursuant to Chapter 119, Florida Statutes. If information is provided that could reasonably be ruled a “trade secret” as defined in Section 812.081, Florida Statutes, **include such information in a separate attachment clearly marked – “Trade Secret Information.”** Include a table of contents within this attachment with a detailed listing of and explanation for EACH item marked as a “trade secret.” Designation of items as “trade secrets” by Respondents is not dispositive and does not guarantee that the items will not ultimately be disclosed pursuant to Chapter 119, Florida Statutes. Florida places a high priority on the public’s right of access to governmental meetings and records. By submitting a response, each Respondent further understands and agrees that the SBA shall have the right to use any and all information, records, documentation, or items, including any derivation or adaptation thereof or knowledge gained thereby, presented by any Respondent in any response, during any oral interview, or otherwise in connection with this ITN in negotiating and entering into any Master Agreement or for any purpose. The SBA shall have such rights regardless of whether the SBA enters into a Master Agreement with such Respondent or any Respondent under this ITN, successfully negotiates any Master Agreement with any Respondent, rejects any or all responses to this ITN, amends or withdraws this ITN at any time, or otherwise satisfies its needs through alternative means.

K. Right to Amend and/or Withdraw

The SBA, in its sole discretion, reserves the right to amend or withdraw this ITN at any time and for any reason. Issuance of this ITN in no way constitutes a commitment by or obligation of the SBA to enter into any Master Agreement or retain any Respondent ultimately selected to be included in the updated pool of eligible securities litigation counsel, and the SBA may, in its sole discretion, reject all responses to this ITN for any reason whatsoever.

L. Rejection of Responses

The SBA will be the sole judge of the Respondent’s responsiveness to the ITN and reserves the right to reject, in whole or in part, any or all responses, with or without cause, without incurring any liability whatsoever.

M. Contract Execution

After selection of the short-listed Respondents, the SBA will require each short-listed Respondent to submit in writing for presentation at oral interviews its best and final terms

(including range of fees and handling of costs) and conditions. This ITN and the selected Respondents responses, or any part thereof, may be included in and made a part of the final Master Agreement. The resulting Master Agreement and all attachments shall be considered a public document.

If, in the sole opinion of the SBA, an acceptable Master Agreement with the selected Respondents cannot be reached, the SBA reserves the right to negotiate with the next preferred Respondent for or to take any other actions (including no action), in its sole discretion, as contemplated by this ITN.

N. Contract Term

The term of the Master Agreement will be for five (5) years.

O. False or Misleading Statements

Any response which contains false or misleading statements, or which provides references which do not support an attribute, condition, or capability claimed in the response, will not be considered by the SBA if, in the opinion of the SBA, such false or misleading statement was intended to mislead the SBA in its evaluation of the response.

P. Collusion

By responding, each Respondent represents that the response is not made in connection with any competing Respondent submitting a separate response to the ITN (unless otherwise disclosed by all such Respondents) and is in all respects fair and without collusion or fraud. It is further represented that the Respondent did not directly or indirectly induce any party to submit a false or sham proposal or to refrain from submitting a response. In addition, the Respondent represents that (other than information that is of public record) it did not participate in the ITN development process, had no knowledge of the specific contents of the ITN prior to its issuance, and that no employee of the SBA participated directly or indirectly in the Respondent's preparation of a response.

Q. Conflicts of Interest

The Respondent must disclose within its response whether any officer, director, employee, or agent is also a current or former employee of the SBA or any of the members of the Board of Trustees. All Respondents must further disclose any factors, financial or otherwise, known to them which may give rise to an actual, potential or perceived conflict of interest between the Respondent and the SBA and its employees, or have the effect of impacting the ability of the Respondent to meet its responsibilities, duties, and obligations to the SBA, as set forth in this ITN.

R. Quiet Period

The Respondent (its representatives, agents, officers, principals, and employees, including any individual assisting the Respondent in this process) will not engage in any written or verbal communication during the "selection period" (defined below) with the SBA (including the Executive Director & CIO of the SBA, the Evaluation Team (as described below), any SBA employee, whether or not such individual or employee is assisting in the selection of the Respondents) or any member of the Board of Trustees or their respective staffs, consultants or

managers regarding the merits of the Respondent or whether the SBA should retain or select the Respondent. (An exception is given for contact with the Procurement Manager and designated members of the Evaluation Team as permitted by this ITN.) Any unauthorized contact may disqualify the Respondent from further consideration. Normal business communications regarding active SBA matters are allowed for current SBA service providers who are also ITN respondents so long as this ITN is not discussed.

The Respondent will not engage in any lobbying efforts or other attempts to influence the SBA, the Executive Director & CIO of the SBA, the Evaluation Team, other SBA employees, or the members of the Board of Trustees or their respective staffs, consultants and managers in an effort to be selected. Any unauthorized contact may disqualify the Respondent from further consideration.

The "selection period" for this ITN begins on October 19, 2009 and will continue until the final selection of firms to be included in the updated pool has been announced or the selection process is otherwise concluded.

Nothing herein shall preclude the SBA from seeking clarification about the substance of any response to the ITN within the time frame as provided herein. Nothing herein shall preclude a Respondent from seeking a request for clarification as provided herein.

S. Further Instructions and Conditions

1. All responses to this ITN must conform to these instructions. Failure to conform may be considered appropriate cause for rejection of the response, in the SBA's sole discretion.
2. Terms and conditions of the ITN – Submission of a response indicates the Respondent's acceptance of the conditions contained in this ITN, unless clearly and specifically noted in the response submitted and confirmed in the Master Agreement.
3. Conformance with statutes – Any Master Agreement entered into as a result of this ITN must be in full conformance with statutory and other legal requirements of the State of Florida.
4. Timing and sequence – The timing and sequence of events resulting from this ITN will be determined solely by the SBA and may be modified by the SBA, in its sole discretion.
5. Oral agreements – Any alleged oral agreement or arrangement made by a Respondent with the SBA or any employee of the SBA shall be superseded by the written Master Agreement between the SBA and such Respondent.
6. Amending or canceling requests – The SBA reserves the right to amend, withdraw or cancel this ITN, prior to the due date and time, at its sole discretion.
7. Rejection for default or misrepresentation – The SBA reserves the right to reject the response of any Respondent that is in default or breach of any prior contract, for misrepresentation or otherwise, as may be determined by the SBA (or its designate) in its sole discretion.
8. Clerical errors in awards – The SBA reserves the right, in its sole authority, to correct inaccurate results, conclusions or awards resulting from its clerical errors.
9. Respondent's presentation of supporting evidence – A Respondent, if requested, must be prepared to present evidence of experience, ability, qualifications, and financial standing necessary to meet satisfactorily the requirements set forth or implied in its response.

10. Corrections and changes – Any corrections or changes to this ITN will be issued by the SBA, will be identified as a correction or change, and will be posted on the SBA website. Corrections or changes made in any other manner will not be binding. It is the responsibility of the Respondent to obtain all corrections and changes.
11. Dispute Resolution and Venue – The Master Agreement shall not include binding arbitration provisions, such as those typically found in Alternative Dispute Resolution Procedures, and any action or proceeding+ to resolve any disputes will be brought and conducted in a state court located in Leon County, Florida.
12. Respondent’s Credentials – The SBA may make such investigations, as deemed necessary in its sole discretion, to determine the ability of the Respondent to perform the services contemplated by this ITN. The SBA reserves the right to reject any response if the evidence submitted by, or investigation of, the Respondent fails to satisfy the SBA that the Respondent is properly qualified to carry out the obligations of the Master Agreement.
13. Response Content and Format – In determining the capabilities of a Respondent to perform the services specified herein, the information required in this ITN must be provided by the Respondent and will be weighed by the Evaluation Team as indicated in the evaluation process. **(Note: Each requirement must be thoroughly addressed. Taking exception to any requirement listed in the ITN may disqualify the Respondent and its response, in the SBA’s sole discretion.)**

SECTION V – EVALUATION CRITERIA

Criteria:

The SBA has organized an evaluation team (the “Evaluation Team”) comprised of Thomas A. Beenck (General Counsel, SBA), Maureen M. Hazen (Deputy General Counsel, SBA), Rob Wheeler (General Counsel, Executive Office of the Governor), Dan Sumner (Deputy Chief of Staff, Chief Financial Officer and Florida Department of Financial Services), Kent Perez (General Counsel, Office of the Attorney General) and either Nancy Williams or Jeanna Cullins from Ennis Knupp & Associates, an external consultant retained by the SBA to provide consulting services in connection with this ITN. (In addition, Ian Lanoff from The Groom Law Group, the SBA’s fiduciary counsel, will participate as an ex officio, non-evaluating advisor to the Evaluation Team.)

Each member of the Evaluation Team will evaluate independently the Respondents to this ITN on the basis of the written responses to this ITN and any additional written information submitted, as requested by the SBA. The Evaluation Team will review all responses to the ITN that satisfy the minimum qualifications set forth in Section I, subsection C. of this ITN and assign a score for each of the broad categories set forth below:

| | |
|--|------|
| Qualitative Factors (i.e. scope and depth of firm and securities litigation practice; attorneys’ experience and qualifications; quality of references; and firm resources) | 50% |
| Review of Respondent’s litigation strategies, stated approach and historical performance | 30% |
| Proposed Range of Fees and Handling of Costs | 10% |
| Quality, Clarity, and Responsiveness of the Response to this ITN | 10% |
| | |
| Total | 100% |

The scoring by each member of the Evaluation Team will be aggregated to establish an overall ranking by the Evaluation Team. Using the evaluation process described above, the Evaluation Team may designate up to 12 securities litigation firms to be included in a short-list of Respondents. The Evaluation Team will conduct oral interviews of the short-listed Respondents. The short-listed Respondents will be required to submit in writing for presentation to the Evaluation Team at oral interviews its best and final offer to the SBA on its proposed range of fees, handling of costs, service package and any other contractual terms that would be included in the Master Agreement. Commitments made by the Respondents at the interviews will be considered binding.

Each member of the Evaluation Team independently will assess a final score for each short-listed Respondent based upon each Respondent’s written response to the ITN, any additional written information submitted by a Respondent, the Respondent’s initial score and ranking, oral interview, the “best and final” offer communicated to the Evaluation Team and/or any other information presented to the Evaluation Team from any source or alternative. The final score will be determined using the broad categories set forth below:

| | |
|--|------|
| Qualitative Factors (i.e. scope and depth of firm and securities litigation practice; attorneys’ experience and qualifications; quality of references; and firm resources) | 50% |
| Review of Respondent’s litigation strategies, stated approach and historical performance | 30% |
| Result of “Best and Final” terms of Master Agreement at Oral Interviews | 15% |
| Quality, Clarity and Responsiveness of both the Response to this ITN and the Oral Interviews | 5% |
| | |
| Total | 100% |

The final scores (one for each member of the Evaluation Team) will be aggregated to establish an overall final ranking by the Evaluation Team that demonstrates, in the judgment and discretion of the Evaluation Team, the Respondent(s) who will provide securities litigation services to the SBA in a manner that best meets the needs and requirements of the SBA and its funds. The Evaluation Team then will determine based upon the final rankings which Respondents will be included in the SBA’s updated pool of law firms eligible to serve as the SBA’s securities litigation counsel. Although the SBA intends to select 5-8 Respondents, the actual number of Respondents ultimately selected may be more or less as determined by the SBA, in its sole discretion, at any time during the ITN process.

Upon selection of the Respondents eligible to serve as the SBA’s securities litigation counsel, Thomas A. Beenck (General Counsel, SBA) and Maureen M. Hazen (Deputy General Counsel, SBA), acting as the negotiation team (the “Negotiation Team”), will finalize the terms of the Master Agreements with the selected Respondents consistent with the “best and final” terms offered by the Respondents during the ITN process. All final Master Agreements will be executed by the SBA’s Executive Director & CIO, on behalf of the SBA, and each selected Respondent.

The SBA is not required to select the lowest-cost Respondents.

SECTION VI – TIMELINE

The timeline as currently planned for the search and evaluation process contemplated by this ITN (subject to change at the sole discretion of the SBA without liability) is as follows:

ITN Time Schedule and Deadlines (by 5:00 pm Eastern Time)

| | |
|--|---------------------|
| Issuance of ITN | October 19, 2009 |
| Requests for Clarification | October 23, 2009 |
| Responses to Requests for Clarification | October 27, 2009 |
| ITN Response Deadline Date | November 3, 2009 |
| Selection of Short-listed Respondents | November 19, 2009 |
| Interviews at SBA | December 7-11, 2009 |
| Final Selection by SBA | December 16, 2009 |

Note: The SBA reserves the right, in its sole discretion, to change the ITN Timeline. Changes will be posted on the SBA website under “Vendors,” and may be provided directly to the Respondents.

Appendix I: Services Questionnaire

Responses to each item below should appear in the same order as listed in this ITN. Please restate each item at the beginning of an answer. Responses should be limited to no more than 30 pages using 12 or larger type font. The SBA requires direct answers to each item and does not require generalized marketing information (but such material may be included as an appendix to a response).

A. Firm Background Information

1. Provide the full name of the firm, the address of the principal place of business, the name, phone number, and email of the primary contact, and the primary location from which the firm would provide legal services to the SBA. Attach a copy of the firm's resume or brochure.
2. Briefly describe the firm, including the following information:
 - a. the year the firm was established;
 - b. office locations, including the number of attorneys that are resident in each office;
 - c. the firm's ownership structure (include a chart detailing the structure);
 - d. the total number of employees by practice area and category, including the number of licensed lawyers, the number of partners and associates, the number of legal and other support staff, and the number of women and minorities by practice area and category;
 - e. a breakdown of the type of clients the firm represents, (e.g. public funds, corporate, endowments, etc.);
 - f. the year the firm first began securities litigation work; and
 - g. the number of attorneys that specialize in securities litigation.
3. In the past three years (as of the issuance date of this ITN), have there been any significant developments in your firm, including changes in ownership, a merger and/or substantial sale or purchase of assets/practice or restructuring?
4. Do you anticipate any of the significant changes described in No. 3 above in the future? If so, please describe.
5. Identify any relevant special services the firm provides, particularly those that may not be offered by other law firms.
6. What arrangement does the firm have in place or expect to use regarding retention and compensation of experts and third parties?

7. Does the firm have a diversity policy? If so, please describe.
8. What is the firm's policy and practice as to continuing legal education for its attorneys?

B. The Firm's Securities Litigation Experience

1. Provide a representative list of the institutional investors the firm actively represented in securities litigation matters in the last ten (10) years; including the following information for each:
 - a. the type of case/claim (e.g. class action, individual and/or opt-out case and/or derivative litigation);
 - b. the name of the firm's lead attorney on a case/claim;
 - c. the type of client (i.e. whether public fund or other institutional investor), and
 - d. include a brief description of the litigation and the outcome (e.g. dismissal, settlement, win, or loss), including whether your firm filed a motion for Lead Plaintiff status, the name and contact information of all defendants and their counsel. The list should be limited to no more than 20 clients.
2. Please provide historical data related to fees awarded when serving as Lead Plaintiff for securities class action litigation and fees otherwise paid in individual or opt-out or derivative litigation.
3. Does the firm employ a professional team or department dedicated to securities litigation, evaluation, loss calculations, and analysis? If so, please describe. If not, please describe how your firm handles these matters.
4. List all the attorneys that would be expected to render legal services to the SBA if the firm is selected to be included in the updated pool of eligible securities litigation firms, including the number of years each has been litigating securities cases, the proposed role of each on the SBA team, and any other relevant experience. Provide a resume for each. Identify the attorney who will be the primary contact and lead counsel in providing services to the SBA.
5. Describe the firm's backup procedures in the event one or more attorneys assigned to the SBA leave the firm or is unavailable to work on a case.
6. Describe the evaluation process and methodology the firm currently has in place or that you would utilize to determine if any client generally should join a class action, pursue lead or co-lead plaintiff status in a class action, or choose to opt out and pursue an action independent of the class action suit. Specifically –
 - a. What factors should be considered in evaluating whether to advise a client to pursue an option other than lead plaintiff status?

- b. Should a threshold amount be utilized as a prerequisite to pursuing a case?
 - c. Describe the process that your firm believes should be used to analyze potential damages and determine likely recovery projections.
7. List the instances during the last eight (8) years in which securities litigation cases initiated by the firm were dismissed. For each such dismissed case, describe the name and docket number of the case, the judge's name, the type of motion, the date of the decision and citations to any published opinion.
8. Describe any innovative strategy the firm may have used to obtain recovery for a client in a securities litigation matter and provide a detailed explanation of the facts and circumstances.
9. Describe the firm's ability to finance litigation until resolution in connection with complex, large, lengthy and contentious securities litigation matters.
10. Describe the firm's expertise in corporate governance matters.
11. Describe why the firm and the services offered by the firm are superior to the firm's competitors and the firm's competitive advantages (if any).
12. Please provide no less than four (4) securities litigation client references; preferably, at least two of the four should be public funds.

C. Disclosure and Mitigation of Conflicts of Interests

1. How does your firm identify and mitigate actual or potential conflicts of interest? Does the firm have its own distinct code of conduct? Identify the position or committee at your firm that is responsible for enforcing any code of conduct.
2. Are there any actual, potential or perceived conflict of interest issues that the firm may have in representing or working for the State Board of Administration of Florida (SBA)? If so, describe them and include responses to the following:
- a. Has the firm or any person in the firm ever made any political contribution, directly or indirectly (including through committees covered by Section 527 of the Internal Revenue Code or otherwise), to any person in a position to exert any influence regarding this ITN (including to any member of the Board of Trustees). If so, please disclose to whom and the amount.
 - b. Has the firm, or any person in the firm ever, directly or indirectly, paid or agreed to pay any one (e.g., lobbyist, third party marketer) to assist in obtaining business from or otherwise to contact for any reason whatsoever, the SBA. If so, please disclose to whom and the amount.

- c. Disclose any relationship(s), whether business or personal, that the firm, or any principal or employee (or any family member thereof) of the firm, has with a person known to work for or have substantial business dealings with the SBA, any employee of the SBA, any member of the Board of Trustees and their respective staffs, consultants or managers.
3. Indicate whether the firm is (a) currently a member of the SBA securities litigation pool or (b) has provided services to the SBA within the last ten (10) years.
4. List and describe any services your firm has provided in the last three (3) years to the State of Florida, or any official of the State of Florida.
5. Describe whether the firm (or any attorney currently with the firm) has ever represented a client against the SBA, taken any action or position adverse to the SBA (either individually or in conjunction with another firm, entity, organization, association or person) or engaged or retained any firm, entity, organization, association or person to take any action or position adverse to the SBA.

D. Disclosure of Disciplinary Actions and Mitigation of Liability

1. Has the firm, or an attorney in the firm, ever been disciplined or censured by any court or regulatory body, or been involved in any litigation, regulatory, legal or other proceeding (including relating to malpractice) or any state or federal investigation? If so, describe the principal facts and status, outcome and/or disposition.
2. Describe the level of coverage for legal malpractice insurance and any other fiduciary or professional liability insurance the firm carries, including the name of the insurers, rating of insurers, insurance types and coverage amounts.

Appendix II: Service Requirements - Affirmation Statement

By inclusion and execution of the statement provided herein, each Respondent shall certify that:

- ❑ The selection of the Respondent will not result in any actual, potential, or perceived conflict of interest with the SBA. Alternately, should any potential or existing conflict be known by the Respondent, the response shall specify the party with which the conflict exists or might arise, the nature of the conflict and whether the Respondent would step aside or resign from that engagement creating the conflict.
- ❑ The response is made without prior understanding, agreement, or connection with any corporation, other Respondent, or person submitting a response for the same services, and is in all respects fair and without collusion or fraud.
- ❑ The selection of the Respondent will not violate Section 215.684, Florida Statutes, which prohibits the State from selecting certain providers that have been convicted of or entered a plea of nolo contendere to fraud within a period of two years of such conviction.
- ❑ The Respondent and the agents, officers, principals, and professional employees thereof have not and will not participate in any communication prohibited in this ITN.
- ❑ The Respondent's responses to the ITN are those of the Respondent and have not been copied or obtained from any other Respondent responding to any other ITN or competitive proposal whether in Florida or elsewhere either in the past or present.
- ❑ The Respondent meets the Minimum Qualifications set forth in Section I, subsection C. of the ITN.

The Respondent hereby agrees to abide by all conditions of this ITN for Securities Litigation Counsel – Search to Update Pool of Law Firms, and I hereby certify that all information provided in this response is true and correct, that I am authorized to sign this response for the Respondent and that the Respondent is in compliance with all requirements of this ITN, including but not limited to, requirements in this Appendix II.

Authorized Signature (Manual)

Name and Title (Typed)

Date (Typed)

EXHIBIT A

10-033 Securities Litigation

Current Update: 07/01/06
Original Issuance: 04/01/03

Purpose

This Policy states the State Board of Administration's position on securities litigation matters and sets forth the criteria used in the evaluation of whether to actively prosecute a State Board of Administration securities-related legal claim that is the subject of a class action. This Policy also defines the roles and responsibilities of staff for securities litigation matters.

Policy

It is the policy of the Executive Director of the State Board of Administration (SBA) to:

Manage SBA interests in securities litigation matters as assets of the Florida Retirement System with the goal of enhancing the long-term value of the fund.

The SBA will focus on identifying those securities litigation cases where active involvement could add material value. In general, the interests of the SBA will not be served by competing with other public funds or institutional investors with comparable interests for control of a class action. However, in cases where the SBA's legally recognized loss is material, there is a reasonably strong likelihood of recovery of significant amounts, and there is an opportunity to preserve its interests or add value to the litigation, the Executive Director of the SBA will consider moving for lead plaintiff status or opting out of the class action and pursuing an independent action.

Decisions on seeking lead plaintiff status or pursuing an independent action require a thorough analysis by staff of the costs, benefits, and risks involved. In situations where an independent action might better serve the interests of the SBA, the anticipated recovery from being a lead plaintiff in a class action or from the passive process of monitoring/claim filing shall be weighed against the additional amount reasonably expected to be recovered from an independent action to assess whether the expense, staff time, and exposure are justified.

Background and Implementation

As an owner of investment securities, the SBA is in a position to seek damages from issuers and others who engage in wrongful acts that diminish the value of those securities. Since such acts involving securities often hurt many different owners, these multiples claims are often grouped together into one "class action". In 1995, Congress passed the Private Securities Litigation Reform Act (PSLRA) with provisions to encourage large institutional investors, such as the SBA, to take a lead role in prosecuting federal securities class actions. While the SBA knows that most securities-related claims will be prosecuted by the class action plaintiffs' bar whether or not SBA assumes a leadership role, the SBA acknowledges that there may be instances where the SBA will take an active role in litigating a case.

With the assistance of SBA staff and select counsel, the SBA General Counsel will identify newly filed securities fraud cases and potential securities fraud cases on an ongoing basis. Once a potential claim has been identified, an estimated loss will be calculated by the Senior Operating Officer - Accounting and Financial Operations (SOO-AFO). If the calculated loss of the potential claim exceeds \$25 million, the General Counsel and the Deputy Executive Director (DED) will evaluate the potential claim and make a recommendation to the Executive Director. A recommendation by the General Counsel to become lead plaintiff, or opt out of the class action and pursue an independent action, shall be accompanied by a written analysis of the claim and a statement explaining the reason(s) for the recommendation. This Policy acknowledges that there may be extraordinary cases where the \$25 million loss threshold is not exceeded, however, other factors warrant SBA involvement.

The Executive Director will take into consideration, among other things, the following in making his determination in whether to take an active role in litigation:

- Estimated amount of the loss and potential damages
- Presence of other institutional investors in the class and their degree of involvement
- Degree and severity of alleged wrongdoing
- Potential for recovery of losses
- Possibility of obtaining corporate governance reforms
- Number of potential defendants involved and their financial condition
- Factual and legal merits of the case
- Defenses and likelihood of these defenses prevailing
- Impact on investments that the trust fund may have in the same company
- Other beneficial or adverse consequences to the SBA or its Trustees

If the Executive Director decides to seek lead plaintiff status for the SBA or opt out of the class action and pursue an independent action, the SBA General Counsel shall solicit litigation plans and fee proposals from select outside trial counsel with expertise and experience in such matters. The selection process will be conducted on a competitive basis in order to secure the most qualified counsel at a fee structure that best aligns the interests of the class or SBA and counsel. The General Counsel and the DED shall be responsible for evaluating litigation plans and fee proposals received and making a selection recommendation to the Executive Director for approval. The General Counsel shall be responsible for monitoring the litigation and supervising the counsel.

Settlement offers shall be communicated to the Executive Director by the General Counsel, who will make a recommendation regarding settlement. The Executive Director will make the final settlement decision regarding claims settled by the SBA.

Compliance

The SBA General Counsel shall assume primary responsibility for compliance with this Policy, including the identification and evaluation of potential claims and for the prosecution and resolution of litigated claims. The General Counsel, DED and SOO-AFO may develop policies and procedures to support the implementation of this Policy.

In accordance with the securities litigation policy directive from the SBA Trustees dated July 26, 1991, the Executive Director shall provide to the Board notice of the SBA's prosecution of a securities action and a copy of the SBA General Counsel's recommendation. Reporting on the status and progress of cases prosecuted by the SBA will be done through the Quarterly Securities Litigation Report of the General Counsel.

The Inspector General and/or the Manager of Enterprise Risk Management and Compliance may review and test compliance with this Policy as deemed necessary.

EXHIBIT B

MASTER AGREEMENT FOR LEGAL SERVICES

This MASTER AGREEMENT FOR LEGAL SERVICES is entered into as of the ____ day of _____, 2009 (the “Effective Date”), by and between the State Board of Administration of Florida, acting on behalf of the Florida Retirement System Trust Fund, the Local Government Surplus Funds Trust Fund, the Florida Hurricane Catastrophe Trust Fund and/or other state and local governmental funds (the “SBA”) located at 1801 Hermitage Boulevard, Suite 100, Tallahassee, Florida 32308, and _____ (the “Law Firm”) located at _____.

WHEREAS, during October – December, 2009, the SBA conducted a search to update the pool of law firms that are eligible to serve as the SBA’s securities litigation counsel, and on _____, 2009, the SBA selected the Law Firm to be included in the SBA’s updated pool of eligible securities litigation counsel; and

WHEREAS, the SBA from time to time may desire to retain the Law Firm, and the Law Firm from time to time may desire to provide certain legal and related services on behalf of the SBA, in connection with certain securities class actions, individual or opt-out actions, derivative actions and related securities litigation matters; and

WHEREAS, the Law Firm has the legal expertise and resources necessary to perform the duties and responsibilities as set forth in this Agreement and in any addendum entered into from time to time, pursuant to this Agreement; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to the terms and provisions of this Agreement.

ARTICLE 1. SCOPE OF SERVICES

(a) The parties acknowledge and agree that the execution and delivery of this Agreement by the SBA and the Law Firm in no way guarantees or assures that (1) the SBA will decide to pursue actively any particular securities-related legal claim, or (2) the SBA will ever engage the Law Firm if and/or when the SBA does elect to pursue actively any securities-related legal claim.

(b) The Law Firm shall provide to the SBA legal and other services in connection with securities litigation and related matters (the “Services”) upon the SBA’s request from time to time in accordance with the scope of services (including the name of the attorney who personally will be providing the Services), deliverables, period covering the Services, fees and the other terms and conditions mutually agreed upon by the parties as set forth in an addendum to this Agreement (the “Addendum”), which Addendum shall constitute a part of this Agreement and shall be incorporated by reference herein. Except as otherwise modified by an Addendum, the terms and provisions of this Agreement shall apply to all Services that may be provided hereunder from time to time.

(c) When providing the Services to the SBA, the Law Firm shall (i) review and analyze the SBA’s legal files, data, documents and other materials concerning the Services and advise on a recommended legal course; (ii) attend and participate in meetings, conference calls, inspections or the like and report on the status of legal matters; (iii) prepare and file pleadings, motions, or briefs and initiate and conduct discovery as required or advised, after consultation and discussion with the SBA; and (iv) represent the SBA in any related litigation and otherwise represent the SBA at trial or on appeal, as directed by the SBA.

(d) The Law Firm shall provide to the SBA copies of all pleadings, motions, briefs, memoranda or other documents (collectively, the “Litigation Documents”) to be filed with a

court or delivered to the SBA's adversary prior to such filing or delivery, and the Law Firm shall not make any such filing or delivery without the prior consent of the SBA. Upon filing or delivery of any Litigation Documents, the Law Firm shall provide promptly to the SBA a complete copy (including copies of any executed Litigation Documents). The Law Firm also shall notify promptly the SBA of any significant development concerning the Services and shall provide the SBA with quarterly status reports regarding the progress of any Services.

ARTICLE 2. COMPENSATION – FEES AND COSTS AND EXPENSES

(1) In the event that the SBA retains the Law Firm to provide any Services on a contingency fee basis, then the compensation of the Law Firm (the "Contingency Compensation") shall be specified in the Addendum entered into with respect to such Services, but in no event shall such Contingency Compensation exceed the ranges and amounts set forth in Exhibit 1 to this Agreement, which is attached hereto and incorporated by reference herein. Contingency Compensation shall be payable contingent upon the occurrence of a successful result against a party adverse to the SBA either through a settlement or judgment. Notwithstanding the provisions of Article 2 of this Agreement, Contingency Compensation shall be inclusive of all fees, costs and expenses related in any way to the Services covered by such Addendum. Contingency Compensation shall be paid from the Proceeds of a settlement or judgment in favor of the SBA (the "Proceeds") and/or from a court award of attorney's fees and expenses against a party adverse to the SBA. If Contingency Compensation is paid from the Proceeds, then (i) costs and expenses shall be paid from the Proceeds, and (ii) then attorney's fees shall be paid based upon and from the Proceeds net of costs and expenses.

(2) (a) In the event that the SBA retains the Law Firm to provide any Services on a hourly fee basis, then the compensation of the Law Firm (the "Hourly Compensation") shall be

specified in the Addendum entered into with respect to such Services, but in no event shall such Hourly Compensation exceed the hourly rates set forth in Exhibit 2 to this Agreement, which is attached hereto and incorporated by reference herein. Fees or compensation in excess of such amount shall not be compensable. The Law Firm shall notify the SBA, in writing, when the Hourly Compensation for billable services reach the threshold dollar amount set forth in such Addendum. Said notification shall be made as soon as is practicable and prior to the next monthly invoice. Failure to comply with these provisions will result in non-payment.

(b) Billable hours shall be measured in six (6) minute increments. Hourly Compensation will be for actual time spent providing the Services to the SBA, in accordance with the terms of such Addendum.

(c) Premium rates will not be paid for overtime work.

(d) Hourly Compensation while traveling will be compensated at _____ percent of the hourly rates reflected in Exhibit 2 to this Agreement, which is attached hereto and incorporated by reference herein.

(3) The Law Firm shall advance all costs and expenses incurred while providing any Services including, without limitation, expert witness fees. Reimbursement of costs and expenses for such items as exhibits, transcripts, and expert witness fees, whether out of Proceeds or otherwise separately by the SBA (if the Services are provided on a hourly basis) requires prior written authorization by the SBA and shall be reimbursed, to the extent possible, based upon documented third party vendor charges including, without limitation, third party invoices which provide sufficient detail for the SBA to conduct an audit. The SBA shall not pay for firm surcharges added to third party vendor charges. Routine expenses such as local phone calls, local facsimile transmissions, routine postage, copy work, local travel expenses, printed library

materials and local courier, word processing, clerical or secretarial services are overhead and will not be separately compensated, whether out of Proceeds or otherwise separately by the SBA (if the Services are provided on an hourly basis). Non-routine office overhead costs and expenses such as long distance phone calls, long distance facsimile transmissions, long distance courier services, bulk mailings, bulk third party copying, blueprints, x-rays, photographs and computer-assisted legal research services must be justified to the SBA and shall be reimbursed based on documented third party vendor charges. In-house bulk mailings and bulk copying expenses must be supported by usage logs or similar documentation. Firm surcharges are not reimbursable. Reimbursable costs and expenses shall not exceed the threshold amount set forth in the Addendum. The Law Firm shall notify the SBA in writing when costs reach the threshold amount set forth in the Addendum. Said notification shall be made as soon as is practicable and prior to the next month invoice.

(4) Notwithstanding anything to the contrary set forth in this Article 2, when providing Services under this Agreement (including any Addendum), Law Firm shall be entitled to reasonable expenses for travel, when authorized in advance by the SBA's Executive Director & CIO or his or her designee, as provided in Section 112.061, Florida Statutes, as amended from time to time, and administrative rules interpreting the same. The SBA will provide the Law Firm with a summary of per diem rates and other travel related requirements to assist the Law Firm in abiding with the State of Florida's requirements.

(5) The Law Firm shall only bill the SBA (if the Services are provided on an hourly basis) or request payment out of Proceeds (if the Services are provided on a contingency fee basis) for the SBA's proportionate share of fees, costs and expenses including the costs of legal

research, attending hearings or engaging in client representation of any type, which is applicable to other clients in addition to the SBA.

(6) The SBA is exempted from payment of Florida state sales and use taxes and Federal Excise tax; however, the SBA will reimburse the Law Firm for any sales taxes incurred in furtherance of this Agreement. The Law Firm, however, shall not use the SBA's Tax exemption number to secure any materials or services. The Law Firm shall be responsible and liable for the payment of all its FICA/Social Security and other taxes resulting from this Agreement.

(7) The Law Firm shall not pledge the SBA's credit or make the SBA a guarantor of payment or surety for any contract, debt, obligation, judgment, lien, or any form of indebtedness.

ARTICLE 3. FORMAT FOR INVOICES

Within thirty (30) days of providing any Service, the Law Firm shall provide to the SBA a statement for fees, expenses, and costs in a format that includes, at a minimum, the following information:

- a. Case name and number, if applicable, or other legal matter reference.
- b. Invoice number for the particular bill.
- c. Law Firm taxpayer identification number.
- d. Law Firm and SBA contact name.
- e. Inclusive dates of the month covered by the invoice.
- f. Itemization of the date; hours billed (if hourly); a concise, meaningful description of the Services rendered with sufficient detail to enable the SBA to evaluate the Services rendered and expenses and costs; the person(s) who performed the Services for each day during which the Law Firm performed the Services; their hourly rate (if hourly) as specified in and named by Exhibit 2 to this Agreement, and any billing rate that is for some reason different from the one furnished in Exhibit 2 (e.g., travel time at a reduced hourly rate or the rates set forth in Exhibit 1).

- g. A listing of all invoiced expenses and costs, together with copies of actual receipts.
- h. The total of only the current bill. Prior balances or payment history should be shown separately, if at all.
- i. A certification statement, signed by the Law Firm's contact that reads: "I certify that all costs and fees claimed for payment are accurate and were performed in furtherance of the Agreement between the Law Firm and the SBA."
- j. Any other information as may be requested by the SBA.

ARTICLE 5. TERMINATION OF AGREEMENT

(1) The term of this Agreement shall be five (5) years, commencing on the Effective Date; provided, however, that the SBA may, in its sole discretion, extend the term of this Agreement with respect only to the Services provided by or to be provided by the Law Firm, pursuant to an Addendum that was entered into by the parties prior to the expiration of this Agreement. The SBA may terminate the Agreement at any time by providing to the other party written notice, effective as of the date specified in such termination notice.

(2) If this Agreement is terminated, the Law Firm shall be required to provide to the SBA all final and draft documents, data, studies, correspondence, reports and other products prepared by or for the Law Firm in connection with any Services.

(3) Notwithstanding any termination of this Agreement, the Law Firm shall not be relieved of liability to the SBA for damages sustained by the SBA by virtue of a breach of this Agreement by the Law Firm or any other act or omission by the Law Firm.

ARTICLE 6. LIABILITY

The SBA shall not assume any liability for the acts, omissions, or negligence of the Law Firm, its agents, servants, and employees, nor shall the Law Firm disclaim or limit its own

negligence or liability to the SBA or any related third party. The Law Firm shall maintain, during the period of this Agreement, a professional liability insurance policy for the Services.

ARTICLE 7. NONDISCRIMINATION AND COMPLIANCE

The Law Firm shall comply with all federal, state and local laws and ordinances applicable to the work and shall not discriminate on the grounds of race, color, religion, sex, or national origin in the performance of work.

ARTICLE 8. ADMINISTRATION OF AGREEMENT; NOTICE

- (1) The SBA's contact is the SBA's General Counsel.
- (2) The Law Firm contact is _____.
- (3) All written and oral approvals required under this Agreement (including any Addendum) must be obtained from the parties' named contact above or their designees.
- (4) All notices, requests, instructions, or other communications hereunder shall be in writing and shall be deemed to have been properly given and effective, if addressed or sent to the other party at the address or number indicated below or such other address or number provided in writing by the party, (i) on the date of actual receipt if provided by hand delivery, certified or registered mail (return receipt requested), United States Express Mail, or courier service (e.g. Federal Express or UPS) or (ii) on the date sent if provided by facsimile transmission confirmed afterwards as soon as reasonably possible by telephone call, first-class mail, and there exists tangible evidence of the facsimile transmission such as a transmission or confirmation report produced by the transmitting machines.

If to the SBA:

If mailed:

State Board of Administration of Florida
Post Office Box 13300
Tallahassee, Florida 32317-3300
Attention: Executive Director & CIO

Phone No: (850) 413-1250
Fax No: (850) 413-1255
With a copy to: General Counsel

If hand delivered:

State Board of Administration of Florida
1801 Hermitage Blvd, Suite 100
Tallahassee, Florida 32308
Attention: Executive Director & CIO
Phone No: (850) 413-1250
Fax No: (850) 413-1255
With a copy to: General Counsel

If to the Law Firm:

Attention: _____
Phone No: _____
Fax No: _____

(5) This Agreement shall be governed by, interpreted under and construed in accordance with the laws of the State of Florida without regard to conflict of interest principles. Any action or proceeding to resolve disputes regarding or arising out of this Agreement (including any Addendum) shall be brought and conducted in a state court situated in Leon County, Florida, and the parties hereby consent to the jurisdiction and venue of such courts.

ARTICLE 9. OTHER AVAILABLE SERVICES

Upon receiving approval from the SBA, the Law Firm shall use existing SBA agreements, when available and cost effective, to acquire services (e.g., computer-assisted legal research) and the assistance of professionals (e.g., court reporters, expert witnesses) at reduced rates.

ARTICLE 10. PUBLIC RECORDS

All documents prepared pursuant to this Agreement (including any Addendum) are subject to Florida's Public Records Law, and the Law Firm agrees to comply with Florida's Public Records Law.

**ARTICLE 11. AGREEMENT AS INCLUDING ENTIRE AGREEMENT;
COUNTERPARTS**

This Agreement, including any Addendum or Addenda and all exhibits, schedules, annexes, and enclosures attached hereto, which are incorporated into this Agreement by this reference, constitute and embody the entire agreement and understanding of the parties with respect to the subject matter hereof, supersede any prior or contemporaneous agreements or understandings with respect to the subject matter hereof, and unless otherwise provided herein, cannot be altered, amended, supplemented, or abridged or any provisions waived except by mutual written agreement of the parties hereto as herein provided. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single agreement.

ARTICLE 12. SPECIAL CONDITIONS

(1) The Law Firm will make affirmative efforts to achieve cost effectiveness by consolidating court hearings, limiting travel, streamline case processing, using printed forms, using the appropriate level of attorney or staff experience required by task, and taking other actions to improve efficiency.

(2) Multiple staffing at meetings, hearings, depositions, trials, or other proceedings by the Law Firm will not be compensated without prior written approval from the SBA.

(3) Law Firm agrees that all documents shall be promptly returned upon completion of Services or at the termination or expiration of the Agreement (including any Addendum).

(4) SBA in-house staff shall be used in assisting with the Services to the extent directed by the SBA.

(5) A contingency fee contract must be commercially reasonable. “Commercially reasonable” means the fees shall be no more than the amount permissible pursuant to Rule 4-1.5

of the rules regulating The Florida Bar and case law interpreting that rule. Attorney's fees shall be forfeited if, during the pendency of the Services, the Law Firm takes a public position that is adverse to the SBA's litigation or settlement posture.

(6) Law Firm shall, from the Effective Date until at least four (4) years after the Agreement expires or terminates, maintain detailed current records, including documentation of all expenses, disbursements, charges, credits, underlying receipts and invoices, and other financial transactions that concern the provision of any Services. The Law Firm shall make all such records available for inspection and copying upon request in accordance with Chapter 119, Florida Statutes.

(7) The SBA's General Counsel (or his or her designee) must approve and sign this Agreement (including any Addendum) as to form and legality. The Agreement must be executed by the SBA Executive Director & CIO, who also shall maintain custody of the Agreement.

(8) The Law Firm agrees to permanently refrain from using or mentioning its association with the SBA in advertisements, letterhead, business cards, or other publications. The Services provided by the Law Firm to the SBA may be generally described in the Law Firm's professional resume. The Law Firm may not give the impression in any manner that the SBA recommends or endorses the Law Firm other than regarding the matter described in this Agreement (including any Addendum).

(9) All contacts with the news media pertaining to any Services or the subject of this Agreement (including any Addendum) shall generally be referred to the SBA's Director of Communications. Law Firm shall not make any public comments concerning its representation of the SBA without the SBA's prior consent.

(10) The Law Firm shall provide immediate notice by email, facsimile transmission or telephone regarding significant developments which will likely result in media inquiries.

(11) The SBA shall cooperate with the Law Firm in providing information and documentation to the Law Firm when requested and, upon reasonable notice, making its personnel who are knowledgeable about the relevant facts and information relating to the Services available to the Law Firm for consultation.

(12) The Law Firm represents (as of the Effective Date and continuing at all times while Services are being provided under this Agreement, including any Addendum) that it has no conflicts of interest relating to this Agreement (including any Addendum) or any Services that have not previously been disclosed to the SBA in writing and shall immediately advise the SBA's General Counsel if any conflict arises with the SBA. The Law Firm shall also immediately notify the SBA's General Counsel of any representation undertaken by the Law Firm in matters in which its client is suing or being sued by the State of Florida or state entities in any civil or adversarial administrative action.

(13) Anything that is produced by or developed in connection with this Agreement (including any Addendum) shall remain the exclusive property of the SBA and may not be copyrighted, patented, or otherwise restricted as provided by law. Neither the Law Firm nor any other individual employed under this Agreement (including any Addendum) shall have any proprietary interest in any product(s) developed or produced and reimbursed by the SBA under this Agreement (including an Addendum).

(Signature page immediately to follow.)

IN WITNESS WHEREOF, the State Board of Administration of Florida, acting on behalf of the Florida Retirement System Trust Fund, the Local Government Surplus Funds Trust Fund, the Florida Hurricane Catastrophe Trust Fund and/or other state and local government funds and _____ have executed this Agreement as of the Effective Date.

State Board of Administration of Florida,
acting on behalf of the Florida Retirement
System Trust Fund, the Local Government
Surplus Funds Trust Fund, the Florida
Hurricane Catastrophe Trust Fund and/or
other state and local government funds

Ashbel C. Williams
Executive Director & CIO

Dated: _____

Approved as to Legality:

Thomas A. Beenck
General Counsel

[Law Firm]

Print: _____

Title: _____

Dated: _____