From: John Binkley <john@riverboatdiscovery.com>
To: Peter Torkelson <Peter.Torkelson@akredistrict.org>, Nicole Borromeo <nborromeo@nativefederation.org>
Cc: "E. Budd Simpson" <bsimpson@stsl.com>, TJ Presley <TJ.Presley@akredistrict.org>
Subject: RE: Final Letter of Engagement
Date: Fri, 12 Mar 2021 23:16:44 +0000
Importance: Normal
Attachments: Engagement_Letter_Form-Final.pdf

Peter,
Attached is the executed letter of engagement.
Thanks. John.

PLAINTIFF
EX. VDZ-3030
ADMITTED ☐
3AN-21-08869CI
(Case Number)

John Binkley
Chairman
Godspeed Inc
john@riverboatdiscovery.com | Cell (907) 322-2390 | Office (907) 479-6673
1975 Discovery Drive | Fairbanks, AK 99709

Riverboat Discovery | Gold Dredge 8 | Ward Cove Dock Group
Wings Airways | Alpine Aviation | Anchorage Daily News | Premium Aquatics

From: Peter Torkelson <Peter.Torkelson@akredistrict.org>
Sent: Friday, March 12, 2021 2:00 PM
To: Nicole Borromeo <nborromeo@nativefederation.org>; John Binkley <john@riverboatdiscovery.com>
Cc: E. Budd Simpson <bsimpson@stsl.com>; TJ Presley <TJ.Presley@akredistrict.org>
Subject: Final Letter of Engagement

John, Budd & Nicole,

Thanks for your help reviewing our contract with Schwabe. Attached is a clean (no highlighting) V3 labeled "Final" for your records.

John, please date and electronically sign the letter on page 3 and return. I will then copy that to Matt and Lee and keep a copy on file as well.

Thanks,

P.

From: Nicole Borromeo <nborromeo@nativefederation.org>
Sent: Friday, March 12, 2021 1:44 PM
To: John Binkley <john@riverboatdiscovery.com>
Cc: E. Budd Simpson <bsimpson@stsl.com>; Peter Torkelson <Peter.Torkelson@akredistrict.org>; TJ Presley

<TJ.Presley@akredistrict.org>
Subject: Re: Letter of Engagement v3

I am.

Thanks for circling back with me, John.

Have a good weekend,
Nicole

NICOLE BORROMEO
Executive Vice-President & General Counsel
Alaska Federation of Natives
3000 A St., Ste. 210
Anchorage, AK 99503
T (907) 263-1310
www.nativefederation.org

On Fri, Mar 12, 2021 at 12:34 PM John Binkley <john@riverboatdiscovery.com> wrote:

Budd,
After reviewing the documents, I agree with version #3 of the meeting rate cap.

Nicole,
Are you OK with this and the conflict language as well?
Thanks. John.

John Binkley
Chairman
Godspeed Inc
john@riverboatdiscovery.com | Cell (907) 322-2390 | Office (907) 479-6673
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Wings Airways | Alpine Aviation | Anchorage Daily News | Premium Aquatics

From: E. Budd Simpson <bsimpson@stsl.com>
Sent: Friday, March 12, 2021 12:13 PM
To: Peter Torkelson <Peter.Torkelson@akredistrict.org>; John Binkley <john@riverboatdiscovery.com>; Nicole Borromeo <nborromeo@nativefederation.org>
Cc: TJ Presley <TJ.Presley@akredistrict.org>
Subject: RE: Letter of Engagement v3

Peter,
I am comfortable with Matt's explanation of the conflict language; and I think version #3 of the meeting rate cap is reasonable. Let's proceed accordingly and get this wrapped up.
Thanks for your efforts in following up with this.
Budd

From: Peter Torkelson <Peter.Torkelson@akredistrict.org>
Sent: Wednesday, March 10, 2021 7:02 PM
To: John Binkley <john@riverboatdiscovery.com>; E. Budd Simpson <bsimpson@stsl.com>; Nicole Borromeo <nborromeo@nativefederation.org>
Cc: TJ Presley <TJ.Presley@akredistrict.org>
Subject: Letter of Engagement v3

John, Budd & Nicole,

Please find attached a version 3 of our letter of engagement and standard terms which take together would constitute our contract with Schwabe. Unless you have any remaining concerns, I believe we have reached an actionable document despite the novella of explanation which follows.

The attached Word document has the two areas of change highlighted in yellow. These are:

1) Conflict of interest. Matt added the clause *"after resolving that there are no conflicts of interest"* to the opening paragraph at the request of Schwabe's general counsel. This raised a red flag for me, so I spoke with Matt by phone to gain a better understanding of what this addition means.

Matt indicated that Schwabe has conflict of interest software which is searched every time a client is involved in a case. He has already added the Redistricting Board to the database, which will prevent anyone in the Schwabe firm from representing any client who sues the Board. What this clause does is make it clear that Matt will have to declare, and make provisions to address, any secondary potentially perceived conflict. Matt took pains to emphasize that this was boilerplate language which represented an unlikely "unicorn" situation. I asked for an example.

Matt: *"For instance, I represented AHTNA in a land dispute against the State of Alaska several years ago. If AHTNA were to decide to sue the Board, I would need to call this past representation to the attention of the Board so everyone was clear that in this case neither I, nor anyone at Schwabe, would be representing AHTNA against the Board. And let's say we had to subpoena AHTNA. Since I had worked for them in the past, I would subcontract with a competent attorney to write the subpoena, serve it, and process the files. That way there could never be the appearance of a conflict of interest between my representation of the Board and the interest of a previous client. If, for example, that attorney charged more than our negotiated hourly rate, Schwabe would eat the difference so that this situation didn't result in increased cost to the Board."*

2) Half/Full day discount rate. Attached is an updated Excel file with three sheets. The first sheet models the initial Schwabe's half/full day discounted rate offer. As you can see, the scenarios where a half day bulk rate benefited the board were few and Matt expressed concern about how they would be documented and billed. *Note: all of these discount models are for board meeting attendance, which may include public testimony. No day rate discount would apply for case preparation, court appearances etc.*

As a compromise, I offered the model shown on sheet #2. This caps the daily rate for every class of provider at approximately +/-6 hours of billable time.

Matt replied with a counteroffer modeled in sheet #3, which caps each level of provider at precisely 5.9 billable hours per meeting day. The exact hour-based cap, instead of a set dollar rate, results in similar costs to the Board, but made Schwabe's accounting people happier.

I believe the arrangement modeled on sheet #3 results in greater long-term savings potential to the board than the stair-stepped original model.

Please let me know if you have any additional concerns.

P.

P.S. Matt did let me know that he just tore his ACL and is having day surgery on Tuesday (Mar 16). He expects to be off-line for about 48 hours afterward.