

Dec-10-07 17:18

From-Scruggs Law Firm

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BARTIMUS | FRICKLETON ROBERTSON | GORNY

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December 6, 2007

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Reply to Jefferson City Office.

Richard F. Scruggs
The Scruggs Law Firm
120-A Courthouse Square
Oxford, MS 38655

Todd Graves
Graves, Bartle & Marcus, PC
1100 Main Street, Suite 2600
Kansas City, MO 64105

Re: United States ex rel. Rigsby v. State Farm Mutual Insurance Co.

Dear Diok and Todd:

This letter memorializes our heretofore oral agreement regarding a division of fees on the referenced case.

The Scruggs Law Firm ("SLF"); Bartimus, Frickleton, Robertson and Gorny, P.C. ("BFRG") and Graves, Bartle and Marcus, P.C. ("GBM") (collectively "the Firms") have agreed to cooperate to represent our clients, Cori and Kerri Rigsby ("the Clients"). The Clients have met with principals of each of the firms and have agreed to their representation by these firms in the referenced case. The attorney-client relationship is established by a written contract between the Clients and BFRG as is the attorneys' fee due the Firms in the event of a recovery on behalf of the Clients. The contract between the Clients and BFRG is incorporated by reference into his Agreement.

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BARTIMUS, FRICKLETON, ROBERTSON & GORNY, P.C.

Re: United States ex rel. Rigsby v. State Farm Mutual Insurance Co.

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In consideration of the promises made we have agreed as follows:

Expenses: SLF and BFRG will equally share the expenses of the litigation. GBM will not be responsible for litigation expenses necessary to prosecute the case. Litigation expenses shall include but shall not be limited to such expenses as deposition expenses, expert witness expenses and fees, reasonable copy expenses, and filing fees. Non-litigation expenses shall include (1) travel expenses for attorneys and staff who are employees of or principals of SLF, BFRG or GBM incurred in the prosecution of the case (2) expenses incurred in connection with other related litigation or (3) expenses for computerized legal or other research. Each firm shall be responsible for its own non-litigation expenses. Litigation expenses shall be reimbursed in accordance with the BFRG contract with the clients; reasonable non-litigation expenses incurred shall likewise be reimbursed in accordance with the BFRG contract with the clients.

Attorneys' Fees: To the extent that fees are recovered in this matter SLF, BFRG and GBM agree that 25% of the fees (the "Bonus Pool") shall be set aside after repayment of expenses for distribution among the firms based on actual work done and contributions made to the litigation. SLF, BFRG and GBM agree that Richard Scruggs and Edward Robertson shall together determine the division of the Bonus Pool. The remaining 75% of the fees shall be divided as follows: to SLF, 37.5%; to BFRG, 37.5%; to GBM, 25%.

Lead Counsel: BFRG shall act as lead counsel in this matter and shall assign work and make final determinations regarding litigation matters in consultation with SLF and GBM.

Termination of Firm Interest: The holders of 60% of the fees (before consideration of the Bonus Pool) may vote to terminate any individual Firm's interest in this Agreement with or without cause. In the event of termination of the Agreement, the remaining Firms agree to pay the terminated Firm a quantum meruit fee and reasonable expense reimbursement in the event that any fee is recovered. In the event that no fee is recovered, the terminated Firm shall not be entitled to any fee or expense reimbursement.

SLF Circumstances: Prior to the writing of this Agreement, but after the oral agreement on fees was reached by the Firms, certain members of SLF were indicted on criminal charges unrelated to this litigation. The Firms are aware of that indictment at the time of the execution of this Agreement and by this provision, seek to address the contingencies presented by those indictments. The parties understand that SLF ~~had pledged some portion of its fees, if any are recovered in this case, to Scruggs Katrina Group ("SKG").~~ As a result of the indictments, SKG has been dissolved and replaced by the Katrina Litigation Group ("KLG") of which SLF is not a

had discussed their sharing of fees from this case with other members of SKG to account for their work in the case. S.D. Bp... for SLF.

BARTIMUS, FRICKLETON, ROBERTSON & GORNY, P.C.

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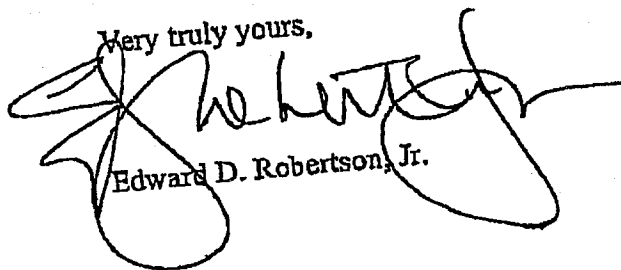
current member. It is the intent of the parties to this Agreement that SLF shall remain a working member of the litigation team in the Clients' case, but may withdraw its official representation of the Clients during the pendency of the indictment(s). SLF agrees to continue to meet its obligations to the Clients in this case and under this Agreement during the pendency of the indictment. Should SLF determine that it cannot meet its obligations to the Clients and to the Firms under this Agreement, the parties agree that the terms of this Agreement may be renegotiated. Any agreement between SLF and KLG shall remain the sole concern of SLF and KLG. The parties agree, however, that SLF will not seek to replace itself with, and the remaining firms need not accept, additional or other firms or counsel to provide work or resources in this case, whether such firms or counsel are members of KLG or not. A unanimous vote of the remaining Firms shall be required before other counsel or firms are permitted to replace SLF either on a temporary or permanent basis. It is the intent of the parties to this Agreement that SLF will become fully restored to its official status as counsel for the Clients once the indictments are no longer pending.

Settlement: The Firms understand and agree that the United States Government is the real party in interest in this case and that this case may not be settled, in whole or in part, without the consent of the United State Government.

Arbitration: Any dispute arising under or in connection with this Agreement shall be determined by binding arbitration to be conducted in Kansas City, Missouri, in accordance with the rules of the American Arbitration Association relating to three person arbitration panels. The laws of the State of Missouri shall apply to and govern this agreement.

Please indicate your assent to the terms of this Agreement by your signature below and return an executed copy to me at you earliest convenience.

Very truly yours,



Edward D. Robertson, Jr.

EDR/lgb

Dec-10-07

17:19

From-Scruggs Law Firm

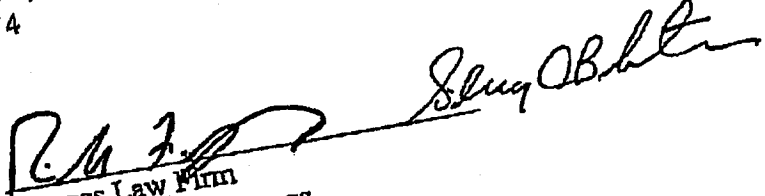
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Re: United States ex rel. Rigsby v. State Farm Mutual Insurance Co.

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Scruggs Law Firm
By: Richard F. Scruggs

Graves, Bartle and Marcus
By: Todd Graves