

June 1, 2005

Request for Proposal to Provide Securities Litigation Monitoring and Evaluation Services

On behalf of the Vermont State Treasurer's Office and Trustees of the Vermont State Retirement System, the State Teachers' Retirement System of Vermont, and the Vermont Municipal Employees' Retirement System, collectively "the Retirement Systems," the Attorney General of Vermont is soliciting proposals from outside legal counsel with significant experience and expertise in evaluating, monitoring and/or carrying out securities class action litigation. In view of events over the past several years, the State Treasurer's Office and Trustees of the Retirement Systems seek to monitor and potentially participate in securities class actions and other litigation when appropriate to safeguard the interests of the Retirement Systems.

Accordingly, the State of Vermont wishes to create a pool of outside counsel consisting of up to three law firms to provide the services detailed below for a period of two-years with two one-year renewal options. Interested firms are asked to submit proposals outlining their willingness to serve in either the dual role of monitoring/evaluation counsel and litigation counsel or solely in the role of litigation counsel. **Firms are advised that the services of evaluation counsel must be provided at no cost to the State and that a firm providing monitoring services cannot be assured that any resulting litigation will be awarded to that firm.**

If a firm or firms is chosen to represent the State of Vermont and the Retirement Systems, it is the expectation of the State of Vermont that the proposed contract attached to this RFP will be utilized. The State does not foresee the need to make considerable changes to the [form of the proposed contract](#).

Scope of Services:

1. Monitoring and Evaluation

The scope of services provided shall include, but is not limited to monitoring of: S.E.C. filings, media reports, pertinent web sites and review of securities class action filings. When the successful monitoring firm, or firms, determines that an event which may be of interest to the State has occurred with regard to a particular security, it shall examine whether any or all of the Retirement Systems have sustained losses during the relevant time period, and evaluate whether the matter has merit and is worthy of further investigation. The firm shall report its findings directly to the Vermont State Treasurer and to the Attorney General. The Attorney General, after review of the firm's findings and recommendations and consultation with the State Treasurer, may then: a) request counsel to investigate and analyze the matter further; or b) direct evaluation counsel to take no further action on the matter.

2. Investigation and Recommendations

Should the Attorney General request further investigation and analysis of a matter, the firm shall report its findings and recommendations as to the Retirement Systems' participation. Participation may include, but is not limited to:

- filing an action;
- seeking lead or co-lead plaintiff status;
- actively monitoring each matter if it has been determined that the matter has merit and the Retirement Systems' estimated loss is \$1 million or more;
- as a member of the class, reviewing and commenting on motions prepared by lead counsel and participating in settlement discussions when permitted by the parties or the court;
- withdrawing as a member of the class and bringing an independent action on behalf of the Retirement Systems; and/or
- keeping a passive role as a member of the class, instructing the custodian bank or investment manager, as appropriate, to file claims on behalf of the Retirement Systems as and when appropriate. In such a case, the firm will be expected to coordinate with the custodian bank, or investment manager, to assure that the Retirement Systems' interests are protected as a member of the class.

3. Litigation

If the Retirement Systems decide to take an active role in the litigation, one or more firms will be chosen from the established pool of firms to advise and represent its interests in the litigation. Firms will be chosen based on several factors including, but not limited to, case analysis provided; representation of similarly situated entities, fee proposals, other clients represented, potential conflicts of interest, and the firm's expertise or familiarity with the

particular issue presented in the case. The final selection of litigation counsel will be at the discretion of the Attorney General in consultation with the State Treasurer.

Proposal Format:

The proposal must be limited to ten (10) pages and should include the following information:

1. A brief description of the firm’s understanding, knowledge, and experience in evaluating and/or carrying out securities class action litigation. Also indicate if the firm is willing to serve in either the dual role of evaluation counsel and litigation counsel or the single role of litigation counsel.
2. The identity and experience of the individual attorney or attorneys who will be providing services under the contract, including, if known who will serve as lead counsel.
3. Fee proposal, including:
 - a. Confirmation that services provided for monitoring and evaluating will be carried out at no cost to the Retirement Systems or the State of Vermont;
 - b. Services as litigation counsel, any range of contingency fees that may reflect differences in
 1. timing of a settlement;
 2. size of settlement;
 3. complexity of the case;
 4. other factors believed to be applicable; and
 5. other alternatives to a contingency fee arrangement the firm would like considered.
 - c. Task or project specific legal services requested by the Retirement Systems that may come outside the proposed scope of either “evaluation counsel” or “litigation counsel.” Please give the proposed hourly billing rate for each attorney named in the proposal, including any discounts the firm is willing to offer the State of Vermont from its standard rates for other attorneys or groups of attorneys (i.e., partners, senior associates, etc.) not expressly listed.
 - d. The existence of any possible conflicts of interest, including any lawsuits and disputes where the firm represents interests adverse to the State of Vermont or the Retirement Systems.

Please be aware that the State of Vermont is subject to the Access to Records Act. 1 V.S.A. §315 et. seq. As a consequence, the State cannot assure the confidentiality of an RFP response.

Requirements for Submission:

If interested in serving the State of Vermont and the Retirement Systems in the capacities described above, please submit five (5) copies of the proposal (10 page limit) no later than the close of business on Friday, July 29, 2005, to Michael McShane, Director, GCAL Division, Office of the Attorney General, 109 State Street, Montpelier, VT 05609-1001. Proposals received after the submission deadline will not be considered.

Proposal Inquiries:

Questions concerning this request for proposal should be sent in writing to: Michael O. McShane, Director, GCAL Division, Office of the Attorney General, 109 State Street, Montpelier, VT 05609-1001; e-mail mmcshane@atg.state.vt.us. **All questions must be received no later than Friday, June 17, 2005, in order to assure a timely response. Copies of questions and responses may be obtained upon written request.**

Attachment – State of Vermont Contract for Personal Services