

Executive Summary

Board of Governors Meeting, July 14, 2021

Legal Services Agreement with Radey Law Firm

Citizens is requesting approval of a previously executed Legal Services Agreement with the Radey Law Firm. The Radey Law Firm provides legal services on civil litigation matters. Board approval is requested after determining that contract spend has recently exceeded \$100,000.

History

Citizens is involved in specific and unique corporate litigation (non-claims related) from time to time. We use outside counsel that are matched with their specific backgrounds and expertise and the issues presented in the corporate litigation.

Citizens selects law firms under two methods. We have procured counsel in the past by specific subject matter areas via competitive solicitations. Additionally, the Florida Statutes provide a statutory exemption from competitive solicitation under s. 287.057 (3) (e) and s. 627.351 (6), F.S. for legal services.

Citizens executed this legal services contract with the Radey Law Firm in February 2018. The contract was procured pursuant to the statutory exemption from competitive solicitations for legal services contracts.

This contract includes representation in two specific civil litigation matters. We first hired the Radey Law Firm to represent us in the case of Safepoint A/A/O Hawk vs Citizens Property Insurance Corporation, originally filed in February 2018 in Pinellas Circuit Court and transferred to the 2nd Circuit Court in Leon County. This claim involves a risk that Safepoint assumed as part of an assumption of Citizens policies on November 18, 2014. The complaint alleges that Citizens is responsible for reimbursing Safepoint \$274,000 which Safepoint paid to its insureds for a sinkhole loss, plus an additional \$12,800 in loss adjustment expenses. The insureds made a claim against the Safepoint policy after the assumption date. Safepoint is also seeking attorneys fees and costs. The case is in the discovery phase with depositions pending.

In December 2018, after Citizens hired the Radey Law Firm to represent it in the Hawk matter, Citizens also transferred the case of Safepoint A/S/O Guerra v. Citizens Property Insurance Corporation to the Radey Law Firm for further handling. That complaint also involved a risk that was assumed in the November 18, 2014 assumption. The complaint alleged that Citizens was responsible for reimbursing Safepoint \$59,000 for a claim made against the Safepoint policy after the assumption date and paid by Safepoint. The case was originally filed in October 2017 in Pinellas Circuit Court and was originally being handled by Quintairos, Prieto, Wood, & Boyer, P.A. After the case was transferred to the Radey Law Firm for handling, venue was moved to Leon County. Safepoint recently voluntarily dismissed their case against Citizens ending in a favorable result for Citizens.

Citizens selected the Radey Law Firm after interviewing and discussing the legal issues with the Radey legal team. The extent and duration of the two matters were not known at the time of contracting. Since all Citizens contracts that are expected to reach the \$100,000 level require Board approval, it is now necessary that the Board ratify the contract since it reached the

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\$100,000 threshold. Corporate legal services are budgeted annually, and these legal expenses will be absorbed within the Corporate legal outside law firm budget.

Recommendation

Staff proposes that the Board of Governors:

- a) Ratify the Legal Services Agreement with the Radey Law Firm for the duration of the matter assigned and for an amount not to exceed \$150,000, as set forth in this Action Item; and
- b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.

ACTION ITEM **New Contract** **Contract Amendment** **Other** ___ Existing Contract _____ **CONSENT ITEM** **Contract Amendment** **Existing Contract Extension** **Existing Contract Additional Spend** **Previous Board Approval** _____ **Other** _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

Move forward as Consent: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	Legal Services Agreement with Radey Law Firm
Purpose/Scope	<p>Purpose: This Action Item seeks Board ratification to contract for legal services with the Radey Law Firm.</p> <p>Scope: Corporate Legal Services has entered into a contract with the Radey Law Firm to represent Citizens in two specific corporate legal litigation matters. This contract was executed in February 2018. The cost of legal services under this contract has recently exceeded \$100,000 over the life of the contract.</p>
Contract ID	<p>Legal Services Agreement</p> <p>Contract Number, 18-18-5001-00</p> <p>Radey Law Firm</p>
Budgeted Item	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>These costs for 2021 are included in the 2021 budget.</p>
Procurement Method	<p>This law firm has been selected to provide consultative legal services to complete necessary and ongoing corporate legal litigation representation and for this reason the statutory exemption from competitive solicitation under s. 287.057 (3) (e) and s. 627.351 (6), F. S. was utilized.</p>
Contract Amount	Not to exceed \$150,000.

Contract Terms	Until the end of the matter identified for the legal services being rendered. (This is anticipated to occur within the next month as the matter has been settled.) Update 07.09.21
Board Recommendation	Staff proposes that the Board of Governors: a) Ratify the Legal Services Agreement with the Radey Law Firm for the duration of the matter assigned and for an amount not to exceed \$150,000, as set forth in this Action Item; b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Contacts	Tim Cerio, General Counsel and Chief Legal Officer Vendor Contact: Karen Asher-Cohen, Radey Law Firm