



**FOR IMMEDIATE RELEASE**  
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## **NEWS**

**Tallahassee** – The unanimous vote today by the members of Florida’s State Board of Administration (SBA) on whether or not contracts with law firms hired by the state to handle securities litigation should include a provision that caps fees is a significant step toward ensuring an open and competitive bidding process when it is necessary for the state to retain private attorneys.

The vote will ensure that when the SBA, which consists of Gov. Charlie Crist, Attorney General Bill McCollum and Chief Financial Officer Alex Sink, deems it necessary to retain private attorneys to represent the state and compensate attorneys through contingency fee agreements, that lawmakers have an appropriated amount of oversight over those compensation contracts to prevent egregious amounts of taxpayer dollars from being redirected to private attorneys.

“This vote ensures that there will be transparency and accountability when the State of Florida enters into contracts with private attorneys,” said William Large, president of the Florida Justice Reform Institute. “This vote in addition to the contingency fee legislation Attorney General McCollum has proposed for the upcoming legislative session guarantees that taxpayer dollars are spent fairly and transparently when used to compensate private attorneys representing the state.”

The vote was the result of a proposal by General McCollum earlier this month that the state limit the fees law firms earn in successful investor lawsuits filed on behalf of the state pension fund. McCollum's proposal would institute a sliding scale of fees based on the size of a lawsuit award, the maximum fee allowed would be \$50 million in cases where the state recovers \$1 billion.

General McCollum has also proposed legislation during the 2010 legislative session that would cap contingency fees earned by law firms representing the state at \$50 million.

“During these trying economic times, the state, and more importantly, taxpayers cannot withstand the risk of egregiously inflated attorney fees,” Large said. “General McCollum and the SBA understand this and have taken action to protect Floridians while ensuring the SBA can contract with private attorneys without significantly compromising the state’s resources by promoting fairness, transparency, accountability and fiscal prudence.”

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