



Commonwealth of Kentucky

CONTRACT

Document Number: PON2 040 2600001673 **Version:** 1
Record Date: 04/30/2026
Document Description: Litigation Opioid-Bankruptcies
Cited Authority: FAP111-09-00-12-LC
PSC Legal Contingency Not feasible to bid
Reason for Modification:

Issuer Contact:

Name: Michelle Lacy
Phone: 502-696-5615
E-mail: michelle.lacy@ky.gov

Vendor Name:	Vendor No.	KY0020459
MORGAN & MORGAN KENTUCKY PLLC	Vendor Contact Name:	JONATHAN RABINOWITZ
250 W. Main Street	Phone:	859-219-4529
SUITE 2100	E-mail:	
LEXINGTON KY 40507		

Shipping Information:

Office of the Attorney General - Office of Consumer Protection
1024 Capital Center Drive - CP
Frankfort KY 40601

Billing Information:

Office of the Attorney General
1024 Capital Center Dr, Suite 200
Frankfort KY 40601

Effective From: 07/01/2026 **Effective To:** 06/30/2028

Line Item	Delivery Date	Quantity	Unit	Description	Unit Price	Contract Amount	Total Price
1		0.00000		Litigation Opioid-Bankruptcies	\$0.000000	\$20,000,000.00	\$20,000,000.00

Extended Description:

The Office of Consumer Protection within the Office of the Attorney General ("OCP/OAG"), on behalf of the Commonwealth of Kentucky, enters this contract for legal services to assist with the continuing investigation and litigation regarding potential violations of state consumer protection, Medicaid, antitrust and/or other statutes in the manufacturing, distribution and/or dispensing of prescription opioid products within the Commonwealth including but not limited to Mallinckrodt, PLC/Mallinckrodt Pharmaceuticals ("Mallinckrodt"), Endo Health Solutions, Inc./Endo Pharmaceuticals, Inc. ("Endo"), Purdue Pharma, LP ("Purdue") and Insys Therapeutics, Inc., (as well as any similarly situated defendants who have engaged in similar conduct and end up in bankruptcy) including their subsidiaries, partners, contractors and subcontractors, predecessors, successors or parent entities regarding the manufacturing and sale of prescription opioid products within the Commonwealth of Kentucky.

TOTAL CONTRACT AMOUNT	\$20,000,000.00
------------------------------	------------------------

	Document Phase	Document Description	Page 2
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

PERSONAL SERVICE CONTRACT FOR
PRESCRIPTION OPIOID PRODUCTS LITIGATION
BETWEEN

THE COMMONWEALTH OF KENTUCKY

OFFICE OF THE ATTORNEY GENERAL

AND

MORGAN & MORGAN PLLC
Suite 1200, 333 West Vine Street
Lexington, KY 40507

This Personal Service Contract (PSC) is entered into, by and between the Commonwealth of Kentucky, Office of the Attorney General ("the Commonwealth" or "OAG") and Morgan & Morgan, PLLC, ("the Contractor") to establish a contract for Prescription Opioid Products Litigation. The initial PSC is effective from 7/01/2026 through 6/30/2028.

The Commonwealth and Contractor agree to the following:

I. Scope of Contract

Legal services include, but are not limited to:

Investigating, litigating and resolving claims against Mallinckrodt, PLC/Mallinckrodt Pharmaceuticals ("Mallinckrodt"), Endo Health Solutions, Inc./Endo Pharmaceuticals, Inc. ("Endo"), Purdue Pharma, LP ("Purdue") and Insys Therapeutics, Inc., (as well as any similarly situated defendants who have engaged in similar conduct and end up in bankruptcy) including their subsidiaries, partners, contractors and subcontractors, predecessors, successors or parent entities regarding the manufacturing and sale of prescription opioid products within the Commonwealth of Kentucky.

Contractor shall assist in all phases of the investigation and litigation, including preparation of complaint(s), filing of complaint(s) and service of summons, responding to motions, including

	Document Phase	Document Description	Page 3
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

motions to dismiss; drafting and answering discovery propounded upon the Commonwealth or any of its agencies; tracking documents obtained in discovery; coordinating litigation with other states and the federal government to promote, to the extent beneficial, a unified approach to litigation; taking depositions; defending depositions noticed by the defendants; preparing relevant witnesses for depositions; responding to motions for summary judgment or other pretrial dispositive motions; identification of experts to testify in favor of the Commonwealth of Kentucky or other state agencies; preparation of expert witnesses for deposition or trial testimony; assessing the strength of legal arguments propounded by the litigants; preparation of legal arguments on motions; dealing with discovery disputes; representing the Commonwealth of Kentucky in trial or in any settlement negotiations that may occur; representing the Commonwealth of Kentucky in responding to post-trial motions; representing the Commonwealth of Kentucky in the appeal(s) of any judgment or verdict rendered in any such action(s) and, if applicable, the remand from appeal(s), and, representing the Commonwealth in bankruptcy matters, including appearing at hearings, soliciting discovery, negotiating with any relevant parties, filing proofs of claims and all other actions necessary to protect the interests of Kentucky.

The Office of the Attorney General has determined that the contingency fee is both cost-effective and in the public interest. Further the Office has determined that sufficient and appropriate legal and financial resources do not exist within the Office to pursue the litigation without outside counsel. The Office anticipates that the amount of time and labor required to perform the requested services exceeds that available. In addition, the novelty, complexity, and difficulty of the matter are such that outside counsel is needed. The skill required to perform the requested services properly is of the highest level, and the geographic area where the legal services are to be provided will likely involve work in major metropolitan areas of the country. The Office has determined that experience in highly complex civil litigation involving multiple defendants is desired for the particular kind of legal services to be provided.

II. Contract Components and Order of Precedence

The Commonwealth's acceptance of the Contractor's offer in response to the Solicitation, indicated by the issuance of a Contract Award shall create a valid contract between the Parties consisting of the following:

1. Procurement Statutes, Regulations and Policies
2. Any written Agreement between the Parties.

In the event of any conflict between or among the provisions contained in the contract, the order of precedence shall be as enumerated above.

	Document Phase	Document Description	Page 4
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

III. Negotiated Items

Not Applicable.

IV. Pricing

Contingency Fee Basis - Contractor agrees to advance litigation costs and expenses incurred by its own attorneys and staff, including but not limited to travel, meals, mileage, lodging, photocopying, postage, electronic legal research fees, etc. Additionally, Contractor agrees to advance costs of any, and all, expert witnesses, consultants, translation services, etc., as may be necessary in furtherance of this case. Contractor will consult with the OAG before employing any expert witnesses, consultants or translators. The OAG shall have the final approval of the retention of any expert witnesses or consultants and any fee arrangements paid to those individuals.

KRS 45A.717

(3) A contingency fee shall not exceed:

- (a) Twenty percent (20%) of the amount recovered up to ten million dollars (\$10,000,000);
- (b) Fifteen percent (15%) of the amount recovered between ten million dollars (\$10,000,000) and fifteen million dollars (\$15,000,000);
- (c) Ten percent (10%) of the amount recovered between fifteen million dollars (\$15,000,000) and twenty million dollars (\$20,000,000); and
- (d) Five percent (5%) of the amount recovered of twenty million dollars (\$20,000,000) or more.

(4) A contingency fee shall not exceed twenty million dollars (\$20,000,000), regardless of the number of actions or proceedings or the number of attorneys or law firms involved in the matter, and exclusive of any costs and expenses provided for by the contract and actually incurred by the legal services contractor.

(5) A contingency fee shall be payable only from money that is actually received pursuant to a judgment or settlement agreement, and any judgment or settlement funds shall be disbursed in accordance with KRS 48.005.

	Document Phase	Document Description	Page 5
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

In addition, the reasonable costs and expenses actually incurred and advanced by the Contractor in connection with its representation of the Commonwealth including reasonable travel, expert witness fees, court reporters and transcript costs, filing fees, and other reasonable costs and expenses as approved by the OAG shall be paid from the gross recovery.

In the event that any or all of the claims covered under this contract are resolved through individual settlement, multi-state settlement or a bankruptcy proceeding where provisions of the settlement or bankruptcy provide for the direct payment of fees and expenses of the Contractor, the Parties agree the provisions of any such settlement or bankruptcy shall be the exclusive source of payment for the claim(s) under this contract and waives the contingency fee provisions contained herein related to the claim(s).

V. Invoicing

The Contractor shall provide gross monetary recovery for deposit to the Commonwealth State Treasurer per KRS 48.005(3). Contractor shall attempt to recover all fees and costs directly and separately from Defendants in any action(s) initiated under this contract. If at the conclusion of all actions and upon award or settlement, Contractor is unable to recover fees and costs directly from Defendants, Contractor shall provide an invoice to the OAG for actual costs and expenses, travel performed in pursuit of Commonwealth recovery, expert witness fees, court reporters and transcript costs, filing fees and other approved reasonable costs and expenses.

KRS 45A.717

(9)(a) 1. In addition to the information required of each contingency fee contract by the Kentucky Model Procurement Code and KRS 45A.695, a contractor awarded a personal service contract for legal services that provides for payment by contingency fee shall maintain detailed current records, including documentation of:

1. Expenses;
2. Disbursements;
3. Charges and credits;
4. Underlying receipts and invoices; and
5. Any other financial transactions that concern the attorney services rendered under the contract.

(b) 1. All records described in this subsection shall become public records subject to KRS 61.870 to 61.884 after a judgment or agreement is entered in the case and all appeals have been exhausted, but shall not be public records until that time.

	Document Phase	Document Description	Page 6
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

2. Any information that is subject to an evidentiary privilege and is contained within any record described in this subsection shall not be a public record. The privileged information shall be redacted before any public disclosure of the record.

VI. Insurance Requirements

*** Proof of all required insurances should be provided prior to award.***

A Certificate of Insurance (COI) on an ACORD form is required unless approved by the Commonwealth's Office of the Controller.

A. Required Coverage

The awarded vendor(s) shall be responsible for maintaining, and not reducing, the following insurance coverages, types, and limits of liability. Further awarded vendor shall be able to produce evidence of insurance in compliance with part C of this section through the entire contract:

Commercial General Liability Insurance in accordance with minimum limits of liability of \$1,000,000.00 per occurrence, \$2,000,000.00 aggregate. The Commonwealth, in the Request for Solicitation, may require higher limits depending on the type of solicitation.

B. Additional Types of Insurance

(*The Commonwealth reserves the right to require higher coverage amounts if needed based on the type of contract and associated risk)

1. Automobile Liability Insurance (If Applicable)

Automobile Liability Insurance is required for delivery, onsite training, services or events in all situations where the Contractor must drive to any property where Commonwealth operations occur. With regard to delivery, if the items requested in this solicitation will be delivered by the awarded Contractor or Subcontractor, proof of Automobile Liability Insurance must be provided prior to award. ***If items will be delivered by common courier (USPS, FedEx, UPS, Old Dominion Freight Line, etc.), this requirement does not apply.***

The Contractor or Subcontractor must provide a certificate of insurance coverage for any vehicle used in performance of this contract, whether owned, non-owned, or hired, or other vehicles utilized by the Contractor or Subcontractor. Said policy of insurance to have a

	Document Phase	Document Description	Page 7
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

minimum coverage limit of \$1,000,000.00 per occurrence combined single limit for bodily injury, including death, and property damage.

This requirement does not apply if the Contractor does not own, lease, or hire any automobiles to be used in connection with performance under any Contract resulting from this Solicitation.

2. Professional Liability Insurance (If Applicable)

Professional Liability (Error & Omissions) Insurance shall be required for all professional services performed by licensed or certificated individuals or individuals working on behalf of licensed or certificated individuals. The required Professional Liability Insurance shall have a minimum limit of liability of \$1,000,000.00 per claim for damages arising out of negligent acts, errors, and/or omissions in the performance of services.

C. Evidence of Insurance Coverage

The successful bidder shall provide evidence of insurance coverage as required. Failure to do so shall constitute a material breach of this Contract and may result in immediate cancellation of the Contract.

For all required insurance coverages, during the course of the Contract, the awarded vendor shall not be self-insured or utilize a Captive Insurer or a fronting policy that shifts risk back to the awarded vendor without prior written approval by the Office of the Controller of the Commonwealth.

Further, the awarded vendor shall not utilize an insurer or similar entity not in good standing with the Insurance Commissioner to fulfill the insurance requirements of the contract without prior written approval by the Office of the Controller of the Commonwealth.

Such approvals may require additional financial review, proof of funds, or bonding requirements sufficient for the risk associated with the services covered by the Contract, and approval or rejection is within the sole discretion of the Commonwealth's Office of the Controller.

Contractor shall furnish the Certificate of Insurance prior to award and shall, upon request of the Commonwealth at any time during the contract term, provide a current, valid Certificate of Insurance.

	Document Phase	Document Description	Page 8
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

Contractor and/or its insurer shall provide immediate notice of nonrenewal or cancellation of coverage during the course of the Contract.

All Certificates of Insurance must be signed by an authorized representative of the insurance agency, shall be in compliance with the laws of the Commonwealth of Kentucky, and shall be placed with a licensed resident or non-resident agent who represents insurance companies authorized to do business in Kentucky. The insurer shall have an AM Best rating of B+ or higher. Visit www.ambest.com for verification. Failure to meet this requirement may result in the bid being deemed non-responsive. A list of authorized companies can be found at <https://insurance.ky.gov/ppc/Company/Default.aspx>.

The certificate holder shall be listed as:

Office of the Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601
Attn: Michelle Lacy

Endorsement of Additional Insured. Certificate of Insurance must contain the following language in the Description of Operations box:

“The Commonwealth and its agents are Additional Insureds for the contract resulting from the solicitation. Additional insured protection afforded is on a primary and non-contributory basis.”

A copy of the Endorsement of Additional Insured must be submitted with the Certificate of Insurance.

D. Subcontractors

If the contract allows for Subcontractors and utilizes Subcontractors, prior to the commencement of any work by a Subcontractor.

- # The primary Contractor’s Certificate of Insurance must identify coverage that meets or exceeds the insurance requirements defined in this contract and that covers Subcontractor and its work in support of the Contract or the Subcontractor must submit and maintain a Certificate of Insurance that also meets or exceeds the insurance requirements of the

	Document Phase	Document Description	Page 9
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

Primary Contractor defined in this contract, with an Additional Insured Endorsement.

- # Procuring Agency reserves the right to request copies of all Subcontractor's Certificate(s) of Insurance at any time.

	Document Phase	Document Description	Page 10
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

Personal Service Contract Standard Terms and Conditions Revised February 2026

Whereas, the first party, the state agency, has concluded that either state personnel are not available to perform said function, or it would not be feasible to utilize state personnel to perform said function; and

Whereas, the second party, the Contractor, is available and qualified to perform such function; and

Whereas, for the abovementioned reasons, the state agency desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

1.00 Effective Date

This contract is not effective until the Secretary of the Finance and Administration Cabinet or his authorized designee has approved the contract and until the contract has been submitted to the Legislative Research Commission, Government Contract Review Committee ("LRC"). However, in accordance with KRS 45A.700, contracts in aggregate amounts of \$10,000 or less are exempt from review by the committee and need only be filed with the committee within 30 days of their effective date for informational purposes.

KRS 45A.695(7) provides that payments on personal service contracts and memoranda of agreement shall not be authorized for services rendered after government contract review committee disapproval, unless the decision of the committee is overridden by the Secretary of the Finance and Administration Cabinet or agency head if the agency has been granted delegation authority by the Secretary.

The Commonwealth will make payment within thirty (30) working days of receipt of contractor's invoice or of acceptance of goods and/or services in accordance with KRS 45.453 and KRS 45.454.

Payments are predicated upon successful completion and acceptance of the described work, services, supplies, or commodities, and delivery of the required documentation. Invoices for payment shall be submitted to the agency contact person or its representative.

2.00 Renewals

Upon expiration of the initial term, the contract may be renewed in accordance with the terms and conditions in the original solicitation. Renewal shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet or his authorized designee and the LRC Government Contract Review Committee in accordance with KRS 45A.695 and KRS 45A.705, and contingent upon available funding.

3.00 LRC Policies

Pursuant to KRS 45A.725, LRC has established policies which govern rates payable for certain professional services. These are located on the LRC webpage <https://apps.legislature.ky.gov/moreinfo/Contracts/homepage.html> and would impact any contract established under KRS 45A.690 et seq., where applicable.

4.00 Choice of Law and Forum

This contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any action brought against the Commonwealth on the contract, including but not

	Document Phase	Document Description	Page 11
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

limited to actions either for breach of contract or for enforcement of the contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky in accordance with KRS 45A.245.

5.00 Cancellation

The Commonwealth shall have the right to terminate and cancel this contract at any time not to exceed thirty (30) days' written notice served on the Contractor by registered or certified mail.

6.00 Funding Out Provision

The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The state agency shall provide the Contractor thirty (30) calendar days' written notice of termination of the contract due to lack of available funding.

7.00 Reduction in Contract Worker Hours

The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts.

If under such authority the agency is required by Executive Order or otherwise to reduce contract hours, the agreement will be reduced by the amount specified in that document. If the contract funding is reduced, then the scope of work related to the contract may also be reduced commensurate with the reduction in funding. This reduction of the scope shall be agreeable to both parties and shall not be considered a breach of contract.

8.00 Authorized to do Business in Kentucky

The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

The Contractor shall maintain certification of authority to conduct business in the Commonwealth of Kentucky during the term of this contract. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

Registration with the Secretary of State by a Foreign Entity

Pursuant to KRS 45A.480(1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010: to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030:

<https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=40424> **therefore, foreign entities should submit a copy of their certificate with their solicitation response.**

If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010: <https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=44318>, the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070: <https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=50474>

Businesses can register with the Secretary of State at:
<https://www.sos.ky.gov/bus/business-filings/Pages/default.aspx>

9.00 Invoices for fees

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government. The invoice must conform to the method described in Section V of this contract.

	Document Phase	Document Description	Page 12
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.

*Invoice form is available on the Legislative Research Commission, Government Contract Review Committee website: <https://apps.legislature.ky.gov/moreinfo/Contracts/homepage.html>

10.00 Travel expenses, if authorized

The Contractor shall be paid for no travel expenses unless and except as specifically authorized by the specifications of this contract or authorized in advance and in writing by the Commonwealth. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by the Commonwealth.

11.00 Other expenses, if authorized herein

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this contract or authorized in advance and in writing by the Commonwealth.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by the Commonwealth.

12.00 Purchasing and specifications

The Contractor certifies that he/she will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he/she attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and the following paragraph that pertains to conflict-of interest laws and principles, "he/she" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation, or other organization is involved, then "he/she" is construed to mean any person with an interest therein.

13.00 Conflict-of-interest laws and principles

The Contractor certifies that he/she is legally entitled to enter into this contract with the Commonwealth of Kentucky, and by holding and performing this contract, he/she will not be violating either any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), or KRS 11A.040 of the executive branch code of ethics, relating to the employment of former public servants.

14.00 Campaign finance

The Contractor certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract, has contributed more than the amount specified in KRS 121.056(2), to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The Contractor further swears under the penalty of perjury, as provided by KRS 523.020, that neither he/she nor the company which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the company which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

15.00 Access to Records

	Document Phase	Document Description	Page 13
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

The state agency certifies that it is in compliance with the provisions of KRS 45A.150, "Access to contractor's books, documents, papers, records, or other evidence directly pertinent to the contract." The Contractor, as defined in KRS 45A.030, agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this agreement for the purpose of financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the agreement and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

16.00 Protest

Pursuant to KRS 45A.285, the Secretary of the Finance and Administration Cabinet, or his designee, shall have authority to determine protests and other controversies of actual or prospective vendors in connection with the solicitation or selection for award of a contract.

Any actual or prospective vendor, who is aggrieved in connection with the solicitation or selection for award of a contract, may file protest with the Secretary of the Finance and Administration Cabinet. A protest or notice of other controversy must be filed promptly and, in any event, within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed to:

Holly M. Johnson, Secretary

Commonwealth of Kentucky
Finance and Administration Cabinet
Office of the Secretary
200 Mero Street, 5th Floor
Frankfort, KY 40622

The Secretary of Finance and Administration Cabinet shall promptly issue a decision in writing.

A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

17.00 Social Security

The parties are cognizant that the state is not liable for social security contributions, pursuant to 42

U.S. Code, section 418, relative to the compensation of the second party for this contract.

Any exceptions to this stipulation require an attachment or exhibit that explicitly addresses, and provides a basis for, payment of second party's social security contributions by the state, pursuant to 42 U.S. Code, section 418.

18.00 Violation of tax and employment laws

KRS 45A.485 requires the Contractor and all subcontractors performing work under the contract to reveal to the Commonwealth any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to corporate and utility tax, sales and use tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers

	Document Phase	Document Description	Page 14
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

compensation insurance laws, respectively. Disclosure of any violations is required prior to the award of any state contract and throughout the duration the contract.

Failure to disclose violations, shall be grounds for the Commonwealth's disqualification of a contractor or subcontractor from eligibility for future state contracts for a period of two (2) years.

To comply with KRS 45A.485, the Contractor and all subcontractors performing work under this contract shall report any such final determination(s) of any violation(s) within the previous five (5) years to the Commonwealth by providing a list of the following information regarding any violation(s): (1) specific KRS violated, (2) date of any final determination of a violation, and (3) state agency which issued the final determination.

A list of any disclosures made prior to award of a contract shall be attached to the contract. The Contractor affirms that it has not violated any of the provisions of the above statutes within the previous five (5) year period, aside from violations explicitly disclosed and attached to this contract. Contractor further affirms that it will (1) communicate the above KRS 45A.485 disclosure requirements to any subcontractors and (2) disclose any subcontractor violations it becomes aware of to the Commonwealth.

19.00 Nondiscrimination

The Equal Employment Opportunity Act of 1978 (the "Act"), KRS 45.560 to 45.640, applies to all State government contracts or subcontracts in an amount exceeding \$500,000. The contractor shall comply with all terms and conditions of the Act.

During the performance of this contract, the Contractor agrees as follows:

- (a) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age forty (40) and over, disability, veteran status, or national origin or.
- (b) The Contractor shall take affirmative action in regard to employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination rates of pay or other forms of compensation, and selection for training, so as to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, age forty (40) and over, disability, veteran status, and national origin.
- (c) The Contractor shall state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age forty (40) and over, disability, veteran status, or national origin.
- (d) The Contractor shall post notices in conspicuous places, available to employees and applicants for employment, setting forth the provisions of this non-discrimination clause.

The Contractor shall send a notice to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding advising the said labor union or workers' representative of the Contractor's commitments under this nondiscrimination clause.

The Contractor's noncompliance with the nondiscrimination clauses of this contract shall constitute a material breach of the contract.

Each Contractor shall, for the length of the contract or at the point at which the contract is covered by this Act and until its conclusion, furnish such information as required by the Act and any rules,

	Document Phase	Document Description	Page 15
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

regulations and orders issued pursuant thereto and permit access to all books and records pertaining to his employment practices and work sites by the contracting agency and the Cabinet to ascertain compliance with the Act.

This section applies to agreements disbursing federal funds, in whole or part, only when the terms for receiving those funds mandate its inclusion.

20.00 Bidder, Offeror, or Contractor Mandatory Representations Compliance with Commonwealth Law

The contractor represents that, pursuant to [KRS 45A.485](#), they and any subcontractor performing work under the contract will be in continuous compliance with the KRS chapters listed below and have revealed to the Commonwealth any violation determinations within the previous five (5) years:

[KRS Chapter 136](#) (CORPORATION AND UTILITY TAXES)

[KRS Chapter 139](#) (SALES AND USE TAXES)

[KRS Chapter 141](#) (INCOME TAXES)

[KRS Chapter 337](#) (WAGES AND HOURS)

[KRS Chapter 338](#) (OCCUPATIONAL SAFETY AND HEALTH OF EMPLOYEES)

[KRS Chapter 341](#) (UNEMPLOYMENT COMPENSATION)

[KRS Chapter 342](#) (WORKERS' COMPENSATION)

Boycott Provisions

If applicable, the contractor represents that, pursuant to [KRS 45A.607](#), they are not currently engaged in, and will not for the duration of the contract engage in, the boycott of a person or an entity based in or doing business with a jurisdiction with which Kentucky can enjoy open trade.

Note: The term Boycott does not include actions taken for bona fide business or economic reasons, or actions specifically required by federal or state law.

If applicable, the contractor verifies that, pursuant to KRS 41.480, they do not engage in, and will not for the duration of the contract engage in, in energy company boycotts as defined by KRS 41.472.

Lobbying Prohibitions

The contractor represents that they, and any subcontractor performing work under the contract, have not violated the agency restrictions contained in [KRS 11A.236](#) during the previous ten (10) years, and pledges to abide by the restrictions set forth in such statute for the duration of the contract awarded.

The contractor further represents that, pursuant to [KRS 45A.328](#), they have not procured an original, subsequent, or similar contract while employing an executive agency lobbyist who was convicted of a crime related to the original, subsequent, or similar contract within five (5) years of the conviction of the lobbyist.

21.00 Artificial Intelligence (AI)

Vendor agrees to adhere to [CIO-126 Artificial Intelligence Policy.pdf](#), which includes but is not limited to, the required written disclosure, in advance, of every use of generative AI and/or integrations with generative AI system. Vendor agrees to disclose all parts of contracted work that is expected to be or will be performed with the assistance of AI. Further, Vendor understands and agrees to take appropriate measures to ensure Generative AI shall not be used for any activities that are illegal or in violation of state policy, COT policy, or agency policy per CIO-126. Vendors may not use Commonwealth confidential or internal data in generative AI queries or for building

	Document Phase	Document Description	Page 16
2600001673	Final	Litigation Opioid-Bankruptcies	Total Pages: 17

or training proprietary generative AI programs unless explicitly approved in writing by the agency head with consultation from the COT Chief Information Officer. Vendor agrees to provide reasonable written notice of any issue of noncompliance with these requirements.

	Document Phase	Document Description	Page 17
2600001673	Draft	Litigation Opioid-Bankruptcies	Total Pages: 17

Approvals

This contract is subject to the terms and conditions stated herein. By affixing signatures below, the parties verify that they are authorized to enter into this contract and that they accept and consent to be bound by the terms and conditions stated herein. In addition, the parties agree that (i) electronic approvals may serve as electronic signatures, and (ii) this contract may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single contract.

1st Party:

Stacy Woodrum
Signature

Stacy Woodrum
Printed Name

Office of Management & Budget
Title

March 9, 2026
Date

2nd Party:

[Signature]
Signature

Jonathan Rabinowitz
Printed Name

Managing Attorney
Title

3/9/26
Date

Approved as to form and legality:

Christopher Thacker
Attorney