

GOVERNOR
Susana Martinez



DIRECTOR AND SECRETARY
TO THE COMMISSION
James S. Lane, Jr.

Daniel E. Brooks, Deputy Director

STATE OF NEW MEXICO
DEPARTMENT OF GAME & FISH

One Wildlife Way
Santa Fe, NM 87507
Post Office Box 25112
Santa Fe, NM 87504
Phone: (505) 476-8008
Fax: (505) 476-8124

Visit our website at www.wildlife.state.nm.us
For information call: (505) 476-8000
To order free publications call: (800) 862-9310

STATE GAME COMMISSION
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Farmington, NM
PAUL M. KIENZLE III
Albuquerque, NM
BILL MONTOYA
Alto, NM

May 15, 2012

Ms. Wendy Keefover
wkeefover@wildearthguardians.org

Re: IPRA Request, dated April 30, 2012

Ms. Keefover:

I am writing in response to your request, under the Inspection of Public Records Act ("IPRA"), for inspection of the Department's public records "relating to New Mexico's monetary contributions including contracts to hire outside, private legal counsel, including all monetary records involving the law firm Kelley Drye to defend the case, WildEarth Guardians v. James Lane et al. 1:12-cv-00118-LFG-KBM."

We will be providing a number of documents for your inspection, but I wanted to clarify what will be provided for inspection as to billing statements from attorneys representing the Department in the above-referenced matter. Certain contents of billing statements from legal counsel fall within the attorney-client privilege and, as such, are excluded from the disclosure requirements of the IPRA. Accordingly, we will not provide for the inspection of such statements.

What we will provide are all purchase order (providing for the encumbrance of funding) and voucher documents (providing for payments) that have been issued to date for services and costs of outside legal counsel for their representation of the Department in the above-referenced matter.

To date, the Department has received statements from Kelly Drye & Warren, LLP totaling \$13,320.00, and has issued a voucher for payment of same.

To date, the Department has received statements from Keleher & McLeod totaling \$6,637.20, and has issued vouchers for payment of same.

Sincerely,

Marty Frentzel, Chief
Public Information and Outreach



**State of New Mexico
Purchase Order**

PO Number to be on all Invoices and Correspondence

CHANGE ORDER

Dispatch via Print

Game and Fish Department

PO Box 25112
Santa Fe NM 87504
United States

Vendor: 0000096216
KELLEY DRYE & WARREN LLP
101 PARK AVE
NEW YORK NY 10178

Purchase Order 51600-0000030837	Date 02/22/2012	Revision 2 - 04/18/2012	Page 1
Payment Terms Pay Now	Freight Terms FOB Destination		Ship Via Best Way
Buyer AMANDA N PADILLA	Phone		

Ship To: #1 Wildlife Way
Santa Fe NM 87507
United States

Bill To: P O Box 25112
One Wildlife Way
Santa Fe NM 87504
United States

Origin: EXC ExclExcl #: 13-1-99 C

Line-Sch	Item/Description	Mfg ID	Quantity	UOM	PO Price	Extended Amt	Due Date
1- 1	Legal Services		1.00	EA	200,000.00	200,000.00	02/22/2012
	51600-19800-1801000000-535500- - - -112-10000						
	Schedule Total					<u>200,000.00</u>	
	Item Total					<u>200,000.00</u>	
2- 1	Legal Services		1.00	EA	100,000.00	100,000.00	04/09/2012
	51600-19800-1901000000-535500- - - -112-10000						
	Schedule Total					<u>100,000.00</u>	
	Item Total					<u>100,000.00</u>	
	Total PO Amount					<u>300,000.00</u>	

ADDED LINE 2 TO IMCREASE ORIGINAL PO BY \$100,000.00

Agency Approval - I certify that the proposed purchase represented by this document is authorized by and is made in accordance with all State (and if applicable Federal) legislation rules and regulation. I further certify that adequate unencumbered cash and budget expenditure authority exists for this proposed purchase and all other outstanding purchase commitments and accounts payable.

Authorized Signature

James S. Slone

KELLEY DRYE & WARREN LLP

FEDERAL ID NO. 13-5335107

WASHINGTON
LOS ANGELES
CHICAGO

NEW YORK
STAMFORD
PARSIPPANY
BRUSSELS

AFFILIATE OFFICE:
MUMBAI, INDIA

New Mexico Gray Wolf Litigation
Attn: James Lane
Director
New Mexico Department of Game and Fish
P.O. Box 25112
One Wildlife Way
Santa Fe, NM 87504

*OK to pay
JSL
3/29/12*

March 26, 2012
Invoice No. 2542948

021856 New Mexico Gray Wolf Litigation
0001 Gray Wolf Litigation

Account Summary And Remittance Form

Legal Services:	\$13,320.00
Disbursements and Other Charges:	\$0.00

Total Amount Due: \$13,320.00

Terms: Payment Due On or Before April 25, 2012

Please Return This Page With Your Payment

PAYMENT BY CHECK:

KELLEY DRYE & WARREN LLP
ATTN: TREASURER'S DEPARTMENT
101 PARK AVENUE
NEW YORK, NEW YORK 10178
(212) 808-7800

PAYMENT BY WIRE:

JP MORGAN CHASE, N.A.
ABA #:021-000-021
SWIFT CODE: CHASUS33
ACCOUNT NAME:KELLEY DRYE & WARREN LLP
ACCOUNT #:135-046110
PLEASE INDICATE CLIENT, MATTER AND
INVOICE NUMBER AS PAYMENT REFERENCE



State of New Mexico Purchase Order

PO Number to be on all Invoices and Correspondence

CHANGE ORDER

Dispatch via Print

Game and Fish Department

PO Box 25112
Santa Fe NM 87504
United States

Vendor: 0000072518
KELEHER & MCLEOD PA
PO BOX AA
ALBUQUERQUE NM 87103

Purchase Order 51600-0000030708	Date 02/14/2012	Revision 4 - 05/11/2012	Page 1
Payment Terms Pay Now	Freight Terms FOB Destination	Ship Via Best Way	
Buyer KAREN ALLISON	Phone		

Ship To: #1 Wildlife Way
Santa Fe NM 87507
United States

Bill To: #1 Wildlife Way
Santa Fe NM 87507
United States

Origin: EXC Excl\Excl #: 13-1-99 C

Line-Sch	Item/Description	Mfg ID	Quantity	UOM	PO Price	Extended Amt	Due Date
1- 1	Legal Services		1.00	EA	45,000.00	45,000.00	02/14/2012
	51600-19800-2101000000-535500- - - - -112-10000						
	Schedule Total					<u>45,000.00</u>	
	Item Total					<u>45,000.00</u>	
2- 1	Legal Services		1.00	EA	20,000.00	20,000.00	04/10/2012
	51600-19800-2101000000-535500- - - - -112-10000						
	Schedule Total					<u>20,000.00</u>	
	Item Total					<u>20,000.00</u>	
	Increase to purchase order adding line two.						
3- 1	Legal Services		1.00	EA	20,000.00	20,000.00	04/25/2012
	51600-19800-2101000000-535500- - - - -112-10000						
	Schedule Total					<u>20,000.00</u>	
	Item Total					<u>20,000.00</u>	
	Total PO Amount					<u>85,000.00</u>	

Agency Approval - I certify that the proposed purchase represented by this document is authorized by and is made in accordance with all State (and if applicable Federal) legislation rules and regulation. I further certify that adequate unencumbered cash and budget expenditure authority exists for this proposed purchase and all other outstanding purchase commitments and accounts payable.

Authorized Signature

James S. Lane

Keleher & McLeod, P.A.

Attorneys at Law
PO Box AA
201 Third Street NW, Suite 1200
Albuquerque, NM 87103
505-346-4646
ID #85-0257823

P.O. Box 25112
Santa Fe, NM 87504

March 08, 2012
Invoice 113855
File No.: 12646-00001

Re: WildEarth Guardians v. James Lane and Jim McClintic

INVOICE SUMMARY

Fees	\$1,640.00
Disbursements	\$0.00
Tax	114.80
BALANCE DUE THIS INVOICE	<u>\$1,754.80</u>
TOTAL BALANCE DUE	<u><u>\$1,754.80</u></u>

PLEASE REMIT WITH PAYMENT
WE ACCEPT AMERICAN EXPRESS, DISCOVER, MASTERCARD AND VISA

Payment amount: \$ _____ Visa _____ MasterCard _____ American Express _____ (check one)
Expiration Date: _____ Billing Zip: _____
Account Number: _____ V-Code (required): _____
Signature: _____

Invoice 113855

File No.: 12646-00001

Keleher & McLeod, P.A.

Attorneys at Law

PO Box AA

201 Third Street NW, Suite 1200

Albuquerque, NM 87103

505-346-4646

ID #85-0257823

v65373

P.O. Box 25112
Santa Fe, NM 87504

May 10, 2012
Invoice 114775
File No.: 12646-00001

Re: WildEarth Guardians v. James Lane and Jim McClintic

INVOICE SUMMARY

Fees	\$4,560.00
Disbursements	\$3.20
Tax	319.20
BALANCE DUE THIS INVOICE	\$4,882.40
TOTAL BALANCE DUE	\$4,882.40

*ok to pay
James Lane
5/11/12*

PLEASE REMIT WITH PAYMENT
WE ACCEPT AMERICAN EXPRESS, DISCOVER, MASTERCARD AND VISA

Payment amount: \$ _____ Visa _____ MasterCard _____ American Express _____ (check one)
Expiration Date: _____ Billing Zip: _____
Account Number: _____ V-Code (required): _____
Signature: _____

Invoice 114775

File No.: 12646-00001

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

WASHINGTON HARBOUR, SUITE 400

3050 K STREET, NW

WASHINGTON, DC 20007

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STAMFORD, CT
PARSIPPANY, NJ

BRUSSELS, BELGIUM

AFFILIATE OFFICE
MUMBAI, INDIA

FACSIMILE
(202) 342-8451
www.kelleydrye.com

DIRECT LINE: (202) 342-8864

EMAIL: ikasdan@kelleydrye.com

February 22, 2012

Via Email (PDF)

James Lane, Director
New Mexico Department of Game and Fish
P.O. Box 252112
Santa Fe, NM 87504

Re: Engagement Letter Agreement

Dear Mr. Lane:

We are very pleased that you, in your official capacity as Director of the New Mexico Department of Game and Fish (“you”; “your”; etc.), have agreed to have Kelley Drye & Warren LLP (“Kelley Drye”; “we”; “our”; etc.) serve as your legal counsel to defend you in the lawsuit pending in Federal District Court in New Mexico, captioned Wild Earth Guardians v. Lane, et al. (the “Lawsuit”). Consistent with the rules of professional responsibility that govern all attorneys, it is our firm’s practice to advise clients in writing of the terms and conditions under which we undertake a representation.

Scope of Representation. You have engaged us to defend you in the Lawsuit. It is our understanding that our engagement to defend you in the Lawsuit has been approved and authorized by the Governor of New Mexico, as well as by the New Mexico State Game Commission (the “Commission”), and that the Governor and the Commission have the appropriate authority to approve our hiring. *If our understanding in this regard is incorrect please let us know immediately, as we are relying on that understanding in going forward with the representation.* We further understand that Jim McClintic, Chairman of the Commission, who was sued in the Lawsuit in his official capacity as Chairman of the Commission, will be a client of ours in this Lawsuit, too.¹ We are simultaneously sending him an engagement letter for his review and signature. Both this letter and the one to Mr. McClintic contain terms and

¹ Reference to Mr. McClintic herein will be in his official capacity as Chairman of the Commission.

KELLEY DRYE & WARREN LLP

Jim McClintic, Chairman
New Mexico State Game Commission
February 22, 2012
Page Two

and the one to Mr. Lane contain terms and conditions applicable in cases such as this one where there is joint representation. See the section titled "Joint Representation" below.

This letter and the Terms and Conditions that are attached below and which are incorporated herein apply to our representation of you in the Lawsuit, and will also apply to any additional legal services that we agree to provide in the future for which a separate written agreement is not executed. For example, we understand that another potential plaintiff is thinking of suing you relating to the same or similar claims in the Lawsuit. If that transpires it is possible that the new lawsuit would be consolidated with the pending Lawsuit. Thus, if you would want to have us represent you in the new lawsuit and receive appropriate authority, you can so inform us and, if we agree to that representation also, then the terms of this letter would govern that representation too.

After completion of this engagement, changes may occur in the applicable laws or regulations that may have an impact upon your future rights and liabilities. Unless you specifically engage us to provide additional services after the completion of this engagement, Kelley Drye does not undertake to advise you with respect to future legal developments relating to the subject matter of this engagement.

Joint Representation. In the Lawsuit, our clients will be you, and Mr. Lane.² Certain unique issues are presented by this joint representation as follows:

a. Confidentiality and Attorney-Client Privilege.

1. Disclosure to Co-Clients – you agree that we may share with Mr. Lane any information provided to us or obtained by us from you or from any other source in connection with this engagement. In other words, you should assume that we will disclose all information we receive from you or from any other source to Mr. Lane.

2. Subsequent Adversity Between you and Mr. Lane – The attorney-client privilege will not protect from disclosure communications between you and Kelley Drye in a subsequent adverse proceeding between you and Mr. Lane, should such proceedings, which we have no reason at this time to anticipate, ever arise.

b. Conflicts of Interest.

² We note that parallel terms as set forth in this section title "Joint Representation" are found in engagement letter we are sending to Mr. Lane.

KELLEY DRYE & WARREN LLP

James Lane, Director
New Mexico Department of Game and Fish
February 22, 2012
Page Three

b. Conflicts of Interest.

1. A lawyer may represent two or more clients as co-clients in a matter only if there is no conflict of interest between/among them or, if a conflict exists, each co-client gives its informed consent to the representation. We can undertake the representation of you and Mr. McClintic in the Lawsuit because so far as we can determine, at this early stage, there is no conflict of interest between you and Mr. McClintic as all of your and Mr. McClintic's interests are aligned.

Although this is not something that we anticipate, as the Lawsuit progresses relative interests may diverge. If so, we may nonetheless be able to continue to represent you and Mr. McClintic with informed consent from you and him. We retain the right to decide, in the event such conflicting interests emerge, whether to (a) request informed consent, if consent is permitted under the lawyer ethics rules, or (b) to choose not to request it and to withdraw from representing one or more of the conflicted parties, consistent with the applicable lawyer ethics rules.

If at any point we identify that there is a likelihood that your and Mr. McClintic's interests are no longer aligned, we will endeavor to give you sufficient notice in order for you to be able to obtain new counsel so that you will not be prejudiced in the event that we can no longer represent you. We will do the same for Mr. McClintic.

2. Kelley Drye is a general service law firm that represents numerous clients, nationally and internationally, over a wide range of industries and matters. These may include debtors, creditors, and competitors of you. As a result, a conflict of interest might arise that could deprive you or other clients of the right to select Kelley Drye as their counsel. Accordingly, you agree to consider and discuss with us in good faith waiving any conflict of interest that Kelley Drye may bring to your attention that involves another client who has interests adverse to you on any matter that is not substantially related to (a) the legal services that we are rendering to you under this engagement, and (b) other legal services that Kelley Drye has rendered, is rendering, or will render to you.

3. If a conflict arises through no fault of our law firm, you agree that such circumstances will not be a basis for you to disqualify Kelley Drye in this or any other matter in which we may be representing you. If a conflict arises because Kelley Drye merges with another law firm or a particular lawyer joins our firm, you agree that it will be a sufficient remedy to screen such lawyer or lawyers from our engagement(s) for you, including from access to any relevant documents.

KELLEY DRYE & WARREN LLP

Jim McClintic, Chairman
New Mexico State Game Commission
February 22, 2012
Page Four

legal services to you and bill the New Mexico Department of Game and Fish, from whose budget we understand the defense in the Lawsuit will be paid. Please refer to the attached Terms and Conditions that are incorporated herein, for further billing and related details, including our hourly rates in connection with the Lawsuit.

Opinions Expressed by Counsel. We will endeavor to serve you effectively and strive to represent your interests vigorously. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed. You know that the outcome of this litigation matter is uncertain, and you understand that we have made and can make no promise or guarantee, by this letter or otherwise, about the outcome.

Cooperation of Client. For us to provide these services effectively, you agree to disclose fully and accurately all pertinent facts and keep us apprised of all developments relating to the issues involved in the Lawsuit. You further agree otherwise to cooperate fully with us and to be available to attend such meetings, conferences, hearings, and other proceedings as is appropriate.

Please review this agreement carefully, and if you have any questions concerning the foregoing or our Terms and Conditions, do not hesitate to contact us. You also should, of course, feel free to obtain independent legal advice about any of the provisions of this agreement about which you have questions. If this agreement is acceptable to you, please acknowledge that you have reviewed it, understand it, and desire to retain us on the basis of the terms of this letter and attachment by signing and delivering to us the enclosed copy, at which point we shall commence our representation of you. We recommend that you keep a copy of this letter and our Terms and Conditions in your file.

We want our clients to be more than satisfied with our services. To that end, please contact me or any of the other attorneys with whom you are working if you ever have any questions or suggestions about how we might improve.

Thank you for allowing us to be of service. We look forward to working with you.

[space to end of page left blank deliberately]

KELLEY DRYE & WARREN LLP

James Lane, Director
New Mexico Department of Game and Fish
February 22, 2012
Page Five

Very truly yours,



Laurence J. Lasoff
Ira T. Kasdan

THE ABOVE AGREEMENT IS
ACCEPTED AND AGREED TO:

By: James Lane J
Name

DIRECTOR
Title

Date: 2/24/12

TERMS AND CONDITIONS OF ENGAGEMENT

1. **Termination:** You have the right to terminate our representation by written notice at any time, subject to court approval if required in a pending proceeding. We have the same right to terminate our engagement for any reason, consistent with the applicable rules of professional responsibility, including without limitation non-payment of fees or expenses, if you insist upon taking action that we consider repugnant or with which we have a fundamental disagreement, or any other conduct that we deem to be inconsistent with the rules of professional conduct or any other law. If required, we will provide notice to or obtain permission from a court or other tribunal prior to terminating our representation. Unless previously terminated, Kelley Drye's representation of you will terminate upon delivery of our final statement (so marked) for services rendered on the engagement, notwithstanding that we may be listed as your agent to receive any kind of notice or that we may retain possession of certain of your files relating to this engagement.

2. **Applicable Law:** The laws of the District of Columbia will govern the interpretation of this agreement and our attorney-client relationship.

3. **Confidentiality.** We take reasonable measures to treat as confidential all confidences and secrets of our clients, to the extent permitted by law. Under the rules of professional responsibility, a lawyer is generally permitted to reveal client confidences, among other reasons, when reasonably necessary to prevent substantial bodily harm, prevent the client from committing certain crimes or fraud, secure legal advice about the lawyer's compliance with the rules of professional responsibility, and in a controversy between the lawyer and client.

4. **Dispute Resolution.** Any dispute relating to this engagement shall be decided exclusively by a state or federal court sitting in The District of Columbia without a jury. **Both Kelley Drye and you consent to the jurisdiction of those courts and waive any right to a trial by a jury.**

5. **Retention of Records.** Our policy is to keep each client's legal records for a reasonable time after an engagement has ended, after which we may destroy those records according to our retention schedule. We will use reasonable efforts to give you at least 30 days notice before we destroy your records. You are responsible to notify us about any change in your name or address so that we may provide such notice. If a you want to make any special arrangements, you should raise them with us at or prior to conclusion of the engagement.

6. **Attorney-Client Privilege for Internal Communications.** We believe that it is in our clients' interest that Kelley Drye have the protection of the attorney-client privilege (which restricts disclosure of confidential communications between attorney and client) in connection with internal reviews of our work for you. You agree that (a) any communication between any of our lawyers or staff and a lawyer at Kelley Drye who may be reviewing their work for compliance with professional conduct rules will be protected by the Firm's own

KELLEY DRYE & WARREN LLP

attorney-client privilege, and (b) any such review will not constitute a conflict between our interests and your interests.

7. **Fees.** We take a number of factors into account in billing for services rendered. The principal factor is our schedule of hourly rates, and most statements for services are the product of the time worked (in units of tenths of an hour) multiplied by the hourly rates for the attorneys and legal assistants who did the work. You will be billed for all time spent on your behalf, including without limitation conferences, telephone calls, drafting, research, and travel during business hours (though our lawyers try to conduct work for as much of that time as reasonably possible).

It is impossible to determine in advance how much time will be needed, since that depends on many things beyond our control. Any figures we give you for the cost of all or part of our engagement are therefore merely estimates.

Our schedule of hourly rates for attorneys and other members of the professional staff is based on years of experience, specialization in training and practice, level of professional attainment, and overhead costs. Currently our hourly rates range from \$155 for some of our legal assistants to more than \$900 for our most senior partners. Larry Lasoff's current standard rate is \$590/hr.; Ira Kasdan's is \$575/hr.; and Beth Johnson, currently the associate who will primarily be working on the Lawsuit, has a rate of \$380/hr. We reconsider our schedule of hourly rates at the start of each year, and may revise them at that time to reflect changes in our cost structure and market conditions. If we change our rates, the new rates will go into effect immediately without special notice to you and will be reflected in our next bill thereafter. Upon request at any time, we will provide you with the rates of those professional staff working on an engagement.

For this Lawsuit during calendar year 2012, we will bill all attorneys at a blended rate of \$450/hr. We will bill legal assistants at their standard rate, to the extent that we utilize their services. We reserve the right, however, to increase this blended rate for ensuing calendar years by 5%/year, should the Lawsuit continue beyond 2012. We also will evaluate our monthly invoice before it is sent to you and compare our total fees based on our standard rates to the blended rate of \$450/hr., and will charge you the lower of the two amounts (*i.e.*, if the preliminary bill based on our standard rates is lower than the preliminary bill based on the blended rate, we will compute the final bill based on the former and charge you the lower amount). There will be one combined bill for the work that we do for you and for Mr. Lane (*i.e.*, we of course will not be "double billing" you and Mr. Lane for the same work in the Lawsuit) and we will be sending our invoices to Mr. Lane for payment.

8. **Costs.** It is usually necessary for us to incur, as agent for our clients, expenses for items such as filing fees, travel, lodging, meals, toll telephone calls, photocopying, facsimiles ("fax"), and courier services. Many engagements require substantial amounts of costly ancillary services such as outside duplication and computerized legal research. In order to allocate these expenses fairly among our clients and to keep our hourly rates as low as possible,

KELLEY DRYE & WARREN LLP

these items are separately itemized on our statements as “costs advanced” or “disbursements.” We bill at cost for charges paid to third parties, while charges for Kelley Drye’s internal services are billed at our usual and customary rates, taking into account the cost of equipment and associated labor. We regularly seek to negotiate special rates with outside vendors and providers based on volume.

9. **Billing.** Fees and expenses will be billed monthly unless we agree otherwise in writing. Payment is due upon presentation of our invoice within 30 days.

10. **Late Payments.** To avoid burdening those clients who pay their statements promptly with higher fees reflecting the added costs we incur as a result of clients who are delinquent, we reserve the right to impose an interest/service charge of one percent per month for late payments. In no event will the service charge be greater than permitted by applicable law.

11. **Non-Payment of Fees and Costs.** Failure to pay any statement rendered when due will constitute a default. In the event that the client deliberately disregards the client’s obligation to pay our fees or expenses, in our discretion we may immediately cease all legal services on your behalf and/or withdraw as counsel in any pending proceeding (subject to any applicable court rule, rule of professional responsibility, or other provision of law, and subject to obtaining permission of any tribunal if required). If necessary, we will file a copy of or otherwise disclose the contents of our letter of engagement in the proceeding. In the unlikely event that we are required to institute legal proceedings to collect fees and costs owed by you, the prevailing party will be entitled to reimbursement of its reasonable attorneys’ fees and other costs of collection. If Kelley Drye decides to represent itself and is the prevailing party, we shall be entitled to recover based on our standard rates and time expended.

GOVERNOR
Susana Martinez



DIRECTOR AND SECRETARY
TO THE COMMISSION
James S. Lane, Jr.

STATE OF NEW MEXICO
DEPARTMENT OF GAME & FISH

One Wildlife Way
Santa Fe, NM 87507
Post Office Box 25112
Santa Fe, NM 87504
Phone: (505) 476-8008
Fax: (505) 476-8124

Visit our website at www.wildlife.state.nm.us
For information call: (505) 476-8000
To order free publications call: (800) 862-9310

STATE GAME COMMISSION

JIM McCLINTIC
Chairman
Albuquerque, NM

THOMAS "DICK" SALOPEK
Vice-Chairman
Las Cruces, NM

DR. TOM ARVAS
Albuquerque, NM

SCOTT BIDEgain
Tucuman, NM

ROBERT ESPINOZA, SR.
Farmington, NM

PAUL M. KIENZLE
Albuquerque, NM

BILL MONTOYA
Alto, NM

February 28, 2012

Mr. Ricky Bejarano, State Controller
Financial Control Division
Department of Finance and Administration
166 Bataan Memorial Building
Santa Fe, NM 87503

RECEIVED
MAR 01 2012
DFA
FINANCIAL CONTROL

Dear Mr. Bejarano:

The Department has processed two purchase orders for emergency purchases. On February 1, 2012 and February 2, 2012, Jim Lane, Director of our Department was notified of two pending lawsuits regarding a portion of our licensing program and the management of Mexican gray wolves. In the notice of suits, the Department had 21 days to respond. On February 13, 2012, the Director was notified by the State of New Mexico, Risk Management Division (RMD) that RMD would not cover either suit for the Department because both are regarding federal constitutional issues.

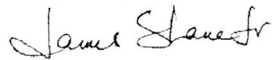
The Department does not currently have staff legal counsel to represent the Department in this suit nor can RMD. Because of their expertise and ability to respond on behalf of the Department by February 21, 2012, as required by the notification, the Department has processed an emergency procurement for the Keleher & McLeod PA legal firm to address the licensing operations lawsuit. We are estimating that the costs for this suit could be \$45,000 in total. However because it is unclear as to the totality of the suit, it could be more. The Keleher & McLeod PA legal firm is known for their ability in handling these types of suits and due to the promptness in which they can respond, the Department believes it is best to hire the Keleher & McLeod PA legal firm. They were recommended by RMD and the Governor's Office has approved of their use.

Regarding the lawsuit for the management of the Mexican gray wolf, the Department worked with the Governor's Office to find a law firm capable of handling the suit. The Kelley Drye & Warren, LLP was selected. They are currently working to respond to a number of legal proceedings regarding this case. The initial purchase order is for \$10,000 but the Department is

expecting that the cost will be much higher. We are currently working with the Budget Division of DFA to obtain a budget adjustment request to be able to support payment to Kelley Drye & Warren, LLP.

If you have questions regarding these emergency procurements, please contact Patrick Block, Assistant Director of Support Services 505-476-8011.

Sincerely,

A handwritten signature in cursive script that reads "James S. Lane, Jr.".

James S. Lane, Jr.
Director

JSL/as
Enc.: 2 purchase orders
Cc: Larry Maxwell, State Purchasing Agent