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May 30, 2017

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Federal Election Commission
Office of Complaints Examination and Legal Administration
Attn: Donna Rawls, Paralegal
999 E Street, N.W.
Washington, D.C. 20463

RE: Response in MUR 7183

To Whom It May Concern:

The Thornton Law Firm ("the Firm"), Michael Thornton, Amy Thornton, Garrett Bradley, and David Strouss (collectively "the Respondents" in the above-referenced matter) respectfully submit this Response to the Federal Election Commission ("the Commission") letters dated November 7, 2016 and November 22, 2016.[1] The Respondents submit the information in this Response pursuant to Federal Rules of Evidence 408 and 410.

On October 29, 2016, the Boston Globe published an article titled "Law Firm 'Bonuses' Tied to Political Donations." Based on anonymous sources, the article inaccurately alleged that the Firm reimbursed Thornton, Bradley, and Strouss for political contributions. On November 2, 2016, the Campaign Legal Center and Sandhya Bathija – neither of whom is known to the Respondents in any personal or professional capacity – submitted a complaint to the Commission alleging that the Respondents violated federal campaign finance laws. The complaint's allegations were entirely based on the Globe's erroneous allegations. As explained more fully below, the Globe article and the complaint fail to grasp and comprehend that partnerships inherently operate differently from corporations with respect to tax and accounting procedures. This case is **not** a conduit contribution case and it is not an instance of a corporation reimbursing employees for their political contributions through bonuses or reimbursement checks. The Respondents urge the Commission to carefully examine and consider this Response, which shows that the Respondents clearly acted within the permissible boundaries of federal campaign finance laws.

[1] The Thornton Law Firm, Michael Thornton, Garrett Bradley, and David Strouss received letters from the FEC dated November 7, 2016. Amy Thornton received a letter from the FEC dated November 22, 2016.

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Overview of the Firm's Practices Regarding Political Contributions

The Thornton Law Firm is committed to social justice and protecting the rights of individuals unfairly injured or defrauded. The Firm has represented individuals in a wide variety of matters, including asbestos victims, children and their families who suffer from life-altering birth defects, consumers and taxpayers who have been victimized by financial fraud, and individuals who have suffered from serious personal injury or illness due to exposure to hazardous chemicals or other toxic substances. The Firm and its partners have demonstrated a longstanding commitment to supporting groups and individuals whose work and advocacy align with the Firm's mission, and the Firm and its partners make both charitable and political contributions to such groups and individuals.

In supporting political candidates, individual equity partners have held political fundraisers at the firm for a variety of local, state, and national political candidates.[2] To plan and host a fundraiser, a firm administrative assistant would assist the partner in determining a date for the fundraiser, and then the firm administrative assistant would work with the candidate's campaign staff to draft an invitation, determine attendees, and coordinate a number of other logistical items. Equity partners at the Firm were notified of an upcoming fundraiser, and those partners had the choice as to whether to contribute to the candidate or not. If the partner contributed to a campaign, the partner did so with his own personal check or personal credit card. On the day of the fundraiser, a firm administrative assistant would collect the checks or credit card information (if the contribution was not already made online) and present them to the political candidate. The administrative assistant then delivered the partners' contribution information to the firm's office manager, who, over time, worked with the Firm's Accounting department to distribute – *via a draw from each equity partners' capital account* – money corresponding to the political contribution back to each equity partner.

Non-equity partners, associates, and staff were invited to attend the political fundraisers held at the Firm, but they were never asked to contribute to political candidates. Occasionally a non-equity partner or associate decided on their own to contribute to a political candidate, but the Firm never reimbursed a non-equity partner or associate for a political contribution. In addition, outsiders of the firm, including Amy Thornton, sometimes attended fundraisers and made political contributions, but none of these outside individuals were ever reimbursed by the Firm for their contributions. Despite the Globe's insinuations, the evidence is clear that this is **not** a conduit contribution case, as the Firm was not reimbursing its employees or any other individuals for political contributions.

Furthermore, partnerships, unlike corporations, are permitted under federal law to contribute to political candidates. And indeed, the Firm did on occasion make political

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[2] Multiple equity partners coordinated and set up fundraisers for political candidates. Contrary to the assertions made by the Globe and the allegations in the complaint, the fact that multiple equity partners shared in the activity of bringing political candidates into the Firm and raising money on their behalf shows that the Firm's political fundraisers were voluntary activities that all of the partners chose to participate in.

contributions in the name of the Firm. For example, on September 27, 2016 the Firm contributed $25,000 to the Hillary Victory Fund. When the Firm desired to make a political donation on behalf of the Firm itself, it knew how to do so. The Firm's equity partners are social justice advocates who were politically active and who chose to exercise their First Amendment rights[3] by spending their own money supporting the political candidates who furthered their professional and personal causes.

2006 Legal Opinion

As the Firm began to engage in political fundraising activity in the early to mid-2000s, the Firm exercised caution and hired an outside law firm, Todd & Weld, a well-known and reputable Boston law firm, to evaluate and analyze the Firm's practices regarding political contributions. On May 23, 2006, Todd & Weld issued a written legal memorandum to the Firm that confirmed that the Firm's practices regarding political contributions – i.e., distributing draws to an equity partner from that equity partner's capital account following a political contribution – was a legal and permissible activity. The legal opinion issued by Todd & Weld is attached to this letter as Exhibit A.

Partnership Accounting Principles

The Thornton Law Firm's counsel, Nixon Peabody LLP, has engaged an experienced accounting forensics expert, Carl Jenkins of Duff & Phelps, to examine the Firm's books and records and to render an opinion as to whether any inappropriate accounting activity took place with respect to political contributions. Mr. Jenkins, a Certified Fraud Examiner, has more than thirty years of experience with financial audits and tax matters. As noted in Mr. Jenkins's affidavit, Mr. Jenkins was not the accountant for the Thornton Law Firm in the ordinary course of business. *See* Jenkins Affidavit, ¶ 3. For all relevant time periods, the Thornton Law Firm's accounting and tax preparation was done by an outside independent accountant.

As explained in Mr. Jenkins's affidavit, attached as Exhibit B, a partnership's tax and accounting procedures operate differently than a corporation's. A corporation is taxed on its profits, pays income taxes, and shareholders are only taxed on dividends. To the contrary, in a partnership, each equity partner's capital account is tracked individually for the following: contributions to the partnership, profits and loss sharing, and draws and distributions. Importantly, equity partners are taxed on their share of the partnership's profits, regardless of whether or not the individual partner withdraws money from his or her capital account or how much is withdrawn. *See* Jenkins Affidavit, ¶ 6.

The following hypothetical demonstrates how this process works within a partnership. Partners A, B, and C of the hypothetical firm "Law Firm Services LLP" have the following profit sharing rations: Partner A owns 50%, Partner B owns 25%, and Partner C owns 25%. In 2015, Law Firm Services, LLP earned revenues of $1,000,000 and incurred $400,000 of

[3] *See, e.g., McCutcheon v. FEC*, 134 S. Ct. 1434 (2014).

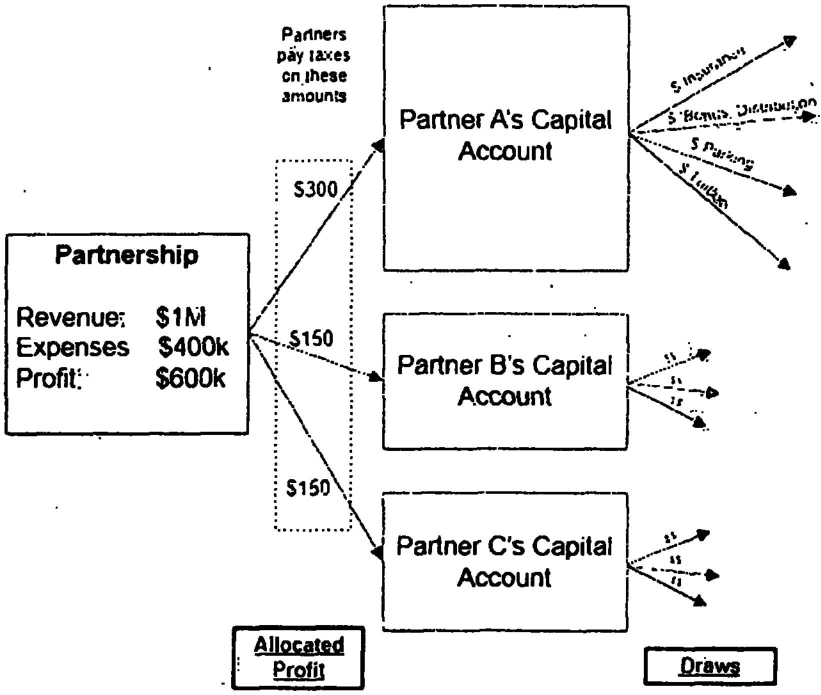
expenses for a profit of $600,000. The profit was allocated to each partner's capital account as follows: Partner A received $300,000 (50% of $600,000); Partner B received $150,000 (25% of $600,000), and Partner C received $150,000 (25% of $600,000). Each partner will report his or her respective allocation of the 2015 profit for income tax purposes, regardless of whether the individual partner withdraws any of the money. *See* Jenkins Affidavit, ¶ 7.

The Thornton Law Firm allocated equity partners' profit allocation into each equity partner's capital account as determined by the Partnership Agreement. The capital account balances represent each partner's individual share of their contributed capital, if any, and the partnership's cumulative earnings not yet distributed. Capital account draws are not revenue or expenses, and as such, they do not impact the partnership's profitability. *See* Jenkins Affidavit, ¶ 8.

The Firm permitted its equity partners to make draws from their capital accounts throughout the year. A common issue with professional (e.g., doctors, lawyers, accountants, etc.) partnerships "is that the partners need to use their share of partnership profits to pay for monthly living expenses. Rather than wait until year-end to distribute their shares of partnership profits, many partnerships allow the partners to make monthly withdrawals against their anticipated shares of profits."[4] And indeed, equity partners at the Firm withdrew money from their capital accounts throughout a given year for a variety of reasons, including, but not limited to, life insurance, mailing expenses, parking, cell phone plans, tuition payments, Uber rides, and even divorce settlements. *See* Jenkins Affidavit, ¶ 9.

The following graphic (using the numbers from the hypothetical example above), demonstrates how the profit allocation and draw process works:

[4] *See, e.g.*, Smith, Ephraim P., et al. *2012 CCH Federal Taxation Comprehensive Topics*. 2011, pg. 20-4.



As the above graphic demonstrates, a draw from capital can be made for multiple purposes.[5] The Firm, rather inartfully and clearly inaccurately, labeled draws from capital for political contributions as "bonuses" until 2015.[6] Despite this incorrect labeling issue, however, the function of the draw from capital remained the same: equity partners drew capital from their after-tax capital accounts for a variety of purposes, one of which was for their own individual political contributions.[7] *See* Jenkins Affidavit, ¶¶ 10 and 11.

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[5] The flimsiness of the complaint – written approximately two to three days following an inaccurate Boston Globe article – reflects the author's sheer ignorance of the facts at issue in this case. For example, paragraph sixteen of the complaint alleges that "There is no evidence that Thornton Law Firm partners have been allowed to draw advance payments from their capital account for any other purpose besides political contributions." Clearly, the complaint's author had no access to or any familiarity with the Firm's books and records or how draws from capital actually worked at the Firm. Furthermore, the Firm did obtain a written, legal opinion from a reputable Boston law firm that analyzed the Firm's practices with respect to political contributions. The complaint's allegations should be discredited, as the author has no familiarity with the facts at issue and simply regurgitated a highly inflammatory and factually inaccurate Globe article. The Firm should not be subjected to a "trial by newspaper article," and the Respondents urge the Commission to examine the actual facts as presented in this Response.

[6] Draws from capital for political contributions are now labeled as "draw from capital."

[7] The Advisory Opinion cited in the complaint, AO 2009-31 (MAXIMUS, Inc.) actually supports the Firm's conduct in this case. The equity partners' capital accounts were not solely used for the partners' political contributions, and the amount of capital in an account was not determined by an equity partner's political contributions, but rather was predetermined by the Firm's partnership agreement. *See, e.g.*, Exhibit C (the Thornton Law Firm's most recent partnership agreement).

Occasionally, some equity partners withdrew more than the amount of the balance that was in their capital accounts. As outlined in the firm's partnership agreement, any overdraw was treated as a loan to the equity partner, and the partner was required to pay back the loan through their profit allocations in subsequent years, or it was included in a negotiated settlement where the loan balance was distributed to the partner upon his departure and then that distribution was included in the departing partner's taxable income. Furthermore, the Firm's cash flow basis was not regular, as the Firm's cash flow depended on when settlement money from ongoing cases came into the Firm. The Firm regularly had fluctuating levels of cash available throughout the year. *See* Jenkins Affidavit, ¶ 12.

Mr. Jenkins has reviewed the firm's books and records, and he has independently verified that the individual equity partners' political contributions were disbursed to those partners as draws from their capital accounts. Furthermore, he has reviewed the Firm's tax filings from 2012 to the present, and he has determined that the individual equity partners had their share of the firm's profits included in their taxable income, regardless of the draw activity. *See* Jenkins Affidavit, ¶ 13.

Despite the allegations in the Globe and in the complaint, an anonymous, disgruntled ex-employee's failure to understand the above tax and accounting principles does not transform the Firm's accounting practices into illegal activity. The Firm's books and records clearly show that the equity partners were taxed on their profits, and the equity partners were able to make after-tax distributions from their capital accounts for a variety of reasons, one of which was for political contributions. The after-tax money in the equity partners' accounts was theirs to spend as they deemed appropriate.

Conclusion

The Respondents' conduct was legal and fell within the permissible boundaries of the federal campaign finance laws. Indeed, the Respondents exercised extraordinary care and caution in ensuring that their conduct was legal when they hired an outside Boston law firm to examine the Firm's practices regarding political contributions. The Respondents believe that the Boston Globe has not fairly or accurately described the Firm's political contributions practices. The Respondents urge the Commission to carefully consider the information contained within this Response and to reach the determination that there is no reason to believe that a violation has occurred. The Respondents' accounting expert, Carl Jenkins, is available to meet with the Office of General Counsel staff in order to answer any questions and explain the accounting principles that support the basis of his opinion.

Please do not hesitate to reach out to me if I can be of further assistance at this time.

Sincerely,

Brian T. Kelly

Enclosures

Exhibit A

TODD & WELD LLP
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CHRISTOPHER WELD, JR.
Email: cweld@toddweld.com

CONFIDENTIAL-ATTORNEY-CLIENT COMMUNICATION

MEMORANDUM

TO: NEIL LEIFER

FROM: CHRISTOPHER WELD, JR.

DATE: MAY 23, 2006

RE: THORNTON NAUMES/CAMPAIGN FINANCE: REIMBURSEMENT OF CAMPAIGN CONTRIBUTIONS WITH PARTNERSHIP CAPITAL ACCOUNTS

ISSUE:

May individual partners at a law firm organized as a partnership be reimbursed for political contributions they have made from personal checking and savings accounts through a corresponding reduction from his/her partnership capital accounts, even where the capital account balance may be negative?

FACTS:

Our client, a law firm, is organized as a partnership with each individual partner a part owner of the law firm. The individual partners all have capital accounts which are personal to them and can carry positive or negative balances. In the past when political fundraisers at both the state and federal level have been held and hosted by the law firm, individual partners have made contributions to political candidates from their personal checking accounts which have later been reimbursed by the firm. The payment to the partners is accounted for through a corresponding debit to those individuals' partnership capital accounts. This has been done in a way such that a positive balance is reduced by the amount of the political contribution. A negative balance in the capital account is increased by the amount of the political contribution. Each individual partner's contribution to a given candidate is within annual contribution limits required by applicable state or federal law.

ANALYSIS:

Massachusetts State Law

Under 970 C.M.R. 1.04 (3) "a contribution check drawn on a partnership account may only be accepted if attributable to individual partners." See Exhibit A. On December 10, 1993, the Massachusetts Office of Campaign and Political Finance issued an advisory opinion, AO-93-29 to the law firm Hinckley Allen and Snyder, attached as Exhibit B.[1] Hinckley Allen requested an advisory opinion regarding the method used by its partners when making contributions to candidates for Massachusetts state and local office. Each partner there was a signatory on a demand deposit account. In order for a check to be written from the individual partner's demand deposit account, the partnership would be required to deposit funds in that amount to the partner's demand deposit account, and when it did so, the law firm would reduce the amount of undistributed partnership earnings otherwise owed to the contributing partner by the amount of the contribution. The Director of OCPF found that this approach was acceptable under Massachusetts law and that it complied with 970 C.M.R. 1.04(3), because "the contributions are clearly attributable to individual partners rather than the partnership." The Director went on to note that "as long as each partner's contributions stayed within [the maximum individual annual contribution] the contributions which you have described comply with M.G.L. c. 55." The Director did note in her letter that she "assumed that the partnership would not allow a partner to make contributions from the demand deposit account exceeding the partner's share in undistributed partnership earnings" and that "no direct or indirect reimbursement of any kind is made by the partnership or any other partner to the individual partner making the contribution and that no partner is entitled to any greater or lesser percentage of partnership earnings on account of his or her level of contributions."

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Thus, under Massachusetts law, the standard for political contributions by a partnership is that the contributions must be "clearly attributable to individual partners" rather than to the partnership generally. This would appear to allow the reimbursement through an individual partner's capital account to their personal account where there is a positive balance; it is unclear how significant the fact that there were no "overdraws" on any individual partner's undistributed partnership earnings was to the OCPF's analysis in its Advisory Opinion. In our situation, the answer is likely to depend on the nature of a partner's obligation to repay a negative capital account ultimately.

[1] On a telephone call the week of May 1, 2006, an assistant counsel at OCPF stated verbally that except for the lower maximum contribution limit allowed per year, he understood that Advisory Opinion No. 93-29 is still viable according to the office's current interpretation, and that he could confirm this with an informal communication by electronic mail.

In our instance, the contribution is being made directly from a personal account of each partner. Thus, the attribution requirement would seem to be clearly satisfied. Further, the reduction to a positive capital account is comparable to the permitted Hinkley, Allen situation as the capital account effectively constitutes retained earnings under the Partnership Agreement. With regard to reduction to a negative capital account, the Partnership Agreement contemplates that negative capital account is converted to a loan to the partner payable out of the following year's profits. Accordingly, assuming the increase in the negative capital account constitutes a real personal obligation of the partner, the debit to that account would likely satisfy the requirement that the contribution be funded by the person to whom it has attributed.

Federal Law

Under 11 C.F.R. § 115.4(b) "individual partners may make contributions or expenditures in their own name from their personal assets." See Exhibit C. Further, 11 C.F.R. § 110.1(e) states:

a contribution by a partnership shall be attributed to the partnership and to each partner—

(1) in direct proportion to his or her share of the partnership profits according to instructions which shall be provided by the partnership to the political committee or candidate; or

(2) by agreement of the partners, as long as –

(i) only the profits of the partners to whom the contribution contributed are reduced (*or loss if increased*), and

(ii) these partners profits are reduced (*or loss if increased*) in proportion to the contribution attributed to each of them.

See Exhibit D (emphasis added). Thus, under Federal law, so long as contributions are made from a partnership from "personal assets," it appears that a partnership may make contributions through individual partners.

In 1981, the Federal Election Commission (FEC) issued an advisory opinion, No. 1981-50, attached as Exhibit E, in which a law firm offered a bookkeeping service to encourage members of the partnership to make contributions to candidates for federal office. If a partner "checked off" or designated individuals to receive a political contribution, the partnership would make a payment identifying the donor and that partner's account would be charged for the appropriate amount. Noting that "nearly all state partnership statutes follow the Uniform Partnership Act which has largely utilized the entity theory of a partnership," which "views the partnership as having an identity separate from that of all the partners," the Commission did not find this "clearinghouse" approach to have transformed the law firm into a "political committee" under 2 U.S.C. § 431(4), and the arrangement was found to be acceptable under FEC regulations. The commission did note that "the plan does not require members as a condition of participation to designate any amount on an annual basis or to contribute to any particular candidate or class of candidates." The Commission also found it significant that "because the contribution to a candidate is made by the partnership and attributable to individual members" … "the prescribed plan does not involve the collection of many separate contributions from individual members from the partnership for the same candidate."

Similarly, in Advisory Opinion No. 1982-13, the FEC found permissible a law firm partnership reaching an agreement as to the aggregate amount of money each of them would donate for partnership contributions and how each of the contributions would be attributed to them. See Exhibit F. The Commission found that "by permitting a partner to object to having

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any amount of a particular contribution attributed to him or her, the plan did not require any partner to contribute to any particular or class of candidates."

It should be noted that 2 U.S.C. § 441f states "no person shall make a contribution in the name of another person who knowingly permits his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person." See Exhibit G. For this reason, the organization of capital accounts and manner in which individual partners have made, or elected not to make, any contributions to political candidates will be significant. For example, if 30 partners uniformly made contributions to all candidates or were forced to do so by the partnership, such a contribution may arguably become a $30,000 contribution on behalf of the partnership which would be seen as an excessive and unlawful single entity contribution. There would likely also be a separate violation of 2 U.S.C. § 441f regardless of the contribution limit problem. The Federal Election Commission has prosecuted individuals who "directed and controlled" contributions by different partnerships and individuals based upon facts where one individual created several partnerships and used family members and friends as nominal principles of those partnerships. See In Re Charles Kushner FEC Factual Analysis, MUR 5279, attached as Exhibit H.

CONCLUSION:

Although under Massachusetts law a contribution may be made if it is "clearly attributable to individual partners," the analysis set forth in the 1993 OCPF Advisory Opinion does note make clear whether this approach would be allowable for "debits." However, as a matter of logic, the permissibility of a debit to a negative capital account would likely rest on whether the negative account is a personal obligation of the partners in the nature of a loan. Similarly under federal law, (i) whether the contributions have been made under an "opt out" approach such that there is no direction and control of contributions to individual candidates by the partnership; and (ii) whether the capital accounts would be deemed a "personal asset" (or liability) to an individual partner, rather than a partnership asset, will likely be determinative of the ultimate issue. As a general matter, Advisory Opinion 1982-13 would suggest the current arrangement is permissible provided that each partner is not "forced" to contribute, contributions are allocated among partners within permissible limits and the capital accounts (positive or negative) are personal assets (or liabilities) of each individual partner.

The most conservative approach would be to seek a public advisory opinion from the Federal Election Commission after describing the factual background in detail in a letter to the Commission. This allows for a "good faith" reliance upon the analysis should the Commission approve the approach. See 2 U.S.C. §437f(c), attached as Exhibit I. Under federal law, an advisory opinion must be responded to within 60 days. See 2 U.S.C. §437f(a)(1), id. This approach may also be worthwhile under Massachusetts law to clear up any uncertainty about increasing a partner's debt on a capital account to make a political contribution.

Please feel free to contact me with any thoughts or question regarding the enclosed.

Exhibit B

BEFORE THE FEDERAL ELECTION COMMISSION

The Thornton Law Firm, Michael Thornton, Amy Thornton, Garrett Bradley, and David Strouss	)	MUR 7183

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AFFIDAVIT OF CARL JENKINS

CARL JENKINS, affirms under the penalties of perjury:

1. I make this affidavit based upon my review of certain Thornton Law Firm materials as provided to me by Nixon Peabody LLP.

2. I am presently a Managing Director and the global leader for the Disputes and Investigations practice at Duff & Phelps in Boston, MA. I earned a Bachelor of Science in Business Administration, with a concentration in Accounting and Finance, from Boston University in 1978. I earned a Masters of Science in Taxation from Bentley University in 1982. I have more than thirty years of experience with financial statement audits and tax return preparation and tax consulting, mergers and acquisitions, valuations, white collar investigations, and general financial and business consulting.

3. I was retained by Nixon Peabody LLP in 2017 in order to assist Nixon Peabody in rendering legal services to the Thornton Law Firm. Specifically, I have assisted Nixon Peabody in examining the Thornton Law Firm's tax and accounting procedures as they relate to political contributions. I am not the accountant for the Thornton Law Firm in the ordinary course of business.

4. In the course of my work on this matter, I have reviewed the Thornton Law Firm's tax filings from 2012 through 2015; the Thornton Law Firm's partnership agreements; and the Thornton Law Firm's general ledger from 2012 through 2016.

5. Based upon my review of the documents referenced in paragraph four, as well as my experience and education, I provide the following opinions:

6. A partnership's tax and accounting procedures operate differently than a corporation's. A corporation is taxed on its profits, pays income taxes, and shareholders are only taxed on dividends. In a partnership, each equity partner's capital account is tracked individually for the following: contributions to the partnership, profits and loss sharing, and draws and distributions. Importantly, equity partners are taxed on their share of the partnership's profits, regardless of whether or not the individual partner withdraws money from his or her capital account or how much is withdrawn.

7. The following hypothetical demonstrates how this process works within a partnership. Partners A, B, and C of the hypothetical firm "Law Firm Services LLP" have the following profit sharing rations: Partner A owns 50%, Partner B owns 25%, and Partner C owns 25%. In 2015, Law Firm Services, LLP earned revenues of $1,000,000 and incurred $400,000 of expenses for a profit of $600,000. The profit was allocated to each partner's capital account as follows: Partner A received $300,000 (50% of $600,000), Partner B received $150,000 (25% of $600,000), and Partner C received $150,000 (25% of $600,000). Each partner will report his or her respective allocation of the 2015 profit for income tax purposes, regardless of whether the individual partner withdraws any of the money.

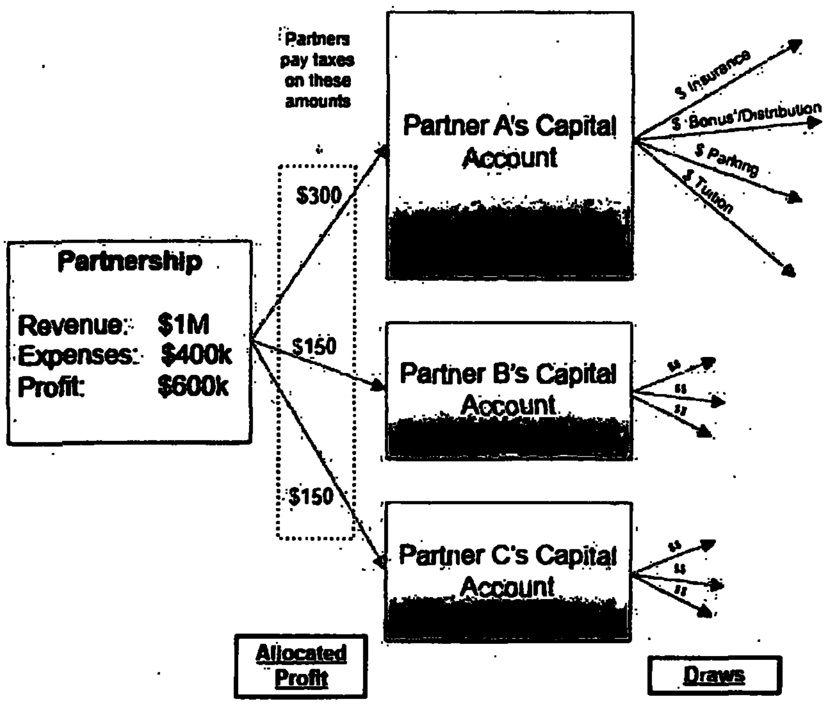
8. The Thornton Law Firm allocated equity partners' profit allocation into each equity partner's capital account as determined by the Partnership Agreement. The capital

account balances represent each partner's individual share of their contributed capital, if any, and the partnership's cumulative earnings not yet distributed. Capital account draws are not revenue or expenses, and as such, they do not impact the partnership's profitability.

9. The Thornton Law Firm permitted its equity partners to make draws from their capital accounts throughout the year. A common issue with professional (e.g., doctors, lawyers, accountants, etc.) partnerships "is that the partners need to use their share of partnership profits to pay for monthly living expenses. Rather than wait until year-end to distribute their shares of partnership profits, many partnerships allow the partners to make monthly withdrawals against their anticipated shares of profits."[1] And indeed, equity partners at the Firm withdrew money from their capital accounts throughout a given year for a variety of reasons, including, but not limited to, life insurance, mailing expenses, parking, cell phone plans, tuition payments, Uber rides, and even divorce settlements.

10. The following graphic (using the numbers from the hypothetical example above), demonstrates how the profit allocation and draw process works:

[1] *See, e.g.*, Smith, Ephraim P., et al. *2012 CCH Federal Taxation Comprehensive Topics*. 2011, pg. 20-4.



11. As the above graphic demonstrates, a draw from capital can be made for multiple purposes. The Firm, rather inartfully and clearly inaccurately, labeled draws from capital for political contributions as "bonuses" until 2015.[2] Despite this incorrect labeling issue, however, the function of the draw from capital remained the same: equity partners drew capital from their after-tax capital accounts for a variety of purposes, one of which was for their own individual political contributions.

12. Occasionally, some equity partners withdrew more than the amount of the balance that was in their capital accounts. As outlined in the firm's partnership agreement, any overdraw was treated as a loan to the equity partner, and the partner was required to pay back the loan through their profit allocations in subsequent years, or it was included in a negotiated settlement where the loan balance was distributed to the partner upon his departure, and then that distribution was included in the departing partner's taxable income. Furthermore, the Firm's

[2] Draws from capital for political contributions are now labeled as "draw from capital."

cash flow basis was not regular, as the Firm's cash flow depended on when settlement money from ongoing cases came into the Firm. The Firm regularly had fluctuating levels of cash available throughout the year.

13. I have reviewed the firm's books and records. I have independently verified that the individual equity partners' political contributions were disbursed to those partners as draws from their capital accounts. Furthermore, I have reviewed the Firm's tax filings from 2012 to the present, and I have determined that the individual equity partners had their share of the firm's profits included in their taxable income, regardless of the draw activity.

I affirm under penalties of perjury that the foregoing is true and correct. Executed on May 30, 2017.

Carl Jenkins

CYNTHIA B. QUINN
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
January 20, 2023

Exhibit C

THORNTON LAW FIRM, LLP

A Massachusetts Limited Liability Partnership
PARTNERSHIP AGREEMENT

Now therefore, the Partners agree as follows:

ARTICLE I
DEFINITIONS

For purposes of this Agreement, the following terms and phrases shall have the meanings set forth in this Article I:

"Additional Capital Contributions". The contributions to the capital of the Partnership which the Partners may be required to make under Section 3.3.

"Agreement". This Partnership Agreement as it may be amended from time to time.

"Bankruptcy Cases". Client matters Undertaken by the Partnership against Johns-Manville Corp.

"California Cases". This agreement does not apply to cases originating from Thornton, Early & Naumes' former California office. The distribution of fees for these cases is controlled by a prior agreement.

"Capital Account". The account of each Partner on the books of the Partnership, consisting of the Capital Contribution of such Partner, increased by the amount of any profits allocated for federal income tax purposes to such Partner and by any tax exempt income allocated to such Partner, and reduced by the amount of any losses allocated for federal income tax purposes to such Partner, by the amount of non-deductible expenses allocated to such Partner and by all distributions to such Partner. A contribution of property other than cash to a Partner shall reduce his Capital Account by the net fair market value of such distributed property.

"Capital Contribution". The cash and/or property contributed to the Partnership by each Partner pursuant to the provisions of this Agreement. The net fair market value of property other than cash contributed by a Partner shall be used in determining his Capital Contribution.

"Disability" and "Disabled". These terms shall have the meaning set forth in Section 6.4 hereof.

"Fiscal Year". The calendar year, except that, in the year the Partnership commences or terminates, the Fiscal Year shall begin on the date of commencement or end of the date of termination, as the case may be.

"New York Cases". All existing Asbestos client matters as of June 14, 1991, originating in New York State, and future client matters which the Partners agree are included within this term.

"Partner". Any person who is a Partner; and "Partners" means collectively the persons who are the Partners.

"Percentage Interest". The respective interests of the Partners in the profits and losses of the Partnership as set forth in this Agreement as it may be amended from time to time.

"Securities Cases". Cases so designated by the partners, in which the Partnership represents public or private entities in matters involving securities trading.

"Sokolove Cases". All asbestos cases originating in conjunction with the Law Offices of James Sokolove, entering after April 23, 2000, and before January 1, 2001.

~~"Tax Matters Partner". This term shall refer to the Partner designated~~ to such under Section 2.5.

"Tobacco Case". Representation of the Commonwealth of Massachusetts against various tobacco companies for recovery of monies expended for care of tobacco related illness, settled by a Master Settlement Agreement dated November, 1998.

"Undertaken". When used in reference to a client matter, this term means that the first discernible contact between a client and the Partnership has occurred with respect thereof. Further clarification of this definition is contained in the "Criteria for Inclusion of Cases" identified in Section 6.6(A) of this Agreement and attached hereto.

ARTICLE II
ORGANIZATION

Section 2.1 Name

The firm name of the Partnership shall be Thornton Law Firm, LLP, until Michael P. Thornton notifies the Partnership that his surname may no longer be so used or until an affirmative vote of at least 7 equity partners, each having one vote, agree to change the firm name.

Section 2.2 Purpose

The purpose of the Partnership shall be to engage in the general practice of law with its concentration in asbestos and toxic tort, products liability, workmen's compensation, class actions, and other litigation on behalf of plaintiffs and/or their subrogees.

Section 2.3 Term

This Agreement reflects changes made to the prior Partnership Agreement and shall continue until the Partnership is terminated as herein provided.

Section 2.4 Place of Business

The principal office of the Partnership shall be located at 100 Summer Street, Boston, Massachusetts 02110 or at such other or additional locations as may be determined by Partners.

Section 2.5 Tax Matters Partner

The Tax Matters Partner for federal income tax purposes shall be Michael P. Thornton.

ARTICLE III
PARTNERS AND CAPITAL

Section 3.1 Partners

The Partners are as follows:
Michael P. Thornton
David J. McMorris
David C. Strouss
Garrett J. Bradley
Andrew S. Wainwright
Michael A. Lesser
Marilyn T. McGoldrick (Non-voting partner)
Brad J. Mitchell (Non-voting partner)
Andrea Marino Landry (Non-voting partner)
Evan Hoffman (Non-voting partner)

Section 3.2 Capital Contributions of the Partners

Except for the client matters which are hereby excluded from this Agreement, the Partners will be deemed to have contributed to the Partnership all the property of the Partnership, as of the date of this Agreement, including but not limited to furniture, fixtures, equipment, leases, agreements, contract rights, accounts receivable and cash on deposit in banks in the Partnership's name.

Section 3.3 Additional Capital Contributions by Partners

A. All fixed charges, rent, taxes, insurance premiums, salaries, wages and all other expenses of the Partnership shall be paid out of the receipts of the business. If for any Fiscal Year such receipts are insufficient to pay these expenses, the Partners shall make Additional Capital Contributions in order to make up the deficiency, in proportion to their shares as of the date the partnership determines that Additional Capital Contributions are required.

B. In addition to the contributions required by Paragraph A, if in the reasonable judgment of the Partners, additional funds are required by the Partnership for the conduct of its business, the Partnership may require Additional Capital Contributions from the Partners. If Additional Capital Contributions are required, the Partners shall be required to make the additional contribution pursuant to their shares as of the date the partnership determines that Additional Capital Contributions are required.

C. If any Partner fails to make a required Additional Capital Contribution, the Partners may, in addition to any other remedy available to them under this Agreement or by law, withhold payment of all or part of any future payments owed by the Partnership to such Partner, including guaranteed payments, draws, and distributions of profits, until that partner's unpaid Additional Capital Contribution obligation is satisfied.

D. Any given year where a partner's capital account(s) is in a negative position, it will be recategorized as a loan from the partnership to the individual partner(s), at a minimum, to the extent the partner's negative balance exceeds his proportionate share of the partnership's liability. Payment of the loan will be made through partnership earnings.

<u>Section 3.4 Admission of Additional Partners</u>

The Partnership shall have the right to admit additional Partners to the Partnership. All prospective Partners and the terms on which they are to be admitted must be approved by the affirmative vote of 75% of Partners, as set forth in the then-current subparagraph of Section 5.1.

ARTICLE IV
RIGHTS AND DUTIES OF PARTNERS

<u>Section 4.1 Management</u>

Except as otherwise set forth herein or required by law, all decisions on firm matters shall be made by the vote of a majority of the Partners. Each Partner shall be entitled to vote in proportion to his interest as set forth in the then-current subparagraph of Section 5.1.

<u>Section 4.2 Other Business Interests Restricted</u>

No Partner will engage in the practice of law, outside of the Partnership without the written assent of the Partnership.

<u>Section 4.3 Business Certificate</u>

Each Partner shall sign and the Partnership shall file the certificate required under Massachusetts General Laws, Chapter 110, Section 5.

<u>Section 4.4 Limited Liability Partnership</u>

The Partnership is a Limited Liability Partnership. The adoption by each Partner of the requirements of the Supreme Judicial Court for such Partnerships is attached hereto as Attachment B.

ARTICLE V
PERCENTAGE INTERESTS; PAYMENTS AND ALLOCATIONS TO PARTNERS

<u>Section 5.1 Profits and Losses</u>

The profits and losses of the Partnership for each Fiscal Year shall be divided and borne by the Partners in proportion to their Percentage Interests in client matters as set forth below. Except as modified by this Agreement, profits and losses shall be determined in accordance with generally accepted accounting principles.

A. Profits and losses derived from New York Cases (after subtracting amounts paid to the firm of Ness, Motley, Loadholt, Richardson, and Poole, and Early and Keily) will be divided and borne equally by Thornton and Barrett, except that the 5% revenue allocation which the Partnership derives from New York Cases tried in the United States District Court for the Northern District of New York shall be divided in accordance with the Percentage Interests in effect at the time that the revenue is received.

B. Profits and losses derived from Pre October 1, 1985 Bankruptcy Cases will be divided and borne by the following named Partners in proportion to the Percentage Interests set forth after their names:

Michael P. Thornton	.3450
James F. Early	.3450
John T. Barrett	.0800
Ronald Motley	.2300

C. Profits and losses derived from Bankruptcy Cases entering between October 1, 1985 and June 30, 1987 will be divided and borne by the following named Partners in proportion to the Percentage Interests set forth after their names:

Michael P. Thornton	.3105
James F. Early	.3105
John T. Barrett	.0720
Stephen J. Kiely	.0500
Robert T. Naumes	.0500
Ronald Motley	.2070

D. Profits and losses derived from bankruptcy cases entering between July 1, 1987 and June 13, 1991 will be divided and borne by the following named Partners in proportion to the percentage interests set forth after their names:

Michael Thornton	.25
James F. Early	.25
Robert T. Naumes	.08
John T. Barrett	.14
Steve Kiely	.13

E. Profits and losses derived from Bankruptcy Cases entering between June 14, 1991 and November 15, 1992 above will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael P. Thornton	.25
Robert T. Naumes	.13
John T. Barrett	.14
~~Neil T. Leifer~~	~~.05~~
David J. McMorris	.05
James F. Early	.25
Steve Kiely	.13

F. Profits and losses derived from Bankruptcy Cases entering between November 16, 1992 and April 30, 1993 above will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael P. Thornton	.30
Robert T. Naumes	.175
John T. Barrett	.115
Stephen J. Kiely	.11
Neil T. Leifer	.10
David J. McMorris	.10
Edwin L. Wallace	.10

G. Profits and losses derived from Bankruptcy Cases entering between May 1, 1993 and May 12, 1996 will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael P. Thornton	.30
Robert T. Naumes	.18
John T. Barrett	.14
Neil T. Leifer	.10
David J. McMorris	.14
Edwin L. Wallace	.14

H. Profits and losses derived from Bankruptcy Cases entering between May 13, 1996 and February 8, 1998 will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Mike Thornton	-	28
Robert T. Naumes	-	17
John Barrett	-	13
Neil Leifer	-	10
David McMorris	-	15
Ed Wallace	-	13

Joe Donohue	-	4

I. Profits and losses derived from Bankruptcy Cases entering between February 9, 1998 and December 31, 1998 will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Mike Thornton	-	25
Robert T. Naumes	-	14
John Barrett	-	13
Neil Leifer	-	10
David McMorris	-	15
Ed Wallace	-	12
Joe Donohue	-	8
Robert M. Byrne, Jr.	-	3

J. Profits and losses derived from Bankruptcy Cases entering after January 1, 1999 and December 31,1999, will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Mike Thornton	-	25
Robert T. Naumes	-	13
John Barrett	-	12
Neil Leifer	-	10
David McMorris	-	14
Ed Wallace	-	11
Joe Donohue	-	6
Robert M. Byrne, Jr.	-	3
David Strouss	-	3
Patricia Flannery	-	3

K. Fees derived from the Tobacco Case will be divided by the partners in proportion to the percentage interests set forth after their names as follows. These fees shall be considered vested as of January 1, 1999, and the proportions set forth below shall not be subject to future revision.

Michael Thornton	-	25
David McMorris	-	12
John Barrett	-	11.75
Robert T. Naumes	-	11.75
Edwin Wallace	-	11.75
Neil Leifer	-	11.75
Robert M. Byrne, Jr.	-	3
Joseph Donohue	-	6
David Strouss	-	6
Patricia Flannery	-	1

L. Fees derived from Sokolove Cases will be divided by the partners in proportion to the percentage interests set forth after their names as follows. These fees shall be considered vested as of January 1, 2001, and the proportions set forth below shall not be subject to future revision.

Michael Thornton	-	27
David McMorris	-	15.5
Robert T. Naumes	-	13
Edwin Wallace	-	11.75
Neil Leifer	-	11.5
Robert M. Byrne	-	7
Joseph Donohue	-	7.25
David Strouss	-	7

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M. Profits and losses derived from Bankruptcy Cases entering after January 1, 2000 and before November 1, 2001 will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael Thornton -	25
Robert Naumes -	13
John Barrett -	12
Neil Leifer -	10
David McMorris -	14
Ed Wallace -	11
Joe Donohue -	6
Robert Byrne -	4.5
David Strouss -	4.5

N. Profits and losses derived from Bankruptcy Cases entering after November 1, 2001 and before January 1, 2004 will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael Thornton -	23
Robert Naumes -	10.5
John T. Barrett -	10.5
Neil T. Leifer -	10.5
David J. McMorris-	14
Edwin L. Wallace -	10.5
Joseph R. Donohue-	7
Robert M. Byrne -	7
David C. Strouss -	7

O. Profits and losses derived from Bankruptcy Cases entering after January 1, 2004 and before January 1, 2007 will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael Thornton	-	22.5
Robert Naumes	-	10
John T. Barrett	-	10
Neil T. Leifer	-	10
David J. McMorris	-	13.5
Edwin L. Wallace	-	10
Joseph R. Donohue	-	7
Robert M. Byrne	-	7
David C. Strouss	-	10

P. Profits and losses derived from Bankruptcy Cases entering after January 1, 2007 and before November 24, 2008 will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael Thornton	-	22.5
Robert Naumes	-	7
John T. Barrett	-	7
Neil T. Leifer	-	10
David J. McMorris	-	13.5
Edwin L. Wallace	-	10
Joseph R. Donohue	-	6
Robert M. Byrne	-	6
David C. Strouss	-	10
Garrett J. Bradley	-	5
Andrew S. Wainwright	-	3

Q. Profits and losses derived from Bankruptcy Cases entering on and after November 24, 2008 and before July 1, 2010 will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael Thornton - 22.5
Robert Naumes - 7
Neil T. Leifer - 10
David J. McMorris - 13.5
Edwin L. Wallace - 10
Joseph R. Donohue - 6
Robert M. Byrne - 6
David C. Strouss - 10
Garrett J. Bradley - 10
Andrew S. Wainwright - 5

R. Profits and losses derived from Bankruptcy Cases entering on and after July 1, 2010 and before January 1, 2011 will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael Thornton - 22.5
Robert Naumes - 7
David J. McMorris - 13.5
Edwin L. Wallace - 10
Joseph R. Donohue - 6
Robert M. Byrne - 6
David C. Strouss - 10
Garrett J. Bradley - 10
Andrew S. Wainwright - 5
Divided by proportion above - 10%

S. Profits and losses derived from Bankruptcy Cases entering on and after January 1, 2011 and before July 1, 2011 will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael Thornton - 24
Robert Naumes - 7

David J. McMorris- 14
Edwin L. Wallace - 12
Joseph R. Donohue- 6
Robert M. Byrne - 6
David C. Strouss - 12
Garrett J. Bradley - 12
Andrew S. Wainwright - 7

T. Profits and losses derived from Securities Cases in which the Massachusetts PRIM Board is the client shall be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

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Michael Thornton - 37
David J. McMorris- 19
David C. Strouss - 27
Garrett J. Bradley - 0
Andrew S. Wainwright - 10
Michael A. Lesser - 7

U. Profits and losses derived from Securities Cases other than those in which the Massachusetts PRIM Board is the client shall be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael Thornton - 31
David J. McMorris- 8
David C. Strouss - 16
Garrett J. Bradley - 31
Andrew S. Wainwright - 8
Michael A. Lesser - 6

V. Profits and losses derived from Bankruptcy Cases entering on and after July 1, 2011 and before January 1, 2013will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael Thornton -	21
Robert Naumes -	7
David J. McMorris-	14
Edwin L. Wallace -	12
Joseph R. Donohue-	6
Robert M. Byrne -	6
David C. Strouss	12
Garrett J. Bradley -	12
Andrew S. Wainwright -	7
Michael A. Lesser -	3

W. Profits and losses derived from Bankruptcy Cases entering on and after January 1, 2013 before July 1, 2014 will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael Thornton -	21
Robert Naumes -	5
David J. McMorris-	14
Edwin L. Wallace -	12
Joseph R. Donohue-	6
Robert M. Byrne -	4
David C. Strouss -	12
Garrett J. Bradley -	16
Andrew S. Wainwright -	7
Michael A. Lesser -	3

X. Profits and losses derived from Bankruptcy Cases entering on after July 1, 2014 and before July 1, 2015 will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael P. Thornton -	24
David J. McMorris -	14
Edwin L. Wallace -	12
Joseph R. Donohue -	6
David C. Strouss -	14

Garrett J. Bradley - 18
Andrew S. Wainwright - 9
Michael A. Lesser - 3

Y. Profits and losses derived from Bankruptcy Cases entering on after July 1, 2015 and all other cases not mentioned above will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael P. Thornton - 30
David J. McMorris - 14
Joseph R. Donohue - 5
David C. Strouss - 17
Garrett J. Bradley - 22
Andrew S. Wainwright - 9
Michael A. Lesser - 3

Z. Profits and losses derived from Bankruptcy Cases entering on after May 10, 2016 and all other cases not mentioned above will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael P. Thornton - 31
David J. McMorris - 14
David C. Strouss - 20
Garrett J. Bradley - 23
Andrew S. Wainwright - 9
Michael A. Lesser - 3

AA. Profits and losses derived from Bankruptcy Cases entering on after July 1, 2016 and all other cases not mentioned above will be divided and borne by the Partners in proportion to the Percentage Interests set forth after their names as follows:

Michael P. Thornton - 31
David J. McMorris - 12
David C. Strouss - 20
Garrett J. Bradley - 25
Andrew S. Wainwright - 9

Section 5.2 Allocation of Expenses

Unless otherwise agreed by the Partners in specific instances, all costs and expenses of the Partnership will be charged against Cases in proportion to the revenues derived by the Partnership from those cases and allocated among the Partners accordingly. Ten percent of the revenues derived from Bankruptcy Cases will be reserved by the Partnership in order to defray Partnership expenses attributable to them. No expenses will be charged against New York Cases or the Tobacco Case except as expressly agreed by the Partners in specific instances.

Section 5.3 Drawing Accounts

A separate drawing account shall be established by each Partner. Each Partner's distributive share of Partnership profits or losses shall be credited or charged to the Partner's individual drawing account as determined. Withdrawals (other than those which that the Partners agree shall be in reduction of their Capital Account) shall be charged to the individual drawing accounts of the Partners. Except as agreed by the Partners, no Partner will make a withdrawal: (i) which causes a debit balance in his drawing account, or (ii) when the Partnership has a balance due on any line of credit or other short term indebtedness or the Partnership does not have sufficient working capital for four months.

Section 5.4 Guaranteed Payments

The following Partners who are expected to devote substantially their entire efforts to the affairs of the Partnership will receive guaranteed payments from the Partnership as follows:

Michael P. Thornton	$225,000
David J. McMorris	$175,000
David Strouss	$175,000
Garrett J. Bradley	$175,000
Andrew Wainwright	$175,000

Michael A. Lesser	$175,000
Marilyn McGoldrick	$150,000
Brad J. Mitchell	$150,000
Andrea Marino Landry	$150,000
Evan Hoffman	$150,000

Such payments shall be treated as expenses of the Partnership to be charged and allocated as set forth in Subsection 5.2 before determining Partnership income available for distribution to the Partners.

<u>Section 5.5 Reimbursement for Expenses</u>

All Partners will be reimbursed for their reasonable out of pocket expenses incurred on behalf of the Partnership.

ARTICLE VI
TRANSFER OF A PARTNER'S INTEREST; WITHDRAWAL, EXPULSION, RETIREMENT, DEATH OR DISABILITY OF A PARTNER

Section 6.1 Assignment

No partner shall pledge, cause a lien to be placed against, sell or in any other way transfer his Partnership interest.

Section 6.2 Withdrawal and Retirement

Any Partner may withdraw from the Partnership at any time. Such withdrawal shall be effective at the end of the month in which notice thereof is given to the Partnership or on such other date as may be agreed upon between the withdrawing Partner and the remaining Partners. The term withdrawal shall include the term retirement.

Section 6.3 Expulsion

A Partner may be expelled from the Partnership at any time by the vote of all the remaining Partners.

Section 6.4 Disability

A Partner's interest in the Partnership shall terminate when such Partner is Disabled, and such Disability continues for a period of nine continuous months or when a Partner suffers a Disability which continues for an aggregate period of twelve months during any consecutive twenty-four month period. As used in this Agreement, "Disability" shall mean a Partner's inability to devote his or her full time to the Partnership business because of illness or incapacity, and "Disabled" shall refer to a Partner who has suffered a Disability.

Section 6.5 Death

Upon the death of a Partner, such Partner's interest in the Partnership will be retired.

Section 6.6 Payments to Former Partners

A. A Partner whose interest in the Partnership is terminated for any reason shall be paid an amount equal to (i) 50% of the positive balance of his capital account at the time of termination; further, said partner shall receive a proportionate share of any capital remaining after distributions under this agreement at the time of liquidation of the partnership, plus (ii) 10% of the amounts that he would have been entitled to receive under the then-current subparagraph of Section 5.1 in respect to client matters undertaken by the Partnership prior to his withdrawal. The term "client matters" shall include without limitation all cases or matters in which the Partnership had the right to receive legal fees as counsel, co-counsel, referring counsel or otherwise and shall specifically include all cases and matters resulting from agreements or understandings with other law firms. The criteria for identification of said "Client Matters" is attached hereto as Attachment A, and is incorporated into this Partnership Agreement.

Said 10% of his proportion as set forth in Section 5.1 shall be calculated on the adjusted gross fees received after deduction for referral fees and payments to other Former Partners whose interests were terminated prior to his termination. The payment due under subparagraph (i) shall be made within sixty days after the termination of a Partner, and the payments due under subparagraph (ii) shall be made at the end of each quarter as revenues are received by the Partnership from client matters referenced therein. Former Partners shall receive 100% of the amounts he would have been entitled to for New York, Bankruptcy, Tobacco and Sokolove cases. If a Partner takes any client matters (as defined by the criteria set forth herein as Attachment A) with him upon his departure, he shall remit one-third of fees (net of referral fees) to the Partnership upon payment to him of said fees, plus all expenses paid by the Partnership on that client matter. In addition, he shall be responsible, from the net fee, for all payments to former partners due under this Section on that client matter. The Partnership's residual interest in this client matter shall not be reduced or impeded by transfer of the client matter to successor counsel by the departing Partner, and shall remain the obligation of the departing Partner to honor the full extent of the Partnership's interest, whether through attorney's lien or otherwise.

B. A Partner who is disabled shall continue to receive the payments to which he is entitled under Article V, Section 5.4 for nine (9) months after the onset of the Disability.

C. Payments to Partners under this Section shall be reduced by amounts due from a Partner to the Partnership, including amounts due in respect to withdrawals from a Partner's drawing account.

D. The omission of any provisions for a valuation of Partnership goodwill is intentional. Each Partner waives the right to receive payment on termination for such Partner's interest in the goodwill of the Partnership.

ARTICLE VII
DISSOLUTION AND LIQUIDATION

Section 7.1 Dissolution

The Partnership shall be dissolved only as determined by the Partners under Section 4.1. The Partnership shall not be dissolved by the termination of one or more Partners' interests in the Partnership.

Section 7.2 Liquidation

Upon the dissolution of the Partnership, a full and general accounting shall be taken of the Partnership business and the affairs of the Partnership shall be wound up. Any profits or losses incurred since the last previous accounting shall be divided among the Partners in accordance with the provisions of this Agreement, and shall be added to the distributions to be made to each of the Partners. The assets of the Partnership shall be distributed in the following order of priority:

(i) to all creditors of the Partnership who are not Partners and all expenses of liquidation;

(ii) to the creation of any reserves which the Partners may deem reasonably necessary to meet any contingent or unforeseen liabilities or obligations of the Partnership or of the Partners, arising out of or in connection with the Partnership;

(iii) to the Partners in proportion to and to the extent of the positive balances of their Capital Accounts; and

(iv) to the Partners in accordance with Section 5.1

ARTICLE VIII
FISCAL MATTERS

Section 8.1 Books and Records

The Partnership's books and records, the register showing the names of the Partners and the respective Percentage Interests held by each of them and this Agreement shall be maintained at the principal office of the Partnership, and each Partner shall have access thereto at all reasonable times. True and accurate books and records shall be kept which reflect the Partnership's transactions in accordance with generally accepted accounting principles.

Section 8.2 Semi-annual Statements

At the end of each six month period, an operating statement shall be prepared and made available to each Partner showing the results of operations during such period.

Section 8.3 Annual Statements

The Partnership's books shall be closed at the end of each Fiscal Year and statements prepared showing the financial condition and the profits and losses from operations. The statements shall be supplied to all Partners, and they shall be deemed final and binding within thirty days after each Partner is furnished a copy, except for manifest errors discovered before the end of the Fiscal Year.

Section 8.4 Title to Property and Bank Accounts

A. The property of the Partnership shall be held in the name of the Partnership.

B. The funds of the Partnership shall be deposited in such bank account or accounts as shall be designated by the Partners and withdrawal therefrom shall be made only upon the signature of a person designated by the Partners for such purpose.

ARTICLE IX
AMENDMENTS

Section 9.1

This Agreement may be amended with the approval of a majority of Partners voting pursuant to Section 4.1. A writing embodying any such amendment shall be signed by each Partner, and a copy thereof shall be provided to each Partner and filed with the records of the Partnership.

ARTICLE X
NON-VOTING PARTNERSHIP CLASS

Section 10.1

Notwithstanding anything to the contrary contained in this Partnership Agreement, there shall be a class of non-voting partner who shall have such rights, privileges, duties, and obligations of a Partner (including without limitation, rights to receive compensation and share in profits and losses of the Partnership and obligations to maintain capital accounts) as the Partnership may determine by majority vote of the Partners from time to time pursuant to Section 4.1 of the Partnership Agreement; provided however that such non-voting partners shall have no right to vote on any Partnership matters, including without limitation, those pursuant to Section 4.1 of this Partnership Agreement.

ARTICLE XI
DISPUTE RESOLUTION

Section 11.1

Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Boston before one arbitrator. The arbitration shall be administered by JAMS pursuant to JAMS' Streamlined Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. Nothing in this provision shall preclude the parties, by agreement, from engaging in pre-arbitration negotiation or mediations. Any discussion or proposals put forth in such pre-arbitration negotiations or mediation shall be confidential and shall not be disclosed during an arbitration proceeding.

Executed as a sealed instrument this 23 day of August, 2016.
Nunc pro tunc July 1, 2015
Section 5.1 U and Z nunc pro tunc May 10, 2016

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MICHAEL P. THORNTON Michael P. Thornton

DAVID J. MCMORRIS

DAVID C. STROUSS

GARRETT J. BRADLEY

ANDREW S. WAINWRIGHT

MICHAEL A. LESSER

ATTACHMENT A

Criteria for Inclusion of Cases
Relative to Section 6.6 of Partnership Agreement

Personal Injury: (includes):	Execution of Contingent Fee Agreement asbestos, general liability, construction accidents, birth defects, drug and device cases, etc. Note: in asbestos matters, date of original fee agreement controls in progression of disease cases
Subrogation:	Engagement letter/fee agreement for specific litigation subject (i.e. Actos)
Class Action:	Execution of Representation Agreement with putative class representative
Qui Tam:	Execution of contingent fee agreement with relator
Workers Comp:	Execution of fee agreement for specific injury
Ex Mod Cases:	Execution of contingent fee agreement with class representative
~~Banking Litigation:~~	~~Execution of Representation Agreement with lead~~ plaintiff
Securities:	Matters that a client has either signed a fee agreement or has been appointed by a court as lead plaintiff, class representative or in any leadership position in a case

ATTACHMENT B

THORNTON LAW FIRM, LLP
A Massachusetts General Partnership
AMENDMENT TO PARTNERSHIP AGREEMENT

By unanimous vote of the partners, it is hereby agreed that the law firm shall now become a Limited Liability Partnership and that pursuant to Supreme Judicial Court Rule 3:06:

a. All owners shall be persons who are duly licensed by this court to practice law in the Commonwealth, if they are actively engaged in the practice of law in the Commonwealth, or duly licensed by the licensing authority of the jurisdiction in which they are actively engaged in the practice of law. All owners shall be in good standing before this court or before the licensing authority of the jurisdiction in which they are actively engaged in the practice of law, and all owners of the entity shall own their shares or other ownership interests in their own right. All owners shall be individuals who, except for temporary absence due to illness or accident, time spent in the Armed Services of the United States, vacations, and leaves of absence not to exceed two years, are actively engaged in the practice of law as employees or owners of the entity. Notwithstanding the foregoing, an owner may be an entity rather than an individual, provided that the owners of such entity are individuals who satisfy all of the other conditions of this rule.

b. Any owner who ceases to be eligible to be an owner and the executor, administrator, or other legal representative of a deceased owner shall be required to dispose of his or her shares or other ownership interests as soon as reasonably possible either to the entity or to an individual or entity duly qualified to be an owner of the entity.

c. The name of the entity shall contain words or abbreviations which indicate that it is a limited liability entity and shall also contain the full or last name of one or more individuals who are or were owners of the entity or a predecessor entity or whose names appeared in the name of a predecessor partnership or entity. The name of the entity may indicate family relationships between or among the individuals whose name or names are included in the name of the entity, may include "law offices", "attorneys-at-law," or other similar terms, but shall not include other descriptive language.

d. All owners of the entity shall, by becoming owners, agree to the provisions of this rule, including without limitation paragraph (3) of this rule.

~~e. All directors of a professional corporation and managers of a limited liability~~ company, as the case may be, shall be owners.

ATTACHMENT C

ADDENDUM TO PARTNERSHIP AGREEMENT
Effective July 1, 2015

The Partners, collectively and individually, acknowledge a history of departures from the provisions of the Partnership Agreement on behalf of partners whose equity interest in the Partnership is being terminated. The Partners recognize that such a history has been cited as a basis for negotiating subsequent departures from the provisions of the Partnership Agreement.

The Partners are concerned that the continued practice of departing from the Partnership Agreement's provisions in the case of equity termination impairs the future health of the Partnership's business. Therefore, the Partners, individually and collectively, agree that henceforth the history of exceptions to the provisions of the Partnership Agreement will not be invoked as a basis or rationale to make further exceptions to its provisions, nor will any Partner cite said history as evidence of "good faith and fair dealing". It is agreed that compliance with the provisions of the Partnership Agreement is *per se* "good faith and fair dealing" in the event of equity termination under any circumstances.

Nothing in this agreement shall be construed to constrain the Partnership from making arrangements with departing equity partners who, by agreement, continue a relationship with the firm; conversely, the Partnership has no obligation to make such arrangements with any departing equity partner.