

IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT  
IN AND FOR LEON COUNTY, FLORIDA

STATE OF FLORIDA,  
*ex rel.*

CASE NO.:

CHRISTOPHER HOOD

**FILED UNDER SEAL**

Relator,

v.

LEXISNEXIS RISK SOLUTIONS, INC., a  
Georgia Corporation,

Defendant.

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**QUI TAM COMPLAINT**

The Plaintiff, Christopher Hood, brings this action in the name of the State of Florida, against Defendant LexisNexis Risk Solutions, Inc. (“Lexis) and states as follows.

**OVERVIEW**

1. This is an action to recover treble damages against Lexis for a widespread scheme to commit reverse false claims, in violation of the Florida False Claims Act, section 68.081, *et seq.*, Florida Statutes.

2. As further set forth below, Lexis is a global data company that collects and sells to the general public, among other things, auto crash reports prepared by Florida police agencies. Lexis obtains these crash reports by way of a contract with the State of Florida Department of Highway Safety and Motor Vehicle (“DHSMV”). Under the contract, Lexis is supposed to collect an “agency fee” from each customer who orders a report and thereafter forward that fee to

DHSMV. Lexis is also permitted to charge a “convenience fee” or “handling fee” to each customer to compensate Lexis for the service of providing the report.

3. As an essential part of the contract, Lexis must report to DHSMV the true and correct number of auto crash reports sold to the public. Likewise, Lexis must forward to DHSMV the true and correct amount of fees due for each and every sale. As set forth below, Lexis has engaged in a systematic pattern of under-reporting the number of crash reports sold and, in turn, under-paying its financial obligations to DHSMV. As a result, Lexis has knowingly made, used, or caused to be made or used, false records and statements material to its obligations to pay money to DHSMV, and Lexis has knowingly concealed, decreased, and avoided its financial obligations to DHSMV.

#### **THE RELATOR**

4. The Relator, Christopher Hood, lives and works in Broward County, Florida. From approximately 2014 to the present, Relator has worked for Lexis in various supervisory capacities that involve the acquisition and sale of auto crash reports. Relator’s day-to-day duties have allowed him to observe firsthand many of the fraudulent schemes described in this memorandum.

5. Since May 2014, Relator has held various job titles with Lexis, but has always worked in the field of auto crash reporting. He initially held the title of Senior Subject Matter Expert, with responsibilities over electronic police citations and crash reporting. In 2015, Lexis promoted him to Senior Vertical Solution Consultant, with responsibilities over the same areas.

6. On a daily basis, Relator provides technical assistance to Lexis sales representatives across the United States. He answers technical questions related to acquiring auto crash reports from state and local police agencies and selling them to the public. Relator also handles Lexis accounts with state and local police agencies in the states of Alabama, Ohio, Virginia, West

Virginia, Maine, New Hampshire, New York, Pennsylvania, Indiana Connecticut, Delaware, Georgia, Illinois, Kentucky, Florida, Michigan, Louisiana, Mississippi, Oklahoma, Kansas, South Carolina, North Carolina and Washington, D.C. In that capacity, he interacts with state and local police agencies on a wide array of issues related to uploading crash reports, selling them to the public, and paying police agencies their agency fees.

7. As part of his day-to-day duties at Lexis, Relator has become familiar with Lexis's procedures for acquiring auto crash reports from police agencies and its procedures for selling those crash reports to the public. Relator has access to many of Lexis's contracts, and he has access to many of the accounting and billing systems that show sales to the general public and the corresponding payment of agency fees (or the lack thereof) to the agencies that produced the reports. Relator knows the information that is being disclosed to DHSMV as well as the information that is being withheld from DHSMV.

### **THE DEFENDANT**

8. Defendant LexisNexis Risk Solutions, Inc. ("Lexis"), is a Georgia corporation with its principal place of business in Alpharetta, Georgia. Lexis is registered with the Secretary of State to conduct business in Florida.

9. Lexis does substantial business in the State of Florida and holds a lucrative contract with DHSMV to act on DHSMV's behalf in the sale of Florida crash reports to the general public.

### **JURISDICTION AND VENUE**

10. This Court has jurisdiction over the parties and over the subject matter of this action pursuant to section 26.012, Florida Statutes. The damages in this matter exceed \$15,000.00, exclusive of interest, costs, and fees.

11. Venue is proper in Leon County pursuant to section 68.083(3), Florida Statutes.

## **FACTUAL ALLEGATIONS**

### **THE NATIONWIDE MARKET FOR AUTO CRASH REPORTS**

12. Lexis collects and sells auto crash reports throughout the entire nation, including in the State of Florida. Nationwide, Lexis acquires over 750,000 auto crash reports per month and generates millions per year in revenue from the sales of these reports. The market for auto crash reports consists of three principal buyers: (a) drivers and passengers involved in the accident itself, so-called “involved parties”; (2) insurance companies and adjustors, who purchase crash reports in order to evaluate insurance claims arising from accidents; and (3) lawyers, who purchase crash reports in connection with lawsuits arising from accidents.

13. Lexis dominates the market for auto crash reports in Florida. Under state law, every law enforcement agency in Florida must forward its crash reports to DHSMV to be maintained in a central repository. *See* § 316.066, Fla. Stat. Lexis holds a contract with DHSMV to operate and maintain this central repository. By virtue of this contract, Lexis is responsible for maintaining and offering for sale to third parties every auto crash report produced in the state.

14. The Florida contract allows Lexis to serve as a portal for authorized members of the public, including insurance companies and lawyers, to buy crash reports that have been prepared by Florida police agencies. When a customer buys a report, Lexis collects a fee on behalf of the State, which fee is supposed to be forwarded to DHSMV. Lexis also collects a “convenience fee” or “handling fee” to compensate Lexis for the service of providing the report.

15. Significantly, the Florida contract requires Lexis to collect and pay agency fees every time it sells a crash report obtained from DHSMV. If Lexis sells the same crash report three times (which is often the case), Lexis must collect the agency fee three times. Moreover, Lexis

must report to DHSMV on a regular basis as to the number of crash reports sold. Lexis must also forward the correct amount of fees collected for each and every sale to DHSMV.

16. As set forth below, Lexis has been engaged in a pattern of systematically under-reporting its sales of crash reports to DHSMV. Lexis sells thousands of reports each year that go completely unreported. As a result of this pattern and practice of wrongdoing, Lexis has improperly retained fees that – by contract and law – should have been forwarded to DHSMV.

17. The sale of auto crash reports is a big business. The largest purchasers of auto crash reports, by far, are insurance companies. Lexis maintains institutional accounts with many of the nation’s largest insurance companies for the sale of auto crash reports, including State Farm, Allstate and GEICO. Over the past ten years, Lexis has expanded its presence in the auto crash market greatly by acquiring many of its competitors. Lexis is now the biggest seller of crash reports in the nation.

### **THE DHSMV CONTRACT**

18. As one of the largest states in the country, Florida is a lucrative market for auto crash reports. Lexis currently holds a contract with the Florida DHSMV to maintain Florida’s central repository of auto crash reports and sell them to the public by way of the internet site [www.buycrash.com](http://www.buycrash.com).

19. Lexis acquired the Florida contract by virtue of its corporate acquisition of Open Portal Solutions, Inc. (“OPS”), a subsidiary of Appriss, which previously won the contract through competitive bidding in 2011. The contract itself consists of the Invitation to Negotiate (“ITN”) issued by DHSMV in 2011 (Exhibit 1), Addendum #1 to the ITN (Exhibit 2), and the Best and Final Offer issued by OPS/Appriss in 2011 (Exhibit 3).

20. DHSMV serves as the central repository for crash reports for all state and local police agencies, pursuant to a statutory scheme outlined in section 316.066, Florida Statutes. Some Florida agencies prepare crash reports electronically, while others prepare them in hard copy, paper format. Regardless of how they prepare crash reports, all agencies must forward their reports to DHSMV, which maintains them and makes them available for sale to the public, as required by law.

21. Prior to 2011, DHSMV handled most of the work required by section 316.066 by itself. DHSMV received crash reports from all around the state, managed a large database of reports, and handled sales to the public, selling crash reports for \$10 each. In 2011, DHSMV decided to outsource this work to the private sector.

22. Accordingly, on March 11, 2011, DHSMV issued an ITN titled "Florida Traffic Crash Report Records," Solicitation Number 013-11. *See* Exhibit 1. The scope of work for this proposed contract included data entry services, converting paper crash reports into electronic reports, and offering crash reports for sale to the public. *Id.*

23. The ITN authorized the prospective vendor to sell crash reports to the public "at the per record fee authorized by s. 316.066 Florida Statute." *Id.* at ¶ 3.2. The statutory fee at the time was \$10 per report. *See* Exhibit 4. The ITN unequivocally required daily payment to DHSMV for each crash report sold:

Through the sale of the crash reports, the Contractor must pay the Department the statutory fee listed in s. 316.066, Florida Statutes *for each crash report sold* and EFT those funds to the Department's account with Bank of America nightly.

*See* Exhibit 1 at ¶ 3.14(k) (emphasis added).

24. As part of the bid process, potential vendors asked written questions, and DHSMV published its answers in Addendum #1 to the ITN, dated April 4, 2011. *See* Exhibit 2 at 1. In these answers, DHSMV made clear that the \$10 fee was to be charged for *all sales*. *Id.* (Answer to Question #30). The vendor would also be permitted to charge a “convenience fee,” above and beyond the \$10, so that the vendor could make a profit on the contract. *Id.* (Answer to Question #29).

25. The contract also restricted the vendor’s use of crash reports solely to those specified in the contract:

Crash records and/or other driver or vehicle owner information provided to the Contractor by the Department for purposes of this Contract shall not be used by the Contractor for any purpose not approved in writing by the Department. The Contractor shall not sell, assign or otherwise transfer, or permit the use of information furnished by the Department to, or by, any other person, firm, association, or corporation unless (i) approved in writing by the Department; and (ii) the use made by the transferee is consistent with the uses permitted by law including the disclosures prohibited by Section 119.07, Florida Statutes.

*See* Exhibit 1, at ¶ 3.12.

26. The contract further provided for severe penalties in the event the vendor sold any crash reports in a manner inconsistent with the contract. Specifically, paragraph 2.6(e) provided:

If Contractor fails to remit to the Department nightly, the fees collected for the sale of Crash Reports (time and date listed in Section 3.16), it will result in substantial injury to the Department, the Contractor agrees to pay the Department one thousand dollars (\$1,000) per work day for every day past the agreed upon remittance time and date. Contractor shall not be liable if failure to perform arises out of a cause beyond the control of the Contractor and without the fault or negligence of the Contractor (Acts of God, the public enemy, fires, floods, hurricanes, strikes, freight embargoes, regulated telephone company delays, etc.).

*Id.* at ¶ 2.6(e).

27. On May 31, 2011, OPS, a subsidiary of Appriss, submitted a Best and Final Offer by which Appriss agreed to be bound by all material requirements of the ITN, including paragraphs 3.2, 3.12 and 3.14. *See* Exhibit 3 at 28, 55 and 57-58, respectively. In or around June 2011, DHSMV awarded the contract to OPS/Apriss.

28. Thereafter, in order to sell crash reports to the public, OPS/Apriss utilized the website [www.buycrash.com](http://www.buycrash.com). OPS/Apriss offered crash reports for sale for \$15.00 each, with the revenue to be divided as follows: \$5 to OPS/APRISS, and \$10 to DHSMV.

29. In or around June 2016, Lexis acquired the Crash and Project Business Group of Appriss and thereby replaced OPS/Apriss as DHSMV's vendor under the statewide contract. As a result of this acquisition, Lexis gained immediate access to all crash reports in Florida by way of the DHSMV database. Lexis also acquired the OPS/Apriss contractual and legal responsibility to report the true and correct number of crash reports sold and to forward \$10 to DHSMV for each and every crash report sold.

30. As further described below, Lexis has not abided by these obligations. To the contrary, Lexis has repeatedly submitted false information to DHSMV as to the number of crash reports sold and has underpaid its obligations to DHSMV.

31. In addition, prior to the Appriss-related acquisition, Lexis also obtained a great many crash reports from DHSMV by courier and mail order. Lexis routinely made material misrepresentations and omissions when purchasing these crash reports. That is to say, Lexis and/or its courier routinely identified a single client on whose behalf it was purportedly requesting the crash report. In reality, Lexis intended to download the crash report and sell it many times more, thereby depriving DHSMV of the revenue from repeat sales of the same report.

## **HOW LEXIS SELLS CRASH REPORTS & DEFRAUDS THE STATE**

### **Lexis Sells Crash Reports Through Numerous Internet Portals**

32. Lexis maintains various websites for the sale of crash reports to the public, including [www.buycrash.com](http://www.buycrash.com). Members of the public can access this website and order crash reports from Lexis. Depending on the laws of the state that produced the crash report, the buyer may have to certify the reasons he or she is purchasing the report. The buyer pays for the report, usually by credit card. The cost of the report, typically \$10 - \$20, includes both the agency fee and the handling fee. As previously described, Lexis is supposed to forward the agency fee, typically \$5 - \$10, to the agency that produced the report.

33. In addition to publicly available websites, Lexis operates dozens of other portals that cater to institutional buyers such as insurance companies, law firms, private investigators and the like. Customers usually subscribe to these services and pay a monthly subscription fee for the service. These portals include, but are not limited to, the following:

LexisNexis OrderPoint;

LexisNexis Accurint for Legal Professionals;

LexisNexis Automobile Accident Reports;

Accurint;

Accurint for Insurance;

Accurint for Insurance Plus;

Accurint for Law Enforcement;

Accurint XML;

Accurint XML (Reseller);

Claims Compass;

Lexis.com;

Lexis Advance; and

Lexis PoliceReports.

34. Lexis designs these applications for particular market segments. As an example, Lexis offers “LexisNexis Accurint for Legal Professionals” to lawyers on a subscription basis. This application allows lawyers to access vast amounts of data for witness background searches, asset searches, and public records searches, including searches of auto crash reports.

35. Insurance companies are the biggest buyers of auto crash reports from Lexis. As an example, State Farm commands 18% of the nationwide automobile insurance market. Lexis holds an exclusive contract to supply crash reports to State Farm. On information and belief, in 2016, Lexis sold over one million crash reports to State Farm alone. Lexis also holds contracts with Allstate, GEICO and many other large insurance companies.

36. On a daily basis, Lexis produces a nationwide summary of daily auto crash report sales known as the eCrash Daily Management Report or “eCrash Daily Summary.” This spreadsheet purports to show all sales made on a daily basis across the country. These daily spreadsheets contain columns for the following categories of information, among others:

Date of Order;

Report Number;

Agency Name;

Company Name (Buyer);

Report Fee (Agency Fee); and

Convenience Fee.

37. As to the buyer's name, the eCrash Daily Summary follows a different methodology when a buyer purchases a crash report through one of the monthly subscription services such as OrderPoint or Accurint. In such cases, the eCrash Daily Summary identifies the buyer as "LN CRU Police Records," which stands for "LexisNexis Claims Records Unit Police Records." This means the purchase has been made on behalf of a monthly commercial customer. The name of the ultimate buyer of the report is then maintained by the LN CRU department within Lexis.

### **Lexis Maintains an Ever-Expanding "Inventory" of Crash Reports**

38. When a Lexis customer orders a given crash report for the first time, Lexis obtains the report by way of one of its contractual relationships or in the old fashioned way, by courier. Either way, Lexis delivers the report to the customer and charges a fee, which consists of the agency fee and the handling fee. These "first" purchases typically appear on the eCrash Daily Summary, and Lexis typically reports these first purchases and forwards the appropriate agency fee to DHSMV.

39. Accordingly, on a regular basis, Lexis routinely reports *some* sales and sends *some* amount of money to DHSMV. On the surface, DHSMV has no reason to suspect that the number of sales reported or the amounts of money delivered are wrong or inaccurate.

40. In reality, however, the sales reflected on the eCrash Daily Summary and reported to DHSMV constitute only a fraction of the total sales made by Lexis. This is because, once Lexis obtains and sells a given crash report, Lexis uploads that report into a vast, ever-expanding database of crash reports known as the High Performance Computer Cluster or "HPCC." This database serves as an internal inventory for future sales. Once a given crash report has been added

to the inventory, Lexis treats that report as Lexis property, which can be freely re-sold to customers in the future.

### **Lexis Does Not Pay Agency Fees on “Repeat” Sales Out of Inventory**

41. Once a given crash report has been uploaded into the HPCC, Lexis treats that report as Lexis property, available for re-sale without the need to forward agency fees to the police agency that produced the report. When Lexis receives a new crash report order, through any portal, Lexis first searches its own internal HPCC database to determine whether it already has the report in inventory. If Lexis already has the report, Lexis simply sells the report out of inventory, without paying agency fees. If Lexis does not have the report in inventory, only then will it go to DHSMV to obtain the report (and pay agency fees).

42. When Lexis sells a crash report out of its own internal HPCC inventory, Lexis still collects the agency fee from customers, but Lexis does not forward that fee to DHSMV. Instead, Lexis keeps the agency fee as “profit.” Lexis boasted of this practice in an internal PowerPoint presentations regarding the ASQ or “Automated Search Queue” system, which is the process by which Lexis searches its own HPCC inventory:

ASQ

\*Acronym for Auto Search Queue

...

\*Similar to DHDB in nature in that when a police record request comes in, ASQ is searched and if the order is found, the customer gets the report back faster, and we don't incur the agency fee.

\*The customer still gets charged the full rate (handling fee + agency fee) and it is 100% profit for us.

(Emphasis added).

43. This PowerPoint is an admission to fraud. By contract and law, Lexis must collect the agency fee every time it sells a crash report, and it must forward the agency fee to DHSMV every time it collects such a fee. This PowerPoint admits that Lexis does not follow its obligation but instead keeps the agency fees as profits on repeat sales. Lexis is currently cheating DHSMV on a daily basis.

44. On information and belief, the fraud is particularly egregious as to purchases made by large insurance companies like State Farm, Allstate and GEICO, which buy millions of crash reports per year. Many of these purchases take place with no human interface in “system to system” transactions without payment of agency fees.

45. Lexis also purchases crash reports in order to re-purposes the information in each crash report and sells it in a variety of other ways. As but one example, Lexis sells the vehicle identification number or “VIN” numbers from crash reports to Experian, a company that assembles and sells vehicle history reports. VIN numbers are extremely profitable to Lexis, regardless of whether any customer ever orders the crash report.

46. The sale of VIN numbers and other data from crash reports is expressly prohibited by the DHSMV contract:

Crash records and/or other driver or vehicle owner information provided to the Contractor by the Department for purposes of this Contract shall not be used by the Contractor for any purpose not approved in writing by the Department. The Contractor shall not sell, assign or otherwise transfer, or permit the use of information furnished by the Department to, or by, any other person, firm, association, or corporation unless (i) approved in writing by the Department; and (ii) the use made by the transferee is consistent with the uses permitted by law including the disclosures prohibited by Section 119.07, Florida Statutes.

See Exhibit 1, at ¶ 3.12 (Florida DHSMV Contract) (emphasis added). This is yet another way that Lexis defrauds the DHSMV.

## **SPECIFIC REVERSE FALSE CLAIMS**

47. As representative examples, Relator has confirmed that the following crash report purchases were made, and that Lexis did not forward the appropriate agency fees back to DHSMV.

48. On a daily basis, Lexis supplies the DHSMV with a report known as the Florida Daily Revenue Report. This report mirrors the information set forth in the eCrash Daily Summary, but limits the information solely to purchases from DHSMV. Like the eCrash Daily Summary, the Florida Daily Revenue Report does not include sales of crash reports that have already been added to the HPCC “inventory.” Lexis considers such crash reports to be Lexis property, with no need to report these sales to DHSMV.

### **Example #1**

49. On or about October 31, 2017, Relator’s counsel ordered a crash report by way of the Lexis portal [www.buycrash.com](http://www.buycrash.com). The crash took place on March 31, 2017, and was prepared by Florida Highway Patrol, Troop A. The crash involved a party with initials W.D.

50. Relator’s counsel chose to order this crash report because Relator confirmed that this crash report had already been ordered in the past and, thus, had already been uploaded into the HPCC. As such, this test purchase was designed to determine whether Lexis would report this purchase to DHSMV and forward the agency fee to DHSMV.

51. Relator’s counsel paid \$16 for the report on or about October 31, 2017. Under the Florida contract, Lexis should have reported this purchase on the Florida Daily Revenue Report and should have forwarded \$10 to DHSMV.

52. Following the purchase, Relator confirmed that this sale did not appear on the eCrash Daily Summary. On information and belief, the purchase likewise failed to appear on the Florida Daily Revenue Report, and Lexis did not forward the agency fee to DHSMV.

53. As to Example #1, Lexis knowingly made, used, or caused to be made or used, false records and statements material to its obligations to pay money to DHSMV, and Lexis knowingly concealed, decreased, and avoided its financial obligations to DHSMV.

### **Example #2**

54. On or about November 28, 2017, Relator's counsel ordered a crash report by way of the Lexis portal [www.buycrash.com](http://www.buycrash.com). The crash took place on September 26, 2016, and was prepared by Florida Highway Patrol, Troop C. The crash involved a party with initials M.B.

55. Relator's counsel chose to order this crash report because Relator confirmed that this crash report had already been ordered in the past and, thus, had already been uploaded into the HPCC. As such, this test purchase was designed to determine whether Lexis would report this later purchase to DHSMV and forward the agency fee to DHSMV.

56. Relator's counsel paid \$16 for the report on or about November 28, 2017. Under the Florida contract, Lexis should have reported this purchase on the Florida Daily Revenue Report and should have forwarded \$10 to DHSMV.

57. Following the purchase, Relator confirmed that this sale did not appear on the eCrash Daily Summary. On information and belief, the purchase likewise failed to appear on the Florida Daily Revenue Report, and Lexis did not forward the agency fee to DHSMV.

58. As to Example #2, Lexis knowingly made, used, or caused to be made or used, false records and statements material to its obligations to pay money to DHSMV, and Lexis knowingly concealed, decreased, and avoided its financial obligations to DHSMV.

### **Example #3**

59. On or about November 28, 2017, Relator's counsel ordered a crash report by way of

60. the Lexis portal [www.buycrash.com](http://www.buycrash.com). The crash took place on August 27, 2016, and was prepared by Florida Highway Patrol, Troop C. The crash involved a party with initials R.W.

61. Relator's counsel chose to order this crash report because Relator confirmed that this crash report had already been ordered in the past and, thus, had already been uploaded into the HPCC. As such, this test purchase was designed to determine whether Lexis would report this later purchase to DHSMV and forward the agency fee to DHSMV.

62. Relator's counsel paid \$16 for the report on or about November 28, 2017. Under the Florida contract, Lexis should have reported this purchase on the Florida Daily Revenue Report and should have forwarded \$10 to DHSMV.

63. Following the purchase, Relator confirmed that this sale did not appear on the eCrash Daily Summary. On information and belief, the purchase likewise failed to appear on the Florida Daily Revenue Report, and Lexis did not forward the agency fee to DHSMV.

64. As to Example #3, Lexis knowingly made, used, or caused to be made or used, false records and statements material to its obligations to pay money to DHSMV, and Lexis knowingly concealed, decreased, and avoided its financial obligations to DHSMV.

#### **Example #4**

65. On or about November 28, 2017, Relator's counsel ordered a crash report by way of the Lexis portal [www.buycrash.com](http://www.buycrash.com). The crash took place on September 14, 2016, and was prepared by Florida Highway Patrol, Troop K. The crash involved a party with initials R.B.

66. Relator's counsel chose to order this crash report because Relator confirmed that this crash report had already been ordered in the past and, thus, had already been uploaded into the HPCC. As such, this test purchase was designed to determine whether Lexis would report this later purchase to DHSMV and forward the agency fee to DHSMV.

67. Relator's counsel paid \$16 for the report on or about November 28, 2017. Under the Florida contract, Lexis should have reported this purchase on the Florida Daily Revenue Report and should have forwarded \$10 to DHSMV.

68. Following the purchase, Relator confirmed that this sale did not appear on the eCrash Daily Summary. On information and belief, the purchase likewise failed to appear on the Florida Daily Revenue Report, and Lexis did not forward the agency fee to DHSMV.

69. As to Example #4, Lexis knowingly made, used, or caused to be made or used, false records and statements material to its obligations to pay money to DHSMV, and Lexis knowingly concealed, decreased, and avoided its financial obligations to DHSMV.

70. The above reverse false claims are representative only. From at least January 2012 and continuing to the present, Lexis submitted thousands of false statements to DHSMV misrepresenting the number of crash reports it sold. Likewise, from at least January 2012 and continuing to the present, knowingly and intentionally avoided, decreased, and underpaid its financial obligations to the DHSMV.

**ATTORNEYS' FEES AND CONDITIONS PRECEDENT**

71. The fraudulent schemes outlined above have caused the government millions of dollars in false claims and reverse false claims damages.

72. The Relator has hired the undersigned counsel and is obligated to pay a reasonable attorneys' fee.

73. All conditions precedent have been performed or waived.

74. The allegations and transactions described in this Complaint have not been publicly disclosed within the meaning of the Florida FCA. To the extent a public disclosure has taken place, Relator is the original source of the information in this Complaint. That is to say, he fully

disclosed these allegations to the government before any public disclosure took place and he has knowledge that is independent of and materially adds to any publicly disclosed information.

**Count 1 – Florida FCA Claim**

75. Relator re-alleges paragraphs 1 through 73.

76. This a claim for treble damages under the Florida False Claims Act, section 68.082(2)(g), Florida Statutes.

77. Through the acts described above, the Defendant knowingly made, used, or caused to be made or used, false records or statements material to an obligation to pay or transmit money or property to the government, and Defendant knowingly concealed, improperly avoided and decreased its obligations to pay or transmit money or property to the State of Florida, in violation of section 68.082(2)(g), Florida Statutes.

78. By reason of this conduct, the State of Florida has been damaged and continues to be damaged, in an amount yet to be determined.

**PRAYER FOR RELIEF**

WHEREFORE, the Relator requests that judgment be entered against Defendant, ordering that:

- a. Lexis cease and desist from violating the Florida False Claims Act;
- b. Lexis pay an amount equal to three times the amount of damages sustained by the State of Florida;
- c. Lexis pay civil penalties in the amounts allowed by law;
- a. Relator be awarded a reasonable Relator share as allowed by law;
- d. Relator be awarded all costs of this action, including attorneys' fees, expenses, and costs; and
- e. Relator and the State of Florida be granted all such other relief as the Court deems

just and proper.

**DEMAND FOR JURY TRIAL**

Relator respectfully demands trial by jury of all issues so triable.

Respectfully submitted, this 4th day of September, 2018.

/s Ryon M. McCabe

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## SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the State of Florida (the “State”), the Defendant, LexisNexis Coplogic Solutions Inc. (“LN”), and the Relator, Christopher Hood (the “Relator”), each through their authorized representatives. The foregoing parties are hereinafter collectively referred to as “the Parties.”

### PREAMBLE

WHEREAS, on or about September 4, 2018, Relator filed a *qui tam* action (the “Action”) captioned *State of Florida ex rel. Christopher Hood v. LexisNexis Coplogic Solutions, Inc.*, Case No. 2018 CA 1950 in the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida pursuant to the Florida False Claims Act (the “Action”); and

WHEREAS, the State intervened in the Action on September 11, 2018;

WHEREAS, due to the nature of the Florida False Claims Act, the Attorney General of the State of Florida signs this Agreement on behalf of the State only, and not on behalf of any local governments or political subdivisions;

WHEREAS, LN has agreed to this Agreement in settlement of the Action and the Covered Conduct and to avoid the time, expense, and distraction of litigation;

WHEREAS, this Agreement is made in compromise of disputed claims and is neither an admission of liability by LN, nor a concession by the State and/or Relator that their claims are not well-founded; and

WHEREAS, Relator claims entitlement to a share of the proceeds of this Agreement and to Relator's reasonable expenses, attorney's fees, and costs under the Florida False Claims Act;

NOW THEREFORE, in consideration of the mutual promises and obligations of the Agreement, the Parties agree fully and finally to settle the Action and the Covered Conduct pursuant to the terms and conditions below:

### **BACKGROUND**

### **TERMS AND CONDITIONS**

1. LN and its affiliates are data companies that collect and sell to the public, among other things, motor vehicle crash reports prepared by Florida police agencies. On or about September 20, 2016, LN became the contractor under a contract ("Contract") with the State of Florida Department of Highway Safety and Motor Vehicles ("DHSMV") to make motor vehicle crash reports ("Crash Reports") available to the public and to provide DHSMV with other data storage and processing and maintenance and development services. The Contract was terminated by DHSMV on June 30, 2019.

2. The Complaint filed on September 4, 2018, as amended on December 28, 2018 (the "Complaint") alleges that LN was supposed to collect an "agency fee" from each customer who ordered a report and thereafter forward that fee to DHSMV under the terms of the Contract. Accordingly, per the Complaint, LN must report to DHSMV the true and correct number of Crash Reports sold to the public, and forward to DHSMV the true and correct amount of fees due for each and every sale.

3. The Complaint alleges that LN has engaged in a systematic pattern of under-reporting the number of Crash Reports sold and, in turn, underpaying its financial obligations to the State.

4. As a result, the State contends that LN has made, used or caused to be made or used false records and statements material to its obligations to pay money to the State, and has concealed, decreased, and avoided its financial obligations to the State.

5. The conduct set forth in Paragraphs 1 through 4 is referred to herein as the “Covered Conduct.”

6. By its correspondence dated November 7, 2019, the State initially requested data, including regarding any sale or other transfer of Crash Reports for the purpose of finalizing this Agreement. LN provided data through a report dated January 17, 2020 and it has subsequently produced other data, including at the request of the State. LN provided updated transaction figures on July 15, 2020 and September 15, 2020.

#### **Payment of the Settlement Amount**

7. Subject to the terms of this Agreement, LN will pay the total sum of \$9,881,722.50 (the “Settlement Amount”) in the manner described herein. The Settlement Amount resolves claims for damages, restitution, penalties, attorneys’ fees, and costs made by the State under the Florida False Claims Act, and also includes the Relator’s share, *i.e.*, the share to which the Relator is entitled (“Relator’s Share”) as well as Relator’s statutory claim for reasonable expenses, attorney’s fees, and costs from LN.

8. LN agrees that it will not claim, assert or apply for a tax deduction or tax credit on any tax return for any portion of the Settlement Amount.

9. The State and LN agree that, for purposes of I.R.C. § 162(f), \$4,125,210.00 of the Settlement Amount paid to DHSMV constitutes restitution to the State within the meaning of I.R.C. § 162(f)(2).

**LN's Payment to the State**

10. Within fifteen (15) calendar days following the Effective Date (defined below) of this Agreement, LN agrees to pay to the State the total sum of \$7,771,786.61 ("State's Share Amount"), which amount includes a payment of \$300,000.00 to the Legal Affairs Revolving Trust Fund for the State's reasonable expenses, attorney's fees, and costs, pursuant to the wire instructions previously provided to LN's counsel.

**LN's Payments to Relator**

11. Within fifteen (15) calendar days following the Effective Date, LN agrees to pay Relator the sum of the Relator's Share of amounts payable to the State, equaling \$1,809,935.89, through electronic transfer to a trust account for Relator through Relator's counsel, in accordance with the wire instructions previously provided by Relator's counsel to LN's counsel.

12. Within fifteen (15) calendar days following the Effective Date, LN also agrees to pay Relator's counsel the sum of Three Hundred Thousand U.S. Dollars (\$300,000.00), for Relator's reasonable expenses, attorney's fees, and costs, in accordance with the wire instructions previously provided by Relator's Counsel to LN's counsel.

**The State's Releases**

**The State's Release of LN**

13. In consideration of and subject to the obligations and representations of LN in this Agreement, and conditioned upon the completed payment by LN of the Settlement

Amount according to the terms herein, the State, together with its agencies, officers, employees, servants, attorneys, and agents, fully and finally releases LN, together with its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former owners, officers, directors, agents, employees, and affiliates, and the successors and assigns of any of them, from any known civil claims the State has asserted, could have asserted or may assert in the future, arising under the Florida False Claims Act.

#### **Exceptions to the State's Release of LN**

14. Notwithstanding any term of this Agreement, the State specifically does not release any person or entity from any of the following liabilities:

- a. Any liability of any kind arising from any sale or other transfer of Crash Reports not included in the data provided by LN through its counsel prior to the execution of this Agreement;
- b. Any civil, criminal or administrative liability arising under state tax laws;
- c. Any criminal liability;
- d. Any liability to the State (or its agencies) for any conduct other than that arising from or related to the allegations in the Complaint or the Covered Conduct;
- e. Any liability based upon such obligations as are created by this Agreement;
- f. Any liability not covered by this Agreement for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;

- g. Any liability for personal injury or property damage arising from the Covered Conduct;
- h. Any liability not covered by this Agreement for failure to deliver goods or services due;
- i. Any claims against and liability of individuals, except as provided for herein; and
- j. Any administrative liability, including suspension or debarment rights of any state agency.

### **Relator's Releases**

#### **Relator's Release of LN**

15. In consideration of and subject to the obligations and representations of LN in this Agreement, and conditioned upon Relator's receipt from LN of completed payment of the Relator's Share and Relator's reasonable expenses, attorney's fees, and costs, according to the terms herein, Relator, for himself individually, and for his heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns, fully and finally releases LN, together with its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former owners, officers, directors, agents, employees, and affiliates, and the successors and assigns of any of them, from any known or unknown civil claims Relator has asserted, could have asserted or may assert in the future, whether under the Florida False Claims Act or any other statutory or common law as they relate to the State of Florida, arising from the Contract or the Covered Conduct, that Relator has on behalf of himself or of the State of Florida under the Florida False Claims Act; provided, however, that nothing in this Agreement shall be

deemed to preclude Relator from seeking to recover under the False Claims Acts or similar laws of any jurisdiction other than the State of Florida, or for an alleged breach of paragraphs 11 and 12 of this Agreement, which claims are expressly reserved by Relator.

**Relator's Release of the State**

16. In consideration of and conditioned upon the mutual releases and payments set forth herein, the Relator, for himself individually, and for his heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns, fully and finally releases the State, its agencies, officers, employees, servants, attorneys, and agents from any claims (including claims for attorney's fees, costs, and expenses of every kind and however denominated) that Relator has asserted, could have asserted or may assert in the future against the State, arising from Relator's and the State's investigation and prosecution of the Covered Conduct, the allegations in the Complaint or from any other claim for a share of the Settlement Amount. Relator accepts the payment described in paragraphs 11 and 12 in full settlement of any claims Relator may have against the State under this Agreement or as a result of the Action. This Agreement does not resolve or in any manner affect any claims the State have or may have against Relator arising under state tax laws, or any claims arising under this Agreement.

**Relator's Agreement Concerning the Settlement Agreement**

17. Relator, for himself individually, and for his heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns, agrees not to object to this Agreement and agrees and confirms that this Agreement is fair, adequate, and reasonable pursuant to § 68.084(2)(b), Florida Statutes.

## **LN's Releases**

### **LN's Release of the State**

18. LN, together with its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former owners, officers, directors, agents, employees, and affiliates, and the successors and assigns of any of them, fully and finally releases the State, its agencies, officers, employees, servants, attorneys, and agents from any claims (including claims for attorney's fees, costs, and expenses of every kind and however denominated) that LN has asserted, could have asserted or may assert in the future against the State, its agencies, officers, employees, servants, attorneys, agents and assigns, arising from the Covered Conduct, the allegations in the Complaint, from Relator's and the State's investigation and prosecution thereof, or under its contract with DHSMV. Nothing in this Agreement shall be deemed to preclude LN from pursuing any claims based on the State's alleged breach of this Agreement.

### **LN's Release of Relator**

19. LN, together with its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former owners, officers, directors, agents, employees, and affiliates, and the successors and assigns of any of them, fully and finally releases Relator, his heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns from any known or unknown claims (including claims for attorney's fees, costs, and expenses of every kind and however denominated) that LN has asserted, could have asserted or may assert in the future against the Relator himself individually, his heirs, personal representatives, legal representatives, successors, attorneys, agents and assigns, arising from the Covered Conduct, the

allegations in the Complaint and from Relator's and the State's investigation and prosecution thereof. Nothing in this Agreement shall be deemed to preclude LN from pursuing any claims based on Relator's alleged breach of this Agreement nor shall it release or affect in anyway LN's right to seek the return or destruction of all data, documents or other property belonging to LN or its affiliates that is in Relator's possession or control.

#### **Notice of Discontinuance**

20. In consideration of the obligations of LN as set forth in this Agreement and subject to the exceptions set forth in this Agreement, within five (5) business days after receiving each of the wire transfer payments specified in paragraphs 10, 11, and 12, Relator and the State shall file a Stipulation of Voluntary Dismissal with Prejudice.

#### **ADDITIONAL TERMS**

##### **Representations**

21. The State and Relator have agreed to the terms of this Agreement based on, among other things, the express representations made to it by LN, including through its counsel. Among these, LN hereby represents that the data provided through its counsel contains a true, accurate, and complete statement of: (a) all Crash Reports sold or otherwise transferred to the public by it, its parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, affiliates, successors, and assigns, for which the true and correct amount of fees due for each and every sale or other transfer was not forwarded to DHSMV. LN agrees and acknowledges that the State and the Relator have relied on the accuracy of the data provided by LN through its counsel as a material consideration in entering into the Agreement.

22. LN hereby further represents that as of July 1, 2019, and continuing to the execution of this Agreement, it and its parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, affiliates, successors, and assigns have forwarded the true and correct amount of fees due to DHSMV for each and every sale or other transfer of all Crash Reports. LN also agrees and promises that it and its parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, affiliates, successors, and assigns will continue to forward the true and correct amount of fees due to DHSMV for each and every sale or other transfer of all Crash Reports for all time periods subsequent to this Agreement. LN agrees and acknowledges that the State and the Relator have relied on the accuracy of this further representation and future undertaking as a material consideration in entering into the Agreement. The parties finally agree that, to the extent LN has purchased or does purchase any new crash reports from DHSMV on or after July 1, 2019, any subsequent sale or other transfer of such crash reports will not require the payment of any further fees to DHSMV.

23. Finally, LN further represents that it and its parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, affiliates, successors, assigns, and agents (including its counsel) have purged all data and images from any database along with any copies / backup from any database prior to the execution of this Agreement. To the extent any data or images may have been inadvertently missed in deletion efforts to date, including images or data remaining in some employees' email boxes or computers, LN is obligated to search for and delete any such data and images within ninety (90) days from the Effective Date. LN agrees and acknowledges that the State and the Relator have relied on the accuracy of this further representation and the

requirement for reporting the deletion of any further data and images along with the payment of any additional monies then owed as a material consideration in entering into the Agreement.

24. To the extent any material representations are later found to be materially inaccurate or misleading, this Agreement is voidable by the State in its sole discretion, and LN expressly agrees not to plead, argue or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel or similar theories, except to the extent such defenses were available on the date the Action was filed, to any civil claims filed by the State as a result of any such finding that a representation(s) is materially inaccurate or misleading. In the event the State successfully exercises its rights pursuant to this paragraph, Relator reserves the right to seek an award of relator share from any such additional sums that may be recovered.

25. No representation, inducement, promise, understanding, condition or warranty not set forth in this Agreement has been made to or relied upon by LN in agreeing to this Agreement.

26. Each Party represents and warrants, through the signatures below, that the terms and conditions of this Agreement are duly and fully approved, and that execution of this Agreement by the undersigned counsel and any other signatories on behalf of the persons and entities appearing on their respective signature pages is duly and fully authorized.

#### **General Terms**

27. This Agreement is not intended for use by any third party in any other proceeding.

28. This Agreement and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

29. This Agreement constitutes the complete agreement between and among the Parties and may not be amended except by an instrument in writing signed on behalf of all the Parties to this Agreement.

30. This Agreement shall be binding on and inure to the benefit of the Parties to this Agreement and their respective parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former owners, officers, directors, agents, employees, affiliates, successors, and assigns, provided that LN may not assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the express prior written consent of the State.

31. In the event that any one or more of the provisions contained in this Agreement, other than provisions concerning payment and release, shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

32. Any failure by any Party to insist upon the strict performance by any other Party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the Party(ies) concerned, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Agreement to be performed by the other Party(ies).

33. All communications from any Party to another Party concerning this Agreement shall be sent by United States mail with return receipt requested or overnight delivery service with signature required to the signatory counsel for each Party.

34. In any subsequent investigation, civil action or proceeding by the State to enforce this Agreement, or for violations of the Agreement, LN expressly agrees and acknowledges that any statute of limitations or other time-related defenses are tolled from and after the Effective Date of this Agreement, and that the State may use statements, documents or other materials produced or provided by LN prior to or after the Effective Date of this Agreement as permitted by applicable rules of civil procedure and evidence.

35. If a court of competent jurisdiction determines that LN has breached this Agreement, included by failing to pay amounts owed under the Agreement, LN shall pay to the State and/or Relator, the cost, if any, of obtaining such determination and of enforcing this Agreement, including, without limitation, legal fees, expenses, and court costs.

36. Any headings, titles, and subtitles contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties, and shall not in any way affect the meaning or interpretation of this Agreement.

37. This Agreement shall be governed by the laws of the State of Florida without regard to any conflict of laws principles. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Agreement will be the Second Judicial Circuit in and for Leon County, Florida.

38. This Agreement is effective on the date of signature of the last signatory of the Agreement (the "Effective Date"). Facsimiles and .pdfs of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

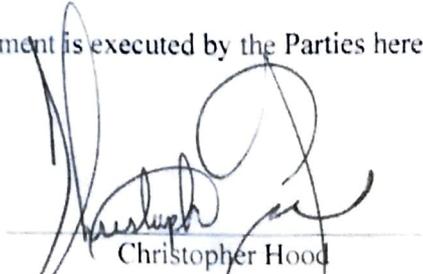
39. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Agreement is executed by the Parties hereto.

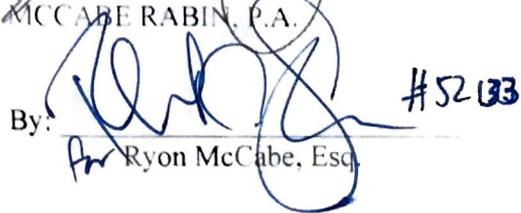
RELATOR CHRISTOPHER HOOD

Dated: September 16, 2020

  
\_\_\_\_\_  
Christopher Hood

MCCABE RABIN, P.A.

Dated: September 16, 2020

  
By: \_\_\_\_\_ #5233  
For Ryon McCabe, Esq.

Centurion Tower  
1601 Forum Place, Suite 201  
West Palm Beach, FL 33401  
Email: rmccabe@mccaberabin.com

*Attorneys for Relator*

DEFENDANT LEXISNEXIS  
COPLOGIC SOLUTIONS INC.

LEXISNEXIS COPLOGIC SOLUTIONS  
INC.

Dated: September \_\_, 2020

By: \_\_\_\_\_  
William S. Madison

Title: Executive Vice President

TROUTMAN PEPPER HAMILTON  
SANDERS LLP

Dated: September \_\_, 2020

By: \_\_\_\_\_  
Ashley L. Taylor, Esq.

1001 Haxall Point, 15<sup>th</sup> Floor  
Richmond, VA 23219  
Email: ashley.taylor@troutman.com

*Attorneys for Defendant*

IN WITNESS WHEREOF, the Agreement is executed by the Parties hereto.

RELATOR CHRISTOPHER HOOD

Dated: September \_\_, 2020

\_\_\_\_\_  
Christopher Hood

MCCABE RABIN, P.A.

Dated: September \_\_, 2020

By: \_\_\_\_\_  
Ryon McCabe, Esq.

Centurion Tower  
1601 Forum Place, Suite 201  
West Palm Beach, FL 33401  
Email: rmccabe@mccaberabin.com

*Attorneys for Relator*

DEFENDANT LEXISNEXIS  
COPLOGIC SOLUTIONS INC.

LEXISNEXIS COPLOGIC SOLUTIONS  
INC.

Dated: September 16<sup>th</sup>, 2020

By:   
William S. Madison

Title: Executive Vice President

TROUTMAN PEPPER HAMILTON  
SANDERS LLP

Dated: September \_\_, 2020

By: \_\_\_\_\_  
Ashley L. Taylor, Esq.

1001 Haxall Point, 15<sup>th</sup> Floor  
Richmond, VA 23219  
Email: ashley.taylor@troutman.com

*Attorneys for Defendant*

IN WITNESS WHEREOF, the Agreement is executed by the Parties hereto.

RELATOR CHRISTOPHER HOOD

Dated: September \_\_, 2020

\_\_\_\_\_  
Christopher Hood

MCCABE RABIN, P.A.

Dated: September \_\_, 2020

By: \_\_\_\_\_  
Ryon McCabe, Esq.

Centurion Tower  
1601 Forum Place, Suite 201  
West Palm Beach, FL 33401  
Email: rmccabe@mccaberabin.com

*Attorneys for Relator*

DEFENDANT LEXISNEXIS  
COPLOGIC SOLUTIONS INC.

LEXISNEXIS COPLOGIC SOLUTIONS  
INC.

Dated: September \_\_, 2020

By: \_\_\_\_\_  
William S. Madison

Title: Executive Vice President

TROUTMAN PEPPER HAMILTON  
SANDERS LLP

Dated: September \_\_, 2020

By:  9/16/2020  
Ashley L. Taylor, Esq.

1001 Haxall Point, 15<sup>th</sup> Floor  
Richmond, VA 23219  
Email: ashley.taylor@troutman.com

*Attorneys for Defendant*

STATE OF FLORIDA

Dated: September 16, 2020

ASHLEY MOODY, Attorney General of  
Florida

By: Russell S. Kent  
Russell S. Kent, Esq.

Special Counsel for Litigation  
The Capitol, PL-01  
Tallahassee, FL 32399-1050  
Email: russell.kent@myfloridalegal.com