

July 23, 2013

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Marc A. Manos
Nexsen Pruet
1230 Main Street, #700
Columbia, South Carolina 29202

**Re: Child Support Enforcement System & Family Court Case
Management System Contract No. 07-S7279/ Case No. 2013-204 A&B**

Dear Marc:

I am writing in response to the issues raised in your July 22, 2013, letters surrounding the so-called transition of the CFS Project from Hewlett Packard State and Local Enterprise Services (“HPSLES”) to the State.

First, with regard to the State’s demand for “immediate access to the entire SharePoint database,” as you are aware, § 2.58.7 of the Contract (as amended by RON 1) provides in relevant part that documents or other materials scheduled for delivery to the State shall become the State’s property “*upon payment of all sums due the Contractor.*” HPSLES is currently analyzing the documents and materials located on the SharePoint to determine which, if any, material was scheduled for delivery and has been paid for by the State.

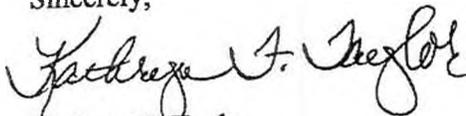
Second, HPSLES is under no obligation to “inform its subcontractors that they are free to deal with the State regarding the possibility of continuing their subcontracts or even expanding them in the ongoing CFS Project,” as the State has requested. In fact, pursuant to Section 2.73, because HPSLES believes that it has substantially performed, and is capable of delivering a federally compliant system, it would also not be appropriate at this time for the State to directly contact HPSLES’s subcontractors. Moreover, any solicitation of the services of any HPSLES employees without HPSLES’s agreement would violate § 2.47.3 of the Contract.

Third, with regard to your request that HPSLES “suspend document destruction policies, and not . . . destroy or alter documents in their hard copy or electronic form related to the Project in this litigation,” HPSLES confirms that its employees have preserved and retained relevant documents and electronic information at all times throughout the pendency of the current Contract Controversy, and continue to do so following the State’s wrongful termination. We remind you that the law imposes a reciprocal obligation upon the State.

Finally, to address your concerns regarding HPSLES's ability to "access" electronic mail located on the ".CFSC" server, as you know, HPSLES has had systems administration rights over this server since the beginning of the Project. Neither HPSLES employees, contractors, nor attorneys have accessed the electronic mail files of any State employee or contractor without prior authorization. Nevertheless, pursuant to your request we have instructed the HPSLES employees with such administrative access that they should not attempt to access any State employee or contractor electronic mail files under any circumstances.

Immediately upon receiving your letter, HPSLES also instructed its employees and subcontractors to save separately copies of their communications located on the ".CFSC" server. Pursuant to your request, we will take physical possession of the ".CFSC" server. The State has twenty-four (24) hours to save any of their files which are located on the server. On Thursday, July 25, 2013, at 9:00 a.m. E.T., HPSLES will disconnect the server, and it will be transferred to Richard A. Farrier, K&L Gates LLP, 134 Meeting Street, #200, Charleston, South Carolina 29401, until the Parties' technical teams can determine the best way for the Parties to access and protect the information. Neither Richard nor any other K&L Gates employee will attempt to access any State information on the server without first reaching an agreement with the State regarding how to proceed. I trust this allays any concerns you may have on this topic.

Sincerely,



Kathryn F. Taylor