

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF STATE  
BUREAU OF SECURITIES REGULATION**

**IN THE MATTER OF:**

Local Government Center, Inc.; et al.

)

)Case No.: C-2011000036

)

**AFFIDAVIT OF MAURA CARROLL**

I, Maura Carroll, being duly sworn, state as follows:

1. I am over the age of 18 and believe in the sanctity of an oath. I give this affidavit based upon my personal knowledge.
2. I am presently employed as the Executive Director of the New Hampshire Local Government Center, Inc. ("LGC"), a position that I have held since my appointment by the Board of Directors on June 10, 2010. I was appointed Interim Executive Director on June 27, 2009 and began serving in that position on September 4, 2009.
3. I have been continuously employed by LGC and its predecessor, the New Hampshire Municipal Association ("NHMA"), since 1988. Prior to serving as Executive Director and Interim Executive Director, I served as General Counsel to NHMA for approximately nine years, from 2000 to 2009. Although my title was General Counsel, I did not provide legal counsel or advice to LGC or to any of the risk pools. Instead, my role was to provide legal advice and services to the municipal members and NHMA.
4. As General Counsel to the municipal members of NHMA, I also managed the municipal advocacy program that advanced municipal interests before state and federal officials and legislators. LGC's staff attorneys, now housed in the Department of

Legal Services and Government Affairs, continue to this date to fill a similar role, and they do not provide legal counsel to LGC.

5. At all times since I have been employed by LGC, LGC and its predecessors and subsidiaries, including the risk pools (which I will collectively refer to as "LGC"), have been represented by outside legal counsel. Since January 18, 2011, LGC has also been represented by in-house attorney David Frydman, who now has the title of General Counsel.

6. My predecessor in providing legal advice and services to the municipal members of NHMA was H. Bernard Waugh, Jr., who held the title of "Chief Legal Counsel" or "Legal Counsel." On December 9, 1994, Mr. Waugh wrote to the New Hampshire Bar Ethics Committee, seeking clarification regarding his ethical duties as an employee of NHMA who provided legal services to member municipalities. Attached as Exhibit A is a true and correct copy of Mr. Waugh's letter. In this letter, Mr. Waugh categorically indicated that he did not give legal advice to municipal insurance pools or NHMA, but instead provided legal services to member municipalities.

7. On June 14, 1995, the New Hampshire Bar Association issued Ethics Committee Advisory Opinion # 1994-95/6 in response to Mr. Waugh's request. Attached as Exhibit B is a true and correct copy of this Opinion. In a section entitled "Relationship to Insurance Pools," the Committee indicated the necessity of maintaining the existing strict division between the attorney (i.e., Mr. Waugh) and the risk pools. In a section entitled "Relationship to Employer," the Committee indicated its preference that the association (i.e., NHMA) and attorney should formally agree that the association will not be a client of the attorney, and that the job description should be amended to so indicate.

8. Following receipt of the ethics opinion, the job description of Chief Legal Counsel was amended to indicate that “In the performance of the legal inquiry function, however, the Legal Counsel exercises professional judgment independent of the employee’s relationship to the Association and its related Trusts, with an explicit recognition that the attorney-client relationship runs directly to the benefit of the Member municipality.” Attached as Exhibit C is a true and correct copy of the job description for Chief Legal Counsel. Similar language has been carried forward in job descriptions since that time.

9. As General Counsel, I attended some meetings of the LGC Board, but prior to becoming Interim Executive Director, I did not participate in Board discussions regarding LGC’s risk pools, the amount of reserves to be retained, rates to be charged member political subdivisions, or the means of returning surplus. I did not provide legal advice to LGC on these issues or participate in discussions or decision-making regarding them. I also never participated in voting on any of these issues.

10. Since September 4, 2009, I have served as interim Executive Director, and subsequently Executive Director, of LGC.

11. Since becoming Executive Director, my duties have been to carry out the policies determined by the LGC Board and to oversee the affairs of LGC under the Board’s direction and supervision. As Executive Director, I attend Board meetings and make recommendations but do not have a vote.

12. The LGC Board makes determinations regarding issues such as corporate structure, setting of rates and reserve levels, and the means of returning surplus. As

Executive Director, I have no discretion or authority to deviate from the requirement that I carry out the determinations of the Board on these or any other matters.

The statements contained herein are true to the best of my knowledge and belief.

Date: March 12, 2012

Maura Carroll  
Maura Carroll

State of New Hampshire  
County of Merrimack

On this 12 day of March, 2012, Maura Carroll, who is personally known to me or whose identity was proven to me by satisfactory means, appeared before me and affirmed that the statements contained herein are true to the best of her knowledge and belief.

James P. ...  
Notary Public/Justice of the Peace  
My Commission Expires: 10/17/12