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## Engagement Agreement

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### Client Name

**Client.** You are our only client(s) in this matter. By a later writing signed by both of us, our services may extend to other matters or related entities. This letter applies, unless otherwise agreed in writing, to any expanded or later representation. You waive any conflict that might arise from a joint representation, e.g., representation of both spouses, all partners or all shareholders. You may decide that having one lawyer represent all the parties is less expensive. However, you *should* have separate ones. If you have any questions about joint representation, you are strongly encouraged to seek independent legal advice. If you later decide that you wish us to represent additional clients, each will be required to sign a conflict waiver letter. Any joint representation will prevent us from treating as confidential all communications between or among you. There can be no secrets between us and any single client if more than one is represented.

**Services.** We will \_\_\_\_\_.

**Excluded Services.** We do **not**: (i) provide services other than those specified in the preceding paragraph; (ii) provide accounting or investment services; (iii) prepare tax returns;<sup>1</sup> (iv) give business or financial advice; (v) keep original documents;<sup>2</sup> or (vi) monitor future changes in the law for you (unless you specifically give us (and pay for) that assignment); (vii) represent you in audits without being separately paid.

**Hourly Fees.** It is impossible to determine, in advance, the amount of fees or costs needed to complete a matter. We try to minimize them in keeping with sound legal practices. Fees are mainly determined by the time our attorneys and other personnel spend. That includes time (i) preparing for and testifying as a percipient witness in a lawsuit or similar proceeding, and (ii) reminding you to return documents. Our hourly rates presently range from \$50 (secretary) to \$240 (a paralegal) to \$475 (Bruce). Rates are periodically revised, and notice will be included in our invoices. Estimates are not binding, must be written and will not be revised unless you ask (and we respond in writing). If we represent more than one client, each is separately responsible for our entire bill.

**Costs.** We do **not** charge for FAXes, word processing, printing, copies, phone toll charges (except operator hosted conference calls), parking (when you come to our offices) and secretarial overtime. We **do charge** for messengers, travel, parking (incurred when traveling for you), filing fees, and other similar items. You are responsible for all costs and expenses we advance for you.

**Retainer.** We request a \_\_\_\_\_ (\$ \_\_\_\_\_) **retainer**. We will not proceed until we have received that retainer and a copy of this signed agreement.

**Statements: Timing.** We will usually send you monthly statements for services rendered and costs incurred. You agree to pay **on receipt** any balance due. If you have questions about a bill, please call us promptly, but no later than twenty (20) days after receipt.

**Statements: Form.** Our statements: (i) identify each date on which services are performed, (ii) specify the time spent on that date in tenths of an hour, (iii) describe the services performed each day by each timekeeper, (iv) identify the timekeeper and (v) specify the amount charged by each timekeeper for each day.

**Payments.** We accept **American Express, VISA and Mastercard**. Please print the card number - \_\_\_\_\_, type (AMEX ( ), VISA ( ) or Mastercard ( ), expiration date: \_\_\_\_\_, and cardholder's name. If we do not receive payment by the end of the month after the one in which

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<sup>1</sup> If you and your CPA want us to do so, and these forms are relevant to your matters, we will prepare Forms 1023 (application for tax-exempt status) and SS-4 (request for taxpayer ID number).

<sup>2</sup> We will dispose of our files concerning you three (3) years after we complete our work. If you wish us to give you our files regarding you, please let us know now.

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we issue our statement, you agree to pay a carrying charge of 1% per month on the unpaid balance from the invoice's date. The carrying charge (i) is subject to periodic adjustment (notice of any change will be included in our invoices); and (ii) will not exceed the usury limit.

**Communications.** Our letters describe our feelings and impressions based on the limited time you have authorized for the project. We do not issue *opinion letters*. You agree that we may communicate with you using FAX machines, cellular phones and e-mail. You have instructed us that your accountant may be present at our meetings and should receive copies of our communications to further your interests and because disclosure is reasonably necessary to accomplish the purpose of our engagement.

**Results.** We cannot promise or guaranty the outcome of any matter.<sup>3</sup> You must implement any planning with the understanding that (i) the IRS may challenge it, and (ii) some tax and interest may be due if you settle with the IRS or if a court determines that additional tax is due.

**Termination.** At any time, upon written notice, you or we may terminate our services. Our representation ends at the earlier of (a) your termination of our services, (b) our withdrawal or (c) substantial completion of our substantive work.

**Disputes Between Us. Professional Negligence (Legal Malpractice and Breach of Fiduciary Duty).** All non-fee disputes related to our agreement shall be subject to binding arbitration in L.A., before a retired California Superior Court judge. Pursuant to C.C.P. §1283.1(b), C.C.P. §1283.05 is incorporated into the arbitration. Judgment on the arbitrator's award shall be final and may be entered in any competent court. The parties agree to equally share any arbitrator's fees. By agreeing to arbitrate ***you are waiving a jury trial***. The prevailing party at the arbitration shall be entitled to attorneys' fees, expenses of litigation and/or arbitration, including expert witnesses, and costs, related to obtaining and collecting any judgment and/or arbitration award, and any other relief to which that party may be entitled. **Fee Disputes.** Any dispute between us that relates only to fees will first be submitted to arbitration under California's Fee Arbitration Rules.

**Miscellaneous.** This letter sets forth our entire agreement for rendering services. It may be modified only in a writing signed by both of us. If any part of this Agreement is held unenforceable, the rest of this agreement shall be unaffected. California law governs this Agreement.

**Conclusion.** We cannot advise you as to this agreement. Please contact us quickly if it does not accurately reflect your understanding of our agreement. Otherwise, please sign and return the enclosed copy of this letter immediately, and mail the check or phone in your credit card number for the retainer. This agreement may be signed in counterparts.

**Acknowledgment.** Signing here means you have read and understand this Engagement Agreement, including the waiver of a jury trial, it accurately sets forth all the terms of the engagement, and you approve<sup>4</sup> and accept it on \_\_\_\_\_, 2005.

Accepted: \_\_\_\_\_  
**BRUCE GIVNER**

<sup>3</sup> Lucas v. Hamm (1961) 56 Cal. 2d 583 absent express agreement, attorney is not "insurer of the soundness of his opinions or of the validity of an instrument that he is engaged to draft".

<sup>4</sup> Agreements signed on behalf of corporations require the signature of two officers.

<sup>5</sup> Agreements with a married couple require the signature of both spouses. Clarey v. Sheppard, Mullin (1-22-03).