

# Engagement Policies

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## Terms of Engagement

Thank you for considering us to represent you. We at Russell, Krafft & Gruber, LLP value rapport with our clients and will strive to establish a mutually rewarding relationship with you. Because a productive working relationship between client and attorney begins with mutual confidence and understanding, we believe it will be helpful for you to review the following information regarding our general policies, procedures and fee structures.

## Your Attorney

While attorneys at Russell, Krafft & Gruber, LLP are knowledgeable in a range of legal areas, each attorney concentrates in particular areas of law after years of experience. When you have explained the legal matter which concerns you, your primary attorney will suggest the attorney best qualified to handle your work. Whether or not this is the attorney you meet with initially, your primary attorney will call upon the knowledge and expertise of other staff attorneys. Although results cannot be guaranteed, we will utilize the knowledge and experience of any or all of our attorneys to achieve your objective if at all possible.

## Costs

Our policy emphasizes accommodating our clients whenever possible. Accordingly, we accept MasterCard and Visa. Just as we feel it is best that you understand our obligation to provide legal services, we want to make certain that you understand our fee structure. We consider a number of factors in determining the appropriate fees for legal services. These factors include: whether the fee is fixed or contingent; the time and labor required; the novelty and difficulty of the question involved and the requisite skill to perform the legal service properly; the likelihood that the acceptance of the particular employment will preclude other employment by the lawyer; the fee customarily charged in our locality for similar legal services; the amount involved and the results obtained; the time limitations imposed by our client or by the circumstances; the nature and length of the professional relationship with our client; and the experience, reputation and ability of the lawyer or lawyers performing the legal services.

The fees charged must also cover overhead expenses since we do not bill separately for secretarial time, word processing and similar overhead costs. Generally, the most important factor that we consider is the time expended in providing legal services. However, it is impossible to determine in advance the amount of time that will be needed to complete a client's case. Clients are billed for services including, but not limited to, office consultations, telephone conferences, correspondence, court appearances, preparation of documents, research and costs. The hourly rate charged varies upon the attorney or paralegal who is providing the services.

Hourly billing rates are adjusted periodically to reflect current levels of legal experience, changes in overhead costs and other factors. Upon request, we will furnish the current hourly rates of our attorneys and paralegals.

The following guidelines are intended to give you an idea of costs you might expect:

- Basic Fees.** There are some types of cases, for instance, simple divorce, simple Wills, Power-of-Attorney, Living Wills and bankruptcy, for which minimum fees have been established. An estimate of fees, however, is not a maximum or fixed fee. When the work is more complex, requiring additional time and expertise, fees can increase proportionately.
- Contingencies.** There are matters in which the fee will be determined by the amount recovered as is often the case in personal injury cases.
- Percentages.** In certain other types of work, such as estate settlements, our fees may be a percentage of the money or property values involved.
- Disbursements.** In addition to legal fees, clients are responsible for payment of costs such as filing fees, service fees, court reporter and expert witness fees, photocopies, faxes, postage, long distance telephone costs and computerized legal research charges. We may require payment for costs before such costs are incurred. For example, you may be asked to deposit filing costs before a lawsuit is filed. If advance deposit is not possible, and it is necessary for us to advance costs on your behalf, you will be billed for such costs on your next monthly billing statement.

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- Retainers.** We may ask you for advance payment of a retainer fee. Additionally, as this fee is applied to regular billings, we may ask that you replenish the retainer or maintain a minimum amount. If any portion of such a deposit is not used, it will be returned to you upon completion of our work. The attorney with whom you are working will advise you of the fee structure applicable to your case.

## Billing Practices

When we represent you on a contingent or percentage fee basis, we will bill you in accordance with that arrangement or upon conclusion of the matter. In other instances you will be billed periodically, usually monthly, or at appropriate times in the progress of your case. All invoices are due and payable within ten (10) days of the date of our invoice. We will impose a FINANCE CHARGE of 1.5% per month (annual percentage rate 18% per year) on outstanding balances which remain unpaid for more than thirty (30) days. By agreeing to have us represent you, and by accepting our services, we consider that you have agreed to make payments accordingly. If you have any questions regarding our invoices, contact our Legal Administrator, Rose Krause, as soon as possible. Failure to fulfill your obligation to us regarding payment of fees and costs may cause us to terminate the attorney/client relationship and pursue collection remedies, including reporting delinquent account information to credit reporting agencies and pursuing legal action. You are responsible for any costs incurred to collect delinquent amounts, including court costs and attorney fees.

## Communication

We at Russell, Krafft & Gruber, LLP make every effort to treat our clients as we would expect to be treated by a legal professional. That means we respond promptly to our clients' needs whenever possible. We remember that our clients' time is valuable. We will make every effort to keep you informed of the progress of your case. This may be accomplished by telephone, letter or memorandum or informational copies of correspondence we send or receive. If you need or want additional information, please call the attorney assigned to you. On your part, if there is new or additional information or any change in circumstances related to your case, you should inform your attorney as soon as possible. If at any time you call our office and find that your attorney is not available, feel free to speak to other attorneys or paralegals who have been working with you in this matter. If your inquiry does not involve legal advice, your attorney's secretary may be able to assist you. If not, your call will be returned as promptly as possible.

To ensure compliance with requirements imposed by the U.S. Internal Revenue Service in Circular 230, we inform you that any tax advice contained in any communication is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the U.S. Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed in the communication. This applies to all written and verbal communication unless it is explicitly stated otherwise.

## Termination

Although we value continuing client relationships, you have the right to terminate our services at any time. Likewise, if you have not cooperated with our reasonable requests, if you disagree with the course of action we recommend or if you do not pay our invoices in a timely manner, we may discontinue our work for you. If we elect to terminate our representation, you agree to execute any documents necessary to evidence our withdrawal. In addition, we will be entitled to be paid in full for all legal services and expenses paid or incurred on your behalf before withdrawal and in connection with the orderly transition of the case and file.

Cases that have been accepted on a contingency basis will be subject to a Contingent Fee Agreement which provides that if a client terminates our representation without reasonable cause before completion of the services to be performed, Russell, Krafft & Gruber, LLP is entitled to compensation for the reasonable value of services rendered prior to termination. The value of

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those services will be calculated using the current hourly billing rates.

Whether initiated by you or us, such termination should be in writing. However, before making this determination, you should discuss any questions with your attorney or, if you prefer, another member of our firm.

## File Retention

Please be advised that it is our policy to destroy paper copies of client files and retain a scanned digital image of these documents for a period of six (6) years after termination of a matter. At the end of the six (6) year period, the scanned copy will be destroyed. Prior to its destruction, you may forward a written request for the return of the file which we will provide as soon as administratively possible provided that all sums due and owing the firm have been paid in full. Upon receipt of your request, we will advise you of any administrative fees that may be charged in advance. Before closing the file, the firm will attempt to return to you, at your last recorded address with our firm, any original documents contained in the file. It is your responsibility to update contact information with Russell, Krafft & Gruber, LLP even after a file is no longer active. Should the nature of the legal matter require that we maintain the file for longer than six (6) years, it will be retained by Russell, Krafft & Gruber, LLP for the appropriate period of time. Please be advised you may not receive additional notice prior to destruction of a file.

## Our Goal

Together, you and your attorney are working to accomplish a result that is satisfactory to you. Through our dedication to high standards, Russell, Krafft & Gruber, LLP has earned a reputation for reliability and responsiveness to our clients' legal needs. We emphasize the values associated with a traditional law firm while offering contemporary approaches necessary in today's changing legal environment. Our primary goal is to provide each client with personal attention and prudent counsel with emphasis on solving problems.

We suggest that you retain this information for your reference. Please call us if you have any additional questions.

RUSSELL, KRAFFT & GRUBER, LLP