

December 19, 2002

PERSONAL & CONFIDENTIAL

Re: **Marriage of**

Dear

You have asked our firm to act as your attorneys in your divorce. We are family law specialists and will not represent you in any matter other than your divorce. We will not represent you in an appeal or writ, in enforcement of a judgment or court order, unless another agreement is made in writing. This letter is our Agreement to represent you and creates legal obligations for both of us. It will become effective when we receive the retainer fee, a copy of this letter signed by you and a copy of the letter explaining the arbitration clause in this letter, also signed and initialed by you. You have the right to consult other counsel before signing this letter.

You agree to pay our firm a retainer fee of \$3,500.00. We will deposit the retainer fee in a trust account and apply \$2,000.00 of it against your fees as we earn them. We will continue to hold the remaining \$1,000.00 in our trust account and apply it to your final bill. After payment of your final bill, any credit balance will be refunded to you. You agree to pay our fees as this Agreement provides and all costs advanced by us or incurred by us on your behalf. You authorize us to remove funds from the retainer account at anytime during the month.

Your fees are based on my hourly rate of \$350.00 and the rates of other personnel who we may assign to work on your case. It is not possible to determine in advance the amount of time that will be needed to complete your case.

Our hourly rates apply to all time we spend on your case including conferences, telephone calls, drafting documents, research, court time, and travel time. Your fees are based strictly on our time spent and are not contingent in any way on the outcome of your case. It is not possible to determine in advance the amount of time that will be needed to complete your case. We charge for conference time between members of our firm when we determine that a conference is necessary for the proper handling of your case. Our time is recorded in quarter hour increments.

We will bill you monthly. You agree to pay each statement in full upon presentation. You agree to pay our fees in full every month regardless of whether you have received your share of the marital property or whether negotiations are under way which might result in the payment of our fees from some other source. If in any month, we do not insist on full payment from you, your obligation to pay us in full each month after that is not changed.

You also agree to comply with all requirements and procedures to place lien for attorneys' fees and costs on your community and separate real property interest pursuant to Family Code Section 2033, which provides that you may encumber your interest in community real estate in order to finance your dissolution. Peter M. Walzer is given a lien and assignment to the extent of its fees and reimbursements on any and all recovery you may obtain in this matter, and may retain these amounts from the recovery. Please be advised that because this lien may grant the firm substantial rights, you may want to consult an attorney regarding your rights.

If in any month you do not receive a bill, please let us know. One reason for itemized monthly bills is to give you an opportunity to bring any problems promptly to our attention. Review your bills carefully immediately upon receipt. Any objections you may have to our billing must be communicated to us in writing within (30) days of the date on each statement. Otherwise, all objections to our charges will be deemed waived.

Your bill is due immediately when you receive it. Your unpaid balances of fees and costs are subject to **FINANCE CHARGES** at the **ANNUAL PERCENTAGE** rate of ten percent (10%) per annum, which corresponds to a monthly periodic rate of .83%. Finance charges will be imposed thirty (30) days the date of our billing on your unpaid balance of fees and costs. Your unpaid balance of fees and costs is determined by taking the beginning balance of your account during each month, adding any new charges for fees and costs and subtracting any payments or credits made to your account. We will then multiply this amount by the applicable periodic rate above to compute the finance charge for your account.

"Costs" are out-of-pocket expenses, such as filing fees, transcripts, photocopying at \$0.25 per copy, messenger fees, appraisers, and accountants. Costs which we have advanced will also be itemized and billed monthly.

[this bolded section does not apply to all cases] Fees and costs may be awarded from the marital property either before or after its division. Occasionally, a judge will order one spouse to pay all or part of the other spouse's fees. But court orders for fees and costs are unpredictable. Sometimes, the court makes no order for fees and costs.

Regardless of whether a court order for fees and costs is sought or given, you are liable for

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payment of our fees incurred and costs advanced. Of course, amounts received pursuant to court order will be credited to your account.

[This bolded text does not apply in all cases] If we bring a proceeding to ask the court to order a payment on your fees by your spouse or from community property, such proceedings require the expenditure of our time and effort, and are billed to you as provided for in this Agreement. If interim fees are granted by the court and are paid, they will be credited against your outstanding bill. If they are not paid, they will not be credited. Our efforts to get a court order for fees, whether successful or unsuccessful, do not diminish your responsibility to pay our fees.

We reserve the right to terminate our attorney-client relationship for non-payment of fees or costs, or for any other reason permitted by law or by the Rules of Professional Conduct.

We will keep you well informed as to the progress of your case. We will send you copies of all papers coming in and going out of our offices, including correspondence, pleadings, and other court documents. If no one is available when you telephone, your call will be returned promptly. We will advise you of the weaknesses as well as the strengths of your case so that you can make informed decisions.

You agree that this Agreement may be disclosed to the court and waive confidentiality with respect to its contents.

In addition to paying our bills promptly upon receipt, you agree to: provide us with information and papers that we ask you for; keep together in a safe place all papers that we send you; communicate with us as necessary; return our telephone calls and respond to our letters; do those things as promptly as reasonably possible. You also agree to make your expectations and goals as clear to us as possible, and to be reasonably available to attend meetings, court appearances, depositions and other proceedings.

All disputes between us regarding any aspect of our attorney-client relationship will be resolved by binding arbitration pursuant to section 1280 *et seq.* of the Code of Civil Procedure and not by litigation in court. This provision applies to all disputes whether they are about financial matters (fees and costs) or about the quality of our services (malpractice). By this provision, we are both giving up our right to have any such dispute decided by a judge or a jury.

As to fees and costs only, you also have the right under the law to non-binding arbitration pursuant to sections 6200 *et seq.* of the Business and Professions Code. If you request non-binding arbitration, it will take place before the binding arbitration which is provided for in Paragraph 14. If you ask for non-binding arbitration and you or we are unhappy with the result,

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it will be followed by binding arbitration. The arbitration which we are agreeing to in Paragraph 14 replaces litigation in court before a judge or jury. It does not replace non-binding arbitration under Business and Professions Code sections 6200 *et seq.*

Any litigation or arbitration between us will take place in Los Angeles County and California law will apply.

You are advised to immediately prepare a current Will or codicil, new or revised Trusts (unless restrained from doing so), to change the title to real properties (joint tenancy to tenants in common) and personal property and to change beneficiaries of life insurance policies, retirement, and employee benefit plans (unless restrained from doing so) to avoid the automatic transfer of property to the other spouse in the event of death prior to property division. We have not been retained to provide legal representation for the matters contained in this paragraph. We can, however, make some suggestions concerning attorneys who specialize in these areas.

Cellular phone calls may pose a security risk in that they are subject to being intercepted by third parties which may waive the attorney/client privilege. The use of computer e-mail may similarly pose a problem as we do not have any encryption software. If you still want to have us communicate by either cellular phone or e-mail, please so indicate by placing your initials here:

Initials: _____

Although we will make every effort to handle your case promptly and efficiently according to the highest legal and ethical standards, we make no guarantees as to the outcome of your case.

Please sign this Agreement and return it to us in the enclosed envelope, keeping a copy for your records. If any part of it is not clear to you, feel free to ask us to explain it further before you sign. You have the right to consult another attorney or other advisor about any aspect of this Agreement before you sign it. The same applies to the accompanying explanation letter about the arbitration clause.

After Peter M. Walzer has concluded his representation of you or completed by judgment, settlement or other termination of this representation, it is agreed that Peter M. Walzer will only be obligated to maintain possession of your material and any files related to said representation for a period of five (5) years after the date of judgment and/or any time during this five-year period, you are entitled to take possession of any files arising out this representation. If you have not requested and picked up said materials from Peter M. Walzer prior to the expiration of this five-year period or if they have not been turned over to you for some other reason, Peter M. Walzer is entitled to dispose of any of these materials, files and records after making a reasonable attempt to notify you of Peter M. Walzer's intention to dispose of your file.

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We look forward to working with you.

Yours very truly,

Peter M. Walzer

PMW:al

I understand and agree to the foregoing and acknowledge that I have received a copy of this Agreement.

Dated: _____, 2002 _____