

# John D. Hannesson

Lawyer

SAMPLE

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18661 Via Palatino  
Irvine, California 92612-3445  
Telephone: (949) 509-7952  
Facsimile: (949) 509-9867  
Email: john@hannessonlaw.com

[ month ] [ day ], [year]

CLIENT

Re: Engagement of Legal Services

Dear CLIENT:

Thank you for retaining me to represent you in [ describe the scope of the work to be performed ]. I appreciate the opportunity to serve as your lawyer and look forward to working with you if you have future legal needs.

This letter sets forth our agreement concerning the legal services I will provide and our fee arrangements for those services. While I make good faith efforts to estimate potential fees accurately, fee estimates are not precise and actual fees can vary significantly from any estimate given. Consequently, my fees are not limited to the amount of any estimate. Please read this entire agreement before signing and returning it.

**1. Scope of Engagement.** I will provide the legal services reasonably required to represent and advise the company in connection with [ summary of scope of engagement ] and then subsequently on an ongoing basis for general corporate, financing, governance or other matters for which you may request assistance, provided we discuss each additional matter in advance and both agree that I should perform that additional work.

**2. Fees and Personnel.** As compensation for my services I will charge my standard hourly fee of \$195.00. I bill for my time in increments of one-tenth of an hour (six minutes). All time expended is billed: for example, research and analysis time, consultation time, telephone time, travel time, and all time spent in conferences, meetings and the like. Exceptions to this general practice can be made under special circumstances.

If other attorneys and/or legal assistants are brought in to assist in the work on your matters, the then-current hourly rates of those individuals will be utilized. You will be consulted before any other attorneys or paralegals are to be used to perform work on your matters. Hourly rates are subject to reasonable change, usually at the beginning of each year.

**3. Disbursements and Expenses.** In addition to hourly fees, I may incur out-of-pocket expenses related to representing the company. I will advance all expenses that are, in my judgment, reasonably necessary. You agree to reimburse me for all such costs, which include, by way of example only, charges for government filing fees, document

copying, facsimile transmission and receipt, computerized legal research, travel expenses, extraordinary postage, messenger, overnight courier fees, and long-distance telephone and teleconferencing charges. I will consult with you before incurring any substantial expenses. Any expenses over \$500 may require advance payment.

**4. Retainer.** My normal practice is to require a retainer for a new engagement to cover a portion of the anticipated fees and costs. We have agreed to a retainer of [ \$\_\_\_\_\_ ] in this matter, however, should you engage me to represent the company in additional matters, a different retainer may be required. I will inform you of any such retainer requirement prior to performing such services.

Any retainer will be placed in a trust account, to be applied against my invoices for fees and costs as soon as they are incurred. I may elect to maintain all or part of the retainer as continuing security for future fees and expenses, not applying it against present invoices. This option will require current payment in full of invoices presented to the company throughout the course of my engagement, without application of the retainer. At the conclusion of my services, I will return any unapplied retainer, after deducting payment for charges billed or to-be-billed for services and any remaining out-of-pocket expenses.

**5. Billing; Payment Responsibilities.** I will generally send monthly statements describing the services performed and the fees and costs due. Occasionally, however, I may defer billing for a given month or months if the accrued fees and costs do not warrant current billing or if other circumstances would make it appropriate to defer billing.

If you have any questions about an invoice, please promptly telephone or write me so that we may discuss these matters (at no charge) while they are fresh in both our minds. Since fees for hourly services are billed as much as 40 days after I have performed the services, statements are due ten days after receipt.

Any dispute concerning payment of fees and costs shall be decided by fee arbitration as required under California Business and Professions Code sections 6200 and following.

Any other dispute arising out of or related to this agreement or my professional services, or any other dispute of any kind, shall be decided at Irvine, California, by a single neutral arbitrator appointed by the American Arbitration Association. The Commercial Rules of the American Arbitration Association shall apply to any dispute. Said arbitrator to be an attorney or retired judge, mutually acceptable to the parties or selected by the American Arbitration Association.

In the event of any dispute arising out of or related to this agreement, my professional services, fees or costs, or any other dispute of any kind, the prevailing party in any arbitration or court proceeding shall be entitled to recover all reasonable attorney's fees and costs incurred therein and the reasonable value of all time that party spends in providing professional legal services therein.

Attorneys reserve the right to charge interest at the rate of ten percent (10%) per annum on fees and costs which are in excess of thirty (30) days past due.

**6. Termination of Services.** You may terminate my services at any time by written notice. After receiving such notice, I will cease providing services and cooperate with you in the orderly transfer of all related files and records to your new counsel. The working files I create the course of my work for you are your property and will be transferred to you at no charge at your request.

I may terminate my services at any time, immediately with your consent, or on fifteen days advance notice without your consent.

Termination of my services, whether by you or by me, will not relieve the obligation to pay for services rendered and costs incurred before the services formally ceased.

**7. No Guarantee of Outcome.** Any comments made about the potential outcome of matters on which I render services or provide advice are expressions of opinion only and are not guarantees or promises about any outcome or results.

**8. Entire Agreement; Full Understanding; Modifications in Writing.** This letter contains our entire agreement about my representation of [ CLIENT ]. Any modifications or additions to this letter agreement must be made in writing.

If these terms are satisfactory, please sign the enclosed copy in the space provided below and return the signed copy to me. Again, I thank you for allowing me the opportunity to serve as your lawyer.

Very truly yours,

These terms are accepted and agreed  
to as of the date of this letter.

[ CLIENT ]

By \_\_\_\_\_

\_\_\_\_\_