Pearson Specter Litt

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# Retainer Agreement

Date: [Insert Date]

To:

Deloitte

8 Adelaide St W #200, Toronto, ON M5H 0A9, CA

Attention: Roan Mercury

Phone: 416-555-6150 | Email: rmercury@deloitte.ca

Dear Roan Mercury,

We are delighted to continue our partnership with Deloitte and appreciate the trust you have placed in Pearson Specter Litt. Our previous collaborations have laid a strong foundation, and we are excited to build on that as we embark on this new engagement together.

During our recent meeting, we had the opportunity to discuss some key priorities for your upcoming acquisition process. We understand the critical importance of maintaining confidentiality to prevent any market speculation, and we are committed to supporting you in this regard. Additionally, we recognize your concerns about potential intellectual property disputes and the need for a thorough review of existing patents and licensing agreements. We also acknowledge your desire to ensure that all key supplier contracts remain enforceable post-transaction.

# Scope of Services

This Scope of Services section outlines the legal services to be provided by Pearson Specter Litt (the "Firm") to Deloitte (the "Client") under this retainer agreement. The Firm is engaged to provide legal counsel in connection with mergers and acquisitions (M&A) for a small cloud consulting firm, specifically within the jurisdiction of Alberta, Canada. The engagement will be supervised by Harvey Specter, with the possibility of other attorneys being introduced as necessary to ensure the effective delivery of services.

# Engagement Confirmation

The Firm confirms its engagement to provide legal services as outlined herein. The Client acknowledges and agrees to the terms of this engagement, including the scope of services and the limitations thereof.

# Specific Legal Services Provided

1. **M&A Legal Counsel**: Advising the Client on legal matters related to mergers and acquisitions, including strategic planning and compliance with applicable laws and regulations.
2. **Due Diligence Review**: Conducting a thorough due diligence review of the target company, including the examination of financial records, contracts, and other relevant documents to identify potential risks and liabilities.
3. **Drafting and Negotiating Purchase Agreements**: Preparing, drafting, and negotiating purchase agreements and related documentation to facilitate the acquisition process, ensuring that the Client's interests are adequately protected.
4. **Contract Review & Vendor Agreements**: Reviewing existing contracts and vendor agreements to assess their implications for the M&A transaction and advising on necessary amendments or negotiations.
5. **Litigation or Dispute Resolution Support**: Providing support in the event of any litigation or dispute resolution arising from the M&A transaction, including representation in negotiations, mediations, or court proceedings as required.

# Exclusions from Scope of Services

The following services are expressly excluded from this engagement:

* Legal representation in matters unrelated to the M&A transaction.
* Tax advice or planning services.
* Regulatory compliance services outside the scope of M&A.
* Any services related to post-acquisition integration or operational matters.
* Guarantees of specific outcomes or results from the legal services provided.

The Firm does not guarantee any specific outcomes or results from the services rendered under this engagement. The Client acknowledges that legal matters are inherently uncertain and that the Firm's role is to provide informed legal advice and representation.

# Introduction of Additional Attorneys

The Firm may introduce additional attorneys to assist in the provision of legal services as necessary. The Client will be informed of any such introductions, and the qualifications and roles of these attorneys will be communicated clearly.

# Client Communication Policies and Document Delivery Expectations

The Firm is committed to maintaining open and effective communication with the Client throughout the engagement. Regular updates will be provided on the progress of legal matters, and the Client is encouraged to reach out with any questions or concerns.

Documents will be delivered to the Client in a timely manner, utilizing secure electronic means whenever possible. The Firm will ensure that all communications and document exchanges comply with applicable confidentiality and data protection standards.

# Fees Section

This section outlines the fee structure and billing practices for the services provided by Pearson Specter Litt ("the Firm") to Deloitte ("the Client") under this retainer agreement.

* **Billing Structure**: The Firm will charge fees on an hourly basis, with rates varying according to the seniority of the attorney providing services.
* **Hourly Rates**:
* Partner: $500 per hour
* Associate: $300 per hour
* Articling Student: $200 per hour
* **Retainer Amount**: The Client agrees to pay an initial retainer of $50,000. This retainer will be applied against the hourly fees incurred during the engagement.
* **Billing Cycle**: The Firm will issue invoices on a quarterly basis. Each invoice will detail the hours worked, the applicable rates, and the total fees incurred during the billing period.
* **Disbursements**: The fees outlined above cover only the legal services provided. Disbursements, including but not limited to court filing fees, travel expenses, and other out-of-pocket costs, will be billed separately and are not included in the retainer amount.
* **Unforeseen Additional Work**: The retainer is based on the anticipated scope of work. Should the engagement require additional services beyond the initial scope, the Firm will notify the Client and seek approval before proceeding. Additional work may result in fees exceeding the retainer amount.
* **Late Payment**: Invoices not paid within 30 days of the billing date will incur a late fee of 10% of the outstanding balance.
* **Liability for Cost Overruns**: The Firm will make reasonable efforts to provide estimates of fees based on the anticipated scope of work. However, the Client acknowledges that unforeseen circumstances may arise, and the Firm shall not be liable for any cost overruns that occur as a result of such circumstances.

By signing this retainer letter, the Client acknowledges and agrees to the fee structure and billing practices as outlined above.

# Disbursements and Other Charges

In connection with the legal services provided by Pearson Specter Litt ("the Firm") to Deloitte ("the Client") under this retainer agreement, the following terms regarding disbursements and other charges shall apply:

1. **Definition of Disbursements**: For the purposes of this agreement, "disbursements" shall refer to third-party costs incurred by the Firm on behalf of the Client in the course of providing legal services. These costs are distinct from office-related charges, which encompass internal administrative expenses, overhead, and other operational costs of the Firm.
2. **Common Disbursements**: The following are examples of disbursements that may be incurred during the provision of legal services related to the Client's acquisition process, including but not limited to:

* Government filing fees for regulatory submissions and approvals.
* Costs associated with expert witnesses, including fees for consultation and testimony.
* Travel expenses incurred for meetings, depositions, or site visits, including transportation, lodging, and meals.
* Fees for third-party document retrieval services, such as court records or public filings.
* Costs for conducting due diligence, including background checks and financial assessments of key suppliers and vendors.

1. **Billing of Disbursements**: Disbursements will be billed to the Client as incurred, meaning that the Firm will charge the Client for the actual costs paid to third parties without markup. The Firm will provide detailed invoices for all disbursements, ensuring transparency and clarity regarding the nature and amount of each charge.
2. **Other Charges**: In addition to disbursements, the Firm may charge for other services that are not included in the standard hourly rates, such as specialized legal research or additional consultations outside the scope of the initial retainer agreement. These charges will be communicated to the Client in advance and will require the Client's approval before being incurred.
3. **Client Acknowledgment**: The Client acknowledges and agrees that the Firm shall not absorb any unexpected costs related to disbursements or other charges. The Firm will make reasonable efforts to provide estimates of anticipated disbursements when possible, but the Client understands that actual costs may vary based on the specific needs of the legal matter.

By signing this retainer agreement, the Client confirms their understanding of the terms outlined in this section regarding disbursements and other charges, and agrees to be responsible for all such costs incurred in the course of the Firm's representation.

# Interest on Late Payments

Payments for services rendered under this retainer agreement are due within thirty (30) days from the date of the invoice. In the event that any payment is not received by the due date, the outstanding balance shall accrue interest at a rate of ten percent (10%) per annum.

Interest will be calculated on a simple interest basis, meaning that it will be applied only to the principal amount due and will not compound. Interest will begin to accrue from the day following the payment due date and will continue until the full amount due, including any accrued interest, is paid in full.

To ensure transparency and avoid any surprises, we will provide a detailed statement of the outstanding balance and any accrued interest with each invoice. We value our relationship with you and are committed to maintaining open communication regarding any financial matters. Should you have any questions or concerns regarding your account, please do not hesitate to reach out.

# Retainer Section

## Retainer Amount and Trust Account

In consideration of the services to be provided by Pearson Specter Litt (the "Firm") to Deloitte (the "Client"), the Client agrees to pay a retainer fee in the amount of Fifty Thousand Dollars ($50,000) (the "Retainer"). This Retainer will be held in a trust account maintained by the Firm and will be applied against fees, disbursements, and applicable taxes incurred in connection with the services rendered.

## Deductions from the Retainer

The Firm will deduct all fees, disbursements, and taxes from the Retainer as they are incurred. The Client will receive detailed invoices outlining the services provided, the time spent, and any disbursements made on behalf of the Client. The Client acknowledges that the Retainer is an advance payment for services and that the Firm will not commence work until the Retainer has been received.

## Replenishment of the Retainer

In the event that the Retainer is depleted to a level of Twenty-Five Thousand Dollars ($25,000) or less, the Firm will notify the Client and request that the Retainer be replenished to the original amount of Fifty Thousand Dollars ($50,000). The Client agrees to provide the additional funds within ten (10) business days of receiving such notice to ensure the continued provision of services without interruption.

## Unused Funds Upon Termination

Upon termination of services, any unused portion of the Retainer will be refunded to the Client within thirty (30) days, provided that all outstanding fees, disbursements, and taxes have been settled. The Firm will provide a final accounting of the services rendered and any remaining balance of the Retainer at the time of termination.

By signing this retainer letter, the Client acknowledges and agrees to the terms outlined in this Retainer Section, ensuring a clear understanding of their financial obligations in relation to the services provided by the Firm.

# Agreement Section

We kindly request that you review this retainer letter in its entirety to ensure that you fully understand its terms and conditions. Your acknowledgment and acceptance of these terms are essential for us to proceed with our engagement. Please return a signed copy of this letter as confirmation of your engagement with Pearson Specter Litt for the provision of M&A legal counsel services related to your acquisition of a small Cloud consulting firm.

We encourage you to seek independent legal advice if you have any questions or concerns regarding the contents of this letter or the implications of our engagement. Your understanding and comfort with the terms outlined herein are of utmost importance to us.

Should you decide not to proceed with this engagement, we kindly ask that you inform us at your earliest convenience. In such a case, we will ensure that any preliminary discussions or materials shared remain confidential and will not be used for any purpose outside of this engagement.

Thank you for considering Pearson Specter Litt as your legal counsel. We look forward to the opportunity to work together and support you through this acquisition process.

# Dispute Resolution and Termination

1. **Dispute Resolution**: In the event of any concerns or disputes arising from the legal services provided under this retainer agreement, the parties agree to first address such concerns informally. The client should communicate any issues directly to the assigned attorney at Pearson Specter Litt. If the matter is not resolved to the client's satisfaction within a reasonable timeframe, the client may escalate the issue to a senior member of the firm, specifically a partner, who will engage in discussions to seek a resolution. Both parties agree to act in good faith to resolve any disputes amicably and expeditiously.
2. **Termination of Services**: The client retains the right to terminate the legal services provided by Pearson Specter Litt at any time, for any reason, by providing written notice to the firm. Such termination shall be effective upon receipt of the written notice, unless a later date is specified therein. Upon termination, the firm shall take reasonable steps to ensure a smooth transition of services.
3. **Withdrawal of Representation**: Pearson Specter Litt reserves the right to withdraw representation under the following circumstances:

* Non-payment of fees or expenses as outlined in this agreement;
* A significant loss of confidence in the attorney-client relationship;
* Any other circumstances that would render the firm’s continued representation unethical or impractical.

1. **Transfer of Files**: Upon termination of services or withdrawal of representation, Pearson Specter Litt will cooperate with the client to facilitate the transfer of files to successor counsel. The firm will provide the client with a complete copy of the client’s files, subject to any applicable legal or ethical obligations. The client shall be responsible for any costs associated with the transfer of files.

This section is intended to ensure clarity and protect the interests of both parties while fostering a professional and collaborative relationship throughout the duration of the engagement.

# Confidentiality Clause

1. **Confidentiality Obligations**: Pearson Specter Litt (the "Firm") and Deloitte (the "Client") acknowledge that, in the course of their professional relationship, they may exchange confidential and proprietary information, including but not limited to communications, documents, data, and other materials (collectively, "Confidential Information"). Both parties agree to maintain the confidentiality of all such Confidential Information in accordance with applicable legal and ethical obligations.
2. **Scope of Confidentiality**: The Firm and the Client shall not disclose any Confidential Information to any third party without the prior written consent of the other party, except as required by law or as necessary to fulfill the obligations of this retainer agreement. This obligation of confidentiality shall survive the termination of this agreement.
3. **Exceptions to Confidentiality**: Notwithstanding the above, the obligation of confidentiality shall not apply to information that:

* is or becomes publicly available through no fault of the receiving party;
* was known to the receiving party prior to disclosure by the disclosing party;
* is disclosed to the receiving party by a third party who is not under an obligation of confidentiality;
* is required to be disclosed by law, regulation, or court order, provided that the receiving party shall, to the extent permitted by law, give prompt written notice to the disclosing party of such requirement and cooperate with the disclosing party in seeking a protective order or other appropriate remedy.

1. **Intellectual Property and Contractual Protections**: The Firm acknowledges the Client's concerns regarding potential intellectual property disputes and the enforceability of key supplier contracts post-acquisition. The Firm agrees to take all necessary precautions to protect the confidentiality of any related information and to provide a detailed review of existing patents and licensing agreements as requested by the Client.
2. **Indemnification**: Each party agrees to indemnify and hold harmless the other party from any claims, losses, or damages arising from a breach of this confidentiality clause, including any unauthorized disclosure of Confidential Information.
3. **Governing Law**: This confidentiality clause shall be governed by and construed in accordance with the laws of the jurisdiction in which the Firm is located, without regard to its conflict of law principles.

By signing this retainer letter, both parties acknowledge their understanding and acceptance of the terms of this confidentiality clause.

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Harvey Specter

Lead Partner, Pearson Specter Litt

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Roan Mercury

Deloitte

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_