

Thursday, October 15, 2024

Confidential Attorney-Client Communication Do Not Disclose

RE: Amendment to Engagement Letter dated November 18, 2021

Dear Harry Assi and Sushi Yam NI Inc.: (hereinafter "Client"):

This document serves as an amendment to the Engagement Letter dated November 18, 2021, between San Diego Biz Law, APC (hereinafter "Firm"), a dba of Riznyk & Company, APC, and you, the Client. This amendment modifies certain terms of our original agreement concerning the legal services we will provide and our legal fees for those services. All terms not expressly modified herein remain in full force and effect.

Please read this amendment carefully before signing and returning it to us. If you do not understand any portion, or if you have any questions, please contact us at your earliest convenience. If you prefer to have a lawyer read it, we recommend you do so to fully understand its implications.

1. **Billing Increments.** Billing shall be in 0.1 hour (6-minute) increments, rounded down to the nearest increment. This supersedes the previous minimum billing increment of 0.15 (9 minutes).
2. **Internal Communications.** Internal firm communications, including calls and emails between attorneys and staff, shall not be billed to the Client. This includes, but is not limited to, strategy discussions, case updates, and task assignments between Firm personnel.
3. **Legal Research.** Legal research shall be capped at 2 hours per distinct legal issue, unless pre-approved in writing by the Client. The Firm must provide a brief explanation of the legal issue requiring research and obtain Client approval for any research exceeding this cap.
4. **Document Preparation.** Preparation of any legal document exceeding 5 pages requires Client pre-approval. Time spent on unapproved documents shall not be billed. The Firm must provide an estimate of the document length and purpose before commencing work.
5. **Personnel Restrictions.** Only Steven Riznyk and one designated associate attorney may bill time to this matter. The designated associate must be identified to the Client in writing. Work by other personnel must be pre-approved in writing by the Client.
6. **Administrative Tasks.** Administrative tasks such as filing, serving documents, and scheduling shall be billed at 50% of the standard rate applicable to the person performing the task. The Firm shall clearly identify such tasks in its billing statements.
7. **Client Communications.** Client communications, including phone calls and emails, shall be billed at a reduced rate of \$300 per hour for all attorneys, regardless of their standard hourly rate. This rate applies to both incoming and outgoing communications with the Client.

8. Declaration Drafting. Time spent on drafting declarations shall not exceed 1 hour per declaration without Client approval. If additional time is required, the Firm must provide a justification and obtain Client approval before exceeding this limit.
9. Itemized Invoices. All invoices must provide detailed, itemized entries for each task, including the specific issue addressed and the outcome or work product produced. Vague or generalized entries may be disputed by the Client and subject to non-payment.
10. Monthly Caps. Total monthly billings shall not exceed \$10,000 without prior written Client approval. If the Firm anticipates exceeding this cap, it must provide written notice to the Client with a justification for the additional fees at least 5 business days before reaching the cap.
11. Dispute Resolution. Any billing disputes shall be submitted to a neutral third-party auditor for review before resorting to arbitration or legal action. The cost of the auditor shall be split equally between the Firm and the Client, unless the auditor determines that one party's position was substantially unjustified, in which case that party shall bear the full cost.
12. Retainer. The initial retainer of \$15,000 remains in effect. However, the Firm shall provide a detailed accounting of the retainer usage with each monthly invoice, and the Client shall only be required to replenish the retainer to a maximum of \$7,500 at any given time, unless a specific need for additional funds is demonstrated and approved by the Client.
13. Fee Estimates. For any task anticipated to exceed 5 billable hours, the Firm shall provide a written estimate to the Client for approval before commencing work. If the actual time exceeds the estimate by more than 20%, the Client shall only be billed for the estimated time plus 20%, unless the Client has approved the additional time in writing.
14. Non-Billable Time. The following activities shall not be billed to the Client: basic legal research on commonly known principles, time spent preparing or reviewing billing statements, time spent responding to Client inquiries about bills, and time spent on corrections of Firm errors or omissions.
15. Effective Date and Retroactivity. This Amendment shall take effect immediately upon signing by both parties. It shall apply to all future billings and any work already completed but not yet billed as of the effective date.

Nothing in this Amendment shall be construed as an admission of any billing impropriety or as a waiver of the Client's right to dispute any past billings. The Client reserves the right to review and challenge any billings made prior to the effective date of this Amendment in accordance with the terms of the original Engagement Letter.

If you agree to this Amendment, please sign and date below, and return a copy to our office. As with the original Engagement Letter, you are entitled to seek independent legal advice before signing this Amendment