

RE: Assist client with complex litigation with respect to destruction of his restaurant. The cost of the case is \$450 per hour (our minimum litigation charge), and Mr Riznyk will work approximately 10-15% of the time on the case (as his rate is \$650); client can choose to have Mr Riznyk work on the case 100% of the time, but it will be at his billing rate.

Firm requests a \$15,000 retainer for each case they handle. If this case requires a cross-complaint then a second \$15,000 retainer shall be required.

Thank you for retaining San Diego Biz Law, APC (hereinafter "Firm"), a dba of Riznyk & Company, APC, to represent you in connection with the above-referenced matter. We appreciate the opportunity to serve as your attorneys and look forward to working with you.

This contract/agreement sets forth our agreement concerning the legal services we will provide and our legal fees for those services (hereinafter "Agreement"). Please read it 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, feel free and we recommend you doing so in order to fully understand it.

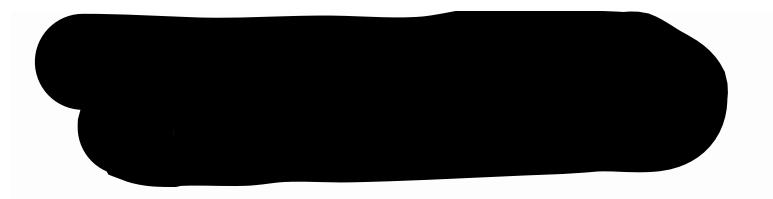
1. Scope and Terms of Engagement. We will provide the legal services reasonably required to represent and advise you in connection with the matter described above as well as any other matters you may bring to our attention. You agree to be completely truthful with us, to cooperate with us, to keep us fully informed of developments, to abide by this Agreement, and to promptly pay our bills for services and costs. Your cooperation includes keeping us informed of your whereabouts and agreeing to appear when necessary for depositions, settlements, other conferences, as well as providing testimony in depositions, pretrial matters, and trial.

Nothing in this Agreement, nor anything in our statements may be construed as a promise or guarantee about the outcome of your matter. No one can predict the future, and in a perfect case it is often stated a case has only a 50% chance. If a particular outcome or result is not obtained, this does not relieve you of your obligations to pay in full for the services we render and the costs we incur on your behalf.

2. Compensation. We will create and prosecute your case on an hourly basis.

THE FEES LISTED ABOVE IN RED CONTROL THIS CONTRACT

If special arrangements are made they should be listed at the top of this contract in red. Otherwise, the current hourly rates for attorneys & others who may work on your matter are as follows:



\$650 per hour
\$450 per hour
\$250 per hour
\$450 per hour
\$500 per hour
\$550 per hour
\$250 per hour
\$250 - \$450 per hour
\$50 - \$250 per hour

While we will make a good faith effort to accurately estimate potential fees, you understand that all fee estimates are based on limited factual information and upon assumptions and variables that may change during the course of our work.

- **3. Disbursements and Expenses**. In addition to our hourly fees, certain costs may be incurred. You authorize us to advance all expenses that in our judgment are reasonably necessary in connection with our services and to reimburse us for those fees when billed for them.
- **4. Deposit.** You agree to pay us an initial deposit of \$15,000 to be returned with this signed Agreement as an advance for fees and costs in this matter. RECEIPT: XXXXXX This deposit will be held in our Client trust account. When this deposit falls below \$5000 you agree to have another \$15,000 deposited. The money is always yours in the trust account; we always send you a detailed statement before making any deductions. Any money left over (after invoices are paid) at the end of the case or termination of this agreement is promptly refunded to the paying party. ALL WORK THAT A CLIENT SENDS US TO REVIEW, EMAILS, ETC AFTER A FREE CONSULTATION HAS TAKEN PLACE IS BILLABLE TIME. Our minimum billing increment is .15 (9 minutes).
- **5. Lien.** You hereby grant us a lien as security for the payment of fees and costs due and owing to us under this agreement. This lien will attach to any recovery you may obtain, whether by arbitration award, judgment, settlement or otherwise, in this matter; or the property that is the subject of this transaction. If you should change your mind at any time about proceeding on the case and decide to terminate it for whatever reason, or transfer law firms, you will owe San Diego Biz Law the money we expended on your behalf (ie hard costs) in addition to all of the hourly rates we have expended on your case up until that time. You agree to pay our fees in full before transferring the case to other counsel. If not, you agree to reimburse us at our normal hourly rates for all of the time we or another firm, at their hourly rate, has to spend in order to collect the fees owed. Client agrees that law firm may deduct the fees and costs owing to law firm before disbursing any type of settlement to you.
- **6. Billing and Payment Responsibilities.** We will send you at least once per month a statement for our time (more frequently if the case is very active), describing the services performed and the amount of the fees and costs to be paid by you. If upon receipt of a statement, you have any questions about our charges, we ask that you promptly (ie within 3 days) as it is difficult to recall all of the aspects of a case in the future. If 3 days elapse and you did not challenge our fees, you agree that they are correct and will not be challenging them. If our monthly statement exceeds the amount of the deposit described above, you agree to pay the balance <u>immediately upon receipt</u> and replenish your retainer.
- **7. Termination of Services.** You may terminate our services at any time by written notice. After receiving such notice, we will cease providing services under this Agreement. You agree to cooperate with us in facilitating the

orderly transfer of your case to new counsel, including promptly signing a substitution of counsel form at our request. You will pay us for all of the work we have conducted within-24 hours of termination of services or allow us at our option to have a lien with your new attorneys to cover our work. We may terminate our services at any time with your consent or for good cause. Good cause exists if (a) you fail to pay any statement within 5 days of its due date or a deposit as provided above within 5 days of our written request, (b) you fail to comply with the other terms of this Agreement, including your duty to cooperate with us in protecting your interests, (c) you have misrepresented or failed to disclose material facts to us or refuse to follow our advice on a material matter, or have otherwise made our representation of you reasonably difficult, (d) in our opinion for any reason you become difficult for us to deal with or (e) any other circumstance exists that either mandates or permits termination of this engagement under the ethical rules of our profession. Termination of our services, whether by you or by us, will not relieve you of your obligation to pay for services rendered and for costs incurred prior to the formal cessation of our services. You agree that should the relationship end you will cooperate in signing a substitution of attorney in 48 hours. Additionally, if we are forced to file a motion to withdraw, you will cooperate and reimburse us the costs of the motion, if required (ie if you do not cooperate as agreed). You hereby confirm that we can withdraw as soon as we have provided you written notice, even if a motion to be relieved as counsel is pending, and we do not have to remain your counsel even while waiting for the motion to withdraw to be decided. You allow us to withdraw immediately upon written notice.

Please note: we may offer you free consultations longer than normal, free phone calls, discounts and other favors. In the event that our relationship ends before the case is completed, these will all be billable at our normal rates as the only reason we offer them are because we believe we will be working on your case to completion.

- **8. Non-Disparagement.** We strive to offer some of the best customer service levels of any law firm in the world. We have gone above and beyond for our clients and will do everything we can to make you a happy client. However, we have discovered that some people are never happy and always have to complain, and they do so on social media. We do not want to fall victims to this as we will always treat you very well. However, should you decide to post negative reviews or information about us on social media (WITHOUT PROVIDING US A CHANCE TO REPAIR WHAT IS BOTHERING YOU) at any time after the signing of this contract you leave us with no choice but to lose a substantial amount of money, which amount is difficult to ascertain. As a result you agree that if you do make such a posting you hereby consent to a \$1,000,000 (one millions US dollars) liquidated damages penalty. We are not stating you cannot post negatively; we are simply asking you first offer us the opportunity of repairing the discomfort. We have calculated this based on 10 clients spending \$100,000 each in a litigation case. What this means is we do not require a trial and can go to the court and collect a judgment for that amount. We simply ask that you play fairly.
- **9. Client File**. If you do not request the return of your file upon conclusion of our services, we will retain your file for a period of five years, after which time we will have your file destroyed. As we share all of the pleadings that we receive, you will have a copy of your file at any given time.
- **10. Attorney's Fees, Governing Law, and Jurisdiction.** In the event that any dispute concerning the interpretation or enforcement of this Agreement, the parties agree that the law of the State of California shall apply. The parties agree to arbitrate any such disputes in the County of San Diego, State of California. If client does not pay amount owed, collection matters may be argued in court as they are fees owed and not fees disputed. Client has, as stated above, a window in which to dispute any matters billed. Client is liable for all time spent by San Diego Biz Law under its current prevailing billing rates in collecting fees owed; if another law firm or collection agency is hired, client will be liable for all time spent by firm and by other lawyers in collecting fees owed. If the amount owed is sent to collections, client will owe fees owed plus any percentage lost to the collection agency (ie 33 to 60%) by San Diego Biz Law.
- **11. Arbitration**. Any dispute as to attorney fees and/or costs charged under this Agreement shall be resolved as follows: If a fees/costs dispute arises, our law firm will provide you with written notice of your right to arbitrate under the California Mandatory Fee Arbitration Act (Bus. & Prof. C. § 6200 et seq.). If you choose not to cooperate in 10 days, you grant us permission to pursue the amount owed with a collection agency or in the court of our choosing. Any other dispute arising under this Agreement or in connection with the provision of legal services to you pursuant

mal negligence or breach of to this Agreement, including, without limitation, any claim for breach of contract, prefiduciary duty, shall be resolved by arbitration in accordance with the rules of California Code of Civil Procedure § 1280 et seq. One arbitrator will be mutually chosen; her or his judgment will be appealable. The prevailing party shall not be reimbursed attorneys' fees and costs.

YOU ACKNOWLEDGE THAT THIS AGREEMENT TO ARBITRATE RESULTS IN A WAIVER OF YOUR RIGHT TO A COURT OR JURY TRIAL FOR ANY FEES/COSTS DISPUTE OR MALPRACTICE CLAIM. THIS ALSO MEANS YOU ARE GIVING UP YOUR RIGHT TO DISCOVERY AND APPEAL. YOU ACKNOWLEDGE THAT BEFORE SIGNING THIS AGREEMENT AND AGREEING TO ANY FORM OF ARBITRATION, YOU ARE ENTITLED, AND HAVE BEEN PROVIDED A REASONABLE OPPORTUNITY, TO SEEK THE ADVICE OF INDEPENDENT COUNSEL.

12. Entire Agreement & Severance. This document sets forth our entire agreement concerning the legal services you have engaged us to provide and replaces any prior understanding or arrangements between us. We must agree to any modification or additions to this Agreement in writing. If any provision, sentence, or paragraph of this Agreement is held by a court or other tribunal of competent Jurisdiction, in whole or in part, to be unenforceable for any reason or void ab initio, the remainder of that provision and of the entire Agreement will be severable and remain in effect. This agreement takes effect as of the first day you asked us to provide legal services to you.

