



1123 Spruce Street  
Boulder, CO 80302  
moduslaw.com

May 9, 2016

**Welcome to Modus Law, Ltd.**

**Via Email to**

Valued Client  
COMPANY NAME

Dear Valued Client,

First and foremost, we want to truly thank you for choosing us to be part of your Company. We consider it an honor to be able to work with great clients like you. We will do everything we can to live up to the trust you have placed in us. We are required by law to have all new clients sign an engagement letter. We also think it is a good idea to get some of the important details out there early on in our relationship. What follows is a summary of some of those details (and then there is admittedly some pretty boring, but important boilerplate language at the end of the letter).

We look forward to representing you, understanding that we will charge for our services at our then current hourly rates. My current hourly rate is \$375. Other attorneys at Modus Law, Ltd. ("Modus") have rates that vary from \$255 - \$350. Paralegals and other professionals at Modus have rates between \$145 and \$210. Sometimes we will pay costs for you (like filing fees, court fees, process service, etc.). Costs, expenses and fees are payable regardless of the outcome of the case or matter.

We really want to help and endeavor to be responsive to your timing and needs. However, we also really enjoy our weekends and holidays so if you demand weekend or holiday work by our firm it will be billed at a premium of 150% of our regularly billable rates. In the event we are required to travel on your behalf, we reserve the right to charge our regular rates for travel time, but generally we try to work out the most efficient way possible to keep your costs down.

Unless you would prefer otherwise, we will assume Modus is authorized to pay on your behalf any bills associated with this matter. That being said, any outside costs (filing fees, other professionals, etc.) remain your responsibility and we are not required to pay any costs or fees on your behalf. So cutting to the chase, if you tend to pay our invoices slowly, we will likely not advance costs or fees on your behalf. If you pay promptly, we will generally advance

reasonable costs for you (interest free even). Whether said bills are paid by our firm or not, you will remain liable for the same until discharged in full. Regarding the payment of expenses, Modus will not incur expenses in excess of \$500 in the aggregate without your authorization.

In regard to all services rendered by Modus, we will customarily be incurring photocopying, postage, and other "out of pocket" expenses. We don't nickel and dime you for this. Modus will not charge you for copies that are less than 1000 in any given month and Modus will not charge you for domestic long distance phone calls. We don't charge for stamps and we don't add any weird "office expense" or "overhead" amount to our invoices. We do not add a "student loan" or "fuel" surcharge either. If we have to FEDEX/UPS something or send it Certified Mail we will add that cost to your invoice, but we don't mark it up in any way.

We generally send invoices monthly, but sometimes that doesn't make sense. Sometimes we will send them more frequently, or if we haven't done much work for you for a while, we may not send an invoice for a couple months. Unless you prefer we send invoices some other way, we send all our invoices electronically. You can pay our invoices any number of ways (PAYPAL, Credit Card, Check). Our fee shall be due and payable upon the receipt of our bill as are costs and expenses advanced on your behalf.

#### **This is an important part.**

**We are requesting a retainer in the amount of \$1000.00 to be mailed to us when you sign this letter or dropped off at our offices. Please note that the amount of the retainer is in no way a statement or indication as to the cost of any part, let alone the total, representation.** Funds will be withdrawn monthly by our firm to cover all fees and out of pocket costs. If there is any unused retainer, we will send it back to you. Unfortunately, we can't take credit cards for retainers. If this is a big issue, give us a call and we will figure something out.

If within ten (10) days of your receipt of the invoice you pay the balance in full, you will receive a 5% discount on the legal fees on that statement (please note the discount does not apply to any costs paid on your behalf during the statement period).

Conversely, if you don't pay your invoices on time, we will charge interest on the outstanding amounts. We charge approximately 12% interest. This is described in more detail in the small print section of the letter after the signature page.

#### **A few things that are important to us.**

If you consistently pay invoices late, we have the right to fire you as a client. If you don't pay your invoices for an extended period, we will definitely fire you.

When at all possible, we will confirm meetings in advance so we can all be certain we are on the same page about meeting locations and time. We will pay for your parking at our

Boulder office if you park in the garage and we even send you a cool little map so you can find us. We will invoice you for the time spent as a result of any meetings not cancelled or rescheduled without reasonable notice.

We understand sometimes things don't go as hoped or frustrating events happen in the legal process and we are happy to discuss that with you. Sometimes reasonable people just differ about what should be done, but if we differ too often, it is probably best we not work together. If you consistently don't follow our legal advice, or if you are mean or abusive to anyone who works at Modus, we reserve the right to fire you as a client.

We take ethics and our legal obligations very seriously. If you ask us to do anything illegal or unethical, we will fire you.

Modus will retain all documents, files, and other information, pertaining to your matter until full payment is made. In the event that we do withdraw, you agree to pay all fees accrued up until the date of withdrawal.

It is agreed that you will bear all costs of collection, including reasonable attorneys' fees, if payments are not made as agreed. When you sign this engagement letter, you are promising us that you have the financial ability to discharge all fees, costs, and expenses contemplated by this agreement. If you are worried about your ability to pay, give us a call and we can discuss a good solution.

Additional terms of our representation are set forth in the pages that follow.

If this all sounds good to you, please indicate your approval on the lines provided below.

We are really excited to be working with you.

Best regards,



Shawn T. Stigler  
Modus Law, Ltd.

READ AND APPROVED

COMPANY NAME

By: \_\_\_\_\_

INDIVIDUAL NAME

## **ADDITIONAL TERMS OF REPRESENTATION**

**INTEREST AND FINANCE CHARGES:** An opinion of the Ethics Committee of the Colorado Bar Association permits attorneys to charge interest on past-due accounts. If your bill becomes overdue, a FINANCE CHARGE will be added to your next bill. The amount subject to the FINANCE CHARGE will be that part of the previous balance not paid or otherwise credited before the statement date. The FINANCE CHARGE will be determined by applying a monthly percentage rate of 1% (corresponding to an ANNUAL PERCENTAGE RATE of 12.68%, after monthly compounding) to the unpaid previous balance. You may avoid any additional FINANCE CHARGE by paying the entire current balance on or before the due date.

By this agreement, the firm does not intend to encourage a credit arrangement or to provide for deferred payments. Rather the FINANCE CHARGE is assessed to compensate the firm for the cost of carrying past-due accounts. You agree to pay a bill within 10 days of receipt. If you fail to pay a bill within 30 days of receipt, the firm may terminate all legal services.

**ARBITRATION:** If a controversy should arise between us regarding the terms of our engagement or the fees charged by us, you agree to arbitrate the controversy before the Judicial Arbiters Group if the firm notifies you in writing of the firm's desire to submit to arbitration. The firm and you agree that the results of the arbitration shall be binding, and judgment on the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy. In addition to any award or judgment, the prevailing party in arbitration shall be entitled to recover his or her costs and expenses, including reasonable attorney's fees.

**NOTICE OF YOUR BILLING RIGHTS:** Attached to this letter is a form listing your rights should you suspect an error in any billing statement. You should keep both this letter and the billing rights form for future reference.

**RETENTION OF CERTAIN DOCUMENTS AS THE PROPERTY OF THE FIRM:** It is our policy to return to you any documents that you provided to us upon the completion of the assignment and payment in full for the services rendered, if you so request. However, the working papers and other file documents developed by the firm are our property and may be retained by us at our discretion.

**RETENTION OF CLIENT FILES:** The files may be destroyed without giving you prior notice. If you wish to have the file returned, you must notify us.

**YOUR BILLING RIGHTS  
KEEP THIS NOTICE FOR FUTURE USE**

This notice contains important information about your rights and your responsibilities under the Fair Credit Billing Act.

**NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT.**

If you think your Statement is wrong, or if you need more information about a transaction on your Statement, write us at the address shown on your Statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first Statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- \* Your name;
- \* The dollar amount of the suspected error;
- \* A description of the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

**YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE**

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the Statement is correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including Finance Charges. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your Statement that are not in question. If we find we have made a mistake on your Statement, you will not have to pay any Finance Charge related to any questioned amount. If we did not make a mistake, you will have to pay the Finance Charges, and you will have to make up any missed payments on the questioned amounts. In either case, we will send you a notification of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within 10 days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your Statement. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is. If we do not follow these rules, we cannot collect the first \$50.00 of the questioned amount, even if your Statement was correct.

## PRIVACY POLICY NOTICE

Attorneys, like other professionals who advise individuals on personal financial matters, are now required by a federal law (the Gramm-Leach-Bliley Act) to inform their clients of their policies regarding privacy of client information.

Attorneys have been and continue to be bound by strict professional standards of confidentiality that are even more stringent than those required by this new law. Therefore, Modus Law, Ltd. has always protected your right to privacy regarding personal information, and will continue to do so.

In the course of providing our individual clients with income tax, estate tax, and gift tax advice, we often receive significant personal financial information, personal identification information, and personal tax filing information from our clients. If you are a client of Modus, Law, Ltd., you should know that all information that we receive from you is held in confidence, and is not released to persons or organizations outside the firm, except as agreed to by you, or as impliedly necessary to provide the specific legal representation you have requested, or as required under ethics rules or other applicable law.

We retain records relating to the legal services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to protect any nonpublic personal information we collect from you, we maintain physical, electronic and procedural safeguards that comply with our professional standards.