



The Rushforth Firm, Ltd.

POLICIES RELATED TO LEGAL FEES

Understanding How You Will Be Billed

The following policies apply unless we agree otherwise in a document signed by us:

1. **General Rule.** By requesting or accepting services from us, you agree to pay our fees and costs, as billed. You will be billed by the hour for all services we render except to the extent we have agreed otherwise in writing. If we provide you a written engagement agreement or work authorization ("fee agreement"), you will be billed under the terms of that agreement and this memo; however, the signed agreement will supersede any contrary provision in this memo. Even if you do not sign a fee agreement, this memo, together with any fee agreement provided to you, represents a disclosure of our fee policies, and, unless you promptly object to the disclosed terms in writing, your request or acceptance of services from us will constitute your agreement to pay our fees and costs as outlined just as if you had signed a written agreement. *IF YOU DISAGREE WITH ANYTHING IN THIS MEMO OR IN ANY FEE AGREEMENT PROVIDED TO YOU, YOU MUST INSTRUCT US NOT TO RENDER ANY SERVICES UNTIL A WRITTEN FEE AGREEMENT HAS BEEN SIGNED BY YOU AND BY US; OTHERWISE, YOU WILL BE BOUND BY THE TERMS OF THIS MEMO AND ANY FEE AGREEMENT PROVIDED TO YOU.*

2. **Billed by the Hour.** When services are "billed by the hour", you agree to pay for the time that we expend on your case, as calculated at our standard hourly rates that are in effect at the time the services are rendered. The current billing rate for any employee is available upon request at any time.

a. Effective January 1, 2010, the hourly billing rates for the professionals in the Firm are:

i. For attorney Layne T. Rushforth, \$450; however, a discounted rate of \$395 shall apply to all time for in-office work on cases involving estate planning, probate, and trust administration (subject to the provisions of paragraph 13 herein), but the discounted rate does not apply to services rendered as a consultant in litigated cases or as an expert witness;

ii. For attorney Joseph J. Powell, \$325;

iii. For legal assistant Debra Deatherage, \$160; and

iv. For secretarial and staff services (e.g., general typing, mailing, copying, and filing) that are requested by you, \$50 to \$100 per hour.

b. Except for time expended by an employee who is required to travel out of the Las Vegas metropolitan area, time will be billed in tenth-hour (six-minute) increments, rounded to the next highest tenth of an hour. For example, a six-minute phone call is billed as one tenth of an hour, and a seven-minute phone call is billed as two tenths of an hour. For office consultations, there is a minimum charge of \$100. You will not be billed for telephone calls to discuss billing matters.

c. The time expended on your matter will include the time to review your file prior to meetings and consultations, plus the time to prepare or dictate file memos. For example, a pre-consultation file review may cause you to be billed 1.3 hours for a one-hour consultation, or a file memo dictated after a phone call may generate a charge for two tenths of an hour for a six-minute phone call.

d. Billable time will include all time expended on your matter, including the time we spend meeting or communicating with you, your other advisors, opposing parties and their counsel, and/or other third parties that are involved in the matter we are handling.

e. You will be billed by the hour for — and a base fee never includes — all time we are compelled to expend (whether before or after the termination of our services) because of our services or your engagement of us, such as (but not limited to) acting as a witness, responding to subpoenas or discovery requests, or attending trials or other hearings.

f. More than one professional may work on your case, and you will be billed for the time of each professional, even when the professionals confer or work together on your case.

g. If you request meetings out of the office or if the work requires one or more professionals or other employees (such as witnesses or a notary) to leave the office (such as appearances at court hearings, meetings with other advisors, depositions, or other out-of-office meetings), you will be billed for each person's time out of the office, including round-trip travel time, with a minimum charge for one hour of time for each employee. Other than charges triggered for out-of-office services, there is no charge for notarial services. If travel out of the metropolitan Las Vegas area is required, special billing policies will apply, including your payment of expenses for travel, meals, and lodging,



as well as a half-day minimum billing increment.

h. If services are required by a specific deadline and it becomes necessary for any employee of the Firm to work beyond our normal business hours (including any time during a weekend), we reserve the right to bill you for: (i) the additional cost we pay to compensate staff whose time is not billed; and (ii) the time of our billing professionals at a premium rate of up to 150% of our standard hourly rates.

3. **Base Fees.** If you and we agree to a base fee for specific legal services in an engagement agreement, the engagement agreement will specify what that base fee pays for, such as for the preparation of estate planning documents (will, trust, etc.) or documents for the formation of a business entity (limited-liability company, corporation, etc.). A base fee is a minimum fee that covers only the services specified and is not all inclusive. For some services, such as business formation documents and prenuptial agreements, the base fee pays only for the standard forms customized with names and addresses, the base fee is earned when the initial drafts are prepared, and all other customization is billed by the hour. For a trust and its related documents, we will have earned three fourths of the base fee when the initial draft is prepared, and one minor revision of those documents is included in the base fee. The balance of the base fee is earned when the documents are ready for signature, 45 days after the initial drafts are sent, when you request a second revision, or when you terminate our services after receiving draft documents, whichever occurs first. If the base fee includes a specific number of hours of consultation time with an attorney, that consultation time includes all time spent by an attorney communicating with you. Except for services we have expressly agreed in writing to be included in a base fee, our time to render services requested by you will be billed by the hour.

4. **Base Fee Exclusions.** The base fee for a document or set of documents does not include the inclusion of provisions that must be incorporated from or coordinated with other documents, such as: (a) clauses in a will or trust required by a corporate trustee or other fiduciary; (b) clauses from prior wills, trusts, pre- or post-nuptial agreements, property settlement agreements, contracts, or divorce decrees; or (c) specific language required in buy-sell agreements, bylaws, stock restrictions, or company resolutions. The time it takes to review such documents and to incorporate requested provisions into your legal documents will be billed by the hour. A base fee never includes time communicating with your other advisors.

5. **Additional Services and Related Fees.** You may request additional legal services even though such services were not originally anticipated. If you want us to render any such additional services, you will need to specifically ask us to do so, and the time we expend to render such services will be billed by the hour unless we specifically agree otherwise in writing.

6. **Excluded Services.** Whenever we modify existing legal documents (such as through an amendment to a trust, a codicil to a will, or an addendum to a contract), we will amend and revise only the provisions you specifically have asked us to modify. Unless expressly engaged to do so, we will not thoroughly review existing estate planning documents to determine if they accomplish your objectives or to see if additional changes are advisable, even when you provide us with a copy of such documents. A thorough review of existing documents and making "patchwork" changes to those documents may be more expensive than replacing those documents. If you want us to thoroughly examine your existing documents and make recommendations for improvement, you must specifically make that request, and, if you do so, you will be billed by the hour for the time we expend.

7. **Approval of Documents.** When we send you documents for your review or approval, you must advise us if any document fails to meet your expectations at least one business day *before* the document is scheduled to be signed. This is true whether such documents were prepared by us or by anyone else. You agree that your signing of a document indicates your approval and acceptance of that document. Because it is more time-consuming to correct a document after it is prepared for signature or after it is signed, you agree that the time it takes for us to make any changes made to modify or correct a document less than one business day prior to the document-signing consultation or after the documents are signed will be billed by the hour, even if the error being corrected is ours.

8. **Relying on You.** We will rely on the accuracy and sufficiency of any documents and information you provide us, and you agree that we have no duty to do our own investigation as to accuracy or completeness of the information. You agree to truthfully and completely provide the information needed for us to properly advise you, cooperate with us, keep us informed of developments that affect our work, pay the amounts due us on time, and keep us advised of your address, telephone number, and how to contact you.

9. **Retainer.** A retainer represents an advance payment of legal fees and costs. A retainer is not a separate



charge, and any amount not used when the work is completed will be refunded, except for the amount of any minimum fee, which is considered earned when paid. We reserve the right to request a retainer or an increased retainer and to set or modify a minimum retainer balance that must be maintained.

10. Trust Account. Unearned retainers are deposited into a trust account. Each trust account is an interest-bearing account; however, the interest earned by this account is paid to the Nevada Law Foundation for charitable distribution, and neither you nor us will be entitled to such interest or any benefit therefrom. You agree that we have the right to make payments from the trust account for all charges due us, as billed, and our billing invoices will reflect those payments. FDIC coverage on your funds in our trust account can be affected by deposits in your name in the same bank. Call us if you have concerns about FDIC deposit limits.

11. Estimated Fee. If we provide an estimate of legal fees and costs, it is an estimate only, and it is neither a minimum fee nor a maximum fee and is not binding.

12. Terms of Payment. You agree to pay The Rushforth Firm, Ltd. all fees and expenses, as billed, within fifteen (15) days of the date of each billing invoice. A billing invoice that is not disputed by you in writing within 30 days of its date shall be deemed approved by you.

13. Courtesy Discounts. Any discounts — such as write-offs, a courtesy discount, a reduced billing rate, billable time entries showing "no charge", or the cancellation of any charge — are contingent upon your: (1) paying us all amounts owed us when due; and (2) not asserting any claims or lodging a complaint against us. If those contingencies are not met, we reserve the right to reverse all discounts at any time.

14. Interest; Late Fee; Default. We do not normally extend credit to clients, and our accepting partial payments does not constitute an agreement to do so in the future or waive the right to seek immediate collection of all amounts due. From the date of each invoice that is not paid within one calendar month of the invoice date, the Firm has the right to charge interest at the rate of 1.5% (one and one-half percent) per calendar month, compounded monthly. In addition, you agree to pay a monthly late fee equal to five percent (5%) of all amounts that are more than three months overdue. Interest and late fees shall be added to the amount due and will bear interest and will incur additional late fees until paid. Even if invoices do not show interest charges and late fees, until you pay us in full, as billed, we have the right to add interest and late fees at any time. We may bill for our services under multiple billing matters, but a late payment, delinquency, or other default on one matter will be treated as a late payment, delinquency, or default in all matters. We reserve the right to suspend all work on all matters or to withdraw from one or more matters if any unpaid amount is over 60 days overdue or if the unpaid balance (even if not overdue) exceeds \$5,000 or double the amount held as a retainer in the trust account, whichever is less.

15. Expenses. You agree to reimburse us for expenses incurred on your behalf, such as: postage; long distance calls outside of Canada and the United States; conference-call fees; photocopying; actuarial services; computer processing services or access fees for legal or tax research, document-retrieval services, and/or tax-return preparation; recording fees; filing fees (including fees for online filings); UPS, FedEx, and other delivery services; travel (based on mileage for private vehicular travel and based on actual expenses for commercial transportation); and parking expenses. Where next-day delivery service is appropriate, we frequently use UPS or FedEx for delivery services even within Las Vegas (because it is less expensive than local courier services), but if you request — or if the expeditious handling of your case requires — a different service, same-day service, or urgent delivery that UPS or FedEx cannot make, you agree to reimburse us for the costs actually incurred to make the delivery.

16. Advancement of Expenses. We may, subject to our discretion, advance expenses up to \$500 for filing fees, registrations, etc. You agree to reimburse us for such expenses, as billed or upon request.

17. Personnel. The Firm reserves the right to select from its employees the persons who will perform the services to be rendered; however, notwithstanding the foregoing, a licensed attorney will always be used to review all legal work done by nonattorneys.

18. Nonattorney Professionals. All legal work will be done under the supervision of a licensed Nevada attorney. Nonattorney professionals (such as our legal assistants) will be used by the Firm to perform some of the work, but all legal documents will be reviewed by a licensed attorney. If you were quoted a base fee, a minimum fee, or an estimated fee, the anticipated services of nonattorney professionals and their billing rates were taken into consideration in determining the quoted fee. At your request, all work done on your case can be handled by an attorney or even a specific attorney, but, if you make that request, in addition to all other amounts you agree to pay, you agree to pay for all time expended by the requested



personnel — billed by the hour in accordance with paragraph 2 — to render services that would have been performed by nonattorneys or by other attorneys at a lower rate, even if such services would have otherwise been included in a base fee.

19. **Termination of Services.** Our duty to provide services ends upon the "effective date of termination", which is the date (1) you or we terminate the engagement, which either of us may do at any time for any reason, (but only as of the date approved by the court if court approval is required) or (2) the work is completed, whichever is earlier.

a. **Billing on Termination.** Fees will be billed through the effective date of termination and are due thirty (30) days thereafter or, if earlier, when your documents are returned to you or transferred to another attorney at your request. If and when our services are terminated, we will be entitled to compensation for all time expended by us to comply with your instructions, including — but not limited to — all time spent (whether before or after the termination): (i) to transition the file to another attorney or firm and to cooperate with such attorney or firm in taking over the case; (ii) to contact and correspond with interested parties and third parties to inform them of the disengagement of the Firm; (iii) to perform services required by a court; and/or (iv) to collect all amounts due us. Even after termination, we are entitled to compensation for services we are compelled to render by reason of your engagement of us, as provided in subparagraph 2.e, above.

b. **Responsibilities on Termination or Withdrawal.** After our services are terminated, we will have no responsibility to complete the work we were engaged to do except to the extent we agree to do so in writing or are required by law or by a court to do so. You remain liable for all fees and costs incurred prior to the effective date of termination.

20. **Fee Disputes.** As to cases over which the probate court has jurisdiction, you agree to resolve fee disputes in the probate court. You agree that we may choose to resolve other fee disputes by written arbitration through the State Bar of Nevada; however, if one or more hearing or other proceedings are required, all such hearings and proceedings shall be held in Las Vegas, Nevada. Nothing herein precludes us from seeking a judgment against you in a court of law or seeking other judicial remedies, such as the imposition or enforcement of a lien.

21. **This Memo.** We may update this memo from time to time, and an updated version of the memo will be posted on our web site at <http://rushforthfirm.com/billpay/feepolicies.pdf>. Once a new version is posted on our web site, its terms will supersede any prior version as to all services subsequently rendered; however, an updated memo will not supersede contrary terms in an engagement agreement signed by us.

22. **Terms.** "Firm" refers to The Rushforth Firm, Ltd., and the first person plural pronouns ("we", "us", "our", etc.) refer to the Firm. The terms "fees" and "legal fees" refers to the compensation charged by the Firm for services rendered by attorneys and nonattorney professionals and by our staff, but those terms do not include out-of-pocket expenses. The term "professional" refers to an attorney, a law clerk, or a legal assistant. The term "staff" refers to our employees who are not professionals. The second person pronouns ("you", "your", "yours", etc.) refer to the client. If "client" refers to more than one person, all such persons are jointly and severally liable, which means that each person is individually liable for the full amount of the client's obligations to pay the amounts due us. If one or more individuals who engage us does so in any representative capacity (officer, director, executor, trustee, agent, etc.), the individuals and the entities for whom they act shall be jointly and severally liable for the client's obligations, which means that each entity and each individual acting for such entity is individually liable for the full amount of the client's obligations. The time for a "consultation" with an attorney includes all time that you and an attorney are communicating. "Communicating" or "communications" includes (but is not limited to) office consultations, telephone conversations, Internet conferences, and all forms of correspondence (e.g., fax, postal mail, and/or e-mail).

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The Rushforth Firm, Ltd.

A Nevada Professional Limited-Liability Company

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