

LEGAL SERVICES AGREEMENT

The Client identified on the online form (Client) hereby hires the attorneys at the Lakeshore Law Center (Lakeshore) to prosecute a civil lawsuit for damages or other appropriate relief against whoever is responsible for violations of California credit reporting laws.

This Agreement is limited to a lawsuit against companies that are identified in credit reports provided by Client to Lakeshore and specifically named in the Complaint that will be filed by Lakeshore.

Scope of Representation

ATTORNEY will prosecute the claim on behalf of Client through trial or entry of judgment. The following proceedings are not included in the scope of representation and may require payment of an additional fee, solely at the discretion of Lakeshore: cross-complaints or counter lawsuits by the opposing party or third parties; post-judgment proceedings, such as appeals; new lawsuits filed with a different case number even if raising similar allegations and claims.

Attorney Fees and Costs (“True Retainer”)

At the beginning of the case, Client is required to pay a non-refundable advance fee of \$7,500. Upon receipt of this payment, ATTORNEY will be retained and this agreement will go into effect.

This fee is earned upon receipt and is non-refundable. It is not compensation for legal services that will be performed or have been performed. This is sometimes called a “true retainer.” CLIENT will not be entitled to a refund of any part of this payment. The fee is being paid to ensure ATTORNEY is available to CLIENT on the matter specified above during the scope of representation.

In addition, as outlined below, CLIENT will pay a contingent fee but only in the event there is a recovery. See next paragraph for more details.

Because the primary goal of the lawsuit is to remove adverse information, it is possible Client will not recover any money from the lawsuit and may or may not recover the initial attorney fee.

Client Not Responsible for Rest of Fees/Costs (Contingency)

In the event there is a “recovery,” Lakeshore is entitled to an attorney fee that covers all legal work provided as well as reimbursement of costs incurred. If there is no recovery, then no attorney fee or costs reimbursement is owed. This is called a “contingency fee.”

Client acknowledges that he has been advised by Lakeshore and is aware that contingency fee arrangements are not set by law, and that a contingency fee between Lakeshore and

Client is negotiable. If Client is a minor, this Agreement is subject to approval of the court. Bearing these facts in mind, Client agrees that the following fee arrangement is fair and reasonable and to pay Lakeshore the amount specified below.

Lakeshore's share of any recovery is calculated as follows:

- (1) 40 (forty) percent of the recovery minus the amount of the advance payment made by CLIENT.
- (2) ATTORNEY'S "lodestar amount" minus the amount of the advance payment made by CLIENT. The "lodestar amounts" is the result of multiplying the hourly rates of the attorneys or staff that worked on the case by the number of hours that each such person worked on the case. The hourly rates are \$200 (paralegal) to \$325 (junior attorney Macy Wilens) to \$800 (senior attorney Jeffrey Wilens). Time records are maintained in increments of 0.1 hours and the minimum time charged for any particular activity is 0.1 hours. ATTORNEY will charge for all activities undertaken in providing legal services to CLIENT under this Agreement, including, but not limited to, the following: conferences, court sessions, and depositions (preparation and participation); preparation of pleadings, motions, discovery requests and responses; correspondence and legal documents (review and preparation); legal research; negotiations and telephone conversations.
- (3) ATTORNEY may at the time a recovery is obtained choose option (1) or option (2).

A "recovery" is a sum of money or other relief produced by settlement or as the result of obtaining a judgment against one or more opposing parties.

If a recovery is obtained by a settlement between the parties, such settlement will specify the allocation of payments to Client and to Lakeshore for attorney fees and costs. Client may agree to any settlement even if it would deprive Lakeshore of full payment of attorney fees and costs; however, unless Lakeshore agrees to accept less than full payment, Client will be personally liable for the difference.

Additionally, if after the lawsuit is filed, Client either unreasonably abandons the case or seeks to dismiss the case, or agrees to make a payment to the opposing party or makes a payment to the opposing party without Lakeshore's consent, Client will be personally liable for all attorney fees and costs incurred by Attorney in the case.

If possible, Lakeshore will attempt to recover any or all attorney fees and costs incurred from the opposing party, in which case Client may but is not guaranteed to be reimbursed in part or whole.

If a recovery is obtained by judgment (typically after trial) then, if possible, Lakeshore will apply to the court to award attorney fees and reimbursements of costs and expenses as well as any fee "multiplier" that might be granted by the court. If no such application to the court is permitted, then ATTORNEY will be paid all fees and costs owed as set forth above.

During litigation, courts sometimes award “sanctions” (monetary penalties) because the other party engaged in misconduct that increased the amount of work that needed to be done by Lakeshore. Sanctions awarded are not included in any recovery and belong exclusively to Lakeshore to compensate for that extra work.

If Client is a minor at the time of this contract, this Agreement is governed by Family Code § 6602 and Probate Code §§ 2644, 3601. At the conclusion of this case or after any settlement even if no case is filed, Lakeshore will petition the court for approval of any attorney fee award, which shall fix the fee.

Normally, LAKESHORE will deduct the lodestar and costs from any settlement and then pay Client the difference.

Alternatively, LAKESHORE may opt to take 40% of the recovery as the attorney fee. This is how that would work. If the settlement was \$20,000 then LAKESHORE would receive 40% of that or \$8,000 minus the \$7,500 already paid for a total of \$500. The other \$19,500 would be paid to the client less court costs paid by LAKESHORE.

Client acknowledges that he or she has been advised by Lakeshore and is aware that contingency fee arrangements are not set by law, and that a contingency fee between an attorney and a client is negotiable. If Client is a minor, this Agreement is subject to approval of the court. Bearing these facts in mind, Client agrees that the fee arrangement in this Agreement is fair and reasonable.

Court Costs and Expenses

Lakeshore is authorized to incur and advance pay on behalf of Client reasonable costs and expenses in performing legal services under this Agreement. Client is not obligated to pay the costs and expenses except out of a recovery as specified in the foregoing paragraph. The costs and expenses necessary in this case may include any or all the following items, but this list is not exclusive and other expenses may be necessary in a particular case.

- (1) Court or Arbitration fees;
- (2) Fees for preparation of transcripts;
- (3) Process serving fees;
- (4) Private investigator fees;
- (5) Photographers or graphic artist fees;
- (6) Expert fees for consultation and/or appearance at deposition or trial;
- (7) Jury fees and arbitrator fees;
- (8) Mail, messenger, and other delivery charges;
- (9) Parking and local travel at .50/mile;
- (10) Transportation, meals, lodging, and all other costs of necessary out-of-town travel;
- (11) Fax and long-distance telephone charges;
- (12) Photocopying at .25/page;
- (13) Computerized legal research not covered by existing online research plan.

Money-Back Guarantee

Although the initial \$7,500 retainer payment is not refundable, as a business gesture, Lakeshore will pay Client the \$7,500 less actual court costs already spent, if the lawsuit is not “successful.”

Apart from this money-back guarantee, Lakeshore cannot guarantee the results but will use its professional skill and experience to serve Client’s interests in this case. Lakeshore will provide legal services ethically and professionally.

A lawsuit is “successful” if at least one “negative mark” identified in the complaint or subsequently discovered, is removed from Client’s credit report because of a court order or settlement. A lawsuit is “not successful” if the lawsuit is dismissed with prejudice (not at Client’s request) and this relief has not been achieved. Failure to recover money damages or reimbursement of legal fees already paid does not make the lawsuit unsuccessful.

A "negative mark" is an entry on Client’s credit report which Lakeshore has determined violates California's Credit Reporting Law and can be the subject of a lawsuit.

The Money-Back Guarantee does not apply in any of these circumstances:

- Client orders Lakeshore to dismiss the lawsuit before a settlement is reached or abandons the lawsuit by failing to maintain communications with Lakeshore or refusing to participate.
- Client hires a new attorney and substitutes him or her into the case.
- Client is offered a settlement that would remove the negative mark, and which requires no further payment by Client, but Client refuses the settlement offer.

Client Obligations

Client will cooperate with Lakeshore’s efforts and be truthful with Lakeshore. Client agrees to keep Lakeshore advised of Client’s current residence address, email address, and phone number(s), appear on reasonable notice at any meeting or court appearance which requires Client’s attendance, and comply with all reasonable requests from Lakeshore in connection with the lawsuit.

If Client cannot be located, Lakeshore will act in Client’s best interests and sign settlement documents on Client’s behalf. Client authorizes Lakeshore to endorse any monetary payment check on Client’s behalf and to forward any proceeds thereof to which Client is entitled. With respect to Lakeshore’s right to recover legal fees, Client may seek the advice of an independent lawyer of Client choice and has been given a reasonable opportunity to seek that advice before agreeing to this provision.

Conflict of Interest

If there is more than one Client, each Client should be aware that since they are represented by a common lawyer on a matter of common interest, they may not claim the attorney-client privilege in the event of litigation between themselves. In addition, any confidences among Clients with respect to this matter are waived. Areas of potential conflict include conflicting client instructions; disputes that may arise among clients; two clients give conflicting instructions where following one instruction violates another; clients have divergent objectives; effective advancement of one client's cause may be detrimental to another client; the facts of the case require advocating antagonistic positions of two or more clients in the same matter; disputes arise among the clients or they disagree as to resolution of the matter; one client discloses information to the attorney and demands that it not be disclosed to the other clients; a preexisting relationship with one of the clients clouds the exercise of independent judgment on behalf of the other client; or after the matter is concluded, the clients make conflicting demands for the client file. CLIENT WAIVES ANY POTENTIAL CONFLICT OF INTEREST.

Liability Insurance

Pursuant to rule 1.4.2 of the California Rules of Professional Conduct, Lakeshore advises Client that it does not have professional liability insurance.

This Agreement is binding once Lakeshore confirms it in writing

Client acknowledges that he or she read and fully understands all the terms and conditions of this Agreement before agreeing to it and has received a copy of this Agreement upon execution thereof. Client understands that this agreement is not binding on Lakeshore until it has confirmed its representation of Client in writing and has identified which claims against which companies will be prosecuted.