

**SKORHEIM & ASSOCIATES, AAC**  
**STANDARD ENGAGEMENT LETTER**  
**[NEUTRAL ASSIGNMENT]**

Date

Attorney Name, Esquire  
Attorney Firm Name  
Address  
City, State Zip Code

Attorney Name, Esquire  
Attorney Firm Name  
Address  
City, State Zip Code

RE: Plaintiffs v Defendants

Dear Mr./Ms./Mrs. \_\_\_\_\_ and Mr./Ms./Mrs. \_\_\_\_\_:

We are pleased to be retained by you and your respective Clients, \_\_\_\_\_ and \_\_\_\_\_ (“Clients”) as consultants with respect to the above referenced matter. You have asked that we act as a third-party neutral with respect to the above referenced matter. Please note that since we will be serving as a third party neutral in this matter, anything that either of you or your Clients communicates to us will be fully and freely disclosed to the other parties and no information will be kept confidential as between the two parties in this matter. In addition, we may be asked to provide expert witness services and testimony in this matter should it become necessary.

Our fees will be based on actual hours expended at our standard rates, plus out-of-pocket costs. Current hourly rates are:

Partners and Managers	\$300 - \$440 per hour
Seniors and Staff Accountants	\$100 - \$300 per hour
Paraprofessionals and Staff	\$ 50 - \$100 per hour

Our rates are subject to change periodically with or without notice. Occasionally we may use independent contractors to assist in our assignment subject to the same fee schedule. Fees, with costs, will be billed to your Clients monthly during periods of activity on your behalf. Your Clients shall also be billed for out-of-pocket expenses such as delivery service, postage, telephone, travel, meals and lodging, photocopy, computer charges and other expenses, etc., and a periodic office overhead charge not to exceed 5% of our fees and out-of-pocket expenses. Invoiced amounts are due and payable upon receipt of invoice. Unless you instruct us otherwise, we will divide our billings pro-rata between or among your Clients.

Mr. \_\_\_\_\_  
Mr. \_\_\_\_\_

Date \_\_\_\_\_  
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By fully executing duplicate originals of this letter and sending them to us, you and your Clients are confirming that the terms of this letter became effective as of the first date we rendered services in connection with this engagement. In this regard, any and all fees for services performed prior to the execution of this letter, out-of-pocket costs, and overhead charges incurred during such time period, will be billed to your Clients, and any invoice presented to you that includes such billings is due and payable upon presentation of the invoice.

Any invoices which are past due 30 days or more are subject to a service charge of ten percent (10%) per annum, compounded monthly. If any invoices are past due more than 30 days, we may terminate services until your account is paid in full. Notwithstanding the above terms, all unpaid retainers, fees, expenses and interest must be paid in full prior to deposition, arbitration or trial testimony or the delivery of a report and/or other work products.

It is our Firm's policy to collect a retainer and receive the fully executed engagement letter before we begin providing services. This retainer will be applied to our final invoice for this matter. The retainer for this matter shall be \$10,000 for each of you, for a total of \$20,000.

We understand you are retaining our services on behalf of your Clients. While we will be issuing our invoices directly to you, we understand that your Clients and not you or your firms shall be responsible for paying our invoices.

If you or your Clients disagree with our fees as shown on any invoice, or with any of our services hereunder, please contact us. Typically, we resolve such disagreements to the satisfaction of all parties with little inconvenience or formality. If we are unable to resolve a dispute, we agree that any such dispute will be submitted for resolution by arbitration to, and in accordance with the rules of, the Judicial Arbitration and Mediation Service (JAMS) of Orange County, California. Such arbitration shall be binding and final. **IN AGREEING TO ARBITRATION, WE ALL ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES OR SERVICES, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.** Notwithstanding the above, if the amount of the fees and expenses in dispute are less than \$5,000, then we agree that Skorheim & Associates shall have the right to utilize Small Claims Court to resolve our dispute. Further, and in any event, the prevailing party will be entitled to recover its reasonable arbitration and/or attorney's fees and court costs.

Your Clients agree to hold Skorheim & Associates, its owners, employees and agents (collectively "Skorheim & Associates") harmless for any and all liabilities, losses, costs and expenses relating to this engagement, as well as losses or expenses incurred by reason of any action taken or committed to be taken by us in good faith. The foregoing sentence shall not apply to any matter which results from our gross negligence or willful misconduct. In any case, however, our total liability and that of our owners, employees and agents for all claims of any kind arising out of, relating to or connected with this engagement shall be limited to the total fees paid to us under this engagement. Notwithstanding the foregoing, in the event that Skorheim & Associates serves as a neutral fact-finder regarding the resolution of a dispute during the course of this engagement, your Clients agree to hold Skorheim & Associates harmless for any and all liabilities, losses, costs and expenses relating to this engagement, as well as losses or expenses incurred by reason of any action taken or

Mr. \_\_\_\_\_  
Mr. \_\_\_\_\_

Date \_\_\_\_\_  
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committed to be taken by us in connection with our neutral dispute resolution services.

Any written reports or other documents which we prepare in connection with this engagement are to be used only for the purpose of this matter and may not be published or used for any other purpose without our prior written consent.

Our policy is to maintain a case file for this matter for one year after the latest of a settlement, verdict, judgment, dismissal, our last testimony or other final disposition in this matter. After this time, we will destroy our case file. If an appeal is filed or if there is any other reason you desire that we maintain our case file after this period, it is your responsibility to notify us of this fact in writing before we destroy our case file.

The value of our Firm's services to you and your Clients is founded, in part, on our reputation for professionalism and integrity. Our Firm has been engaged from time to time by a significant number of lawyers and law firms and it is possible that we are or have been engaged by lawyers or law firms representing clients adverse to your Clients in this matter. Your engagement of our Firm is expressly conditioned on your agreement not to use the fact of our current or previous engagement by opposing counsel in other matters as a means of enhancing or diminishing our credibility in conjunction with any appearance before a trier-of-fact, unless the personal credibility or integrity of the person testifying is questioned.

Any party may terminate this agreement effective upon written notice to the other parties. In such case, your Clients shall be obligated to pay our fees and costs incurred through the effective date of such termination. Your Clients agree to waive all claims and release Skorheim & Associates from liability for any damages whatsoever that may arise as a result of our termination of this agreement.

Again, we are pleased to provide this letter of engagement to you and your Clients and hope that it is responsive to your needs and accurately reflects the terms and objectives of our engagement by you and your Clients. However, if you or your Clients should have any questions or comments, please do not hesitate to contact us at your convenience.

If these arrangements meet with your approval, please sign the enclosed acknowledgment copy of this letter, have your Clients sign it as well, and return it to us at your earliest opportunity along with checks for the total amount of the \$20,000 retainer discussed above. We very much look forward to working with you and your Clients in this matter.

Sincerely,

James M. Skorheim  
for Skorheim & Associates, AAC

Mr. \_\_\_\_\_  
Mr. \_\_\_\_\_

Date  
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Approved as to the engagement by:

Approved as to the engagement and as to  
the fees by:

Client 1

\_\_\_\_\_  
Attorney for Client 1  
For Law Firm

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

Title: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Approved as to the engagement by:

Approved as to the engagement and as to  
the fees by:

Client 2

\_\_\_\_\_  
Attorney for Client 2  
For Law Firm

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

Title: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date