

Thank you for engaging MARSHALL, ROTH & GREGORY, PC (the "Firm" or "MRG"). This document will acquaint you with MRG's practices regarding representation, fees, costs, retainers, and billing. We invite and encourage your questions and comments concerning any of our practices or policies.

REPRESENTATION

Scope. Our efforts on your behalf are limited to the specific matter that we have undertaken, ordinarily as reflected in a Representation Letter. On occasion we may bring to your attention another matter(s); however, MRG does not accept the responsibility for advising or representing you regarding such other matter, except or unless we agree, in writing, to accept that responsibility. If you have not received a Representation Letter, please bring this to our attention.

Working Relationship. Our ability to effectively represent you is dependent upon you providing us, promptly upon request, complete and accurate information that is reasonably necessary to your matter. We will strive to provide greater specificity or selectivity if any request becomes burdensome for you. We will use our best efforts to provide you with excellent representation and counsel, as economically as possible, and to keep you advised of our progress and changes in the status of your matter. When reasonably possible, we will respond to your telephone calls within twenty-four hours. To manage and perform our responsibilities efficiently, all conferences in this office are by appointment only.

Authority. By engaging this Firm, you authorize MRG to undertake all actions that we deem reasonably necessary for the representation. When practicable, we will discuss any such actions with you in advance. Under the North Carolina Rules of Professional Conduct, you have the final say on major strategic decisions, but the Firm retains sole authority and discretion to decide and implement matters of legal tactics. MRG will transmit to you any settlement offer received in a dispute. No settlement will be offered or accepted on your behalf without first obtaining your consent.

Confidentiality/Privacy. Attorneys are subject to stringent professional confidentiality standards. In the course of representing you, we may receive significant personal financial information regarding you. **All communications with any person in this Firm are entirely confidential and are not released to people outside our Firm, except as agreed to by you, as required by law or as reasonably necessary to advance your matter.** All personnel in this Firm are subject to enforceable restrictions upon disclosing any aspect of such communication. MRG has adopted many specific procedural safeguards and confidentiality policies, including the shredding of draft documents, to preserve this essential element of our relationship. Accordingly, it is imperative that you deal with us in complete candor.

Conflicts/Multiple Representation. Conflicts of interest exist whenever a circumstance would in any way impair our ability to represent you effectively. This often relates to competing legal interests of different clients. It will be present, to some degree, in virtually any representation that involves multiple clients, such as a husband and wife or a business and its owner. We will attempt to advise you whenever we determine that such a conflict may arise, so that we can discuss whether continued representation is in your best interests. MRG reserves the right to terminate any representation if we independently determine that a conflict significantly impairs our ability to represent you effectively. Please immediately bring to our attention any circumstance of which you are aware that could result in such a conflict. We will not represent multiple clients in a matter, unless all such clients agree that all relevant information coming into our hands during the representation may be shared among each of them.

Objectives/Results. We will use our best efforts to: (1) ascertain your objectives; (2) determine economic and other limitations on the handling of your matter; (3) define an anticipated course of conduct; and, (4) obtain the best result possible under the circumstances. We will use our best judgment to apprise you of the likelihood of a particular result, and periodically review with you any changes in such assessment. We cannot provide a guarantee or assurance of any result or future occurrence.

Withdrawal/Termination. We are confident that we can work together in a manner satisfactory to you. However, you may terminate our services at any time for any reason, and we will cooperate in appropriately extricating ourselves from the matter, and referring you to other lawyers. Similarly, we reserve the right to suspend our services or withdraw from representing you on a matter whenever circumstances would significantly impair our ability to represent you effectively. Such circumstances include but are not limited to the following situations: (1) you fail, after a second request, to provide information or materials that we deem important to the representation; (2) you provide us with information that we, in our reasonable judgment, conclude is untrue or misleading; (3) you fail to pay any fee or cost within 30 days from the invoice date; (4) you fail to restore a retainer balance to the amount determined under the Representation Letter within 15 days from the statement date; or, (5) you are disruptive or abusive with respect to this office or our staff. In the event that a fee dispute arises between you and the Firm, MRG will seek to resolve the dispute in a reasonable and swift manner. If the dispute cannot be resolved, you may wish to participate in the North Carolina State Bar's Fee Dispute Resolution Program. There is no fee to participate in the program. To participate in the program, you must submit your request for resolution of the disputed fee within three years after the last time the Firm represented you. You may obtain a fee dispute resolution petition by calling the North Carolina State Bar and requesting Attorney-Client Assistance.

Files and Work Product. In the course of the representation, we will create a file that consists of selected aspects of our work product and materials obtained. This file and its contents are the property of the Client, excepting the work product of the Firm, and will remain so following the termination of our representation. We are entitled to copy, at your expense, the file and any original documents that you may provide us and retain the same for our purposes. During and following the representation you may have, by appointment, complete access to any aspect of your file. Upon request, we will provide you copies of documents in the file, at your expense. We reserve the right to destroy preliminary drafts or other file materials that we no longer deem significant. Additionally, we may destroy all or any part of a file when certain time periods have elapsed, usually six years, from the time of our closure of the file in connection with the representation. It is our customary practice to retain our files in an electronic format.

FEES, COSTS, AND OTHER CHARGES

Our Representation Letter reflects the billing method by which we will be compensated for the services we provide, whether a fixed fee, an hourly fee, a contingent fee, or a combination of these methods. Absent a Representation Letter reflecting a different billing method, you may generally anticipate that our services will be billed to you on an hourly fee basis. Costs are separate and distinct from our fees for legal services and we charge separately for cost items as described below.

Hourly fees are charged at the billing rate in effect for the attorney, legal assistant or administrative assistant at the time the services are rendered. We review our billing rates annually. If any changes to those rates occur, they will be effective for services rendered on or after January 1. However, for currently active matters, the new rates will be effective for services rendered after March 31. Although rate changes are automatic, we will endeavor to notify clients having active matters prior to the time the change becomes effective. If so specified in your Representation Letter, the hourly fees may be charged at a "Blended Rate," which is one hourly rate that is used for all persons in the office, irrespective of who provides the actual service.

Fixed fees are offered in some matters, and represent the fees to be charged for certain specified services. Fixed fees are different from "estimates," which may be provided in hourly fee arrangements. In a fixed fee arrangement, additional fees may be charged if the information provided to us is incomplete or inaccurate, where services over and above the services ordinarily provided in the fixed fee are required or in other extraordinary circumstances.

Contingent fee arrangements, offered in some matters, provide that all or some portion of the chargeable fee will depend on the amount of money saved or recovered by us. Costs will be chargeable on contingent fee matters irrespective of the amount, if any, saved or recovered. There are limited circumstances in which we are ethically permitted to offer contingent fee arrangements.

Costs incurred during our representation are billed to you no matter the nature of the fee arrangement. Examples of costs include photocopying, messenger and delivery service, computerized research services, long distance telephone, depositions, court costs, filing fees, expert witness fees, and, if necessary, travel (including mileage, parking, lodging, meals and transportation). By retaining our services, you are agreeing both to pay costs related directly to the matter and authorizing us to incur such costs as we deem reasonably necessary for our representation. Unless the Representation Letter expressly provides to the contrary, you are responsible for the payment of costs as they accrue. On occasion, the Firm may advance certain costs on behalf of a client and recover such costs through invoicing or from monies to which the client becomes entitled through a verdict or settlement. The Firm imposes a service charge of \$25.00 per returned check.

Many services that we provide to individuals may be deductible under Internal Revenue Code §212. You should seek final advice and opinion from your tax preparer or accountant regarding what services may be deductible.

RETAINERS

On most matters the Firm requires payment of a specific amount of money, identified as a "retainer," against which the Firm will apply fees and costs as they are incurred. **When a Retainer is required, the Firm is not engaged until the Retainer is paid.** Unless you expressly request a different financial arrangement, after any reductions for currently outstanding fees (including "advances") and costs, the retainer is deposited to the Firm's trust account, a specially-designated account called an "Interest On Lawyers' Trust Accounts" program (IOLTA). This program is regulated by the North Carolina State Bar. No interest is payable to you or this Firm on funds in the Firm's IOLTA trust account. Rather, the interest generated on funds deposited in an IOLTA account is paid to the State Bar to fund programs for the public benefit. At any time when a fee balance is outstanding, we may apply any portion of the trust account toward that balance, and mail you an invoice or statement reflecting this application. The invoice or statement will also reflect the amount that you must pay to replenish the funds in our trust account to the minimum level of the retainer. A retainer is not a minimum or a maximum fee. Upon completion of a matter, after all fees and costs have been paid, any funds remaining in our trust account which belong to you will be returned.

BILLING

Our fees, costs, and other charges will be reflected on Invoices and summarized Statements. Fees and Costs are ordinarily billed monthly. Payment is expected within thirty (30) days of your receipt of the statement. Amounts outstanding more than thirty days from the date of the invoice bear interest at the rate reflected on the invoice. Dates for payment of fixed fees and contingent fees will be reflected in the Representation Letter.