

**FUNDERBURK & FUNDERBURK, L.L.P.**

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August 15, 2004

Mr. John Q. Public  
XYZ Corporation  
Houston, Texas

Re: XYZ Corp. v. DEF Company

Dear Mr. Public:

Thank you for choosing FUNDERBURK & FUNDERBURK, L.L.P. for your litigation needs. Please accept this correspondence as our agreement regarding the terms of this representation in connection with the above referenced matter. If this agreement is acceptable, please sign on the signature line provided below and return this original signed agreement to us by mail, in the enclosed self-addressed envelope.

**Scope of Representation.** We agree to represent you with respect to claims you may have against DEF Company relating to the operations and management of DEF-XYZ Joint Venture, Ltd.

**Initial Case Strategy.** Pursuant to my discussions with you, our strategies for this lawsuit are as follows: (1) make demand on DEF for the recovery losses attributable to the mishandling of the partnership assets by DEF Company; (2) request an accounting of the partnership accounts; (3) file suit if no adequate response is received; (4) if a change in management is not agreed to by DEF, then include claims to dissolve and partition the partnership; (5) recover attorney's fees for bringing action. To accomplish this, I believe that we should: (1) make written demand on DEF presenting issues and opportunity to cure; (2) retain expert CPA to review joint venture financial records; (3) prepare petition for filing if informal remedies are not successful. I will begin work on the initial demand letter and will forward resumes of potential expert CPAs to use in the audit.

**Compensation for Legal Services.** You agree to pay the fees and expenses that are incurred by the firm in representing you in the above referenced matter consistent with this agreement. Our firm will bill you on a monthly basis, for professional services rendered and expenses advanced on your behalf by this firm. Our partners charge an hourly rate of \$220.00 per hour; associates are billed at a rate of \$180.00 per hour; and legal assistants \$85.00 per hour. Our firm bills in increments of tenths of an hour, therefore, the smallest billable increment for any task is six minutes. The types of expenses that may be incurred on your behalf depend on our judgment regarding what is necessary to the preparation of your case, and may include, but are not limited to charges for such things as photocopies, filing fees, long distance telephone charges, facsimiles, court costs, court

reporter bills, travel, and expert witness fees. After receipt of firm's monthly statement, you agree to pay within thirty days all fees and expenses, and advances as shown on the invoice.

**No Representations Regarding Case.** As an initial matter, we have agreed to represent you and advise you regarding claims you may have relating to the operation of DEF-XYZ Joint Venture, Ltd. The scope of this initial work will then be geared towards discussions with DEF about the financial records, and evaluating claims against DEF. While we have discussed the merits of your case, you understand that no representations have been made by FUNDERBURK & FUNDERBURK, LLP concerning the successful outcome of any matter that may be covered by this employment or your claims against any party in this lawsuit. You understand that, while our hope is to resolve this matter on your behalf as quickly as possible, the reality is that many lawsuits, and possibly yours, can take many months and sometimes years to conclude. In commercial matters such as this, counter claims are not unusual. Should you file a lawsuit against DEF or any related entities, it would not be unusual to have counter claims asserted against you. This is not meant to alarm you, but only to illustrate to you that lawsuits are rarely cut and dry. We will know more about how this matter will proceed after we get your send our demand letter to DEF.

**Settlement Offers.** We agree to notify you of any offer of settlement received by us, and you agree to notify us of any offer of settlement received by you. One of the most important obligations under this contract is to advise you about whether to accept a particular settlement offer; and one of your most important obligations under this contract is not to unreasonably withhold your consent to a settlement. We agree not to settle your claim without your approval, and you agree not to settle your claim without our approval.

**Withdrawal of Representation.** FUNDERBURK & FUNDERBURK, LLP may withdraw from its representation of you at any time if you (i) insist upon presenting a claim or defense that is not warranted under existing law and cannot be supported by a good faith argument for an extension, modification or reversal of existing law, (ii) seek to pursue an illegal course of conduct, (iii) insist that FUNDERBURK & FUNDERBURK, LLP pursue a course of conduct that is illegal or that is prohibited under applicable disciplinary rules, (iv) fail to fully cooperate with our firm, and, by such conduct, render it unreasonably difficult for FUNDERBURK & FUNDERBURK, LLP to carry out its employment, (v) insist that FUNDERBURK & FUNDERBURK, LLP engage in conduct that is contrary to the judgment and advice of its attorneys but not prohibited under applicable disciplinary rules, (vi) deliberately disregard any agreement or obligation to FUNDERBURK & FUNDERBURK, LLP as to expenses or fees for services rendered, or (vii) fail to cooperate and comply fully with all reasonable requests by FUNDERBURK & FUNDERBURK, LLP on any matter encompassed by or made the basis of this employment, including the prompt payment of fees and expenses. In the event of its withdrawal from employment, FUNDERBURK & FUNDERBURK, LLP will take reasonable steps to avoid foreseeable prejudice to your rights, including giving due notice to you of scheduled events, delivering to you all papers and property to which you are entitled, and complying with the applicable laws and rules of the State of Texas.

**Discharge.** FUNDERBURK & FUNDERBURK, LLP will withdraw if discharged by you. Such discharge shall be communicated in writing to FUNDERBURK & FUNDERBURK, LLP. If permission for withdrawal from employment is required by the rules of any applicable court, FUNDERBURK & FUNDERBURK, LLP shall withdraw upon permission of said court. In the event that you desire to dismiss FUNDERBURK & FUNDERBURK, LLP and retain other counsel to represent your interest in any matter encompassed by this employment, you agree to pay all fees, costs and expenses incurred up to and including the day of the dismissal.

**Communications.** I caution you not to discuss the facts of this case with anyone, except your attorneys, or members of my firm. If anyone attempts to discuss this case with you, you should decline and notify us immediately. Since we must be able to contact you at all times, please advise us immediately of any change in your address or telephone number.

We will keep you advised about the course and progress of this lawsuit. As your attorney, we will make recommendations to you about the handling of this lawsuit and possible strategies to effectuate a prompt and ethical resolution of this matter. We invite and require your participation in this litigation process. At any time, you have the ability to communicate with us regarding any course of action or activity on this matter, but we expect that you will defer to our judgment on issues involving the actual implementation of that legal course of action.

**Complaints.** We are required to make you aware that the State Bar of Texas investigates and prosecutes professional misconduct committed by Texas attorneys. Although not every complaint against, or dispute with, a lawyer involves professional misconduct, the State Bar Office of General Counsel will provide you with information about how to file a complaint. For more information, you may call the State Bar of Texas toll free at 800-932-1900.

If you agree to the terms of our representation as set out herein, please sign on the signature line provided, and return an original signed copy of this letter to us. We are pleased to have this opportunity to represent you, and if you should have any questions at any time regarding our services or the status of your case, please contact me.

Very truly yours,

**FUNDERBURK & FUNDERBURK, LLP**

Mark J. Courtois

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August 15, 2004  
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AGREED AND ACCEPTED THIS \_\_\_\_\_ DAY OF AUGUST, 2004.

XYZ Corporation

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by: Mr. John Q. Public  
President

**FUNDERBURK & FUNDERBURK, LLP**

**SAMPLE ONLY**