

CLOSELY HELD CORPORATION DATE LAST REVISED: 03/13/95

[Date]

[SPECIAL INSTRUCTIONS LINE, optional]

[Name]

[Attention line if needed]

[Address]

[City, State Zip]

Re: [Case Name] [Our File Number]

Dear [Salutation]:

This will confirm our recent discussion in which I agreed, at your request, to represent (specify either the individual or the corporation) in the organization of your new business venture. I have set forth below a general outline of the steps and considerations which may be involved in the formation of this new corporation. I have explained to you that, because of the possibility of unpredictable and unforeseen circumstances, I cannot be absolutely specific about my fees for professional services. A formation of a simple, closely held corporation, with all of its shareholders in the State of Ohio normally involves the following:

preparation and filing of the Articles of Incorporation with the Secretary of State;

the appointment of a Statutory Agent for service of process for the corporation;

the preparation of the subscription agreement;

preparation of minutes for the initial meeting of the incorporators, shareholders and directors;

preparation of the share ledger and share journal and the issuance of stock certificates;

the exemption or registration of the shares with the Ohio Division of Securities;

preparation of the Regulations;

preparation of a Plan to comply with Section 1244 of the Internal Revenue Code for small business stock; and

a review of the basic Federal Income Tax considerations.

Assuming there are no major disagreements among the shareholders or complications with state or federal agencies with which we must deal, I am prepared to perform the services outlined above on an hourly basis, with time being charged in tenths of an hour,

i.e., in six minute blocks. Our rates for attorneys range from \$ to \$ _____ per hour. Paralegals' time is billed at \$ _____ per hour. We will use our discretion in staffing, to provide services in the most economical manner to you. Our rates are reviewed annually, at least, and you will be notified of any changes in the rate schedule. In addition to our fees, we will be entitled to payment or reimbursement for costs and expenses incurred in performing services such as photocopying, messenger and delivery service, computerized research, travel (including mileage, parking, air fare, lodging, meals and ground transportation), long distance telephone, telecopying, word processing, court costs and filing fees. Unless special arrangements are made at the outset, fees and expenses of others will not be paid by us and will be the responsibility of, and billed directly to the client. Filing fees are charged by the Secretary of State and the Ohio Division of Securities, and are your responsibility. Therefore, a retainer of \$ _____ is requested. Our statements for services rendered and costs advanced or incurred are issued monthly and payable upon receipt. Statements which remain unpaid 60 days or more will be charged (simple or compound) interest at the rate of _____ per month. We reserve the option to terminate our representation if payment is not received within _____ days of the date of the statement. We reserve the right to withdraw from our representation if, among other things, you fail to honor the terms of this engagement letter including nonpayment of our fee statements, you fail to cooperate or follow our advice on a material matter, or if any fact or circumstance arises or is discovered that would, in our view, render our continuing representation unlawful or unethical. You should be aware of an ethical requirement imposed upon all Ohio lawyers. If a client, in the course of representation by a lawyer, perpetrates a fraud upon any person or tribunal, the lawyer is obligated to call upon the client to rectify the same. If the client refuses or is unable to do so, the attorney is required to reveal the fraud to the affected person or tribunal. If you are in agreement with the terms of this letter, please sign on the signature line below and return it to me in the enclosed envelope. We look forward to working with you on this matter. Thank you for your retention of our firm.

Very truly yours,

[Name of person sending letter]

[Attorney initials/secretary initials]

[cc:]

I agree to engage you pursuant to the terms set forth in this letter.

Date: _____