

RETENTION & CONTINGENCY FEE AGREEMENT

RECITALS

This *Retention & Contingency Fee Agreement* is hereby made by and between *Offer in Compromise, Inc.*, with its principal place of business at the South Coast Corporate Center, located at 3080 Bristol Street, Sixth Floor, Costa Mesa, California 92626 (hereinafter the “Company” unless otherwise designated) and Client, (hereinafter the “Client” unless otherwise designated), with respect to Client’s retention of Company to assist Client with certain professional negotiation services on behalf of Client’s transaction (hereinafter the “Transaction” unless otherwise designated) as specifically designated, summarized, and attached hereto as “Exhibit A.”

NOW THEREFORE AND IN CONSIDERATION of Company performing professional negotiation services on behalf of Client, as set forth below, and other valuable consideration, the sufficiency of which is acknowledged, it is agreed as follows:

1. **SCOPE OF PROFESSIONAL SERVICES**. Company agrees to provide its best efforts to negotiate Client’s Transaction in the most favorable interest of Client, although Company cannot predict; forecast; nor guarantee the outcome of its professional negotiating services of the Transaction. Company shall work within Client’s designated guidelines, restrictions and/or needs of Client, if any, without conflict. Company agrees to maintain all Client-provided documents and materials, privileged and/or non-privileged documents and materials, as secret and confidential;
2. **FEE ARRANGEMENT**. Client hereby agrees to pay and/or reimburse Company a Contingency Fee for all services rendered. Client hereby agrees and accepts the terms of Company’s Contingency Fee based upon the negotiated amount of the Transaction. Company is entitled to receive a twenty-five percent (25%) Contingency Fee of the negotiated amount that Company negotiates in the transaction. Client agrees to pay Company an amount equal to twenty-five percent (25%) of the negotiated amount. The Contingency Fee paid by Client and received by Company is based upon any and all of Company’s negotiating efforts related to any and all monetary financial recoveries; discounts; gains; or savings of any sums related to the Transaction, whether the amount is attained by settlement; mediation; arbitration; purchase; sale; merger; acquisition; compromise; litigation; financed or otherwise;

3. **FEE DISBURSEMENTS.** Client agrees that Company shall receive payment of its Contingency Fee and payment and/or reimbursement for any and all (authorized) related costs and expenses from the holder, distributor or executor of such funds (hereinafter “Executor” unless otherwise designated), before Client receives any disbursement of such funds. Client fully assumes responsibility and is ultimately liable to Company for any and all Contingency Fees owed to Company, and reimbursement of any and all (authorized) related costs and expenses as advanced by Company. Client hereby specifically agrees to authorize the Executor of said funds to disburse, withhold or secure Company’s interest in Company’s Contingency Fee and (authorized) related costs and expenses as advanced and owed to Company by the Client;

4. **OUT-OF POCKET EXPENSES & COSTS.** Client agrees to advance and/or otherwise reimburse Company for any and all (authorized) related costs and expenses as advanced or paid by Company, if any, in connection with or to Client's Transaction. Client hereby agrees to pay, advance and/or reimburse Company for any and all such (authorized) related costs and expenses incurred by Company. If client has *not* previously advanced or reimbursed Company for all (authorized) related costs and expenses advanced and/or incurred by Company, Client agrees that Company is entitled an Assignment of Security Interest in the Transaction for any and all claims for payment owed to Company by Client. Company shall receive, request or demand payment for any (authorized) related costs and expenses to be withheld from the gross amount of all payments and recovery due to Client prior to disbursement of any funds to Client. Client's lion share of the funds (hereinafter “Recovery Funds” unless otherwise designated) shall be the amount equal to the remaining balance *after disbursement of Company’s Contingency Fee and reimbursement of any (authorized) related advanced costs and expenses by the Company;*

5. **LEGAL OPINION.** This Agreement does *not* incorporate unforeseen or other related transactions that may arise and/or may require legal or other professional services. Client hereby acknowledges and agrees that, in, during and throughout the process of rendering and accepting Company’s negotiation services, Company is not licensed to, cannot, and will not render a legal opinion or professional legal services on behalf of the Client. In furtherance, Company is not licensed to, cannot, and will not render legal advice, guidance or legal opinions on behalf of the Client. Company’s sole involvement is that of a professional negotiation service on behalf of the Client in connection with the Transaction. Company does not participate in securities or venture capital;

6. **ASSIGNMENT OF SECURITY INTEREST.** Client agrees that, if a Cost-Retainer was not previously paid by Client, or collected by Company, Client (hereinafter “Cost Retainer” unless otherwise designated), Company is specifically entitled to receive and Client is specifically obligated to pay and ultimately secure Company’s interest and guarantee of disbursement of its earned Contingency Fee and (authorized) reimbursement of any and all related costs and expenses by way of an entitlement of Assignment of a Security Interest in the Transaction by the Client. Company shall be entitled to an Assignment of Security Interest and Client agrees to add Offer in Compromise to all disbursement or added to escrow instructions regarding the Transaction as designated in paragraph 2 entitled “Fee Arrangement”. Upon closure, conclusion and/or resolution of the Transaction, Client is responsible for providing payment to Company for any Contingency Fee and reimbursement of any costs and expenses owed that Company earned or advanced through its negotiating efforts;
7. **AUTHORIZATION TO INCUR REASONABLE (AUTHORIZED) COSTS & EXPENSES.** Company is authorized to incur reasonable related costs and expenses in performing such services under this Agreement. Client agrees to advance or reimburse Company for such related costs and expenses (in addition to the Contingency Fee) as specified within Paragraph 2 of this Agreement. Any and all (authorized) related costs and expenses may include any or all of the following items, although the list is not exclusive: mail; e-mail; faxes; messenger; and/or other delivery fees or overnight delivery charges; parking and/or other local travel reimbursement at a rate of \$.50/mile; transportation; airfare; and/or any other related costs for necessary out-of-pocket travel expenses, including meals; accommodations; lodging; local and long distance telephone charges; shipping; and photocopying charges. Company may advance such (authorized) related costs and expenses on Client's behalf, *but is not obligated to do so*. Client is responsible for all Company reimbursements;
8. **INDEMNITY.** Client shall unconditionally indemnify and hold Company harmless for any loss(s) that may arise, or incurred before; during; after; or beyond the scope and/or conclusion of this Transaction, caused by and/or through any intentional or unintentional act of negligence committed by Company, or any of its subsidiaries; employees; contractors; independent contractors; and/or third party relationships. Client shall further hold Company harmless for any Transaction that may or may not successfully or unsuccessfully conclude. Company cannot be held liable for any Transaction which may or may not conclude favorable for Company;

9. **TIMELY PAYMENT OF CONTINGENCY FEE AND RELATED COSTS & EXPENSES.** In the event that Client's monetary recovery (hereinafter "Recovered Funds" unless otherwise designated) consists of an agreement for Client to receive payments of Recovered Funds over a period of time, or Client receives other tangible or intangible property; interests; stocks; bonds; promissory notes; promises to pay; and/or assets that are not entirely cash or cash-equivalent, Company's Contingency Fee shall be proportionately calculated based upon the payment or disbursement of above-referenced tangible or intangible property or Recovery Funds, Company's contingency interests shall be secured by an Assignment of Security Interest. Company shall receive a proportional disbursement of the Contingency Fee and (authorized) reimbursement of related costs and expenses, concurrently and simultaneously with Client's receipt of disbursement of Recovery Funds. More specifically, *in order of priority, Company's Contingency Fee shall be disbursed from the first Recovery Funds or tangible or intangible property received by Client, whether by lump sum, timely or untimely payments;*
10. **ESCROW DELEGATION.** Any and all transactions negotiated on behalf of the Client by the Company requires the selection, coordination and/or commitment of a mutually-agreed upon third-party Escrow Company (hereinafter "Escrow Company" unless otherwise designated). Specific escrow instructions shall reference; identify; and incorporate the buyer and/or seller; Client; and Company. Client shall insure that one-hundred percent (100%) of the transaction's negotiated funds are deposited directly into escrow.
- Upon conclusion of the transaction, the Escrow Company shall disburse all respective payments to the parties. Any escrow fees payable to the Escrow Company shall be proportionally shared between the buyer and/or seller; Client; and Company. If the Company is negotiating a savings on behalf of the Client, then Client shall deposit one hundred percent (100%) of the total transaction into the Escrow Company. Upon conclusion of escrow, the Escrow Company shall first disburse payment of not less than twenty-five percent (25%) of the negotiated transaction to the Company, and the remaining balance shall be disbursed to buyer and/or seller; and the Client;
11. **LEGAL FEES & COSTS.** The Parties to this Agreement agree to bear their own costs and attorneys' fees and/or costs in connection with any breach of this Agreement.

12. **ADVISE OF LOCAL COUNSEL.** The parties represent that, prior to the execution of this Agreement; they have had the opportunity to seek the benefit of independent legal counsel regarding the substance of this Transaction and/or Agreement.
13. **DISCHARGE OR TERMINATION OF COMPANY BY CLIENT.** If in the unlikely event that, at any time *after* commencement, during or throughout the duration of the Company's Negotiation Participation (hereinafter "Negotiation Participation" unless otherwise designated) of the Transaction, Client discharges or terminates Company upon written notice (hereinafter "Notice" unless otherwise designated) to Company, Client shall be responsible to Company for the contingency fee amount owing Company which Company earned through and until such time of discharge or termination of the Transaction. As an example, if Company emerges into Transactional negotiations on Client's behalf at any time, and negotiates a spread or advantage of \$1,000,000, Company is entitled to receive payment in full equal to the amount of no less than twenty-five percent (25%) of the negotiated amount, or, in this example, \$250,000, as outlined within the Fee Arrangement and as defined within Paragraph 2 of this Agreement. Company shall remain a Secured Party in Interest concerning the Transaction, until such time the Transaction has concluded. Payment to Company shall be disbursed to Company for Company's contingency fee based upon the negotiated amount Company earned, without discount. Company is not entitled to receive any portion of any elevated negotiated amount that Client earns after discharge or termination of Company.
14. **BEST EFFORTS.** Company does not render nor provide representations, estimations, predictions, forecasts and/or promises as to the probable (or improbable) outcome or conclusion of the Transaction; nor does Company render, nor provide any representations, estimations, predictions, forecasts or promises any minimum or maximum amount of the Negotiated Funds, Company's Contingency Fee; related costs; and/or expenses that may be incurred throughout Company's representation of Client; or the services or outcome that can be expected. However, Client is assured that Company is committed to utilizing an efficient, cost-effective; aggressive negotiating strategy by providing Client with Company's **best efforts**, without compromise, in order to potentially obtain a successful result, conclusion and/or resolution of the Transaction.

15. **ATTORNEYS' FEES – ENFORCEMENT OF AGREEMENT** . If any action at law; or in equity; or any action and/or motion is brought about to enforce this Agreement, or to collect any unpaid amounts, the prevailing Party shall be entitled to recover their own costs and/or legal fees in bringing, prosecuting, and/or collecting on against action; motion or judgment; including, but not limited to actual attorneys' fees.
16. **GRANT OF ASSIGNMENT OF SECURITY INTEREST/LIEN** . In an effort to secure payment to Company for all sums due Company under the terms of this Agreement for all services rendered, including any advancements of all related costs and expense costs, client hereby grants Company a lien against the Transaction Funds, and against Client's interests and/or claims related to the Transaction, and against any recovery Client may; would; might; or otherwise could obtain by way of settlement; judgment; mediation; arbitration; litigation; compromise; or otherwise. To the extent allowable by law, Company will provide Client with the necessary documentation for Client's execution to effectuate said lien, including but not limited to escrow documents, beneficiary demands and/or trust documents.
17. **CONFIDENTIALLY & PROTECTION OF SENSITIVE INFORMATION** . Client agrees and understands that, in the process of rendering Company's services, Company might necessarily be exposed to certain confidential information which has been created, discovered, or developed by the Client (including, without limitation, information created by; discovered; or developed by Client; or made known to Company during the duration or period of or arising out of the performance of Company's negotiation services for Client) and/or confidential information (hereinafter "Confidential Information" unless otherwise designated) which has been assigned, or otherwise conveyed to Company, and is of commercial or other value to the business in which Client is engaged Confidential Information. By way of illustration, but not limitation, Confidential Information includes trade secrets; contact information; pricing; materials; lists; processes, formulas; data; know-how; software; documentation; program files; electronic files; flowcharts; drawings; techniques; source and object codes; standards; specifications; improvements; inventions; techniques; customer information; accounting data; statistical data; research projects; development and marketing plans; strategies; forecasts; and computer programs. Client hereby releases the Company from any liability arising out of the disclosure of Confidential Information, unless otherwise expressly agreed upon by means of a protective order.

18. **APPLICABLE LAW.** This Agreement shall be construed according to the laws of the State of California in effect as of the date of execution.
19. **REPRESENTATION OF AUTHORITY.** Each individual who may be executing this Agreement on behalf of any other Party expressly represents and warrants that s/he has implicate authority to execute this Agreement, and thereby binds that Party and the Client and/or Company, to the specific terms of this Agreement, and agrees to indemnify and hold harmless the other party from any claims that such authority did not exist on behalf of which s/he executes this Agreement.
20. **COUNTERPARTS.** This Agreement may be executed counterparts, all of which together constitute one single document. This Agreement and any documents relating to it may be executed and transmitted to any other party by facsimile, which facsimile shall be deemed to be, and utilized in all respects as, an original, wet-inked document.
21. **ADMISSION OF TRUTH OR CORRECTNESS.** This Agreement is executed by the Parties hereto for the sole purpose of settling the transaction involved in the dispute, and it is expressly understood and agreed, as a condition hereof, that this Agreement should not constitute nor construed to be an admission of the truth or correctness of any claim asserted.
22. **DISPUTE BETWEEN THE PARTIES.** In the unlikely event that a dispute arises between Client and Company, resulting in the course of litigation; arbitration; or mediation, Client and Company agree that *the prevailing party shall be entitled to recover all related costs, and expenses incurred*, including actual attorneys' fees. Client and Company each hereby agrees to waive their right to jury trial by submitting any dispute to *binding* arbitration before proceeding to trial.
23. **ACKNOWLEDGMENT & RECEIPT OF AGREEMENT.** Company relies upon the fact that Client has retained legal representation to review and/or approve the terms and conditions of this Retention & Contingency Fee Agreement. Company acknowledges that Client, through and with the participation and/or assistance of Client's counsel, has read, and fully understands all of the terms and conditions of this Agreement before executing it, and that Client has received a copy of this Agreement upon execution thereof.

24. **GOVERNING LAW.** Concurrent or subsequent Transactions handled by Company on behalf of Client shall continue to be governed by this Agreement unless a separate agreement is entered into.
25. **ENTIRE AGREEMENT.** This Agreement contains the complete and entire Agreement and understanding of the Parties concerning the transactions contained herein. This Agreement may not be altered, modified, or changed in any manner except by separate cover of inscription and duly incorporated and referenced herein and executed by all Parties. Neither Party is relying upon any representations, seen or unseen, heard or unheard, spoken or unspoken, written or unwritten, other than those representations expressly set forth herein. No conditions precedent to the effectiveness of this Agreement exist, other than as expressly provided for herein. There are no other oral or written collateral Agreements. All prior discussions and negotiations have been set forth and are hereby merged and integrated into and superseded by this Agreement.
26. **HEADINGS.** The headings included in this Agreement are for convenience only and do not limit, alter, or affect the transactions or captioned paragraphs contained in this Agreement.

All parties to this Agreement have executed this Agreement as of the date that is set forth beside their executed signature. Indication of parties' execution of this Agreement constitutes the parties' undisputed understanding as to the terms, conditions and provisions set forth throughout this Agreement. Parties to this Agreement have also initialed each page.

ACQUIESCED, ACKNOWLEDGED AND AGREED BETWEEN THE PARTIES:

Dated: _____ by:

J. Sebastian Ragazzo
Principal, *Offer in Compromise*

Dated: _____ by:

Client, on Behalf of Company

Dated: _____ by:

Client, Individually & Personally