



---

## Services Offered and Fees Explained

---

No one likes misunderstandings about fees. These misunderstandings can be the source of hard feelings and embarrassment for both the lawyer and the client.

I discuss fees openly and honestly, before you hire me, so you have a clear understanding of the investment needed to protect your assets and your family. Over the years, clients have told me they like to learn about fees in advance. Plus, I know they like the opportunity to ask questions before they make an important commitment. So here's how I handle the subject of fees.

Most of my estate planning services are performed on a flat fee basis. I prefer flat fees as opposed to hourly charges for two reasons: One; most of my clients prefer to know the exact amount of costs that they will incur; and second, it encourages my clients to contact me with questions without being concerned about being charged for each phone call or consultation. However, I am happy to perform any services on an hourly basis if that is what the client prefers. The exception to the flat fee is advanced tax planning, probate and fiduciary tax return engagements. These types of legal services are particularly fact specific and the amount of actual time necessary is dependent upon numerous factors. *Flat Fees are on the last three pages.*

When possible, following a complimentary 30-minute consultation, we quote guaranteed package prices so you know total cost prior to authorizing work. In some situations where work to be done varies depending on circumstances or when information is not ascertainable up front, a minimum retainer will be charged with additional fees due if time requirements for completing the work exceed amounts covered by the initial retainer. Billings on a monthly basis for ongoing matters is standard. Payment may be made by check, money order or direct deposit.

---

## Services Offered

---

**Estate Planning**  
**Tax Planning and Representation**  
**Business Planning**  
**Litigation**

---

---

## Types of Fees Explained

---

### **Flat Fees (Fee Only)**

Many engagements repeat prior engagements. Therefore, I know what time and costs are involved and can accept a flat fee engagement. Flat fees will vary based on the complexity and size of your issue or estate.

### **Flat Fee Plus Commission (Fee Based)**

Some engagements incorporate implementation of planning with specific investment and insurance products that pay me a commission. I will disclose those situations and will require a waiver from you of any potential conflicts of interest. Typically these engagements cost you less with regard to attorney or planning fees because the balance of my payments are received from commissions that you would pay anyway and would be received by third-party vendors. Flat fees will vary based on the complexity and size of your estate and commissions will vary based on the product and my relationship with the vendor.

### **Hourly Rate Fees (Hourly Rate Based)**

Non-repetitive engagements where I cannot accurately gauge the amount of time involved will be billed on an hourly basis plus expenses. See my full disclosure for details of professional hourly rates, paralegal and staff rates, costs, and other expenses.

### **Contingency Fees**

Some matters, especially litigation matters, are appropriate to use contingency fees where I do not get paid until the matter is resolved. I will then receive a percentage of any recovery. You will be responsible for all expenses. See my full disclosure for details of professional rates, paralegal and staff rates, costs, and other expenses.

### **Court-awarded fees**

Sometimes attorneys are given a set amount determined by the courts. Probate/Estate settlement fees are often set by statute. Probate matters, generally referred to as "statutory" or general services, are billed based on schedule of fees in the Probate Code but subject to negotiation between the client and the Firm. However, extraordinary fees are billed on our standard hourly billing rates subject to review and approval by the court.

### **Retainer**

A retainer fee is the fee that retains an attorney to work on your matter. With this fee, the attorney is certain of the seriousness of your intentions and can take your case to heart. Both unearned and earned retainer fees may be charged. Billings are applied against the retainer and you are expected to maintain the original retainer amount on a monthly basis. You will receive an accounting of activity in your retainer account along with your monthly invoice.

### **Invoicing**

Bills for time and disbursements are invoiced monthly. In most matters a retainer is fixed and deposited and the monthly charges are deducted. Certain complex litigation may require that a blended rate be applied. In appropriate circumstances, for clients with multiple matters, an agreed upon rate for certain repetitive services can be set.

### **Referral Fees**

I may refer you to other specialists if your matter warrants it. If I do, I may receive a referral fee from the specialist. I will disclose those situations and will require a waiver from you of any potential conflicts of interest.

### **Hybrid/Blended Rates**

On occasion, a complex engagement may use blended rates. For instance, a flat fee for representation, a contingency fee for collections, a court-awarded fee for representation, a fee plus commission for financial planning issues, etc., fixed fee plus an hourly fee for time expended in excess of the fixed fee.

---

## Estate Planning

---

We are general practitioners. But our philosophy is that by narrowing the scope of services offered, we can be very skilled in specific areas of practice. With constant changes in the law, especially in the tax and estate planning areas, it is very difficult for attorneys to be proficient in numerous areas of law. Our practice is limited specifically to estate, tax, and business planning. We analyze individual needs and goals and outline, design, and implement plans that meet your goals in the most beneficial and cost-effective way with the least possible paperwork and bureaucracy.

### **What will my estate plan cost?**

Every client asks this question and every client deserves a straight answer.

The straight answer is that it depends on what you want and need. Most people's estates don't fit into neat little boxes. A list of flat-fee services is attached, but these fees are subject to modification based on the complexity of your estate.

To give you an idea of what increases the complexity of estate plans and often increases the fee, here are subjects that your custom asset protection and estate plan should address:

Do you and your spouse have unequal estates? Is this a second marriage for either spouse? Do you have children from a previous marriage? Does any child or spouse have special needs, such as a mental or physical disability? Does any child or spouse have problems with drugs or alcohol? Does your estate include issues that relate to retirement planning? Do you have a taxable estate valued at between \$650,000 and \$1,300,000? Do you have a taxable estate valued at over \$1,300,000? Does your estate include any generation-skipping issues? (They could result in additional taxes up to 55% if not properly designed into your estate plan.) Does either spouse want to control the distribution of what is left to the survivor after his or her death? (If so, this requires a QTIP trust.) Do you need to adjust your estate plan so you can receive government benefits for a spouse or handicapped child? Do you need to do Medicaid planning so your estate qualifies for government benefits? Are you self-employed? Will we set up a business succession plan along with your estate plan? Do you need a life insurance trust? Are you interested in educating your heirs, which you can do through the use of an education trust? Do you want to provide for the care of your pets? Do you want to protect your assets for your heirs and keep them away from the IRS, creditors, and future ex-spouses? Do you want to safeguard your assets so they are not wasted due to someone's inexperience? Do you want to leave money to a charity? (If so, you might benefit from a charitable trust.) Do you have an unusual plan for distributing assets to your heirs? Is your distribution plan built on multiple contingencies. (For example, if this happens, then I want this to happen. If this doesn't happen, then I want this to happen.) And so on.

The more of these factors that are present, the more complex your estate plan. And, understandably, the more time and skill your lawyer needs to make sure everything is handled

correctly. As you can see, the size of the estate doesn't matter. But the size of the estate often causes more of these factors to be present.

Other events can also make a dramatic impact on your assets and your family. They include disability, illness, divorce, remarriage, blended families, lawsuits, creditors and bankruptcy. We can address all these situations, and more, in a carefully designed asset protection and estate plan to increase and preserve your wealth.

### **How long does it take to complete my estate plan?**

A living trust estate plan can typically be completed within two weeks after the initial consultation. At an initial meeting you will discuss your individual situation and your goals with the attorney who then applies probate and tax law to your situation and recommends estate planning steps which will accomplish your goals. All information necessary for preparation of your plan is then given by you to the attorney. If a written statement of exact cost cannot be given due to the need for more information from you, the written statement will be provided as soon as all information is received by the attorney and before additional work is authorized. An additional meeting may be necessary to review the information you give the attorney.

One to two weeks after the initial appointment, at a second appointment which is usually the final appointment necessary to complete all estate planning documents, all documents are explained, an informational videotape may be viewed, documents are formally executed, and the binder which includes all information on the estate plan is covered in detail. Necessary steps to complete the transfer of assets into the trust are discussed, including use of letters to deliver to institutions where assets are located.

Questions that arise are answered during this conference, and additional questions regarding transfer of assets to the trust are included for one month after execution of documents at no charge to you. After the second meeting, you are prepared to proceed with all steps necessary to transfer assets into the trust. The estate plan is then complete.

### **SPECIALIZED PRACTICE AREAS**

**Trust Management.** The firm provides complete fiduciary services emphasizing prudent, long-term growth. These services include:

- Asset Management
- Financial Planning
- Tax planning
- Monitoring annual contributions to tax-free or tax-deferred accounts
- Guiding distributions to minimize estate taxes and probate costs
- Management of individual retirement account investments

**Estate Planning and Administration.** The firm provides estate planning and documentation services including:

- Financial and asset analysis
- Preparation of wills, durable powers of attorney, and lifetime trusts
- Health care directives including living wills and durable health care powers of attorney
- Fiduciary custodial services for clients
- Special needs trusts

**Probate Administration.** Our attorneys and staff provide all services necessary for the settlement of estates in all probate courts statewide. These include:

- Asset collection, valuation and custody
- Probate administrative services from qualification of the personal representative to settlement of the personal representative's final account
- Preparation of state income and inheritance tax forms and federal, estate, gift, and income tax returns
- Administration of *inter vivos*, testamentary trusts, and non-probate assets

### **Post-Mortem Planning**

- registering the death and arranging the funeral (where necessary)
- identifying the assets and establishing who is entitled to the estate
- obtaining a grant of Letters of Administration
- dealing with tax returns and liabilities
- administering assets at home and abroad, such as property and businesses, until they can be sold or transferred
- paying off debts
- distributing the estate to the beneficiaries
- preparing all necessary accounts and documentation.
- identifying the assets and establishing who is entitled to the estate
- obtaining Grant of Probate (which proves that the will is valid)
- dealing with tax liabilities
- administering assets at home and abroad until they can be sold or transferred
- paying off debts
- distributing the estate to the beneficiaries
- acting as trustee of trusts created under the will
- preparing all necessary accounts and documentation.
- supervise the preparation of the trust deed (or will for a will trust) and handle all relevant documentation
- deal with solicitors, accountants and other professional advisers involved in the process
- deal with the legal and regulatory requirements
- manage assets in trust including buying and selling investments as necessary
- keep records and make payments to beneficiaries
- prepare the trust's tax returns and agree and settle any liabilities
- deal with the sale or transfer of assets.

## Business Planning

---

Our firm focuses on providing value to our clients. Our Business Planning services include:

- Recommendations regarding the most advantageous form of professional practice (proprietorship, corporation, partnership or limited liability company)
- Compensation planning, including review and analysis of salary and bonus arrangements for owners and key employees
- Review and analysis of financial implications of buy-sell agreements, redemption agreements and employment contracts
- Mergers, Acquisitions and Divestitures
- Regulatory Compliance
- Succession Planning
- Consultation regarding design and use of incentive stock option plans
- Consultation regarding risk and protection analyses
- Computation of stock values for purposes of buy-sell agreements
- Cash management strategies and assistance with banking relationships
- Litigation support – from discovery through trial
- Tax planning, preparation, compliance and representation
- Business Contract Preparation and Review: *Examples*
  - Bill of Sale
  - Consulting Agreement
  - Copyright Assignment Agreement
  - Copyright License Agreement
  - Equipment Lease Agreement
  - Equipment Purchase Agreement
  - Equipment Servicing Agreement
  - Independent Contractor Agreement
  - Real Estate Purchase, Lease, Liens, Rights of Way, Eminent Domain, Sale
  - Power of Attorney
  - Promissory Note
  - Sales Distribution Agreement
  - Sales Representative Agreement
  - Security Agreement
  - Software License Agreement
  - Software Servicing Agreement
  - Terms of Purchase
  - Terms of Sale
  - Vendor Credit Agreement
  - Amendments to any of the above

I will provide you with an estimate of fees before I begin any work on an hourly project. If a change in circumstances indicates that higher fees will be incurred then I will contact you promptly and obtain your approval.

A final comment on attorney fees; you should never forget that you are the client and that the attorney is serving you, and as a result you have the right to ask questions about fees and have those questions answered. I welcome any questions concerning my fees. In my experience open communication between the attorney and client can only result in greater satisfaction to both parties.

Sincerely yours,

Gary C. Johnson

## FEE SCHEDULE

(Quotes are Approximate - Actual Fees May Vary - Rates Subject to Change – as of 01/01/2004)

### ESTATE PLANNING FOR A SINGLE INDIVIDUAL

<p><b>Complete Living Trust Plan</b></p> <ul style="list-style-type: none"> <li>• Declaration of Trust</li> <li>• Pour-Over Will</li> <li>• Durable Power of Attorney</li> <li>• Advance Health Care Directive</li> <li>• Grant Deed for Personal Residence</li> <li>• Certificate of Trust</li> <li>• Letters of Instruction</li> <li>• Estate Organizer Binder</li> </ul> <p>Extra charges may apply for multiple deeds, transfer of closely held stock or partnership interests, etc.</p>	\$2,000
<p><b>Complete Will Plan</b></p> <ul style="list-style-type: none"> <li>• Will (without trusts)</li> <li>• Durable Power of Attorney</li> <li>• Advance Health Care Directive</li> </ul>	\$750
<p><b>Complete Will Plan (with trusts for children, etc.)</b></p>	\$1,000
<p><b>Stand-alone Durable Power of Attorney</b></p>	\$240
<p><b>Stand-alone Advance Health Care Directive</b></p>	\$240
<p><b>Irrevocable Trust</b></p> <ul style="list-style-type: none"> <li>• Life Insurance Trust</li> <li>• Qualified Personal Residence Trust</li> <li>• Charitable Trust</li> <li>• Minor's Gift Trust</li> <li>• GRITS, GRATS, GRUTS, CRUTS, etc.</li> </ul>	\$1,750
<p><b>Irrevocable Trust with Will or Living Trust Plan</b></p>	Add \$1,000
<p><b>Revocable Trusts</b></p>	\$1,500
<p><b>Revocable Trust with Will or Living Trust Plan</b></p>	Add \$1,000
<p><b>Estate Plan with Financial Planning/Federal Estate Tax Issues Added.</b> Fee may increase based on the size and complexity of your estate.</p>	Add \$1,000 minimum



**ESTATE PLANNING FOR MARRIED COUPLE**

<p><b>Complete Living Trust Plan</b></p> <ul style="list-style-type: none"> <li>• Declaration of Trust</li> <li>• Pour-Over Wills (Two)</li> <li>• Durable Powers of Attorney (Two)</li> <li>• Advance Health Care Directives (Two)</li> <li>• Deed for Personal Residence</li> <li>• Community Property Agreement</li> <li>• Certificates of Trust</li> <li>• Letters of Instruction</li> <li>• Estate Organizer Binder</li> </ul> <p>Extra charges may apply for multiple deeds, transfer of closely held stock or partnership interests, etc.</p>	<p>\$3,000</p>
<p><b>Complete Will Plan</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Simple Wills (Two) with no trusts</li> <li><input type="checkbox"/> Durable Powers of Attorney (Two)</li> <li><input type="checkbox"/> Advance Health Care Directives (Two)</li> <li><input type="checkbox"/> Community Property Agreement</li> </ul>	<p>\$1,250</p>
<p><b>Complete Will Plan with stand-by disclaimer trust and/or trusts for children, etc.</b></p>	<p>\$1,750</p>
<p><b>Stand-alone Durable Powers of Attorney (Two)</b></p>	<p>\$360</p>
<p><b>Stand-alone Health Care Directives (Two)</b></p>	<p>\$360</p>
<p><b>Irrevocable Trust</b></p> <ul style="list-style-type: none"> <li>• Life Insurance Trust</li> <li>• Qualified Personal Residence Trust</li> <li>• Charitable Trust</li> <li>• Minor's Gift Trust</li> <li>• GRITS, GRATS, GRUTS, CRUTS, etc.</li> </ul>	<p>\$1,75</p>
<p><b>Irrevocable Trust with Will or Living Trust Plan</b></p>	<p>Add \$1,250</p>
<p><b>Revocable Trusts</b></p>	<p>\$1,750</p>
<p><b>Revocable Trust with Will or Living Trust Plan</b></p>	<p>Add \$1,250</p>
<p><b>Family Limited Partnership</b></p>	<p>\$3,000</p>
<p><b>Estate Plan with Financial Planning/Federal Estate Tax Issues</b>  <b>Added.</b> Fee may increase based on the size and complexity of your estate.</p>	<p>Add \$1,750minimum</p>

ADMINISTRATION AND TAX RETURN PREPARATION	
<b>Hourly Rate</b>	\$240
<b>Probate Administration</b>	Statutory Fee
<b>Living Trust Administration after Death</b>	Hourly
<b>Conservatorship and Guardianship</b>	Hourly Subject to Court Approval
<b>Trust and Estate Litigation</b>	Hourly or Contingent
<b>Gift Tax Return Preparation</b>	Hourly/\$500 minimum
<b>Estate Tax Return Preparation</b>	Hourly/\$1,500 minimum
BUSINESS PLANNING	
<b>Hourly Rate</b>	\$240
<b>Entity Formation</b> <ul style="list-style-type: none"> <li>• C-Corporation</li> <li>• S-Corporation</li> <li>• LLC</li> <li>• Partnership</li> </ul>	\$1,750 Plus filing fees and costs Add \$200 for tax election of an S-Corporation
<b>Shareholder Agreements</b>	Fees vary, but \$1,500 to \$2,500 is typical
<b>Real Estate</b>	Hourly Rate, \$2,000 minimum retainer
<b>Mergers &amp; Acquisitions</b>	Hourly Rate, \$2,000 minimum retainer
<b>Succession Planning</b>	Hourly Rate, \$2,000 minimum retainer
<b>Business Risk Analysis and Financial Planning</b>	Hourly Rate, \$2,000 minimum retainer
LITIGATION, TAX CONTROVERSIES, AUDITS	
<b>Hourly Rate</b>	\$350
<b>Retainer</b>	Minimum \$5,000
MISCELLANEOUS	
<b>Photocopies, faxes</b>	\$0.35 per page
<b>Paralegal Costs</b>	\$75 per hour