

22 June 2010

Dear Client

TERMS OF ENGAGEMENT

Parliament, in one of its surges of energy, has passed a new law which, inter alia, requires that:-

1. Each time we work for you, on any matter, we deliver to you a Terms of Engagement for Provision of Legal Services form, and also a package of information about the Law Society complaints procedures etcetera;
2. We are to do this for each job; so even if we have worked for you for decades we are still required to re-deliver these forms on each occasion we take on a job for you, or the matter we are currently running extends or changes into something else;
3. The purpose of the Terms of Engagement for Provision of Legal Services is to set out the way in which we charge, what we need from you, and what we have agreed between us that the job actually entails;
4. **Attached** are the Terms of Engagement for Provision of Legal Services: because you are actually a Trust/Company we need the Director(s)/Trustee(s) to sign and return the form as we need an individual to accept responsibility for payment etcetera;
5. You will note that we are asking you to send us \$300.00 in advance; we mean no discourtesy by this, but advise that we will immediately be starting to spend money on your behalf – for example, Councils will now not give us any information rates (water rates, LIM reports etc) until they actually receive payment. As there are always deadlines for gathering this information we need to start immediately. That is why we ask that you send us \$300.00 with a matter of urgency;

Please see below for our accepted payment methods:

(i) by cheque to PO Box 5530, Wellesley Street, Auckland, 1141;

(ii) by direct internet transfer to our account –

Westpac Queen Street

Paxton-Penman et al Solicitor's Trust Account

03-0104-0441126-02

(iii) by credit card – please email us with your credit card details and authorisation to debit the amount from your account –

Type of card (e.g. Mastercard/Visa)

Card number

Expiry date

6. If there is anything about all this paperwork you don't understand please give us a call.

Yours faithfully
PAXTONPENMAN et al

Stephanie Paxton-Penman
Managing Partner

direct ph: (09) 912 8507

direct fax: (09) 912 8518

e-mail: stephanie@ppetel.co.nz

STANDARD TERMS OF ENGAGEMENT

1. Client Details

Name:

Physical Address:

Postal Address:

Telephone:

Fax:

Mobile :

Email:

Registered for GST N

GST No:

2. Services

The Services we will provide for you are:

3. Financial

3.1 Fees:

- (i) We require payment of a retainer in the amount of \$300.00 as an advance on fees to be paid.
- (ii) If the engagement letter specifies an estimate, we will charge this for the agreed scope of our services. Work which falls outside that scope will be charged on an hourly rate basis. We will advise you as soon as reasonably practicable if it becomes necessary for us to provide services outside the agreed scope and, if requested, give you an estimate of the likely amount of the further costs.
- (iii) Where our fees are calculated on an hourly basis, the hourly rates are:

\$375.00 plus GST (Partner)

\$250.00 plus GST (Solicitor)

\$130.00 plus GST (Staff Solicitor)

\$150.00 plus GST (Legal Executive)

\$85.00 plus GST (Other)

The differences in those rates reflect the experience and specialisation of our professional staff.

3.2 **Disbursements and expenses:** In providing services we may incur disbursements or have to make payments to third parties on your behalf. These will be included in our invoice to you when the expense is incurred. We may require an advance payment for the disbursements or expenses which we will be incurring on your behalf. In addition to the specific disbursements and expenses, we charge a standard closing fee of \$60 in respect of your file. This covers the cost of us scanning your file onto DVD, returning the original file to you, and retaining a DVD copy as is required under the law.

3.3 **Interest and Bank Charges:**

- (i) any account which has not been paid by the due date for payment will incur interest at a rate equivalent to 2% above the rate charged by our bank on unarranged overdrafts from time to time;
- (ii) where we are required to pay bank fees, charges or commissions because of the way you choose to pay your account (for example, charges relating to credit cards; charges due to dishonoured cheques) you will reimburse us for those fees, charges and commissions.

By way of example, if you elect to pay your account by credit card, and your credit card provider charges us (as merchant) a commission or other like charge, then you authorise us to debit your card with an amount equivalent to such charges, fees or commissions.

3.4 **GST (if any):** Is payable by you on our fees and charges.

3.5 **Invoices:** We will send interim invoices to you, usually monthly and on completion of the matter, or termination of our engagement. We may also send you an invoice when we incur a significant expense.

3.6 **Payment:** Invoices are payable within 7 days of the date of the invoice. We can charge interest on any amount which is more than 7 days overdue. Interest will be calculated on any overdue sums as outlined in 3.3.(i) above.

By accepting these terms and conditions you authorise us to deduct any fees and costs owed to us by you from funds we hold from time to time on your behalf

3.7 **Security:** We may ask you to pre-pay amounts to us, or to provide security for our fees and expenses. You authorise us:

- (i) to debit against amounts pre-paid by you; and
- (ii) to deduct from any funds held on your behalf in our trust account any fees, expenses or disbursements for which we have provided an invoice.

3.8 **Third Parties:** Although you may expect to be reimbursed by a third party for our fees and expenses, and although our invoices may at your request or with your approval be directed to a third party, nevertheless you remain responsible for payment to us if the third party fails to pay us.

4. **Confidentiality**

4.1 We will hold in confidence all information concerning you or your affairs that we acquire during the course of acting for you. We will not disclose any of this information to any other person except:

- (i) to the extent necessary or desirable to enable us to carry out your instructions; or
- (ii) to the extent required by law or by the Law Society's Rules of Conduct and Client Care for Lawyers.

5. Termination

5.1 You may terminate our retainer at any time.

5.2 We may terminate our retainer in any of the circumstances set out in the Law Society's Rules of Conduct and Client Care for Lawyers.

5.3 If our retainer is terminated you must pay us all fees due up to the date of termination and all expenses incurred up to that date.

6. Retention of files and documents

6.1 You authorise us (without further reference to you) to destroy all files and documents for this matter (other than any documents that we hold in safe custody for you) 7 years after our engagement ends, or earlier if we have converted those files and documents to an electronic format.

7. Conflicts of Interest

7.1 We have procedures in place to identify and respond to conflicts of interest. If a conflict of interest arises we will advise you of this and follow the requirements and procedures set out in the Law Society's Rules of Conduct and Client Care for Lawyers.

8. Duty of Care

8.1 Our duty of care is to you and not to any other person. Before any other person may rely on our advice, we must expressly agree to this.

9. Trust Account

9.1 We maintain a trust account for all funds which we receive from clients (except monies received for payment of our invoices). If we are holding significant funds on your behalf we will normally lodge those funds on interest bearing deposit with a bank. In that case we will charge an administration fee of 5% of the interest derived.

10. General

10.1 These Terms apply to any current engagement and also to any future engagement, whether or not we send you another copy of them.

10.2 We are entitled to change these Terms from time to time, in which case we will send you amended Terms.

10.3 Our relationship with you is governed by New Zealand law and New Zealand courts have non-exclusive jurisdiction.

11. Guarantee / Guarantor Details

11.1 If the client is a company, the Firm requires the client's obligations to be guaranteed by a natural person.

Name:

Physical Address:

Postal Address:

Telephone:

Fax:

Mobile :

Email:

Signed by the Guarantor:

In the presence of:

Witness name:

Occupation:

Address:

Date:

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INFORMATION FOR CLIENTS

1. Fees

The basis on which fees will be charged is set out in our Letter of Engagement. The time you must pay fees is set out in our Standard Terms of Engagement.

We may deduct from any funds held on your behalf in our trust account, any fees, expenses or disbursements for which we have provided an invoice.

2. Professional Indemnity Insurance

We hold professional indemnity insurance that meets or exceeds the minimum standards specified by the Law Society. We will provide you with particulars of the minimum standards upon request.

3. Lawyers Fidelity Fund

The Law Society maintains the Lawyers Fidelity Fund for the purposes of providing clients of lawyers with protection against pecuniary loss arising from theft by lawyers. The maximum amount payable by the Fidelity Fund by way of compensation to an individual claimant, is limited to \$100,000.00. Except in certain circumstances specified in the Lawyers & Conveyancers Act 2006, the Fidelity Fund does not cover a client for any loss relating to money that a lawyer is instructed to invest on behalf of the client.

4. Complaints

We maintain a procedure for handling any complaints by clients designed to ensure that a complaint is dealt with promptly and fairly.

If you have a complaint about our services or charges, you may refer your complaint to either Partner - Stephanie Paxton-Penman or Stephen Dudding.

5. They may be contacted as follows:

- By letter to PO Box 5530, Wellesley Street, Auckland 1141;
- By email to stephanie@ppetal.co.nz or stephen@ppetal.co.nz; or
- By telephone on 09 912 8500.

The Law Society also maintains a complaints service, and you are able to make a complaint to that service. To do so, you should contact the Law Society:-

Auckland District Law Society, PO Box 58, Auckland 1140
Telephone: 09 303 5270

6. Persons Responsible for the Work

The names and status of the person or persons who will have the general carriage of, or overall responsibility for the services we provide for you, are set out in our Letter of Engagement.

7. Client Care & Service

The Law Society client care and service information is set out below. Whatever legal services your lawyer is providing, he or she must:-

- Act competently, in a timely way, and in accordance with instructions received and arrangements made.
- Protect and promote your interests and act for you free from compromising influences or loyalties.
- Discuss with you your objectives, and how they should best be achieved.
- Provide you with information about the work to be done, who will do it, and the way the services will be provided.
- Charge you a fee that is fair and reasonable, and let you know how and when you will be billed.
- Give you clear information and advice.
- Protect your privacy and ensure appropriate confidentiality.
- Treat you fairly, respectfully, and without discrimination.
- Keep you informed about the work being done, and advise you when it is completed.
- Let you know how to make a complaint and deal with any complaint promptly and fairly.

The obligations lawyers owe to clients are described in the *Rules of Conduct and Client Care for Lawyers*. Those obligations are subject to other overriding duties, including duties to the Courts and to the justice system.

If you have any questions, please telephone 0800 261 801, or visit http://www.lawsociety.org.nz/home/for_the_public/client_carecomplaints.

8. Limitations on Extent of our Obligations or Liability

Any limitations on the extent of our obligations to you, or any limitation or exclusion of liability, are set out in our Letter of Engagement.

CLIENT INFORMATION SHEET

Please complete this document so that we have all the information required to enable us to provide you with the highest standard of service.

Personal Details

Title:

First Name:

Middle Name(s):

Family Name/Surname:

Date of Birth:

Home Address:

Postal Address
(including post code):

Mobile Phone:

Home Phone:

Home Facsimile:

Home E-mail:

Work Phone:

Work Facsimile:

Work E-mail:

Next of Kin:

Relationship:

Contact details:

Number of children / step-children:

*Name(s) and date of birth
of children/step-children:

Relationship status: Married / de facto / single / divorced / separated / widowed / other (please specify):

Employment and Financial Information

Occupation:

Employer:

(if self-employed, name and type of business):

Bank's Name – Personal:

Bank Branch:

Account Name – Personal:

Account Signatories:

Bank Account Number:

IRD Number - Personal

*Bank's Name – Trust:

Bank Branch:

*Account Name – Trust:

Account Signatories:

Bank Account Number:

*IRD Number:

*GST Number:

1. Please list all real estate you own:

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2. Please list all shares you own, together with number and companies:

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3. Please list all directorships you hold:

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4. Please list all trusts of which you are a trustee:

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5. Please list all trusts of which you are a beneficiary:

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