

Costs Disclosure

- A.** This document is an offer to enter into a costs agreement with you.
- B.** The legal work we have been instructed to do is Commercial Debt Recovery work including demands, field calls and the issue of proceedings in the appropriate court jurisdiction and in accordance with your instructions to do so.
(“the Work”)
- C.** The costs disclosure requirements which we are required to provide you under the *Legal Profession Act 2004* are contained in **Annexure “A”** which forms part of this document.

D. Acceptance of Offer

If you accept this offer you will be regarded as having entered into a costs agreement. This means you will be bound by the terms and conditions set out in this document, including being automatically billed in accordance with it. Acceptance must be made by;

- signing and returning a copy of this document;
- signing the Direct Debit Request form (DDR) enabling us to deduct from your account at the conclusion of each month our agreed fees at the cost to you of 3% of the direct debit payment;

E. Costs-how calculated - Professional Fees

- E1** We will charge you professional fees for the work we do on the following basis:-

Fixed Rates

PayWatch System

All work you instruct us to do by logging into the Recover-e-Solicitors website in your multiple recovery matters shall be charged to you at the rates set out in the selection box inclusive of GST and is subject to change in accordance with our reasonable notification to you in advance by fax or e-mail at the contact address you have nominated above.

E2 Litigation Rates

All charges, expenses and disbursements incurred and/or paid in relation to the Litigation Work commencing with the issue of Proceedings or Notices of Default will be calculated and paid in accordance with the Applicable Court Scale of Fees for Costs recoverable from the other party whether or not they are in fact recovered.

Where the applicable scale of fees does not include Litigation Work we must reasonably undertake on your behalf then our fees will be calculated in accordance with the hourly rates set out in Annexure “A”

F. Estimate of costs, charges, expenses and disbursements

The following estimate is based on the information available to us to date.

It is an **estimate, not a quotation** and is subject to change.

F1. We estimate the cost of the Work to be:

<u>PayWatch Fees</u>	
<i>Fees for Demand and Field Call</i>	<i>\$90.00</i>
<i>Charges:</i>	<i>\$Nil</i>
<i>Expenses & Disbursements:</i>	<i>\$Nil</i>
SUBTOTAL:	\$90.00
GST:	\$9.00
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TOTAL (GST inclusive)	\$99.00
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<u>LITIGATION FEES</u>	
As per the Applicable Court Scale of Fees excluding work which is not applicable to the scale completed on an hourly basis and Third Party Expert and Counsel Fees Note – disbursements are charged on litigation in accordance with rates below	

F2. These estimates are made on the information presently available to us and assume that there are no material changes to our instructions and the nature, scope and extent of the Work:-

G. Persons responsible for your matter and legal costs

Ms Eastman will be your contact and responsible for the day to day conduct of your matter under the supervision of Mr John Cope, Solicitor. In the event the matter progresses past the initial stages of litigation an alternative solicitor may be nominated to conduct the day to day conduct of your matter.

H. Substantial changes to disclosure

You will be informed, as soon as is reasonably practicable, of any substantial changes to anything contained in this disclosure document.

I. Termination of Agreement

I1. We will not continue to do the Work: if you fail to pay our bills; if you fail to provide us with adequate instructions within a reasonable time; if you give instructions that are deliberately false or intentionally misleading; if you fail to accept an offer of settlement which we think is reasonable; if you fail to accept advice we (or counsel) give you; if you

engage another law practice to advise you on this matter without our consent; if we, on reasonable grounds, believe that we may have a conflict of interest, or if you indicate to us that we have lost your confidence; or for other just cause.

We will give you at least fourteen (14) days' notice of our intention to terminate our agreement, and of the grounds on which the notice is based.

I2. You may terminate this agreement at any time by written notice communicated by fax or e-mail.

I3. Consequences of termination: If the agreement is terminated either by you or us, you will be required to pay our professional fees for the Work done, and for charges, expenses and disbursements incurred, up to the date of termination. In Court or similar proceedings you will be liable to pay our costs, charges, expenses and disbursements whether or not the other party to any such court or similar proceedings (eg arbitration) is ordered to pay your costs.

In addition, if we are required to bring a Court application to remove our firm from the record then the costs of bringing that application calculated on an hourly rate together with all court filing fees and service fees will be borne by you.

On termination, we are entitled to retain possession of your papers and documents while there is money owing to us for our professional fees, charges expenses and disbursements, unless and until security is provided for our costs.

J. Retention of your documents

J1. We will, on completion of the Work, retain any papers to which you are entitled, but leave in our possession (except documents deposited in safe custody) for no more than seven (7) years and on the undertaking that we have your authority to destroy the file seven (7) years after the date of the final bill rendered by us in this matter. If this offer is accepted in accordance with Part 'D' above we will assume the undertaking and authority has been given. You may be charged for any storage costs incurred by us and may be passed on to you as a one-off charge on completion of the matter in our final bill. Your authority in this regard is signified by acceptance of this offer unless that authority is withdrawn before the file is destroyed. You may also be charged for the retrieval of documents held in storage, but we will advise you of the charges prior to retrieving the documents. The documents are held in archive storage outside the office.

J2. We will not retain important documents in safe custody for you after your matter is concluded.

K. Privacy Protection

We will send all communications to the address nominated by you. It is important that any changes to name, address, telephone and facsimile numbers and email address, or any changes to any party relevant to Client's matters are notified to us promptly.

Internet Communications

- (a) You authorises us to communicate electronically notwithstanding electronically transmitted information cannot be guaranteed to be secure or error free and it can be adversely affected or unsafe to use.
- (b) The Firm will not accept any liability in respect of any loss, damage, error or omission arising from or in connection with the electronic communication of information.
- (c) You should advise the Firm in writing of a secure electronic address for communication to take place.
- (d) Personal information about you, provided by you and other sources, is protected under the *Privacy Amendment (Private Sector) Act 2000*. Disclosure of such information may be compelled by law (eg. under the *Social Security Act*). You also authorise us to disclose such information where necessary to others in order to carry out this work and in furtherance of your claim/matter (eg. within our legal practice, to the Court, the other party or parties to litigation, to valuers, experts, barristers etc).

L. Payment / Money on Account

Either:

We may ask you to pay us, in advance, some money on account of payments which will be made to others such as Court filing fees, third party expert fees or Counsels fees which will be required to be paid by cheque addressed to the third party.

OR

We will deduct by direct debit after the end of each calendar month our reasonably incurred fixed fees and litigation fees after we send you bills for these payments.

Each account is due and payable within 14 days after the date of the account. If for some reason you do not pay by direct debit (DDR) at the cost of 3% then a fee of an additional 3% of the total will be charged on all payments by credit card.

It is expressly agreed that the terms of paying by direct debit instalment arrangement will be an additional 3% of the total paid in relation to any payment made by the Client.

M. Authorisation to Transfer Money from Trust Account

You authorise us to receive directly into our trust account (including any Controlled Moneys Account opened on your instructions, eg, a Cash Management Account, Commercial Bill Facility or other deposit or investment account with a bank or other financial institution authorised by you) any judgment or settlement money, or other money received from any source concerning or which relates to the carrying out of the Work and which is the subject of your claim/matter, and to pay ourselves our costs, charges, disbursements and expenses in accordance with the provisions of the applicable Legal Profession Regulation.

N. ENFORCEABILITY OF THIS AGREEMENT

When YOU instruct US as an agent for another party in the absence of a written agreement to the contrary you will remain personally liable for payment of all of our Fees incurred in relation to those instructions.

The **Client's** address on this agreement is the address at which you will receive service of all notices and court process on this agreement.

You acknowledge that your liability to us within the terms of this agreement and the enforceability of this agreement will not be affected by any changes to the constitution or any changes to our principals and whether caused by the retirement of existing principals, the admission of new principals or otherwise and this agreement will be deemed to have been concluded with us and our principals as it may be constituted from time to time.

O. Special Conditions

The person instructing us on behalf of a company (partnership or trust) is the Guarantor for the company and acknowledges that :

- (a) this clause has important consequences:
- (b) the client company has told the Guarantor about the importance of taking independent legal advice about the meaning and effect of this clause; and
- (c) the Guarantor has read and understood this clause before signing it.

P. The firm reserves the right to change interest on any account outstanding for more than 30 days at the prescribed rate set out in the regulations.

Signed: On behalf of Recover-e-Solicitors;

Solicitor: **Date:**

Signed : On behalf of the Client by;

Client: **Date:**

Client: **Date:**

Annexure 'A'

Costs Disclosure

This document discloses information about the costs of our legal services, and your rights, as required by the *Legal Profession Act 2004* Victoria (the Act). You may negotiate and enter into a costs agreement with us based on the information contained in this document. A standard costs agreement is attached.

1. GST

All rates, charges, expenses etc in this document are GST exclusive unless otherwise stated. Where the service provided is subject to GST, GST of 10% will be added and charged to you.

2. Hourly Rates for Litigation where Costs are Not Itemised by Applicable Court Scale

- (a) an hourly rate of : \$380 (plus 10% GST) for a partner; or senior associate;
- (b) an hourly rate of : \$320 (plus 10% GST) for a senior solicitor;
- (c) an hourly rate of: \$270 (plus 10% GST) for intermediate solicitor;
- (d) an hourly rate of: \$250 (plus 10% GST) for junior solicitor;
- (e) an hourly rate of: \$160 (plus 10% GST) for a para-legal or law clerk
- (f) travelling time: in relation to travel within the Victorian Metropolitan Area at the above rates and if outside that area at rates to be negotiated beforehand (plus 10% GST).

These rates will be proportionately charged for work involving shorter periods less than an hour. Our charges are structured in 6 minutes units. For example, the time charged for an attendance of up to 6 minutes will be 6 minutes and the time charged for an attendance between 6 and 12 minutes will be 12 minutes and so on.

3. Charges on Litigation Matters

We note having provided an estimate of these in our covering letter.

We will charge you for services we use or supply. Our rates are:

- 3.2.1** photocopying (including collating, binding and checking: \$0.50 cents per page (plus 10% GST)
- 3.2.2** faxes: \$2.00 for the first page and \$1.00 for each following page (plus 10% GST)
- 3.2.3** Document lodgement (e.g. at a Court or Tribunal) and title or other searches etc: at cost and any applicable service fees plus 10% GST

NOTE: We may (at our election) send out material for copying for external processing where there are very large copying runs or specialised copying services are required, the cost of which will be passed on to you at cost and any applicable service fees (plus 10% GST).

4. Expenses & Disbursements

We will incur expenses and disbursements (being money which we pay or are liable to pay) to others on your behalf. These may include barristers fees, experts fees, search fees and other fees payable to our appointed agents (if required).

We note having provided to you an estimate of these in our covering letter.

To the extent that any particular item is not estimated in our covering letter we will inform you of these expenses and disbursements as well as any other payments required to be made, as soon as is reasonably practicable.

5. Your right to a bill of costs

You are entitled to receive a bill of costs from us. If we send you a lump sum bill you may request an itemised bill within 30 days of receipt of the lump sum bill.

6. Billing arrangements

6.1 We will send you a bill of costs containing information of our professional fees and charges, disbursements and expenses, including GST, **either** after completion of the Work (generally for property and other transactions that are opened and completed within 4 to 6 weeks), **or** fortnightly or monthly at our discretion for other types of work, or at other times as agreed with you, when the Work is in progress.

6.2 Each bill of costs we provide to you will have, at least, the notations thereon as set out at paragraph 18 following.

7. Interest on unpaid costs

If our costs are not paid within 30 days of receipt by you of our bill of costs, we may charge you interest on the unpaid amount at the rate prescribed.

8. Disputes as to legal costs

The Act gives you the right: to apply to the Supreme Court to have the bill of costs assessed for its fairness and reasonableness by a Costs Assessor; or the right to have the costs mediated if the dispute is less than \$10,000 (referral for mediation must be made before an application for assessment is accepted by the Manager, Costs Assessment); or a costs agreement set aside by the Costs Assessor on the basis that it is not fair, just or reasonable. Applications for assessment should be made before the expiry of 60days after receipt of the bill of costs, or request for payment of costs made by us, or full payment made to us, whichever is the earliest.

9. Progress reports

You are entitled to request, at reasonable intervals, written progress reports on your matter. Our normal charge-out rates will apply for this service. You are also entitled to

request a written report on the legal costs incurred to date or since the last bill of costs was given to you, **WITHOUT CHARGE**.

10. Engagement of another law practice and third party retainers

It may be necessary for us to engage, on your behalf, the services of another law practice or for example a barrister or expert in a Court/Tribunal matter, or a building consultant or surveyor in a property matter to provide specialist advice or services, including advocacy services, or to act as our agent. We will consult you as to the terms of that engagement. However, you may be asked to enter into a costs agreement directly with that law practice or other service provider. The law practice or service provider engaged by us will be requested by us to disclose costs in a similar manner and we will disclose those costs to you.

11. Costs in court proceedings

11.1 If court or similar proceedings (eg arbitration) are taken on your behalf, the court (or other tribunal) may order the other party to pay your costs of the proceedings. This sum will not necessarily cover the whole of your legal costs due to us. It is possible that the court may make an order that you pay the other party's costs (if, for instance, you lose the case). These costs are payable by you to the other party in addition to the costs payable to us.

11.2 If **settlement** of your claim/matter is being negotiated, we will provide you before settlement with:

11.2.1 a reasonable estimate of our costs, charges, expenses and disbursements payable by you on settlement;

AND

11.2.2 a reasonable estimate of the costs, charges, expenses and disbursements you could obtain from the other party on settlement if the settlement is favourable to you;

OR

11.2.2 a reasonable estimate of the costs, charges, expenses and disbursements you may have to pay the other party (eg, if your case is weak, etc.)

12. Applicable law

The law of Victoria applies to legal costs regarding this matter. You are, however, able to enter into a costs agreement with us on the basis that the corresponding law of another State or Territory is applicable if this matter has a **substantial connection** with that State or Territory. In that event, we will disclose costs as they are applicable in that State or Territory. You have the right to contract with us that the costs assessment scheme in Victoria is applicable, in the event of any dispute as to costs arising with us.

13. Legal Aid

13.1 Our agreeing to act for you is on the understanding that:-

13.1.1 you have satisfied yourself that Legal Aid is not available in respect of the work to be undertaken, or you are not eligible for Legal Aid; and/or

13.1.2 you have declined to make an application for Legal Aid

14. Taxation

14.1 In particular matters, even if not part of the substantive matter, taxation and its consequences can often be a relevant consideration.

14.2 We are not in a position to give advice relating to the application of any taxation laws in respect of the Work to be done and its outcomes. Often the application of tax considerations very much depends on a client's particular financial circumstances and affairs apart from the particular matter to which the Work relates.

14.3 You should obtain such advice from an accountant or other taxation law specialist. If you require assistance in this regard, please do not hesitate to contact us and we can refer you to an appropriate person for that advice to be given.

15. Lien/Return of files/Papers

15.1 Subject to the lien we have on all your files, paper and documents in our possession, whilst ever our fees and/or charges, expenses and disbursements are outstanding, we will, at your request, return all documents except the following which will always remain our property:-

15.1.1 original letters from you to us;

15.1.2 duplicates or file copies of letters and memoranda of fees and disbursements from us to you and from third parties to us;

15.1.3 our own diary notes of attendances and conferences;

15.1.4 draft documents and notes thereon prepared by us; and

15.1.5 all accounting and financial records relating to our retainer and the Work.

16. Solicitors Limitation of Liability Scheme

The Professional Standards Council has approved a scheme limiting the liability of solicitors and this firm is part of that scheme

17. Independent Advice

If you wish, you may obtain from another solicitor independent advice as to the legal and practical nature and effect of this retainer and as to whether or not it is in your best interests to enter into it. The Law Society of Victoria may be able to assist with the names of suitable firms that could give that advice.

18. Notification on Bills of Costs

FORM B3

Regulation 3.4.4

FORM OF DISCLOSURE OF COSTS TO CLIENTS

Legal Profession Act 2004

Legal costs—your right to know

You have the right to—

- negotiate a costs agreement with us
- receive a bill of costs from us
- request an itemised bill of costs within 30 days after you receive a lump sum bill from us
- request written reports about the progress of your matter and the costs incurred in your matter
- apply for costs to be assessed within 12 months if you are unhappy with our costs
- apply for the costs agreement to be set aside
- make a complaint to the Legal Services Commissioner. This includes making a complaint that involves a civil dispute to the Legal Services Commissioner within 60 days after the legal costs were payable or, if an itemised bill was requested in respect of those costs, within 30 days after the request was complied with
- accept or reject any offer we make for an interstate costs law to apply to your matter
- notify us that you require an interstate costs law to apply to your matter

For more information about your rights, please read the fact sheet entitled *Legal costs—your right to know*. You can ask us for a copy, or obtain it from the Legal Services Commissioner (or download it from their website).