

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

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April 20, 2018

VIA EMAIL [EPAPPO@CI.COMMERCE.CA.US](mailto:EPAPPO@CI.COMMERCE.CA.US)

Ela Pappo  
Human Resources Director  
CITY OF COMMERCE  
2535 Commerce Way  
Commerce, CA 90040

**Re: Response to Special Counsel Services Inquiry**

Dear Ms. Pappo:

The purpose of this letter is to confirm the terms and conditions of the representation of City of Commerce (the "Client" or "you") by Atkinson, Andelson, Loya, Ruud & Romo (the "Firm," "we," or "us") in connection with the 2018 CCEA Negotiations (the "Matter"). These same terms and conditions will apply to any other matter that the Firm agrees to handle for you at your request unless you and the Firm enter into a separate written agreement regarding such other matter.

**Scope of the Firm's Representation.** You have engaged the Firm to represent you in connection with the Matter.

Our services will not extend to any of your other legal affairs or other aspects of your activities unless you and the Firm agree to such representation. You understand and agree that the Firm's receipt or use of confidential or other information from you or others in the course of this representation will not give rise to any expectation by you that the Firm will render any other advice or services.

The Firm will not settle, negotiate or compromise the Matter without your consent.

**Assignment of Firm Personnel.** I will be primarily responsible for the supervision of the Matter, but you are engaging the Firm, not me individually. As we discussed, I expect that an attorney, and a paralegal, may assist me with the Matter. As and when necessary, I will draw upon the talent and expertise of other attorneys and paralegals along with legal assistants to handle this Matter.

**Communication by Firm.** The Firm will keep you regularly and currently informed of the status of the Matter and will consult with you when appropriate. Copies of significant

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correspondence and documents will be sent to the person designated by you from time to time for that purpose. In the event that you need to reach the Firm and the person sought is unavailable, please leave a message for the person concerned, disclosing the nature and urgency of the call. It is the Firm's policy that all calls will be returned promptly and in any event no later than within one business day of receipt of the call. If you have not received a return call within that time, please call again.

**Client Cooperation.** You understand and agree that, in order for the Firm to represent you effectively, it is necessary for you to assist and cooperate with the Firm during this engagement. You agree to (1) make yourselves (including your employees, if applicable) available to discuss issues as they arise in this matter; (2) attend and participate in meetings, preparation sessions and court proceedings, review drafts of documents, and perform other activities in connection with the representation; and (3) provide complete and accurate information and documents to us on a timely basis. Your non-cooperation will be grounds for the Firm's withdrawal from representing you. It is essential that you and the Firm maintain open communications.

**Protection of Client Confidences – High Tech Communication Devices.** The Firm stays constantly aware of its important obligation to preserve the secrets and confidences of its clients which it holds in precious trust for them. To that end it is important that you and the Firm agree from the outset what kinds of communications technology the Firm should employ in the course of this engagement. For instance, the exchange of documents and other information using email or other types of electronic communications involves some risk that information will be retrieved by third parties with no right to see it. Even the use of facsimile machines can cause problems if documents are sent to numbers where the documents sit in open view.

Therefore, you should only provide the Firm with cellular numbers, facsimile numbers and email addresses which are acceptable to you for receiving confidential communications from the Firm. If you have any mailing addresses, cellular numbers, facsimile numbers, and email addresses that the Firm should not use for confidential communications, please advise us of these in writing. You agree that the Firm may use any of your cellular numbers, facsimile numbers and email addresses other than those which you specify in writing that the Firm should not use. You can use the Technology Questionnaire form at the end of this letter for this purpose.

**Fees and Expenses.** The Firm's fees are generally based on the actual time spent on the Matter by the Firm's attorneys, paralegals and legal assistants. Each has an hourly rate at which his or her time is charged. That rate is set by the Firm, taking into consideration the individual's professional expertise and other relevant factors. Generally, these rates are revised in November of each year. My current hourly rate for the City of Commerce is \$310 (a discount from my hourly rate for public entities of \$340), and \$240 to \$280 for the Firm's associates (depending on years of experience), and \$300 for the Firm's partners and \$170 to \$200 for the Firm's paralegals. Attorney's time will be recorded in hours and tenths of hours (six minute units) with a minimum entry of two tenths of an hour. Rates for legal assistants and others who perform services for you will be reflected on the invoices issued to you. It is contemplated that the Firm

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will, and the Firm reserves the right to, adjust its hourly rates upward in the future, upon 30 days notice.

The amount of the fees based on the actual time spent is not necessarily the amount that will be billed to you, but may be adjusted based on the nature of the work performed or the results achieved. Each month before bills are issued, a review is performed to assess the nature and quality of the services performed for you. In cases where there is a significant disparity between the value of the services rendered or results achieved and the fees based on the time spent, the fees may be adjusted, as appropriate under the circumstances, to reflect that value.

In addition to our fees, Client will also be responsible for paying a 5% administrative charge calculated and based on fees billed to cover costs and expenses incurred in our handling of the matter such as photocopies, local travel charges and parking, fax charges, telephone charges and other similar charges. In addition to the administrative charge Client will be responsible for reimbursing Firm for other out-of-pocket charges such as court and filing fees, deposition charges, messenger fees, witness fees, investigator fees and similar charges.

The Firm will not be obligated to advance costs on your behalf. However, for the purposes of convenience and in order to expedite matters, the Firm reserves the right to advance costs on your behalf with your prior approval in the event a particular cost item exceeds \$2,000.00 in amount and without your prior approval in the event a particular cost item totals \$2,000.00 or less.

The Firm will prepare a monthly statement containing a detailed description of the services performed and the costs advanced by the Firm during each month and will mail such statement to you on or about the 15th of the following month. Payment of the full amount due, as reflected on the monthly statement, will be due from you to the Firm by the end of that following month, unless other arrangements are made. In the event where you have funds deposited in the Firm's Client Trust Account at the time a monthly billing statement is prepared, funds will be transferred from the Firm's Client Trust Account to the Firm's General Account to the extent of the balance due on the monthly statement and a credit for such payment will be reflected on the monthly statement. Any balance of fees or costs advanced remaining unpaid after the due date will be subject to a 1% per month service charge.

Client agrees to review the Firm's monthly statements promptly upon receipt and to notify the Firm, in writing, with respect to any disagreement with the monthly statement. Failure to communicate written disagreement with the Firm's monthly statement within sixty (60) days of Client's receipt thereof shall be deemed to signify Client's agreement that the monthly billing statement accurately reflects: (i) the legal services performed; and (ii) the proper charge for those legal services.

**Initial Deposit to be Applied to Fees and Costs Incurred.** When the Firm accepts new clients or material for new matters from existing clients, our policy is to request a deposit against the

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fees and costs expected to be incurred in the first couple months after the Firm is engaged. This is a refundable deposit; any amount not owed for fees and costs incurred will be refunded upon request. The firm will not require a deposit at this time. The Firm reserves the right to request additional refundable deposits at appropriate intervals during the Firm's representation of you. Additional deposits will be placed in the Firm's Client Trust Account. You hereby authorize the Firm to withdraw funds held in the Client Trust Account from time to time as fees and costs are incurred.

**Conflicts with Other Clients.** The Firm has a number of attorneys. The Firm may currently or in the future represent one or more other clients in matters involving Client. The Firm undertakes this engagement on the condition that the Firm may represent another client in a matter in which the Firm does not represent Client, even if the interests of the other client are adverse to those of Client (including appearance on behalf of another client adverse to Client in litigation or arbitration), provided the other matter is not substantially related to the Firm's representation of Client and in the course of representing Client attorneys of the Firm have not obtained confidential information of Client material to the representation of the other client ("Permitted Adverse Representation"). Client's consent to this arrangement is required because of its possible adverse effects on performance of the Firm's duties as attorneys to remain loyal and available to those other clients and to render legal services with vigor and competence. Also, if an attorney does not continue an engagement or must withdraw therefrom, the client may incur delay, prejudice or additional cost such as acquainting new counsel for the matter. Client agrees not to seek to disqualify the Firm from representing such other client in any Permitted Adverse Representation.

**Termination of Representation.** You may terminate this representation at any time, subject to the payment of any fees and costs incurred prior to such termination. The Firm may withdraw from this representation for good cause, on reasonable notice, without your consent. Good cause includes but is not limited to: (1) your failure to cooperate with us as provided above; (2) your failure to pay any bill when due or to replenish the deposit when requested as provided above; or (3) any fact or circumstance that would render our continuing representation unlawful or unethical. Any termination of our representation of you would be subject to such approval as may be required from any court in which the Firm is appearing on your behalf.

**Binding Agreement.** This letter represents the entire agreement between you and the Firm with respect to this Matter and any other matter which we agree to perform on your request unless such matter is covered by a separate written agreement between you and us. By signing below, you acknowledge that you have carefully reviewed and understand the content of this letter and agree to be bound by all of its terms and conditions. Furthermore, you acknowledge that the Firm has made no representations or guarantees to you regarding the outcome, or the time necessary to resolve, the Matter. No change or waiver of any of the provisions of this letter will be binding on either you or the Firm unless the change is in writing and signed by both you and the Firm.

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**Document Retention Policy.** The Firm will retain its files on each matter handled for you for five (5) years after the Matter is closed. The Firm will then destroy those files unless you have previously asked the Firm in writing to deliver those files to you. However, the Firm will not destroy the following types of files without giving thirty days' written notice to you: (1) estate and succession planning files and (2) corporate, limited liability company or partnership organization and records files.

**Consent to Firm Communication.** As a part of the Firm's commitment to client service, we will send you periodic alerts on case developments and legislative changes. In addition, we will send you notice on Breakfast Briefings, Conferences, and other training opportunities designed to help you with your daily legal concerns. The Firm will send these and other additional service notices to you via regular mail and/or electronic mail at the e-mail address which you designate on the Technology Questionnaire, contract, or use in your daily communications with us. We believe that these e-mail notices are a quick and convenient way for us to keep you apprised of legal changes which affect your business.

**Termination of Attorney-Client Relationship.** The attorney-client relationship between you and the Firm will cease at the conclusion of the Matter. There are instances when the Firm has been engaged to provide ongoing general business, tax and estate planning advice to clients. If the Firm is not asked by the Client to provide advice for a period of one (1) year from the last date the Firm provided such ongoing advice, both you and the Firm agree that the attorney-client relationship is terminated on the last date the Firm provided advice, without further action or notice by either party. All other terms and conditions of this letter will remain in full force and effect, including the obligation to pay all unpaid fees and costs and the obligation to arbitrate any disputes as provided below. If you request additional legal services and the Firm agrees to perform those services after such termination, the terms and conditions of this letter will apply with respect to such services unless you and the Firm enter into a new written engagement agreement with respect to such services.

**Attorneys' Lien.** Client grants the Firm a lien for all amounts owed to the Firm on any sum or sums recovered (whether by litigation, arbitration, settlement or otherwise) in connection with our representation of Client. The Firm is authorized by Client to use this lien to satisfy any obligation owed to the Firm by Client under this letter agreement. The lien will attach to any recovery Client may obtain, whether by arbitration, award, judgment, settlement or otherwise. The effect of such a lien is that the Firm may be able to compel payment of fees and costs from any such funds even if the Firm's representation of Client has been terminated before the conclusion of the Matter. Because the lien may affect Client's property rights, it may be desirable for Client to seek the advice of an independent attorney before agreeing to such a lien. Irrespective of whether or not Client seeks such independent advice, the lien will be effective upon Client's signing of this letter agreement.

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**Binding Arbitration.** If any dispute arises out of, or related to, a claimed breach of this agreement, the professional services rendered by attorneys, or any other disagreement of any nature, type, or description, regardless of the facts or the legal theories which may be involved, including attorney malpractice, such dispute shall be resolved by binding arbitration by a single arbitrator. Each side will bear its own costs and attorney fees. The parties agree to waive their right to a jury and to an appeal.

If the above accurately reflects our mutual agreement, please confirm that by signing and returning a copy of this letter to me. Please do not hesitate to call me to discuss any questions you may have regarding this agreement. In addition, you have the right to consult other counsel to resolve your concerns. In conformance with the Firm's policy, we cannot commence work upon this engagement until we have received a copy of this letter countersigned by you.

Thank you for giving us the opportunity to assist you with your legal matters. We look forward to working with you on this Matter.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO



Irma Rodríguez Moisa  
IRM:jag

cc: (Via email only)  
Edgar Cisneros  
Lena Shumway

#### **ACCEPTANCE AND CONSENT BY CLIENT**

The undersigned is the Client or an authorized officer or agent of Client and has reviewed and hereby agrees and consents to the above terms and conditions of Client's engagement of the Firm.

City of Commerce

By: \_\_\_\_\_  
Name: Oralía Y. Rebollo  
Title: Mayor, City of Commerce

**CLIENT INFORMATION  
AND TECHNOLOGY QUESTIONNAIRE**

1. If the client is a corporation or LLC, please list the name of all officers and directors or members. List the employees who will be your primary contact, if not an officer or member:

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2. Does the client or any of the individuals listed above own any other business or subsidiaries?

☐ Yes ☐ No - If yes, list the name of the business(es):

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3. If a partnership, list the names of all partners. If a partner is a corporation or another type of entity, list the name of that entity and its shareholders, officers/directors, managers or members.

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4. Does the client or any of the individuals listed in 4 above own any other business?

☐ Yes ☐ No - If yes, list the name of the business(es):

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The Firm **May Use** the following cellular phones, facsimile numbers and email addresses for the purposes of transmitting confidential information<sup>1</sup>:

Cellular telephone number(s):

Facsimile number(s)

Email Address(es):

The Firm **Should Not Use** the following cellular phones, facsimile numbers and email addresses for the purposes of transmitting confidential information. Note that if you use an email address when communicating with us, you consent to our use of that number to reply to you even if you have indicated below that we should not use that email address.

Cellular telephone number(s):

Facsimile number(s)

Email Address(es):

Are there other communications and confidentiality issues which we should be aware of in connection with this engagement? ☐ Yes ☐ No - If yes is checked, please explain:

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Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Signer: \_\_\_\_\_

Client Name: \_\_\_\_\_

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<sup>1</sup> Please understand that by agreeing to the use of any means of communication other than in-person private meetings or two-way (as opposed to multiparty) land line telephone conversations, you will be giving your consent to, and accepting any risks of disclosure of, confidential information to third parties that may be attendant upon the use of those means of communication.