

Disclosure Statement & Costs Agreement

PURSUANT TO DIVISION 3 & 4 OF PART 4.3 OF THE LEGAL
PROFESSION UNIFORM LAW

Law Practice: Frenkel Partners

Client: Chris Henry

Matter: Debt Recovery – Michael Corneille

File Number: JDE:2334742

Date 23 August 2023

The attached Disclosure Statement and Costs Agreement are to be read together and form the Agreement in this matter.

Liability limited by a scheme approved under Professional Standards Legislation



PART A – DISCLOSURE STATEMENT

Under Division 3 of Part 4.3 of the Legal Profession Uniform Law (Vic) ("Uniform Law"), we must disclose to you the following information relating to legal costs.

1. The basis on which our charges will be calculated – section 174(1)(a)

Hourly rates

Subject to you entering into a Costs Agreement with us, our charges are determined by hourly rates charged in 6-minute units. For example, the time charged for an attendance of up to 6 minutes will be rounded up to 6 minutes and the time charged for an attendance between 6 and 12 minutes will be rounded up to 12 minutes.

Our lawyers record the time they spend when they work on your matter, and each lawyer has an hourly charge rate which reflects that lawyer's skills and experience.

The solicitor primarily responsible for your matter is James Edgar, a Partner at Frenkel Partners. At times, it may be appropriate to delegate some tasks to other legal, paralegal or clerical staff.

The current hourly rates of the staff likely to be involved in working on this matter are:

Name	Position	Hourly rate (excl GST)
James Edgar	Partner	\$580.00
Remi Bilson	Lawyer (3rd year)	\$380.00

Disbursements

In providing legal services to you, it may also be necessary to incur other fees, expenses and charges, including Court filing and issue fees, Barristers' fees, experts' fees, bank charges, travel expenses, stamp duty, registration fees, courier fees, photocopying fees and company and other search fees.

These fees, expenses and other charges we incur on your behalf are referred to as disbursements.

We will charge you at cost for any disbursements we incur on your behalf. You must pay reasonable disbursements, including GST, incurred by us on your behalf either on demand or at the conclusion of this matter.

We may also request that you provide us with payment in advance of us incurring a disbursement on your behalf. These funds will be held in our trust account until payment of the disbursement is required.

If there are disbursements to be incurred that are unusual, we will seek your instructions before incurring the expense.

2. Scope of Instructions

You have instructed us to undertake the scope of work as outlined in our email to you dated 21 August 2023 which is to be read in conjunction with and forms part of this Disclosure Statement and Cost Agreement.



3. Our estimated total legal costs – section 174(1)(a)

We estimate that the total legal costs, including our charges and disbursements, for this matter will be about \$1,100.00 (inclusive of GST). This does not include any possible barrister fees (please see section 4 below).

This estimate is made up as follows:

Our charges:	\$1,100.00
Disbursements:	\$0.00
TOTAL:	\$1,100.00

This estimate of total legal costs is NOT BINDING on us, as the work required may change, but is our best advice at this point in time. The estimate is based on our current understanding of the present circumstances of this matter. If the scope of this matter or your instructions to us change in a way that results in a significant change to anything we have previously disclosed, including this estimate, we will revise the estimate as soon as practicable.

In providing you with this estimate, we have considered the following variables:

- the intricacy of the matter;
- any required negotiation or discussion with other parties;
- the degree of urgency attached to the matter; and
- any outside factors that will necessitate further legal work;

If this matter is a litigious matter, we will have also considered:

- the nature and complexity of the claim;
- whether the matter is most likely to settle or proceed to trial;
- whether Counsel is to be retained and the degree of involvement;
- time spent preparing Court documentation, and probable tactics adopted by the other party;
- the amount of evidence required to be gathered, including interviewing witness, statements and reports;
- trial duration.

Recovery of costs from another party in litigious matters

If your matter is a litigious matter, and if you are successful, it is likely that the Court will order the other party to pay some of your legal costs. These costs are usually calculated by applying the relevant Court scale of costs applicable to your matter.

If the Court orders other party to pay your costs, we estimate that you will recover at least 50 to 70 per cent of your total legal costs.

An order for costs in your favour does not affect your liability to pay all our charges and disbursements. The costs you may recover from another party are unlikely to cover the whole of the legal costs that you must pay us. If you cannot recover legal costs from the other party (if for example the party goes into liquidation or becomes bankrupt), you will still be liable for your total legal costs.

Your liability for the costs of another party in litigious matters

If your matter is a litigious matter, and if you are unsuccessful, it is likely that the Court will order you to pay some of other party legal costs. These costs are usually calculated by applying the relevant Court scale of costs applicable to your matter. We estimate that this amount could range between at least 50 to 70 per cent of your total legal costs.

You will still be responsible for payment of our legal costs. Please note that your liability for the costs of another party, if ordered by the Court, applies regardless of whether you entered into a Costs Agreement with us.



4. Engagement of a barrister, another lawyer or law practice – section 175

In providing legal services for you, it may be necessary to engage another law practice (including Barristers) to provide specialist advice or services.

We will consult you about the terms of these engagements before incurring the expense. We will provide you with a statement setting out the rates and estimated costs of any other law practice we propose to engage as soon as the retained law practice provides this information to us.

5. Your rights – section 174(2)

- You have a right to negotiate a Costs Agreement with us. You may want to seek independent legal advice before agreeing to the legal costs we propose to charge in this matter.
- You have a right to negotiate the billing method with us.
- You have a right to receive a Bill of Costs from us.
- You have a right to request an itemised Bill of Costs within 30 days after receiving a bill that is not itemised, or is only partially itemised, from us.
- You have a right to be notified of any significant change to the basis on which legal costs will be calculated or any significant change to the estimate of total legal costs.
- You have the right to seek the assistance of the designated local regulatory authority (Victorian Legal Services Commissioner) in the event of a dispute about legal costs.

6. Our accounts

We may send you a bill at the end of each month, at suitable breaks in the matter and/or at the end of this matter.

We may ask you to pay an amount in advance to cover expenses or on account of our charges.

Our bill is payable when you receive it.

If you do not pay our bill, we may be entitled to exercise a common law right known as a 'solicitor's lien'. The lien allows us to retain your documents until our bill is paid.

7. Interest on unpaid accounts – section 195(1)

If a bill remains unpaid 30 days after we gave it to you, we may charge you interest at a rate not exceeding the Cash Rate Target, as fixed by the Reserve Bank of Australia, plus 2 per cent, at the date the bill is issued.

8. Your right to request a written report on legal costs – section 190(1)

You have a right to request a written report of the legal costs incurred to date or since our last bill (if any), and we must provide such a report within a reasonable period and without charge.

9. If you have a concern about our legal costs – section 174(3)

If you have any concerns about our legal costs, please do not hesitate to contact Nick Theofilakos on (03) 9622 0999. This is because it is important to us that, in consenting to the proposed course of action for the conduct of your matter (in particular the proposed costs), you are informed and understand the issues involved.

10. Your documents

Your documents may be destroyed after seven years from the date of our final bill unless you write to us requesting retention for a longer period. At the end of the matter, and provided our invoices are paid in full, we will release your file and your documents as you direct.



11. Jurisdiction

The Uniform Law as applied in Victoria is applicable to legal costs in this matter.

PART B – COSTS AGREEMENT

Division 4 of Part 4.3 of the Uniform Law allows a law practice and you (the client) to agree on how the law practice's charges are to be calculated and paid. It is called a "Costs Agreement" and it may be enforced in the same way as any other contract. This document is an offer to enter into a Costs Agreement in accordance with the information contained in the Disclosure Statement (Part A) given to you in compliance with Division 3 of Part 4.3 of the Uniform Law.

If you accept these terms, the Disclosure Statement and this document will make up the complete Agreement between us for this matter.

You may accept the Agreement by writing to us indicating your acceptance, by returning a signed copy of this document as provided in the Acknowledgement at the end of this document or by continuing to give us instructions in this matter.

1. The basis on which our charges will be calculated

Our charges will be calculated in accordance with the method (i.e. hourly rates) detailed in the Disclosure Statement (Part A) that forms part of this Agreement with you.

2. Payment of our charges

Interim Bills of Costs will be given to you at the end of each month or at suitable breaks in the matter and a final Bill of Costs will be given to you at the conclusion of the matter. Our accounts are immediately due and payable.

If a bill remains unpaid 30 days after you receive it, we may charge you interest at a rate not exceeding the Cash Rate Target, as fixed by the Reserve Bank of Australia, plus 2 per cent, at the date the bill is issued.

If you do not pay our bill, we may be entitled to exercise a common law right known as a 'solicitor's lien'. The lien allows us to retain your documents until our bill is paid.

3. Payment of disbursements

We will charge you at cost for any disbursements we incur on your behalf. You must pay disbursements, including GST, incurred by us on your behalf either on demand or at the conclusion of this matter.

We may also request that you provide us with payment in advance of us incurring a disbursement on your behalf. These funds will be held in our trust account until payment of the disbursement is required.

4. Trust money

If we receive money into our trust account on your behalf, you authorise us to draw on that money to pay any amount due from you to us in accordance with the provisions of the Uniform Law and the Legal Profession Uniform General Rules 2015 relating to the withdrawal of trust money for legal costs. A trust statement will be forwarded to you upon completion of the matter.

5. Bills

We may give bills to you in any way specified in Rule 73 of the Legal Profession Uniform General Rules 2015. For the purposes of Rule 73, you consent to receiving bills:

- by fax to the number specified by you;
- by email address or mobile phone number to the address or number specified by you; or
- by any other means of electronic transmission agreed to by you and us.



6. Your obligations

We require you to, and you agree to:

- provide full and honest instructions relevant to your matter and any material change in your circumstances that might impact on your matter while we continue to act for you;
- co-operate in the matter and do all that we reasonably request of you in a timely manner;
- accept and follow our reasonable legal advice; and
- provide funds in advance in accordance with this Agreement or some later arrangement.

If you fail to comply with any of these conditions, we have the option to terminate this Agreement by advising you of termination in writing.

7. If we cease to act for you or you stop using this law practice

Circumstances may arise (such as a conflict of interest) that make it impossible for us to continue to act for you. We may also cease acting for you if you breach your obligations as set out in above. If you do not pay a bill of legal costs or if you fail to pay money in advance if it is requested, we may stop work until we are paid. If the bill of legal costs remains unpaid or if money requested in advance remains unpaid we may cease to act for you.

We will notify you immediately if any of the above matters arise.

If we cease to act for you:

- we will not incur any liability as a result;
- we will take steps to remove our name from the Court record in any Court proceedings;
- you will receive a final account which will include all outstanding legal costs;
- you must pay our legal costs up until the date we cease to act; and
- we may retain your file and keep your documents until we are paid, subject to any other statutory requirements.

If we cease to act for you during the course of this matter and before there is an outcome, then all legal costs incurred up to the date of the termination will be charged.

You may end our engagement by written notice at any time. If this occurs, then all legal costs incurred up to the date of the termination will be charged. Depending on circumstances, we may be entitled to exercise our right to a solicitor's lien by retaining documents relating to any matters we are conducting on your behalf.

8. Limitation of Liability

To the extent permitted by law, we will not be liable for any loss, taxes, damages or costs arising due to matters we do not have specific instructions to attend to, or which you have contributed to.

We will not be liable for any loss, taxes, damages or costs howsoever arising from not progressing your matter if any legal costs are in arrears, any money requested in advance is not paid, or if you delay in providing further instructions or in performing any of your obligations.

Our liability is limited under the Uniform Law. If you would like to know more please contact us.

9. Privacy Policy

Please refer to www.frenkels.com.au

10. Intellectual Property

We retain all intellectual property rights attaching to all things created by us pursuant to this Agreement.

11. Severability

Any provision in this Agreement which is invalid or unenforceable is to be read down, if possible, to such an extent as is reasonable in the circumstances so as to be valid and enforceable, and is otherwise capable of being severed to the extent of the invalidity and unenforceability, without affecting the validity of the remainder of this Agreement or the enforceability of that provision in any other jurisdiction.

12. Authority

Instructions received by us in your matter by any person with apparent authority shall be deemed to have been given with your authority and you shall be responsible (including the payment of legal costs) where we act on those instructions.

13. Personal Property Security Interest and/or Charge

In consideration of us acting for you and for better securing your obligation to pay us, the client as beneficial owner and, if the client is the trustee of any trust, in its capacity as trustee of that trust (collectively, "you") hereby charge in favour of us with the payment of all moneys payable under this Agreement, the whole of your undertaking and assets whatsoever and wheresoever both present and future, including but not limited to the goodwill of your business and any uncalled and called but unpaid capital including all premiums and all freehold and leasehold interests in land which you have or may acquire.

You hereby acknowledge that this Agreement constitutes a security agreement for the purposes of the *Personal Property Securities Act 2009 (Cth)* ("PPSA") and establishes a security interest in the charged property for the purposes of the PPSA which will be registrable on the Personal Property Securities Register ("PPSR").

You agree that we shall be at liberty and are hereby authorised to lodge a caveat upon the Certificate of Title for all or any such land and if requested by us, you will do all things requested by us to grant a mortgage over any interest in real estate you own at any time.

14. Seeking independent legal advice

You are advised to seek independent legal advice prior to signing this Agreement or otherwise agreeing to the terms of Part A or Part B of this Agreement.

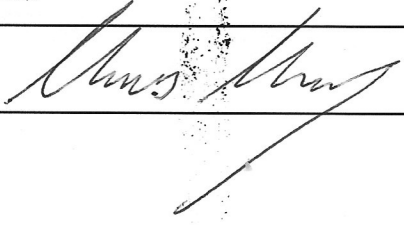


15. Acknowledgment

I, Chris Henry, ACKNOWLEDGE that I have:

- read and understood the Disclosure Statement (Part A) pursuant to Division 3 of Part 4.3 of the Uniform Law; and
- read, understood and approved this Agreement (Parts A & B); and
- been advised of my right to get independent legal advice before entering into this Agreement; and
- agreed that I may sign and return this Agreement in any of the following ways:
 - (i) sign the Agreement and return it to the law practice by hand, post, electronically or other method;
 - (ii) reply electronically to the law practice stating that I agree to the terms and acknowledgements set out in the Agreement received and for the email which contains my printed name or signature to be my signature in the Agreement;
 - (iii) type my name into the Agreement and confirm by email to the law practice that it should stand as my signature in the Agreement; or
 - (iv) any other method that would identify me as the client and my intention that I wish for my signature to be noted as being applied in the Agreement, including by continuing to provide instructions in this matter.

Signed by client:



Print Name:

Chris Henry

Dated: 26/08/2023