

7/30/01

VIA FAX

Harry Karry
Printing Magic
5920 Keating Rd.
Long Beach, CA 90806

Re: **Retainer Agreement**

Dear Mr. Karry:

California law now requires that nearly all attorney-client relationships be based on a written agreement. When you sign below, this letter will serve as our written agreement regarding your and our obligations. You and THE LAW OFFICE OF MARK P. KRONES ("MPK") agree as follows:

Engagement. You have engaged MPK, and MPK agrees to represent you, with respect to **Printing Magic v. John Moor, etc., et al.** and such other matters that you deem appropriate. I have explained to you that it is difficult to predict with any reasonable degree of accuracy the nature or extent of legal services which will be required. I therefore have not made any predictions or commitments as to any maximum fee or as to the outcome of this matter. You hereby authorize me to take whatever action I deem advisable relating to this matter.

Tax and Securities Matters. My services, however, will not involve any advice or consultation on tax or securities matters unless otherwise explicitly provided for above. Unless otherwise provided above, I recommend that you consult your accountant or other tax or financial consultants regarding such matters.

Rates. You agree to pay me at the rate of \$130.00 per hour. Photocopies will be billed at \$.20/page, fax charges at \$.50/page and messenger, postage, searches and telephone calls at my cost.

Retainer. I need the \$400.00 cost retainer as soon as possible. The check should be made payable to the Mark P. Krones Client Trust Account. You will be billed monthly for attorney services rendered and costs expended. Payment is due net 15 from the date of the billing. All charges and expenses incurred on your behalf shall be paid directly from your retainer account, which you agree to keep current at all

times. If you do not maintain your account with me on a current basis, I reserve the right to require you to maintain a minimum balance in a retainer account to assure me of payment of my fees and costs. Jurisdiction and venue for interpretation and enforcement of this agreement is San Diego County, California.

Assignment. You also hereby irrevocably grant and assign to me for fees and reimbursement of costs not covered by your retainer account a lien on all monies collected or recovered or otherwise held by me on your behalf on all matters I work on for you. You also hereby assign and transfer to me, from all monies collected or recovered or held on all matters I work on for you, a further sum sufficient to pay me all unpaid attorney fees and costs billed to you. This assignment shall become operative immediately upon any agreement by you to accept any sum or upon the collection of any amount relating to this or any other matter I work on for you. You further assign to me for fees a lien for time expended at one hundred percent (100%) of my then-current billing rates should I be discharged or substituted out of this or any other matter I work on for you prior to payment in full of my unpaid balance of fees and costs.

Additional Consultants. If I or you retain additional counsel or consultants (e.g., expert witnesses, investigators, accountants, bankruptcy counsel, out-of-state counsel, etc.), you shall pay their fees, costs and charges on a timely basis, in addition to all fees referred to above.

Insurance. Please advise me *immediately* if you have any insurance coverage that may apply to this matter. I recommend you notify your insurance company of this matter to determine if it has an obligation under your policy to pay for attorneys' fees, costs, and potential damages you may incur. Please provide me with a copy of your policy(ies) as soon as possible.

If this letter and the attached exhibits correctly reflect our understanding and agreement, please ***SIGN and DATE*** the agreement where indicated below ***and FAX*** it to me forthwith.

You agree to pay for all services rendered and costs incurred prior to the execution of this agreement. This agreement shall be retroactive to the date I first performed services for you.

If you have any questions, please feel free to call.

Sincerely,

Mark P. Kroner

I, on behalf of Printing Magic, hereby certify that I have read this letter agreement and approve and agree to its contents. I further acknowledge receipt of a copy of this agreement.

Warning: You may wish to consult with another attorney prior to signing this retainer agreement. Your signature below will certify that you have either met with another attorney prior to signing below or have chosen not to do so, but yet you understand and appreciate that you have the right to do so. In either event, you certify that you have been given ample opportunity to review and sign this letter and to seek independent advice prior to signing below.

Dated:

Printing Magic

By: _____
Officer