Jim Gottstein

406 G Street, Suite 206
Anchorage, Alaska 99501
jg@touchngo.com
907-274-7686

September 7, 2012

Fred A. Klus
Susan Brown *via* e-mail
Internal Revenue Service
TE/GE Exempt Organizations
N14 W24200 Tower Place Suite 202
Waukehsa, WI 53188

Re: Attorney Contracts

Dear Mr. Klus and Ms. Brown:

In response to your letter of August 21, 2012, requesting the following information by today:

> All contracts between James Gottstein or PsychRights and any attorney or legal firm who received funds from the Center for the Study of Psychiatry (a.k.a. Internationa/ Center for the Study of Psychiatry and Psychology, Inc [ICSPP], International Society for Ethical Psychology& Psychiatry [ISEPP]).,

please find enclosed copies of the following:

1. December 21, 2006, PsychRights payment to D. John McKay with payment instructions and transmittal letter;
2. March 2, 2007, Engagement Letter with Bracewell & Giuliani; and
3. August 20, 2007, Engagement Letter with Berkman, Henoch, Peterson & Peddy, P.C.

With respect to Mr. McKay, I don't believe there is a formal contract. I haven't found one. I have also contacted Mr. McKay, who is out of town right now, and he doesn't recall a formal agreement either. However, the December 21, 2006, payment was drawn on PsychRights' bank account and all of the related documents show that it was a PsychRights obligation. As the transmittal letter indicates, Mr. McKay dropped everything to deal with the situation. It was literally while I was in the middle of a teleconference hearing the US District Court in Brooklyn insisted I participate in without any notice. I have known Mr. McKay for probably 25 years and he just started the representation without a formal engagement agreement and neither of us recall that we later entered into one. However, if you would like him to look when he gets back, let me know.

With respect to Bracewell & Giuliani, the engagement letter was addressed to "James Gottstein, Esq., c/o Law Project for Psychiatric Rights," and my signature is clearly in my PsychRights capacity. I have different electronic signatures that I use depending on in which capacity I am signing. For illustrative purposes, this letter will utilize an electronic signature in my personal capacity since the Service is pursuing me personally. I do not believe that ICSPP paid anything to Bracewell & Giuliani, so it technically falls outside your request, but I have included it because it further reinforces that the representations were for my PsychRights capacity.

With respect to Berkman, Henoch, the Engagement Letter was with "James B. Gottstein, President/CEO, Law Project for Psychiatric Rights," establishing that representation was also for my PsychRights capacity.

All three of these engagements were clearly for my PsychRights capacity even if I personally paid for most of the costs that have been paid out of my own funds because PsychRights could not afford it. As I have stated before, under the Bylaws of PsychRights I am entitled to indemnification from PsychRights for the costs I paid. The payments by ICSPP to the lawyers from donations made specifically for that purpose were for the benefit of PsychRights.

I also have previously stated that if the service does not accept that the actions were taken on behalf of PsychRights, I believe I am entitled to a full evidentiary hearing on the issue before an impartial decision-maker. I reiterate my request (demand) for such a hearing.

Instead, I hope the Service will agree that I received no excess benefit.

Sincerely,

Jim Gottstein

Digitally signed by Jim Gottstein
DN: cn=Jim Gottstein, o, ou, email=jg@touchngo.com, c=US
Date: 2012.09.07 12:21:31 -08'00'

James B. (Jim) Gottstein

Enc.

1288

LAW PROJECT FOR PSYCHIATRIC RIGHTS, INC.
406 G STREET, SUITE 206
ANCHORAGE, AK 99501
(907) 274-7686

WELLS FARGO BANK ALASKA, N.A.
ANCHORAGE, ALASKA
89-5-1252

12/21/2006

Details on back. Security Features Included.

PAY TO THE ORDER OF John McKay $ **10,000.00

Ten Thousand and 00/100*** DOLLARS

John McKay
Attorney At Law
117-E Cook Avenue
Anchorage, Alaska 99501

MEMO Advance Payment

MP

⑈001288⑈ ⑆125200057⑆1011146331⑈

LAW PROJECT FOR PSYCHIATRIC RIGHTS, INC.

John McKay		12/21/2006	1288
	Advance Payment		10,000.00

Checking	Advance Payment	10,000.00

LAW PROJECT FOR PSYCHIATRIC RIGHTS, INC.

John McKay		12/21/2006	1288
	Advance Payment		10,000.00

Checking	Advance Payment	10,000.00

X-Mailer: QUALCOMM Windows Eudora Version 7.0.1.0
Date: Thu, 21 Dec 2006 06:06:58 -0900
To: "Michele Turner" <billing@touchngo.com>
From: Jim Gottstein <jim.gottstein@psychrights.org>
Subject: Check for John McKay
Cc: mckay@alaska.net,"heather-gottsteinlaw.com" <heather@gottsteinlaw.com>

Hi Michele,

Please cut a PsychRights check at your earliest convenience for John McKay, Attorney at Law, for $10,000 and say it is for "advance payment."

Note New E-mail Address

James B. (Jim) Gottstein, Esq.

Law Project for Psychiatric Rights
406 G Street, Suite 206
Anchorage, Alaska 99501
USA
Phone: (907) 274-7686) Fax: (907) 274-9493
jim.gottstein[-at-]psychrights.org
http://psychrights.org/

Psych Rights ®
Law Project for
Psychiatric Rights

The Law Project for Psychiatric Rights is a public interest law firm devoted to the defense of people facing the horrors of unwarranted forced psychiatric drugging. We are further dedicated to exposing the truth about these drugs and the courts being misled into ordering people to be drugged and subjected to other brain and body damaging interventions against their will. Extensive information about this is available on our web site, http://psychrights.org/. Please donate generously. Our work is fueled with your IRS 501(c) tax deductible donations. Thank you for your ongoing help and support.

PsychRights®
Law Project for
Psychiatric Rights, Inc.

December 21, 2006

John McKay
Attorney At Law
117 E. Cook Avenue
Anchorage, AK 99501

John

Dear ~~Mr. McKay~~,

Please find the enclosed following items:

- Check Number 1288 in the amount of $10,000.00 for legal services advanced payment.
- Maxell UR tape with 12/21/06 voice mail recordings if needed.
- All Z documents 12/20/06.

I really appreciate the way you are taking care of me by jumping right in to assist in this matter.

Yours truly,

Jim Gottstein

JBG/hhc

Encl.

What fun, eh?

406 G Street, Suite 206, Anchorage, Alaska 99501 ~ (907) 274-7686 Phone ~ (907) 274-9493 Fax

BRACEWELL
&GIULIANI

New York
Texas
Washington, DC
Kazakhstan
London

David C. Albalah
Partner

212.508.6120 Office
212.938.3820 Fax

david.albalah@bgllp.com

Bracewell & Giuliani LLP
1177 Avenue of the Americas
New York, New York
10036-2714

March 2, 2007

James Gottstein, Esq.
c/o Law Project for Psychiatric Rights
406 G Street
Anchorage, Alaska 99501

Re: Engagement Letter – Eli Lilly Matter

Dear James:

Thank you for engaging us to represent you in connection with the above matter. We appreciate the confidence you have shown in Bracewell & Giuliani LLP ("B&G") and look forward to this opportunity to represent you.

It is our practice to confirm the terms and conditions of our engagements, and that is the purpose of this letter and the accompanying Terms of Engagement. If you have any questions about this letter, or Terms of Engagement, or any aspect of the engagement or representation, please contact me as soon as possible.

Scope of Engagement

B&G will represent you in connection with advice and counsel related to Eli Lilly and any other manner of assistance requested by you from time to time. This letter may be supplemented to reflect new matters that deviate from the current engagement in complexity, scope, nature or risk, or that require a substantial change in terms and conditions. The Terms of Engagement, however, will govern all projects and engagements for you.

Anticipated Staffing

For this engagement, the firm anticipates the following staffing requirements:

Attorney's Name	Current Billing Rate
Michael Hess	$800
David Albalah	$695
Jonathan Halpern	$650
Range of Billing for Associates	$175 - $480

BRACEWELL
&GIULIANI

New York
Texas
Washington, DC
Kazakhstan
London

David C. Albalah
Partner

212.508.6120 Office
212.938.3820 Fax

david.albalah@bgllp.com

Bracewell & Giuliani LLP
1177 Avenue of the Americas
New York, New York
10036-2714

Other professionals may participate in the representation as necessary. Billing rates are reviewed and adjusted by the firm on an annual basis.

Retainer

You agree to pay B&G an initial payment of $50,000. Upon completion or termination of the engagement, the initial payment will be applied to any unpaid amounts billed and unbilled. After applying the initial payment, any amount remaining due to you will be refunded promptly. Additional amounts due B&G will be paid by you within thirty days of billing.

Conflicts

It is B&G's practice to comply with the professional standards and ethics requirements in the jurisdictions in which we perform legal services or manage the account. Based on the information that you have provided, it does not appear that this engagement is materially adverse to any substantially related matter that B&G is handling for other clients of the firm. It is important that you know, however, that B&G may represent other clients within the same industry and may have matters that may be adverse to your interests in unrelated matters, provided that such representation(s) will not require disclosure of any of your confidential information.

Arbitration

In the event that a dispute arises between us relating to our fees, you may have the right to arbitration of the dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts, a copy of which will be provided to you upon request.

Please call me if you wish to discuss any aspect of this engagement. If this letter and the Terms of Engagement accurately reflect our agreement, please sign the enclosed copy of this letter and return it to me.

Thank you again for the opportunity to represent you in this matter.

Very truly yours,

Bracewell & Giuliani LLP

By: David C. Albalah

Attachments

BRACEWELL
&GIULIANI

New York
Texas
Washington, DC
Kazakhstan
London

David C. Albalah
Partner

212.508.6120 Office
212.938.3820 Fax

david.albalah@bgllp.com

Bracewell & Giuliani LLP
1177 Avenue of the Americas
New York, New York
10036-2714

AGREED AND ACCEPTED:

James Gottstein, Esq.

James B. Gottstein, Esq.

Digitally signed by James B. Gottstein, Esq.
DN: cn=James B. Gottstein, Esq., o=Law Project for Psychiatric Rights, Inc., ou, email=jim.gottstein@psychrights.org, c=US
Date: 2007.03.02 11:42:02 -09'00'

By: James Gottstein, Esq.
Date:

BRACEWELL & GIULIANI LLP

TERMS OF ENGAGEMENT

New York

Introduction

These are the Terms of Engagement adopted by Bracewell & Giuliani LLP ("B&G") and referred to in our Engagement Letter as the basis for our representation. Because they are an integral part of our agreement to provide representation, we ask that you review this document carefully and retain it for your files. If you have any questions after reading it, please promptly inform your principal contact at the firm.

Client of the Firm

Since B&G has been engaged to represent the client only, the engagement does not include the client's affiliated or related entities, or their respective individual partners or employees.

For example, for corporations and partnerships, unless otherwise specifically stated in the Engagement Letter, our representation does not include any parents, subsidiaries, employees, officers, directors, shareholders, or partners of the corporation or partnership, or commonly owned corporations or partnerships. Similarly, for trade associations, our representation does not include members of the trade association; and for individuals, our representation does not include employers, partners, spouses, siblings, or other family members. In the event we are asked to undertake representation of any other entity in connection with this engagement, we will do so only by agreement defined in the Engagement Letter.

The Scope of the Representation

B&G undertakes to provide representation and advice on the matters for which we are engaged, and it is important that we both have a clear understanding of the services that B&G has agreed to provide. In the Engagement Letter, B&G specifies the matter in which we will provide representation and the scope of the services we will provide. If there are any questions about the engagement, including the scope of the representation, and related services being performed, please address those questions promptly with your principal contact at the firm.

As you may be aware, the Treasury Department has issued new Regulations, commonly referred to as Circular 230, that dictate how attorneys must communicate with their clients whenever they render "written advice" on tax issues. The new regulations are very broad and will frequently restrict ordinary communications between attorney and client. We can avoid the costly and time-consuming process of preparing a formal opinion to comply with Circular 230 by including a legend on written advice similar to the following: **"As required by United States Treasury Regulations, you should be aware that this communication is not intended or written by the sender to be used, and it cannot be used, by any recipient for the purpose of avoiding penalties that may be imposed on the recipient under United States federal tax laws."** Unless we agree in advance to the contrary, written advice that we prepare for you will contain this legend.

Conflicts of Interest

B&G represents many businesses and individuals. In some instances, the applicable rules of professional responsibility may limit our ability to represent clients with conflicting or potentially conflicting interests. Those rules of professional responsibility often allow us to exercise our independent judgment in determining whether our relationship with one client prevents us from representing another. In other situations, we may be permitted to represent a client only if the other clients consent to that representation.

If a conflicts issue unrelated to the engagement develops between you and another client, we will follow the applicable rules of professional responsibility to determine whether we may represent either you or the other client in the unrelated controversy. Rules concerning conflicts of interest vary with the jurisdiction. In order to avoid any uncertainty, we agree that the New York Code of Professional Responsibility will be applicable to the representation.

In addition to our representation of other companies and individuals, we also regularly represent lawyers and law firms. As a result, opposing counsel in the matter may be a lawyer or law firm that we may represent now or in the future. Likewise, opposing counsel in the matter may represent our firm now or in the future. Further, we have professional and personal relationships with many other attorneys, often because of our participation in bar associations and other professional organizations. We believe that these relationships with other attorneys do not adversely affect our ability to represent any client. Your acceptance of our Engagement Letter means you consent to any such relationships between our firm and other lawyers or law firms, even counsel representing a party adverse to you in this engagement.

Staffing The Project

In most cases, one attorney will be your primary contact. In order to provide you with the expertise of our firm, and to provide services on a cost effective basis, that attorney will delegate parts of your work to other lawyers, legal assistants and other professionals.

Fees, Billing Arrangements and Terms of Payment

B&G issues invoices on a regular basis, normally each month, for fees and other charges. Invoices are due on presentment and are considered past due 30 days after receipt. It is important to review invoices that are presented each month and to bring any concerns regarding the invoice, services or staffing to the attention of your primary contact at the firm within 30 days of receipt of an invoice.

Fees for professional services and reimbursable expenses are not contingent on the outcome of the project.

Clients frequently ask us to estimate the fees and other charges they are likely to incur in connection with a particular matter. Any estimate is based on professional judgment and facts and circumstances that appear at the time. As such, any estimate is subject to the understanding that, unless we agree otherwise in writing, it does not represent a maximum, minimum, or fixed-fee quotation. The ultimate cost frequently is more or less than the amount estimated.

As an adjunct to providing services, we may incur and pay a variety of charges on your behalf or charge for certain ancillary support services. Whenever we incur such charges on your behalf or charge for such ancillary support services, we will bill them to you as part of your monthly invoice. Examples include charges for photocopying, postage, long-distance telephone calls, travel and conference expenses, delivery charges, computerized research, and facsimile and other electronic transmissions. Outside expenses generally will be billed at cost, while some in-house expenses (e.g., copying, telecopying, computer services and in-house research) will include a reasonable allocation of overhead. In appropriate cases, reimbursable expenses will also include overtime charges for dedicated services for secretaries and other staff.

It may be necessary for us to retain third parties, such as consultants, experts and investigators, in order to represent you adequately. In that event, you will be responsible for the payment of the invoices of those third parties. Although we may advance third-party disbursements in reasonable amounts, we will ask you to pay larger third-party invoices (usually those over $500) directly to the third party providing the services. Because we often have ongoing professional relationships with the persons who render such services, we also ask that you pay such bills promptly and send us notice of your payment.

At times, and for a limited time, we may retain copies of documents generated or received by us in the course of your representation. Should you request documents from us at the conclusion of our representation (other than your original documents), to the extent that such documents may be available, you agree to compensate the firm for reproduction charges and professional fees required to retrieve, review and duplicate the files.

Should your account become delinquent and satisfactory payment terms are not arranged, we may take steps, as permitted under the rules regulating our profession, to withdraw from the representation, cease representation or terminate the engagement.

If the representation will require a concentrated period of activity, such as a trial, arbitration, or hearing, we reserve the right to require the payment of all amounts owed and the prepayment of the estimated fees and expenses to be incurred in completing the trial, arbitration, or hearing, as well as arbitration fees likely to be assessed. If you fail to timely pay the estimated fees and expenses, we will have the right to cease performing further work and the right to withdraw from the representation, subject to any applicable rules of court or other applicable tribunal.

Although an insurer's payment of defense costs may be applied to billings of the firm, the payment obligation remains with you. Failure of any insurer to pay all or part of the billings for this Project does not relieve you from the obligation to pay billings in full and in a timely manner.

From time to time, we assist clients in pursuing third parties for recovery of attorneys' fees and other charges resulting from our services. These situations include payments under contracts, statutes or insurance policies. However, it remains your obligation to pay all amounts due to us within 30 days of the date of our statement.

Taxes

B&G anticipates that it will perform all, or substantially all, of its professional services for this engagement in the United States. B&G will bill the client from, and B&G will receive all payments in, the United States. Accordingly, neither B&G nor the client anticipates the assessment of taxes outside the United States on the payments to B&G required under the Engagement Letter.

The client, however, agrees that all payments under the Engagement Letter shall be payable to B&G in U.S. Dollars, free and clear of any and all present and future taxes, levies, imposts, duties, deductions, withholdings, fees, liabilities and similar charges (the "Taxes"). If any Taxes are required to be withheld or deducted from any amount payable under the Engagement Letter, then the amount payable under the Engagement Letter shall be increased to the amount which, after deduction from such increased amount of all Taxes required to be withheld or deducted therefrom, will yield to B&G the amounts stated to be payable to B&G under the Engagement Letter. In the event that the client is required to withhold or deduct Taxes from any payment under the Engagement Letter, the client shall promptly pay such Taxes and shall furnish B&G with appropriate tax receipts issued by tax authorities showing payment of such Taxes by the client.

Your Cooperation

To enable us to provide effective representation, you agree to: (1) disclose to us, fully and accurately and on a timely basis, all facts and documents that are or might be material or that we may request; (2) keep us apprised on a timely basis of all developments relating to the representation that are or might be material; (3) attend meetings, conferences, and other proceedings when it is reasonable to do so; and, (4) cooperate fully with us in all matters relating to the engagement.

Insurance Coverage

We will only represent you, and not your insurer, in this matter.

Unless we specifically agree to do so, we will not evaluate any aspect of insurance coverage, advise you with respect to such coverage, or become involved in any policy or coverage dispute. From time to time, we represent insurance companies, and our ability to assist you with such insurance issues may be limited by our need to comply with the rules governing conflicts of interest. However, if your matter involves coverage questions, we ask that you let us know in advance so that we do not inadvertently transmit information to your insurer that might somehow affect coverage.

Termination

Because B&G has been engaged to provide services in connection with the representation specifically defined in our Engagement Letter, the attorney-client relationship terminates upon our completion of our services related to the representation. After completion of the representation, however, changes may occur in the applicable laws or regulations that could affect your future rights and liabilities in regard to the matter. B&G has no continuing obligation to give advice with respect to any future legal developments that may relate to the project.

You may terminate the engagement at any time, with or without cause, by notifying us in writing. The firm also can terminate the engagement before the completion of its representation of you in the specified matter (subject to receipt of any necessary approvals of any court or other tribunal) as required or permitted under the applicable rules of professional responsibility. The circumstances under which we are required or permitted to terminate the engagement include: (a) the continued representation would likely result in a violation of the applicable rules of professional responsibility, or you insist that the firm pursue a course of conduct that is illegal or prohibited under the applicable rules of professional responsibility; (b) the termination can be accomplished without material adverse effect on your interests; (c) you are bringing a legal action, conducting a defense, asserting a position in a litigation or otherwise having steps taken merely for the purpose of harassing or maliciously injuring a person; (d) you insist upon presenting a claim or defense that is not warranted under existing law and cannot be supported by good faith extension, modification or reversal of existing law; (e) you persist in a course of action involving the firm's services that the firm believes is criminal or fraudulent; (f) you render it unreasonably difficult for the firm to carry out its employment effectively; (g) you insist, in a matter not pending before a tribunal, that the firm engage in conduct that is contrary to the judgment and advice of the firm; (h) you deliberately disregard an agreement or obligation to the firm as to expenses and fees; (i) the firm determines that you have used the firm's services to perpetrate a crime or fraud; (j) the firm's inability to work with co-counsel indicates that your best interest would be served by our withdrawal; or (k) other good cause for termination exists. In the event that the firm intends to terminate the engagement, the firm will give reasonable notice and allow you access to all files relating to this engagement to which you are entitled.

The termination of our services will not affect your responsibility for payment of legal services rendered and other charges incurred before termination and in connection with an orderly transition of the project.

<u>Confidentiality and Document Retention</u>

At the close of any matter, we may return relevant documents to Client, send remaining pertinent parts of our files to a private storage facility for a limited time or destroy certain documents. The attorney closing the file will determine, at his or her discretion, which portion should be returned to Client, which portion should be sent to private storage (and for how long) and which portions are to be destroyed.

You agree that we will own and retain our own files pertaining to the engagement and that you will not have the right or ability to require us to deliver such files (or copies thereof) to you, including, for example, firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records, electronic mail correspondence (other than such correspondence which was sent to you by a member of our firm) and internal lawyer's work product, such as drafts, notes, internal memoranda and legal and factual research, including investigative reports prepared by or for the internal use of lawyers. Further, at the discretion of the responsible partner for the project in question, we may destroy any such documentation which is the property of the firm or any documentation which such partner determines to be duplicative or unnecessary, and in all cases without having to obtain your consent.

Under provisions of the Internal Revenue Code and Treasury Regulations, a law firm is subject to disclosure and list maintenance requirements if the firm receives a certain minimum fee for providing legal services and with respect to specific types of transactions. Pursuant to those requirements, the firm must file a disclosure form with the IRS and maintain a file with respect to any such transaction that identifies, among other items, the name and taxpayer identification number of each participant in the transaction, a summary of the transaction, a description of the tax aspects of the transaction and a copy of any tax opinion rendered with respect to the transaction. The firm must provide the file to the IRS within 20 days of its request.

In the event that our work for you is subject to the list maintenance requirements, we would be required to make the disclosures in a form filed with the IRS and to maintain a file as described above and provide the file to the IRS upon its request. **Accordingly, you hereby consent to our making such disclosures, maintaining such file, providing it to the IRS, and in all other ways complying with the disclosure and list maintenance requirements without obtaining further permission from you. You further agree that you hereby waive any attorney-client or other privilege or right to confidentiality of information with respect to the information that we determine in our sole discretion must be provided to the IRS pursuant to these requirements. This waiver will be effective at the time the above information is provided to the IRS.** Time devoted to complying with the list maintenance requirements will be billed in accordance with our customary rates.

Disclaimer

We cannot guarantee the outcome of any matter. Any expression of our professional judgment regarding your matter or the potential outcome is, of course, limited by our knowledge of the facts and based on the law at the time of expression. It is also subject to any unknown or uncertain factors or conditions beyond our control.

Either at the commencement or during the course of the representation, we may express opinions or beliefs about the matter or various courses of action and the results that might be anticipated. Any expressions on our part concerning the outcome of the representation, or any other legal matters, are based on our professional judgment and are not guarantees.

By signing the Engagement Letter or otherwise indicating your acceptance of the Engagement Letter, you acknowledge that B&G has made no promises or guarantees to you about the outcome of the representation, and nothing in these Terms of Engagement shall be construed as such a promise or guarantee.

Modification of Our Agreement

The Terms of Engagement reflect our agreement on the terms of all engagements, and are not subject to any oral agreements, modifications, or understandings. Any change in these Terms of Engagement must be made in writing signed by both B&G and Client.

In Conclusion

We look forward to a long and mutually satisfying relationship with you. Again, if at any time you have a question or concern, please feel free to bring it to the attention of your principal contact at our firm.

BERKMAN, HENOCH, PETERSON & PEDDY, P.C.
COUNSELORS AT LAW
100 GARDEN CITY PLAZA, GARDEN CITY, NY 11530-2112

GILBERT HENOCH
KENNETH S. BERKMAN (1958*-2007)
STEVEN J. PEDDY
GARY H. FRIEDENBERG
RONALD M. TERENZI
MIRIAM R. MILGROM
STEPHEN J. BROOKMEYER
LISA M. CONFUSIONE
JOSEPH E. MACY
GREGORY P. PETERSON
PETER P. PETERSON (1936*-2001)
LESLIE R. BENNETT

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ANDREW M. ROTH
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CHRISTOPHER F ULTO

COUNSEL
JAMES M. PEDOWITZ
JOSEPH N. MONDELLO
LEONARD S. ELLMAN
ROBERT T BLOOM
MARK WEPRIN
HARVEY BRUCE BESUNDER

*ADMITTED

516-780-0325
WRITER'S DIRECT DIAL:

August 20, 2007

James B. Gottstein, Esq.
President/CEO
Law Project for Psychiatric Rights
406 G Street, Suite 206
Anchorage, Alaska 99501

Re: **Gottstein v. Eli Lilly appeal, No. 07-1030-cv**

Dear Mr. Gottstein:

This letter will confirm that you have retained Berkman, Henoch, Peterson & Peddy, P.C., ("BHPP", "we" or "us") to represent you in the preparation and filing of your initial appellate brief to the Second Circuit Court of Appeals in the above appeal, together with co-counsel John McKay.

It is agreed that you will pay to this firm an initial retainer for our services in this matter in the sum of $10,000. This retainer payment does not necessarily represent the amount of the total fee which you may incur by virtue of our services. The amount of the eventual fee will be based upon an hourly fee at our rates of $250 per hour for partners, $200 per hour for associates, and $100 per hour for paralegals. I will be the principal attorney responsible for the handling of this matter at a billing rate of $250 per hour. Wherever possible, we will utilize the services of the person (attorney or paralegal) best suited to the particular task to minimize the cost to you. The time expended on your behalf will be charged against the retainer fee, and in the event the retainer fee is depleted as a result of hourly charges, you agree to replenish the account by the payment of further retainers in such amounts as we may request. Such additional payments shall not be treated as an additional minimum fee, but shall be refunded to you when your matter is concluded and the time expended on your behalf has not been absorbed by these payments. It is understood that a separate retainer payment will be required if any further representation beyond the scope of this agreement is requested.

You understand that this hourly rate applies to all time expended relative to your matter, including, but not limited to, office meetings, conferences, and telephone calls. Our time is billed in minimum increments of one-tenth of an hour.

In addition to fees for our services, you will be responsible for the payment of all disbursements incurred on your behalf. Such disbursements may include, but are not limited to, the cost of obtaining transcripts of any testimony, the service of private investigators, travel expenses, court filing fees, charges for process service, messenger fees, etc. No disbursement in excess of $150 will be incurred without your prior approval.

You will be provided with a periodic statement of our fees and charges, not less frequently than every sixty (60) days, which will set forth an explanation of the services rendered and any disbursement incurred on your matter. All outstanding invoices must be paid within thirty (30) days of receipt. Upon receipt of our billing statements, you are expected to review it promptly and to bring to our attention any objection you may have to the statement. We will discuss any objection or questions which you have regarding this billing in an effort to resolve any outstanding issues. In the event that an invoice remains outstanding in excess of sixty (60) days, we reserve the right to apply to the court to be relieved as your counsel of record, which motion you agree not to oppose.

In the event of a fee dispute, you may have the right to seek arbitration in accordance with Section 137.1(b)(2) of the New York Court Rules. Should you wish to seek such arbitration, you should notify us of that fact, in writing, and we will provide you with the information required to file for such arbitration.

Either we or you may terminate the representation at any time, upon written notice. In the event we are representing you in any court proceeding, and we determine that there has been an irretrievable breakdown in the attorney/client relationship, or material breach of the terms of this retainer agreement, we may decide to make application to the court in which your action is pending to be relieved as your attorney. In such event, you will be provided with notice of the application and the opportunity to be heard. Should any fees be due and owing to this firm at the time of our discharge, we shall have the right, in addition to any other remedy at law or equity, to seek a charging lien, i.e., a lien upon the property which is awarded to you as a result of any judgment rendered in your case.

Additionally, in the event of litigation, court rules require us, as your attorneys, to certify court papers submitted by you which contain statements of fact, and specifically to certify that we have no knowledge that the substance of the submission is false. Accordingly, you agree to provide us with complete and accurate information which forms the basis of court papers and to certify in writing to us, prior to the time the papers are actually submitted to the court, the accuracy of the court submissions which we prepare on your behalf, and which you will review and sign.

If this fee agreement meets with your approval, kindly sign your name where indicated on the copy of this letter and return the executed letter to us along with a check in the sum of $10,000 in the envelope enclosed for your convenience. We are also enclosing a statement of client's rights and responsibilities.

Thank you for affording us this opportunity to be of service to you. We look forward to working with you. In the event that you have any questions, please feel free to contact us immediately.

Sincerely,

BERKMAN, HENOCH, PETERSON & PEDDY, P.C.

By:______________________________
Steven Brock

SB:awl

AGREED AND CONSENTED TO:

____
James B. Gottstein