

Sample Fee Agreement - Hourly

FIRM NAME
STREET
CITY, STATE, ZIP
PHONE
DATE

LAWYER-CLIENT FEE AGREEMENT

_____ ("Lawyer"), will provide legal services to _____ ("Client"), on the terms set forth below.

1. CONDITIONS. This Agreement will not take effect, and Lawyer will take no action on behalf of the client until Client returns a signed copy of this Agreement and pays the initial deposit (advanced fee) called for under Paragraph 5.

2. SCOPE OF SERVICES. Client hires Lawyer to provide legal services in the following matter: **[Describe matter - See User Note 1 Below]** _____

Lawyer will provide those legal services reasonably required to represent Client. Lawyer will take reasonable steps to keep Client informed of progress and to respond to Client's inquiries. If a court action is filed, Lawyer will represent Client through **[select as appropriate]** [trial] and [post-trial motions]. This Agreement does not cover representation on appeal or in execution proceedings after judgment. Separate arrangements must be agreed to for those services. Services in any matter not described above will require a separate Agreement.

3. CLIENT. The lawyer is representing the Client _____ (name) only in this matter. It is understood by Client and any third party who may be assisting Client financially, emotionally or otherwise, in this matter, that lawyer's duty is to act in the best interest of the Client and lawyer cannot share information about Client's case with anyone other than Client without express permission. **[See User Note 2 Below]**

4. RESPONSIBILITIES OF THE PARTIES. Client agrees to be truthful with Lawyer, to cooperate, to keep Lawyer informed of any information or developments which may come to Client's attention, to abide by this agreement, and to pay Lawyer's bills on time. Further, while it is impossible to predict the course of a representation, it may be important for Lawyer to contact Client immediately, or upon short notice, to confer with Client regarding the status of Client's case. An inability to do so may result in Client's case being prejudiced and detrimentally affect the outcome of the case. Accordingly, Client agrees to keep Lawyer informed of Client's current address, telephone number and whereabouts. If Client leaves town, for example, to travel on business or vacation, Client agrees to notify Lawyer before leaving of the expected duration of the trip and how Client may be contacted in the meantime.

5. DEPOSIT (ADVANCED FEE). Client agrees to pay Lawyer an initial fee deposit of \$_____ by_(date)_. The hourly charges will be credited against the fee deposit. The initial fee deposit, as well as any future fee deposit, will be held in a trust account. Client authorizes Lawyer to use that fund to pay the fees and other charges as they are incurred. Billing statements detailing the charges against the fee deposit will be sent monthly to the client. Withdrawal from the trust account will be made 10 days after the date of this billing statement. Client acknowledges that the fee deposit is not an estimate of total fees and costs, but merely an advance for security.

Whenever the fee deposit is depleted, Lawyer reserves the right to receive further reasonable fee deposits. When a trial or arbitration date is set, Client agrees to pay all sums then owing and fees estimated to be incurred in preparing for and completing the trial or arbitration, as well as the jury fees and court costs or arbitration fees, expert witness fees and other costs likely to be assessed.

Client agrees to pay all fee deposits after the initial fee deposit within _____ days of being requested by Lawyer. Any unused fee deposit at the conclusion of Lawyer's services will be refunded.

6. LEGAL FEES AND BILLING PRACTICES. Client agrees to pay by the hour at Lawyer's prevailing rates for all time spent on Client's matter by Lawyer's legal personnel. Current hourly rates for legal personnel are as follows:

Senior partners _____/hour
Partners _____/hour
Associates _____/hour
Paralegals _____/hour
Law clerks _____/hour

The time charged will include the time Lawyer and his personnel spends on telephone calls relating to Client's matter, including calls with Client, witnesses, opposing counsel or court personnel. The legal personnel assigned to Client's matter may confer among themselves about the matter, as required and appropriate. (Optional: When they do confer, each person will charge for the time expended, as long as the work done is reasonably necessary and not duplicative. Likewise, if more than one of the legal personnel attends a meeting, court hearing or other

proceeding, each will charge for the time spent.)

7. COSTS AND EXPENSES

(a) In General. Lawyer will incur various costs and expenses in performing legal services under this Agreement. Client agrees to pay for all costs, disbursements and expenses in addition to the hourly fees. The costs and expenses commonly include, service of process charges, filing fees, court and deposition reporters' fees, jury fees, notary fees, deposition costs, long distance telephone charges, messenger and other delivery fees, postage, photocopying and other reproduction costs, travel costs including parking, mileage, transportation, meals and hotel costs, investigation expenses, consultants' fees, expert witness, professional, mediator, arbitrator and/or special master fees and other similar items.

(b) Out of Town Travel. Client agrees to pay transportation, meals, lodging and all other costs of any necessary out-of-town travel by Lawyer's personnel. Client will also be charged the hourly rates for the time legal personnel spend traveling.

ALTERNATE ONE

(c) Experts, Consultants, and Investigators. To aid in the preparation or presentation of Client's case, it may become necessary to hire expert witnesses, consultants, or investigators. Client agrees to pay such fees and charges. Lawyer will consult with client on the selection of any expert witnesses, consultants, etc., to be hired and their charges.

Additionally, Client understands that if the matter proceeds to court action or arbitration, Client may be required to pay fees and/or costs to other parties in the action. Any such payment will be entirely the responsibility of Client.

ALTERNATE TWO

(c) Experts, Consultants, and Investigators. To aid in the preparation or presentation of Client's case, it may become necessary to hire expert witnesses, consultants, or investigators. Lawyer will select, in consultation with client, any expert witnesses, consultants or investigators to be hired and Client will be informed of persons chosen and their charges.

Client authorizes Lawyer to incur all reasonable costs and to hire any investigators, consultants, or expert witnesses reasonably necessary in Lawyer's judgment unless one or both of the clauses below are initialed by Lawyer.

Lawyer shall obtain Client's consent before incurring any costs in excess of \$_____.

Lawyer shall obtain Client's consent before retaining outside investigators, consultants, or expert witnesses.

8. BILLING STATEMENTS. Lawyer will send Client monthly statements for fees and costs incurred. The statements shall include the amount, rate, basis of calculation or other method of determination of the fees and costs, which costs will be clearly identified by item and amount. If the Client objects to any charges against the fee deposit, Client agrees to notify Lawyer within _____ days. When statement carries a balance due, the balance shall be paid in full within _____ days after the date of such statement.

9. DISCHARGE AND WITHDRAWAL. Client may discharge Lawyer at any time. Lawyer may withdraw with Client's consent or for good cause. Good cause includes Client's breach of this agreement, refusal to cooperate or to follow Lawyer's advice on a material matter or any fact or circumstance that would render Lawyer's continuing representation unlawful or unethical. When Lawyer's services conclude, all unpaid charges will immediately become due and payable. After services conclude, Lawyer will, upon Client's request, deliver Client's file, and property in Lawyer's possession whether or not Client has paid for all services. Client understands that to the limited extent lawyer has paid out of pocket expenses for items, which have not yet been reimbursed by client, lawyer must be reimbursed for that particular expense before releasing the item.

Lawyer will maintain Client's file for 10 years after this matter is concluded. Client may request the file at any time during, upon conclusion of, or after conclusion of, this matter. Ten (10) years after the conclusion of this matter, the file may be destroyed without further notice to Client.

10. DISCLAIMER OF GUARANTEE AND ESTIMATES. Nothing in this agreement and nothing in Lawyer's statements to Client will be construed as a promise or guarantee about the outcome of the matter. Lawyer makes no such promises or guarantees. Lawyer's comments about the outcome of the matter are expressions of opinion only. Any estimate of fees given by Lawyer shall not be a guarantee. Actual fees may vary from estimates given.

11. ENTIRE AGREEMENT. This Agreement contains the entire Agreement of the parties. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties.

12. SEVERABILITY IN EVENT OF PARTIAL INVALIDITY. If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect.

13. MODIFICATION BY SUBSEQUENT AGREEMENT. This Agreement may be modified by subsequent Agreement of the parties only by an instrument in writing signed by both of them or an oral agreement only to the extent that the parties carry it out.

14. EFFECTIVE DATE. This Agreement will govern all legal services performed by Lawyer on behalf of Client commencing with the date Lawyer first performed services. The date at the beginning of this Agreement is for reference only. Even if this agreement does not take effect, Client will be obligated to pay Lawyer the reasonable value of any services Lawyer may have performed for Client.

THE PARTIES HAVE READ AND UNDERSTOOD THE FOREGOING TERMS AND AGREE TO THEM AS OF THE DATE LAWYER FIRST PROVIDED SERVICES. IF MORE THAN ONE CLIENT SIGNS BELOW, EACH AGREES TO BE LIABLE, JOINTLY AND SEVERALLY, FOR ALL OBLIGATIONS UNDER THIS AGREEMENT. CLIENT SHALL RECEIVE A FULLY EXECUTED DUPLICATE OF THIS AGREEMENT.

DATED: _____ Client Name _____
 Address _____
 Telephone: _____

DATED: _____ LAW FIRM
 By: _____
 (NAME), Partner

User Note 1 - From a risk management perspective, the most important goal of a Fee Agreement is to craft an accurate and unambiguous statement regarding the Scope of the Representation. Insert a clear, unequivocal description of the legal services to be provided, including, if applicable, the level of services--e.g. administrative review, trial, appeal, etc. While the description should fully describe the anticipated services, the attorney should take care in drafting the description to avoid a conclusion by the client that the client can expect to receive more representation or services than the attorney intends to provide.

Further, if an attorney knows, or reasonably should know, of alternative or additional recoveries or causes of action the client has, the attorney should so inform the client, as well as inform the client whether the attorney will represent the client in that/those matters, and if not, to advise the client that independent representation is appropriate if the client wishes to pursue them, to inform the client about potential statute of limitations issues and admonish the client to take action timely. See, for example, *Keef v. Widuch*, 747 N.E.2d 992 (Ill.App. 2001) (Although a representation agreement may limit the scope of representation to a particular legal course of action, the client must be made to understand that the course of action is not the sole potential remedy and that there exist other courses of action that are not being pursued. Depending on the facts, workers' compensation attorneys may have a duty of care to advise clients about the possibility of third-party actions involving a defective product, that the third-party action could be barred if not brought within the statute of limitations, and either to investigate such claims or to advise the clients to consult other counsel.)

An attorney may not be aware, at the time of the inception of the representation, of other recoveries or causes of action. Ordinarily, they do not become apparent until after the attorney has further investigated the client's matter, or by way of traditional discovery. However, at whatever stage of the representation the attorney knows or should know of the other recovery or cause or action, the attorney should so inform the client.

User Note 2- Although a representation agreement may limit the scope of representation to a particular legal course of action, if other remedies or even separate causes of action are available to the client the attorney should inform the client of the alternatives and whether the attorney is or will pursue them. Failing to properly inform the client of the alternatives and the lawyer's role in them may expose the attorney to potential malpractice claims for injuries suffered by the client resulting from missed opportunities in pursuing the alternatives. If the lawyer declines to represent the client in the alternative matters, the lawyer should inform the client of that and that the client should timely seek other counsel to represent them if they wish to pursue them.