

SAMPLE LAWYER-CLIENT ENGAGEMENT LETTER

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LETTERHEAD

[DATE]

[CLIENT]
[ADDRESS]

[THIRD-PARTY PAYOR]
[ADDRESS]

RE: Agreement for Legal Services

Dear _____:

We are pleased that you have asked our firm to serve as counsel for [CLIENT] . This letter will confirm our discussion regarding engagement of this firm and will describe the basis on which our firm will provide legal services on behalf of the Client.

Accordingly, we submit for your approval the following provisions governing our engagement. If you are in agreement, please sign the enclosed copy of this letter in the space provided below. If you have any questions about these provisions, or if you would like to discuss possible modifications, do not hesitate to contact us. Again, we are pleased to have the opportunity to serve you.

Client. Our client in this matter will be _____ [the company or individual(s)] and is referred to in this letter as the "Client."

Scope. We are engaged to provide the Client with the following services: [list and describe services completely]. The services provided by us will specifically not include: [list and describe the services which are not included and which a client might assume were included such as a motion for new trial or appeal]. You and we may agree to expand or limit the scope of our representation from time to time; however, any expansion or limitation must be confirmed in a writing signed by you and us.

Term. Our representation shall terminate upon completion of the services listed above. In addition, either the Client or we may terminate our engagement at any time for any reason

upon notice to the other; although, our right to terminate may be limited by the applicable rules of professional conduct. In the event that we terminate the engagement, we will take such steps as are reasonably practicable to protect the Client's interests in the above matter and, if the Client requests, we will suggest possible successor counsel and provide that counsel with whatever papers provided to us. If permission for withdrawal is required by a court, we will promptly apply for that permission, and you agree to engage successor counsel to represent the Client.

Personnel. The attorney executing this Agreement on behalf of our firm will be the principal attorney responsible for handling this matter on behalf of the Client; however, the Client agrees that certain portions of the legal work may be delegated to other attorneys and staff within the firm within the reasonable discretion of the principal attorney. This delegation may require meetings which expend the time for which you will be billed. In addition, if in the opinion of the principal attorney, it is necessary for the timely or proper handling of the matter, our firm may on behalf of the Client retain local or other legal counsel, court reporters, photographers, surveyors, title companies, appraisers, and experts either as witnesses or advisors. In the event our arrangement with other legal counsel would involve a division of our fee, we will advise you and assume your approval unless you promptly inform us otherwise.

Fees.

[OPTION 1] Our fees will be based on the time spent, with the minimum billable increment of time being one-tenth (.1) of an hour and will be paid by the Client [third party payor]. The services for which you may be charged include, for example, telephone and office conferences, conferences among our employees, research, correspondence, opinions, memoranda, court appearances, depositions, preparation of litigation documents, travel, and related papers. Rates for each attorney, paralegal and law clerk are based upon that person's experience, years in practice, expertise, and professional achievement. The Firm's current rates are on the attached schedule. The Firm adjusts these rates from time to time typically on an annual basis. The firm will notify you of adjustments, and you will be responsible for paying the rates in effect following that notice.

[OPTION 2] You [or the third party payor] will pay us a flat fee for our services described above. That fee is _____ Dollars (\$_____) and is due upon execution of this letter. We will deposit this payment into our trust account and withdraw funds from that account upon completion of the services. In the event our engagement is terminated prior to completion of the services, we will retain only the fair value of the services we have rendered and any excess amount will be promptly refunded to you.

[OPTION 3] Our fee will be contingent upon obtaining a recovery for the Client and if there is no recovery, you will owe us no fee. Our fee will be _____ percent (____%) of the total amount recovered after deducting all expenses of pursuing the matter. Upon obtaining a recovery, we will provide you a written statement stating the outcome of the matter which shows the amount of the recovery, the Client's share, and the method of its determination.

Expenses. In the course of providing services for the Client, we often incur expenses. These expenses may include, but are not limited to, charges for serving and filing papers, courier

or messenger service, recording or certifying documents, depositions, transcripts, investigations, witnesses, computer research charges, long-distance telephone calls, title insurance premiums, copying charges, overtime and overload clerical assistance, travel expenses, postage and the fees and expenses of third-parties. We will bill expenses to you as they are accrued. Large disbursements may be billed in advance, while certain costs associated with litigation-related work, including, for instance, the charges of expert witnesses and the charges of other law firms (acting, for example, as local counsel) may be forwarded to you for direct payment to the billing party. Although we may provide estimates for charges to be incurred by us in the course of our legal representation, such estimates are, by both their prospective nature and the uncertainty of any legal representation, necessarily inexact. Accordingly, we cannot be bound by any estimates.

Billing. We will submit billings from time to time to you. All billings shall be due and payable upon receipt. Payment is due within fifteen (15) days from the billing date. If payment is not received within one (1) month from the billing date, the outstanding balance will accrue interest at the rate of _____ percent (___%) per annum, (___% per month) from the billing date until paid in full.

Retainer. You have agreed to pay on the date of this Agreement an initial retainer of _____ Dollars (\$_____) as an advance against our fees and expenses. This payment will be deposited in our trust account. We may withdraw from this amount, sums as payment towards our billings. You agree to replenish the trust account as necessary in order to maintain an amount in the trust account equal to this initial retainer. At termination of our representation, any amount which remains in the trust account, after payment of all our fees and expenses, will be promptly refunded to you.

Fees Recovered From Another Party. If fees are recovered from another party as a result of our services, [OPTION 1 hourly or flat fee] the amount recovered will be retained by us and credited against any outstanding billings with any excess paid to you; [OPTION 2 contingent fee] the amount recovered will be considered as part of the total recovery in the matter and divided in accordance with the contingent fee paragraph of this letter.

Lien. You agree that our firm will have a lien on all claims made by us on behalf of the Client on any proceeds derived therefrom, and on Client records, money and property in our possession for any sums due to us from you.

Court Review. In accordance with the Kansas Rules of Professional Conduct, upon application by the Client, all fee contracts are subject to review and approval by an appropriate court having jurisdiction of the matter, and the court shall have the authority to determine whether the contract is reasonable. If the court finds the contract is not reasonable, it will set the contract aside and allow a reasonable fee.

Favorable Outcome Not Guaranteed. Our firm makes no warranty or representation concerning the successful termination of the matter or the favorable outcome of any legal action that may be undertaken. All statements by our personnel are statements of opinion only.

Power of Attorney. Client gives our firm a power of attorney to execute all documents which are necessary or desirable to proceed with legal representation on the matter, such as pleadings, contracts, commercial paper, settlement agreements, compromises, releases, verifications, dismissals, orders and other similar documents. Client designates _____ as its representative with power to bind Client in connection with representation under this engagement.

Retention of Files. Upon termination of our engagement, Client may upon written request, take possession of all of Client's files including any property or items furnished by Client or otherwise relating to the services. We have the right to retain copies at our expense of all items contained in those files. If Client does not elect to take custody of the files, we will retain the files for what we consider to be a reasonable time at which time the files will be disposed of without further notice to you. Our current policy is to dispose of all files five (5) years after termination of our engagement, and you agree that we may do so.

Post Engagement Matters. After completion of the matter, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you engage us after completion of the matter to provide additional advice on issues arising from the matter, the firm has no continuing obligation to advise you with respect to future legal developments.

Client Responsibilities. You agree to cooperate fully with us and to provide promptly all information known or available relevant to our representation. You agree to notify us promptly of any change in the address or contact data for Client [and any third-party payor].

Conflicts. As we have discussed, you are aware that the firm represents many other companies and individuals. It is possible that during the time that we are representing the Client, some of our present or future clients will have disputes or transactions with the Client. The Client agrees that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for the Client even if the interests of such clients in those other matters are directly adverse. We agree, however, that the Client's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of the Client, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used in any such other matter by such client to the Client's material disadvantage. If the Client affiliates with, acquires, is acquired by, or merges with another company, you will provide us with sufficient notice to permit us to withdraw as your attorneys if we determine that such affiliation, acquisition, or merger creates a conflict of interest which precludes our continued representation in this matter. You should know that, in similar engagements letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent you.

Arbitration. The attorney-client relationship is one of mutual trust and confidence. Whenever you have any questions or concerns regarding our services, please do not hesitate to contact our offices. Should a dispute arise between Client and our firm that cannot be resolved informally, the firm and we agree to arbitrate the dispute. We would jointly select an arbitrator. If we were unable to agree on an arbitrator, two arbitrators shall be selected with one selected by

you and one by us. The selected arbitrators shall select a third arbitrator who would serve as chairman. The arbitrator or arbitrators would establish the rules of arbitration, and shall act by majority vote if more than one. A decision of the arbitration or arbitrators would be final and binding subject only to the Kansas Rules of Professional Conduct.

Client not Payor. In the event a third-party other than the Client is paying for the services of our firm, both the Client and that third-party acknowledge that our duties as lawyers are owed to the Client and not the third party. Should a conflict arise between the duties we owe the Client and the third-party's interests which might materially limit our representation of the Client, we will resolve this conflict in a manner consistent with the rules of professional conduct which resolution might under certain circumstances require our withdrawal from this engagement.

Third-Party Opinion. The Client has requested that our firm prepare and deliver our opinion or evaluation of [topic of evaluation] for the use of [third-party]. The Client consents to the disclosure of confidential information relating to the Client to the extent appropriate in connection with that evaluation or opinion. The Client agrees to cooperate with us in performing whatever investigation we determine is necessary in order to express our evaluation or opinion. Should we determine that delivering our evaluation or opinion is incompatible with our other obligations to the Client, we will inform the Client and jointly determine the appropriate course of action.

Multiple Clients. If the representation is of multiple clients, the engagement letter should discuss the:

- a. division of fee and expense responsibility,
- b. joint representation and confidentiality limitations and waivers,
- c. the method of agreeing on acceptance of a settlement or other common issue; *e.g.*, majority vote by head or financial interest or unanimous, and
- d. the method of allocating any recovery achieved.

Choice of Law. Our engagement is entered into under and shall be governed by the laws of the state of Kansas excluding its choice of law provisions, even if our services involve actions and representation in other jurisdictions.

Integration. This Agreement constitutes the full and complete understanding between you and our firm. Any other oral or written prior agreements or understandings are superseded hereby. Any amendment to this engagement must be in writing signed by all parties.

Please sign and date the accompanying copy of this letter and return to our office using the enclosed envelope or by facsimile or electronic mail. Your signature delivered by facsimile or electronic mail will be effective as an original. The effective date of this Agreement will be the date we receive copies showing execution by the Client [and third-party payor] and payment of the [OPTION 1 initial retainer] [OPTION 2 fixed fee].

If you have any questions about the provisions of this letter, please contact me. We appreciate your confidence in us.

Sincerely,

[FIRM]

By _____
[ATTORNEY]

We have read, understand, and agree to the terms of the above engagement letter:

[CLIENT]

[THIRD-PARTY PAYOR]

By: _____ By: _____

Date: _____ Date: _____