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In a recent legal opinion, three hypothetical scenarios involving lawyer fees were discussed, shedding light on the rights of clients and the obligations of lawyers in such situations.

The first scenario involved a lawyer who charged a client a \$6,000 retainer for handling a divorce case, with an additional hourly billing rate of \$300. According to the client agreement, the lawyer was entitled to charge additional retainers after working for 20 hours. However, after drafting a complaint, working for 5.5 hours, and incurring a \$150 filing fee, the client decided to reconcile with their spouse and terminate the lawyer's services.

The opinion clarified that despite the label of "nonrefundable" on the retainer, the client was entitled to a portion of the \$6,000. The reasoning behind this was that the \$6,000 retainer entitled the client to 20 hours of the lawyer's work. Therefore, the lawyer was obligated to refund \$4,200, the \$6,000 retainer minus the earned lawyer fees of \$1,650 (for 5.5 hours of work), plus the \$150 filing fee.

The facts remained the same in the second scenario, except the client agreement referred to the \$6,000 as an engagement fee rather than a retainer. The opinion clarified that the same outcome applied because the lawyer had only worked 5.5 hours on the case, and the client was entitled to the same refund.

The opinion emphasized that lawyers cannot use specific terminology to transform an advance fee payment into a general retainer. Merely labeling a fee as "earned on receipt" or referring to it as an "engagement retainer" does not change its nature under the Model Rules.

Lastly, the third scenario revolved around a lawyer who charged a \$15,000 nonrefundable flat fee for representing a client in a criminal law matter. The client paid the full fee. The lawyer performed preliminary work, such as reviewing the police report, contacting the prosecutor's office and law enforcement, handling the arraignment, and making appearances. However, the client terminated the relationship shortly after requesting a refund.

The opinion stated that the lawyer must refund the portion of the fee that remained unearned, despite its designation as a nonrefundable fixed fee. It emphasized that flat fees should not be treated as general retainers and cannot be considered earned on receipt or nonrefundable when there is pending work to be completed.

In summary, the legal opinion highlighted the importance of understanding the nature of different fee arrangements and the corresponding obligations of lawyers. It clarified that clients can receive refunds for unearned portions of fees, even if those fees are labeled as nonrefundable. The opinion emphasized that lawyers cannot circumvent their responsibilities by using specific language or terminology to redefine the nature of fees. Ultimately, this analysis provides valuable guidance for lawyers and clients regarding their rights and obligations in fee-related matters.