

HOURLY RATE FEE

[Date]

[Name and Address]

Dear _____:

It was a pleasure meeting with you on _____ to discuss _____ representation of _____. The purpose of this agreement is to set forth the terms upon which _____ agrees to represent _____, in order to establish and maintain a mutual understanding of the goals and respective responsibilities of _____ and _____.

SCOPE OF SERVICE AND RETAINER

_____ (_____) has hired _____ (_____) to represent it in connection with the prosecution of _____ for alleged age discrimination against _____ and _____. [As we discussed, _____ will not be representing _____ subsidiary, _____ Corporation, in this litigation because of potential attorney/client privilege and conflict of interest concerns. I have advised _____ Corporation, by letter dated _____ that _____ cannot represent it and that _____ Corporation is responsible for retaining separate counsel to defend it in this discrimination action.] **(Conflict of interest acknowledgment)**

As is our policy with new clients, we are requesting an initial deposit of \$_____. [This retainer is a partial advance against anticipated legal fees and disbursements and must be paid before the firm will commence work upon the file. The retainer will be deposited in the firm's client trust account, subject to IOLTA requirements, and applied against _____ bills for legal services and disbursements. If the retainer is exhausted prior to the conclusion of this matter, _____ reserves the right to request replenishment of the retainer before additional work is performed. The retainer will be refunded, to the extent it has not been utilized in this matter, immediately upon resolution.] or [This deposit is nonrefundable and is the minimum fee _____ will be charged for legal services and costs associated with this matter. The deposit must be paid before _____ will commence work upon the file.] **(Refundable or non-refundable option)**

CLIENT COOPERATION

In order to effectively advocate _____ interests, _____ has an affirmative obligation to cooperate with _____ during the pendency of this matter. For example, _____ will be required to furnish certain information and documents, and designated _____ representatives may be required to attend depositions and court appearances. Consequently, _____ is expected to provide requested documentation promptly to the appropriate firm representative, whether an attorney, paralegal or

secretary. _____ representatives must be available to work with _____ attorneys in preparation for depositions, court appearances and to discuss issues as they arise throughout this matter. A client's non-cooperation is grounds for _____ withdrawal, and thus, it is essential that we maintain open communication.

In return, _____ agrees to keep _____ informed of the status of this matter and to consult with _____ when appropriate. Copies of significant correspondence and documents will be sent to _____ through _____ and any other designated personnel. In the event that we are out of the office or otherwise unavailable, please leave a message with my secretary disclosing the nature and urgency of the call. Even if the attorney cannot respond directly, someone will return your call with an appropriate response.

GENERAL LAWSUIT INFORMATION

In order to demystify the lawsuit process, _____ would like to explain, in some detail, how a lawsuit is handled and what you can expect during the pendency of this action.

A lawsuit is commenced by the service and filing of a Summons and Complaint. The Complaint recites facts upon which the Plaintiff asserts liability against the Defendant. In this case, _____ and _____ are alleging that _____ terminated their employment exclusively on the basis of age. The Defendant then has a limited number of days in which to serve and file an answer, which typically denies the claims asserted in the Complaint.

After the lawsuit is commenced, both the Plaintiff(s) and Defendant(s) are afforded a limited period of time called "discovery", during which they investigate the strengths and weaknesses of each other's claims. Written questions called "interrogatories" are frequently exchanged which require written responses about the facts and claims asserted by both parties. Oral depositions are also commonly used as a discovery tool. Parties to the action, as well as witnesses, orally answer questions posed by opposing counsel, which are simultaneously recorded by a stenographer. Depositions are very important, because the testimony can later be used at trial to perhaps point out inconsistencies between deposition and trial testimony. Also, depositions are helpful in ascertaining the strength and credibility of the deponent. If interrogatories are sent to us, we will explain the procedure and assist you and any other relevant _____ employees with answering the questions. If depositions are scheduled, we will meet with you or the relevant _____ employee/deponent prior to the deposition and discuss the process. We will also be present at every deposition.

If your case does not settle after discovery is terminated, then a trial will take place, usually before a judge and six-person jury. Prior to trial, we will spend considerable time with you and other witnesses/parties explaining how a trial is conducted and reviewing everyone's testimony. It is entirely possible that several trial dates will be set, only to be continued because of crowded court calendars. It is very important that you understand the delays that often attend lawsuits; they can stretch on for years, which is why _____ commitment to and patience with this process is imperative.

LEGAL FEES, EXPENSES AND BILLINGS

Fees

_____ agrees to pay fees for services provided on this matter, in excess of those amounts covered by the initial retainer, based upon the following rates:

Shareholder	\$_____/hour
Associate	\$_____/hour
Paralegal	\$_____/hour

The above hourly rates are subject to adjustment in _____ of every calendar year without prior notice to _____. Current billing rate schedules are available upon request. Hourly billing will be to the tenth (1/10th) of an hour for time spent on _____ matter. "Time spent" includes telephone and personal conferences with both _____ and assigned firm personnel, legal research, conferences, court appearances, discovery, preparation and review of necessary documents and correspondence.

Although our fees are primarily based upon the value of the time actually spent on your matter, the following factors are also considered when determining our fee: a) the nature of the legal problem, including its novelty, complexity and importance; b) preclusion of other employment; c) the amount or consequence at stake and the result obtained; d) time limitations imposed by the client or situation; e) the experience, reputation and ability of the attorney(s) retained; and f) the skill necessary to handle the matter correctly.

_____ understands that personal and telephone consultations with _____ attorneys shall be part of its representation and _____ may be billed for the time spent on each consultation.

It is difficult to estimate, in advance, the amount of fees which _____ will incur in connection with this matter. We anticipate the fees will be in the range of \$_____, exclusive of expenses described below. This figure is not, however, a maximum fee, but is simply an estimate to allow _____ to budget appropriately. If we see that the fees will be exceeding this estimate by a significant amount, we will notify _____.

Costs and Disbursements

_____ is responsible for payment of any expenses incurred on _____ behalf, including reimbursement of all disbursements advanced by _____. Such expenses and disbursements include, but are not limited to, photocopying and facsimile charges, long distance telephone calls, travel expenses and computer research charges. Costs exceeding \$100, such as expert witness fees and deposition costs, may be billed directly to _____, for which _____ agrees to make prompt, direct payments to the vendor. Notice of payment should be sent to _____. Otherwise, _____ will attempt to notify _____ prior to advancing any cost exceeding \$300.

Billing

Itemized statements of services and disbursements will be sent to _____ monthly, with payment to be made within thirty (30) days of the invoice date. _____ reserves the right to charge _____ interest, not to exceed % ___ per annum, on any bill outstanding for more than thirty (30) days. If _____ has any questions regarding the billing format or any information contained therein, please contact me or my secretary. Otherwise, we assume everything is satisfactory.

ASSIGNMENT OF FIRM PERSONNEL

I will be primarily responsible for the supervision of _____ matter, but _____ is hiring _____, not me individually. If necessary, I reserve the right to draw upon the talent and expertise of other partners and associates within the firm and to utilize paralegal staff to handle ministerial tasks.

WITHDRAWAL

_____ has the right to terminate our agreement at any time, subject to payment of any final billings. Conversely, _____ reserves the right to withdraw from representation, subject to the ethical restrictions imposed upon us by the applicable Rules of Professional Responsibility. If _____ chooses to terminate representation, reasonable notice will be given to _____.

BINDING AGREEMENT

The foregoing represents the entire agreement between _____ and _____. By signing below, _____, by its President, _____, acknowledges that this Agreement has been carefully reviewed and its content understood and _____ agrees to be bound by all of its terms and conditions. Furthermore, _____ acknowledges that _____ has made no representations to _____ regarding the outcome of the legal matter for which _____ has been retained.

If this Agreement reflects _____ understanding of our relationship, please sign and return the enclosed duplicate copy. In conformance with firm policy, we cannot commence work upon your matter until we have received both this executed Agreement and the retainer.

Thank you again for this opportunity to be of service to _____.

Sincerely,

[Name]

ARBITRATION

Any controversy or claim arising out of or relating to this Agreement shall be settled by arbitration in the County of _____, State of _____, as follows:

[Insert appropriate jurisdictional requirements regarding a) selection of arbitrator; b) arbitration procedure; c) procedural impact of arbitrator’s decision; d) review rights; and e) costs of arbitration.]

_____, by its President, _____, has reviewed and agreed to the above terms of engagement of _____.

[Firm Name]

By: _____

Its: _____ Date: _____

NOTE: This material is intended as only an example, which you may use in developing your own form. It is not considered legal advice and as always, you will need to do your own research to make your own conclusions with regard to the laws and ethical opinions of your jurisdiction. In no event will ISBA Mutual Insurance Company be liable for any direct, indirect, or consequential damages resulting from the use of this material.