THE STATE BAR OF CALIFORNIA
Sample Written Fee Agreement Forms

(Prepared by the State Bar Committee on Mandatory Fee Arbitration.
Approved by the Board of Governors June 20, 1987; amended effective
November 22, 1996, May 15, 2001, and June 23, 2005.)

INSTRUCTIONS AND COMMENTS

I. INTRODUCTION

Attached are three sample attorney-client fee agreements prepared by the Committee on Mandatory Fee Arbitration of the State Bar of California and approved by the Board of Governors. They are advisory only. They are not binding upon the courts, the State Bar of California, its Board of Governors, any persons or tribunals charged with regulatory responsibility, or any member of the State Bar.

The first two agreements forms are designed for use in non-contingent fee arrangements. They cover (1) litigation on an hourly basis, and (2) non-litigation on an hourly basis. The third form is for a contingency fee matter. Finally, there are "Other Clauses of Interest in Fee Agreements" which list optional clauses for specific circumstances.

II. OVERVIEW

A. INTENDED PURPOSE AND LIMITATIONS

The accompanying forms are samples. These "Instructions and Comments" and the forms are intended for use only by attorneys admitted to practice in California, who are expected to utilize their own independent legal and business judgment when evaluating the forms and these comments.

The agreements are in the format of a relatively formal agreement while attempting to eliminate unnecessary "legalese." For those attorneys who prefer a more colloquial style, such as a letter-agreement, the language can be adapted to that format. Attorneys are encouraged to mold the samples to fit their needs.

B. SUMMARY OF THE STATUTES

1. Non-Contingent Fee Agreements

In non-contingent matters, Section 6148 of the Business and Professions Code requires California attorneys to have written fee agreements with their clients whenever the client's total expense, including fees, will foreseeably exceed $1,000 and to provide a duplicate copy of the fully executed agreement to the client.

The fee agreement must state:

(a) Any basis for compensation including, but not limited to, hourly rates, statutory or flat fees, and other standard rates, fees and charges;

(b) The general nature of the legal services to be provided to the client;

(c) The responsibilities of attorney and client under the agreement.

If an attorney fails to comply with the statute, the fee agreement becomes voidable at the client's option, whereupon the attorney is entitled to a "reasonable" fee.

A written fee agreement is not required when services are rendered in an emergency to avoid prejudice to the client or where a writing is otherwise impractical; when the client is a corporation; when the client, after full disclosure, makes a written waiver of the benefits of section 6148; or when the fee agreement is implied in fact by prior services of the same general kind having been rendered to and paid for by the client. The attorney is urged to use caution in relying upon these "exceptions." There can be very few circumstances where a written fee agreement is not advisable.

Section 6148(b) requires attorneys to provide their clients with written billing statements. A client may request such statements at minimum intervals of 30 days. The attorney must provide a statement within 10 days after demand. All statements, whether requested by the client or not, must state "...the amount, rate and basis for calculation or other method of determination of the attorneys fees and costs." (subd.(b)).

2. Contingency Fee Agreements.

In contingency fee agreements, Section 6147 of the Business and Professions Code contains the same requirements as non-contingency fee agreements (discussed above) for a written fee agreement and a duplicate copy of the executed agreement being provided to the client.

There are additional requirements for contingency fee agreements. The agreement must include:

(a) A statement of the contingency fee percentage amount.

(b) A statement as to how disbursements and costs will affect the contingency fee and the client's recovery.

(c) A statement as to what extent, if any, the client could be required to pay any compensation to the attorney for related matters that arise out of their relationship not covered by their contingency fee agreement. This may include any amounts collected for the client by the attorney.

(d) Unless the claim is subject to the provisions of Business and Professions Code Section 6146 (Claim Against Health Care Provider), a statement that the fee is not set by law but is negotiable between attorney and client.

(e) If the claim is subject to Section 6146, a statement that the rates set forth in that section are the maximum limits for the contingency fee and that the attorney and client may negotiate a lower rate. If the matter involves a claim for injury or damage against a health care provider based upon negligence, the attorney should carefully review Business and Professions Code Section 6146.

If any contingency fee agreement does not comply with the statutory provisions, the agreement is voidable at the option of the client, and the attorney is then entitled to a "reasonable" fee.

III. GUIDELINES FOR COMPLIANCE

Compliance with the statute requires the judgment of the individual attorney. Forms alone cannot tell an attorney how to comply. Rather, compliance will result from the attorney's understanding of the statutory provisions and the issues those provisions raise.

A. STANDARD FOR DISCLOSURE

Due to the consumer orientation of the statutes and the fiduciary nature of the attorney-client relationship, the statutes must be examined in the light most favorable to the client. Disclosures required by statute should be accompanied by all additional information necessary to make the disclosure complete, accurate, and not misleading. The statutory requirements should be considered minimum standards.

B. AGREEMENT IN WRITING

To meet the statutory requirement of an agreement in writing, the fee agreement must be signed by both the attorney and the client. An attorney must be firm in requesting that the client sign the agreement before work commences.

C. DISCLOSURE OF STANDARD RATES, FEES AND CHARGES

An attorney should err on the side of inclusion when enumerating standard rates, fees and charges. In an hourly case, fixed or minimum charges for specific functions should be clearly set forth in the agreement to avoid misleading the client. For example, most firms have a minimum billing unit; some charge a minimum time for a telephone call, letter, or court appearance; others charge flat fees for the use of standardized documents developed over the years, or for specific tasks.

Costs and expenses that are passed through should be enumerated in enough detail to avoid misunderstanding. Charges passed through other than "at cost" should be detailed to avoid omitting a "standard rate, fee or charge." Caution should be exercised in "marking up" or "surcharging" costs, as some authorities consider such practices unethical. Caution should also be exercised in charging for items that would be considered general office overhead.

D. NATURE OF SERVICES/DUTIES OF PARTIES

When the statute requires disclosure of the nature of the services to be rendered and the respective duties of the attorney and the client, it simply enumerates two of the indispensable terms of an agreement. When the fee is on an hourly basis, these items can be covered in simple, short generalities. In flat or "premium" fee agreements, however, the scope of the attorney's responsibilities should be defined carefully. In contingency fee agreements, the scope of the services and costs covered and excluded under the percentage fee is especially important.

E. BILLS: AMOUNT, RATE AND BASIS

All bills must state the amount, rate and basis for calculation (or other method of determination) of the attorney's fees and costs. A bill that simply states "for services rendered" is not sufficient. In an hourly case, the bill should describe the services, identify the attorneys who performed services, the time each expended, their hourly rates and the resulting fee for each attorney's time. In other types of cases, such as flat or premium fees, the bill should refer to the "basis of calculation" which should be set forth in the fee agreement. Bills for costs and expenses must clearly identify the costs and expenses and provide the amount of the costs and expenses incurred. It is recommended that costs be individually itemized.

F. EXEMPTIONS

Except for the provision exempting corporate clients from the required disclosures, the exemptions in the statute are narrow. Attorneys should rely on these exemptions with caution.

G. BREVITY AND CLARITY v. COMPLETE DISCLOSURE

The statute embraces two potentially inconsistent goals: detailed disclosure on one hand, and information in an understandable format on the other. Each attorney should strive to strike a balance between these goals when drafting fee agreements. In addition to a proper agreement, it

is suggested that the attorney take the time and effort to explain the terms of the agreement and to determine that the client fully understands its terms.

IV. INSTRUCTIONS

A. FORM NO. 1: HOURLY LITIGATION

1. Conditions (Par. 1) and Effective Date (Par. 14)

At the threshold, the attorney must determine at what point the agreement comes to life. Until it does, there is no written agreement that complies with the statute. Once it does, the attorney is obligated to render services, even if the client has not paid. If services are performed before the written agreement takes effect, the attorney will be limited to a "reasonable" fee. This form and the other samples embody one solution to these intertwined issues. It is not the only solution, nor will it always be the best solution.

Par. 1 (Conditions) interacts closely with Par. 14 (Effective Date). Working together, the two clauses are designed to delay the attorney's obligation to perform services until the client signs the agreement and pays the deposit; however, the clauses also are drafted to bring within the agreement any services performed before signing and payment. The delay in the attorney's obligation to perform services is based on a cautious reading of the statute's written agreement requirement. We assume that no written agreement exists until both parties sign and perform the conditions precedent. At the same time, however, we recognize that attorneys frequently will (or must) perform services before signing and payment; they will often do so under circumstances that will not fall within the statute's exemptions for emergencies or impracticality. For that reason, "premature" services are brought under the agreement's protection; upon signing and payment the agreement will take effect, but retroactively to the date the attorney first performed services. Without the retroactivity provision compensation for "premature" services would be limited to a reasonable fee, because the services were performed without a written agreement.

Of course, if the agreement never takes effect, then the statutory penalty limits the attorney to the reasonable value of any services performed.

If the attorney expects to perform services before the agreement is signed and the deposit paid, then the attorney should document the facts in a writing, preferably one signed by the client.

Likewise, document reliance on any statutory exemptions, such as emergency or impracticality.

2. Scope and Duties (Par. 2 and Par. 3)

Fill in a brief description of the subject of the representation (Par. 2). This is a statutory requirement. Enumeration of the client's and attorney's duties likewise is required by the statute (Par. 3).

The scope of services provided excludes appeal from the judgment and execution proceedings. The attorney may exclude more, less or nothing. Any exclusion from the scope of services should be carefully drawn, and consistent with the duty of care owed by the attorney regarding the specific matter that is the subject of the representation.

3. Deposit (Par. 4)

This is an optional clause. Fill in the amount of any deposit and the date by which it must be paid. An attorney cannot withdraw funds from the trust account without the client's express authorization. We have provided for that authorization. If a more cautious approach to the authorization question is preferred, the attorney might provide that sums will be withdrawn from the trust account only after they are invoiced to client and "x" days pass without client's protest of any of the charges.

The attorney need not require a deposit of any kind. This paragraph sets forth one way to handle the deposit if the attorney opts for one. This clause places a ceiling on further deposits. Without a ceiling, the right to require further deposits is so open-ended that it might be unenforceable for uncertainty. In addition, provision is made for advance payment of all fees and costs to be incurred in preparing for and conducting trial or arbitration. Because it is calculated based on objective facts, no ceiling has been placed on the pre-trial deposit.

The "Replenishing Deposit" clause provided in the "Additional Provisions" forms may be used as an alternative.

4. Legal Fees (Par. 5)

The attorney must inform the client in the fee agreement whether and under what conditions rates are subject to change.

Also, the attorney should add any standard or minimum time or dollar charges for specific functions-for example, ".x" hours for a telephone call or letter. Failure to disclose such practices probably misleads the client when the agreement states that fees are charged by the actual time by the hour and some fraction of an hour.

Some firms either do not charge for travel time or charge at reduced rates. The attorney should discuss this with the client.

5. Costs and Expenses (Par. 6)

This is not an inclusive list. The attorney may include more or less. The attorney should disclose the rate or charge for any items not passed through strictly at cost; if not done, the attorney may violate the statute's requirement that standard rates, fees and charges be disclosed.

A Rate Schedule should be included for charges that are not usually passed through strictly at cost. All such charges should be enumerated to comply with the statute's requirement that attorneys disclose their standard rates, fees and charges.

The attorney should specifically address how air travel other than economy, hotel accommodations and meals will be charged.

The sample paragraph allows the attorney to incur costs and retain consultants, etc., without client consent. Optional clauses, to be initialed by the client, would require client approval before costs in excess of a specific dollar amount or of a certain nature, (e.g., experts) were incurred.

Language is included notifying the client that in certain cases, it may be the client's responsibility to pay other parties' costs.

6. Billing Statements (Par. 7)

Attorneys' statements shall describe the services rendered, and must state the "basis" of the charges, including the amount, rate, and basis for calculation or other method of determination of fees and costs.

7. Lien (Par. 8)

This is an optional clause, but is recommended for the attorney's protection. The California Supreme Court has determined that a lien in an hourly fee case gives the attorney an interest adverse to the client, and therefore the attorney must comply with Rule 3-300 of the Rules of Professional Conduct by fully disclosing the acquisition and terms of the lien and transmitting that information to the client in writing in a manner which should reasonably be understood by the client, advising the client in writing that the client may seek the advice of an independent lawyer of the client's choice, and giving the client a reasonable opportunity to seek that advice before the client gives written consent to the lien. The Supreme Court left open whether the same requirements must be met for a valid lien in a contingent fee case, but caution dictates that the same procedure be followed.

8. Discharge and Withdrawal (Par. 9)

This clause is declaratory of applicable law and the Rules of Professional Conduct.

9. Disclaimer of Guarantee (Par. 10)

This is an optional clause.

10. Construction Clauses (Pars. 11 - 13)

These are optional clauses found in many formal agreements.

B. FORM NO. 2: HOURLY NON-LITIGATION

With the exceptions and additions recited below, the comments on the Hourly-Litigation Form apply equally to the Hourly Non-Litigation Form.

1. Scope and Duties (Par. 2)

An exclusion for litigation has been added.

2. Client's Duties (Par. 3)

References to appearances at legal proceedings are deleted.

3. Deposit (Par. 4)

References to trial and arbitration dates and related fees are deleted.

4. Costs and Expenses (Par. 6)

Reference to litigation-related costs is deleted.

5. Lien

The attorney's lien has been deleted because it may be inappropriate in a non-litigation context.

C. FORM NO. 3: CONTINGENCY FEE

With the exceptions and additions recited below, the comments on the Hourly Litigation Form 1 apply equally to the Contingency Form 3.

1. Conditions (Par. 1) and Effective Date (Par. 19)

The instructions for these paragraphs are the same as those for the Hourly Litigation Form, Paragraphs 1 and 14.

2. Scope of Services (Par. 2), Responsibility of the Parties (Par. 3), and Limitation of Representation (Par. 10)

Fill in the defendant's name, the nature of the event giving rise to the claim and the date (Par. 2). This paragraph and Paragraph 10 (Limitation of Representation), describe the scope and limitations of the representation. A description of the subject of the representation is a statutory requirement. Enumeration of the client's and attorney's responsibilities likewise is required by the statute (Par. 3).

The point at which the covered services ends should be carefully defined to avoid any question of the obligation to provide additional services without additional fees. The scope of services in the sample excludes appeal from the judgment and execution proceedings. The attorney may exclude more, less or nothing. Any exclusion from the scope of services should be carefully drawn, and should be consistent with the duty of care owed by the attorney regarding the specific matter that is the subject of the representation.

The scope of representation is also limited to the specific matter defined in Paragraph 2. Business and Professions Code Section 6147 requires a statement as to what extent, if any, the client could be required to pay any compensation to the attorney that arises out of their relationship but is not covered by the contingency fee agreement. The sample (Par. 10) provides that representation as to related matters will require a separate agreement. As to the related matter of defending the client on cross-complaints, the option of a separate agreement or engaging separate counsel is given. Here again, the attorney may broaden the scope of the services to include those related matters which are excluded in the sample.

3. Legal Fees (Par. 4)

As required by statute, this paragraph explains the contingency on which fees become due, the method of calculation of fees at various points in the litigation, and deduction of costs. An optional clause includes non-monetary proceeds as part of the net recovery on which the fees are based. If this clause is used, consideration should be given to whether or not to enumerate the potential non-monetary items, e.g., the value of continued insurance coverage.

Neither the particular stages in litigation at which the percentage of the fee changes, nor the specific basis for computation of a reasonable fee in the event of discharge, should be viewed as being endorsed by the State Bar. It should be noted that no specific contingency fee amounts are recommended in these forms. These provisions are illustrative only. Other provisions may be more appropriate in particular cases.

Business and Professions Code Section 6147 provides that a reasonable fee is owed in the event of failure to comply with the statute, and existing case law provides for payment of a reasonable fee in the event of discharge of the attorney by the client prior to occurrence of the contingency on which fees become due. Accordingly, this paragraph states that the reasonable fee in such a case is payable on the occurrence of the contingency and provides assistance in the determination of the amount of a fee which may be considered reasonable.

4. Negotiability of Fees (Par. 5)

This statement is required by statute.

5. Billing Statements (Par. 8)

This optional paragraph is intended for use in the event the client is to pay costs as the litigation progresses, rather than deducting all costs from the recovery.

6. Approval Necessary for Settlement (Par. 9)

This provision is optional.

7. Discharge and Withdrawal (Par. 11)

This is declaratory of applicable law and rules. Together with Paragraphs 4 (Legal Fees), 12 (Conclusion of Services) and 13 (Lien), this paragraph notifies the client of payment obligations if the attorney is discharged or withdraws.

8. Conclusion of Services (Par. 12)

Returning the file and other property is required under existing law and the Rules of Professional Conduct.

9. Receipt of Proceeds (Par. 14)

This is an optional clause.

10. Disclaimer of Guarantee (Par. 15)

This is an optional clause.

11. Construction Clauses (Pars. 16 - 18)

These are optional clauses found in many formal agreements.

V. ADDITIONAL PROVISIONS

There are innumerable additional provisions that an attorney may include in a fee agreement. The following are several which the attorney may wish to consider. All of these clauses are optional.

1. Arbitration Clause

An attorney should consult the firm's malpractice insurance carrier regarding its position on arbitration and particular arbitration provisions, including any award of attorney's fees.

The suggested clause is appropriate for binding arbitration of all claims other than fee disputes which are subject to non-binding arbitration under Business and Professions Code Sections 6200, *et seq.* Such clauses may only be enforceable with full disclosure to the client of the ramifications of those choices and the comparative advantages and disadvantages of other alternatives. This clause advises the client of the right to have an independent attorney review it, and requires initialing to approve it.

2. Mediation Clause

This is an optional clause. Under Business and Professions Code Section 6200, a mediation option may be offered to the parties after the attorney or client files a request for fee arbitration with some local bar association or the State Bar fee arbitration programs.

The attorney may want to consider this in determining whether to include a pre-filing mediation clause such as the suggested clause.

3. Interest Clause

It is legally and ethically proper to charge interest on fees. If the attorney elects to do so, this clause provides appropriate language. Please keep in mind that interest, if charged, must be reasonable so as not to violate either the prohibition against unconscionable fees nor the usury provisions of the California Constitution. It must be simple interest, made a part of the agreement, and separately stated as an increment on the monthly or other periodic billing. Generally, interest should begin running only after a certain specified period, i.e., thirty, sixty or ninety days after the billing invoice is rendered, if not paid within that time.

If the Agreement uses the terms "finance charges," "late fees," "penalty payment" or anything other than simple interest, this may create problems with the Federal Truth In Lending Law and the California Unruh Act.

4. Replenishing Deposit

This is an alternative to Par. 4 in Forms 1 and 2, and provides for an automatically replenishing deposit.

5. Attorneys' Fees Clause

An attorneys' fees clause is permitted, except that attorneys' fees are not recoverable in fee arbitrations under Business and Professions Code Sections 6200, *et seq.* Further, an attorney may not usually recover fees for representing him or herself. If this clause and an arbitration clause are both used, the attorneys' fee provisions should be the same. Inclusion of this clause should be cleared with the attorney's malpractice insurance carrier.

6. Other Payor Clauses

These clauses may be appropriate where someone other than the client is responsible for paying the attorney's fees, and may be used only in compliance with Rule 3-310(F) of the Rules of Professional Conduct.

7. Fixed Fee Clause

This clause is a suggested alternative to Paragraph 5 (Legal Fees and Billing Practices) where the work is being performed on a fixed fee basis.

8. Other Attorney Clauses

See California Rules of Professional Conduct Rule 2-200(A). These clauses may be appropriate where the attorney contemplates working with another attorney who is not a partner, associate or shareholder of the attorney. Charging associate counsel fees as a cost in an hourly fee case is appropriate, but is a suspect practice in contingency fee litigation. Separate sample clauses are therefore offered for hourly and contingency fee cases.

VII. CONCLUSION

These forms are disseminated in the hope that they will be useful to attorneys in their practices. Attorneys are urged to make alterations to these forms so that they conform to the attorney's practice and the needs and requirements of the attorney and clients, subject always to satisfying the statutory requirements for fee agreements and the Rules of Professional Conduct.

Form No. 1
Sample Written Fee Agreement
Hourly Litigation

CRANE, GARCIA & MOORE
441 Bauchet Street
Los Angeles, CA 90012
(213) 680-9600

___(Date)___

ATTORNEY-CLIENT FEE AGREEMENT

CRANE, GARCIA & MOORE ("Attorney") and **STELLA KING** ("Client") hereby agree that Attorney will provide legal services to Client on the terms set forth below.

1. **CONDITIONS.** This Agreement will not take effect, and Attorney will have no obligation to provide legal services, until Client returns a signed copy of this Agreement and pays the initial deposit called for under Paragraph 4.

2. **SCOPE OF SERVICES.** Client hires Attorney to provide legal services in the following matter:_____ [describe matter]. Attorney will provide those legal services reasonably required to represent Client. Attorney will take reasonable steps to keep Client informed of progress and to respond to Client's inquiries. If a court action is filed, Attorney will represent Client through 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 written agreement.

3. **CLIENT'S DUTIES.** Client agrees to be truthful with Attorney, to cooperate, to keep Attorney informed of any information or developments which may come to Client's attention, to abide by this Agreement, to pay Attorney's bills on time, and to keep Attorney advised of Client's address, telephone number and whereabouts. Client will assist Attorney in providing necessary information and documents and will appear when necessary at legal proceedings.

4. **DEPOSIT.** Client agrees to pay Attorney an initial deposit of $_____ by _____. The hourly charges will be charged against the deposit. The initial deposit, as well as any future deposit, will be held in a trust account. Client authorizes Attorney to use that fund to pay the fees and other charges as they are incurred. Payments from the fund will be

---

This sample written fee agreement form is intended to satisfy the basic requirements of Business & Professions Code section 6148 but may not address varying contractual obligations which may be present in a particular case. The State Bar makes no representation of any kind, express or implied, concerning the use of these forms.

made upon remittance to client of a billing statement. Client acknowledges that the deposit is not an estimate of total fees and costs, but merely an advance for security.

Whenever the deposit is exhausted, Attorney reserves the right to demand further deposits, each up to a maximum of $_____ before a trial or arbitration date is set. Once a trial or arbitration date is set, Client shall pay all sums then owing and deposit the attorneys' fees estimated to be incurred in preparing for and completing the trial or arbitration, as well as the jury fees or arbitration fees, expert witness fees and other costs likely to be assessed. Those sums may exceed the maximum deposit.

Client agrees to pay all deposits after the initial deposit within _____ days of Attorney's demand. Unless otherwise agreed in writing, any unused deposit at the conclusion of Attorney's services will be refunded.

5. LEGAL FEES AND BILLING PRACTICES. Client agrees to pay by the hour at Attorney's prevailing rates for all time spent on Client's matter by Attorney'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 rates on this schedule are subject to change on 30 days' written notice to Client. If Client declines to pay increased rates, Attorney will have the right to withdraw as attorney for Client.

The time charged will include the time Attorney 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. 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. Attorney will charge for waiting time in court and elsewhere and for travel time, both local and out of town.

Time is charged in minimum units of one-tenth (. 1) of an hour. The following have higher minimum charges:

Telephone calls:
Letters:
Other:

6. COSTS AND OTHER CHARGES.

(a) Attorney 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. Except for the items listed below, all costs and expenses will be charged at Attorney's cost.

In-office photocopying:	/page
Facsimile charges:	/page
Mileage:	/mile
Other:	

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

(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. Attorney will select any expert witnesses, consultants or investigators to be hired, and Client will be informed of persons chosen 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.

7. BILLING STATEMENTS. Attorney will send Client periodic statements for fees and costs incurred. Each statement will be payable within _____ days of its mailing date. Client may request a statement at intervals of no less than 30 days. If Client so requests, Attorney will provide one within 10 days. 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.

8. LIEN. Client hereby grants Attorney a lien on any and all claims or causes of action that are the subject of the representation under this Agreement. The lien will be for any sums owing to Attorney at the conclusion of services performed. The lien will attach to any recovery Client may obtain, whether by arbitration award, judgment, settlement or otherwise. The effect of such a lien is that Attorney may be able to compel payment of fees and costs from any such funds recovered on behalf of Client even if Attorney has been discharged before the end of the case. Because a lien may affect Client's property rights, Client may seek the advice of an independent lawyer of Client's choice before agreeing to such a lien. By initialing this

paragraph, Client represents and agrees that Client has had a reasonable opportunity to consult such an independent lawyer and—whether or not Client has chosen to consult such an independent lawyer—Client agrees that Attorney will have a lien as specified above.

_____ (Client Initial Here) _____ (Attorney Initial Here)

9. **DISCHARGE AND WITHDRAWAL**. Client may discharge Attorney at any time. Attorney 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 Attorney's advice on a material matter or any fact or circumstance that would render Attorney's continuing representation unlawful or unethical. When Attorney's services conclude, all unpaid charges will immediately become due and payable. After services conclude, Attorney will, upon Client's request, deliver Client's file, and property in Attorney's possession unless subject to the lien provided in Paragraph 8 above, whether or not Client has paid for all services.

10. **DISCLAIMER OF GUARANTEE AND ESTIMATES**. Nothing in this Agreement and nothing in Attorney's statements to Client will be construed as a promise or guarantee about the outcome of the matter. Attorney makes no such promises or guarantees. Attorney's comments about the outcome of the matter are expressions of opinion only. Any estimate of fees given by Attorney 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 Attorney on behalf of Client commencing with the date Attorney 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 Attorney the reasonable value of any services Attorney may have performed for Client.

THE PARTIES HAVE READ AND UNDERSTOOD THE FOREGOING TERMS AND AGREE TO THEM AS OF THE DATE ATTORNEY 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: _____

_____
STELLA KING
Address:_____
_____
Telephone:_____

DATED: _____

CRANE, GARCIA & MOORE

By:_____
Linda H. Garcia, Partner

Form No. 2
Sample Written Fee Agreement
Hourly Non-Litigation

CRANE, GARCIA & MOORE
441 Bauchet Street
Los Angeles, CA 90012
(213) 680-9600

(Date)

CRANE, GARCIA & MOORE ("Attorney") and **STELLA KING** ("Client") hereby agree that Attorney will provide legal services to Client on the terms set forth below.

1. CONDITIONS. This Agreement will not take effect, and Attorney will have no obligation to provide legal services, until Client returns a signed copy of this Agreement and pays the initial deposit called for under Paragraph 4.

2. SCOPE OF SERVICES. Client hires Attorney to provide legal services in the following matter: _____ [describe matter]. Attorney will provide those legal services reasonably required to represent Client. Attorney will take reasonable steps to keep Client informed of progress and to respond to Client's inquiries. This Agreement does not cover litigation services of any kind, whether in court, arbitration, administrative hearings, or government agency hearings. Separate arrangements must be agreed to for those services. Services in any matter not described above will require a separate written agreement.

3. CLIENT'S DUTIES. Client agrees to be truthful with Attorney, to cooperate, to keep Attorney informed of any information or developments which may come to Client's attention, to abide by this Agreement, to pay Attorney's bills on time and to keep Attorney advised of Client's address, telephone number and whereabouts. Client will assist Attorney in providing information and documents necessary for the representation in the described matter.

4. DEPOSIT. Client agrees to pay Attorney an initial deposit of $_____ by _____.

The hourly charges will be charged against the deposit. The initial deposit, as well as any future deposit, will be held in a trust account. Client authorizes Attorney to use that fund to pay the fees and other charges as they are incurred. Payments from the fund will be made upon

---

This sample written fee agreement form is intended to satisfy the basic requirements of Business & Professions Code section 6148 but may not address varying contractual obligations which may be present in a particular case. The State Bar makes no representation of any kind, express or implied, concerning the use of these forms.

remittance to Client of a billing statement. Client acknowledges that the deposit is not an estimate of total fees and costs, but merely an advance for security.

Whenever the deposit is exhausted, Attorney reserves the right to demand further deposits, each up to a maximum of $_____.

Client agrees to pay all deposits after the initial deposit within ____ days of Attorney's demand. Unless otherwise agreed in writing, any unused deposit at the conclusion of Attorney's services will be refunded.

5. LEGAL FEES AND BILLING PRACTICES. Client agrees to pay by the hour at Attorney's prevailing rates for all time spent on Client's matter by Attorney'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 rates on this schedule are subject to change on 30 days' written notice to client. If Client declines to pay any increased rates, Attorney will have the right to withdraw as Attorney for Client.

The time charged will include the time Attorney spends on telephone calls relating to Client's matter, including calls with Client and other parties and attorneys. The legal personnel assigned to Client's matter may confer among themselves about the matter, as required and appropriate. 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 or other proceeding, each will charge for the time spent. Attorney will charge for waiting time and for travel time, both local and out of town.

Time is charged in minimum units of one tenth (. 1) of an hour. The following have higher minimum charges:

Telephone calls:
Letters:
Other:

6. COSTS AND OTHER CHARGES.

(a) In general, Attorney 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 fees fixed by law or assessed by public agencies, 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 and consultants' fees and other similar items. Except for the items listed below, all costs and expenses will be charged at Attorney's cost.

In-office photocopying:	/page
Facsimile charges:	/page
Mileage:	/mile
Other:	

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

(c) Consultants and Investigators. To aid in the representation in Client's matter, it may become necessary to hire consultants or investigators. Client agrees to pay such fees and charges. Attorney will select any consultants or investigators to be hired, and Client will be informed of persons chosen and their charges.

7. BILLING STATEMENTS. Attorney will send Client periodic statements for fees and costs incurred. Each statement will be payable within _____ days of its mailing date. Client may request a statement at intervals of no less than 30 days. If Clients requests, Attorney will provide one within 10 days. 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.

8. DISCHARGE AND WITHDRAWAL. Client may discharge Attorney at any time. Attorney 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 Attorney's advice on a material matter or any fact or circumstance that would render Attorney's continuing representation unlawful or unethical. When Attorney's services conclude, all unpaid charges will immediately become due and payable. After services conclude, Attorney will, upon Client's request, deliver Client's file and property in Attorney's possession, whether or not Client has paid for all services.

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

10. 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.

11. 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.

12. 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.

13. EFFECTIVE DATE. This Agreement will govern all legal services performed by Attorney on behalf of Client commencing with the date Attorney 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 Attorney the reasonable value of any services Attorney may have performed for Client.

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

DATED: _____

_____
STELLA KING
Address: _____
_____
Telephone: _____

DATED: _____

CRANE, GARCIA & MOORE

By: _____
Linda H. Garcia, Partner

Form No. 3

Contingency Fee Agreement

CRANE, GARCIA & MOORE
441 Bauchet Street
Los Angeles, CA 90012
(213) 680-9600

___(Date)___

ATTORNEY-CLIENT CONTINGENCY FEE AGREEMENT

CRANE, GARCIA & MOORE ("Attorney"), and **STELLA KING** ("Client") hereby agree that Attorney will provide legal services to Client on the terms set forth below.

1. CONDITIONS. This Agreement will not take effect, and Attorney will have no obligation to provide legal services, until Client returns a signed copy of this Agreement and pays the initial deposit, if any, called for under Paragraph 7.

2. SCOPE OF SERVICES. Client is hiring Attorney to represent Client in the matter of Client's claims against _____ [and possibly others as future investigation may indicate], arising out of _____which occurred on or about _____.

If a court action is filed, Attorney will represent Client until a settlement or judgment, by way of arbitration or trial, is reached. Attorney will oppose any motion for a new trial or any other post-trial motions filed by an opposing party, or will make any appropriate post-trial motions on Client's behalf. After judgment, Attorney will not represent Client on any appeal, or in any proceeding to execute on the judgment, unless Client and Attorney agree that Attorney will provide such services and also agree upon additional fees, if any, to be paid to Attorney for such services. Services in any matter not described above will require a separate written agreement.

3. RESPONSIBILITIES OF THE PARTIES. Attorney will provide those legal services reasonably required to represent Client in prosecuting the claims described in Paragraph 2 and will take reasonable steps to keep Client informed of progress and developments, and to respond promptly to inquiries and communications. Client agrees to be truthful with Attorney, to cooperate, to keep Attorney informed of any information and developments which may come to Client's attention, to abide by this Agreement, to pay Attorney's bills for costs on time, and to

---

This sample written fee agreement form is intended to satisfy the basic requirements of Business & Professions Code Section 6147 but may not address varying contractual obligations which may be present in a particular case. The State Bar makes no representation of any kind, express or implied, concerning the use of these forms.

keep Attorney advised of Client's address, telephone number and whereabouts. Client agrees to appear at all legal proceedings when Attorney deems it necessary, and generally to cooperate fully with Attorney in all matters related to the preparation and presentation of Client's claims.

4. LEGAL FEES. Attorney will only be compensated for legal services rendered if a recovery is obtained for Client. If no recovery is obtained, Client will be obligated to pay only for costs, disbursements and expenses, as described in Paragraph 6.

The fee to be paid to Attorney will be a percentage of the "net recovery," depending on the stage at which the settlement or judgment is reached. The term "net recovery" means: (1) the total of all amounts received by settlement, arbitration award or judgment, including any award of attorneys fees, (2) minus all costs and disbursements set forth in Paragraph 6. [Net recovery shall also include the reasonable value of any non-monetary proceeds.]

Attorney's fee shall be calculated as follows:

(i) If the matter is resolved before filing a lawsuit or formal initiation of proceedings, then Attorney's fee will be _____ percent (____%) of the net recovery;

(ii) If the matter is resolved prior to ____ days before the date initially set for the trial or arbitration of the matter then Attorney's fee will be _____ percent (____%) of the net recovery; and

(iii) If the matter is resolved after the times set forth in (i) and (ii), above, then Attorney's fee will be _____ percent (____%) of the net recovery.

In the event of Attorney's discharge or withdrawal as provided in Paragraph 11, Client agrees that, upon payment of the settlement, arbitration award or judgment in Client's favor in this matter, Attorney shall be entitled to be paid by Client a reasonable fee for the legal services provided. Such fee shall be determined by considering the following factors:

(1) The actual number of hours expended by Attorney in performing legal services for Client;
(2) Attorney's hourly rates;
(3) The extent to which Attorney's services have contributed to the result obtained;
(4) The amount of the fee in proportion to the value of the services performed;
(5) The amount of recovery obtained;
(6) Time limitations imposed on Attorney by Client or by the circumstances; and
(7) The experience, reputation and ability of personnel performing the services.

5. NEGOTIABILITY OF FEES. The rates set forth above are not set by law, but are negotiable between an attorney and client.

6. COSTS AND LITIGATION EXPENSES. Attorney will incur various costs and expenses in performing legal services under this Agreement. Client agrees to pay for all costs, disbursements and expenses paid or owed by Client in connection with this matter, or which have been advanced by Attorney on Client's behalf and which have not been previously paid or reimbursed to Attorney. Costs, disbursements and litigation expenses commonly include court fees, jury fees, service of process charges, court and deposition reporters' fees, photocopying and reproduction costs, notary fees, long distance telephone charges, messenger and other delivery fees, postage, deposition costs, travel costs including parking, mileage, transportation, meals and hotel costs, investigation expenses, consultant, expert witness, professional mediator, arbitrator and/or special master fees and other similar items. Except for the items listed below, costs and expenses will be charged at Attorney's cost.

In-office photocopying:	/page
Facsimile charges:	/page
Mileage:	/mile
Other:	

Client understands that, as set forth in Paragraph 7 below, a deposit for costs may be required before the expenditure is made by Attorney.

To aid in the preparation or presentation of Client's case, it may become necessary to hire expert witnesses, consultants or investigators. Attorney will select any expert witnesses, consultants or investigators to be hired, and Client will be informed of persons chosen and their charges.

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

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

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

If an award of fees and/or costs is sought on Client's behalf in this action, Client understands that the amount which the court may order as fees and/or costs is the amount the court believes the party is entitled to recover, and does not determine what fees and/or costs Attorney is entitled to charge Client or that only the fees and/or costs which were allowed were reasonable. Client agrees that, whether or not attorneys' fees or costs are awarded by the court in Client's case, Client will remain responsible for the payment, in full, of all attorneys' fees and costs in accordance with this Agreement.

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

7. **DEPOSIT**. Client agrees to pay Attorney an initial deposit for costs of $_____, to be returned with this signed Agreement. Attorney will hold this initial deposit in a trust account. Client hereby authorizes Attorney to use that deposit to pay the costs, disbursements and other expenses incurred under this Agreement.

When Client's deposit is exhausted, Attorney reserves the right to demand further deposits, each up to a maximum of $_____.

Once a trial or arbitration date is set, Attorney will require Client to pay all sums then owing, and to deposit the costs Attorney estimates will be incurred in preparing for and completing the trial or arbitration, as well as the jury fees or arbitration fees likely to be assessed. Those sums may exceed the maximum deposit.

Client agrees to pay all deposits required under this Agreement within 10 days of Attorney's demand. Any deposit that is unused at the conclusion of Attorney's services will be refunded.

8. **MONTHLY BILLING STATEMENTS**. Attorney will send Client monthly billing statements for costs, disbursements and expenses incurred in connection with this matter. Each statement is to be paid in full within 15 days after the date of such statement.

9. **APPROVAL NECESSARY FOR SETTLEMENT**. Attorney will not make any settlement or compromise of any nature of any of Client's claims without Client's prior approval. Client retains the absolute right to accept or reject any settlement. Client agrees to consider seriously any settlement offer Attorney recommends before making a decision to accept or reject such offer. Client agrees not to make any settlement or compromise of any nature of any of Client's claims without prior notice to Attorney.

10. **LIMITATION OF REPRESENTATION**. Attorney is representing Client only on the matter described in Paragraph 2. Attorney's representation does not include independent or related matters that may arise, including, among other things, claims for property damage, workers' compensation, disputes with a health care provider about the amount owed for their services, or claims for reimbursement (subrogation) by any insurance company for benefits paid under an insurance policy.

This Agreement also does not include defending Client against, or representing Client in any claims that may be asserted against Client as a cross-claim or counter-claim in Client's case. This Agreement does not apply to any other legal matters. If any such matters arise later, Attorney and Client will either negotiate a separate agreement if Client and Attorney agree that Attorney will perform such additional legal work or Client will engage separate counsel with respect to the cross-claim or counter-claim or additional legal work.

11. DISCHARGE AND WITHDRAWAL. Client may discharge Attorney at any time, upon written notice to Attorney. Attorney may withdraw from representation of Client (a) with Client's consent, (b) upon court approval, or (c) if no court action has been filed, for good cause and upon reasonable notice to Client. Good cause includes Client's breach of this contract, Client's refusal to cooperate with Attorney or to follow Attorney's advice on a material matter, or any other fact or circumstance that would render Attorney's continuing representation unlawful or unethical.

Notwithstanding Attorney's withdrawal or Client's notice of discharge, and without regard to the reasons for the withdrawal or discharge, Client will remain obligated to pay Attorney for all costs incurred prior to the termination and, in the event that there is any net recovery obtained by Client after conclusion of Attorney's services, Client remains obligated to pay Attorney for the reasonable value of all services rendered from the effective date of this Agreement to the date of discharge.

12. CONCLUSION OF SERVICES. When Attorney's services conclude, all unpaid charges will immediately become due and payable. Attorney is authorized to use any funds held in Attorney's trust account as a deposit against costs to apply to such unpaid charges. After Attorney's services conclude, upon request, Client's file and property will be delivered to Client, or Client's other attorney, whether or not Client has paid any fees and/or costs owed to Attorney.

13. LIEN. Client hereby grants Attorney a lien on any and all claims or causes of action that are the subject of Attorney's representation under this Agreement. Attorney's lien will be for any sums owing to Attorney for any unpaid costs, or attorneys' fees, at the conclusion of Attorney's services. The lien will attach to any recovery Client may obtain, whether by arbitration award, judgment, settlement or otherwise. The effect of such a lien is that Attorney may be able to compel payment of fees and costs from any such funds recovered on behalf of Client even if Attorney has been discharged before the end of the case. Because a lien may affect Client's property rights, Client may seek the advice of an independent lawyer of Client's own choice before agreeing to such a lien. By initialing this paragraph, Client represents and agrees that Client has had a reasonable opportunity to consult such an independent lawyer and—whether or not Client has chosen to consult such an independent lawyer—Client agrees that Attorney will have a lien as specified above.

_____ (Client Initial Here) _____ (Attorney Initial Here)

14. RECEIPT OF PROCEEDS. All proceeds of Client's case shall be deposited into Attorney's trust account for disbursement in accordance with the provisions of this Agreement.

15. DISCLAIMER OF GUARANTEE. Nothing in this Agreement and nothing in Attorney's statements to Client will be construed as a promise or guarantee about the outcome of this matter. Attorney makes no such promises or guarantees. There can be no assurance that Client will recover any sum or sums in this matter. Attorney's comments about the outcome of this matter are expressions of opinion only. Client acknowledges that Attorney has made no promise or guarantees about the outcome.

16. 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.

17. 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.

18. 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.

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

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

DATED: _____

_____
STELLA KING
Address: _____
_____
Telephone: _____

DATED: _____

CRANE, GARCIA & MOORE

By: _____
Linda H. Garcia, Partner

Other Clauses of Interest in Fee Agreements

1. ARBITRATION

A. ARBITRATION OF ALL DISPUTES INCLUDING CLAIMS OF MALPRACTICE

Any controversy between the parties regarding the construction, application or performance of any services under this Agreement, and any claim arising out of or relating to this Agreement or its breach, shall be submitted to binding arbitration upon the written request of one party after the service of that request on the other party. The parties shall appoint one person [Option: or agree upon a 3-person panel] to hear and determine the dispute. [Option: name the arbitration provider such as AAA, JAMS, ADR, etc., and provide that the arbitration shall be conducted pursuant to the provider's rules]. If the parties cannot agree, then the Superior Court of [fill in the name of county] County shall choose an impartial arbitrator whose decision shall be final and conclusive on all parties. Attorney and Client shall each have the right of discovery in connection with any arbitration proceeding in accordance with Code of Civil Procedure Section 1283.05. [Optional provision: The cost of the arbitration, excluding legal fees and costs, shall be borne by the losing party or in such proportion as the arbitrator shall decide.] The parties shall bear their own legal fees and costs for [all claims, or contract claims, or tort claims]. The sole and exclusive venue for the arbitration and or any legal dispute, shall be [fill in name of county] County, California.

B. STATE BAR FEE ARBITRATION

Notwithstanding subparagraph A above, in any dispute subject to the jurisdiction of the State of California over attorney's fees, charges, costs or expenses, Client has the right to elect arbitration pursuant to the fee arbitration procedures of the State Bar of California, as set forth in California Business and Professions Code Section 6200, *et seq.* Those procedures permit a trial after arbitration, unless the parties agree in writing, after the dispute has arisen, to be bound by the arbitration award. If, after receiving a notice of client's right to arbitrate, Client does not elect to proceed under the State Bar fee arbitration procedures, and file a request for fee arbitration within 30 days, any dispute over fees, charges, costs or expenses, will be resolved by binding arbitration as provided in the previous subparagraph A.

Because each party is giving up a right, Client is encouraged to have an independent lawyer of Client's choice review these arbitration provisions before agreeing to them.

By initialing below, Client and Attorney confirm that they have read and understand subparagraphs A and B above, and voluntarily agree to binding arbitration. In doing so, Client and Attorney voluntarily give up important constitutional rights to trial by judge or jury, as well as rights to appeal. Client is advised that Client has the right to have an independent lawyer of Client's choice review these arbitration provisions, and this entire agreement, prior to initialling this provision or signing this Agreement.

_____ (Client Initial Here) _____ (Attorney Initial Here)

2. MEDIATION CLAUSE

If a dispute arises out of or relating to any aspect of this Agreement between Client and Attorney, or the breach thereof, and if the dispute cannot be settled through negotiation, Attorney and Client agree to discuss in good faith the use of mediation before resorting to arbitration, litigation, or any other dispute resolution procedure.

3. INTEREST CHARGES

If a billing statement is not paid when due, interest will be charged on the principal balance (fees, costs, and disbursements) shown on the statement. Interest will be calculated by multiplying the unpaid balance by the periodic rate of .833% per month (TEN PERCENT [10%] ANNUAL PERCENTAGE RATE). The unpaid balance will bear interest until paid.

[Interest may not be compounded without compliance with the California Civil Code, Appendix I, dealing with usury.]

4. REPLENISHING DEPOSIT

To commence the representation, Client has provided [must provide] Attorney with a $_____ deposit. Attorney will hold the deposit in Attorney's trust account and apply it to each statement when rendered by Attorney. Client will pay any additional balance due upon receipt of Attorney's statements each month and also will replenish the deposit each month in the amount of all payments made to Attorney from the deposit. At the conclusion of the matter, the deposit will be applied to the final statement, in which event Client will be responsible for any amount due over and above the deposit or be entitled to a refund of any amount remaining after the final statement is satisfied in full.

5. SECURITY DEPOSIT

Attorney's obligation to render services to Client will be subject to Attorney's receipt of a refundable security deposit of $_____.

Attorney will apply $_____ of that deposit to the first fees and costs billed to Client pursuant to this Agreement, and will retain the remainder of the deposit in Attorney's trust

account as security for Client's obligations to make timely payment of fees and costs pursuant to this Agreement. Attorney will thereafter apply the remaining deposit against what appears to be the last billing for the services rendered to Client pursuant to this Agreement. Client agrees to provide an additional security deposit of $_____ at least 120 days prior to the first scheduled trial date of the matter.

6. ATTORNEYS' FEES CLAUSE

The prevailing party in any action or proceeding arising out of or to enforce any provision of this Agreement, with the exception of a fee arbitration or mediation under Business and Professions Code Sections 6200-6206, will be awarded reasonable attorneys' fees and costs incurred in that action or proceeding, or in the enforcement of any judgment or award rendered.

7. OTHER PAYOR CLAUSE – INSURANCE

Client has informed Attorney that Client may have insurance coverage which may pay for some or all of Attorney's fees which may become due under this Agreement. Attorney will make a claim with the insurer for compensation. It is understood, however, that if the insurance provider refuses or fails to pay Attorney for any reason, Client shall remain responsible for paying all Attorney's statements as they are rendered upon the billing and payment terms set forth in this Agreement. Should the insurance provider pay only a portion of the fees and costs, Client shall be responsible for the balance.

8. OTHER PAYOR CLAUSE – PERSONAL

Client has informed Attorney that Client has arranged for [employer/relative-name and relationship] to be responsible for some or all of Attorney's fees which may become due under this Agreement. It is understood that should [name] fail for any reason to pay Attorney's statements as they become due, Client shall remain responsible for paying all Attorney's statements as they are rendered upon the billing and payment terms set forth in this Agreement.

It is understood that the attorney/client relationship will only exist between Attorney and Client, and that [employer/relative name] will have no right to information regarding the representation of Client by Attorney, and have no right to control or direct the Attorney in providing the services under this Agreement, unless specifically approved by Client.

[Note: Provide signature line for employer/relative in Agreement.]

9. FIXED FEE CLAUSE

Client agrees to pay a fixed fee of $_____ for Attorney's services under this Agreement. The fixed fee is due by _____. Attorney shall have no obligation to provide services to Client until the fixed fee is paid in full. Unless Attorney withdraws before the completion of the services or otherwise fails to perform services contemplated under this

Agreement, the fixed fee will be earned in full and no portion of it will be refunded once any material services have been performed.

10. "OTHER ATTORNEY" CLAUSE – CONTINGENCY

It is agreed that Attorney will associate with another attorney, [name], who will assist Attorney regarding the representation. [Name] will be compensated out of the fees which Attorney otherwise will earn under this Agreement based upon the effort and time he/she puts into the case. Attorney will divide the total fees received from the representation with [name], and the terms of the division will be [specify the terms of fee division]. This division of fees will not increase the fee due from Client should Attorney obtain a recovery on behalf of Client.

11. "OTHER ATTORNEY" CLAUSE – HOURLY

It is agreed that Attorney will associate with another attorney, [name], who will assist Attorney regarding the representation. [Name] will be compensated by Attorney on an hourly basis at a rate of $_____ per hour. These charges will be billed by Attorney to Client as a cost as defined in this Agreement. [Option: or "billed directly to Client by the other attorney."]. [Note: not suitable for use in contingency fee cases.]