

# TWO SAMPLE BASIC ENGAGEMENT LETTERS (WITH OPTIONAL NOTICES)



## Letter 1

[Date]

[Client Name]  
[Client Mailing Address]  
[Client City, State, Zip]

Re: Employment of \_\_\_\_\_ by \_\_\_\_\_

Dear \_\_\_\_\_:

Thank you for selecting \_\_\_\_\_ to represent you with respect to  
\_\_\_\_\_.

This letter will confirm our recent discussion regarding the scope and terms of our engagement.

Our firm has agreed to represent you in *[describe matter]*. While I will be personally responsible for supervising this legal matter, I anticipate that other lawyers and legal assistants in the firm will also be working on this matter.

We will undertake the following work on your behalf *[detail anticipated services by clearly defining and limiting scope of representation]*:

*[Straight hourly option]* You have agreed to pay for our services based on the time we spend working on the case. My current hourly rate is \$\_\_\_ per hour. The rates of our associates currently range between \$\_\_\_ and \$\_\_\_ per hour. Legal assistants, who will be utilized where appropriate to avoid unnecessary attorney fees, are charged at \$\_\_\_ per hour. These rates are subject to change once a year, usually in December. Generally, you will be billed for all time spent on your matter including telephone calls, email, and text messages.

*[Value added billing option]* You have agreed to pay for our services based on the time we spend working on your case, with allowance for reduction or increase in fees under certain circumstances. My current hourly rate is \$\_\_\_ per hour. The rates of our associates currently range between \$\_\_\_ and \$\_\_\_ per hour. Legal assistants, who will be utilized where appropriate to avoid unnecessary attorney fees, are charged at \$\_\_\_ per hour. These rates are subject to change once a year, usually in December. On occasion, time may be written off before a statement is sent because we feel there has been some degree of inefficiency in the work or for other reasons. On the other hand, fees may be raised above hourly rate levels, based on the complexity of the matter, superior results, or other factors. If applied, we will discuss any such increases with you, and believe you will find them appropriate.

We will forward billing statements monthly. They will contain a description of services, including the date, the person rendering the service, the amount of time involved, and a description of the task accomplished. Monthly statements will also itemize monies we have advanced on your

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behalf, such as service and filing fees, expert witness fees, court reporter fees, and charges for investigation, travel and accommodation, telephone and facsimile charges, and delivery charges.

As discussed, our current estimate for this engagement is \$\_\_\_\_. *[Detail what the estimate does and does not cover]* This estimate must be viewed as imprecise, since at this time my knowledge of the facts is limited. We will advise you if it appears fees will be significantly higher than this estimate. At such time, you may decide to restrict the scope of our efforts or we may make other adjustments. This estimate does not include cost items.

You have paid us the sum of \$\_\_\_\_ as an advance against fees and costs, which we have deposited in our trust account. After your receipt of monthly statements, we will pay the amount of the statement from the trust account. If any portion of the advance is unexpended at the conclusion of the case, it will be refunded to you. If the advance is expended, you have agreed to pay subsequent monthly statements on receipt, or you can provide the firm with an additional advance of \$ \_\_\_\_\_. If you choose to pay the charges monthly, an interest charge of 1.5% per month will be charged on statement balances not paid within 30 days of billing.

You will appreciate we can make no guarantee of a successful conclusion in any case. However, the attorneys of this firm will use their best efforts on your behalf.

*[Insert any special disclosures that may be appropriate, such as potential conflicts of interest, client confidentiality issues, etc.]*

If this letter fairly states our agreement, please so indicate by signing and returning the enclosed copy in the enclosed business reply envelope. As is always true, if you have any questions or concerns, please call me to discuss them.

We greatly appreciate the opportunity to represent you on this case and look forward to working with you.

Sincerely,

\_\_\_\_\_

**Clients:**

\_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

**Attorneys:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

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## Letter 2

### AGREEMENT FOR LEGAL SERVICES

The undersigned, hereinafter “clients”, employ the law firm of \_\_\_\_\_, hereinafter “attorneys”, to handle all claims of the clients or the clients’ minor children or wards against any and all persons arising out of [*Clearly define and limit scope of representation.*]

Clients and attorneys agree as follows:

- 1) Initial Evaluation: Clients agree to pay the cost of obtaining necessary records and of having an expert evaluate clients’ case and will deposit \$\_\_\_\_\_ with attorneys for this purpose. Any balance remaining will be refunded to clients if attorneys do not accept the case. Attorneys charge no fee for this evaluation.
- 2) Attorney Fee: Attorneys will receive an attorney fee of one-third of all sums recovered by settlement or trial. In the event an appeal is filed by any party, attorneys will receive forty percent of all sums recovered after the date a notice of appeal is filed. “All sums recovered” includes all monies paid in settlement or award of damages, attorney fees, costs, penalties or interest. The attorney fee will be calculated before deduction of costs. If there is no recovery, no attorney fee will be paid.
- 3) Costs: As required by attorney ethics rules, clients are responsible for payment of costs. Costs may include, but are not limited to, filing fees, service fees, witness fees, research fees, and charges for investigation, records, medical reports, photographs, exhibits, photocopies, facsimiles, telephone charges, postage, travel and accommodations, videotaping and depositions. Clients agree to pay attorneys \$\_\_\_\_\_ by \_\_\_\_\_, 20\_\_, to be placed in attorneys’ trust account and applied as costs are incurred. If clients are unable to pay all costs as incurred, attorneys may advance costs. Unreimbursed costs will be deducted from any recovery after calculation of the attorney fee.
- 4) Advice Concerning Attorney Fee: Clients have been informed of the alternative of employing attorneys on an hourly fee basis. This alternative would require payment of a retainer at commencement of the case, payment of costs as incurred, and payment of fees each month at the rate of \$\_\_\_ per hour for partner services, \$\_\_\_ per hour for associate services and \$\_\_\_ per hour for paralegal services. In deciding to employ attorneys on a contingent fee basis, clients have considered the risks involved in this case, the experience and reputation of the attorneys, the uncertainty regarding the number of hours necessary to prosecute the case and the fact that the clients will ultimately decide whether to accept or reject a particular settlement offer. Clients are also informed that clients have the right to petition the court to determine the reasonableness of attorney fees charged by attorneys no later than \_\_\_ days following receipt of a written statement of the clients’ net recovery and the method of its calculation.

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- 5) Structured Settlement: If any part of a recovery calls for annuity payments in the future, the attorney fee on this portion of the recovery will be computed based on the cost of the annuity, if known, or on the present value of the annuity, and shall be paid from the cash portion of the recovery at the time of settlement.
- 6) Authority, Duties and Representations: Clients authorize attorneys to file a lawsuit if and when attorneys consider it advisable. Clients will cooperate with attorneys and will timely respond to attorneys' requests. Attorneys will make no settlement of clients' claims without clients' consent. Clients acknowledge that attorneys have made no guarantee of a successful result, and that any statements regarding the merit or outcome of the case are professional opinion only.
- 7) Associate Counsel: Attorneys reserve the right to associate other attorneys in clients' representation, without additional expense to clients. Clients consent to such association and to a division of attorney fees as may be agreed upon between associated counsel and attorneys.
- 8) Probate: In the event a death requires commencement of a probate action to prosecute clients' case, clients authorize attorneys to retain probate counsel. Fees and expenses incurred in any probate proceedings will be considered a cost item.
- 9) Medical and Subrogation Payments: Clients authorize attorneys to pay from clients' share of any recovery any unpaid medical bills or subrogation interests related to clients' claim.
- 10) Withdrawal and Discharge: If clients discharge attorneys, or if attorneys withdraw for cause, clients agree to pay attorneys a reasonable attorney fee and any unreimbursed costs. The attorney fee shall be, at attorneys' option, either an hourly fee for the attorney and paralegal time expended on the case; the contingency percentage of the last settlement offers; or, a prorata portion of the contingent fee ultimately recovered based on the relative contributions of the case by our firm and any successor law firms, as determined by the law of quantum meruit.
- 11) Special Power of Attorney: Clients grant to attorneys clients' power of attorney to act as clients' attorneys in fact to do all things necessary and proper in handling clients' case, including the execution of checks, drafts, releases and other agreements pertaining to this case only.

**Clients:**

\_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_ Date: \_\_\_\_\_

**Attorneys:**

By: \_\_\_\_\_ Date: \_\_\_\_\_

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## Optional additions to consider including in a basic engagement letter:

### Social Media Warning:

We strongly encourage you to refrain from participating in social media (Facebook, Twitter, Tumblr, Flickr, Skype, Instagram, Pinterest, and the like) during the course of representation. Information found on social media websites is not private, can be discoverable, and may be potentially damaging to your interests. Understand that information shared with others be it verbally; in writing via email, text message or letter; or even posted online could lead to the loss of attorney-client privilege were that information to relate in any way to the legal matter we are handling for you. In addition, **do not attempt to delete any of your social media accounts out of a desire to avoid having anything posted there used against you.** Doing so can also lead to serious consequences such as sanctions for destroying potentially relevant evidence.

We also advise you to refrain from communicating with us on any device provided by your employer or any computer, smart phone, or other device that someone else also has access to. Finally, when communicating with us, do not use your work email address or a shared email account. You should only use a private email account that is password protected and only accessed from your personal smart phone or computer.

### File Retention Policy Notice:

During our representation of you, we will be forwarding to you copies of all pleadings, documents, correspondence, and other information that are generated or received by this firm. These copies will be for your file, which I encourage you to bring to every appointment so that both of us have all necessary information in front of us. At the conclusion of representation, we will close your file and retain it for \_\_\_ years. Your file will be destroyed after that time unless you instruct me in writing now or at the conclusion of representation that it is your wish to take possession of the file once our \_\_\_-year retention period has expired.

### No Guarantee Notice:

It is difficult to accurately predict the length of time it will take to completely resolve your legal matter. Generally, these types of cases take *[provide realistic, worse case estimate of time]*; however, this is only an estimate. The actual time required may be greater than currently expected. Further, while we will use our best efforts in representing you, your signature below will serve as your acknowledgement that we can give no assurances as to the final outcome.

### Succession Planning/Backup Attorney Notice:

While I strive to deliver excellent legal services to all of my clients, I also have an ethical obligation to protect your interests during any extended absences, such as a vacation, or in the event of my unexpected death or disability. To accomplish this, I have named *[insert name]* as

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my backup attorney who will be available during any extended absences or will step in to assist in the winding up of my practice should that ever prove necessary. I will personally provide you advance notice of any planned absences and my office staff or backup attorney will contact you with information on how to proceed should any unexpected event ever occur.

## **Fee Dispute Resolution Notice:**

While this agreement is intended to prevent any confusion over the terms of our representation, should a fee dispute arise you agree to submit your fee dispute to binding arbitration with *[insert the name of your local bar's fee dispute resolution program]*. By signing below, you acknowledge that you have the right to use other court forums to address fee disputes, but you now agree to compromise those rights by agreeing to submit any fee dispute to binding arbitration. Binding arbitration means that any decision made by the arbitration panel, in your favor or ours, will be final and non-appealable. In short, it will have the same effect and enforceability of any similar decision made by a court of law. The arbitration panel hears disputes in *[list locality]*. Our bar association will select the panel from a list of attorney and lay volunteers who have agreed to hear fee disputes. There are no costs associated with obtaining panelists. We encourage you to seek additional independent legal counsel regarding this issue if you have any concerns about agreeing to submit any fee dispute to binding arbitration.

## **Early Termination Notice:**

An effective working relationship is essential throughout the course of representation. Given this, should you become dissatisfied with our services at any point in time, please do not hesitate to immediately bring your concerns to our attention. Hopefully, we will be able to discuss and resolve the matter. If not, you may terminate our representation at any time. In the event you elect to do so, you will remain responsible for the payment of any fees earned as well as any expenses incurred. We may terminate our representation of you only as permitted or required by law or regulation. Please be advised that after reasonable notice, your failure to pay on your financial obligations to us or make deposits when due are two such causes that will result in our terminating representation.

## **Sample Multiple Client Conflict Waiver Notice:**

You have asked us to represent you, *[Client A]* and *[Client B]*, jointly in connection with *[full description of matter]*. We would be pleased to do so subject to the following understandings.

Although the interests of both of you in this matter are generally consistent, you both acknowledge that you recognize and understand that differences may exist or become evident during the course of our representation. Notwithstanding these possibilities, the two of you have determined that it is in your individual and mutual interests to have a single law firm represent you jointly in connection with this matter.

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Potential conflicts of interest that might arise include but are not limited to: [Use “Murphy’s Law” to discern and describe all reasonably foreseeable ramifications to each client by their agreeing to joint representation]. In addition, it is possible that a circumstance could arise whereby our continuing with our representation could not occur without it adversely affecting one of you. Should this happen, we will be forced to terminate our representation of you both and it will be necessary for each of you to hire your own independent lawyers.

Accordingly, this confirms the agreement of [Client A] and [Client B] that we may represent you jointly in connection with the above-described matter. This will also confirm that the two of you have each agreed to waive any conflict of interest arising out of, and that you will not object to, our representation of each other in the matter described herein.

It is further understood and agreed that anything either of you shares with us will not be held in confidence from the other as we will have a legal and ethical duty to tell the other anything either one of you tells us in confidence; but only if it has any relevancy at all to any of the legal issues at hand. In fact, failure to reveal such information to the other would be a violation of the joint attorney-client relationship. In other words, your conversations with us are not privileged as between the two of you. If you want independent advice or wish to be able to discuss matters in complete privacy, you both will need separate counsel.

If you need to discuss the terms of this letter or any related issues, please contact us at your earliest convenience. However, if you agree that the foregoing accurately reflects our understanding, please sign and return the enclosed copy of this letter.

Therefore, we hereby state that we prefer that [Lawyer] represent us in this matter and that we refuse to exercise our right to hire independent lawyers.

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