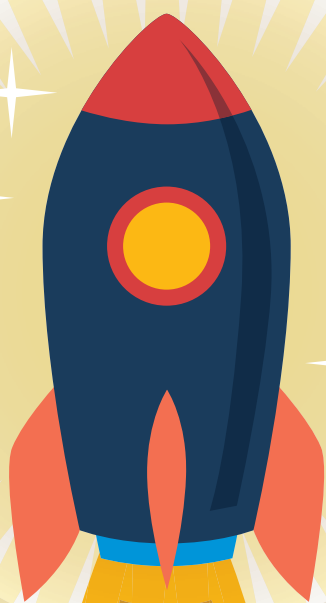


OPENING a RISK MANAGEMENT PRACTICE GUIDE OF LAWYERS MUTUAL LAW FIRM TOOLKIT



HOW TO STARTUP
YOUR FIRM

LAWYERS MUTUAL LIABILITY INSURANCE COMPANY OF NORTH CAROLINA

5020 Weston Parkway, Suite 200, Cary, North Carolina 27513

Post Office Box 1929, Cary, North Carolina 27512-1929

919.677.8900 | 800.662.8843 | 919.677.9641 FAX | www.lawyersmutualinc.com

DISCLAIMER: This document is written for general information only. It presents some considerations that might be helpful in your practice. It is not intended as legal advice or opinion. It is not intended to establish a standard of care for the practice of law. There is no guarantee that following these guidelines will eliminate mistakes. Law offices have different needs and requirements. Individual cases demand individual treatment. Due diligence, reasonableness and discretion are always necessary. Sound risk management is encouraged in all aspects of practice.

OCTOBER 2016

Opening a Law Firm TOOLKIT

RISK MANAGEMENT PRACTICE GUIDE OF LAWYERS MUTUAL

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NOTE: For forms related to conflicts of interest, please see our “Conflicts of Interest” handout.



INTRODUCTION

The idea of opening your own firm is exciting as you think about being your own boss. Keep in mind there is much more to consider when opening a law firm than just where you'll hang your hat. Building a firm from the ground up, as a solo or as a member of a small practice, requires thought and organization. It also requires a lot of hard work, but can be exceptionally rewarding.

The business of operating a practice must be addressed when you are opening and managing your own firm. Before you can begin assisting clients, you must determine the location of the practice and assemble all the pieces to have a successful practice. Be sure to obtain the licenses and equipment required, and choose the appropriate software so that everything runs smoothly. When that first client walks in the door, you should be ready to serve.

Working with your first clients will be both exciting and stressful. To provide the best service possible and receive referrals in return, use standard forms and procedures so that nothing is overlooked. Thorough documentation and correspondence creates happier clients and protects you from grievances and malpractice claims.

“

Building a firm from the ground up, as a solo or as a member of a small practice, requires thought and organization.

OPENING THE LAW OFFICE

DECIDING HOW TO PRACTICE


There are pros and cons to both working as a solo and being a partner in a small firm. Before you decide how you prefer to practice, weigh the options. Opening a firm is a large investment that should be considered carefully before you undertake the venture. All pieces of the puzzle must be fully researched to ensure they enhance profitability and success instead of hinder it. For instance, you may consider a less flashy office in a convenient location rather than a flashy place a bit out of the way.

Going Solo.

Striking out on your own is appealing to independent individuals who want to determine their own schedules and choose their own clientele. However, there is more involved in practicing solo than time and workload. While you earn the large fee and can celebrate the huge win when it comes, you must also weather the dangers to get to that point. The keys to becoming a successful solo are developing good habits, being mindful of budget, a strong work ethic, maximizing technology, and seeking the advice of colleagues, mentors and paid consultants when needed. Develop office policies and procedures as if you have multiple employees so that as your practice expands, you will already have systems in place.

Solo practitioners must calculate payroll taxes (manageable with software) or hire consultants to do it for them. Even if duties are outsourced, it is the solo's responsibility to ensure everything is done properly. You must also market yourself so that the firm will be profitable. This includes good client screening to sniff out a difficult client unwilling to pay for your services or whose fees aren't worth the headaches they cause.

Unfortunately, solo attorneys face a higher number of grievances or malpractice claims than those practicing in firms. Why? Clients have nowhere else to turn when they are unhappy. A client of a firm may call another partner



PRACTICE POINTERS

DECIDE HOW TO PRACTICE AND EVALUATE EACH OPTION

1. Solo
2. Partnership

to complain if they feel their case is being neglected, averting a potential problem. Following established policies and procedures will help prevent such issues.

Teaming Up.

Partners spread responsibilities, expenses and profits among themselves. Partners with different skills can tackle responsibilities that best fit them, allowing the firm to run efficiently. Partners also offer diversification of practice areas. Also, this arrangement will provide some security as there will be someone to handle cases in an emergency situation. You can get a second opinion if you have an issue with a case and need assistance dealing with the matter.

No matter how well you know your partners, always develop a comprehensive partnership agreement. This document encompasses all aspects of the practice and defines everything from compensation to asset division should the firm split or a partner unexpectedly die. The agreement should outline how internal conflicts will be addressed. Planning for a divorce when everyone is speaking and cooperative is much better than dissolving the firm when tensions are high. It may also reveal differences or disputes in advance that can be resolved before they become an issue.

Remember that you share liability for your partner's actions; your malpractice coverage could be impacted

by your partner's misbehavior. Also, verify your potential partner is financially secure before entering into an agreement. You don't want to assume financial responsibility for the partnership because your partner has bad credit. Financial instability may be a red flag to poor management skills and potential liability to the firm.

Naming the Firm

Do not forget the important step of naming the firm you opt to establish. Remember that the Administrative Rules of the North Carolina State Bar govern the naming of a law firm, so review them before settling on a name and follow procedures to notify the State Bar and the Secretary of State. Take care not to be misleading in your choice of name.

In addition to registering your name, you will need to obtain the appropriate business licenses. Your CPA will be able to ensure that you comply with all local, state and federal requirements. If you do not consult with a CPA, your local chamber of commerce may have resources to assist you with locating all applicable forms.

PREPARING A BUSINESS PLAN

Once you've determined which type of firm you are going to establish, your next step is to create a business plan for the firm's operations. A business plan is the road map of your firm; it describes the organization of your firm and plans for growth. Banks and suppliers use this plan in considering the establishment of loans and lines of credit. There are four basic parts to a business plan: the firm overview, a financial plan, a management plan, and a marketing

plan. Each piece is essential to the success of a business. A business plan is a living document that should be reviewed and edited as the firm changes.

The Firm Overview

Begin the firm overview with a description of your practice. Include the type of business you are forming, such as a PLLC or a P.A. List your areas of practice and reasons why clients will seek your assistance. Analyze the competition and distinguish your practice from those of similar practices by establishing how you plan to make your practice distinctive.

Operating procedures should be described in this section of the business plan. Include typical office procedures as well as office systems necessary to operate a law practice. Beyond simply the number of practicing attorneys, include descriptions of any staff positions and the skills required to adequately fill those positions. The overview should provide a clear picture of what your firm will look like when functioning.

The Financial Plan

The ability to practice law does not necessarily translate into the ability to do the accounting for your business. Because the accounting aspect of a law firm can be so daunting to a busy attorney, hiring a CPA is often the best business practice to ensure nothing gets overlooked. Regardless of who manages the financials, you must demonstrate understanding of this aspect of business.

Financial planning involves multiple steps. The first part of your plan is your start-up budget, which consists largely of one-time fees for purchases and down



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payments. Include in depth financial planning for the first few years of practice that provides projected expenses and income. It is best to slightly overestimate expenses and underestimate revenue to prevent a budget deficit from causing financial difficulties for the firm. Analyze your “break even” point and establish your source of cash flow for the period preceding this point and how you propose to repay any debt incurred during this time period after your practice becomes profitable. You will need to provide supporting documentation, such as tax returns and copies of licenses, along with the financial plan.

The Management Plan

The management plan describes the ability to properly allocate the human resources aspect of your practice to the firm’s best interest. This section goes more in depth into the staffing element than the overview section. The management plan, more than just listing the staff positions necessary, demonstrates your knowledge of how to manage these positions.

The first part of a management plan is listing your own characteristics, strengths and weaknesses, and how personnel will be used to complement your abilities. List the positions, skills, and time needed for each position and provide a background describing your capabilities of leadership. This section will include salaries, benefits and leave policies and should include your contingency plan for employee absences. The management plan should also include foreseeable staffing growth and how it would be accommodated.

The Marketing Plan

It would be foolish to consider marketing as the lowest priority of the business plan. After all, marketing is the method in which you are going to bring clients in the door. Marketing doesn’t have to be paid advertising, and a new attorney should be cautious about committing to long term contracts. Joining civic organizations, mentoring with other attorneys, etc. are free and effective ways to get new clients. If you cannot effectively market yourself, potential clients will find it difficult to locate you to hire you.



PRACTICE POINTERS

MAKE SURE YOU CREATE A BUSINESS PLAN

1. Firm Overview
2. Financial Plan
3. Management Plan
4. Marketing Plan

Begin your marketing plan by determining your strategies for reaching your intended audience and your budget for procuring marketing materials. Define your target clientele, their common factors and how you intend to build loyalty and a referral network. Include analysis of competition and you can distinguish your practice from theirs while earning a decent profit. Your marketing plan should indicate your position on the price/quality curve and how you aligned services with cost.

LOCATION, LOCATION, LOCATION

Now that you have squared away your business plan, you need to determine the actual location of your office. The first and foremost determining factor when picking a location: the client. You must be where the client will come. Location needs also vary somewhat with areas of practice, as some require closer proximity to courthouses than others. Since you or someone from your office will frequently need to make deposits, a convenient location to the bank hosting your trust account is preferable. And while probably not the most important element of location, having nearby restaurants for having lunch would be beneficial as well.

Leasing Considerations

When you have a location in sight, it is time to begin

negotiating lease terms. If you are locked into a long term lease, what are the implications if you leave practice or merge with another firm and relocate? Think about the need for additional space if the firm grows. You may want to consider Office Suites Plus type buildings until you know what type of space you may need.

When considering a place to lease, think about the actual space you will need to operate your office. Other than reception and your office, will you need a conference room and break room? Files, copiers, and

permit. An attorney who is leaving a firm with an established set of clients may find this easier than a new attorney who has no clients. Consider the home office from a client's perspective and decorate as you would any professional space. Alternatively, other firms make their conference rooms available for rent as an option for meetings instead of having clients come to your home.

Regardless of your reasons, be sure that the office is clearly separated from your personal space. This is necessary to project a professional image and, more



Perhaps you are not ready to establish a permanent office space at this time. One alternative is to establish a virtual law office, conducting your practice via secured internet connections.

other supplies must also have a place to call home. In addition to the price of the space and length of the lease, you will need to determine if cleaning and maintenance are included in the lease agreement. Any allowance for renovations or relocating outlets should also be predetermined. Do not forget to include building security and privacy in negotiations to ensure client confidentiality.

Building Considerations

Besides the actual space and layout needed for a properly functioning law office, there are other items when looking at leasing that should be considered. Available parking could be a key factor in whether or not you can attract staff or if clients consider visiting your office bothersome. Thermostat location and weekend temperature control, if you plan to work on weekends, are issues that should also be addressed.

The Home Office Option for Solos

Solo practitioners may opt to practice from a home office if the clientele and the local zoning authorities

importantly, to maintain client confidentiality. Children should not be allowed to answer the business telephone or interrupt interviews. You may consider an alternate location for meeting with clients to avoid comingling personal and professional lives as some clients may decide to stop by unannounced during non-business hours. Consider staffing, storage and other issues that may arise if you are successful from a home office location.

Office Sharing: Benefits and Dangers

Some attorneys, in an effort to reduce overhead expenses, elect to share office space. Office sharing allows firms to split the cost of such expenses as rent, receptionist, and equipment. The key to a successful office sharing arrangement is a written agreement that outlines how expenses are addressed and how the reception area and telephone calls are handled. Include procedures for replacing shared equipment and purchasing common amenities such as office supplies.

One danger in shared office space arrangements is

that clients may not realize that the attorneys do not practice together as one firm. To alleviate the potential for such misunderstanding, have all engagement letters clarify that no partnership exists. Maintain separate letterhead for all correspondence. You should have a separate telephone line for your firm and have the receptionist clearly identify your firm by name instead of answering the phone “Law Offices.” Failure to clearly maintain separate identities puts you at risk for liability if your officemates commit malpractice.

With somewhere to call home for your new firm, you now need the proper furnishings and equipment for your space. In addition, you need to obtain the necessary accounts and insurance to operate safely. Staff also must be interviewed and hired. This is probably one of the more hectic times in preparing to open a law office.

Other Options

Perhaps you are not ready to establish a permanent office space at this time. One alternative is to establish a virtual law office, conducting your practice via secured internet connections. (See our risk management handout “Virtual Law Practice” at www.lawyersmutualinc.com for more information.)

You may also elect to rent an executive suite or other space from an existing business. Like office sharing with another attorney or firm, you will need to be sure that no suggestion of partnership exists. Also be wary of suitemates who may try to get free legal advice.

PREPARING TO MOVE IN

Finance and Insurance

One of the many activities you must complete before opening your doors is establishing your bank accounts. You will need two accounts, a general account for firm operations and a trust account for client funds. These monies must be kept separately. To prevent a check writing error, obtain different colored checks for the accounts. Hiring a CPA to balance the accounts and manage payroll obligations can reduce the stress of performing these



PRACTICE POINTERS

THINK YOU ARE READY TO OPEN YOUR DOORS FOR BUSINESS? HAVE YOU ADDRESSED THE FOLLOWING:

1. Finance, bank accounts, etc.
2. Insurance
3. Branding
4. Office Equipment to Operate
5. Hired Staff

tasks yourself, as can hiring a bookkeeper. However, remember that ultimate responsibility for safeguarding client funds and balancing accounts rest with you under the NC Rules of Professional Conduct. If necessary, obtain a loan or line of credit to assist with firm operations.

Insurance needs include your malpractice insurance to protect against errors and omissions. In addition to this, you should obtain insurance for your office space and important papers to cover you in the event of a disaster. Purchase workers compensation insurance for staff. Obtain car insurance for vehicles to be used for work-related purposes if applicable. Health and disability insurance should also be addressed. Speak with a consultant to see if any additional coverage is necessary. Adequate coverage in all areas will prevent a blindsiding event from bankrupting the firm. Lawyers Mutual’s subsidiary Lawyers Insurance is available to help you with your insurance needs (www.lawyersinsuranceagency.com).

Branding

The first major step to take after establishing your financial accounts is to create your identity. While solo and small firms may elect not to have a professional logo created, research the options before deciding on a ‘homemade’ brand. Some firms have contracted with a consultant via www.upwork.com and received a professional logo for minimal cost.

OPENING A LAW FIRM TOOLKIT

With your logo design, you will need letterhead, business cards and envelope designs. Professionally printing business cards and envelopes in bulk is more cost effective than printing them individually. You may elect to print your letterhead yourself or have it professionally printed. If you print letterhead yourself from a template, be sure to use high quality paper instead of regular copy paper. Copy paper is not ideal because it does not project as professional an image.

Your website will be one of the most common ways clients will find you. Obtain your web domain name and have your site professionally constructed. Again, this can be done for minimal cost with plenty of functionality and editability. Your website should include areas of practice and success stories, as this is the type of information a potential client uses when choosing an attorney via the internet. To avoid violating confidentiality, it is best to present success stories as quotes from satisfied clients. Also, be sure to comply with RPC's and ethics opinions when doing so. See *2007FEO4* and *2009FEO16*.

Making Purchases

Before you begin purchasing items, you should set up necessary services for your office to operate. Internet and telephone services should be installed. Accounts with FedEx and UPS should be created. Establish accounts with vendors you intend to use, such as office supply companies.

Your office space will need to be appropriately furnished and equipped to have a functioning law office. Desks, chairs, computers, copiers, and filing cabinets are basic needs. You also must consider chairs for the reception area, conference room tables, break room equipment

and storage for supplies. Appropriate software licenses must also be procured. When choosing software, look for three main components: conflicts checking, billing, and calendaring. A list of typical items needed to set up a law firm is included with this handout.

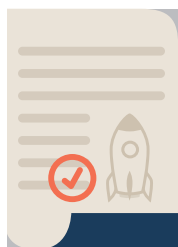
Hiring Staff

Finding the right people to staff your office might be the most daunting task of opening a new firm. You may opt to use a staffing service that specializes in legal solutions to help find suitable candidates. On your side of the equation, you should establish interview questions to determine if applicants fit into your position.

When considering prospective employees, it is imperative to do a thorough background check. Confirm the details of the resumé and contact the references provided. Any indication that a job candidate has withheld or misrepresented information is a red flag that they would not be a suitable trustworthy employee. Positions that involve access to your trust account should also include criminal history and credit report reviews as allowed by law. Meticulously choosing your staff will save you time and trouble later on as your firm develops.

THE FINISHING TOUCHES

Before that first client walks in the door, you will need to complete a few basic office organization steps. Installing your management systems and training staff to use them uniformly are important to maintaining a high functioning office. You should also begin to market your firm so that clients are calling when you are ready to serve them.



PRACTICE POINTERS

Before you start accepting clients, make sure

1. You have a calendar and case-management system
2. You have a filing system
3. You have an Office Procedures Manual

Marketing Techniques

Opening a law office is an excellent opportunity to send an announcement and invite everyone to a celebration of the event. Invite your office neighbors, vendors and, especially, your bank manager to the opening. Even if you do not mail an announcement, tell everyone about the opening. Your website should announce the opening of your new location as well.

Be sure to join the NCBA and your local bar association and any appropriate sections. Attend meetings to network and possibly obtain referrals. You may also wish to register with the Lawyer Referral Service provided through the NCBA. Find any other organizations associated with your practice or interests and join. Focusing memberships on organizations, either professional or social, you have interest in will provide double benefit with participation, marketing the firm and personal fulfillment.

Installing Systems

Your calendaring and case management systems must be up and running before you can begin handling cases. Having software installed and staff adequately trained before they need to use it will be beneficial. Software should be installed timely enough so that staff can test it using dummy cases and ask any questions they have or work out major kinks in the system before using it on real cases.

Training

The best way to make sure that everyone is on the same page is to train them properly. Your office procedures manual should include the procedures for handling everything from telephone calls to conflicts-of-interest checking, but an in depth training session to be sure everyone understands how the systems work should be held. All systems that have been installed should come with complete training. Even the copiers and other standard equipment will probably require some training as many of these operate differently.

With the firm just beginning, it would also be advisable to be sure staff know which position is responsible

for what duties. They also should be aware of who is responsible for backup should someone be absent. Having clearly defined duties will avoid confusion and help prevent something being left undone. A pre-operating staff meeting to discuss office organization, and to acquaint staff with one another, would be a perfect time to discuss this information. Provide copies of the office procedures manual and address any questions that arise.

The Office Procedures Manual

To ensure that everything continues to run smoothly



To ensure that everything continues to run smoothly and that there is no misunderstanding of duty, put it in writing. Your Office Procedures Manual should clearly outline every detail of proper office function

and that there is no misunderstanding of duty, put it in writing. Your Office Procedures Manual should clearly outline every detail of proper office function from answering the phone to using the computer systems. Any procedure used in the law office should be described in the manual as well as who is responsible and their back up. Eliminate any confusion about procedures and responsibilities. Address issues such as use of technology and proper attire to avoid problems in the future. The Office Procedures Manual should also include personnel benefits and leave. The office holiday schedule, office hours, and protocols for requesting time off should be specified in the policy. Include the accrual rate of vacation or sick leave and the procedures for any compensation, if applicable, when employment is terminated during the course of a year. Insurance benefits, compensation, and employee reviews are also part of the Office Procedures Manual. Include emergency procedures and security protocols as well.



PRACTICE POINTERS

Plan for lean beginnings the first year, and give yourself the tools to survive.

1. Follow good intake practices and avoid difficult clients
2. Be sure standard procedures for conflicts of interest and calendaring systems are followed.
3. Have regular staff meetings
4. Take care of yourself! Create a work-life balance

The employee should sign a statement that they read and understand the manual, and this statement should be kept in their personnel file.

Other Considerations

A few final steps are required before you are ready to open your doors. You will need to establish your law library for research. Online legal research resources can replace the purchase of books and reduce the costs of library resources. Research companies offer a variety of service options so you should be able to find one that fits your needs. You may also consider use of your local law school library or partnering up with another firm to use their library when necessary. Bar groups, CLE's, etc., will also have helpful practice guides.

Creation of a forms notebook, or network folder, will assist you with locating and reusing helpful forms that you find during your practice. It is also advisable to create a brief bank for the same purpose. Having useful information in a centralized location, easily accessible when needed for another case, can be a lifesaver. Assign the task of managing the forms notebook and/or brief bank to a staff member so that it is properly maintained and organized.

SURVIVING THE FIRST YEAR

Now that you've got your office all together, you're ready to open your doors and serve clients. You will probably still be operating on credit, or whatever

funds you used to establish your practice, for the first six to nine months. Do not panic. The financial planning steps you took while you were establishing your practice were undertaken precisely because this is normal. Planning for the lean beginnings gives you the tools to survive it.

More importantly, do not take the natural process of slowly building a business as a sign that you need to accept any client that walks in the door. Follow good intake practices and avoid 'difficult clients.' Not only could such clients cause you more headaches than you need with malpractice suits and grievances, but they most likely won't pay you anyway.

While your practice is developing, be sure that standard procedures for conflicts of interest and calendaring systems are being followed. Remember to use the appropriate engagement, non-engagement or disengagement letters for any potential client that contacts you. Following standard procedures from day one, even if it doesn't feel necessary, will make it easier to follow them when your caseload grows larger and such procedures are crucial.

Regular staff meetings assist with maintaining a connection between attorney and staff. As staff begin working with clients and files, procedures or systems either may not make sense as is or may not work effectively as designed; such issues can be addressed at a weekly staff meeting and appropriate changes can be

made. Also, openly consider staff suggestions for better ways to handle office tasks. Staff performing tasks can see time and money saving methods that you do not. Research shows it takes approximately sixty hours per week to build a successful practice. To avoid stress and burnout, try to balance business and personal activities. Use out of town CLE events as family getaways, such as conventions in the mountains or at the beach. To assist you with minimizing your time at the office, invest in quality personnel and gadgets such as a smartphone. Don't be afraid to schedule a family event with the same importance as a deposition or a court appearance.

Maintaining some balance between work and personal time will help you function better both personally and professionally, helping your practice succeed. Legal malpractice insurance is coverage for most professional liability claims made against lawyers. Liability policies are "claims-made" policies, meaning a policy must be in effect when a claim is filed for coverage to exist. The occurrence date must be within the time frame of the policy to be covered, and each policy will include a retroactive date listing when coverage begins. Since our social climate favors litigation, not having coverage could be detrimental to

CHOOSING A MALPRACTICE PROVIDER

an attorney's practice.

In difficult economic times, a significantly cheaper premium tends to be the main factor in determining a firm's legal malpractice coverage carrier. However, this can leave the firm facing underinsured claims or, worse yet, claim denial with little or no explanation. Selecting the right carrier for your firm is vital for your firm's operation. Important provisions can vary greatly between different carriers.

There are many factors to consider, other than price, when determining your malpractice coverage provider. Consider everything a policy includes before determining which would be a better deal. Is the deductible per claim and/or aggregate? How does the policy treat defense costs? Insurance carriers also can provide benefits beyond the policy itself. Do these

come at an additional price?

Firms must fully review all factors in choosing a malpractice insurance provider before deciding on this vital piece of protection for their practice. Making the effort to investigate all pertinent details is as important as investigating a client's case.


MUTUAL OR BAR-RELATED COMPANIES

The Beginning

In the 1970s, malpractice lawsuits exploded during an era of under-priced policies. Commercial carriers exited markets or raised their premiums between 100-300% and limited coverage. Bar associations across the country searched for a resolution as their members



In difficult economic times, a significantly cheaper premium tends to be the main factor in determining a firm's legal malpractice coverage carrier. However, this can leave the firm facing underinsured claims or, worse yet, claim denial with little or no explanation. Selecting the right carrier for your firm is vital for your firm's operation.

A graphic titled "PRACTICE POINTERS" featuring a document icon with a red checkmark and a rocket icon. The text "PRACTICE POINTERS" is in large, bold, blue letters. Below the graphic, the text "What to evaluate in a malpractice company:" is followed by a numbered list of five items: 1. Mutual vs. Commercial, 2. Market Conditions, 3. Claims, 4. Underwriting Philosophy, and 5. Benefits.

PRACTICE POINTERS

What to evaluate in a malpractice company:

1. Mutual vs. Commercial
2. Market Conditions
3. Claims
4. Underwriting Philosophy
5. Benefits

struggled to find appropriate coverage.

To create stable coverage at a reasonable price, many bar associations formed mutual companies to protect their members. A mutual company is owned by its policyholders, rewarding them with dividends during successful years. These captive malpractice insurance providers only offer legal malpractice insurance and other services for attorneys. Policyholders left high and dry by insurers exiting the market remain loyal to the mutual or bar-related companies in the ebb and flow of the insurance market, not willing to risk their practice with another unstable carrier.

The governance of these mutual and bar-related companies provides extra resources for their insureds. Officers attend meetings of The National Association of Bar-Related Insurance Companies (NABRICO), an organization in which the various state companies work together to share practices so that all attorneys receive the best services possible. All resulting products and services are for the benefit of the legal community.

Market Conditions

Mutual or bar-related companies remain stable year after year. Because they are policyholder owned, they are less affected by events on Wall Street. Premiums are provided at a reasonable rate instead of the year to year price swing that can occur with traded com-

panies. These companies maintain enough capital to see them through tough times so that they will be available for their policyholders without interrupted service.

When premiums increase, they do so as a last resort to maintain sound business practices for sustainable operations. Often, increases are directly related to claims experience. Since the goal of the company is to remain financially stable and not to generate a large profit, it is likely that premiums will decrease when conditions are favorable. Any year producing large profits would result in dividends being paid to insureds, potentially being profitable for them as well.

Claims

Claims attorneys are licensed in the state in which the company is located, and they understand the local issues involved in the claim and can offer assistance that may repair damage before a lawsuit is filed. These claims attorneys are available for consultation if a policyholder needs assistance with a potentially dangerous situation before a claim occurs.

Bar-related companies often provide insureds with claims defense (under a reservation of rights) even when coverage of a claim under the policy is questionable. A claims attorney works closely with an insured during a claim and keeps the insured informed throughout the process. The claims department also works closely with defense counsel on the case. Most bar-related companies have agreements with their local defense counsel for reduced-rate representation for defense of their clients.

Underwriting Philosophy

Mutual or bar-related companies directly write insurance policies instead of using agents to reduce costs and provide the highest quality of service to insureds. They use sound principles and maintain reasonable rates to ensure financial stability and longevity because they understand that their policyholders depend upon them.

Bar-related providers tend to be thorough during the application process. Do not be surprised to receive



Mutual or bar-related companies directly write insurance policies instead of using agents to reduce costs and provide the highest quality of service to insureds.

requests for clarification or additional information if they are not satisfied with your responses. Because of the thoroughness, processing applications is a time consuming process. For mutual or bar-related companies, questions and concerns will most likely be addressed directly by an underwriter and not by a sales agent. These underwriting policies help ensure that the company has a realistic understanding of the risks they are insuring.

Benefits

In addition to providing stable coverage, mutual or bar-related companies strive to provide their insureds with a multitude of services to make their practices easier.

These services often come at little to no additional cost to policyholders. Such benefits include:

- CLE programs. Every attorney must obtain CLE each year to continue practicing law. Most mal-practice providers will offer programs, but mutual or bar-related providers have the unique capability of bringing programs to your town instead of simply presenting programs in large cities that may not be convenient to you and often at reduced rates or free.
- Risk Management materials. Most companies provide materials on their websites for download. Since bar-related providers often only do business in one state, all of their materials are specifically tailored to meet the needs of those local insureds.
- Office Audit program. Mutual or bar-related companies are committed to improving their policyholders' practice, including thorough reviews of their office systems. This program offers suggestions to improve office management and provide better loss prevention skills to staff.
- Claims Avoidance\Claims Repair. The relationship between a mutual or bar-related company and its insureds creates a unique opportunity for attorneys to speak with claims counsel before a problem becomes a claim. Claims attorneys are also attune to local legal issues and can inform insureds of hot topics as soon as they become dangerous.
- Personal Assistance. Another unique characteristic is the ability to speak directly to an officer of the company when special assistance is required. You may even be able to schedule an appointment to discuss your issues. Keep in mind, however, these companies are small and availability may be limited accordingly.
- Local Legal Community. Mutual or bar-related providers are a part of the legal community they serve. Board members, officers, and claims attorneys are members of bar associations and other local legal groups. These companies also often provide financial assistance in addition to speakers, articles, and other support for these and other groups.
- Inter-Departmental Communication. The close relationship between the underwriting and claims departments allows them to communicate with each other regarding firm history of claims. This means that not just the costs incurred, but the cooperation of the firm and the merits of the claim will be factors in determining if a claim affects premium.

For more information, see the ABA website on the Standing Committee on Lawyers' Professional Liability. (www.americanbar.org/groups/lawyers_professional_liability.html)

UNDERSTANDING COVERAGE

The Application Process

Understanding the application process is an important step in selecting the right malpractice provider for your firm. Think of the application like any document you file with the court: it is of vital importance to be thorough and truthful. Withholding information can actually void a policy as most applications are considered part of the policy. Do not leave anything blank; provide more information rather than less.

Several questions included in the application will have spaces for additional explanation for “high-risk” activities. Fully explain any participation in these activities, detailing measures taken to reduce the risk to the insurance carrier. If any issues were raised in last year’s application, be sure that these are specifically addressed. Do not leave the underwriter feeling that questions were ignored by your firm.

A similar approach should be taken with providing claims history on an application. Do not simply provide the accusations made, explain any extenuating circumstances and list all remedies taken. Also inform the underwriter of improvements made to office management so that a problem will not be repeated.

Keep in mind the application is the underwriter’s assessment of your firm. A renewal application held for 90 days and returned just before the policy expires may be a red flag to underwriters as missed deadlines is a leading cause of claims. Be timely to show that the application is important; allow time for questions should any arise.

While thoroughness and timeliness will improve your likelihood of being insured, keep in mind that several factors influence the premium rate you are charged. These factors include:

- **Limits of Liability.** The higher the limits, the more expensive they are. However, being underinsured is a not good business practice.

- **Deductible.** Increasing your out-of-pocket expenses reduces the premium. Do not select a deductible you are unable to pay as this can be problematic for your coverage.
- **Firm Size.** Larger firms pay a reduced rate per attorney. The risk associated with emergency situations is reduced by the number of attorneys.
- **Claims History.** The claims history of the entire firm is used to determine the rate. One attorney with multiple claims can drastically increase the rate for his partners.
- **Area of Practice.** Certain areas of practice are subject to more, or larger, claims than others. These areas of practice typically incur a surcharge on the premium.
- **Office Management Systems.** Calendar control and conflicts-of-interest systems are essential elements to any law practice. Describe your systems in detail to your underwriter. Proper calendar control and conflicts-of-interest checking are key elements in avoiding malpractice and influence your premium rate.
- **Practice Location.** Your geographical location, whether you practice only in North Carolina or in multiple jurisdictions, can also affect your premium. Some areas have higher rates of claims than others.

Policy Basics

After you have completed an application, you will need to understand the policy’s contents to be in compliance and ensure coverage for all claims. Be sure to assess the proper limits and deductible amount before you settle on a policy, then read all the paperwork so that you are aware of what is included and excluded from your policy.

When choosing your liability limits, consider:

- **Value of Work.** Coverage should include a consideration for the value of the work you perform for clients.
- **Value of a Claim.** If something went wrong, how much could you be held liable for?

- **Value of Firm.** Be sure to protect your firm so that any damages would cover the net worth of you and your firm.

You should have a per claim limit and an aggregate limit associated with the policy. Be sure that the limits are adequate to cover your needs in each category.

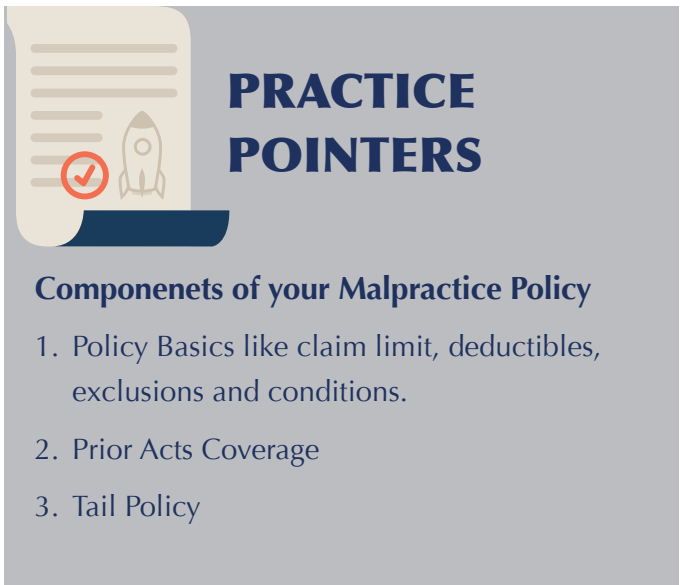
Deductibles are also divided into per claim and aggregate categories, and a policy could include one category or both. However, selecting a deductible is primarily a choice of how much out-of-pocket expense you are willing to assume. A higher deductible will lower your premium but may be problematic if you are unable to pay should a claim arise. Nonpayment of deductible is basis for nonrenewal of a policy and can lead to problems obtaining insurance from other carriers.

Your written policy will include conditions and exclusions. Conditions, such as timely reporting and cooperation, relate to the proper execution of the policy. Exclusions list actions that are not covered by the policy, such as criminal acts. Read your policy carefully to understand the conditions and exclusions applicable to your policy.

Most policies will also include endorsements. Endorsements can modify an existing policy by changing coverage or adding an attorney to existing policy. Endorsements can also list specific exclusions not addressed in the insuring agreement. Be sure to thoroughly familiarize yourself with your policy's endorsements so that you are aware of any special conditions to your policy.

Prior Acts Coverage

Prior acts coverage is essentially a retroactive date exception policy that extends a policy's coverage backwards for a specific period of time to cover previous work. Coverage is often an endorsement to an existing inforce policy for additional premium and includes acts up to the effective date of the endorsement.



PRACTICE POINTERS

Components of your Malpractice Policy

1. Policy Basics like claim limit, deductibles, exclusions and conditions.
2. Prior Acts Coverage
3. Tail Policy

Obtaining prior acts coverage is important for an attorney who has transitioned employment, such as lateral hires or leaving a firm to practice solo. Even though the former firm may still have coverage, the departing attorney may not be individually covered. Practicing without prior acts coverage can leave a gap in coverage and leave you exposed to an uninsured claim. Even if you think the risk of a claim is low, the defense costs for one claim could be expensive. If joining a new firm, consider the cost of prior acts coverage or tail coverage while negotiating your compensation.

Tail Coverage

Tail coverage, formally known as an extended reporting endorsement, may be available for purchase by an attorney leaving a firm or retiring. This endorsement can be an alternative for an attorney having difficulty purchasing prior acts coverage. This policy endorsement extends the reporting period for a specified period of time. There are two types of tail coverage, limited and unlimited. Limited tail coverage aims to cover an attorney until the expiration of the statute of repose. Unlimited tail coverage provides indefinite protection, extending to the attorney's estate in the event of death.

The incident giving rise to a claim against a tail policy must have occurred during the underlying inforce policy period. A tail policy is not a substitute for an inforce policy. Some insurers will allow a departing attorney to purchase a tail policy endorsement on his former firm's policy, billing the attorney separately as an individual policy. Generally there is a 30 day window to purchase tail coverage after the expiration of an inforce policy.

Use the resources available to help in the selection of your carrier. State bars or bar associations will often endorse a specific carrier for its members. This endorsement comes after examining the options available and determining this provider will offer members the best services in categories such as cost, stability, claims service, and loss prevention services. While

their selection may not be the cheapest option available, the bar or bar association deems this carrier the best choice for continual reasonable service. State bars and bar associations have their members' best interests in mind, take advantage of the research they have done for your benefit.

Knowing your options when choosing your provider will assist you in finding the best possible coverage for your firm. While it may be tempting to select the cheapest coverage, it may not always be wise. Switching coverage from carrier to carrier could leave you with gaps in your coverage and expose you to uncovered claims. Read your policy and related endorsements thoroughly after committing to a provider to ensure you are familiar with all of the inclusions and exclusions applicable so no coverage issues arise.

ATTORNEY-CLIENT RELATIONSHIPS

Relationships with clients are the backbone of the attorney's practice. Satisfied clients refer friends and colleagues. They also return for repeat business because they trust the lawyer to handle it properly. An attorney's success is dependent upon such clients. Dissatisfied clients, however, file complaints with the State Bar and malpractice claims.

Developing procedures for creating satisfied clients and avoiding clients who will never be satisfied are crucial for a successful law firm. Often an attorney, or even staff, can determine if a potential client will be difficult before representation begins. Learning to

recognize danger signs and foster habits that make clients more satisfied can help reduce the problems that result in grievances and malpractice claims.

INITIAL CONTACT

We all know the importance of first impressions. Lawyers strive to use that initial contact with potential clients to create a feeling of need for services. However, not all prospective clients become actual paying clients, and it is important to establish procedures to prevent the non-client from assuming that you are indeed their attorney, such as the use of a non-engagement letter.



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TELEPHONE INQUIRIES

Whether the new potential client is a referral or someone who has seen your marketing material, take care in the manner in which you conduct initial telephone interviews. Have a standard form that limits the amount of necessary information you gather to conduct a proper conflicts of interest check. Remember that confidential information gathered during a telephone inquiry in which a potential client in good faith is seeking legal counsel could disqualify you from representing a current client with a conflict of interest. However, it is also important that the potential client feels like you consider them a person and not just a potential case.

Email

Email inquiries are perhaps the trickiest initial contact to maneuver as a potential client could feasibly present the entire case, confidential information included, in the first email. Having a systematic response where you respond that the email will not be read until the conflicts of interest check is completed, with the appropriate form attached, may help alleviate some of the dangers involved. Be sure to verify the potential client is within your jurisdiction before offering any advice to avoid the unauthorized practice of law. If practical, have email inquiries screened by a non-attorney to assist with conflicts of interest avoidance.

Social Setting

When people know you are an attorney, they tend to ask for free legal advice. Never is this truer than those times you are at a social function. The best policy for

these situations is to let the individual know that the situation is more complex than they realize and that you'd love to discuss it with them in detail in your office. If the matter is outside your area of expertise, say so and recommend they find an attorney who specializes in that area of practice.

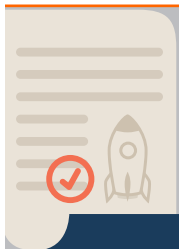
Family and Friends

Another minefield are individuals near and dear to the attorney. Family and friends often approach the attorney casually and ask for advice. They will also expect the attorney to perform legal services for a severely reduced rate, or even free, and may feel overcharged regardless of the cost. If the case goes badly, family and friends are just as likely as anyone to file grievances or malpractice claims. Follow proper procedures and have them come into the office for consultation. Conducting business outside of the office could create an unintentional breach of confidentiality.

Avoiding Accidental Clients

In addition to meeting clients and potential clients in various settings, attorneys occasionally happen upon accidental clients. Lawyers often make statements they believe to be casual observances that others can understand to be legal advice. An accidental client may also be a third party who attends a meeting with a client and assumes the attorney represents their interests as well as the client's interest.

Drafting proper non-engagement letters informing the party that you are not their attorney should be sufficient



PRACTICE POINTERS

Components of the Intake Process

1. Have the prospective client come into the office for an intake interview.
2. Have a plan with appropriate forms to gather information.
3. Know something about your client before they come.
4. Listen to what the prospective client has to say and ask questions.
5. Look and listen for clues of a difficult client, including your gut reaction.
6. Follow-up with a non-engagement letter if you do not pursue representation.
7. Follow up with an engagement letter if you are going to represent the client.

to protect you. It may seem like laborious paperwork, but so will a grievance or malpractice claim when it is filed. Also, non-engagement letters sent in these situations can serve as marketing tools, as the prospective client may later seek your assistance with another matter or refer you to a friend.

THE INTAKE PROCESS

Following the initial contact, you should have the prospective client come into the office for an intake interview that will establish the foundation of the representation should you and the client agree to work together. The screening process will also serve to ensure compatibility between lawyer and client. Remember, the attorney-client relationship is a business relationship, and being able to work together effectively is an integral part of a successful endeavor.

Have A Plan

The intake process runs more smoothly when it is systematic. Having the appropriate forms to gather information needed allows you to conduct the interview seamlessly. Organization also allows staff to process information without delay.

First Impressions

Know something about your client before they come into your office. This will show that you are interested in the representation and give you some familiarity with them. Your knowledge will assist you in meeting their legal needs. It will also help to make them more comfortable during the interview process. Don't forget to thank the potential client for choosing your firm for their business.

Listen!

For the potential client, the matter for which they are seeking your services is the most important issue in the world. Listen to what they have to say, and repeat key information to show you are paying attention. They will appreciate it. During the interview, be sure you have no interruptions from staff, phone calls, or email. Let the client know they have your undivided attention.

Ask the Questions

After listening to the potential client's story, ask the questions necessary to fill in the details. This is the point where you must establish their motive in pursuing legal action and their expectations. Learn what results would be unacceptable to the prospective client. You will also discover any financial constraints that would limit the representation. Be sure you know your potential client before proceeding with the case. If the client's goals are unobtainable, establish reasonable expectations and provide them with a likelihood of success.

Look for Clues

Not every client or case that walks into your office is a good match for you or your firm. Avoid taking cases outside of your area of expertise. Learn the signs that indicate a difficult client or a case. Anger, vindictiveness, or an extreme sense of justice may indicate a client whose expectations are incongruent with reality and who will not be satisfied regardless of the result. Find out if they have previously sought legal advice from another attorney. If so, at what stage is the process, and are you allowed to converse with the attorney? The client may not be willing to listen to legal advice, which means failure to achieve expected results will be attributed to your mishandling of the case.

Also be wary of clients who are overly argumentative regarding your fee. Investigating a prospective client's creditworthiness is simply a good business practice. Performing pro bono work should be your choice, not something you are forced to do because a client would not pay.

Do not underestimate the value of your instincts. If your 'gut reaction' is to walk away, it is most likely the best decision. A problem client could cost you clients that fit you better by taking up too much of your time and energy.

Non-Engagement

If for any reason either of you decide not to pursue representation, follow up with a non-engagement letter. This letter will serve to protect you in the future. A

non-engagement letter should be courteous and thank the potential client for visiting your office and acknowledge the reason for not taking the case.

Without commenting on the merit of the case, advise the client of the right to seek a second opinion and that time limitations will apply. Avoid making statements of liability or providing specific dates and/or particular attorneys as referrals because this can be seen as further legal advice and subject to liability. Retain copies of non-engagement letters to rebut any potential claim of representation that may arise.


ENGAGEMENT LETTERS

Once you have agreed to represent a client, execute an engagement letter that establishes the attorney's duties and fees. A well-drafted engagement letter is the first step to good client relationships. The purpose of the engagement letter is to avoid misunderstandings, providing the client with written documentation of the services that the attorney will provide and expectations of the client. Many malpractice claims arise because of a failure to establish the boundaries of representation.

The Scope of Engagement

Outline the work to be performed and approximate a timeline for the case. Let the client know that the legal process can and often does take a good deal of time. Provide a basic strategy to help the client understand the steps to be taken. Include in the agreement any matters that are related that will not be handled to ensure that the client is fully aware that you will not be representing them in this matter. Including non-engagement clauses in an engagement agreement will assist with any negligence claim should it arise in the future.

If an attorney is entering into a limited representation, one in which services are 'unbundled,' be sure to clearly indicate in the agreement who is responsible for which part of the representation. For more information regarding unbundled services, review our "Unbundled Services" handout available at www.lawyersmutualinc.com.



PRACTICE POINTERS

Parts of an Engagement Letter

1. Scope of Engagement
2. Billing
3. Office Procedures, for example returning phone calls or responding to emails
4. Make sure you review the engagement letter with your client.

Billing Procedures

Describe in detail the procedure involved in billing, including the frequency, detail and format of the bill. Best practices indicate monthly billing results in happier clients. List the type of fees and costs involved in the case, such as filing fees and copying expenses. Knowing what they are being charged will help them understand the cost of the case. A client who feels blindsided by unexpected expenses will lose faith in their attorney. Include in the billing description any additional persons for whom the client may expect to be charged costs. This includes expert witnesses and consultants. Also, inform the client of all office personnel who will be assisting on their case and the fees associated with each. Understanding that work completed by an associate or paralegal will reduce fees will be appreciated by the client.

Office Procedures

Use the retainer agreement to establish office procedures for returning phone calls and responding to emails. Find out how the client prefers to be contacted and be sure they understand the confidentiality issues related to each method of contact. Also inform the client of procedures when you are out of the office. Again, knowing information in advance helps prevent the client from feeling neglected or abandoned if the attorney isn't immediately available.

Review with your Client

Be sure you go over the retainer agreement thoroughly with your client. Answer any questions they may have about legal language that is unfamiliar to them. Taking the time to make sure this isn't just another form for the client to sign and that the client understands the legal process will serve you well as the representation unfolds. Allow the agreement to be the client's handy referral tool to how they can expect to be treated by the firm. If they get everything in writing from day one, they will typically be happy with the service you provide.

If the client is responsible for certain tasks, such as providing documents or making decisions, provide a checklist for the actions to be taken and deadlines. This will help them understand their role in the relationship.

Also, when they sign the agreement, they will feel as if they are joining a team and look forward to working together.

MANAGING CLIENTS

Once the representation has begun, you cannot neglect your duty to correspond with clients. The number one complaint by clients is that attorneys fail to return phone calls timely. Do not be an attorney who fails to communicate with clients.

Returning Calls

Your office procedures for returning telephone calls should be discussed with clients at the outset of the representation. Voicemail should be checked daily and returned accordingly. It is important that all office

personnel follow the same telephone policy. If the lead attorney is not available within the appropriate time frame, there should be procedures in place for another attorney or staff to contact the client.

All calls should be documented in the file, including any attempts to return phone calls that resulted in busy signals or voicemail. Documentation of phone conversations should be very specific, and provide details of what was discussed. Follow up any instructions provided by the client or attorney with a letter confirming actions to be taken. If multiple attempts are made to return a phone call with no success, send an email or letter documenting these attempts and requesting the client contact you.

Emails

Many people assume that because emails are delivered instantly, they should receive a response just as quickly. When you are unavailable for an extended period of time, enable an "Out of Office" notice that will notify the sender of your absence and provide them with the name and email or phone number of the appropriate contact person. To avoid spending your entire day responding to emails, set aside a certain period of time each day for this purpose.

Status Updates

The simplest way to ease a client's mind regarding the status of their case is to send regular status updates, even if there is no activity. Letting a client know that you are still awaiting response from another party or gathering information and that no news is normal alleviates the fear that they have been forgotten. If the



...a difficult client will eventually slip through the screening process and must be handled accordingly. Difficult clients are more likely to be unhappy with the representation and to file grievances and malpractice claims. Difficult clients are also likely to treat you or your staff badly, and it is imperative to not allow the client to bring out bad behavior on your end of the relationship.

case is no longer moving along the timeline originally set in the engagement letter, address the issue and establish a new timeline based upon current events. This informs the client you are staying abreast of the case and still have a plan for success. If providing regular status updates for your cases is problematic, you probably have too many cases and are at an increased risk for malpractice or ethics violation.

Copies of Documents


It may seem like common sense to send the client copies of everything, but often what everything includes is muddled. Obviously the client should receive copies of all court documents. The client should also receive a copy of every letter that you send out in their behalf. In short, any document produced regarding the case should also be received so they are fully aware of all activity in their case.

Other Positive Activities

In addition to regular correspondence, clients appreciate an attorney who projects extra effort in handling their case. Visit the scene of an accident or the client's business to gather first-hand knowledge. Update the client on new developments that could affect them, such as recent case law or statutes. First and foremost, complete work on the case promptly. While the statute may not run for three years, most likely the client would like to resolve the issue much sooner.

HANDLING A DIFFICULT CLIENT

Regardless of due diligence during the intake process, a difficult client will eventually slip through the screening process and must be handled accordingly. Dealing with a difficult client requires more time and care than a regular client. Difficult clients are more likely to be unhappy with the representation and to file grievances and malpractice claims. Difficult clients are also likely to treat you or your staff badly, and it is imperative to not allow the client to bring out bad behavior on your end of the relationship.



PRACTICE POINTERS

The Different Types of Difficult Clients

1. Angry Clients
2. Vengeful Clients
3. Obsessed Clients
4. Dependant Clients
5. Secretive Clients
6. Depressed Clients
7. Mentally Ill Clients
8. Difficult Client with a Difficult Case
9. Client who doesn't listen

Types of Difficult Clients

Not all difficult clients have the same characteristics, nor will all of them behave with the same level of difficulty. In fact, you may be able to properly assist some varieties of difficult clients if you read the signs appropriately and avoid the dangers associated with them.

- **Angry clients.** Angry clients are upset when they first visit your office and often remain so the entire representation. Because they cannot reach the object of their anger, they often transfer it onto their attorney and the attorney's staff. Remind an angry client that this is a business relationship and that you work for them but mistreatment of you or staff will not be tolerated.
- **Vengeful clients.** This client is an angry client who has focused on the mission of obtaining justice from the one who wronged them. Vengeful clients can be dishonest and often want the lawyer to take steps that are unethical or illegal. Vengeful clients can also be unwilling to pay for the services required to obtain justice.
- **Obsessed clients.** Obsessed clients may be mission-oriented like a vengeful client, or they just

may be overly involved. This client will keep every piece of paper regarding their case, and may even do research themselves. An obsessed client will often bring written material to the lawyer for reading. If you have an obsessed client who brings you papers to read, request they organize the paperwork. They will enjoy the assignment and appreciate the reminder that they would be paying for the time you spend organizing the paper.

- **Dependant clients.** Dependant clients refuse to make their own decisions. These clients have spent most of their lives depending on someone else to be responsible for them, and they transfer this responsibility to their lawyer. Do not allow yourself to become a decision maker for a case. If you have a dependant client, encourage them to involve a trusted advisor in the decision making process.
- **Secretive clients.** Clients who withhold information or deceive their attorneys are dangerous clients. These clients may exhibit suspicious behavior that is unproven. Secretive clients may misunderstand the importance of honesty in the attorney-client relationship, or they may have something to hide. Do not let the client's tendency toward secretive behavior prevent you from asking questions necessary for proper representation. Once a client changes from being merely secretive to being deceitful, consider whether or not you can continue to represent the client.
- **Depressed clients.** Clients who suffer from depression are typically withdrawn and fail to

engage in the representation of their case. If your client becomes depressed, encourage them to seek professional assistance. As you cannot proceed without instruction from your client, be sure to document in writing your advice and request for instructions and any instructions you receive. Indicate in writing if the case stalls due to failure to receive instruction.

- **Mentally ill clients.** Some mentally ill clients are capable of instructing lawyers, but you must be satisfied the client is able to do so. Because the client is less predictable and prone to change instruction, always confirm in writing and verify the instructions are still valid before acting upon them.
- **A difficult client with a difficult case.** This is a client who typically has unrealistic expectations about everything involving the case: the cost, time, importance and service. It is necessary to be clear with this client what the likely outcome will be. Always put bad news in writing, and the client may need to hear such news repeatedly.
- **The client who doesn't listen.** In some respects, all clients may resist their attorney's advice. However, this client often refuses to follow advice even after it has been reduced to writing and the consequences are presented. While it may be tempting to refuse to act for this client, remember that the decision to act ultimately lies with the client, and they have to live with the consequences. Be sure to fully present the consequences when you are presenting your advice so that the client is aware of what may occur if they ignore your legal expertise.

PRACTICE POINTERS

Tips for Working with a Difficult Clients

1. Document everything!
2. Have patience
3. Protect your staff from mistreatment
4. Make sure you know what your client's expectations, and keep those in check.



Working with a Difficult Client

If you find yourself representing a client who has become difficult, remember to take the utmost care in maintaining the proper professional relationship. Your role is to present all possible solutions and consequences so they can make decisions. Difficult clients may be less inclined to make decisions or dislike their options. Avoid the temptation to involve yourself further in the process; simply make sure they understand the choices they have before them. Be sure to follow these steps to further protect yourself:

- **Document! Document! Document!** Write down everything you can about any contact you have with the client, phone calls, voice mails, copies of emails, etc. Confirm all instructions, both yours and theirs, in writing. Don't forget to include all possible consequences of following or not following instructions. Be sure all documentation includes the client's name, the file name, who was contacted, date, nature (phone, email, etc.), length of conversation, details of conversation, and any instruction given. Documentation should not be general; it should be a specific recollection of the conversation. Documenting details is good practice for any file, but it is essential for handling difficult clients.
- **Patience.** Do not let the difficult client get to you. If you find yourself becoming agitated, it may be time to transfer the case to another attorney. Handling a difficult client requires a great deal of patience. Be sure to be very explicit with the client about everything, and give all information to the client in writing. Alleviate misunderstandings by ensuring that the client knows who to contact for information and what expectations you have of the client.
- **Protect your staff.** Difficult clients are sometimes more likely to mistreat staff than they are their attorney. Since the staff will be more likely to speak to the client on the phone, be sure that they handle the client in the same manner as the attorney. Also, make it clear to the client that abusive behavior toward staff will not be tolerated.

If you find the attorney-client relationship has deteriorated to such a state that you are feel compelled to withdraw as counsel, take care to follow proper court procedures.

- **Keep expectations in check.** One of main reasons clients can be difficult is because their expectations are unreasonable. You must ascertain what the client expects from you in four main categories: services, costs, time, and results. Address expectations in the consultation stage, and manage them throughout the case. Positive developments could lead expectations to rise. To prevent misunderstandings in these situations, reiterate the expected results when you provide the good news to the client in writing.

Terminating a Difficult Client

Regardless of all your efforts, a difficult client may become too impossible to continue the attorney-client relationship. If you are unable to satisfy the client with your work, you may need to allow the client to seek other counsel. If the case is being transferred to another lawyer, be sure the client is not disadvantaged in the process and that all material is duly forwarded. Even if the client has fired you, handle the issue courteously and professionally. Copy the client on all correspondence regarding the transfer of the file. Maintain a copy of the file for your records should a grievance or malpractice claim arise.

If you find the attorney-client relationship has deteriorated to such a state that you are feel compelled to withdraw as counsel, take care to follow proper court procedures. An attorney cannot prematurely abandon a client. If you elect to withdraw, notify the client in writing and seek

permission to file the appropriate paperwork with the court. Remind the client of the immediate need to seek substitute counsel and the time limitations associated with the case. Inform the client you will cooperate with substitute counsel.

Regardless of whether you or the client terminated the attorney-client relationship, send the disengagement letter by certified mail and confirm receipt. This will provide written documentation of that the letter was received by the client and that they were informed of the importance of pursuing the matter with substitute counsel timely. Maintain the return receipt card with the disengagement letter for your records.

THE FINISH LINE

For those clients that aren't difficult and you can see their cases to conclusion, all good things must end. When the matter comes to a close, be sure to terminate representation properly so that all parties are aware that the relationship has concluded. While it may be obvious to you that there is no further representation, do not assume the client has the same understanding of the matter. Taking the time to close out the representation could save potential headaches in the future.

Disengagement Letters

Sending a disengagement letter is perhaps the simplest method for indicating to a client that representation has concluded. State clearly the reason for terminating the representation and that no further actions will be taken on the client's behalf. If there is an unresolved related issue not covered by the representation, indicate such information as well. Informing the client of any related unresolved issues and that time limitations

apply will assist in preventing future claim that the client considered all matters resolved or covered by the representation.

Again, copies of disengagement letters should be kept in the client file. This will serve to establish the precise date upon which the statute of limitation begins to run. Upon expiration of the statute of limitation and statute of repose, claims against attorneys are time barred. Courts, however, tend to side with the client if there is a discrepancy regarding when the relationship ended. A disengagement letter removes any doubt regarding the end of the relationship and protects against misinterpretations from the client.

Include the final bill with the disengagement letter, even if there is a zero balance. If a refund is due to the client for unearned fees, include it as well. This allows the attorney to settle the account with the client in a timely manner. Clients may be more likely to pay bills that are received soon after the representation has ended.

Return original documentation to the client with the disengagement letter. This includes all belongings that the client provided you for the representation. Thank the client for the opportunity to assist them with their matter. For the repeat client, send a disengagement letter for each matter to ensure that they know that this particular case is concluded, and open any subsequent cases with the appropriate engagement letter.

Customer Satisfaction

To maintain a successful practice, your clients must be satisfied with your services. To measure how well your office met client's expectations, you may elect to send your client a survey regarding the service they received.



When the matter comes to a close, be sure to terminate representation properly so that all parties are aware that the relationship has concluded . . . Taking the time to close out the representation could save potential headaches in the future.

You may also wish to place client feedback cards in the lobby so that anonymous feedback regarding basic services can be provided at any time. Clients may be more at ease writing down anonymous complaint. Billing is another excellent opportunity to receive feedback from clients. Provide clients the chance to contact you with any questions or concerns regarding the bill. Document questions or concerns both in the client file, so that all correspondence is appropriately recorded, and in a client satisfaction folder. You may reconsider who performs a certain duty in order to reduce costs, for example.

Thanks Again

Beyond the initial interview, take additional opportunities to thank clients. Send birthday and Christmas cards. Simply send a thank you card at the end of the representation. Never miss a chance to thank the client.

An attorney's practice is based upon the ability to maintain successful attorney-client relationships. Without satisfied clients, an attorney has no repetitive

business or referrals from former clients. Dissatisfied clients may fire their attorney and move on to other counsel, as well as file grievances with the State Bar or malpractice claims. Dissatisfied clients will also describe the attorney as incapable to all of their friends and neighbors. While pleasing every client will prove impossible, following designated office procedures will reduce the number of unhappy clients. Clients will know what to expect from your firm, and staff will know how to provide good service to clients.

The best method for creating good attorney-client relationships is finding compatible clients for your law firm. Matching your office to your clients will keep communications open and help prevent misunderstandings. This process includes accepting cases within your typical areas of practice and resisting the urge to dabble. Also, avoid difficult clients by reading warning signs such as grand expectations, an elevated sense of justice, or problematic behavior. Most importantly, trust your instincts and do not accept cases that make you feel uneasy. ■

CHECKLIST FOR STARTING A LAW PRACTICE

This checklist is designed simply as a guideline to provoke thought when considering starting a law practice. It is not meant to be all inclusive.

I. PLANNING/BUDGETING

- Do self-assessment about starting a practice
 - Tolerance for Risk
 - Managerial Skills
 - Marketing Skills
 - Confidence Level in Legal Skills
- Write a Business and Marketing Plan
 - Projection of gross receipts
 - Projection of overhead and expenses
 - Projection of net receipts
 - Cash flow projections
 - Projection of hours worked
 - Marketable experience
 - Setting fees to make a profit
 - Written fee agreements

II. MARKETING PLAN/ PRACTICE DEVELOPMENT

- Potential Client Base
- Advertising
 - Yellow Page ad
 - Website
 - TV, radio, billboard
 - Office signage
 - Sign up for Lawyer Referral Service
 - Sign up for free Lawyer Search service on NC Bar website
 - Firm brochure
 - Client newsletter
 - Join civic organizations
 - Produce community seminars
 - Announcements
 - Speak at CLE programs

III. FORMS OF PRACTICE

- Considerations in Selecting Form of Practice
 - taxation
 - liability
 - succession/dissolution
- Solo Practice

- Partnership
- Professional Corporation
 - Articles of Incorporation
 - shareholders, officers, chief operating officer
 - Statement of Good Standing from Clerk of Supreme Court
- Limited Liability Company
 - Articles of Organization
 - members
- Limited Liability Partnership
- Consult with CPA
- Specialized/General Practice
- Partnership Agreement in writing
 - Capital/equity from partners
 - Withdrawal/retirement issues
 - Compensation and profit distribution
 - Each partner's role in the practice
 - Managing Partner
 - Rainmaker
 - Others

IV. OFFICE SPACE/ LOCATION CONSIDERATIONS

- Office Building
 - Image, upscale, informal
 - Square footage
 - ADA considerations
 - Parking
 - Services, janitorial
 - Expansion Opportunities
 - Renovation Needs
- Location
- Office sharing
- Renting, leasing
- Purchasing/buy into a law practice
- Working from home

V. ACCOUNTING NEEDS

- Consult with CPA
 - set up accounting procedures
 - Chart of accounts
 - Profit and loss statements
 - Balance sheets
 - Cash Flow Statement
 - quarterly and annual tax returns
 - payroll services
 - bank and trust accounting systems/reconciliation procedures
 - software compatible with accountant

VI. START UP COSTS/CREDIT SOURCES

- Highly suggested that enough cash or a line of credit be available to cover start-up costs and at least the first 6 months to one year of operating expenses plus personal living expenses.
- Sources of credit
 - Local bank/Credit Union
 - personal, business loan
 - home equity, home refinance
 - line-of-credit to be drawn upon as needed
 - lease, equipment loans
 - family loans/private investor loans
 - Personal savings

VII. BANK ACCOUNTS

- Trust account (separate account)
 - IOLTA account, if applicable
- Business operating account for expenses/payroll
- Short term savings
- Safety deposit box
- Firm credit card
- Investments
- Checks, deposit slips, endorsement stamp
- Set up account to accept credit cards
- Retirement plan

VIII. TECHNOLOGY

- Software
 - Word processing
 - Time and billing/accounting

- Calendaring and docketing
- Conflicts checking
- Case Management
- Document assembly
- Office Suite Software
 - Word processing
 - E-mail
 - Spreadsheet
- Presentation Software (such as PowerPoint)
 - Others
- Virus protection for computers
- Voice Recognition
- Other specialized or practice specific software

 Hardware

- Computers
 - Operating system
 - Back-up system
 - Lease or purchase
- Printers
- Network/Firewall
- Scanners
- CD-ROM
- Laptop Computer
- Personal Digital Assistant (PDA)

IX. OFFICE EQUIPMENT/SERVICES/SUPPLIES

- Fax Machine
- Photocopier
- Scanner
- Shredder
- Dictation equipment/Voice Recognition Software
- Internet Service Provider
- E-mail address
- High speed Internet access or DSL line
- Telephone System
 - Equipment/answering machine
 - Voice mail/manual message system
 - Answering service
 - Local and long distance carrier
 - Conference calling
 - Music on hold
 - Cell phone/service
 - Pager
- Postage scale/mail equipment
 - Establish UPS and Fed Ex

- accounts
- Office furniture for lawyer(s), staff, reception area, file cabinets, conference, room furniture, carpeting and area rugs, book shelves, art work/ office decorating needs
- Office supplies, paper, envelopes, pens, staplers, file folders, etc.
- Business cards, announcements
- Order public information brochures from the Bar for clients

X. LIBRARY/LEGAL RESEARCH

- Online legal research provider
- Purchase new or used law books
- Local law library
- Law school library
- Courts library
- Internet research
- CD-ROM
- CLE Deskbooks

XI. OFFICE SYSTEMS/PROCEDURES

- Develop office manual/operating procedures manual
 - Standard procedures/policies for practice
 - Personnel policies/benefits
- Docketing, calendaring, tickler system
 - Computer (dual-system is highly recommended)
 - Manual
- File organization
 - Alpha/numeric
 - Centralized/decentralized
 - Opening file procedures
 - Closing file procedures/retention/storage/destruction
 - Document maintenance
 - Offsite - safety deposit box
 - Computer backup
 - Fireproof files
 - Forms used in practice
 - Client interview form
 - Engagement/non-engagement letters

- Written fee agreements
- Practice specific checklists
- Billing Statement Form
- General client correspondence, notices, etc.
- Client survey form after conclusion of representation

- Client billing procedures
 - Regular monthly statements even if no amount due
 - Detailed billing statement
 - Expense billing
 - Costs to be billed
 - legal assistant time/paralegal time
 - telephone expenses
 - duplicating expenses
 - computerized legal research
 - mailing costs
 - others
 - Collection policy
 - Credit cards for payment

- Client Relations Policy
 - Setting appointments, introducing staff
 - Returning phone calls, e-mail messages
 - Client intake form/survey at conclusion of representation
 - Keeping clients informed
 - Send copies of work, documents
 - Communicating Fees
 - Clear discussion about fees
 - Written fee agreements/engagement letters

- Accounting Procedures
 - Bank account reconciliation
 - Cash Flow Statement
 - Accounts Receivables/Payables
 - aging review
 - Expense Approval System
 - Counter signature requirement on checks
 - Others

XII. INSURANCE PROTECTION

- Professional liability
- Workers' Compensation

- Health Plan
- Car Insurance for business use
- Property (liability, wind, fire, earthquake, etc.)
- Loss of valuable documents
- Life
- Disability
- Business Interruption

XIII. PERSONNEL

- Legal Assistant/Paralegal
 - Full-time
 - Part-time
 - Temporary
 - Hours, flex-time
 - Sharing personnel with other professionals
 - Training
- Employee benefits
 - Vacation, holidays
 - Sick leave
 - Overtime policy
 - Medical insurance
 - Retirement Plan
 - Others
- Secure I-9 forms, W-4 forms, confidentiality agreement, employment applications, etc

XIV. MISCELLANEOUS

- Call NCBA Law Practice Management Information Center for assistance
 - Lending library
- Register fictitious name (if applicable)
- Obtain city or county business licenses or permits
- Order Post Office Box (if needed)
- Build a forms file
- Become a notary or have someone on staff or close by that is available
- Develop a disaster plan for your office, files, computer, etc.
- Develop a plan for your illness, incapacity or death.
- Consider attending The NCBA's Center for Practice Management's Start-Up Boot Camp.
- Change address with NC Bar
- Call the NC State Bar with ethical questions.
- Join local bar association
- Develop a network of other lawyers to call upon for assistance
- See if your state or local bar has a mentoring

SERVICE PROVIDER CONFIDENTIALITY AGREEMENT

It is the policy and practice of _____ (hereinafter “**the firm**”) that the confidentiality of all client, law office business and related matters is carefully guarded and protected in every possible and reasonable manner at all times. For that reason, you are being asked in your capacity as an employee or representative of “X”, a service provider to “**the firm**” (hereinafter “X”) to review and sign this confidentiality form. Your signature below represents and documents your acknowledgement and agreement to maintain complete and strict confidentiality regarding any client information and any and all other office matters that you may be told or inadvertently or otherwise learn in the course of your work with “Law Firm.”

Any breach of this confidentiality policy to third parties will result in the immediate termination of our business relationship. Further, should you breach this confidentiality policy in any way, you and your company will be jointly and severally liable for any and all damages and expenses including attorney fees cause to “**the firm**,” its clients or employees

I, _____, am an employee and authorized representative for “X” and have read, understand and agree to abide by the provisions of the foregoing stated policy.

Signed this _____ day of _____, 20____.

PROSPECTIVE CLIENT QUESTIONNAIRE

Name (include maiden or other marital name): _____

Home Address: _____

Date of Birth: _____ Home phone: _____

Name of Employer: _____ Position: _____

Employer address: _____

Employer phone: _____

Where you prefer to be contacted: _____

Spouse's name: _____

Opposing party name and address: _____

Name of associated and/or related parties: _____

Name of current opposing counsel: _____

Address: _____

Please state briefly the nature of the problem you wish to discuss with this office.

Please check type of legal category that applies:

Domestic/Family Law: _____	Auto Accident: _____
Other personal injury: _____	Criminal: _____
Employment problem: _____	Juvenile case: _____
Estates or wills: _____	Traffic ticket: _____

Have you or any member of your family been seen by anyone in this office? Yes No (Circle One)

If yes, state person's name and nature of the legal matter with which he/she assisted.

How you were referred:

Phone: _____	Advertising: _____	Former client: _____
Bar referral: _____	Court assignment: _____	Other lawyer: _____

OFFICE INTAKE: NEW CLIENT

Client Information

File No. _____ Date Opened: _____
Client: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Work Phone: _____ Home Phone: _____
New Client: _____ Previous Client: _____

Case Information

Matter: _____
Claim No.: _____ Insured: _____
Misc.: _____
Contact Name: _____ Referred by: _____
Originating Attorney: _____
Billing Attorney: _____
Supervising Attorney: _____

Fee Arrangements

Hourly Rate: _____ Standard: _____ Other: _____
Flat fee of \$ _____
Hourly rate of \$ plus contingent (Check Below):
Contingent Fee of _____% of amount
Recovered: _____ Saved: _____ Other: _____
Fee to be determined on basis of all relevant factors: _____
Retainer of \$ _____ per Month _____ Year _____
Number of hours of service covered by retainer: _____
Excess hours to be billed at rate of \$ _____ per hour
Other: _____

Billing Arrangements

Frequency: Monthly _____ Quarterly _____ Completion _____ Other: _____
 Retainer of \$ _____ Minimum fee (to firm account): _____
 Apply to final statement (to trust account): _____
 Apply as earned (trust account): _____
 Special: _____

Invoice Formats

Print past due message:	Yes _____	No _____
Print initials:	Yes _____	No _____
Service charge:	Yes _____	No _____
Cover statement:	Yes _____	No _____

Conflict Information

Client and other parties associated with client: _____

 Adverse parties: _____

 Names associated with other files for this client: _____

Case Type

- | | | |
|----------------------------|------------------------------|-------------------|
| 10 Estate Planning | 34 Contracts – litigation | 58 Collections |
| 11 Estate administrations | 35 Other litigation | 59 Other business |
| 12 Wills | 40 Worker’s compensation | 60 Domestic |
| 13 Guardianship | 41 Employment law | 61 Juvenile |
| 20 Residential real estate | 42 Employee plans | 80 Criminal |
| 21 Commercial real estate | 50 Incorporation | 81 Government law |
| 23 Environment law | 52 Non-profits | 82 Education |
| 24 Foreclosures | 53 Limited liability company | 83 Insurance law |
| 30 Personal injury – pl. | 54 General corporate matters | 84 Bankruptcy |
| 31 Personal injury – def. | 55 Tax – individual | 85 Trademarks |
| 32 Personal injury – other | 56 Tax – business | 86 Patents |
| 33 Product liability | 57 Banking | 87 Copyright |

Other: _____

CHECKLIST OF DOCKET ENTRIES

Following are some dates and deadlines that might be entered in your calendar system. This list is not meant to be exclusive. Use it to prepare your own checklist of dates critical to your practice.

LITIGATION

- Statutes of limitations
- Court appearances
- Trials
- Judgment renewals
- Pleading due dates
- Discovery deadlines, replies to interrogatories, requests for admission, depositions, discovery cut-off dates
- Due dates for appellate briefs and arguments, notices of appeal and records on appeal
- Returns on service
- Briefs and memoranda due dates
- Settlement conferences
- Motions
- Pre-trial conferences
- Receipt of investigative materials
- Mediation, arbitration and other alternatives to trial
- Note payment due dates
- Renewals of leases and licenses
- Renewals of insurance
- Due dates in probate and estate proceedings such as inventory and appraisal dates, hearing dates and due dates for tax returns
- Appearances in bankruptcy proceedings
- Due dates in corporate and security matters
- Stockholder and director meetings
- Filing corporate documents
- Corporation renewal dates
- Renewal dates for copyright, patent and trademark status
- Review dates for wills and trusts (long-term obligations)
- Labor contract expiration dates
- EEOC deadlines
- Family law matters
- Workers' compensation deadlines
- Receipt of information and documents from clients
- File purging and destruction

REAL ESTATE

- Closing dates
- Survey and inspection deadlines
- Financial disbursement dates
- Rescission dates
- Environmental compliance deadlines
- Lender-imposed deadlines
- Deadlines for zoning cases, board of adjustment matters and other applications for permits or exceptions
- Recordation deadlines
- Follow-up to receive cancelled instruments and recorded documents

OTHER CLIENT MATTERS

- Tax return due dates

OFFICE DEADLINES

- Client appointments
- Client follow-ups
- Periodic file reviews
- Staff meetings
- Renewal/reissue of malpractice and other insurance
- Renewal of office lease
- Renewal or review of equipment leases
- Partner/shareholder meetings
- Review dates for associate and staff evaluations
- Bar dues
- Professional commitments, such as dates of bar meetings
- Subscription expirations for professional publications
- Filing CLE

NEW CLIENT DOCKET INFORMATION

TODAY'S DATE: _____

Client's Full Name _____ SS# _____

Spouse's Full Name _____ SS# _____

Street Address _____

City/State _____ Zip _____

Telephone (home) _____ Client Work _____ Spouse Work _____

Client Employer _____ Spouse Employer _____

Emergency Contacts:

Name _____ Relation _____ Telephone _____

Name _____ Relation _____ Telephone _____

Name _____ Relation _____ Telephone _____

Referred by: _____

Conference With Attorney Regarding:

DOCKET CONTROL	
Statutes of Limitations Deadline	
Tort Claims Act Notice Due	
First Appearance Due	
Other Deadlines	
File Review Frequency	
INSTRUCTIONS:	

Prepared by _____ Conflicts Checked by _____ Deadlines Docketed by _____

CALENDAR NOTICE

Date: _____

Client Matter: _____

Case Number: _____

Requested by: _____

Dates to be Calendared:	Reason	Daily Calendar:	Entered By: (initialed)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Original for calendar clipboard and one for file)

ENGAGEMENT LETTER: HOURLY FEE

[date]

[Client Name]
[Client Address]
[Client Address]

Re: Confirmation of Engagement
File ID:

Dear [Client's Name]:

We are pleased that you have asked [Law Firm] to serve as your counsel. At the outset of any engagement, we believe it is appropriate to confirm in writing the nature of the engagement and the terms of our representation, and that is the purpose of this letter. If you have any questions about this letter or any of its provisions, do not hesitate to call. Otherwise, this letter [and the attached Policy] will represent the terms of our engagement. Again, we are pleased to have the opportunity to serve you.

Client(s): [Name Client(s)] will be our only client(s) in this matter.

Scope of Representation

We have been engaged to represent [client's name] for the purpose of _____
_____, hereafter referred to as the
"matter" or "engagement". However, engagement does not include _____.

Nature of Relationship

Our objective is to provide high quality legal services to our clients at a fair and reasonable cost. The attorney-client relationship is one of mutual trust and confidence. If any of you has any questions at all concerning the terms of this engagement, our ongoing handling of this legal matter, or about any issue relating to a monthly statement that is unclear or appears to be unsatisfactory, we invite your inquiries.

Multiple Attorneys

[Attorney's Name] will be the primary attorney handling this matter. [Attorney's Name] will be available to you for conferences and meetings upon your request, and you can call the office at any time for questions or concerns. In the event that [Attorney's Name] is unavailable, [Alternate Contact] will be fully informed and prepared to discuss any issues or respond to any inquiries. You should also be aware that other partners, attorneys, paralegals or experts from outside the firm will be called upon as necessary so that the best possible services can be provided.

Even though you have delegated certain levels of authority to act on your behalf, there will be times when we will not be able to proceed without your full and sometimes written consent, such as when negotiating settlement offers or when conflicts of interest arise. Please notify us of any plans for extended travel or if any changes are made to contact information.

Communications

It is important to keep our communications with you confidential. There are legal reasons for confidentiality such as avoiding risk of inadvertent disclosure or loss of attorney client privilege.

You should avoid any communications of sensitive matters with us where the conversation might be overheard. You should avoid discussing any of our communications with other people including your family and friends.

You should avoid using any workplace computer to send us email. Employee communications on workplace computers are typically subject to an employer's internal policies. These policies often permit your employer access to your email communication even on your personal email account.

Our firm uses email to communicate with clients but you should only do so on a personal computer, device and network using a personal email address.

Fees and Expenses

Our fees will be based primarily on the hourly rate for each attorney and legal assistant devoting time to this matter. Our standard hourly rates for attorneys likely to be involved currently range from _____ to _____ per hour. Time devoted by legal assistants is charged at hourly rates ranging from _____ to _____ per hour. These rates are subject to periodic change by our firm. In addition to the number of hours involved, we take into consideration other factors in determining our fees, including the urgency of the matter, the responsibility assumed, the novelty and difficulty of the legal problem involved, particular experience or knowledge provided, time limitations imposed by the client or matter, the results obtained, the benefit resulting to the client, and any unforeseen circumstances arising in the course of our representation.

We bill for out-of-pocket expenses, and also bill an administrative expense charge per billable hour in lieu of charging for long distance charges, routine copy costs, postage, and similar office expenses. [Please refer to our attached Billing and Fee Policy, which is incorporated herein and made a part of the terms of our engagement, for further details regarding our agreement regarding payment or reimbursement of fees and expenses.]

Statements normally will be rendered monthly for work performed and expenses recorded on our books during the previous month. Payment is due promptly upon receipt of our statement. If any statement remains unpaid for more than 30 days, we may suspend performing services until arrangements satisfactory to us have been made for payment of outstanding statements and the payment of future fees and expenses, and if such arrangements are not made, subject to applicable rules of professional conduct governing attorneys, we may terminate the engagement and withdraw from further representation.

As we have discussed, the fees and costs relating to this matter are not predictable. We estimate that the fees for this matter will be approximately \$_____ to \$_____. This figure is provided simply to assist with proper budgeting and is not a determination of the minimum or maximum fees that will be incurred. It is also expressly understood that payment of the firm's fees and costs is in no way contingent on the ultimate outcome of the matter.

Billing and Fee Policy (Option A)

Payments will be made to the firm in the form of a retainer fund. It has been agreed that the initial deposit into the account will be in the amount of \$_____. This money will be placed in the firm's general trust account where it will be held until used to pay for discussed fees and expenses. It is important to note that representation cannot commence until the full \$_____ has been deposited. If the balance of the account falls below \$_____, [Client's Name] will immediately be notified. Any unused portions of the retainer fund will promptly be refunded at the conclusion of the engagement.

[If the retainer fund is not replenished according to this agreement, the firm will immediately attempt to contact [Client's Name], at which time efforts will be made to resolve the situation. Interest will be calculated at a compound rate of ____% per month for every month that the balance is outstanding, and these fees are to be paid to the firm for deposit into a general account that is independent of our representation in this matter. If the outstanding balance has not been

OPENING A LAW FIRM TOOLKIT

reasonably reduced within [State Time Period] months of default, notice will be sent to [Client's Name] with a request to withdraw from representation.

Billing and Fee Policy (Option B)

Enclosed is a copy of our [Billing and Fee Policy.] We encourage you to review the Policy and to contact us if you have any questions. The Policy shall apply except to the extent expressly modified by this letter.

Conclusion of Representation; Retention and Disposition of Documents

Unless previously terminated, our representation of you will terminate upon the conclusion of this matter, our written notice to you that the engagement has concluded and the mailing of our final statement for services rendered in connection with this matter. Following such termination, any otherwise non-public information you have supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. All documents retained by the firm will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement.

Termination of Legal Services

We are confident that we can work together in a manner satisfactory to you. However, you are free to terminate our services at any time. In addition, and subject to applicable rules of professional conduct governing attorneys, in the event we disagree on any aspect of this engagement or for other appropriate reasons, we have the right to withdraw from further representation of you. If you elect to terminate this engagement prior to conclusion of the matter, or if we elect to withdraw, you are responsible for paying our attorneys fees and expenses accrued through the effective date of the termination of this engagement in accordance with the Fee and Expense provisions of this letter set out above.

Post-Engagement Matters

You are engaging the firm to provide legal services in connection with a specific matter. After completion of the engagement, there may be changes in applicable laws or regulations, or new legislation or court decisions, that could have an impact upon you, your future rights and liabilities, or the matter for which we are engaged hereunder. You understand and agree that you are not engaging us to monitor new legislation or court decisions, or changes in laws or regulations, that occur after we have completed the engagement described above, and you agree that we are not responsible for advising you of any such new legislation or court decisions, or changes in laws or regulations.

General Waiver of Conflicts

As we have discussed, you are aware that the firm represents many other companies and individuals. You agree that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you, even if the interests of such clients in those other matters may be directly or indirectly adverse to you. We agree, however, that your prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage. You should know that, in similar engagement letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent you.

Acknowledgement

If you have read, understood and are in agreement with the terms of our engagement as outlined above and in the attachment, sign and return a copy of this letter in the enclosed self-addressed envelope. We cannot begin to represent you until we have received the signed confirmation of our engagement.

Again, we are pleased to have this opportunity to work with you. Please call me if you have any questions or comments during the course of our representation.

Very truly yours,

[Attorney Name]

[Law Firm]

[Date]

Enclosure:

The foregoing letter and the attachment accurately state the terms of our engagement of [Law Firm] to represent us in connection with the matter and under the circumstances described above, and this confirms our waiver of any existing conflicts and our waiver of future conflicts as described in the preceding letter.

[Client's Name]

Date: _____

Note: This is a sample form only and is written for the general purposes of facilitating clear expectations and avoiding misunderstandings between an attorney and client. It is not intended as legal advice or opinion and will not provide absolute protection against a malpractice action.

ENGAGEMENT LETTER: CONTINGENCY FEE

[Date]

[Client Name]
[Client Address]
[Client Address]

Re: Confirmation of Engagement
File ID:

Dear [Client's Name]:

We are pleased that you have asked [Law Firm] to serve as your counsel. At the outset of any engagement, we believe it is appropriate to confirm in writing the nature of the engagement and the terms of our representation, and that is the purpose of this letter. If you have any questions about this letter or any of its provisions, do not hesitate to call. Otherwise, this letter [and the attached Policy] will represent the terms of our engagement. Again, we are pleased to have the opportunity to serve you.

Client(s): [Name Client(s)] will be our only client(s) in this matter.

Scope of Representation

Our representation will be limited to the specific matters described in this paragraph. [Law Firm] has been engaged to represent [Client's Name] for the purpose of _____

_____, hereinafter referred to as the "matter" or "engagement." However, engagement does not include _____

Nature of Relationship

Our objective is to provide high quality legal services to our clients at a fair and reasonable cost. The attorney-client relationship is one of mutual trust and confidence. If any of you has any questions at all concerning the terms of this engagement, our ongoing handling of this legal matter, we invite your inquiries.

Fee Agreement

You have agreed with us that the firm will undertake this engagement on a contingency fee basis. Our fee will be based upon all amounts recovered on your behalf, including actual damages, punitive or exemplary damages, treble damages, interest, and attorneys fees, but excluding any recovery of costs awarded to reimburse out-of-pocket expenses incurred in bringing your claims. Our fee will be _____ percent (%) of all amounts recovered on your behalf by any settlement(s) made prior to filing legal action, and our fee will be _____ percent (%) of all amounts recovered on your behalf after legal action is filed, whether by settlement, jury verdict, or otherwise, unless there is an appeal of an award in your favor. If any award by a trial court in your favor is appealed, our fee will be [percentage] percent (__%) of all amounts ultimately recovered if there is a single appeal, and our fee will be [percentage] percent (__%) of all amounts ultimately recovered on your behalf if there is more than one appeal. Unless the Termination of Services provisions apply as set out below, the contingency fee would only be due and paid in the event you recover damages or other amounts as a result of the Accident.

In addition to any contingency fee we earn in the event of a recovery, you are responsible for out-of-pocket expenses, including deposition charges, medical records charges, Federal Express and similar charges, large copying projects and messenger services. We would bill these charges separately, generally during the month following the month in which out-of-pocket expenses are incurred. We may advance out-of-pocket expenses and defer billing for them until the conclusion of this matter, in which event you agree that we may deduct and retain those amounts from any recovery, or you will pay them at the time of any recovery, in addition to the contingency fee described above.

We have attached our Billing and Fee Policy which applies to this engagement, except to the extent that this letter provides differently. In that regard, the administrative expense charge described in the attached Billing and Fee Policy, for which we ordinarily charge a fixed amount per hour of services rendered, will not be charged separately, and these are covered by the contingency fee set out above.

Termination of Legal Services; Fees and Expenses Due

We are confident that we can work together in a manner satisfactory to you, but you are free to terminate our services at any time. However, if you terminate this engagement before a final settlement or conclusion of this matter, you agree that our fee has been earned, and you agree to pay [Law Firm], at our option, an amount equal to (a) the hourly rate for the services of the attorneys and paralegals who work on this matter, based upon their standard hourly rates as adjusted from time to time during this engagement, plus all out-of-pocket expenses and all of the administrative expense charges as described in the Billing and Fee Policy, or (b) that percentage of any settlement or other recovery for your claims that would have applied had the recovery been made at the time we last represented you (for example, if you terminate our firm before legal action is filed, and you ultimately make a recovery, we would be entitled to ____%; if you terminate our firm after legal action is filed but before a settlement or trial verdict, and you ultimately make a recovery, we would be entitled to ____%), plus all out-of-pocket expenses we incurred.

Although we do not contemplate at this time any reason why we would seek to withdraw from representing you, should we determine in our discretion that we should withdraw and we are ethically permitted to do so, we retain the right to do so subject to such court approval, if any, that may be required, and in that event you would only be required to pay or reimburse any out of pocket expenses we incurred on your behalf that you had not previously paid, and you would not owe any fee to us unless our withdrawal was caused by your refusal to cooperate or communicate with us in the pursuit of your claims. If our withdrawal was caused by your refusal to cooperate or communicate with us in the pursuit of your claims, you agree that this shall be treated as if you had terminated our services, and our fee would be deemed earned in accordance with the preceding paragraph. Again, we certainly hope and expect that there will be no reason for either of us to want to terminate the engagement, and we look forward to representing you to the conclusion of this matter.

General Waiver of Conflicts.

As we have discussed, you are aware that the firm represents many other companies and individuals. You agree that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you, even if the interests of such clients in those other matters may be directly or indirectly adverse to you. We agree, however, that your prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage. You should know that, in similar engagement letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent you.

Conclusion of Representation; Retention and Disposition of Documents. Unless previously terminated, our representation of you will terminate upon the conclusion of this matter by the resolution of all claims by recovery of your damages and other amounts as a result of the Accident whether as a result of an award of damages at trial, a settlement, a mediation or arbitration, or any combination thereof. Following such termination, any otherwise non-public information you have supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. All documents retained by the firm will be transferred to the person responsible for administering our records retention program. For various

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reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement.

Acknowledgment

If you read, understand and are in agreement with the terms of our engagement as outlined above and in the attachment, sign and return a copy of this letter in the enclosed self-addressed envelope. We cannot begin to represent you until we have received the signed confirmation of our engagement. Once again, we are pleased to have this opportunity to work with you. Please call me if you have any questions or comments during the course of our representation.

Very truly yours,

[Attorney Name]
[Law Firm Name]
[Date]

Enclosure

The foregoing letter and the attachment accurately state the terms of our engagement of [Law Firm] to represent us in connection with the matter and under the circumstances described above, including the contingency fee agreements, and this confirms our waiver of any existing conflicts and our waiver of future conflicts as described in the preceding letter.

[Client's Name]

Date: _____

Note: This is a sample form only and is written for the general purposes of facilitating clear expectations and avoiding misunderstandings between an attorney and client. It is not intended as legal advice or opinion and will not provide absolute protection against a malpractice action.

VIRTUAL LAW OFFICE

ENGAGEMENT LETTER: TERMS AND CONDITIONS OF USE

The Terms and Conditions of Use (“Agreement”) are provided by Kimbro Legal Services, LLC, an online North Carolina law practice established in Wilmington, North Carolina and managed by attorney Stephanie L. Kimbro, a North Carolina Board Licensed, solo practitioner. The Agreement will govern your use of this website, including all content provided on the website and through access to all online services provided by Kimbro Legal Services. The Agreement to provide legal services to you covers the time period from which you accept this Agreement and we have received your payment through our funds transfer service to the time we have provided you with the requested and purchased legal service.

You agree that it remains your responsibility to proceed as a pro se litigant by filing all legal documents and complying with North Carolina state and local legal procedures. By providing you with limited legal services, Kimbro Legal Services has not agreed to attend a hearing or trial on your behalf or provide any legal services extending beyond those services which you have purchased and we have agreed to provide. We only provide limited legal assistance and document preparation and review. After performing the services purchased by you, we have no further obligation to you.

Limitation of Services

While authorities in some jurisdictions may deem this website and this law practice to be an advertisement for legal services in their jurisdiction, our website is not to be considered as a solicitation for legal services related to any other states’ law. This website and this legal practice offer services related to North Carolina law only.

Unlike a geographically located law practice, Kimbro Legal Services will not provide physical legal representation or commence litigation on your behalf. The purpose of Kimbro Legal Services is to provide limited legal advice and general counseling on North Carolina legal matters with prompt service provided in a cost-effective manner. If we determine during our communication with you that your specific legal matter requires the engagement of a full-service law firm, such as in the event that your situation may require the commencement of a formal lawsuit, then we will promptly refer you to a full-service North Carolina law firm in your area or refer you to the North Carolina Bar Association’s Lawyer Referral Service.

Nature of Unbundled Legal Services

Kimbro Legal Services is not a pre-paid legal service; it is an online legal practice where you are charged a one-time fee for limited legal services related to North Carolina law. Kimbro Legal Services provides unbundled legal services. This means that the legal services provided by us only extend to those services of which you have requested and purchased and we have provided. After you have purchased a service and we have agreed to provide it and have completed the work, you cannot expect us to perform in any additional capacity. For example, if we assist you in creating Estate Administration documents, it is not our responsibility to ensure that the forms are properly filed, to attend a hearing or trial on your behalf, or to provide any other legal services related to that matter beyond the original purchased and provided limited legal services. Likewise, after you have paid for the requested services and we have performed them, we will not expect any further payment from you other than payment for the original requested legal services performed by us.

As with any legal service, we cannot guarantee any legal outcome. By purchasing our services, you agree that it remains your responsibility to properly and timely file any legal documents and to comply with North Carolina state and local legal procedures.

Confidentiality - Security - Retainment of Records

Kimbro Legal Services provides limited legal services pertaining to North Carolina law only. The attorney responsible for this site is licensed to practice law only in the State of North Carolina.

In compliance with the professional rules and restrictions of the North Carolina State Bar and the North Carolina Bar Association and for reasons of personal integrity, this practice is bound by stringent professional standards of confidentiality. Any information received by us from our clients is held in strict confidence and is not released to anyone outside of this practice, unless agreed with by you, or as required under applicable law.

An attorney-client relationship with this practice is established only after a specific question has been posed to an attorney at this practice through a prospective client's personal login page and that question has been confirmed as received through a reply communication from an attorney at this practice. Prospective clients should be aware that our duties of confidentiality and the attorney-client privilege may not arise until an attorney has expressly communicated the ability to respond to that prospective client. Once you have provided us with your personal information, we will first run a crosscheck for any possible conflict of interest before accepting representation of your matter. We may decline to provide our services to you if a conflict of interest is discovered.

All our records are securely retained in electronic files, along with secure backups, for the period of years required under North Carolina law.

Articles and Other General Public Information Provided on this Website

Any articles for general knowledge published on this website contain basic information on legal matters and are not meant to provide advice regarding a specific legal problem you may have. We remind you not to rely on this general information without first communicating with us or other legal representation regarding your specific legal situation.

Copyright

Kimbro Legal Services claims copyright protection on all of the content provided in this website. The content from this website may not be reproduced, copied and/or redistributed in any form without the express permission of Kimbro Legal Services. Furthermore, the content from this website cannot be modified nor can it be used for commercial purposes. Each document posted at this website shall contain the following copyright notice:
Copyright 2006-2007 Kimbro Legal Services, LLC. All rights reserved.

Client Funds

No fee will be charged or obligation incurred by registering on this website. In most situations, a client's funds will not be transferred to Kimbro Legal Services until the legal services requested by the client are ready to be accessed and received by the client on their personal login page. Some requested services may require the upfront payment of a retainer fee before Kimbro Legal Services will begin work. After the client's payment of the agreed upon price is confirmed through a Cardholder Information Security Program (CISP) compliant credit card processor, the client will have complete access to the legal advice, documents, research or other services provided by the attorney. If further communication with the attorney is required, the client may post a separate question regarding the received legal services or request a price quote for additional legal work. Kimbro Legal Services will not pay any court costs associated with your case which may be required as part of a lawsuit, filing fees or service of process fees.

Technology – Security

Kimbro Legal Services does not rely on email to communicate with clients.

Email as it is commonly sent and received is unencrypted and does not provide a secure means of interacting with our clients. Primary communications are done through this website over Secure HTTP, which provides you with the highest industry standard protection available on the web. All payments are processed by Cardholder Information Security Program (CISP) complaint credit card processors, and no credit card or payment account numbers are stored on our servers. The maintainer of this site has over 7 years experience developing secure web-based applications, from tax filing to background checking software, and uses secure programming techniques and best practices along with continual code auditing to ensure that this site is as secure as possible.

Links and Email Addresses

Links posted on this website to other websites are provided only as a convenience to our clients. We assume no responsibility for the content, security or reliability of any websites to which we have posted links.

Spamming, the unsolicited broadcasts of email addresses or links in this website, is prohibited and unauthorized.

Web Tracking - Cookies, Information Collection and Privacy Policy

1. General Site

To view the articles and public documents on this site you do not need to reveal any personal information. This site will present your browser with the option of accepting JavaScript and cookies in order to lay out the web page correctly and to store customized settings for your next visit. These features may be disabled by your browser, however this will limit the look and functionality of the website. All page requests are logged in order to properly maintain the service and security of this website.

2. Virtual Law Office

In order to use the virtual law office, you must first register a username and provide personal information about yourself. This information will be used during your transactions with Kimbro Legal Services, LLC to provide limited legal services in compliance with North Carolina law. Your information may be provided to a third party in order to provide the service you requested and/or as is required by law. All other use of your personal information will be limited to your attorney/client relationship with Kimbro Legal Services, LLC. This site uses cookies to store a session id. Therefore, in order to register on the website, cookies must be enabled so that we can provide you with a secure transaction.

Registration

In order to retain our services, you must register on our website. There will be no fee charged for registration on this website. By registering you will receive access to a personal information page where you may request our services in a secure manner. By registering on our website, you are representing that you are at least 18 years of age and able to enter into a binding contact with Kimbro Legal Services. Furthermore, by registering you are representing that the information you provide to us is correct, accurate and updated.

Reviewing and Updating Your Personal Content

Kimbro Legal Services requests that you keep your personal contact information current. After you have registered on our website, you may enter your personal information page at any time to review and update your personal information.

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Contact Information

Because we are a virtual law practice, we would prefer that you provide your information to us using the technology provided for you on your personal client login page. However, if this is not possible and we require further information in order to review your legal matter, our mailing address is P.O. Box 4484, Wilmington NC 28406.

Limitation of Liability - No Warranties

Kimbro Legal Services assumes no liability for any errors or omissions in the content of this website. We will not be responsible under any legal theory for damages, including direct, indirect, incidental, consequential or special, arising as a result of your use of this website. As stated above, this website pertains to the practice of North Carolina law only. Therefore, the content of this website is not applicable in any other state other than North Carolina.

The general information provided on this website is provided without warranty of any kind, express or implied. Kimbro Legal Services reserves the right to change, modify, add, and delete the content on this website.

Jurisdiction

The terms of this agreement will be governed by the laws of the State of North Carolina. The state and federal courts located in New Hanover County, North Carolina will have exclusive jurisdiction over any case or controversy arising from or relating to this agreement, Kimbro Legal Services' website or any services provided by Kimbro Legal Services. Each person who registers on this website consents irrevocably to personal jurisdiction in such courts with the respect to any matters and waives any defense of forum non conveniens. Furthermore, each person who registers on this website is deemed to have knowingly and voluntarily waived any right to a trial by jury in any case or controversy related to this agreement, Kimbro Legal Services' website or any services provided by Kimbro Legal Services.

Assignment

The rights and obligations created for you under this agreement may not be assigned to any other party.

Force Majeure

Kimbro Legal Services will not be deemed to be in breach of this agreement for any delay or failure in performance caused by reasons out of its reasonable control, including acts of God or a public enemy; natural calamities; failure of a third party to perform; changes in the laws or regulations; actions of any civil, military or regulatory authority; power outage or other disruptions of communication methods or any other cause which would be out of the reasonable control of Kimbro Legal Services.

Severance

In the event that one or more of the provisions of this agreement shall be found unenforceable, illegal or invalid, it shall not affect any other provisions of this agreement, and this agreement shall be construed as if the provision found to be unenforceable, illegal or invalid had never been contained in the agreement, or the unenforceable, illegal or invalid provision shall be construed, amended and/or reformed to be made enforceable, legal and valid.

IRS Circular 230 Disclosure

In compliance with the requirements of the IRS pertaining to the publication of Circular 230, we inform you that any advice contained on this website or in any communication originating from this website or this law practice which is related to U.S. federal tax advice is not intended or created to be used, and cannot be used, for the purpose of 1) either avoiding penalties under the Internal Revenue Code or promoting, marketing or 2) recommending to another party any transaction or matter that is contained on this website or in any communication originating from this law practice.

Complete Understanding

This agreement supersedes any prior or contemporaneous communications, representations or agreements between Kimbro Legal Services and the client and constitutes the complete and final agreement between the parties relating to this agreement, Kimbro Legal Services' website or any services provided by Kimbro Legal Services.

ENGAGEMENT LETTER: LIMITED SCOPE RETAINER AGREEMENT

This Agreement is made between the Attorney and Client named at the end of this agreement.

1. Nature of Agreement. This Agreement describes the relationship between the Attorney and Client. Specifically, this Agreement defines:

- a. The general nature of the Client's case;
- b. The responsibilities and control that the Client agrees to retain over the case;
- c. The services that the Client seeks from the Attorney in his/her capacity as attorney at law;
- d. The limits of the Attorney's responsibilities;
- e. Methods to resolve disputes between Attorney and Client; and
- f. The method of payment by Client for services rendered by the Attorney.

2. Nature of Case. The Client is requesting services from the Attorney in the following matter:

3. Client Responsibilities and Control. The Client intends to handle his/her own case and understands that he/she will remain in control of the case and be responsible for all decisions made in the course of the case. The Client will:

- a. Cooperate with the Attorney or Attorney's office by complying with all reasonable requests for information in connection with the matter for which the Client is requesting services;
- b. Keep the Attorney or Attorney's office advised of the Client's concerns and any information that is pertinent to the Client's case;
- c. Provide the Attorney with copies of all correspondence to and from the Client relevant to the case; and
- d. Keep all documents related to the case in a file for review by the Attorney.

4. Services Sought by Client. The Client seeks the following services from the Attorney (please indicate services sought with check mark):

- a. Legal advice: office visits, telephone calls, fax, mail, electronic mail.
- b. Advice about the availability of alternative means to resolve the dispute, including mediation and arbitration.
- c. Evaluation of the Client's self-diagnosis of the case and advice about the Client's legal rights.
- d. Guidance and procedural information for filing or serving documents.
- e. Review of correspondence and court documents.
- f. Preparation of documents and/or suggestions concerning documents to be prepared.
- g. Factual investigation: contacting witnesses, public record searches, in-depth interview of Client.
- h. Legal research and analysis.
- i. Discovery: interrogatories, depositions, requests for document production.
- j. Planning for negotiations, including role playing with the Client.
- k. Planning for court appearances to be made by Client, including role playing with the Client.
- l. Backup and trouble shooting during the trial.
- m. Referrals to other counsel, experts, or professionals.
- n. Counseling the Client about an appeal.
- o. Procedural help with an appeal and assisting with substantive legal argumentation in an appeal.
- p. Preventive planning and/or legal check-ups.
- q. Other: _____

5. Attorney's Responsibilities. The Attorney shall exercise due professional care and observe strict confidentiality in providing the services identified by a checkmark in Paragraph 4 above. In providing those services, Attorney SHALL NOT:

- a. Represent, speak for, appear for, or sign papers on the Client's behalf;
- b. Provide services listed in Paragraph 4 that are not identified by a checkmark; or
- c. Make decisions for the Client about any aspect of the case.

6. Method and Payment for Services.

a. *Hourly fee.* The current hourly fee charged by the Attorney for services under this agreement is as follows:

Senior Partner: \$ _____

Junior Partner: \$ _____

Associate: \$ _____

Unless a different fee arrangement is specified in clauses (b) or (c) of this Paragraph, the hourly fee shall be payable at the time of the service.

b. *Payment from Retainer.* The Client shall have the option of setting up a deposit fund with the Attorney. Services are then paid for from this retainer account as they occur. If a retainer is established under this clause, the Attorney shall mail the Client a billing statement summarizing the type of services performed, the costs and expenses incurred, and the current balance in the retainer after the appropriate deductions have been made. Client may replenish the retainer or continue to draw the funds down as additional services are delivered. If the retainer becomes depleted, the Client must pay for additional services as provided in clauses (a) or (c) of this Paragraph.

c. *Flat Rate Charges.* The Attorney has the option of agreeing to provide one or more of the services described in Paragraph 4 for a flat rate. Any such agreement shall be set out in writing, dated, signed by both Attorney and Client, and attached to this Agreement.

d. *Attorneys' Fees.* Should it be necessary to institute any legal action for the enforcement of this Agreement, the prevailing party shall be entitled to receive from the other party all court costs and reasonable attorneys' fees incurred in that action.

7. Resolving Disputes Between Client and Attorney.

a. *Notice and Negotiation.* If any dispute between Client and Attorney arises under this Agreement, both Attorney and Client agree to meet and confer within ten (10) days of written notice by either Client or Attorney that the dispute exists. The purpose of this meeting and conference will be to negotiate a solution short of further dispute resolution proceedings.

b. *Mediation.* If the dispute is not resolved through negotiation, the Client and Attorney shall attempt, within fifteen (15) days of failed negotiations, to agree on a neutral mediator whose role will be to facilitate further negotiations within fifteen (15) days. If Attorney and Client cannot agree on a neutral mediator, they shall request that the [local or state] bar association select a mediator. The mediation shall occur within fifteen (15) days after the mediator is selected. The Attorney and Client shall share the costs of mediation, provided that payment of the costs and any attorneys' fees may also be mediated.

c. *Arbitration.* If mediation fails to produce a full settlement of the dispute satisfactory to both Client and Attorney, Client and Attorney agree to submit to binding arbitration under the rules of the [governing] bar association. This arbitration must take place within sixty (60) days of the failure of mediation. Costs and attorneys' fees for arbitration and prior mediation may be awarded to the prevailing party.

8. Amendments and Additional Services. This written Agreement governs the entire relationship between the Client and Attorney. All amendments shall be in writing and attached to this Agreement. If the Client wishes to obtain additional services from the Attorney as defined in Paragraph 4, a photocopy of Paragraph 4 that clearly denotes which extra services are to be provided must be signed and dated by both Attorney and Client and attached to this Agreement. Such a photocopy shall qualify as an amendment to this agreement.

9. Statement of Client's Understanding. I have carefully read this Agreement and believe that I understand all of its provisions. I signify my agreement with the following statements by initialing each one:

___ I have accurately described the nature of my case in Paragraph 2.

___ I will remain in control of my case and assume responsibility for my case as described in Paragraph 3.

___ The services that I want the Attorney to perform in my case are identified by check marks in Paragraph 4. I take responsibility for all other aspects of my case.

___ I accept the limitations on the Attorney's responsibilities identified in Paragraph 5.

___ I shall pay the Attorney for services rendered as described in Paragraph 6.

___ I will resolve any disputes I have with the Attorney under this Agreement in the manner described in Paragraph 7.

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___ I understand that any amendments to this Agreement shall be in writing, as described in Paragraph 8.

___ I acknowledge that I have been advised by the Attorney that I have the right to consult another independent Attorney to review this Agreement and to advise me on my rights as a Client before I sign this Agreement.

Client

Attorney

Date

* This model agreement is derived from an agreement in *Lawyer's Guide to Being a Client Coach* (1994), published by the California State Bar Committee on Delivery of Legal Services for Middle Income Persons.

Note: This is a sample form only and is written for the general purposes of facilitating clear expectations and avoiding misunderstandings between an attorney and client. It is not intended as legal advice or opinion and will not provide absolute protection against a malpractice action.

ENGAGEMENT LETTER: RESIDENTIAL REAL ESTATE TRANSACTION - FULL TITLE SEARCH

[Date]

[Client Name]

[Client Address]

[Client Address]

Re: Purchase of [Property Address], [Property County]

File ID:

Dear [Client's Name]:

Thank you for selecting our firm to represent you in closing the purchase of your Property in [County]. Upon receipt of the necessary information from your lender, we will proceed to search the title of the Property and prepare all necessary documents for closing.

To give you some idea of what to expect, typical categories for which costs will be incurred, associated with the purchase of the Property include:

- (a) Survey;
- (b) Title insurance;
- (c) Recording fees;
- (d) Bank fees;
- (e) Escrows;
- (f) Attorney fees;
- (g) Copy charges;
- (h) Express mail charges.

You will not need a hazard insurance policy for closing, given your lot is vacant. You will, however, need hazard insurance coverage in place prior to placing any improvements on the Property. We will order the survey and title insurance commitment.

In preparation for closing, we will perform a title search. The nature of that search may take one of two forms, depending upon whether or not the title has previously been insured. If the title has not been previously insured, a search of the public records for a period of time satisfactory to the title insurance company will be required. If the title has previously been insured, we can obtain affirmative coverage for you and your lender by having the title inspected from the effective date of that coverage to the present. Therefore, absent your objection, we will determine if title insurance coverage exists on the Property and, if so, have the public records examined from the date of that coverage. This procedure will enable us to keep your cost to a minimum while, at the same time, providing full title insurance coverage for you and satisfying your lender's requirements.

We, as closing attorneys, make no representation as to the structural integrity of any improvements on the Property (if any), nor do we provide any opinion as to the environmental condition of the Property. In addition, the survey should reveal whether or not the Property lies within a flood plain. As we are not surveyors nor are we engineers, we make no representations as to whether or not the property lies within a flood plain. Our ability to provide you with flood plain information is limited by what is disclosed to us by the surveyor's report and by what, if anything, we may find on the public record.

A survey of the Property may reveal the existence of boundary overlaps, gaps, gores or encroachments affecting the Property. If you do not want us to order a survey of your property, please advise us of that in writing within 48 hours of your receipt of this

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letter. For your reference, if you elect not to have a survey performed, your title insurance policy will contain an exception as to matters of survey which could prove problematic for you in the future.

Presumably you have been provided copies of restrictive covenants applicable to the Property by your real estate agent or the Seller. If you have not, you should obtain a copy of such covenants to be certain your proposed use of the Property to be consistent with those restrictions. In that we have not yet searched the title to the Property, we do not have copies of any such restrictions. If you want us to obtain copies of such restrictions for you, we will be glad to do so in the course of our title search. Please let us know if you want us to provide them to you.

[Conform as Applicable to Facts: It is our understanding from you that the Property is not served by public water and sewer services. Accordingly, you should make arrangements to have the Property evaluated by the appropriate governmental agencies to determine if there is adequate percolation to support a septic system and to determine if the location of such percolation site in anyway conflicts with the location on the Property you have selected to place your house. We recommend that prior to closing you actually obtain a septic permit for the Property. Be mindful of the number of bedrooms allowed by the septic permit as septic systems are permitted based upon the number of bedrooms (not bathrooms) that you will have in your house. Also be mindful of any requirements such as the installation of low pressure pumping systems as they can prove costly and require maintenance. As for lack of public water, we recommend that you determine prior to closing that adequate water is present on the Property to support a residential dwelling.]

We will be in touch with you to confirm your closing date and time. No time of yet has been set. In the event either of you are unable to attend the closing, please let us know immediately. It is possible to close by Power of Attorney if necessary, but your lender must approve that procedure in advance of closing, and necessary document preparation must be completed prior to the date of closing.

Our fee for the above service is \$_____. In addition to the foregoing flat fee, you will also be responsible for payment of any expenses incurred by our firm in connection with your closing such as copy charges, express mail charges, fax and long distance telephone charges, each and all of which will be set out on the Settlement Statement at closing.

Upon receipt of your closing package, a closing statement will be prepared by our office. Until that time, we will be unable to provide you with the dollar amount of funds needed to close. When that number is available, we will let you know immediately. Please note that you will need to bring those funds to closing in the form of a certified or cashier's Check Made Payable to [Law Firm] Trust Account in order for us to comply with State Bar requirements.

Also, please remember to bring your drivers license or some other form of picture I.D., as many of the documents need to be notarized.

Should you have any questions regarding your closing at any time, please do not hesitate to contact us. We will be glad to answer any questions you may have.

With kindest personal regards, we remain

Sincerely,

[Attorney Name]

[Law Firm Name]

[Date]

Note: This is a sample form only and is written for the general purposes of facilitating clear expectations and avoiding misunderstandings between an attorney and client. It is not intended as legal advice or opinion and will not provide absolute protection against a malpractice action.

ENGAGEMENT LETTER: RESIDENTIAL REAL ESTATE TRANSACTION - LIMITED TITLE SEARCH

Re: Purchase of _____ (the “Property”)

Dear _____:

Thank you for selecting our firm to represent you in closing the purchase of your Property in _____ County. Upon receipt of the necessary information from your lender, we will proceed to search the title to the Property and prepare all necessary documents for closing.

To give you some idea of what to expect, typical categories for which costs will be incurred, associated with the purchase of the Property include:

- (a) Survey;
- (b) Title insurance;
- (c) Recording fees;
- (d) Bank fees;
- (e) Escrow;
- (f) Attorney fees;
- (g) Copy charges;
- (h) Express mail charges;
- (i) Hazard Insurance policy.

We will obtain the title insurance commitment and title insurance policy.

In preparation for closing, we will perform a title search. The nature of that search may take on many one of two forms, depending upon whether or not the title has previously been insured. If the title has not been previously insured, a search of the public records for a period of time satisfactory to the title insurance company will be required. If the title has previously been insured, we can obtain coverage for you and your lender by having the title examined from the effective date of that coverage to the present. The process of performing only a limited title search is what is known as “tacking”. If we tack to an existing title insurance policy, you will be relying on your policy of title insurance and not our having actually examined the public records for any matter affecting your title prior to the date of the existing policy of title insurance to which we tacked. Therefore, absent your timely objection, we will determine if title insurance coverage exists on the Property and, if so, have the public records examined only from the date of that coverage to the present. In other words absent your timely objection, we will “tack” to that existing policy of title insurance. This procedure will enable us to keep your costs to a minimum while, at the same time, providing full title insurance coverage for you and satisfying your lender’s requirements.

You should be advised that title insurance, while a valuable insurance coverage, does not cover any and all damage that may arise from a title defect. Title insurance also does not necessarily provide immediate relief in the form of the payment of a claim given title insurers have a reasonable time to correct defects in title which the insurer reasonably believes can be corrected. What constitutes a “reasonable time” depends upon the nature of the defect.

We, as closing attorneys, make no representation as to the structural integrity of any improvements on the Property (if any), nor do we provide any opinion as to the environmental condition of the Property. In addition, the survey should reveal whether or not the Property lies within a flood plain. As we are not surveyors nor are we engineers, we make no representations as to whether or not the Property lies within a flood plain. Our ability to provide you with flood plain information is limited by what is disclosed to us by the surveyor’s report and by what, if anything, we may find on the public record.

A survey of the Property may reveal the existence of boundary overlaps, gaps, gores or encroachments affecting the

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Property. We recommend you have the Property surveyed prior to closing. If a new survey is not performed, you will not be insured by the title insurer for any matters that a new survey would have revealed. We will have the property surveyed absent hearing from you within the next five (5) days to the contrary.

If the Property is a condominium unit, no survey be performed. Therefore at or prior to closing, you should review the recorded condominium plats and plans to be sure the condominium unit you think you are purchasing is actually the condominium unit you have contracted to purchase.

Presumably you have been provided copies of restrictive covenants applicable to the Property by your real estate agent or the Seller. If you have not, you should obtain those covenants to be certain your proposed use of the Property is consistent with those restrictions. In that we have not yet searched title to the Property we do not have copies of any such restrictions. If you want us to obtain copies of such restrictions for you we will be glad to do so in the course of our title search. Please let us know if you want us to provide them to you.

We will be in touch with you to discuss your closing date and time. In the event either of you are unable to attend the closing, please let us know immediately. It may be possible to close by Power of Attorney, if necessary, but your lender must approve that procedure in advance of closing and necessary document preparation must be completed prior to tile date of closing.

Our fee for the above service is \$ _____. In addition to the foregoing flat fee, you will be responsible for payment of any expenses incurred by our firm in connection with your closing such as copy charges, express mail charges, fax and long distance telephone charges each and all of which will be set out on the Settlement Statement at closing.

Upon receipt of your closing package, a closing statement will be prepared by our office. Until that time we will be unable to provide you with the dollar amount of funds needed to close. When that number is available we will let you know immediately. Please note that you will need to bring those funds to closing **IN THE FORM OF A CERTIFIED OR CASHIER’S CHECK MADE PAYABLE TO “_____LAW FIRM TRUST ACCOUNT”** or wire the funds to us in order for us to comply with State Bar requirements. [If you wish to wire the funds, please contact our office and request our firm wire instructions.

ALSO, PLEASE REMEMBER TO BRING YOUR DRIVERS LICENSE OR SOME OTHER FORM OF PICTURE I.D. to closing.

Should you have any questions regarding your closing at any time, please do not hesitate to contact us. We will be glad to answer any question you may have.

With best regards I am,

Sincerely,

_____ LAW FIRM

By: _____

Note: This is a sample form only and is written for the general purposes of facilitating clear expectations and avoiding misunderstandings between an attorney and client. It is not intended as legal advice or opinion and will not provide absolute protection against a malpractice action.

NON-ENGAGEMENT LETTER

[Date]

[Client Name]
[Client Address]
[Client Address]

Re: Confirmation of Non-Representation
File ID:

Dear [Client's Name]:

Thank you for your visit to [Law Firm] earlier today. Unfortunately, as we discussed, [Law Firm] will be unable to represent you in _____.
_____ . Although no research or investigation into the merits of the matter has been performed, we believe that [General Description of Reason].

Nonetheless, please understand that [Law Firm] is making no representations in regard to the intrinsic value of your claim, nor are we commenting on the likelihood that you will prevail. We strongly urge you to seek the opinion of another attorney and remind you that you must not delay because of the legal time limits that, if lapsed, can bar your from raising your claim. If you do not have another attorney in mind, we recommend that you immediately contact the North Carolina Bar Association's Lawyer Referral Service at (800) 662-7660.

Following the standard policy of [Law Firm], you will not be receiving any form of bill for this consultation. While we do charge a fixed rate for consultations in which an evaluation of the case is provided to the potential client, no opinion has been expressed regarding your circumstances and no charges have therefore been incurred.

Thank you again for considering our firm. We wish you the best of luck and hope that you will consider us again with any future legal needs.

Sincerely,

[Attorney's Name]
[Law Firm]

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DISENGAGEMENT LETTER: CLOSING LETTER

[Date]

[Client Name]
[Client Address]
[Client Address]

Re: Confirmation of Disengagement
File ID:

Dear [Client's Name]:

It has been a pleasure representing you in connection _____
_____. As you are aware, the case has now concluded with a judgment [Description of Judgment]. Applicable documents have been signed by and filed with the court. A copy has also been enclosed for your personal records. We have contacted [Opposing Party]'s insurance carrier, who should soon be contacting you to make arrangements for payment.

Since all legal work has now been completed for this matter, we are closing our file, removing it from our active accounts list and returning all original records to you. Please note that the final invoice is also enclosed. We suggest that you keep all information relating to the matter in a safe place where it can be easily located. As we discussed in our initial interview, we will store your file for [State Time Period] years from the date of this letter, then the files will then be destroyed.

We truly hope that this matter has been completed to your satisfaction, as it is our goal to meet the expectations of our clients in every matter we handle for them. Enclosed, please find a questionnaire for evaluation of the services provided and a self addressed, stamped envelope for return. We would greatly appreciate your participation as any information provided will allow us to enhance the quality of service offered by the firm.

Thank you again for allowing [Law Firm] to represent you in this matter. If you have any further questions on this or any other issue, please do not hesitate to contact us.

Sincerely,

[Attorney's Name]
[Law Firm]

Note: This is a sample form only and is written for the general purposes of facilitating clear expectations and avoiding misunderstandings between an attorney and client. It is not intended as legal advice or opinion and will not provide absolute protection against a malpractice action.

POST-REPRESENTATION SURVEY

How did you find out about our firm?

- Referred by family/friend
- Knew attorney personally
- Advertisement in _____
- Other: _____

Was our firm conveniently located for you? Yes No

Did our staff greet you courteously when you came to the office? Yes No

Were your phone calls answered pleasantly by staff? Yes No

Were your phone calls returned promptly by attorneys? Yes No

Did the attorney handling your case explain what the firm would do? Yes No

Did you feel the legal fees charged were fair for the services provided? Yes No

Did you receive regular bills on your case? Yes No

Were you given regular status reports on your case? Yes No

Did the attorney handling your case explain the progress of your case? Yes No

Did you feel you met with your attorney when you needed to? Yes No

Overall, were you satisfied with the legal services you received? Yes No

If you need legal representation in the future, would you call our firm? Yes No

If a friend needed an attorney, would you refer him/her to our firm? Yes No

Please write down any comments or suggestions you may have to help us better serve our clients in the future. _____

SAMPLE TELEPHONE POLICY & PROCEDURES HANDOUT FOR CLIENTS

As we discussed during our initial conference, excellent communications between us is essential, and much of our contact will be by telephone. We have developed the telephone policy below primarily because we know your time is extremely valuable. Additionally, the policy enables our firm to continue providing the high quality of legal services for which it is well known by providing an efficient timesaving procedure for the making and returning of phone calls.

It is very important to the firm that we maintain prompt and productive communications with you. We also strive to minimize frustrations of “telephone tag” or lost time on your part in the waiting on a return call from our office. We ask, therefore, that you agree to assist us in the successful implementation of this policy. If for any reason you cannot abide by this policy, please notify me immediately so that we can work out a mutually agreeable alternative plan.

1. Telephone Conferencing Hours: Except in an emergency, please call me during the following office hours: 10:00 a.m. to 12:00 p.m. and 4:00 p.m. to 5:30 p.m. Please remember that at times I will not be available during these hours because of a trial or other client-related matters. Please do not be upset if I am not available to immediately take your call. I will be returning phone calls during these hours as well. Rest assured that someone from our firm will make every effort to return your call within forty-eight hours. Should this not occur, however, we would appreciate you calling us back and letting the receptionist know that your original call had not yet been returned.
2. Preparing for Conferences: Before calling, please prepare a written list of those matters you wish for us to discuss. If I am not available to when you call, please share your list with the paralegal assigned to your case so that I will be prepared for our discussion when I return your call thereby saving us both valuable time. Please remember, however, that only attorneys can give legal advice. Employees of our firm who are not attorneys do not give legal advice and should not be asked to do so.
3. Note-taking Supplies: Please have pen and paper available before calling to make any appropriate notes during our telephone conferences. You will then have a convenient reference source of our conversation and of important dates, advice, or instructions that I may have given you.
4. Emergencies: If your call is urgent, please explain what the emergency involves to the person answering your call. Either I, or one of our paralegals, or another attorney within our firm will return your call as soon as possible.
5. Your Telephone Number: If asked, please give your telephone number(s). We, of course have such information in your case records, but having it on your telephone message assists us in maximizing the use of our time for you and our other clients. It would be appreciated if you would let us know if I may call you (and at what numbers) during evening hours or on the weekend when avoidable circumstances do not allow me to return your call during our telephone conference hours described above or when I may need to contact you on an expedited basis.
6. Ensuring Clear Communications: During our conversations, please ask for any clarification you may need so that we do not end a conference with your questions unanswered.
7. Improving Our Telephone Conferencing: Please let me know if you have any suggestions on how we can improve upon our telephone policy or if you have any concerns or complaints regarding our handling of your calls (positive feedback is always welcome, also!)
8. Thank You! Your cooperation and assistance plays a critical role in the success of our attorney/client relationship and in reaping the timesaving and efficient benefits offered by our firm’s telephone policy. We value your having entrusted us to represent you and intend to provide you with the high and excellent quality of services that you expect and deserve. Thank you again for having given us the opportunity to do so.

TELEPHONE CONFERENCE RECORD

Spoke with: _____ Date: _____

Of: _____ Telephone: _____

Re: _____

Time of conversation (billable): _____

Initials: _____

NOTES	DEADLINE DATE

Things to Do/Docket:

Reminders:

- _____ Services Explained
- _____ Billing Information
- _____ Send non-engagement
- _____ Discuss w/ attorney
- _____ Letter Written
- _____ Contact another party

MONTHLY STATUS LETTER

{Date}

{Name}

{Company Name}

{Address 1}

{Address 2}

{City, State, Zip Code}

Dear {Salutation}:

In order to keep you informed on a regular basis regarding your case, I will be sending you status reports such as this one on a monthly basis. Please do not hesitate to contact me at any time for more detailed information concerning the progress of your case.

Since our last meeting on _____, the following has happened:

[specify court appearances, discovery, motions filed, etc.]

I have enclosed copies of correspondence, filings, other documents our firm has prepared on your behalf since our last status report, and a monthly bill for our services, which I trust you will find in order.

Thank you for allowing our firm to represent you in this matter. We will continue to apply our best efforts on your behalf and report to you as your case continues.

Sincerely,

Firm Name

Lawyer Name

Enclosures

SAMPLE INVOICE

[Attorney Letterhead]

Date:

Invoice Number:

Client Name:

Client Address:

Re:

[File Number]

Statement

Legal Services

[Date]	[Description Of Services]	[Attorney Initials]	[Hours]
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

_____ Hours X (\$ _____) Hr. = _____

Costs

[Date]	[Description]	[Amount]
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total Costs: _____

Total Bill: _____

Note to Attorney: Add information concerning unpaid bills, etc. here.

STANDARD CHART OF ACCOUNTS FOR SOLOS AND SMALL

LAW OFFICES

Assets

100	Cash in Bank
109	Petty Cash
120	Client Advances-Unbilled-CTRL (memo account only)
130	Client Advances-Billed-CTRL (memo account only)
140	Other Receivables, Deposits, etc.
150	Furniture, Fixtures & Equipment
160	Leasehold Improvements
170	Real Property
180	Reserve: Depreciation & Amortization
190	Other Assets
198	Client Billings-CTRL
199	Lawyer Billings-CTRL

Liabilities

200	Accounts Payable
210	Federal Income Tax Withheld
211	State Income Tax Withheld
212	Employee FICA Tax Withheld
220	Employee Medical/Retirement Withheld

Segregated Liabilities

298	Client Trust Funds-CTRL
299	Liability: Client Trust Funds-CTRL

Owners Equity

300	Equity Account: Owner #1 (et al.)
301	Drawing Account: Owner #1 (et al.)

Profit/Loss Accounts

400	Fees: Income from Clients-CTRL
460	Other Income/Receipts
480	Costs: Income-Producing Property

Compensation Costs

500	Secretarial
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501	Word Processing
502	Paralegals/Clerks
503	Associate Lawyers
504	Partners (shareholders, members, etc.)
505	Other Non-Owner Employees
510	FICA & Unemployment Taxes
514	Employee Retirement Benefits
518	Employee Training & Education
519	Other Employee Costs

Occupancy

520	Office Rent
521	Parking
523	Real Estate Taxes & Insurance
525	Utilities Other Than Telephone
527	Cleaning/Housekeeping -- Office
528	Plant Maintenance
530	Depreciation/Amortization -- Office
531	Maintenance & Repairs -- Office

Office Operations

540	Supplies, Stationery & Printing
541	Postage & Delivery
542	Library & Subscriptions
543	Telephone/Communications
545	Photocopy Expense
546	Computer Equipment
548	Equipment Rental/Lease
550	Depreciation: Furniture, Fixtures & Equipment
551	Other Maintenance and Repairs

Professional/Promotion/Marketing

570	Travel & Related Expense
571	Professional Dues & CLE
572	Recruiting: Professional Staff
573	Entertainment and Business Meals
574	Promotion, Marketing & Advertising

Other Costs/Expenses

580	Insurance: Professional/Other
581	Other Taxes and Similar Costs
582	Client Advances Written Off-CTRL

3-WAY RECONCILIATION WORKSHEET

	+plus	-minus	<u>Balance</u>
1) Bank Statement - Bal Ending as of _____	Checks Outstanding		
	Deposits Outstanding		
	Client/Admin Ledger Adjustments		
	General Ledger Adjustments		
2) General Ledger - Bal Ending as of _____	Checks Missing		
	Deposits Missing		
	Client/Admin & Bank Charges Adjustments		
3) Client/Admin Ledgers - Bal Ending as of _____	General Ledger Adjustments		
	Bank Charges:		

TRUST SAFE DEPOSIT RECEIPT

Received this _____ day of _____, 19____ by _____.

(Description of item(s) being placed into safe deposit box -- if items are numbered such as stocks or bonds, specify numbers.)

Item(s) being held in trust for: _____

Firm Name: _____

Client Matter: _____

Item(s) being placed in the safe deposit box by: _____

____ Partner ____ Associate (check one)

Any questions regarding contents should be addressed to:

Safe Deposit Box ID Number: _____

Anticipated period items will be held: _____

ADDITIONAL RESOURCES

BOOKS

Flying Solo: A Survival Guide for the Solo and Small Firm Lawyer

Published by the American Bar Association. Available at www.abanet.org or by phone at 800.285.2221; product code 5110527 Price is \$99.95 regular or \$79.95 for members of the ABA Law Practice Management Section.

How to Start & Build a Law Practice

Published by the American Bar Association. Available at www.abanet.org or by phone at 800.285.2221; product code 5110508 Price is \$69.95 regular, \$57.95 for members Law Practice Management Section and \$27.95 for members of the Law Student Division. Also available via the North Carolina Bar Association with member discount at: <http://www.ncbar.org/cle/bookstore/HSB04.aspx>

The lawyer's desk guide to legal malpractice.

Published by the American Bar Association. Revised 1993.

North Carolina Small Office Resource Manual

Published by the North Carolina Bar Association.

Selecting Legal Malpractice Insurance.

Published by the American Bar Association. Available at www.abanet.org or by phone at 800.285.2221; product code 4140043. Price is \$15.00 for members of the ABA.

WEBSITES

Florida State Bar Law Office Management Assistance Service

<http://www.floridabar.org/tfb/TFBMember.nsf/840090c16eedaf0085256b61000928dc/3083f9e968b79823852575990059cd9d?OpenDocument>

North Carolina Bar Association Center for Practice Management

Erik Mazzone, Director. 800.622.7407 or 919.657.1587. emazzone@ncbar.org cpm.ncbar.org.

North Carolina State Bar's Trust Account Handbook.

<http://www.ncbar.gov/PDFs/Trust%20Account%20Handbook.pdf>

Practice Pro (Practice management information). <http://www.practicepro.ca/>

South Carolina Bar Practice Management.

http://www.scbar.org/member_resources/practice_management_pmap/starting_up/new_practice/

Tennessee Bar Association's Guide to Setting Up a New Practice.

http://www.tba.org/tnbarms/tba_settinguppractice/index.html