



Earned Upon Receipt Fee Agreements

In December 2010 the [Oregon Supreme Court approved amendments](#) to [Oregon Rules of Professional Conduct](#) 1.5 and 1.15 regarding “earned upon receipt” fees. The rule changes explicitly require a **written fee agreement** informing the client:

- The funds will not be deposited into the lawyer trust account; and
- The client may discharge the lawyer at any time and in that event the lawyer may be required to refund all or part of the fee if the services for which the fee was paid have not been completed.

Many practitioners have contacted the [Professional Liability Fund](#) seeking a sample fee agreement. Today you will find the following posted on our [Web site](#):

EARNED UPON RECEIPT FEE AGREEMENT **(Sample – Modify as appropriate)**

THIS FEE AGREEMENT (“Agreement”) is made this _____ day of _____, _____, between [Name of Client], hereinafter referred to as “Client,” and [Name of Attorney(s)], Attorney at Law, hereinafter referred to as “Attorney”:

1. Client agrees to employ Attorney for representation in a legal matter in connection with [describe].
2. Attorney has consented to accept such employment and agrees to render the following services on the terms and conditions herein stated: [Carefully describe scope of services.] This agreement does not include [describe services that are not included within the scope of the earned upon receipt fee agreement.]
3. Client agrees to cooperate fully with Attorney and others working on Client’s case by keeping appointments, appearing for depositions, producing documents, attending scheduled court appearances, and making all payments. Client also agrees to keep Attorney informed of any change of address or telephone number within five (5) days of the change.
4. Client agrees to pay Attorney the sum of [dollar amount] for [his/her] services in this matter. Attorney will not commence representation of Client until such funds are received. **These fees are fully earned upon receipt.** Payment indicates Client’s understanding that these fees will not be deposited into Attorney’s Lawyer Trust Account.
5. Client may discharge Attorney at any time, and in that event may be entitled to a refund of all or part of the fee if the services for which the fee was paid are not completed. Attorney reserves the right to withdraw from further representation of Client at any time on reasonable written notice to Client at Client’s last known mailing address. If Client discharges Attorney or Attorney withdraws from the Client’s case, Client shall be responsible for all costs incurred in [his/her] case under Paragraph 6 below. Attorney shall prepare an itemized statement of work

performed and Client shall be billed at Attorney's usual hourly rate of \$_____ for Attorney's services. Any unearned fees shall be refunded to client.

6. In addition to the attorney fees described above, Client agrees to pay all of the costs incurred in [his/her] case. Examples of such costs include filing fees, service fees, court reporter fees, and [describe other costs]. Attorney will provide Client with a monthly itemized invoice describing [optional: services rendered and] costs incurred. Each invoice is due and payable [insert days] business days after mailing. Client's failure to pay costs on a timely basis may result in Attorney withdrawing from Client's case as described in Paragraph 5 above.

7. Attorney may appoint another attorney to assist with the closure of Attorney's law office in the event of Attorney's death, disability, impairment, or incapacity. In such event, Client agrees that the assisting attorney can review Client's file to protect Client's rights and can assist with the closure of Attorney's law office.

8. Attorney will send Client information and correspondence throughout the case. These copies will be Client's file copies. Attorney will also keep the information in Attorney's file. When Attorney has completed all the legal work necessary for Client's case, Attorney will close Attorney's file and return original documents to Client. Attorney will then store the file for approximately 10 years. Attorney will destroy the file after that period of time.

9. Client acknowledges reading a copy of this Agreement and consents to its terms.

[Insert Signature and Date Lines for Attorney and Client]

From the [PLF Home page](#), select Practice Aids and Forms, then Engagement Letters, to locate the sample agreement.

Practitioners are advised to carefully read and understand:

- [OSB Formal Opinion No. 2005-151 – Fee Agreements: Fixed Fees](#)
- [Oregon ORPC 1.5\(c\)\(3\)](#)
- [Oregon RPC 1.15-1\(c\)](#)

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