

Informational Brochure



How LAWYERS CHARGE

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Many people who need legal help are reluctant to see a lawyer because they are afraid that legal services are expensive. Actually, in many cases, fees are moderate in comparison with the benefits gained or the losses avoided. It often turns out to be more expensive in the long run not to see a lawyer.

\$ *How can I find out what it will cost for the legal services I need?*

When you first contact a lawyer's office to make an appointment, ask what the lawyer charges for an initial consultation. When you consult the lawyer in person, ask at the outset about fees. It is in the best interests of both the lawyer and the client to have a clear understanding of the fee for the lawyer's services in advance so there will be no misunderstanding later.

\$ *How do lawyers charge?*

There are three basic types of fees for legal services. In some cases, particularly civil litigation and contested domestic matters, the lawyer will charge an hourly fee. The lawyer will keep accurate time sheets describing the time spent on your case.

In certain other cases, lawyers charge a contingency fee, in which an agreement is made with the client in advance that the lawyer will get, as a fee, a percentage of the amount recovered after certain expenses are deducted. In this case, the lawyer is paid only if the client wins the case. In most cases, the client will be responsible for the costs regardless of the court decision. This is most commonly seen in personal injury cases.

Finally, there is a flat fee in which the lawyer has a set fee for the service to be provided, regardless of the time involved. Flat fees are commonly used in defense of criminal charges, some civil cases and routine matters such as uncontested domestic matters, and preparation of simple wills, deeds and other similar documents.

\$ *How does a lawyer set a fee?*

No two situations are alike. A lawyer will consider many of the following factors in arriving at a fair fee:

- Time - A lawyer's main stock in trade is time and advice.
- Office overhead - When you hire a lawyer, you are hiring the lawyer's entire law office.
- Ability, skill and reputation - A lawyer often charges based upon his or her skill and reputation acquired in the professional community.
- The relationship between lawyer and client - In an on-going relationship, in which the client uses the lawyer's services regularly with a continual history of payment, the charge for a particular matter may be less than if the employment of the lawyer is on a one-time or casual basis.

Other issues may be considered in setting fees: novelty and difficulty of the problem; amount of responsibility assumed by the attorney; custom in the geographical area; or preclusion of other employment during a particular case.

\$ *Does any court set rules on legal fees?*

Yes. Nevada Rule of Professional Conduct 1.5 defines the factors to be considered in determining the reasonableness of a lawyer's fees:

1. the time and labor involved, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;
2. the likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer;
3. the fee customarily charged in the locality for similar legal services;
4. the dollar amount involved and the results obtained;
5. the time limitations imposed by the client or by the circumstances;
6. the nature and length of the professional relationship with the client;
7. the experience, reputation and ability of the lawyer or lawyers performing the services; and
8. whether the fee is fixed or contingent.

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HOW LAWYERS CHARGE - *(continued from other side)*

\$ *Are there any restrictions on a contingency fee?*

Yes. A lawyer may not charge a contingency fee in a criminal case where the fee depends upon the outcome. Likewise, a lawyer may not charge a contingency fee in a contested domestic relations matter. Public policy dictates that a lawyer's fee not be dependent upon securing a divorce, or the amount of alimony or child support or property settlement ultimately awarded.

\$ *Must the lawyer-client fee agreement be in writing?*

In Nevada, a contingent fee agreement must be in writing and signed by the client. Further, the contingent fee agreement must state the method by which the fee is to be determined, including the percentage of the recovery and whether expenses are to be deducted before or after the contingent fee is calculated, and whether the client is liable for expenses, regardless of the outcome. Ask your lawyer to explain what expenses will be charged and when the client costs are to be paid. Obtaining a written fee agreement in advance is in the best interests of the client, so that there will be a written record in the event that there is a dispute later about the lawyer/client relationship.

\$ *What is a retainer?*

A retainer is the initial fee paid by the client to begin representation on a particular matter. The lawyer and client should have a firm understanding of exactly what is contemplated and covered by that initial retainer. Your lawyer is required to place these retainers in a special account called a trust account, against which the fees for your legal matter will be billed until it is completed. If the retainer is insufficient, the attorney may ask for additional funds to be used in the same manner. Likewise, unused funds at the end of the legal matter remain the property of the client and should be reimbursed to the client after all expenses are paid.

\$ *What are "costs?"*

A lawyer must spend money to file papers with the court and to hire other persons such as court reporters or investigators. These expenses are known as "costs" and are normally paid by the client in addition to the lawyer's fees. Costs are in addition to the attorney's bill for his or her time and effort.

\$ *What is the State Bar's role in how lawyers charge?*

You should know that lawyers as a group are concerned that their clients are satisfied with their work, and with any fees charged for services rendered. Your attorney should discuss fees with you and respond to your reasonable questions on this subject during the course of your professional relationship.

\$ *How do I find an attorney?*

You can contact the State Bar of Nevada's **Lawyer Referral & Information Service** at **702-382-0504** (toll-free in Nevada at **1-800-789-5747**) or look in the yellow pages of your telephone directory. You can also ask friends and/or relatives if they can recommend a good lawyer. The State Bar's main office (see numbers listed below) can tell you whether or not an attorney is licensed in Nevada and in good standing.

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