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## INTRODUCTION

A lawyer is a professional who is specially trained and licensed to explain and interpret the law for clients, represent clients in legal matters, and appear in court on their behalf. Although much of a lawyer's work involves counseling clients and preparing documents, a lawyer is foremost an advocate on behalf of his/her clients.

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## WHAT IS THE BASIS FOR A LEGAL FEE?

Abraham Lincoln once emphasized the value of a lawyer's time when he said, "A lawyer's advice is his stock in trade." A lawyer's professional skill is expressed through the time spent to develop a solution to a client's legal problem, which is the basis for any fee charged by a lawyer. Much of the work accomplished by a lawyer is done when you, the client, are not present. You may be unaware that the four-page document and advice given by your lawyer in just a few minutes are actually the products of training, skill and many hours of work. Also keep in mind that when you engage the services of a lawyer, you are hiring an entire law office to work for you. Associate attorneys, paralegals and legal secretaries will all have a hand in your legal matter.

Since no two legal situations are exactly alike, the lawyer's fee will be based upon the factors involved in your particular case. After you have discussed the facts of your legal matter with the lawyer, ask them to give you an estimate of the fee.

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## HOW IS THE FEE COMPUTED?

A lawyer usually computes a fee based upon an hourly rate. The rates will vary, depending upon the experience and expertise of the lawyer, the circumstances and complexity of the case and where you are located. A lawyer may consider the following elements when computing a fee:

**1. Time.** Time is the basic element in determining a fee, making a lawyer's time very valuable. While many lawyers spend more than eight to ten hours per day on legal matters, much of a lawyer's time is spent

becoming familiar with new and changing laws, attending continuing legal education courses, performing administrative duties, participating in bar-related activities, and volunteering in legal and community service programs.

**2. Ability, Experience, and Reputation.** Law school training combined with professional legal experience constitutes a lawyer's legal education. If your lawyer possesses stronger experience or skills in one area of the law, a higher fee may be charged because those specific services are in special demand.

**3. The Results Achieved.** In some cases, the result itself may determine the fee. For example, a lawyer may be entitled to a percentage of the award.

**4. The Contingency Agreement.** In personal injury cases, the lawyer receives no fee unless money is recovered for the client. If money is recovered, the lawyer is paid a percentage of that amount. In Maryland, this percentage will vary depending upon the amount recovered, the area of the state and the complexity of the case. However, you can still be responsible for all costs. When no contingency fee arrangement has been made, the lawyer will expect to be paid whether you win or lose the case. Always keep in mind that your lawyer cannot guarantee the outcome of any court proceeding. You may also be required to reimburse the lawyer for any actual expenses paid from office funds for items such as long distance telephone calls, investigators, medical reports and depositions.

**5. Operating Expenses and Overhead.** The cost of operating the average law office - including rent, equipment, law libraries, supplies, professional and nonprofessional staff, and insurance - amounts to nearly 50 percent of the gross annual income derived from legal fees; therefore, a large portion of the fees charged goes to overhead costs.

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## SHOULD I ASK THE LAWYER WHAT THE FEE IS UPFRONT?

You should discuss the cost of legal services during the first interview with the lawyer. The lawyer may not be able to determine the exact amount of time and effort required to handle your case, but should be able to give you an estimate based upon past experience. Sometimes a lawyer may quote a total charge for the work for the estimated time required on a particular matter.

You should never hesitate to discuss fees at any time while the lawyer is handling your legal matter. If you receive a statement and believe the fee isn't appropriate, talk it over with your lawyer. Usually, misunderstandings about fees result because the client is unaware of the extent of the lawyer's work on the case.

This is by no means the client's fault. Clients who do not regularly see a lawyer may understandably believe that the activities of the lawyer are limited only to those evident. It is always a good idea to obtain copies of all documents and correspondence pertaining to your case. Then, if you have any questions about the fee, it is the lawyer's obligation to explain them.

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## WHEN MUST LEGAL FEES BE PAID?

The time for payment of legal fees depends upon the type of legal service provided. In many cases, your lawyer may require an advance payment, frequently referred to as a retainer, before agreeing to undertake the work. Some retainers are required only to assure the lawyer's availability, but most are considered as credit against services to be performed or will be applied to costs incurred from your legal matter. Charges for services rendered which aren't covered by the retainer should be paid upon receipt. If you believe that you will not be able to pay the legal fees promptly, discuss this with your lawyer. You may be able to arrange a payment schedule.

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## WHAT ARE THE STANDARDS OF CONDUCT FOR LAWYERS?

Lawyers are subject to the highest degree of ethical conduct under the Maryland Rules of Professional Conduct adopted by the Court of Appeals of Maryland. If you believe your lawyer has violated disciplinary rules, you may contact the Attorney Grievance Commission of Maryland to review the lawyer's ethical conduct. The Commission may be reached at (410) 514-7051 or (800) 492-1660 within Maryland and on the Web at [www.courts.state.md.us/attygrievance](http://www.courts.state.md.us/attygrievance).

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## WHAT CAN I DO TO REDUCE LEGAL FEES?

1. Write down the names, addresses and telephone numbers of all persons involved in your legal matter, as well as all the facts pertaining to your case. Doing this yourself will reduce the amount of time the lawyer must spend gathering the information.
2. Take any papers relating to your legal matter to the first interview with the lawyer.
3. Be as brief as possible in all interviews with the lawyer without leaving out any of the facts.
4. Be as accurate as possible when relaying the facts of your legal matter to the lawyer.
5. Make sure you honestly and completely disclose all the facts of your legal matter to the lawyer, whether they are good or bad. This is essential in determining how the lawyer will proceed with your legal matter, and the lawyer will keep it in strictest confidence.
6. Avoid unnecessary telephone calls to the lawyer.
7. Obtain legal advice before signing documents or taking legal action; then, follow the lawyer's advice.

8. Discuss the financial advantages or disadvantages of a proposed legal action with the lawyer. For example, would the court costs and legal fees be greater than the amount that would be recovered if a legal action was pursued?

*This brochure has been prepared by the Maryland State Bar Association's Public Awareness Committee. It is intended to inform the public and not serve as legal advice.*

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## Other Available Brochures:

- So, You've Received a Traffic Ticket
- Being a Witness
- When You Need a Lawyer
- Rights of Landlords and Tenants
- What to Do in Case of an Auto Accident
- Wills and Estates
- Divorce and Separation
- Appointing a Guardian
- Juvenile Court
- Your Legal Rights if Arrested
- Nursing Home Admission Contracts in Maryland
- Domestic Violence: You Can Live Without It
- Employees' Rights in the Workplace
- Health Benefits: What Are Your Options?
- Divorce and Custody Mediation
- Foreclosure Proceedings in Maryland
- HIV and the Law
- Should I File for Bankruptcy?
- Alternatives to Nursing Home Placement
- Entering a Franchise Agreement
- Filing for Workers' Compensation
- Buying a Home
- Lawyers and Legal Fees
- School Law in Maryland

