

Sample Client Memorandum: Billing Information

To: [Client name]

File Name: [file name]

File Number: [file number]

Date: [date of memo]

FEES

Basis for calculating your legal fees

Our fees are based on the following elements:

- (a) the time spent on your behalf and the service which is performed
- (b) the complexities of the issues and your potential monetary exposure
- (c) the results accomplished and the extent to which the expertise of this firm contributed to a successful outcome
- (d) the degree and type of resistance encountered, and
- (e) the extent to which any work needs to be performed on an emergency basis

None of these elements is capable of a precise arithmetic assessment and no such assessment is attempted, except in a general way, with respect to the time spent. A standard hourly rate, as set out below, is applied to convert the time into a monetary figure. Any amount that exceeds the number of hours multiplied by the standard rates is the result of the weighing of the other elements mentioned.

Our hourly rates

Standard hourly rates are charged for the work performed by the [lawyers/paralegals] and our law clerks and for the time spent on your case. Records are kept (in our time-keeping system) by us to the nearest one tenth of an hour for all activity on your case, including conferences, telephone calls, voicemail, e-mail, preparing correspondence and memoranda, drafting documents, research and travel time. Each hour billed to you is based on actual work completed on your particular case.

Our absence from the office on your behalf is charged at the usual hourly rate. Travel time includes attending at court, settlement conferences, meetings, or consultations on your behalf. We will minimize travel expenses and courthouse time, if any, wherever we are able. Charges for travel time are in addition to the counsel fee.

These are our present hourly rates:

[Lawyer/Paralegal] #1 \$ _____ per hour
[Lawyer/Paralegal] #2 \$ _____ per hour

Where the [lawyers/paralegals] consult on your file, you are billed for the time of the [lawyers/paralegals] involved. Consultation between [lawyers/paralegals] takes place to decide work assignments on larger matters, to delegate tasks, to determine strategy and to consult on legal issues.

Court, tribunal appearance charged as [counsel fees/legal representation fees]

If there is a court case in your file, services performed in court and settlement conferences are charged on the basis of a [counsel fees/legal representation fees], calculated by the day rather than by the hour. This method attempts to account, in part, for our unavailability to other clients during these periods, and for the need to set aside fixed periods of time for a court appearance. Where the attendance is for part of a day only, the fee is apportioned accordingly.

These are our present counsel fees:

[Lawyer/Paralegal] #1 \$ _____ day
\$ _____ half day

[Lawyer/Paralegal] #2 \$ _____ day
\$ _____ half day

Consultations charged at flat rates

If your appointment is for a consultation only, in order for you to receive advice on a limited number of issues, or, for example, for a second opinion, you will be billed a flat rate consultation fee payable on the conclusion of the consultation. These rates are reduced rates and apply only if the fee is paid at the time of the consultation. The rates are calculated on the basis of the average amount of time spent by the [lawyers/paralegals] on consultations in the most recent year. The consultation rates do not apply if you retain the firm to perform work on your behalf, nor do they apply if you return for a second meeting. In that case, you will be billed at our usual hourly rates.

These are our usual consultation rates:

[Lawyer/Paralegal] #1 \$ _____ per hour
[Lawyer/Paralegal] #2 \$ _____ per hour

Annual increase in fees

We have sometimes increased our hourly rates and our [counsel fees/legal representation fees], to meet rising costs and to reflect our increased expertise. This retainer is subject to our right to make similar adjustments if circumstances should change again. Unless you are advised otherwise, our fees will be increased annually by no more than _____%.

EXPERTS

In some instances it may be necessary for us to consult outside experts to assist in your case. If experts are required, we generally have our clients deal directly with the expert and make

payment arrangements with the expert personally. This direct contact also has the benefit of avoiding duplication and reducing cost.

DISBURSEMENTS

Charges for our out of pocket expenses

Disbursements are out-of-pocket expenses and are as follows:

- couriers, printing and photocopying at \$_____ per page
- long distance telephone calls
- facsimile transmissions at \$_____ per page to send, \$_____ per page to receive
- postage
- court filing fees
- parking
- transcripts of examinations
- fees for accountants and other outside experts if incurred

Attached is a copy of the fee schedule charged by the Superior Court of Justice [*or other tribuna*], for the issuing and filing of documents in that court. These items are shown separately on our accounts, and are charged to you at cost, in addition to the fee.

RETAINER

We require money retainers to begin and continue to serve you

The retainer is an amount paid to our firm in trust, for deposit to your credit, on the understanding that it will be used to satisfy our accounts for legal services and disbursements at the time accounts are delivered. The retainer is a source of payment for your accounts. You are expected to provide and replace the retainer when requested, as it is spent, so that we continue to have enough money in trust to cover legal services completed and necessary next steps.

Until you provide us with a retainer, or replace it when it is exhausted, we will not work on your file.

The retainer is not a flat fee or an estimate of the cost of your work. You are responsible for the fees and disbursements not covered by the initial or replacement retainer. Of course, any unused portion of the retainer will be refunded to you at the end of our work for you.

The amount of the retainer should not be taken as an estimate of the cost of the completion of the work in your particular case. At this point, before the issues are clarified, and before we know the degree of resistance to be offered, we cannot predict the amount of work to be done, nor the time needed to complete it.

If we are to start negotiations on your behalf, our usual retainer is \$_____. If we are to begin litigation on your behalf, our usual retainer is \$_____ to \$_____, depending on the urgency of the situation and the complexity of the case. If your case is already in litigation, our retainer may be more, particularly if there is much to be done or the matter is urgent.

COST OF LEGAL SERVICES

Estimating the cost of legal services

Clients usually want to know “what will this all cost?” That’s a reasonable question. But it is not possible to accurately estimate costs in advance in some cases. Many important factors which influence the cost are unknown to us, and even outside our control, including the reaction and tactics of the other side, how many different issues there will be in your case, how much time it will take to resolve all the issues, how complicated the case is, new issues which may come up, and whether we can settle this case without going to court.

In some cases, the legal issues change during the time we work for you. New issues may arise and existing issues may become more complex. We see it as our job to close your file as quickly and economically as possible, consistent with protecting your interests.

Despite these difficulties at predicting the amount of legal fees your matter may involve, we will attempt to give an estimate of the cost of legal services based on certain assumptions. **You will be receiving a personalized estimate under a separate covering letter.** However, understand that when the assumptions change, when new developments arise, the cost estimate may no longer be valid. We will remind you of this from time to time and attempt to correct our estimates as the case unfolds.

ACCOUNTS

You will be billed on the _____ of each month

We prepare interim accounts on a regular basis, usually on the _____ of the month, for fees and disbursements. If your case is very active, particularly if we are in court for you, you may get accounts from us on a more frequent basis. This is, in part, an effort to ensure that you have a good understanding of what the case is costing you at all times. For most people, the cost of the case will be an influencing factor in decision-making about the next step to take, and the kind of response to make to the other side; in our experience, it should be. The amount of fees on the interim accounts is usually based on time spent, but where appropriate, could include an additional charge based on the other elements referred to above.

Accounts sent by e-mail

We send accounts by e-mail, if that is possible. **If we cannot send your accounts to you this way, please let us know.**

Payment methods

We accept payment of fees and disbursements by credit card, and you may consider that as an alternative in settling your outstanding accounts with us, or in providing or replacing the retainer.

INTEREST [FOR LAWYERS’ ACCOUNTS ONLY]

The accounts are due to be paid when they are sent. If the account is not paid within 30 days, interest will be charged on the outstanding balance at the rate permitted in the *Solicitors Act* and shown on the account, from the date of the account until the date of payment).

COSTS FOR DUPLICATING MATERIAL ALREADY PROVIDED

We will keep you informed of all developments in your case. We will forward to you copies of all relevant correspondence, pleadings, other court documents, and reports. It is important to keep this material and it is to your advantage to maintain it in an organized format. If you require additional paper copies of correspondence or pleadings, we can make them available to you at our usual rates for printing and photocopying, and any other work involved. We suggest you keep the correspondence in one file and the pleadings and other court documents in another file and all of the documents in chronological order.

ENDING OUR WORK FOR YOU

You can terminate our services at any time

At any time, you may terminate our services by giving us written notice and paying any balance owing. If the firm is shown on court documents as your legal representative, then court records must be formally changed, in writing. Usually we can file a document that you sign, telling the court and the other side that we are not your [lawyers/paralegals] any longer.

We can terminate our services in certain circumstances

Subject always to our obligation to ensure proper standards of professional conduct, we can also end the [solicitor-client/paralegal-client] relationship. If this should happen, we will do so in writing and we will assist in the transfer of your file, if appropriate.

You should be aware of some of the circumstances that may cause us to end the retainer:

- (a) we cannot get instructions from you
- (b) you lose confidence in our ability or advice
- (c) a conflict of interest arises
- (d) we cannot accept your instructions for ethical reasons
- (e) you mislead us in a material matter or you lie to us
- (f) the money retainer has not been provided or replaced
- (g) our accounts remain unpaid for 30 days and no mutually agreeable arrangements have been made

If it is necessary for us to take legal steps either to end our representation of you or to collect our accounts, you will be charged for the time involved.

If you have concerns about our billing policy please advise us now so that there are no future misunderstandings.

Date of Document