

FEE COLLECTION BY LIEN QUICK-REFERENCE GUIDE

	Judgment Lien	Retaining Lien	Charging Lien	Security Interest	Equitable Liens
DESCRIPTION	Lien arising from judgment obtained by lawyer against client	Lawyer has right to retain possession of client property coming into lawyer's hands during the course of professional employment until the bill is paid.	Lawyer has right to be paid from the money proceeds of the case in which the lawyer's services were rendered	Lawyer has lien against specific real or personal property of client to secure payment of lawyer's fee.	Lawyer has a lien for payment of fees from client or non-client who is enriched by the services performed by the lawyer.
LIEN ATTACHES	Lawyer must sue and obtain judgment on the debt, then execute on the judgment before lien arises.	Lien arises automatically when lawyer bills client for amount owed and client fails to pay.	Lien arises automatically when client's obligation to pay has accrued and client fails to pay; cannot be created by contract.	Lien arises under written agreement with client.	Lien arises from written or verbal agreement that both identifies the property and evidences an intention that such property serve as security for the lawyer's fee.
OTHER REQUIREMENTS	To have standing to sue, must have valid underlying contract.	Lien may only be exercised over property coming into lawyer's possession, derived from, or pertaining to the suit in which the legal services were rendered, to secure payment for all professional services rendered in any matter for that client. Lien is waived if lawyer discloses or provides copies of material over which lien is exercised.	Lien may only be exercised against money proceeds in case in which lawyer's services were rendered; does not transfer to other property or to other representations unless there is a separate agreement with client. Persons who hold funds against which lien is claimed must have notice of lien prior to conclusion of case. No lien arises if lawyer wrongfully withdraws from representation. In case of dispute, disbursement must be determined by court.	Written agreement must comport with MRPC 1.8(a) and provisions of the Uniform Commercial Code.	Non-clients must have notice that the lawyer's services are being rendered to their benefit; if based on contingent fee contract, a written agreement is required by MCR 8.121 and MRPC 1.5(c)
ETHICAL CONSIDERATIONS	Suit for non-payment of fees should be a last resort. A lawyer may not sue a client for collection of fees while still representing the client on unrelated matters, nor may a lawyer assign the lawyer's rights under the fee contract to another person for legal action while the lawyer continues to represent the client.	Not ethical to exercise lien when the client or successor counsel needs the property to pursue the client's legal rights, or if the client is unable to pay, as opposed to refused to pay.	Not ethical to exercise if the lawyer withdraws without cause.	Not ethical to obtain lien against property which is the subject matter of litigation in which the lawyer's services are to be used, unless authorized by law.	

This guide is provided as a courtesy by the State Bar of Michigan. It does not constitute legal advice and is not an ethics opinion.