

REFERRAL FEES (With attorney)

A referral fee may be paid to a lawyer, who is not in the same firm, or of counsel to the firm, only if the client is advised of and does not object to the participation of all the lawyers involved and the total fee is reasonable. [See Michigan Rule of Professional Conduct 1.5] It is strongly urged that the lawyer obtain the client's consent in writing. [A lawyer may be required to obtain client consent in writing if proposed MRPC 1.15 is adopted.]

RESOURCES

Agreement confirming Referral Fee (ATTACHED BELOW)

SBM Ethics Opinions: (More available at SBM Ethics Homepage)

Division of Fees with Law Firm - RI-032, RI-114, RI-122, RI-124, RI-305

Referral Fee with Out of State Attorney – RI-122

Referral/Contingent Fee with Suspended Lawyer – RI-19, RI-30

Referral fee – interrupted representation – R-11

SAMPLE

This form does not, and is not intended by the State Bar of Michigan to provide or constitute legal advice and the SBM assumes no liability in connection with this product.

Date

Name
Address
City, State & Zip

Re: (describe legal matter)

Dear [*Name of Client*]

As you know, [*name of referring attorney*] referred you to me to represent you regarding [*describe matter*]. It is customary when one attorney refers a client to another attorney in legal matters such as yours, for the representing attorney to pay a “referral fee” to the referring attorney. The ethics rules governing lawyers encourage lawyers to explain to a client, in writing, the financial aspects of the referral fee, and the rules require that the client consent to the referral fee.

We have agreed that my fee will consist of 33.1/3% of all sums obtained on your behalf in this matter either through trial, settlement or otherwise, after deduction of the out of pocket costs incurred in pursuing this matter. I have proposed to share _____ [% or \$] of my fee with [*name of referring attorney*]. Sharing part of my fee with attorney _____ will not increase the fee you have agreed to pay to me. Attorney _____ will be paid strictly out of my fee.

Please examine this letter carefully and let [me/our firm] know immediately if you have any questions or concerns. If you have no objections to my sharing my fee with attorney _____, I ask that you please sign this letter and return to me in the postage paid envelope enclosed for your convenience.

Thank you again for retaining me to represent you in this important matter. I look forward to working with you.

Sincerely,

[Your name/Firm name]

cc: [Name of referring attorney]

Suggested procedure: Docket for a future date and have staff follow up to ensure that the client has no questions and signs and returns the agreement. Send a signed copy to the referring attorney.