



## Supreme Court to Consider Change to Earned on Receipt Fees

On October 29, 2010 the [Oregon State Bar House of Delegates voted 118-10](#) to amend Oregon Rules of Professional Conduct 1.5 and 1.15 regarding “earned upon receipt” fees. [As noted in a prior post](#), the proposed changes would explicitly require a written fee agreement informing the client:

- The funds will not be deposited into the lawyer trust account; and
- The client may discharge the lawyer at any time and in that event the lawyer may be required to refund all or part of the fee if the services for which the fee was paid have not been completed.

Additionally, ORPC 1.15(c) would be amended to state:

(c) A lawyer shall deposit into a lawyer trust account legal fees and expenses that have been paid in advance, to be withdrawn by the lawyer only as fees are earned or expenses incurred, unless the fee is denominated as “earned on receipt,” “nonrefundable” or similar terms and complies with Rule 1.5(c)(3). [Proposed language in bold.]

While existing case law and OSB Formal [Ethics Opinions](#) already support these requirements, [General Counsel](#), [Disciplinary Counsel](#), and the [BOG](#) have found them “elusive to many practitioners.”

The proposed rule change will now be submitted to the [Supreme Court](#) for final approval.

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