

LAW OFFICES OF SANFORD I. MILLAR

MILLARLAWOFFICES.COM

Fee Agreements and Entrepreneurs

December 30, 2010

An article in the NY Times

(http://www.nytimes.com/2010/12/30/business/smallbusiness/30sbiz.html?_r=1&ref=business), illustrates the need and benefit of reducing into the fee agreement the expectations of the client and the attorney, particularly when dealing with entrepreneurs.

In the course of my practice I have often been retained by entrepreneurs to counsel them on start-ups and ongoing issues. One of the first things that I do is try to define the “scope of work” with the client and then set fees (or a fee range) based on the agreed [services](#). I find that with entrepreneurs, regardless of industry, the best thing I as a lawyer can do is provide excellent service and reasonable certainty in fees.

Of course, there are often times when a project has multiple variables and unexpected twists and turns, but that is why it helps to break the project down into phases and set fees by phase. What most clients resist when given the option is an open ended hourly arrangement. As a former general counsel in a start-up technology business, I know how important it is to be able to budget legal fees and costs.

If there is any one thing that I strongly urge it is a move toward more project/phase based fee agreements and less reliance on hourly rates. The benefits to both the lawyer and client are that all parties set expectations and budgets and minimize conflicts and fee disputes.

Law Offices of Sanford I. Millar

Office: 310-556-3007

Fax: 310-556-3094

Address: 1801 Avenue of the Stars, Suite 600
Los Angeles, CA. 90067

Email: smillar@millarlaw.net

www.millarlawoffices.com