

Rule 1.5. Requirements for Written Contract and Fees.

1 (a) Before providing any services, a licensed paralegal practitioner shall provide the client
2 with a written contract that:

3 (a)(1) states the purpose for which the licensed paralegal practitioner has been hired;

4 (a)(2) states the services to be performed;

5 (a)(3) states the rate or fee for the services to be performed and whether and to what extent
6 the client will be responsible for any costs, expenses or disbursements in the course of the
7 representation;

8 (a)(4) includes a statement printed in 12-point boldface type that the licensed paralegal
9 practitioner is not an attorney and is limited to practice in only those areas in which the licensed
10 paralegal practitioner is licensed;

11 (a)(5) includes a provision stating that the client may report complaints relating to a licensed
12 paralegal practitioner or the unauthorized practice of law to the Utah State Bar, including a toll-
13 free number and Internet website;

14 (a)(6) identifies the document to be prepared;

15 (a)(7) explains the purpose of the document;

16 (a)(8) explains the process to be followed in preparing the document;

17 (a)(9) states whether the licensed paralegal practitioner will be filing the document on the
18 client's behalf; and

19 (a)(10) states the approximate time necessary to complete the task.

20 (b) A licensed paralegal practitioner may not make an oral or written statement guaranteeing
21 or promising an outcome, unless the licensed paralegal practitioner has some basis in fact for
22 making the guarantee or promise.

23 (c) A written contract is void if not written in accordance with this section.

24 (d) A licensed paralegal practitioner shall not make an agreement for, charge or collect an
25 unreasonable fee or an unreasonable amount for expenses. The factors to be considered in
26 determining the reasonableness of a fee include the following:

27 (d)(1) the time and labor required and the skill requisite to perform the legal service properly;

28 (d)(2) the likelihood, if apparent to the client, that the acceptance of the particular
29 employment will preclude other employment by the licensed paralegal practitioner;

30 (d)(3) the fee customarily charged in the locality for similar legal services;

31 (d)(4) the amount involved and the results obtained;
32 (d)(5) the time limitations imposed by the client or by the circumstances;
33 (d)(6) the nature and length of the professional relationship with the client; and
34 (d)(7) the experience, reputation and ability of the licensed paralegal practitioner or licensed
35 paralegal practitioners performing the services.

36 (d)(8) Reserved.

37 (e) Any changes in the basis or rate of the fee or expenses shall also be communicated to the
38 client.

39 (f) A licensed paralegal practitioner may not enter into a contingency fee agreement with a
40 client.

41 (g) A division of a fee between licensed paralegal practitioners who are not in the
42 same firm may be made only if:

43 (g)(1) the division is in proportion to the services performed by each licensed paralegal
44 practitioner or each licensed paralegal practitioner assumes joint responsibility for the
45 representation;

46 (g)(2) the client agrees to the arrangement, including the share each licensed paralegal
47 practitioner will receive, and the agreement is confirmed in writing; and

48 (g)(3) the total fee is reasonable.

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50 Comment

51 Reasonableness of Fee and Expenses

52 [1] Paragraph (d) requires that licensed paralegal practitioners charge fees that are reasonable
53 under the circumstances. The factors specified in (d)(1) through (d)(7) are not exclusive. Nor will
54 each factor be relevant in each instance. Paragraph (d) also requires that expenses for which the
55 client will be charged must be reasonable. A licensed paralegal practitioner may seek
56 reimbursement for the cost of services performed in-house, such as copying, or for other
57 expenses incurred in-house, such as telephone charges, either by charging a reasonable amount
58 to which the client has agreed in advance or by charging an amount that reasonably reflects the
59 cost incurred by the licensed paralegal practitioner.

60 [2] Reserved.

61 [3] Reserved.

62 Terms of Payment

63 [4] A licensed paralegal practitioner may require advance payment of a fee but is obligated to
64 return any unearned portion. See Rule 1.16(d). A licensed paralegal practitioner may accept
65 property in payment for services, such as an ownership interest in an enterprise, providing this
66 does not involve acquisition of a proprietary interest in the cause of action or subject matter of
67 the litigation contrary to Rule 1.8(i). However, a fee paid in property instead of money may be
68 subject to the requirements of Rule 1.8(a) because such fees often have the essential qualities of
69 a business transaction with the client.

70 [5] An agreement may not be made whose terms might induce the licensed paralegal
71 practitioner improperly to curtail services for the client or perform them in a way contrary to the
72 client's interest. For example, a licensed paralegal practitioner should not enter into an agreement
73 whereby services are to be provided only up to a stated amount when it is foreseeable that more
74 extensive services probably will be required, unless the situation is adequately explained to the
75 client. Otherwise, the client might have to bargain for further assistance in the midst of a
76 proceeding or transaction. However, it is proper to define the extent of services in light of the
77 client's ability to pay. A licensed paralegal practitioner should not exploit a fee arrangement
78 based primarily on hourly charges by using wasteful procedures.

79 [6] Prohibited Contingent Fees. Paragraph (f) prohibits a licensed paralegal practitioner from
80 charging a contingent fee.

81 Division of Fees

82 [7] A division of fee is a single billing to a client covering the fee of two or more licensed
83 paralegal practitioners or a licensed paralegal practitioner and a lawyer who are not in the same
84 firm. A division of fee facilitates association of more than one licensed paralegal practitioner or
85 lawyer in a matter in which neither alone could serve the client as well, and most often is used
86 when the fee is contingent and the division is between a referring licensed paralegal practitioner
87 and a lawyer or trial specialist. Paragraph (g) permits the division of a fee either on the basis of
88 the proportion of services they render or if each practitioner assumes responsibility for the
89 representation as a whole. In addition, the client must agree to the arrangement, including the
90 share that each practitioner is to receive, and the agreement must be confirmed in writing. Joint
91 responsibility for the representation entails financial and ethical responsibility for the
92 representation as if the licensed paralegal practitioner and the other licensed paralegal

93 practitioner or lawyer were associated in a partnership. A licensed paralegal practitioner should
94 only refer a matter to a licensed paralegal practitioner or lawyer whom the referring licensed
95 paralegal practitioner reasonably believes is competent to handle the matter. See Rule 1.1.

96 [8] Paragraph (g) does not prohibit or regulate division of fees to be received in the future for
97 work done when licensed paralegal practitioners were previously associated in a law firm.

98 Disputes Over Fees

99 [9] If a procedure has been established for resolution of fee disputes, such as an arbitration or
100 mediation procedure established by the Bar, the licensed paralegal practitioner must comply with
101 the procedure when it is mandatory, and, even when it is voluntary, the licensed paralegal
102 practitioner should conscientiously consider submitting to it.

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