Policies and Practical Pointers: Getting the Percentage Fee Money that is Owed

PRESENTERS:

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Wisconsin State Bar Association LRIS
The Policies Approach

**Design your Internal Systems to Maximize Revenue**

Association (and LRIS) management is a relative newcomer when compared to other professions with long defined paths such as education and medicine. Association management relies heavily on conventional wisdom and personal experience just as those other disciplines did in their infancy.

A great mind, Ben Franklin observed, “common sense is not so common.” What he was inferring is that what we all assume to be true may not hold up under scientific scrutiny. For example, when associations rely almost exclusively on conventional wisdom (aka the honor system) and status quo as foundations to collect fees we lend ourselves to common sense philosophy rather than a more effective and efficient model involving empirical validation. This session will assist our great minds to understand what works with other LRIS programs and how we might apply those methods to our own program.

If you have attended even one LRIS conference, you have certainly heard the mantra, “The Business of Public Service” spoken by many of the leaders in the LRIS community. Those who strive to follow this mantra seek research and understanding to develop policies and procedures to create a solid revenue base. Without this foundation to hold together the programs’ systems, your LRIS may not have the tools necessary to maximize revenue. This session will review some building blocks that allow for maximum collection of revenue.

We have a fiscal responsibility to collect fees due to the LRIS so that we can enhance services, thus allowing more individuals to receive assistance and our members to gain an opportunity to increase business.

**Policies and Procedures that Strengthen Collection of Fees**

**What Needs Improvement ……. and What Works**

**The Honor System – It Needs Improvement**

“Our problem, I am becoming increasingly aware, is the pitfalls of the honor system. After 4 years as director, the bloom is off the rose, I am certain that some cases taken are not reported, and some reported ones are not remitted sufficiently. But I don’t see how to chase all that down without a) more staffing; b) potential some nasty legal squabbles that might put a blight on the service just when it is beginning to get some respect. MOST of our members are honest with us and I don’t know how much I want to go after the suspect ones. The problem is that our service is state-wide and our court system does not have everything computerized, settlements out of court wouldn’t show up. I am not sure how to proceed.”

Most every LRIS program relies on the “honor system” of reporting to learn when a case has been retained and when fees may be due to the organization. However, there are numerous business practices that can be incorporated to realize fees due to the organization. The following components incorporate concepts to help realize net revenue in excess of expenses.

**Comprehensive Rules of Membership – A Step in the Right Direction**

Al Charne wrote an article that was published in *Dialogue*, Spring 2008 that included his recommendation to incorporate well chosen rules to eliminate confusion for panel members regarding...
their obligations. Al says, “collection of percentage fees owed can make the difference between solvency and debt for a LRIS.”

Much of the basis for the ability to collect the fees owed stem from comprehensive rules. Below we provide examples –

- **Collection of fees on the initial referral and/or any subsequent work** for a period of time after a referral.
  
  Example – Consider whether it is the matter that is being referred or the client who is referred to which the percentage fee should be applied? Standard rules typically dictate that fees are owed to the LRIS for; “the initial matter referred and any related transaction, proceeding or action; what about adding, 1) Any other matter which involves the same client and is undertaken within three years of the date of the referral or initial retention, whichever is later; and 2) Any other matter which involves the same subject matter as the initial referral, arises from the initial referral, and in undertaken within three years of the date of the referral or the initial retention, whichever is later?

- **Audits** of attorney records.
  
  Example - Allow LRIS or its agents to examine and audit members' financial or accounting records and the legal file with regard to referred clients if a question arises between the member and LRIS with respect to fees owed. It is understood that the audit may include, but is not limited to, chart of accounts, general ledger-trial balance reports, balance sheet, income statements, invoices, bank deposit records, trust account records, court filing records, calendars, appointment records, time sheets, docket sheets, engagement letters, fee agreements and contracts with LRIS clients. LRIS reserves the right to take all necessary actions, including appropriate collection efforts, to determine and assess whether, and to what extent, a panel member has remitted all fees owed to LRIS.

- **Collections**. A rule that clearly outlines the option to pursue collections when fee are not paid to the LRIS.
  
  Example – Failure to pay any fee due to LRIS may result in a collections action taken by LRIS.

- **Administrative fees** for reviewing delinquent reports, collections and audits, reinstatement of delinquent status and late dues.
  
  Examples –
  
  Collections or Audit Rule - A panel member shall pay LRIS 15% of the total legal/attorney(s) fee(s) received by any/all attorney(s) involved. A panel member is required to pay the fees owed within thirty (30) days of receipt of payment for services. If a panel member fails to pay fees owed LRIS within the thirty (30) day period, the panel member shall be required to pay LRIS an additional 10% of the total fees plus all attorneys fees and expenses incurred by LRIS in an effort to collect the outstanding sums owed to LRIS.

  Dues - LRIS renewal dues are $100 if received by 5/1, $115 if received by 6/1 and $130 if received by 7/1. If the lawyer does not renew by 7/1, the lawyer is dropped and the reinstatement fee is $150. A few lawyers, less than five, every year, are suspended and pay the $150.

  Reports - A reinstatement fee of $50 is charged when the Quarterly Report is not timely submitted which immediately decreased the late filers 50%. One of my LRIS committee members suggested this when "mere" suspension didn't stop the same "repeat offenders" on our 175 lawyer panel.

- **Suspension and termination** of panel members.
  
  Example - Abide by the Rules of Membership for LRIS, understanding that a violation of any LRIS rule(s) may result in suspension or termination from LRIS. If member fails to uphold any rule(s) the member will be notified of the violation(s) and his/her LRIS
membership may be removed, without refund of dues. If a member feels that they have been unjustly removed, the member may appeal in writing to the LRIS within 30 days of receiving notification of removal.

- **Fee arbitration clause** in your Rules of Membership. Be cautious that this may limit your ability to initially sue in some cases.
  
  Example - Submit any disputes between the member and LRIS to the Dispute Resolution Center for binding arbitration pursuant to the terms and provisions of the Federal Arbitration Act. The LRIS shall be entitled to reasonable attorney’s fees and costs at the discretion of the arbitrators(s), but it shall not be liable for any attorney’s fees or costs to the member. Any such disputes will be governed by the laws of the state.

- **Grievance** options. Several LRIS programs are exploring possible grievance action against – mainly former panel members – who have failed to provide information. Those who are proceeding with grievance action focus mostly on a duty to report an attorney who is believed to lack honesty, the capability or the ability to conduct his/her practice.

- **Right to Sue**. No LRIS wants to sue a panel member nor does any other business want to sue a vendor or client. However, to secure the fees due it may be appropriate that your LRIS file suit to enforce LRIS rules regarding payment of fees.
  
  Example - Nothing in these Rules shall be deemed to limit or otherwise affect the rights of the Service to pursue any or all of its legal remedies to enforce these Rules, (including, without limitation, by legal, equitable or other action to obtain payment of any sums payable to the Service hereunder). In the event any action is instituted by the Service to enforce any of the terms and provisions contained in the Rules, the Service shall be entitled to its reasonable attorneys' fees, costs and expenses. No failure of the Service to enforce any Rule at any time shall be deemed a waiver of, or otherwise affect the Services' rights regarding, such Rule at any other time.

One LRIS Director reports the following experience -

"We just sued one of our panel members in Small Claims Court. Before we filed we looked at the court's website and found that he represented a particular referred client in a family law matter. I went to court and picked up a copy of the Income and Expense Declaration. In that Declaration the attorney swore that he had been paid $2000. As part of the lawsuit I subpoenaed the attorney's records. He came to court and prior to the hearing we spoke. He said he had no record of the client and so had no records to produce. We showed him a copy of the referral and the Income and Expense Declaration. The case was settled in the hallway. We told him we have 11 more cases we know that he did not pay us on."

- **Firm Changes.** Establish rules that address situations when 1) a panel member has outstanding percentage fees due to the LRIS and leaves law firm #1 to go to law firm #2 AND takes the case(s) that originated from LRIS to the new firm AND the new firm’s partners have told the panel member that they are not willing to pay these fees to the LRIS and 2) same as above, only lawyer leaves case(s) with law firm #1 and new attorney from law firm #1 takes over case(s) but is not a panel member.

The ABA Listserv provided the following response to these scenarios;

**Response 1**

1.) The individual attorneys sign up to be part of our panels. So the attorney is responsible for the fee no matter what firm they belong to.

2.) The client came to the firm as a result of a referral. There is an implied contract. The firm knew you anticipated being paid a percentage fee when they kept the case. They owe you the percentage.
Response 2
As for the second scenario, we require the panel member and the managing partner at the panel member's firm to sign a simple, straightforward acknowledgment binding the firm to our rules, thus making them responsible for payment of the percentage fees. If the panel member leaves the firm and the firm retains the files, the firm is still responsible for payment.

Response 3
We don't have a formal acknowledgment, but I do send a letter to the attorney who took over the case in the second scenario reminding him/her of the LRS agreement. In one situation where the previous firm was not forthcoming with the fees, I had the former LRS panel member who accepted the referral get involved in collecting the percentage fees.

When considering changes to your rules, be sure that they are clear and address the concerns within your LRIS. A well chosen rule will eliminate confusion for panel members, reduce stress for the LRIS directors and increase revenue for your program.

Comprehensive Policies – Builds Consensus and Opportunity
Policies assist to outline the process involved in administering certain rules. Below are several policies to consider incorporating into your operations.

- **Suspension and Termination** of panel members - A suspension and termination policy works in conjunction with the application process and addresses both attorney competence and behavior. A subcommittee enforces, reviews, and recommends disciplinary action for LRIS members in accordance with the Rules of Membership.
  Example – See Attached.

- **Audit** – An audit policy allows for creation and administration of a policy to conduct random audits of referrals to LRIS attorneys.
  Example – See Attached.

- **Compliance** – A compliance policy assists the LRIS to ensure accurate information form panel members regarding the number of retained cases and fees owed/paid to the LRIS.
  Example – See Attached.

- **Collections** – A collections policy provides understanding to panel members and LRIS leadership and staff regarding the process of collections proceedings. Consider a review of your civil code for statutes of limitations on old referrals. Also consider outside resources to assist in these efforts. Collections agencies and collection attorneys will consider accepting these on a contingent fee basis.
  Example – See Attached.

How do you go about putting pen to paper in creating such policies? Get your LRIS committee committed to this project. Establish a task force to specifically address the purpose and development of policies. With these examples, you can begin the conversations that are required to develop policies that fit your needs.
The Practical Pointers Component
Leadership Support, Referral Tracking, Technology, Panel Member Communication

Leadership Support

LRIS Oversight
The LRIS Director does not do this alone - Establish/Revitalize/Re-energize the Lawyer Referral Committee. Making these types of administrative changes is a function that most definitely involves your leadership. A successful LRIS needs a bar association committee with the authority to set policy, oversee, and promote the referral service. Seek out the appropriate leaders!

- Create broad-based support for the LRIS by including leaders from the bar association on the LRIS Committee. This committee must meet on a regular basis and understand the vision and mission of the LRIS and use this understanding to lead the organization through to successful management.
- Appoint a liaison from the LRIS Committee to the bar association Board for optimum communication opportunities.
- Prepare a report of the LRIS Committee for inclusion as a standing item on the bar association's Board of Directors' Agenda.
- Strategic Planning is essential when re-vamping programs, policies and procedures for your LRIS. Have your LRIS Committee work on a comprehensive plan for the future. Create a Task Force to address specific issues.
- It is essential that the LRIS keep and maintain statistics if it is to gauge the effectiveness of the program. Reports should include statistics on the disposition of referrals (i.e., whether a case becomes a retained matter, an in-office consultation, or void/no contact, areas of law referred, fees generated, how callers heard about the LRIS.) This information will help with tracking percentage fees and monitoring the effectiveness of ongoing marketing efforts. This information should be prepared and provided to the LRIS Committee at each meeting.
- Break the LRIS Committee into subcommittees to offer focused guidance for efforts that include; Membership – to review and develop rules that aid the LRIS in collections and compliance, Audit – to create opportunities to audit attorney records for accuracy, Suspension and Termination – to allow for suspension or removal when necessary, Compliance – to support a system to achieve full compliance of LRIS rules.

Change can happen in a smooth, almost linear manner, or it can happen in a chaotic, rapid, nonlinear way. There is no right or wrong way to move forward. The important thing is to MOVE forward and find leaders that will help your LRIS to grow.
It is important to realize that financial self-sufficiency cannot be achieved and maintained without adequate staff follow-up, which is necessary in order to collect the fees owed the program.

- **No staff?** What about alternatives such as salary based on commission or a percentage fee payment for discovered income?
- **Strengthen Percentage Fee Tracking and Collection** - One method of efficient follow-up with panel members is to generate the necessary reports for panel members to adequately track referrals. "Daily" forms are the first step in notifying a panel member that a referral has been made. "Monthly" reports list all of the referrals for that one month period, will remind panel members of referrals and will prompt them to remit appropriate fees to the LRIS. "Case Progress" reports should be mailed quarterly to attorney members to track open matters. "Annual Reports" are successful in the collection of percentage fees. By generating an Annual Report, attorney members are given another chance to notify the LRIS if a case has been opened during the previous year.
- Attorney members should be given 30 days to complete and return reports. If panel members are not responding to inquiries regarding the disposition of the referrals in a timely manner, suspend them from receiving future referrals. Send notices stamped in red ink that the attorney is inactive until the LRIS receives dispositions and/or fees.

"I've found that the best incentive for panel members to submit their reports is to suspend them from the panel until they are up to date. If we wait until they are no longer a member it is nearly impossible to get them to comply. We send case reports every other month. When their reports are one cycle behind we stamp the report with "Your case disposition reports are overdue. To continue receiving referrals through LRS, updated reports must be received immediately". If we have not received updates before the next reports go out the panel member is temporarily suspended, and a notice is included letting them know they will be reinstated as soon as reports are received. If still no reports we send a letter that says the matter will be taken to the LRS subcommittee for further action, which sometimes generates a response. If not, a member of the LRS sub-committee contacts the former panel member. Of course they tell their fellow bar member that they will comply, but often they do not. We've not taken any further action and not quite sure where to go at that point. We also send out targeted client surveys and do follow up with clients when the attorneys do not return reports or they repeatedly report "No contact."

- Prepare a report that is given to your LRIS committee listing all delinquent members. Ask your LRIS committee to contact the attorneys and request reports and fees.

**Sample**

<table>
<thead>
<tr>
<th>Name</th>
<th>LRS#</th>
<th>Contact Info</th>
<th>Status</th>
<th>Fee Report</th>
<th>Fee Collected</th>
<th>Collection Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Doe</td>
<td>1234</td>
<td>555-5555555</td>
<td>Active</td>
<td>Y</td>
<td>Y</td>
<td>YES</td>
</tr>
<tr>
<td>Jane Smith</td>
<td>5678</td>
<td>666-6666666</td>
<td>Inactive</td>
<td>N</td>
<td>N</td>
<td>NO</td>
</tr>
<tr>
<td>Michael Brown</td>
<td>9012</td>
<td>777-7777777</td>
<td>Active</td>
<td>Y</td>
<td>Y</td>
<td>YES</td>
</tr>
</tbody>
</table>

**Micro Film Reports**

- If a party is delinquent, Micro Film reports are sent.
- If a party is delinquent after 6 months, a letter is sent.
- If a party is delinquent after 1 year, a phone call is made.
- If a party is still delinquent after 2 years, a stop notice is sent.

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**Monthly Delinquent Members Report**

<table>
<thead>
<tr>
<th>Name</th>
<th>LRS#</th>
<th>Contact Info</th>
<th>Status</th>
<th>Fee Report</th>
<th>Fee Collected</th>
<th>Collection Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jane Doe</td>
<td>1234</td>
<td>555-5555555</td>
<td>Active</td>
<td>Y</td>
<td>Y</td>
<td>YES</td>
</tr>
<tr>
<td>Michael Smith</td>
<td>5678</td>
<td>666-6666666</td>
<td>Inactive</td>
<td>N</td>
<td>N</td>
<td>NO</td>
</tr>
<tr>
<td>John Brown</td>
<td>9012</td>
<td>777-7777777</td>
<td>Active</td>
<td>Y</td>
<td>Y</td>
<td>YES</td>
</tr>
</tbody>
</table>
• Client questionnaires are an invaluable tool in alerting the LRIS of potential problems. The client survey should focus on questions related to the caller's satisfaction with the attorney referred and the referral program itself. Additionally, questions should be devoted to asking whether or not the client retained the services of the attorney and what fee the client has paid. This information would then be used as a check and balance with the information received from the attorney.

“Our survey asks if the client if he or she has paid the lawyer any money, and if so, how much. Last year we began following up with the attorney on that question which resulted in additional monies for the LRIS. Most of the lawyers paid immediately and we were sure it was an oversight. In a few cases, the client may have been confused. However, in a few cases, the lawyers denied receiving payment.”

• Invoicing - if you suspect that the attorney owes fees on a case, send an invoice requesting the attorney to remit the percentage of fees received on referral #__________. Be sure to require the attorney to remit fees within a 15 day period or notify the attorney that he/she will be suspended from future referrals.

INVOICING - At our last LRIS conference a few people mentioned "invoicing" a lawyer for fees owed; one person referred to this as "gotcha"; can anyone share a template for what those invoices and/or accompanying cover letters?

SAMPLE INVOICE -

• When discrepancies between client and attorney reports occur, they should be promptly investigated. Often, this information assists the LRIS program to ensure attorney compliance with fee reporting and produces significant increases in revenue forwarded by panel attorneys to the LRIS.
SAMPLE LETTER -

ATTORNEY NAME
ADDRESS OR EMAIL
Re: Delinquent Status Report/LRS Fees

Dear Attorney:
We have attempted to contact you for several months regarding your obligation to update status and submit fees for clients we have referred to your office.

Since you have not responded, LRS has assumed you have been retained by the referrals on the status report, LRS has assigned estimated attorneys fees to each referral, and we will today submit that amount to our collection agency. If you would like to discuss the amounts due LRS, please call me immediately XXX-XXX-XXXX.

Sincerely, 
LRIS Director

- What do you do with former panel members with outstanding dispositions or owed fees? Continue to send reports and invoices. Consider having your LRIS Committee members contact them and request that they submit the requested information. When all else fails, seek out the assistance of an attorney who will seek collection on a contingent fee basis.

When interviewing these, and other LRIS programs, we were particularly impressed by staff at the Bar Association of San Francisco’s who reminded us, “perseverance pays off – In other words, continue to communicate with recalcitrant panelists until you get the information you need from them, even if they are no longer on your panel, it’s not rocket science but it pays off.” Also, San Diego’s LRIS recently moved towards adding an online client survey for all matters that come to them via the Internet (they intend to move towards electronically surveying all clients who have e-mail), as this results in a much higher response rate. They find that they uncover a lot of discrepancies through client surveys, so the more responses they get, the higher the number of discrepancies they discover and, therefore, the more money they stand to collect.

Technology

In today’s world of technology there are numerous opportunities available to the bar association to help locate, track and collect percentage fees. Scan your community resources to locate services similar to those listed below.

1. County district clerk records;
2. Federal filings available on Public Access to Court Electronic Records;
3. Web sites such as Public.Resource.org or VerdictSearch.com, or SEC’s EDGAR;
4. On-line Yellow Pages;
5. County Appraisal District; and any other miscellaneous public information.

These will be used in tracking the fee’s that are owed to your LRIS as well as used when advising the attorney of the discrepancies found. One LRIS experienced the following –

“Over the last ten years, our LRIS income exceeded budget 8 out of the 10 years. Part of the increase in income to LRIS can be attributed to increased enforcement. We check on-line court dockets for LRIS cases. Locally, the court’s website has a log-in feature for attorney to check the cases in which they have entered an appearance. It’s password-protected and we require by LRIS rule that the attorney provide us with his or her password. An important component of this type of enforcement is that by requiring the password, it lets panel members know we are watching!

We also do close follow-up for referrals made on panels that have a potential for high fee shares – medical malpractice, products liability, major jury … We call the client a month after the referral to see if they hired the attorney, if they are satisfied or if there is anything else we can do for them. If there is representation, we monitor these cases closely.”
• Consider how technology can greatly enhance the efficiency of the LRIS and in turn increase revenue. If your computer system does not allow your LRIS to operate effectively, consider new computer software. Evaluate the cost of new software keeping in mind that increased revenue can pay for the software in a relatively short period of time. Software assists efforts when it can allow for the following –

  • Collection of dues, consult fee and percentage fee income.
  • Preparation of forms sent via e-mail to panel members.
  • Ability for panel members to access all information on-line through Case Management Technology.
  • Mechanism whereby staff can track a potential fee-generating case. Follow that referral through until the panel member reports the case as closed. If the case was not a retained matter, consider targeting the client with a client survey.

Panel Member Communication

Create and maintain rapport with your panel members. Use technology to send information via email to panel members of new or current policies. Attorney members should receive adequate notification of the implementation of any new policies. Proper awareness on behalf of attorney members has proven to increase proper attorney responses.

• Send a Newsletter, perhaps quarterly, to your members. This is a prime opportunity to remind panel members of their obligations to the LRIS. Provide Blind Examples.
• Panel members also benefit monetarily when participating with the LRIS. Convey this message to your members regularly. Use testimonials for other successful panel members and the manner in which they respond to the LRIS.
• When a panel member forwards your LRIS a percentage fee over $400, or $500, send them a thank you note expressing appreciation for the work they did on behalf of the client and thank them for their participation in the LRIS.
• Establish a consistent policy in dealing with all attorney/client relationships.
• Network with your panel members to help create a sense of belonging on the part of the attorney. LRIS programs will always rely somewhat on the integrity of their panel members and panel members feel loyalty to a well-run program. Select one time a year where you can invite panel members to your office. Perhaps a wonderful networking opportunity may be to hold a Holiday Open House. Schedule a two-three hour period where you offer refreshments and invite your panel members and their staff to stop by. Face time is helpful in developing productive relationships with your members.
The Collections/Compliance Connection
Creating Steps to Ensure Collection of the Fees that are Owed

Whether a small, medium or large LRIS, there are steps you can take to increase your receipt of fees owed. In the session we will speak about the results many programs are realizing upon implementing more policies and procedures.

<table>
<thead>
<tr>
<th>Size per Attorney Count</th>
<th>Reporting Structure</th>
<th>Followup/Collections Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>150</td>
<td>Honor system, Bi-monthly report process, Client surveys on all referrals, Client calls when reviewing discrepancies.</td>
<td>Establish deadline with attorney, Suspend, Invoice, involve Committee and Board, Option to file small claims for fees &gt;= $1000.</td>
</tr>
<tr>
<td>200</td>
<td>Client surveys, Honor system</td>
<td>Client followup (phone/survey), research discrepancies, Involving.</td>
</tr>
<tr>
<td>150</td>
<td>Monthly reports, Client followup - phone and surveys.</td>
<td>Talks with Courts for access to records, Small claims suit resulted in judgement some fees collected. Relationship building with attorneys and LRS staff. LRS car Leaders provide additional support. Staff interacts with attorney, gathers info, Provision to audit members, Small Claims suits filed upon Board approval. Considering Mediation, Governing Committee negotiation with members, invoicing when fees are known. Our Rules allow auditing, suspension and termination for non reporting and/or non-payment of percentage fees.</td>
</tr>
<tr>
<td>250</td>
<td>Honor system, Client followup (surveys/phone), Contract with attorney</td>
<td>Invoices when known fees are due, Investigating options - small claims, mediation, etc.</td>
</tr>
<tr>
<td>270</td>
<td>Honor system</td>
<td>Not used - but have approval to sue for fees.</td>
</tr>
<tr>
<td>360</td>
<td>Honor system, Client surveys, Quarterly reports, contract with attorney.</td>
<td>Collections company, Invoicing, discrepancy followup, Collections firm working for % of fees collected. Option to sue and has suit pending, Considering small claims, Sealing court access.</td>
</tr>
<tr>
<td>300</td>
<td>Honor system, client surveys and calls, systematic report periods.</td>
<td>Invoicing when necessary, Suspension of attorney, Added language in Rules to help strengthen contract.</td>
</tr>
<tr>
<td>400</td>
<td>Honor system, Systematic report process, Contract with attorney.</td>
<td>Staff devoted to compliance - reviews client surveys for discrepancies, follows up on open cases and open case reports, and reviews on-line court dockets for cases filed, Requires attorney to meet with Board, option to sue, disciplinary action, invokes. Sometimes we allow payment plans for solos with economic difficulties.</td>
</tr>
<tr>
<td>420</td>
<td>Client surveys, Honor system, Court website, Daily, Monthly, Quarterly and Annual reports, contract with attorney, Considering Rule Change to require Billing Statement.</td>
<td>Staff devoted to compliance, Small claims, Option to sue, Mediation, Audit Policy, Compliance Policy, Collections company, Collections committee, Invoicing, Considering Forensic Accounting Firm and Collections for %.</td>
</tr>
<tr>
<td>650</td>
<td>Client surveys, Honor system, Court website, Monthly and Quarterly reports, Contract with attorney</td>
<td>Staff devoted to compliance, Small claims, Option to sue, Mediation, Collections company, Collections committee, Billing Invoices (2nd &amp; 3rd requests).</td>
</tr>
<tr>
<td>800</td>
<td>Client surveys, Honor system, Courts website, Quarterly reports</td>
<td>Option to sue for fees.</td>
</tr>
<tr>
<td>950</td>
<td>Honor system, Monthly reports, Client surveys</td>
<td>We send letters to the lawyers who continuously do not remit their fees and reports, and we tell them that they may be referred to our Lawyer Regulation Department for discipline.</td>
</tr>
<tr>
<td>1500</td>
<td>Honor system, Quarterly reports of referrals</td>
<td>No information provided.</td>
</tr>
</tbody>
</table>

The results associated with increased follow-up show to be 5%-30% increase in fees collected. This is scientific data that LRIS leaders must understand and embrace. It is apparent that this empirical analysis provides results to LRIS questions revolving around whether or not the honor system is working.

Mission = Increase Revenue to Provide More Services  Challenge = Support from Leaders and Politics
SAMPLE POLICIES

SUSPENSION and TERMINATION POLICY

I. Membership in the Lawyer Referral Service (LRIS) is a privilege extended to those attorneys who meet the stated qualifications and agree to comply with LRIS regulations. The Director is empowered to suspend any attorney member indefinitely for either of the following two violations:

   a) failure to return referral slips within thirty (30) days of the date of the referral;
   b) failure to provide proof that professional liability insurance is in force and effect.

Written notice of the suspension will be provided to the attorney within thirty (30) days of the date the suspension commences. The suspension will continue until the violation is cured to the satisfaction of the Director. The attorney's status shall not be jeopardized by such action except that referrals will not be made during this suspension. Any member whose membership is suspended at the beginning of the fiscal year will not be allowed to renew his or her membership until the violation causing the suspension has been cured.

II. The Director is empowered to suspend any attorney member, for a period not to exceed sixty-two (62) days for any good cause (except those listed in Part III), which includes, but is not limited to, the following violations:

   a) failure or refusal to pay contributions or other fees when due;
   b) being consistently unavailable to referred clients without justification;
   c) consistent refusal to make or keep appointments with referred clients;
   d) failure to meet or maintain the qualifications for membership in the State Bar the LRIS as established by the LRIS Committee;
   e) consistent or excessive complaints from referred clients;
   f) consistent or excessive failure to provide referral dispositions within thirty (30) days;
   g) misinformation regarding referral dispositions;
   h) any violation(s) of LRIS Rules of Membership;
   i) failure to properly disclose any requested information as outlined in LRIS Rules of Membership; or
   j) as directed by the LRIS Chair.

The Director will notify the attorney in writing within five (5) working days of imposing the suspension. The notice will include specific reference to the nature of the violation, the date of the suspension, and notification that failure to cure the violation to the satisfaction of the Director within the time period stated may result in termination of the attorney's membership in LRIS. The attorney's status shall not be jeopardized by such action except that referrals will not be made during this suspension. If, an attorney is suspended or terminated for refusal to pay fees due LRIS, his/her firm may be considered liable for the fees.

If, within sixty-two (62) days of the date the suspension commences, the attorney does not cure the violation to the satisfaction of the Director, or is otherwise deemed necessary, the Director may terminate the attorney's membership. Written notice of such termination will be sent to the attorney by the Director stating the nature of the violation and outlining the procedure for appeal of the termination decision. Such notice will be sent within five (5) working days of the termination decision.

The terminated attorney may appeal by written request to the LRIS Committee through the Chair. The Chair will designate a hearing date within sixty-two (62) days of the date of the appeal request and will instruct the Director to notify the attorney and all members of the LRIS Committee of the date and nature of the hearing. At the appeal hearing, the attorney may be present and may be represented by counsel. The hearing shall be recorded. It shall be the burden of the attorney member to prove by a preponderance of the evidence that he/she is not guilty of the violation stated in the termination notice. The attorney will be allotted a maximum time period of ten minutes to address the violation. The attorney will be expected to respond to questions by Committee members; the failure to cooperate may be a factor in the Committee's decision. A simple majority vote of Committee members, taken at the first available meeting, shall determine whether the terminated attorney will be reinstated. This decision shall be final and not appealable.
III. A. The Director is empowered to suspend any attorney member, for a period not to exceed seventy (70) days, if the attorney member:

a) is subject to the filing of formal criminal charges involving moral turpitude;
b) is subject to any reprimand, suspension, probation, or disbarment from the State Bar or other licensing agent;
c) is subject to litigation relating to any reprimand, suspension, probation, or disbarment from the State Bar or other licensing agency;
d) fails to disclose to LRIS, within fifteen (15) working days, any discipline imposed against the attorney, any pending suit(s) against the attorney for legal malpractice or other private civil action alleging attorney misconduct, any pending inquiries or complaints, any pending grievance matters submitted to an evidentiary panel, a disciplinary law suit, a criminal indictment or information, or any criminal conviction;
e) engages in any conduct that LRIS determines would reflect negatively on LRIS or would have a substantial effect on the willingness of clients to be represented by that attorney; or
f) engages in conduct where the continued membership of the attorney is likely to bring discredit or disfavor on, or otherwise adversely affect LRIS.

The Director shall notify the attorney member of the suspension, if any, that further investigation may be made during the suspension, and that the attorney member may prepare a written statement which will be presented to the Committee. The attorney member will be advised that the failure to submit a written statement may be a factor in the Committee's termination decision. The attorney member's status shall not be jeopardized by such action except that referrals will not be made during the suspension. At the next regularly scheduled Committee meeting, the Director will present to the Committee a written statement setting forth the reasons for the suspension and the results of the investigation, if any, as well as any statement submitted by the attorney member. The Committee may at that time decide to terminate the suspension, terminate the attorney's membership, or extend the suspension for a period as deemed appropriate by the Committee. Should the suspension be extended, the Committee shall order the standing committee created in Part III (B) to determine by the next regular meeting of the Committee immediately preceding the termination of the extended suspension whether the attorney's membership should be terminated. The Committee shall review the committee's recommendation at that regular meeting of the Committee and by a majority vote of the Committee, accept or reject the committee's recommendation. The Director shall notify the attorney member of the Committee's decision and the procedure for appeal.

A panel member may appeal by written request to the LRIS Committee through the Chair. The Chair will designate a hearing date within sixty-two (62) days of the date of the appeal request and will instruct the Director to notify the attorney and all members of the LRIS Committee of the date and nature of the hearing. At the appeal hearing, the attorney may be present and may be represented by counsel. The hearing shall be recorded. A representative of the committee that recommended the termination of membership will present any evidence that the committee wishes to present to the Committee. It shall be the burden of the attorney member to prove by a preponderance of the evidence that he/she is not guilty of the violation stated in the suspension or termination notice. The member will be allotted a maximum time period of ten minutes to address the violation. The attorney member will be expected to respond to questions by Committee members; the failure to cooperate may be a factor in the Committee's decision. By a simple majority vote, the Committee will determine whether the termination decision should be upheld or whether the attorney's membership should be reinstated. This decision shall be final and no appeal from it may be made.

Any attorney who is disbarred by the State Bar or other licensing agent will have his/her membership terminated immediately. Additionally, any member whose membership is suspended or terminated, as outlined in Parts II and III (A), shall present his/her application to the LRIS Committee for approval by majority vote of the Committee prior to re-admittance to LRIS.

B. At the first meeting of the LRIS Committee each year, three or more Committee members shall agree to comprise the standing committee to fulfill the duties set forth in Part III (A). The committee shall serve until the first meeting of the Committee in the succeeding year.
AUDIT POLICY

I. PURPOSE

The Lawyer Referral Service (LRIS) has adopted an Audit Policy and Procedures Program ("Program") whereby it will review documentation for cases referred by LRIS in order to ensure compliance with LRIS Rules of Membership, payments as outlined, and accurate record keeping.

II. LRIS AUDIT COMMITTEE

The Audit Committee shall be comprised of three (3) persons, one (1) of whom shall be the LRIS Immediate Past Chair, who shall serve as Chair. The other Committee members shall be appointed by the LRIS Chair with the advice and consent of the LRIS Committee of Trustees. All Committee members will serve a term of one (1) year, but they may be re-appointed. If any Committee member cannot serve a complete term, the LRIS Chair may make re-appointments as needed with the advice and consent of the LRIS Committee of Trustees.

The Audit Committee meeting dates shall be at such times and on such dates as established by the Committee each year.

III. CONFLICT OF INTEREST

A member of LRIS’s Audit Committee shall recuse himself/ herself from any and all participation in the audit of a panel member’s cases, or from attempting to influence others with respect to such audit, in the following circumstances:

A. The member is a current or former law partner, employer, or employee of the panel member;
B. The member, or the law firm or office with which he or she is affiliated, represents and/or represented the panel member;
C. The member, or the law firm or office with which he or she is affiliated, is a party to pending litigation in which the panel member, or the law firm or office with which the panel member is affiliated, is also a party or represents a party to that litigation;
D. The member, or the law firm or office with which he or she is affiliated, represents a party in pending litigation in which the panel members, or the law firm or office with which the panel member is affiliated, is a party;
E. The member, or his or her spouse is related to the panel member by consanguinity or affinity within the third degree according to the rules of civil law;
F. The member stands, or has stood, in the relation of guardian and ward, conservator, beneficiary to conservator, employer and employee, or principal and agent to a panel member;
G. The member has appeared as an expert witness or acted as a consultant or has been consulted with reference to an actual or threatened lawsuit against the panel member;
H. The member has any personal bias or prejudice concerning the panel member which would prevent him or her from fairly evaluating all of the evidence concerning that panel member.
I. The member is or has been an expert witness in a matter in which the panel member was representing a party.

In the event that a member of the Committee does not voluntarily recuse himself or herself, the Chair of the LRIS Audit Committee shall, upon becoming aware of factors which may indicate a potential conflict of interest as described above, initiate an inquiry and make a determination as to whether or not such member should be disqualified. Any resulting determination in that regard shall be binding.

IV. AUDIT TRIGGERS

The Committee may initiate the audit process for a panel member to verify fulfillment of the member’s obligations to LRIS. However, prior to audit initiation, LRIS shall prepare at least a three year history report on each attorney for which a potential audit may occur. Additionally, LRIS shall conduct a search of the public records of the District Clerk’s Office.
When a panel member has been selected, an audit letter shall be mailed to all prior non-family law referrals for the previous twelve months requesting specific information relating to the services provided by the panel member and any fees paid by the client to the panel member for said services. For family law referrals, the Audit Committee shall use its discretion in determining which clients to contact. In the event that information is received from the client that services were rendered by the panel member and fees were paid to the panel member which conflict with the reports previously provided by the panel member to LRIS regarding that particular client then a notice letter shall be mailed to the panel member informing the panel member of the audit.

Audit triggers may include but are not limited to the following:

A. Time delay on retained cases/not reported retained case in over a year;
B. Failure to report a retained case properly to LRIS;
C. Regular failure to report retained cases in a timely manner;
D. Discrepancy between information reported by the client and panel member;
E. Failure to renew membership because of implementation of audit procedures;
F. Panel member has a grievance filed with the State Bar;
G. Panel member receives high number of referrals; and
H. The panel member’s application is randomly selected.

V. AUDIT REQUEST

When a panel member has been selected for an audit, a notice letter shall be mailed informing the panel member that he/she has been selected for an audit. The panel member may also be requested to submit specific documents to LRIS’s Audit Committee. The panel member may be requested to meet with the members of the LRIS Audit Committee at one of its next two regularly scheduled meetings to attempt to resolve any discrepancies, concerns or questions about the disposition of each LRIS referral to the panel member.

The panel member is requested to verify the fulfillment of his/her obligations to LRIS regarding each referral. The panel member shall be encouraged to bring any and all support materials related to the referral in question.

In the event that the panel member does not attend a meeting of the LRIS Audit Committee within two (2) months of receipt of the notice letter, the committee shall automatically initiate the audit investigation.

VI. AUDIT INVESTIGATION

The Committee shall conduct a review and investigation to determine whether the panel member has fulfilled his/her obligations to LRIS. Every effort will be made to preserve confidentiality and applicable privileges. If at the initial meeting with the LRIS Audit Committee, the panel member and LRIS are unable to resolve all discrepancies, concerns or questions about the disposition of each LRIS referral to the panel member, the panel member shall be formally requested to respond to and cooperate with the audit of each LRIS referral to the panel member; in ordinary circumstances the audit process will require that the panel member submit documents for review by the Committee, such as, but not limited to, the following:

- chart of accounts, general ledger - trial balance reports, balance sheet, income statements, invoices, bank deposit records, trust account records, court filing records, calendars, appointment records, time sheets, docket sheets, engagement letters, fee agreements and contracts with LRIS clients.

In addition to involving the client referred through LRIS, part of the investigation may include an interview with associates, business partners and staff of the attorney. The Committee will make reasonable efforts to resolve discrepancies with a minimum of inconvenience to all concerned.

In the Audit Committee’s discretion, it may involve an independent third-party auditor(s) to assist in an audit of the business records of the panel member at his or her office.

No provision of this section shall be construed as permitting disclosure to the panel member of information from which the panel member may infer the source of the audit, and no information shall either be disclosed to the panel member or be obtained by any process which would jeopardize the confidentiality of communication for persons whose opinions have been sought in the investigation.
VII. DETERMINATION

In the event that the audit verifies that the panel member has fulfilled his/her obligations to LRIS regarding each referral, no further action is taken.

In the event that the Audit Committee determines as a result of its review and investigation that a panel member has not fulfilled his/her obligations pursuant to the LRIS Rules of Membership, LRIS shall so notify the panel member in writing, specifying the reasons therefor. The panel member may provide a written response within 10 days. After reviewing the panel member's response, if the panel member is unwilling to voluntarily comply with LRIS’s requested action to fulfill her/his obligation, the Audit Committee shall recommend to the LRIS Committee of Trustees further action necessary to enforce the rights of LRIS. A copy of such recommendation shall be given to the panel member. The decision of the Committee of Trustees shall be final. There shall be no right of review or appeal by the panel member. The Committee’s action will be communicated to the Executive Director of LRIS for review of the panel members’ status within the Service.

VIII. CONFIDENTIALITY

All references, communications, forms, and information gathered pertaining to a panel member during an audit shall be the property of the LRIS and are to be treated as confidential. Members of the Committee shall not disclose to others in any manner, except for the purposes of confidential inquiry during the course of consideration of any audit, the name of the panel member audited, the discussions, deliberations or actions of the Committee concerning any panel member's audit, information obtained during investigation or deliberation of the Committee, or any documents relating to the foregoing, except to LRIS Committee of Trustees, LRIS Suspension and Termination Policy Committee, and Executive Director, or unless ordered to do so by a court of competent jurisdiction.

IX. Excerpt from LRIS Rules of Membership regarding Auditing of attorneys files

Allow LRIS or its agents to examine and audit members’ financial or accounting records and the legal file with regard to referred clients if a question arises between the member and LRIS with respect to fees owed LRIS. It is understood that the audit may include, but is not limited to, chart of accounts, general ledger-trial balance reports, balance sheet, income statements, invoices, bank deposit records, trust account records, court filing records, calendars, appointment records, time sheets, docket sheets, engagement letters, fee agreements and contracts with LRIS clients.
COMPLIANCE POLICY

Panel Member Compliance Review of the Houston Lawyer Referral Service, Inc.
HLRS will review information returned or provided via Case Manager and identify reporting patterns and seek to verify accuracy. HLRS staff shall identify key elements that trigger further review, such as but not limited to the following.

- Reporting discrepancies, too many identical dispositions, non-payment of fees, continuous referrals that result in no contact, void, in-office consults that are never retained, or numerous referrals and non retained, when the attorney has several open matters over three years old, cases listed as closed fees paid but no fees received, and fees that have been paid that appear to be less than the median fees for cases of that nature.

Initial Contact with Panel Member. Staff shall initiate a compliance review by generating a report listing all matters that need clarification. The report will highlight those cases and provide the panel member a chance to respond, pay fees due and update case dispositions. HLRS will follow-up with the panel members via email, phone or correspondence, to discuss discrepancies and fee payment arrangements when necessary.

Research. HLRS shall conduct a review of sources to locate data that can be compared with information provided by attorney members and clients. Sources may include, but not limited to county district clerk records, i.e. Harris County Justice Management Information Systems (JIMS); Fort Bend, Galveston, Montgomery and Brazoria County Clerk’s web access information; federal filings available on Public Access to Court Electronic Records (PACER); Web site such as Public.Resource.org or VerdictSearch.com, or SEC’s EDGAR; On-line Yellow Pages; Harris County Appraisal District (HCAD); and any other miscellaneous public information. Use JIMS and other online District Clerk records for referred cases in the Criminal and Civil areas. PACER will be used to research Federal cases. Cases found in JIMS, PACER or other District Clerk records are printed and maintained in a binder. This will be used in tracking the fee’s that are owed to HLRS as well as entering the information to advise the attorney of the discrepancies found.

Client Involvement. Initial steps require HLRS intake staff to ask permission of the caller for HLRS to send a client survey. Surveys will be sent to a random number of clients on an on-going basis. Staff will review client information, client surveys, feedback received via the website or by phone and compare the information submitted by the attorney. When a survey is returned, HLRS shall compare the disposition with that submitted by the panel member. A check shall be conducted using the client name, not referral number, as the client may have been referred to more than one attorney. When HLRS staff discovers that a panel member has failed to provide accurate information, HLRS shall send surveys to additional referred individuals. Survey responses shall be tracked on a spreadsheet and used when reviewing reporting trends and patterns. Staff will start a hard copy file.

Discrepancies. HLRS will construct a report that easily displays cases in question and requested action. Current technology allows HLRS to construct information on an Excel spreadsheet. The information will be segmented in columns with information such as: the client name, referral number, the disposition reported, if a fee has been paid to HLRS and the needed action item. In addition, HLRS may include any information collected on the attorney regarding client feedback. When possible, a copy of the discrepancy document (JIMS Docket or Client Survey, etc.) will be provided to the attorney. HLRS may provide the attorney documentation outlining the discrepancy(ies) and detailing the steps required for resolution. In some cases, a phone call or an email will be sent to inform the attorney of the research and possible error. Where multiple discrepancies are found, initial contact with the attorney may be made by the executive director.

Unresolved Discrepancies. Compliance inquiries that have not been resolved within 90 days will result in the file deemed delinquent. HLRS will determine further action on a case by case basis which may involve fines, collections, grievances, dispute resolution, suspension or termination of membership, and lawsuit or other legal or non legal remedies. If the attorney is not already inactive, he/she will be placed on inactive status until resolved.
Compliance Review Report: Fees owed and paid shall be processed in accordance with standard operating protocol and recorded in the compliance review report ledger. This allows HLRS to build and generate statistical reports specific to the Compliance efforts and recoveries.

Incentive Survey. In an effort to follow-up and track cases, an incentive may be given to a client for returning a survey indicating an in-office consult took place or retained the attorney. Clients may be offered a refund of their $20 consultation fee when they have retained the attorney and fee to the attorney exceed $500 excluding all bankruptcy referrals.

Further Action. The HLRS Compliance Policy shall provide guidance for any further action required during a compliance review.

Compliance Administrator
Job Description
This position involves maintaining rapport with new and existing panel members to resolve and avoid discrepancies and errors or omissions in panel membership.

- Interact with panel members and the public to record and track accurate information.
- Generate referral billing; monthly, quarterly and open case statements.
- Review statements for apparent discrepancies and then conduct follow-up.
- Maintain spreadsheets of patterns of inaccurate dispositions.
- Conduct random Court Docket Searches for all counties and cases where electronic capabilities are available.
- Seek out additional docket search technology and ways to further improve tracking procedures.
- Monitor and maintain attorney compliance with membership requirements (disclosure statement, Insurance coverage, Attorney Registration, et al).
- Process and track status of complaints received.
- Develop attorney rewards program.
- Compile statistics regarding use of LRIS in regard to calls received and referrals made, status of referrals and final disposition of referrals.
- Respond to panel member requests and queries.
- Work with outside collections firm as necessary.
- Oversee Client Satisfaction Survey program; send random client survey questionnaires as a follow-up to fees reported as well as inaccurate dispositions.
COLLECTIONS DESCRIPTION

Below are the steps NYCBA LRIS takes to optimize collection of status and fees. We've found that, left alone, panel members generally are not very diligent, and for the past several years I am happy to say that we've been collecting an average of $100,000.00 per fiscal year through this process. Here's what we do:

- We get a copy of closing statements on contingency cases, and require that they be filed with the court, and that they include the amount paid to LRIS.
- We recently added case balances and overall account balances to the Quarterly Open billing statements sent to all panel members.
- We also added this highlighted message at the top of all Quarterly Statements: "Please report subsequent matters of LRS-referred clients within 3 years from the date of the original referral or contact." That immediately turned up a tort case that the attorney hadn't realized he was supposed to report.
- On the monthly billing statements I highlight, by hand, all referrals that are late for status reports, and panel members who accumulate more than three months of late billing responses are advised that referrals will be held until billing status is brought current.
- Check status and fees received for accuracy, and follow-up on errors and omissions.
- If an attorney's status report is vague on a monthly new referrals statement, we set it to appear on the next quarterly open statement for further clarification.
- All Client Survey Responses that do not match panel member reports are addressed, and most of these are being sent via email of late, which has been getting some quick responses.
- Random Court Docket Searches are performed, and discrepancies addressed.
- I try to communicate through email as much as possible, as it promotes quick responses.
- Printed instructions for reporting status and fees are sent to all newly accepted and renewing attorneys.

Very basically, I think it's important to cultivate a pleasant and helpful presence with the membership. I respond to several requests each day from panel membership, and I believe this is key to getting a response to my requests.
about your referral to (Attorney), Esq.

Client Name  
Street Address  
City, State, Zip

We are the Legal Referral Service, sponsored by the New York City Bar Association and the New York County Lawyers’ Association to help people and businesses find experienced, conscientious attorneys. Your comments and suggestions help us evaluate and improve our service and that of participating lawyers.

Please answer these few questions, and return this form in the stamped, self-addressed envelope.

Was our LRS staff counselor you spoke with courteous and helpful?  □ Yes  □ No  □ Unsure

If you contacted [atty name], please check one box for each of the following questions:

1. How did you consult with the lawyer? (Check all that apply)  □ In person  □ Phone  □ Email
2. Was the lawyer helpful to you?  □ Yes  □ No
3. Did you pay a $35 Consultation Fee?  □ Yes  □ No
4. Did you hire this attorney?  □ Yes  □ No  □ Not Yet
5. If hired, what was the fee arrangement?  □ Flat Fee  □ Hourly  □ Contingency
6. How much have you paid this lawyer so far, if anything?  $ ________________________________
7. Did the lawyer explain the work to be done and the fees adequately to you?  □ Yes  □ No
8. Did the lawyer return phone calls and keep you informed?  □ Most times  □ Sometimes  □ Rarely
9. Please send me this form again in  □ 6 months  □ 1 year  □ 2 years  □ Never

If you did not consult with this lawyer, please check the appropriate box below:

□ The Referral Service provided me with all the information I needed.  
□ I changed my mind.  
□ The lawyer you referred did not return my calls.  
□ The lawyer you referred would not set an appointment for me.  
□ The problem was solved another way.

Please include your comments or suggestions below, and on the back of this letter.

Thank you,  
Allen Jay Charne, Executive Director

Referral No.: #200700000 on January 30, 2007    3201  
LRS Counselor: JD
How to Report Status & Fees
LRS Billing Requirements

Monthly Statements
Monthly Statements are mailed on or about the 15th of each month, and include referrals made through the middle of the previous month. Please enter a status code for ALL referrals (see the Key to Codes below), and return the original statement.

If status is not reported for a referral, it will appear again on the next months statement. An accumulation of referrals that remain without status or fee reports can cause an interruption in referrals, and failure to remit accurate and timely status and fee reports can result in removal from the service, or a decision not to renew your membership.

Reporting Fees ($35 & Percentage Fees)
In the space provided, please indicate if the $35 consultation fee is enclosed. If you are remitting fees between billing periods, and without a statement, please include the client’s name and referral number, the correct status code, and the amount of the fee you received.

The $35 consultation fee represents your first half hour of billable time. Please ask the client to make their $35 check payable to: NYC Bar-LRS, and forward that to us with your billing statements. If you do not collect a separate check from the client for the consultation fee, please deduct it from your attorney’s fee and include it in your check for percentage fees that have been calculated on your fee minus the $35.

For any matter referred on or After September 22, 2008, percentage fees are due when attorneys fees reach $600, and are calculated on the total of all earned fees as follows:
6% of the first $10,000; plus
12% of the next $40,000; plus
18% of fees above $50,000

For any matter referred between February 1, 1991 and September 21, 2008, and for medical malpractice matters, the following case fee percentages apply when the aggregate fee received by the Panel Member is $600 or more:
5% of the first $10,000; plus
10% of the next $40,000; plus
15% of fees above $50,000

Quarterly Statements
Quarterly Statements are mailed out on or about December 1/ March 1/ June 1/ September 1; include all matters that are set at “PI,” “HF,” “FF,” or “CF;” and show all fees reported and paid thus far.

We ask that you review these statements, report additional fees you have received, update status, and return them with your check for any additional LRS fees that are due.

If no further services will be performed but fees are pending, mark the matter as “FXA.”
If no further services will be performed and no additional fees are expected, mark the matter as “FX.”

Review Billing
Review Statements usually accompany a Quarterly Billing, and contain a random two-week period of referrals that were originally reported as “NC,” “PO,” “CO,” or “FX.” Please review the client names that appear on these statements, and report any appropriate change in status or fees. Thank you.

Key to Codes
NC The client never contacted you at all.
PO Phone contact only. If an appointment has been made, indicate that.
CO Half-hour consultation took place (in person or by telephone). If you think the client may return, or matter may be retained, indicate that. The $35 consultation fee is due at this time.
PI Matter may be retained pending an investigation.
HF The client has retained you on an hourly fee basis. The $35 consultation fee and percentage fees on any earned attorneys’ fees are due at this time.
FF The client retained you on a flat fee basis. The $35 fee, and percentage fees on any earned attorneys’ fees are due at this time.
CF The client retained you on a contingency fee basis. The $35 consultation fee is waived on all straight contingency matters.

Please be sure to include a breakdown of all clients and fees, so we can apply your payments accurately.
Quarterly Statement of Open Matters - Report for September 2008

Please report subsequent matters of LRS-referred clients, retained within 3 years from the date of the original referral or contact.

Please update status and fees, where applicable, and return these statements within 2 weeks with payment of all fees that are due. Thank you.

Anonymous Another
42 West 42nd Street
#234
New York, NY 10036

Key to Codes:
NC = No Contact
PO = Phone Only
CO = Consult Only
PI = Pending Investigation
HF = Retained Hourly
FF = Retained Flat Fee
CF = Retained Conting.
FXA = Matter Closed; Fees Pending
FX = Matter Closed, No Further Fees Expected.

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<td>200523228</td>
<td>4/16/2007</td>
<td>Test, Test</td>
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<td>HF</td>
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<td>2008 Matters</td>
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<td>200812603</td>
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</table>

Adjusted Outstanding Account Balance: $0.00
(the dollar amounts in parentheses are account credits. A detailed statement of account is available upon request)

LRS % Fee Schedule:
Percentage fees are calculated on all earned attorney's fees once they reach $600 as follows:
5% of the first $10,000; plus
10% of the next $40,000; plus
15% of all fees above $50,000
Monthly Statement of Referrals Made through July 15, 2008

Please return these statements within 2 weeks, with status reported for ALL names listed. Status is considered late for referrals made in, or prior to, May 2008, so please report status now. Thank you.

Anonymos Another
42 West 42nd Street
#234
New York, NY 10036

Key to Codes:
NC = No Contact
PO = Phone Only
CO = Consult Only
PI = Pending Investigation
HF = Retained Hourly
FF = Retained Flat Fee
CF = Retained Conting.
FX = Matter Closed; Fees Pending
FXA = Matter Closed, No Further Fees Expected.

<table>
<thead>
<tr>
<th>Referral Number</th>
<th>Referral Date</th>
<th>Client Name</th>
<th>Specialty</th>
<th>Code</th>
<th>$35</th>
<th>Attorney's Fees Rec'd</th>
<th>% Fees Enclosed</th>
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<tbody>
<tr>
<td>March 1999 Referrals</td>
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<tr>
<td>200500804</td>
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May 2001 Referrals

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<th>Attorney's Fees Rec'd</th>
<th>% Fees Enclosed</th>
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</thead>
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<td>200500174</td>
<td>5/2/2001</td>
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December 2003 Referrals

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<th>Specialty</th>
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<th>Attorney's Fees Rec'd</th>
<th>% Fees Enclosed</th>
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<td>12/2/2003</td>
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<td>Film/TV/Model</td>
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April 2005 Referrals

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<th>Specialty</th>
<th>Code</th>
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<th>% Fees Enclosed</th>
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<td>200511091</td>
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</table>

May 2005 Referrals

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<th>Client Name</th>
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<th>Attorney's Fees Rec'd</th>
<th>% Fees Enclosed</th>
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</thead>
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<td>200515643</td>
<td>5/27/2005</td>
<td>TEST, MARY</td>
<td>Film/TV/Model</td>
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</table>

July 2005 Referrals

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<th>Code</th>
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</thead>
<tbody>
<tr>
<td>200521798</td>
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<td>200513798</td>
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<td>200521408</td>
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August 2005 Referrals

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<th>Referral Number</th>
<th>Referral Date</th>
<th>Client Name</th>
<th>Specialty</th>
<th>Code</th>
<th>$35</th>
<th>Attorney's Fees Rec'd</th>
<th>% Fees Enclosed</th>
</tr>
</thead>
<tbody>
<tr>
<td>200506173</td>
<td>8/2/2005</td>
<td>Test44554455,</td>
<td>Film/TV/Model</td>
<td></td>
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<td>200521797</td>
<td>8/2/2005</td>
<td>Test, Test</td>
<td>Film/TV/Model</td>
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<td>200521794</td>
<td>8/3/2005</td>
<td>Harris, Mel</td>
<td>Film/TV/Model</td>
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</table>

December 2005 Referrals

<table>
<thead>
<tr>
<th>Referral Number</th>
<th>Referral Date</th>
<th>Client Name</th>
<th>Specialty</th>
<th>Code</th>
<th>$35</th>
<th>Attorney's Fees Rec'd</th>
<th>% Fees Enclosed</th>
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</thead>
<tbody>
<tr>
<td>200531821</td>
<td>12/29/2005</td>
<td>Test, Test</td>
<td>Film/TV/Model</td>
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</tbody>
</table>

LRS % Fee Schedule:
Percentage fees are calculated on all earned attorney’s fees once they reach $600 as follows:
5% of the first $10,000; plus
10% of the next $40,000; plus
15% of all fees above $50,000

Anonymous. Anonymous 18
<table>
<thead>
<tr>
<th>CLIENT NAME &amp; CASE NO.</th>
<th>STATUS</th>
<th>$35 FEE</th>
<th>ATTYS FEES</th>
<th>LRS % FEES</th>
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</thead>
<tbody>
<tr>
<td></td>
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Total Consult Fees % Fees

Total Amount Enclosed

**Comments:**

**LRS Payment Rules:**

- $35 initial Consultation Fee due when received from client
- Percentage Payments due when attorney receives fees of $600 or more.
- Fee Schedule is as follows: When fees reach $600.00: 5% of total fees up to $10,000; 10% of fees at $10,001 and up to $50,000; 15% of all fees above $50,000.
<table>
<thead>
<tr>
<th>CLIENT NAME &amp; NUMBER</th>
<th>ATTY'S FEES REPORTED</th>
<th>LRS % FEES DUE</th>
<th>LRS % FEES PAID</th>
<th>LRS % Fee Outstanding</th>
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<tbody>
<tr>
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</table>

Total Percentage Fees Due: $_______

Please include a copy of this notice with payment of the above amount. Thank you.

Date:
# Consultation Fee Omitted

Though you report receiving a $35 consultation fee from the following LRS-referred client[s], we did not receive payment of same.

<table>
<thead>
<tr>
<th>CLIENT NAME &amp; NUMBER</th>
<th>$35 FEE DUE</th>
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<tbody>
<tr>
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</table>

Total Consultation Fees Due: $ _____________

*Please include a copy of this notice with payment of the above amount. Thank you.*
Consultation Fees

To:


The $35 Initial Consultation Fee according to the Legal Referral Service Rules for Panel Membership:

"Each Panel Member agrees not to charge any fee to compensate for the first half hour consultation with the referred client, other than the $35 that is forwarded to the Service."

If you do not receive a separate check from the client for $35, made payable to the Legal Referral Service, $35 should be deducted from the attorney’s fee you receive, forwarded to the Service as a consultation fee, and LRS percentage fees should be calculated on the remaining amount. We appreciate your diligence in collection of these fees.

Thank you.

<table>
<thead>
<tr>
<th>Client Name</th>
<th>Consultation Fee Due</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

Total Fees Due:

Dated:
Client Status & Fee Report

September 9, 2008

Attorney Name, Esq.
Address
New York, NY 10279

Client Name & Case No.  Status  $35 Fee  Atty's Fees  % Fee Due  Total Fees Due
John Doe - #200000000  CF  waived

Total Amount Enclosed

If LRS fees are due, please return this statement with your check payable to:

NYC Bar - LRS
42 West 44th Street
New York, NY 10036

TO CHARGE YOUR LRS FEES TO A CREDIT CARD, COMPLETE THE SPACES BELOW

VISA □  Mastercard □  American Express □

CARD NO_________________________  EXP DATE ____________

SIGNATURE__________________________

LRS Payment Rules:
- $35 Initial Consultation Fee due when received from client
- Percentage Payments due when attorney receives fees of $600 or more.
- Fee Schedule is as follows: When fees reach $600.00:
  5% of total fees up to $10,000;
  10% of fees at $10,001 and up to $50,000
  15% of all fees above $50,000.
September 9, 2008

Dear [Mr. ]:

This is our third request for payment of the balances due shown below, which have been outstanding since [insert date]. Unless there is some reason you have not remitted these fees, please do so we can continue making referrals to [firm name or individual panel member].

Return a copy of this letter with payment of all fees due within the next two weeks. If you have any questions about this, please contact me right away.

Thank you.

Sincerely,

Sheila Hamerman

cc: [other atys in firm who are members of LRS]

<table>
<thead>
<tr>
<th>Client Name</th>
<th>Atty’s Fees Received</th>
<th>LRS % Fees Due</th>
<th>LRS % Fees Paid</th>
<th>Balance</th>
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<tbody>
<tr>
<td>#200500000 - Doe, Joe</td>
<td>$5,223.00</td>
<td>$261.15</td>
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<td>#200600000 - Citizen, John Q.</td>
<td>$3,991.00</td>
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<td>#200600000 - Doc, Jane</td>
<td>$3,934.50</td>
<td>$196.73</td>
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</table>

Total Percentage Balance: $657.43
Case Payment History

To: Attorney Name, Esq.
Address. New York, NY 10021

Please review the payment history for Ms. Ali, and report any correction that’s necessary and remit outstanding balance if applicable. Thank you.

<table>
<thead>
<tr>
<th>Date</th>
<th>Atty’s Fee</th>
<th>LRS Fee Due</th>
<th>LRS Fee Paid</th>
<th>Total Fee Due</th>
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<td>8/10/04</td>
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<td>Consultation Fee</td>
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Total Amount Due $55.00

LRS Payment Rules:
- $35 Initial Consultation Fee due when received from client
- Percentage Payments due when attorney receives fees of $600 or more.
- Fee Schedule is as follows: When fees reach $600.00:
  - 5% of total fees up to $10,000;
  - 10% of fees at $10,001 and up to $50,000
  - 15% of all fees above $50,000.
The “How To” Component

A Working Portion of the Session – How do we implement some of these ideas into our specific program?

The session presenters will work with participants to break out into groups of like size (budget/member/staff) and discuss strategic plans that will assist in developing the policies and procedures necessary to collect more revenue. The discussion areas will include the following.

How do we start this process?

What questions do we ask of LRIS Committee, Attorneys, and Clients?

How do we get results and what should we expect?

Where do we go for assistance?