



AFFINITY

3 Reasons Why Suing for Fees is a Bad Idea

It is estimated that approximately one-third of all legal malpractice claims involve an unresolved fee dispute with a client. But many attorneys feel justified in [suing a client for fees](#), for the following reasons:

- Attorneys don't work for free.
- I don't want the reputation that my clients don't have to pay me.
- Everything was done right, but the client still refuses to pay.
- It isn't a lot of money.
- It IS a lot of money.

Perhaps the worst reason – “I am angry with this client for not paying me” – is frequently at the root of an attorney lawsuit for fees. But unfortunately, suing a client for fees often opens up old wounds and usually doesn't result in payment of fees owed. Instead, it can prompt events much worse than getting stiffed, such as:

Retaliatory Lawsuits

Some lawyers who have sued a client for fees have found themselves in the unenviable position of [owing the client](#) money instead. Such was the case with high powered D.C. divorce attorney Glenn Lewis, who in 2010 sued a former client for an extra \$500,000 in fees and interest, after having already collected \$378,000 from that client. The client (also a lawyer) filed a retaliatory lawsuit against Lewis, who ended up paying the client \$102,000 just to make the case go away.

Bar Complaints

When an attorney files suit to collect fees, such a lawsuit virtually guarantees a [counterclaim for legal malpractice](#), and courts generally recognize that clients seldom have the experience or desire to negotiate every detail outlined in their retainer agreement, including the fees they are agreeing to pay. Fee collection lawsuits frequently

lead to ethical grievances, counter-claims for malpractice, fraud, breach of fiduciary duty, breach of contract – none of which do much to enhance a lawyer's standing in his law firm and within the larger legal and client community.

Higher LPL Premiums

Law firms that make a practice of suing clients for fees are [not the preferred clients](#) of lawyers' professional liability (LPL) carriers. Many insurers will not write policies for law firms who routinely sue clients for fees, and this increases the premiums that these firms pay because there is less competition for their business. Some insurers will write the policy, but will include an exclusion endorsement for retaliatory fee lawsuits.

USI Affinity's Attorneys' Preferred policy will allow for one fee, up to \$10,000, to be reimbursed from the carrier, making suing for fees unnecessary. For more information, [contact](#) USI Affinity today.