

# Practice Resource

## Retainer agreement

### General

Dear [name of client]:

**Re:** [description of matter]

#### 1. Description of services

You have asked us, and we have agreed, to act for you in the matter described below. On [date], we [met/spoke] to discuss the scope of our firm's intended representation. We covered this subject in some detail and considered the nature of our fee arrangement. The purpose of this letter is to summarize and confirm the terms of your engagement of us.

You retain us to represent you in connection with [description of matter]. We anticipate that our representation will involve taking the following steps on your behalf:

- a. [describe]
- b. [describe]
- c. [describe]

At this time we have not been retained to represent you generally or in connection with any other matter. We will not be performing the following services:

- d. [describe]
- e. [describe]
- f. [describe]

**[Note: Before undertaking a “limited scope retainer” (a defined term in BC Code rule 1.1-1) the lawyer must advise the client about the nature, extent and scope of services that the lawyer will provide. The lawyer must confirm in writing to the client as soon as practicable what services will be provided. This assists the lawyer and the client in understanding the limitations of the service and the associated risks. The lawyer must carefully assess whether, under the circumstances, it is possible to render the services**

**competently. See BC Code rules 3.1-2 (and in particular commentary [7.1]), 3.2-1.1, 7.2-6, and 7.2-6.1 and [Preventing Claims – Limited retainers/unbundling.](#)]**

**[Optional]** Your desired outcome and time frame for resolution of this matter is as follows:  
**[describe]**

**[Optional]** We will work with you towards your desired outcome. However, all legal actions are subject to many possible variables such as the demeanour and recollection of witnesses, the availability of substantiating documents and other evidence, and the evidence marshalled by the other side—all of which affect the decision of a judge or jury. Accordingly, we cannot guarantee that your desired result will in fact be achieved. For us to work towards your desired outcome, it will be necessary for you to abide by the terms described in this letter.

**[Optional]** The firm uses cloud-based programs to store client files and business records. Some of these programs may use servers located outside of Canada. You acknowledge that these programs may create some risks for the security of your information.

## **2. Lawyers**

We expect that most of the work will be performed or supervised by myself (a partner in this firm) who will be assisted by **[name]**, an **[associate/articling student]** in this firm. However, we reserve the right to assign other lawyers in our firm to perform legal services if in our judgment that becomes necessary or desirable.

## **3. Fees**

- a. Our fee will be based principally on the time spent by us on your behalf. Records of all time will be kept and accounts will then be prepared and sent to you periodically.

Our hourly rates range from **[\$amount]** for articled students to **[\$amount]** for my associate to **[\$amount]** for me.

While we expect that our fee will be calculated on the basis of our regular hourly rates, we reserve the right to charge more in appropriate cases, such as pressing circumstances, the requirement for work outside normal business hours, exceptionally successful or efficient representation, or special demands on us.

**[Optional]** Based on our consideration of the materials and information you have provided to us, and assuming that there are no further developments or information which would cause us to vary our preliminary opinion and that nothing out of the ordinary is encountered in the course of completing this matter, we estimate that our fee, excluding disbursements and other charges, will be approximately **[\$amount]**. We are not guaranteeing that we can accomplish the

work for that sum, but are representing to you that in our judgment that amount appears reasonable under the circumstances.

#### **4. Disbursements**

You will also be responsible for reimbursing us for expenses (also called disbursements) we incur on your behalf and that must be paid to third parties. These include long distance calls, postage, deliveries, travel expenses, out of office photocopying and printing, government filing and search charges and the fees of agents who conduct investigations, searches and registrations and all other reasonable out of pocket expenses. If an unusual disbursement or expense arises involving substantial cost, such as, for example, fees for expert evidence, we will consult with you before incurring that cost.

#### **5. Other charges (this paragraph must be adapted to particular business practices of the firm)**

You will also be responsible for office charges allocated to your file. These include charges for paralegal time, word processing charges, computer costs, in-house photocopying and faxes. (Note: changes must be transparent and understandable to the client (see BC Code rule 3.6-3))

#### **6. Interest**

Payment is due on all of our accounts when rendered. If any account is not paid within 30 days, interest will be charged on the outstanding balance at a rate of **[rate]** % per annum from the date of the account, until paid.

#### **7. Taxes**

You will be charged the applicable taxes on fees and on some disbursements or other charges.

#### **8. Client identification and verification**

Lawyers are required to follow client identification and verification procedures when retained by a client to provide legal services. Accordingly, before we begin work on your behalf, we will require information from you concerning your identity. In addition, for some transactional work, we will require information to verify your identity (to confirm who you are) before the transaction occurs.

#### **9. Retainer**

Before we begin work on your behalf, we require a retainer in the amount of \$**[amount]** by **[insert required date]**. The retainer will be placed in our trust account and will serve as a source of payment for all or part of our account or accounts when rendered. You will be asked to replenish the retainer from time to time. Any unused portion will be returned to you upon the completion or termination of our services.

**10. No cash (this paragraph must be adapted to the particular practices of the firm. Check Law Society Rules for the limited circumstances in which cash may be accepted)**

Please note that we do not accept any funds in cash, including our retainer. As protecting your legal interest may require paying funds within certain time limits, we recommend that you discuss with us any necessary arrangements in advance to provide payment to us by way of certified cheque, money order, bank draft, or electronic transfer.

**11. Acting for more than one client (Refer to the Law Society precedent letter [‘Joint Retainers’](#))**

**12. Termination of legal services**

You have the right to terminate our services to you upon written notice to us.

Subject to our obligations to you to maintain proper standards of professional conduct, we reserve the right to terminate our services to you for good reasons which include, but are not limited to:

- a. if you fail to cooperate with us in any reasonable request;
- b. if there is a serious loss of confidence between us and you;
- c. if our continuing to act would be unethical or impractical;
- d. if our retainer has not been paid; or
- e. if you fail to pay our accounts when rendered.

(Note: see BC Code section 3.7 and rule 3.6-2 [2] for the provisions on withdrawal. In some circumstances, you may not be entitled to withdraw without risk of valid complaint, unless there is reasonable notice or other special considerations (e.g. lack of reasonable notice for any withdrawal that is not obligatory under rule 3.7-7 or a serious loss of confidence under 3.7-2.))

If you terminate our services or we withdraw, you would only have to pay our fees, disbursements, other charges, and the applicable taxes incurred up until the time we stopped acting for you.

**13. Agreement**

**[Optional – consider whether it would be prudent under the circumstances to recommend another law firm review your letter]** We recommend that you consider whether you want to have this agreement reviewed by another lawyer.

If you want us to proceed on the basis described above, please sign the enclosed copy of this letter in the space provided and return it to us, together with a retainer in the sum of \$[**amount**], in the enclosed self-addressed envelope. If you decide that you do not want us to proceed on your behalf in this matter, please inform us promptly.

Yours truly,

---

Client's signature

---

Date