

SHELDON G. LARKY
MEDIATOR AND ARBITRATOR

CHAIRMAN (2003-2004)
ALTERNATIVE DISPUTE
RESOLUTION COMMITTEE
OAKLAND COUNTY BAR ASSOCIATION

SUITE 3350
30600 TELEGRAPH ROAD
BINGHAM FARMS, MICHIGAN 48025-4533
(248) 642-4660
FAX (248) 642-5628

MEMBER
ASSOCIATION FOR
CONFLICT RESOLUTION
INTERNATIONAL
ASSOCIATION OF FACILITATORS

Wednesday, June 24, 2015

Justices, Michigan Supreme Court
Office of Administrative Counsel
Michigan Supreme Court
P.O. Box 30052
Lansing, Michigan 48909

re: *ADM File No. 2013-38*
Proposed Amendment to MRPC 1.5(d)

Dear Justices:

If the Court decides to change Rule 1.5(d) of the Michigan Rules of Professional Conduct, then I favor Alternative A.

Unlike many people who have communicated to you before today on this subject, I do not believe most people understand the total implication of "value added/results obtained" fee agreements. People coming to attorneys in divorce situations are full of emotions. They, in my humble opinion, do not totally comprehend the scope of what they are signing. As retainer agreements become longer and longer, most people do not read the fine print. If attorneys believe they should receive more for their services, then those lawyers should charge a higher hourly fee rather than take "a piece of the action."

Frankly speaking, however, I believe the third option suggested by attorney Donald D. Campbell in his April 28, 2015 letter to the Court is one which should be adopted by the Court. It satisfies the desires of those attorneys who want "value added, enhanced, or results obtained" fees and those who want to ensure that there is a mechanism to determine the reasonableness of fees received.

I have been appointed more than 25 times in the past few years to arbitrate fee disputes between attorneys and clients. I feel the following suggested language as a

Received

JUN 29 2015

comment to Rule 1.5, as proposed by Donald Campbell, gives me, as an arbitrator, a standard from which I will be able to determine reasonableness:

COMMENT to 1.5 placed between current sections entitled "Terms of Payment" and "Division of Fees":

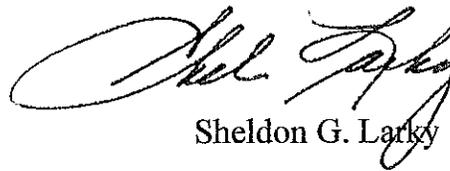
DOMESTIC RELATIONS MATTERS

The restriction on a contingent fee in domestic relations matters does not prohibit a fee that is agreed to by the client and is not clearly excessive based upon the application of the factors set forth at paragraphs (a)(1)-(7) of this rule. These fee arrangements are commonly referred to as either an "enhanced," "value added," or "results obtained" fee in the practice. Where those fees comply with paragraph (a)(1)-(7), they are not prohibited by paragraph (d).

My bottom line:

1. If Rule 1.5(d) is going to be changed, then Alternative A is my choice.
2. If the Court feels "value added," "results obtained," or "enhanced" fees in domestic relations matters should be allowed, then leave Rule 1.5(d) alone and insert the suggested Comment language.

Sincerely yours,



Sheldon G. Larky

SGL:s