

# REPORTS OF SPECIAL COMMITTEES

## **SPECIAL COMMITTEE ON THE RESOLUTION OF FEE DISPUTES**

Richard C. Sullivan, Jr., Chair

The Special Committee on the Resolution of Fee Disputes oversees the bar's Fee Dispute Resolution Program (FDRP). The FDRP was begun in 1995, after extensive study by the special committee. The FDRP provides the bar and the public with an informal, private, quick and inexpensive alternative to litigation or the disciplinary system for resolving fee disputes through voluntary binding arbitration.

The program is comprised of 11 Circuit Committees on the Resolution of Fee Disputes (CCRFD) around the Commonwealth. Each CCRFD is made up of a panel of lawyers and nonlawyers nominated by their local bar associations and appointed by the state bar president. The special committee conducts training sessions for panel members of the CCRFD. While no new CCRFD's were created this year, the Special Committee continues to look for opportunities to expand the program into areas where it does not exist. Currently, there are CCRFDs in the 10th, 11th, 13th, 16th, 18th, 19th, 20th, 23rd, 24th, 27th and 28th Circuits. The Tidewater area does not have an official CCRFD but is served by the Norfolk and Portsmouth Bar Association, and referrals go from the Virginia State Bar to the Norfolk and Portsmouth Bar Association Fee Dispute Resolution Committee.

Last year the VSB received 339 inquires from attorneys and clients seeking help resolving a fee dispute, an increase of almost 15% over the prior year. Two hundred referrals were made by the VSB to local CCRFD's, an increase of more than 50%. Each CCRFD has a chairman charged with overseeing the local CCRFD, and with making initial efforts to conciliate or mediate fee disputes before the hearing stage. CCRFD Chairs reported a total of 57 inquiries received during the year. Four fee disputes were resolved without a hearing, and 4 arbitrations were held. Three arbitrations were pending at year end.

The special committee has focused its efforts in the last year on raising the profile of the program, and making more lawyers and clients aware of the program as an option for resolving fee disputes. Our statistics regarding inquiries suggests that the number of people who know about the program is growing. Our statistics also indicate that three times as many clients (33) signed an agreement to arbitrate during the year than did attorneys (11). Thus the committee continues to focus its efforts on encouraging more attorneys to agree to arbitrate fee disputes. During the last year, the special committee undertook a variety of activities to raise the profile of the program among Bar members, including appearances by committee members at various local and statewide bar association gatherings throughout the Commonwealth. Two trainings were conducted for CCRFD members, one in Northern Virginia and one in Richmond. An additional training is planned in the Roanoke area for next year. ❀