

Committee Opinion
October 20, 1988

LEGAL ETHICS OPINION 1161

FEES: CHARGES FOR COLLECTION
CASES – CLARIFICATION OF.

This opinion is a clarification of LE Op. 1025.

Specifically, you were concerned that the opinion stood for the proposition that the Code of Professional Responsibility would not prohibit charging a flat rate for collection cases involving a 25% attorney's fee clause. LE Op. 1025 was based on the facts given to the Legal Ethics Committee by the attorney requesting the opinion. The facts upon which we were to issue an opinion provided that the attorney "already obtained judgment on the account balance due as well as the 25% attorney's fees calculated upon the account balance due." Therefore, the Committee never opined whether or not such an arrangement was ethical since the specific inquiry posed dealt with the billing methods which the attorney would charge in acting on those collections, the specific concern being splitting fees with non-lawyers.

It is not within the province of the Legal Ethics Committee to opine what the case law in Virginia might provide in these collection cases. Therefore, your experience in these matters may well be contrary to the facts as submitted to the Committee. In any event, the Committee believes that based upon the facts given to it in LE Op. 1025, the opinion correctly addresses the ethical issues posed.

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