

AGENDA ITEM: COMPENSATION FOR SUPERVISED PRACTICE

QUESTION REFERRED

Compensation for Supervised Practice. The Court recently updated its supervised practice rules. Rule IX, entitled “Compensation,” prohibits a qualified law student or a qualified unlicensed law school graduate from “directly charg[ing] a client for his services.” *The Court asks the Committee to consider whether this rule should allow a qualified unlicensed law school graduate to send and collect his or her own bills provided that the supervising attorney also signs the bill.*

CURRENT RULE IX: COMPENSATION

A qualified law student or a qualified unlicensed law school graduate must not directly charge a client for his services or claim or receive a percentage fee, contingency fee, or origination fee; however, nothing in these rules is intended to prevent the qualified law student or qualified unlicensed law school graduate from being paid for his services by his supervising attorney, or to prevent a supervising attorney from charging a fee for the services rendered under his supervision.

QUESTION FOR THE COMMITTEE’S CONSIDERATION:

- Should Rule IX be amended to permit direct billing by a qualified unlicensed law school graduate, if the billing is signed by the supervising attorney?
- The Judicial Administration Subcommittee does not recommend an amendment. The subcommittee’s discussion included these considerations:
 - The subcommittee did not want to disincentivize close supervision by the supervising attorney.
 - The subcommittee believes the focus should be on the services provided (and supervision of those services), not on the payment mechanism.
 - The subcommittee is unaware of a problem that needs to be fixed.
- If the Committee nevertheless wants to consider an amendment, here is suggested revised language in italics:

A qualified law student or a qualified unlicensed law school graduate *may directly charge a client for his services or claim or receive a percentage fee, contingency fee, or origination fee if the fee agreement and invoices are approved in writing by the supervising attorney.* Nothing in these rules is intended to prevent the qualified law student or qualified unlicensed law school graduate from being paid for his services by his supervising attorney, or to prevent a supervising attorney from charging a fee for the services rendered under his supervision.