

# "7 Secrets Some Lawyers Don't Want You to Know That Will Save You a Fortune..."

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#### **MANDATORY DISCLAIMER**

INFORMATION IN THIS SPECIAL REPORT IS GENERAL IN NATURE AND SHOULD <u>NOT</u> BE CONSTRUED TO BE FORMAL LEGAL ADVICE OR THE FORMATION OF A LAWYER/CLIENT RELATIONSHIP.

CONSULT AN ATTORNEY TO ADDRESS SPECIFIC LEGAL ISSUES.

The goal of this special report is to make sure that you don't get ripped off when hiring a lawyer.

In plain English, this means that you know what you're paying for and agree that it is a fair price before the work even gets started.

Although there are no guarantees that you can prevent an attorney from taking financial advantage of you, here are seven powerful ways you can slice your fees and still get quality professional services

# 1. Don't Get Jacked.

A jack-of-all trades is a master of none.

The law has become too specialized to have one lawyer handle all of your legal needs. For example, a good business transactional lawyer is highly unlikely to be a good trial lawyer...and vice versa. An attorney who drafts wills or handles workers compensation cases probably doesn't have a clue on what it takes to keep your websites out of trouble with consumers and the U.S. Federal Trade Commission (FTC).

Hire a lawyer who actually practices the type of law that you need help with *now*. If you hire one attorney to handle everything, you're probably overpaying for his legal education and increasing your chances that you'll get poor results.

What about your friend who is a lawyer?

If he's a true friend, he'll refer you to a competent attorney who practices in the area of law at issue instead of trying to handle matters for which he doesn't have the experience.

# 2. Don't Pay For The View.

Ever been impressed by a lawyer's office? The paintings and furniture? The fantastic view from the high-rise office? The team of receptionists, administrative assistants, associate attorneys, and paralegals that work for your lawyer? How about that Mercedes, BMW, or Range Rover that your attorney drives?

Who do you think is paying for all of that? Santa Claus?

You are.

Wouldn't it make sense to spend your money on legal services instead of bloated overhead?

Instead of paying for your attorney's office view, couldn't you put that money to better use in your business...or even buy yourself a nice view on vacation instead.

In short, pick a qualified attorney who can deliver results without charging you for his high-consumption lifestyle.

## 3. Beware the Billable Hour.

Here's what a typical smoke-and-mirrors legal bill looks like:

June 18 – Phone conference. Legal research of various issues.	2.50
June 20 - Letter to client.	0.50
June 21 - Conference with Attorney Smith to discuss legal issues.	1.50
June 23 - Legal research. Drafted contract. E-mailed same to client.	3.50
June 25 - Spoke with client. Revised contract and e-mailed revision to client.	2.00
June 27 - Reviewed revised contract.	0.50
Total @ \$500 hour	\$5,250.00

That's more than \$5,000 for a contract.

A fair deal? Perhaps...but do you have any way of knowing?

Perhaps the lawyer did all of the above work. Then again, let's take a closer look at the bill.

"Legal research" could mean a junior lawyer or a paralegal at the law firm did the work but you're paying \$500 an hour for your attorney to do it.

A "conference" with another attorney could mean lunch with the attorney in which your matter might have been discussed for about 5 minutes.

At many law firms, the amount of hours billed is the primary criteria by which an attorney becomes and stays a partner. Even before becoming a partner, the more hours billed, the higher the annual raise and bonus is likely to be.

Because of the pressure to bill, there are some lawyers who will charge you for time spent thinking about your case while taking a shower or eating dinner. If your name comes to mind, that's a billable event.

If you agree to being billed by the hour, insist that you get detailed itemized billing so that you know what "legal research" and "conference" means.

# 4. Delegation Dangers.

Many law firms delegate work on your legal matter to junior lawyers (usually called associate attorneys), paralegals, and administrative assistants. And there's nothing wrong with that *if* it saves you money and your results don't suffer.

But here's what can happen to you.

You hire Senior Lawyer Smith to handle your Internet-related business legal issue. He charges \$500 an hour. Smith is actually clueless about the Internet...in fact, he can't even check his e-mail account without the help of his kids.

But Smith thinks he can handle your case by assigning it to a young attorney at the firm, Junior Lawyer Jones, who recently graduated from law school. Jones is always toting around a computer tablet and a smart phone, so Smith figures Jones knows something about Internet law.

As a practical matter, Jones knows nothing about Internet law or even basic business law. You'll be paying for Jones' education. What a qualified Internet business attorney could handle in a couple of hours might take Jones 20 hours to do.

And it gets worse...

If Smith hasn't introduced you to Jones, there's a chance that you'll get billed for all that time at Smith's hourly rate instead of Jones' much lower rate.

There's nothing wrong with delegation.

But if your lawyer is going to delegate your legal work, you need to know *who* is doing the work, whether that person is qualified to do the work, and what rate you're being charged for that work.

## 5. Hell on Wheels.

If your attorney's work involves travel time, make sure that you pin down what you're being charged for while he's on the move.

Some lawyers bill their travel time at their normal billing rate. Others bill for half their travel time.

For example, if your lawyer comes to your office, and it is a 30-minute commute each way, he might bill you for a full hour of legal work because of his travel time plus the time he spent at your office.

Make sure you clearly understand what your attorney charges for when traveling...and if you agree to it, try to limit the times your lawyer comes calling at your office.

For air travel and lodging, it is even worse. Will you be paying for your attorney's plane ticket, time in the sky, hotel, rental car, etc.?

Find out before you hire him.

There's also the possibility of double billing.

Let's say you pay for your lawyer to fly to another city. Find out if he is going to be working on another client's case while in transit. You shouldn't be paying for travel time if he spends it working on someone else's legal matter.

And as for lodging, what does that include? Does the hotel bill get inflated with room service, pay-per-view movies, and a bar tab? Why should you pay for that? He'd be eating, drinking, and watching movies if at home.

# 6. Friendship, Therapy, and Legal Advice.

You can (and should) be friends with your attorney but don't get billed for it.

Many clients will chat with their lawyers or seek advice on matters that don't involve the law. The shock comes when these non-legal chats show up as billable hours on the attorney's invoice.

When discussing legal matters, your lawyer is acting as your attorney. He is not acting as your friend or therapist. Make it clear beforehand in what role you're talking to your lawyer in order to reduce your legal bills and prevent misunderstandings.

For example, let's say you invite your lawyer to lunch. If you're bending his ear for legal advice while dining, chances are he's going to assume that it is a billable event rather than two friends enjoying each other's company. Make it clear in your invitation the capacity in which you're inviting him to lunch – friend or professional...and then don't take advantage of the situation by trying to get freebie advice during the meal.

If he invites you to an event, you should find out in advance what capacity you're being invited...client or friend. I've known lawyers who invite clients to sporting events, talk a little about a legal issue, and then bill for it.

# 7. Pay Per Project.

Although billing by the hour is sometimes necessary, such as in complex civil trials or business negotiations, multiple revisions of documents drafted because the circumstances have changed (or you've changed your mind) during the process, there are many legal services rendered by your attorney that can be charged for on a project basis.

Flat fee per project is one of the best ways to reduce your legal expenses.

Why?

If the project is clearly defined (such as drafting a contract without multiple revisions) and the attorney quotes a flat fee for doing the work, you know ahead of time what you'll be paying.

The risk has shifted to the lawyer that the work will take more time than he believes it will at the time he prepared the quote. You won't be surprised by an outrageous bill incurred because you paid for your lawyer's education in that area of law at an hourly rate.

The key for project work is to use a detailed scope of work, that is, a comprehensive description of what your lawyer will do for a flat fee and what is not included in the quote, i.e. those things that will cost extra if you want them done.

One of the bonuses of a scope of work is that it allows you to identify any steps in the process that you may want to do yourself in order to save money rather than having your lawyer do it. The scope can be revised to omit that work and the fee reduced accordingly.

## In a Nutshell

To recap, here are the seven secret ways you can slash your legal costs without sacrificing quality.

- 1. Hire a qualified lawyer who focuses on the area of law in which you need legal representation (e.g. Internet business transactions) instead of a jack-of-all trades (everything from estate planning to criminal defense law).
- 2. Don't pay for your lawyer to sit in a fancy office and drive a luxury car. Hire a lawyer who doesn't overcharge you to cover his outrageous expenses.
- 3. If your attorney bills by the hour, make sure that you know what is covered as billable work. Insist on itemized billing that clearly describes what has been done.
- 4. If your attorney delegates your work to another lawyer or a paralegal, make sure that person is qualified to do the work, you're not paying for his education, and that you're being billed at a lower rate for that work.
- 5. Know your lawyer's fees for travel time before you hire him. Keep his travel to a minimum if you're paying for it.
- 6. Keep friendship and business separate. When dealing with your lawyer, make sure that each of you knows whether or not what is happening is a billable event or something between friends. This saves you money and your friendship.
- 7. Where possible, pay for your legal work by the project based upon a detailed scope of work that describes what professional services will be rendered. This avoids the pain of inflated billings by the hour.

If you apply these secrets to your business legal representation, you will save yourself tens of thousands of dollars in fees because of what you've learned.

## **Author Bio**



Internet Business Law Attorney Mike Young has a long history of helping clients protect their businesses by applying protective strategies to online marketing dating back to the mid-1990s.

Mike is the author of the book "Internet Laws – How to Protect Your Business Website without a Lawyer." His

<u>Website Legal Forms Generator</u> software is used by a who's who in business and online marketing.

Mike is a sought-after strategist and speaker who has worked with some of the biggest names in online marketing, spoken to groups of business owners, and has appeared on many information webinars and teleseminars.

In addition to representing businesses online, Mike co-owns several successful online ventures. He's also the current President of the <u>Internet Attorneys</u>
Association and Chairman of the Internet Ethics Council.

A devoted husband and father, Mike enjoys having the time to be actively involved in family life. He gets his exercise chasing three rambunctious <a href="Pembroke">Pembroke</a> Welsh Corgi dogs.

His Internet law firm's primary website is <a href="http://MikeYoungLaw.com">http://MikeYoungLaw.com</a>.