Basic Training & Beyond

- Day-One:

  Is this right for me?

  Getting started.

  The business of the small firm.

  Managing risk.

Day-Two

Client relations.

Productivity & technology.

Marketing.

A wide-lens look before we get into the weeds

1,352,027 US licensed attorneys

182,296 in New York State

189,532 in California

113,136 in the DC Bar

95,437 in Texas

107,010 in Florida

MEMBERSHIP

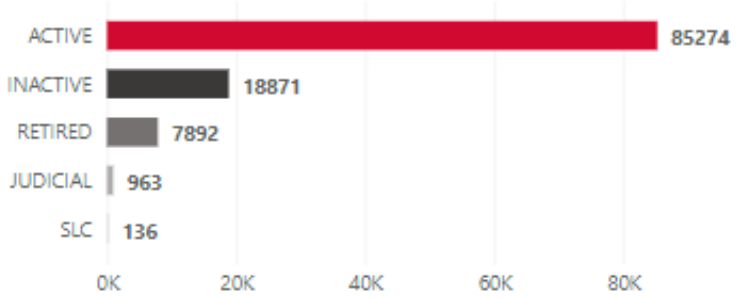
March 2022 Membership Distribution Report

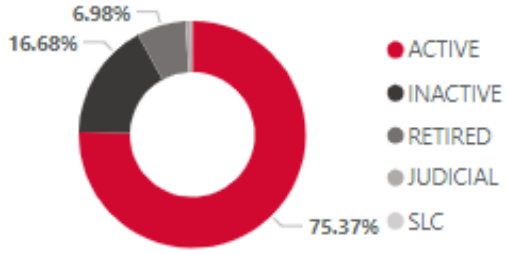
DC Bar Membership Population

113136

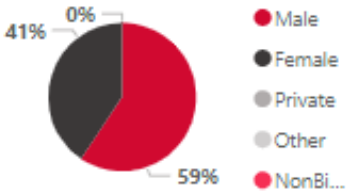
Queried 4/04/2022

Marginal discrepancies may exist due to the availability of data.

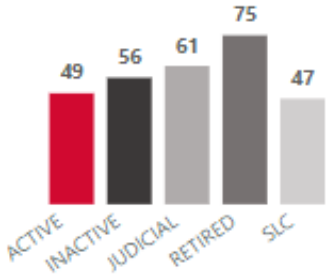




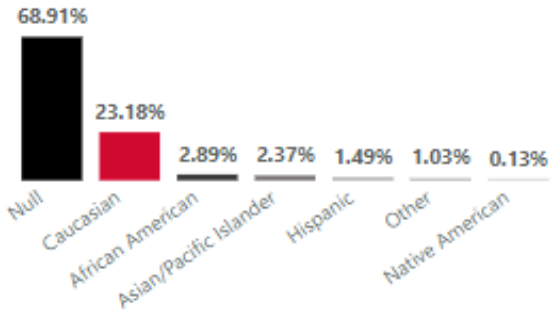
Gender Breakout



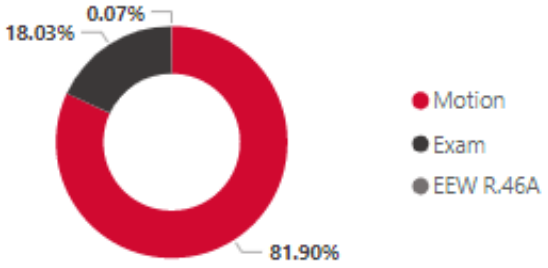
Average Age



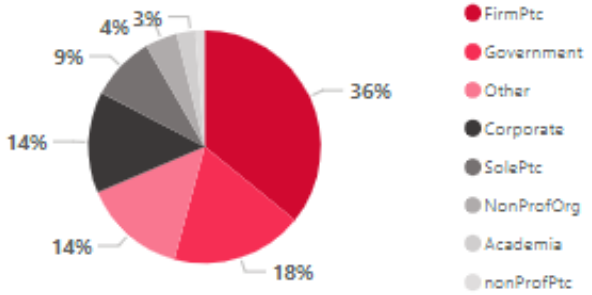
Ethnicity



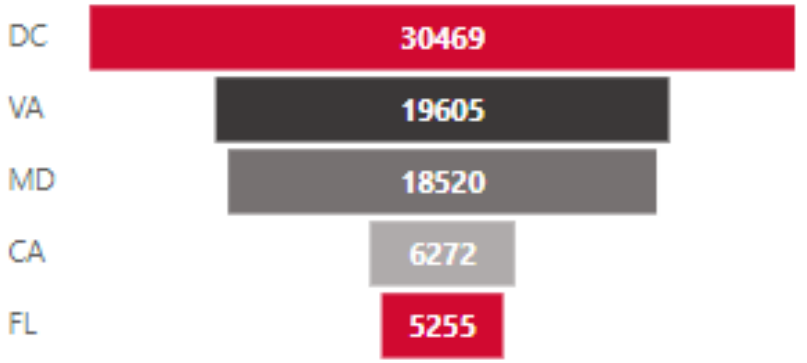
Induction Method



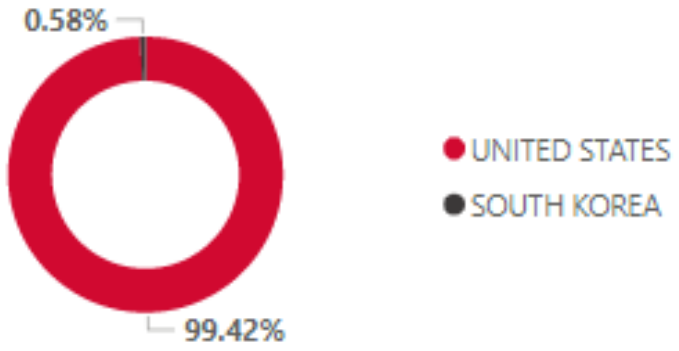
Practice Industry



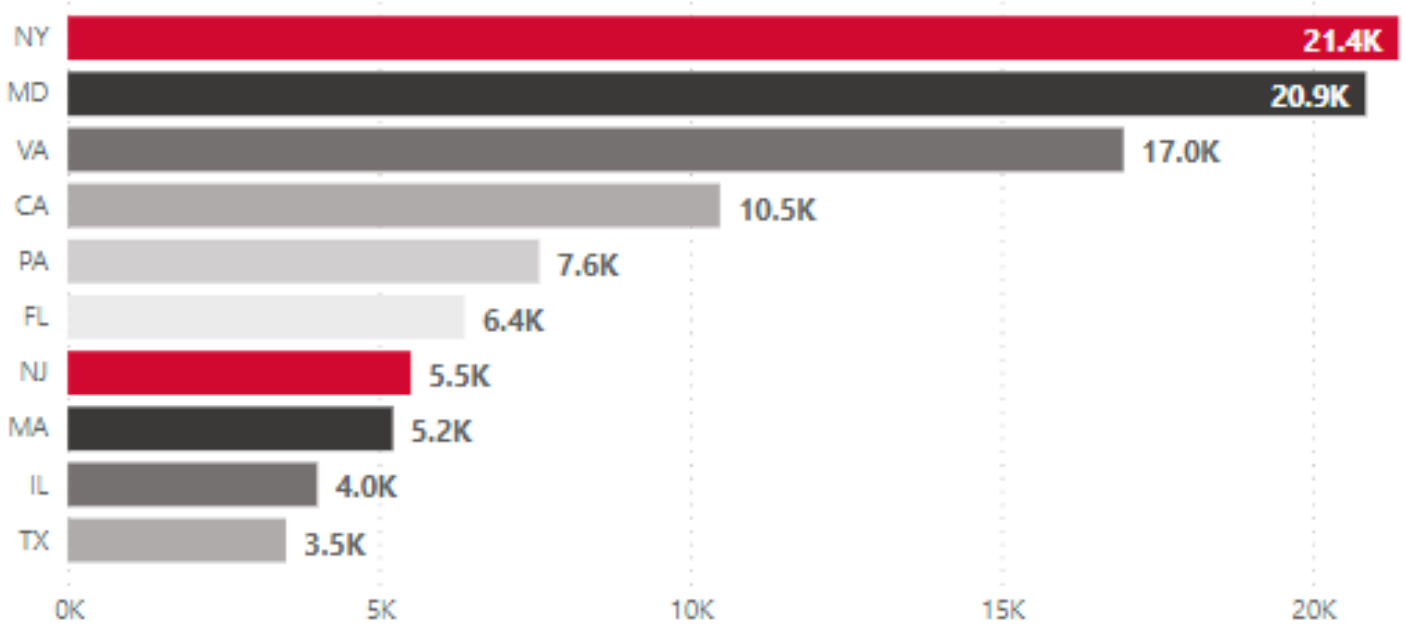
Top 5 States (based on Primary Mailing Address)



Top 2 Countries



Top 10 Other Jurisdictions Where Members Are Licensed



Is small firm law for me?

It’s a challenging economy

It’s a tough profession

Competition is intense

Expect an abundance of challenge & adventure

The public's perception of lawyers

2021 Honesty and Ethics of Professions Ranking

Please tell me how you would rate the honesty and ethical standards of people in these different fields -- very high, high, average, low or very low?

	Very high/High	Average	Low/Very low	Net high
	%	%	%	pct. pts.
Nurses	81	16	3	+78
Medical doctors	67	25	8	+59
Grade-school teachers	64	25	11	+53
Pharmacists	63	30	6	+57
Military officers	61	31	8	+53
Police officers	53	32	15	+38
Day care providers	50	42	6	+44
Judges	38	43	18	+20
Clergy	36	48	14	+22
Auto mechanics	35	51	14	+21
Bankers	27	52	20	+7
Nursing home operators	27	46	27	0
Local officeholders	22	54	24	-2
Lawyers	19	50	30	-11
Newspaper reporters	17	39	43	-26
Business executives	15	50	34	-19
TV reporters	14	38	48	-34
State officeholders	12	48	39	-27
Advertising practitioners	11	44	43	-32
Members of Congress	9	29	62	-53
Car salespeople	8	49	42	-34
Lobbyists	5	28	63	-58

% No opinion not shown; sorted by Very high/High

GALLUP, DEC. 1-16, 2021

Historical view 1976 - 2020

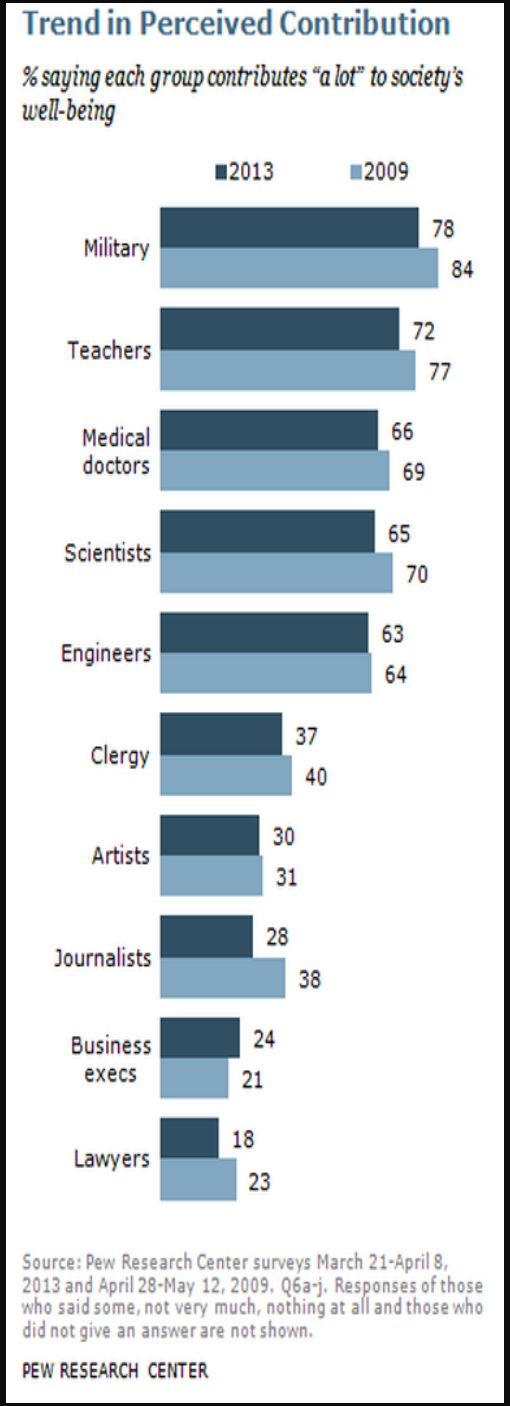
9th most dishonest in this MoneyWise survey

Lawyers

	Very high	High	Average	Low	Very low	No opinion	Very high/High
	%	%	%	%	%	%	%
2020 Dec 1-17	3	18	48	24	6	*	21
2019 Dec 2-15	4	18	49	19	9	*	22
2018 Dec 3-12	3	16	51	21	7	1	19
2017 Dec 4-11	4	14	53	19	9	1	18
2016 Dec 7-11	3	15	45	26	11	1	18
2015 Dec 2-6	4	17	44	25	9	1	21
2014 Dec 8-11	5	16	45	22	12	1	21
2013 Dec 5-8	3	17	45	23	12	1	20
2012 Nov 26-29	4	15	42	28	10	1	19
2011 Nov 28-Dec 1	3	16	43	27	10	1	19
2010 Nov 19-21	4	13	47	24	11	1	17
2009 Nov 20-22	3	10	45	28	12	1	13
2008 Nov 7-9	3	15	45	25	12	1	18
2007 Nov 30-Dec 2	2	13	49	25	10	1	15
2006 Dec 8-10	3	15	42	27	11	2	18
2005 Nov 17-20	3	15	46	25	10	1	18
2004 Nov 19-21	4	14	45	24	11	2	18
2003 Nov 14-16	3	13	47	25	11	1	16
2002 Nov 22-24	2	16	45	25	10	2	18
2001 Nov 26-27	4	14	50	23	8	1	18
2000 Nov 13-15	3	14	42	29	11	1	17
1999 Nov 4-7	1	12	45	28	13	1	13
1998 Oct 23-25	3	11	44	29	12	1	14
1997 Nov 6-9	3	12	41	31	10	3	15
1996 Dec 9-11	3	14	39	27	14	3	17
1995 Oct 19-22	4	12	36	29	17	2	16
1994 Sep 23-25	3	14	36	31	15	1	17
1993 Jul 19-21	3	13	41	28	13	2	16
1992 Jun 26-Jul 1	3	15	43	25	11	3	18
1991 May 16-19	4	18	44	21	10	5	22
1990 Feb 8-11	4	18	43	22	9	4	22
1988 Sep 23-26	3	15	45	23	10	4	18
1985 Jul 12-15	6	21	40	21	9	3	27
1983 May 20-23	5	19	43	18	9	6	24
1981 Jul 24-27	4	25	41	19	8	7	25
1977 Jul 22-25	5	21	44	19	8	4	26
1976 Jun 11-14	6	19	48	18	8	1	25

Contribution to society's well-being

We are last ->



Did you know a pro bono lawyer uncovered the robo-signing scam during the mortgage crisis?

The pressures on the profession

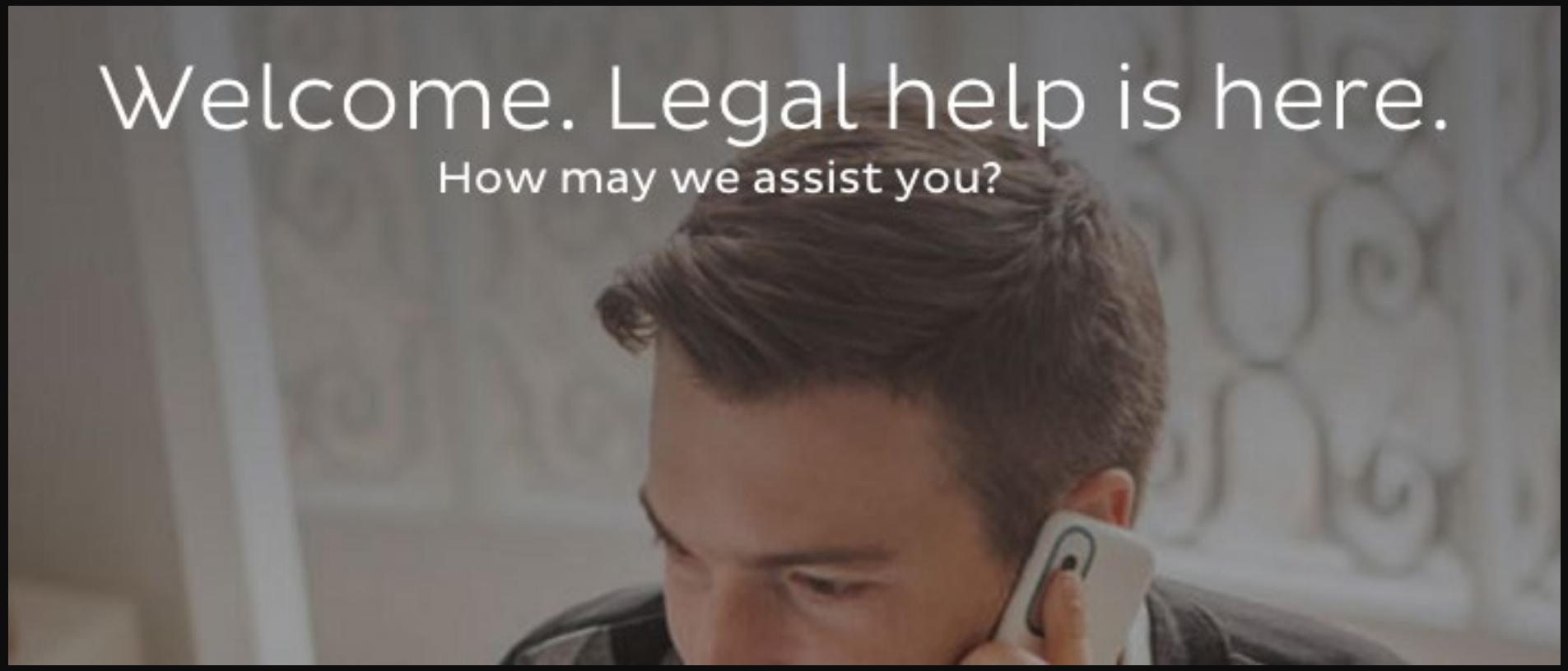
Client pressures

to be more efficient & affordable

Large firm issues

Market pressures in competition for our clients

LegalZoom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CELEBRATE NATIONAL SMALL BUSINESS MONTH

Download our Business Startup Kit to help your business thrive.

3 ebooks + 20 special offers

GET THE KIT

Want to know how the legal profession "created" LegalZoom?

Read its S-1 filed June 4, 2021:
https://www.sec.gov/Archives/edgar/data/0001286139/000119312521182939/d146270ds1.htm

As filed with the Securities and Exchange Commission on June 4, 2021.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LegalZoom.com, Inc.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	7370 (Primary Standard Industrial Classification Code Number)	95-4752856 (I.R.S. Employer Identification Number)

101 North Brand Boulevard, 11th Floor
Glendale, California 91203
(323) 962-8600
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Dan Wernikoff
Chief Executive Officer
LegalZoom.com, Inc.
101 North Brand Boulevard, 11th Floor
Glendale, California 91203
(323) 962-8600
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

C. Thomas Hopkins Jodie Bourdet Jonie Kondracki Cooley LLP 1333 2nd Street, Suite 400 Santa Monica, California 90401 (310) 883-6400	Noel Watson Chief Financial Officer Nicole Miller General Counsel LegalZoom.com, Inc. 101 North Brand Boulevard, 11th Floor Glendale, California 91203 (323) 962-8600	Richard A. Kline Adam J. Gelardi Latham & Watkins LLP 140 Scott Drive Menlo Park, California 94025 (650) 328-4600

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

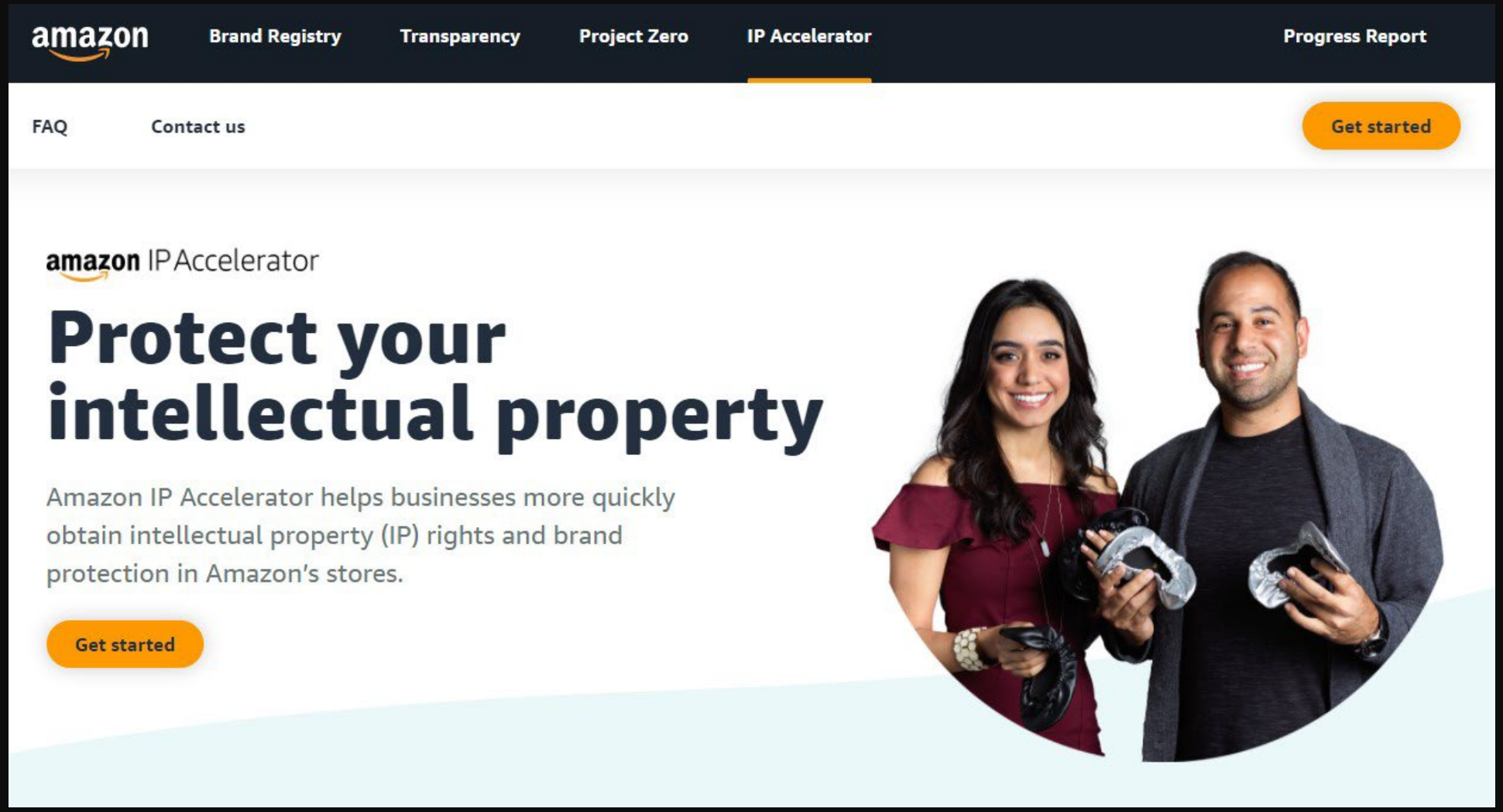
Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

LegalZoom receives ABS status in AZ

Is Amazon a competitor?



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Get Started

Trustpilot

Hello Divorce is coming

DIY Platform 'Hello Divorce' Raises $2M To Fuel National Expansion

Schedule Free Strategy Call CLICK HERE

hellodivorce.

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Divorce doesn't have to be complicated or expensive.

Get lawyer results – without the lawyer costs. Get started by taking our quiz to find our which service is right for you.

Get Started

Utah Law on Call

Utah Law on Call is a service from Northwest that provides instant legal advice over the phone to our new Utah clients. No receptionists. No paralegals. You talk immediately to a real Utah attorney for just $9 a month.

Need a legal matter resolved as well? Our Utah Law on Call clients also get steeply discounted rates for full-blown legal work from our team of licensed Utah attorneys. This includes legal work in the areas of business, end of life planning, real estate, and much more.

Utah legal service innovation

AT&T 4:57 AM 97%

Cat Moon
@inspiredcat

"In a breakdown of loneliness and social support rates by profession, legal practice was the loneliest kind of work . . . [t]his is perhaps not surprising, given the known high prevalence of depression among lawyers."

America's Loneliest Workers, According to Research
hbr.org

Tweet your reply

America’s Loneliest Workers

But lawyers can be happy when:

We are autonomous

We are masters of our world

We are connected and have a sense of belonging

Demand for small firm services is and will be at an all time high

The challenge for the small firm lawyer is to:

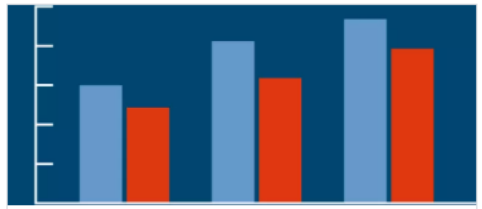
Find the right problems

&

Get paid for solving them

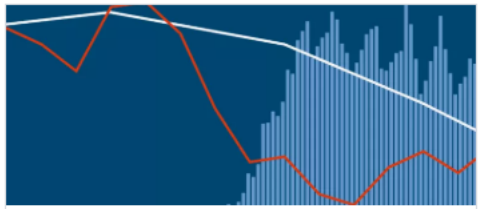
How do you respond to a prospective client who shows up with this?

The time we are in



Clio's COVID-19 Impact Research Briefing: July 15

Clio's third briefing on the impact of COVID-19 shows steady recovery in June across most practice areas and states. As coronavirus cases continue to rise in the US, the impact remains uncertain for July.



Clio's COVID-19 Impact Research Briefing: June 17

Clio's second briefing on the impact of COVID-19 shows several weeks of decreased business for law firms, which has affected monthly billing volumes. Initial data in June however shows a sharp increase in new caseloads...

Clio's COVID-19 Impact Research Briefing: May 4

Clio's first briefing on the impact of COVID-19 indicates that legal professionals have been significantly affected by social restrictions and that—despite the ongoing need for legal services—many firms are seeing reduced client demand.

Clio Legal Trends Report 2021

Clio Legal Trends Report 2020

Clio Legal Trends Report 2019

Register here

[Innovate Legal Online] Building a Successful Law Firm

Join Clio's Building a Successful Law Firm series for an in-depth look at what it takes to build a thriving practice in 2022 and beyond.

Tuesday, April 12, 2022

[CLE-Eligible Webinar] A Busy Lawyer's Guide to Managing Documents and Court Forms

Learn how to create a scalable document workflow to consistently produce error-free documents

5 Things Your Intake Strategy Needs to Take on More Clients With Ease

Add consistency to your intake process and make it easy for potential clients to hire your firm.

Justice for Me

An affordable legal fee payment plan.

The lender's fee is like that charged by a credit card processor.

But is this a Rule 5.4(a) issue?

Here is the Ben Glass response to LegalZoom

Characteristics

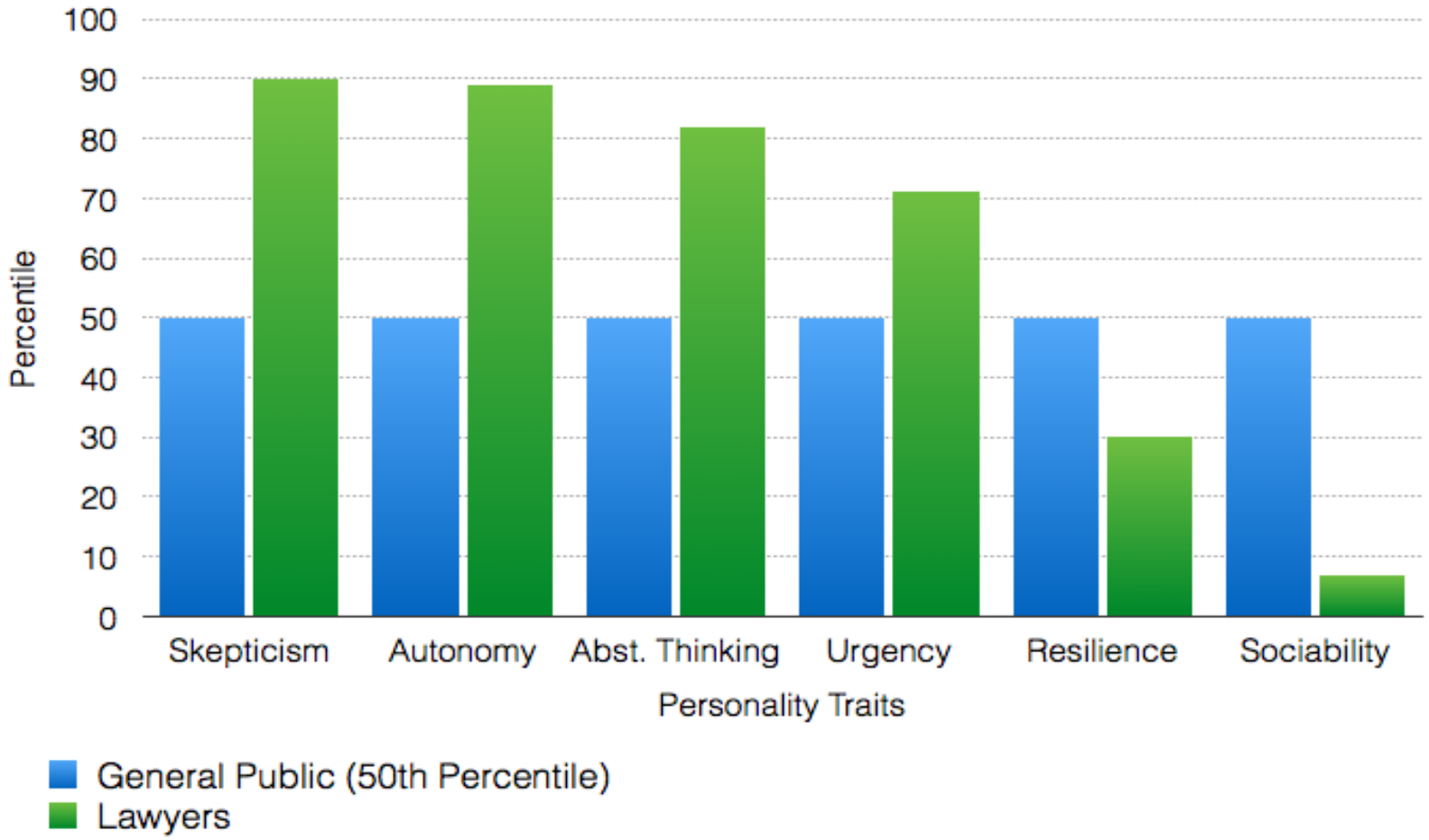
Are you empathetic?

Can you listen & observe?

Can you make the complex understandable?

Can you maintain boundaries?

The 6 Predominant Lawyer Personality Traits



From the research of Larry Richard, Ph.D.

Dr. Larry Richard / LawyerBrain.com

Small firm lawyers need high EQ (emotional intelligence)

What does high EQ look like?

High EQ Qualities

You are optimistic.

You are not a perfectionist.

You can balance work and play.

You embrace change.

You are not easily distracted.

You are empathetic.

You know your strengths & weaknesses.

You are self-motivated.

You don’t dwell in the past.

You take care of yourself.

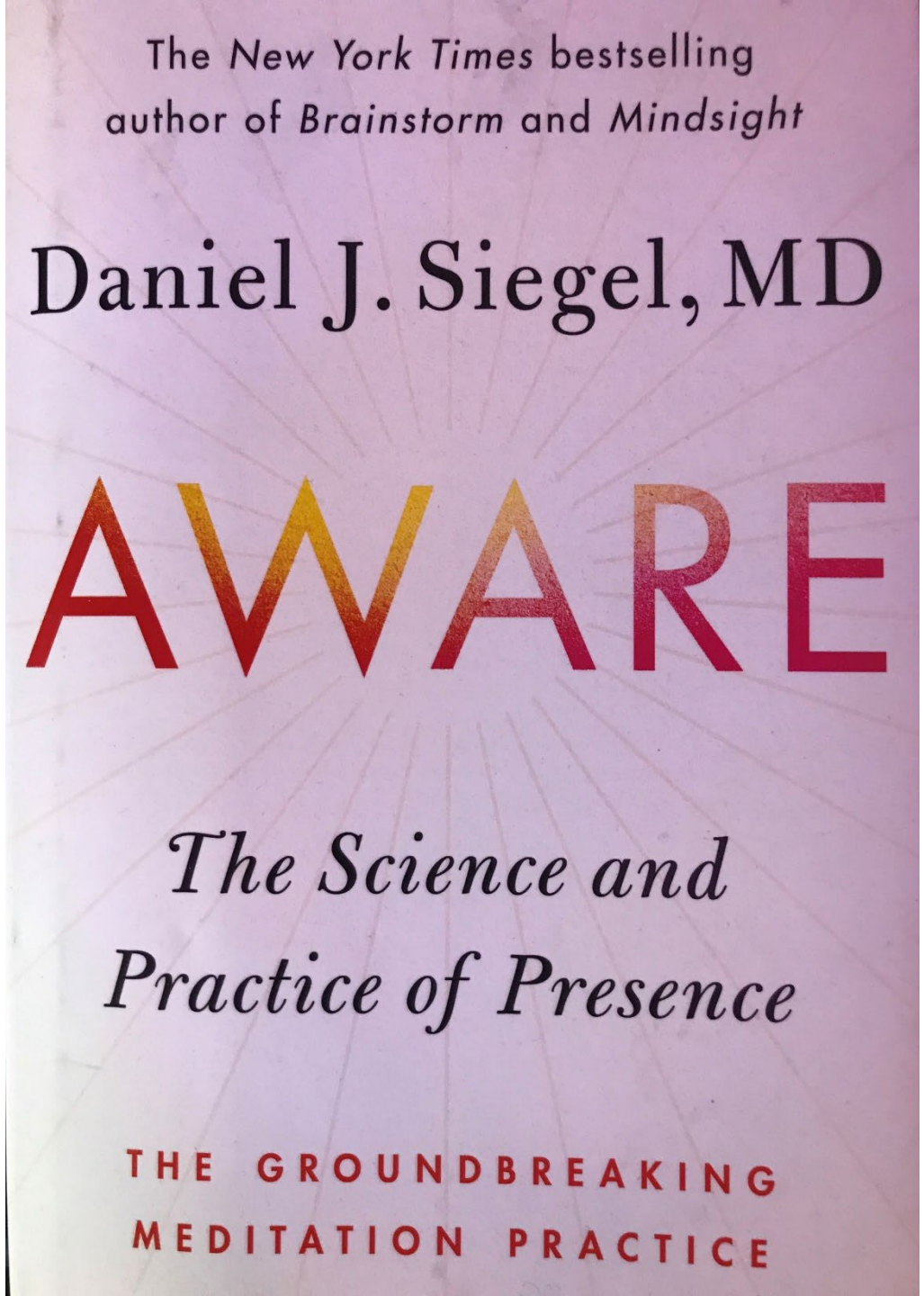
You set boundaries.

A person with EQ understands this truth:

You cannot impact a feeling with a fact.

You can only impact a feeling with another feeling.

A great resource to develop good decision making



Characteristics of the successful small firm lawyer

Are you an *idea* person & a *detail* person?

Can you work a room? Can you close?

Can you screen & talk about money?

Can you be selective about clients & cases?

Are you a life-long learner?

Empathy vs Sympathy

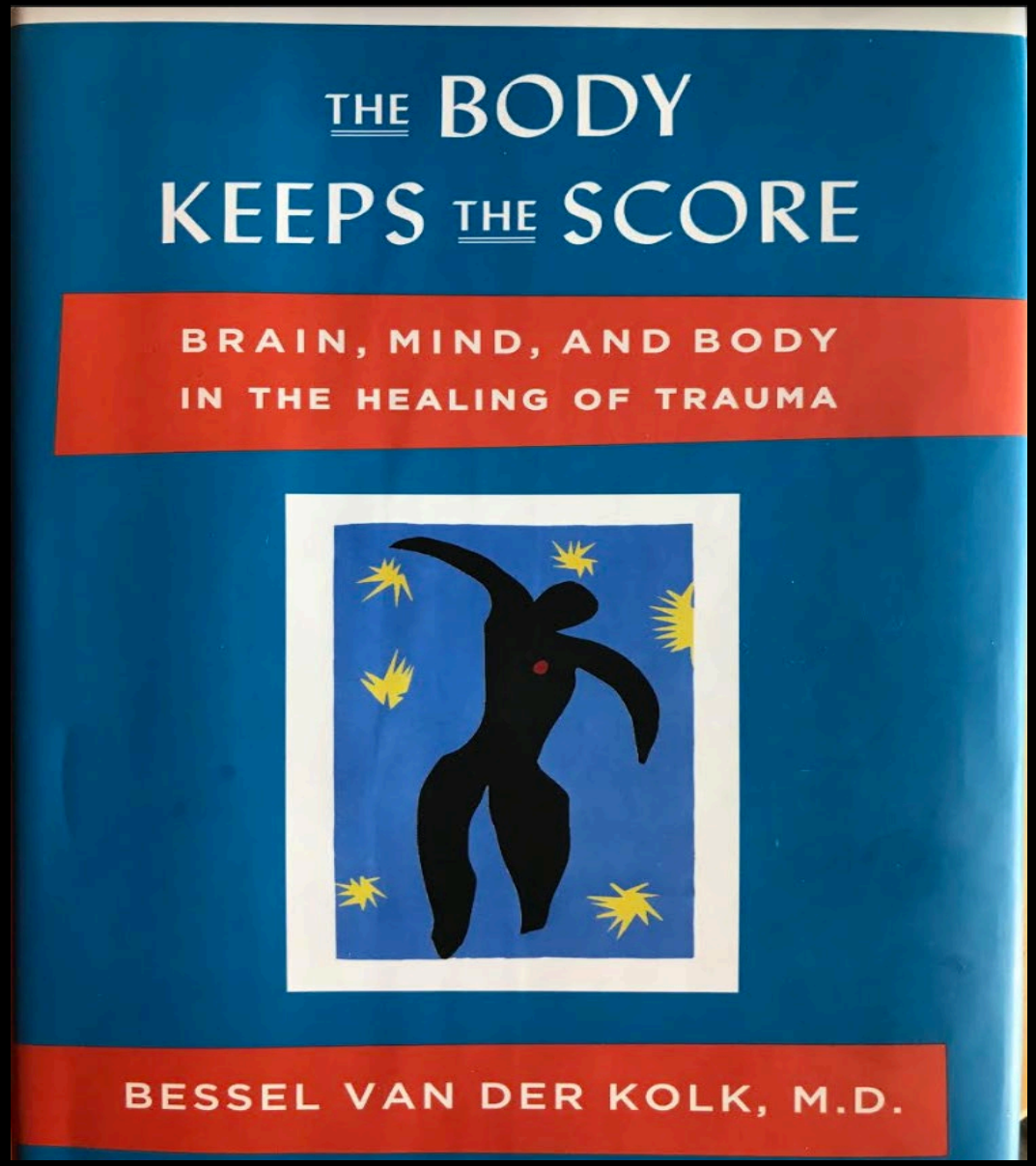
This video of Brene Brown explains the difference.

https://www.youtube.com/watch?v=1Evwgu369Jw

An empathetic person
is not afraid to be vulnerable

Here’s a talk by Brene Brown on the
power of vulnerability

If you have clients who have suffered trauma, this is a resource to understand how trauma affects a person



Play to your strengths

https://www.gallupstrengthscenter.com/

http://www.viacharacter.org/www/

https://www.authentichappiness.sas.upenn.edu/

The small firm focus

When we are licensed to solve the problems of others,

it is best that our focus be narrow.

There is less challenge and risk

in a narrowly focused small firm.

We are expert & efficient at solving our client’s problem.

Our marketing initiative is better directed and more

successful.

WHAT
YOU LOVE
HAPPY BUT
POOR
JUST A
DREAM
#WIN
WHAT
YOU'RE
GOOD AT
RICH BUT
BORED
WHAT
PAYS
WELL

Necessary skills

Active listener

Ability to negotiate

Effective writer

Good speaker

Ability to adapt

Quick study

Solution oriented

We are regulated

We must comply with the DC Rules of Professional Conduct;

And the rules of any other jurisdiction where we are barred;

And other codes, regulations and court rules;

And not become paralyzed by regulation.

Click here for free, confidential, informal ethics advice

We are DC Rule focused here

If you practice in another jurisdiction,

it may be different there.

For example:

DC Rule 7.1 & 7.5 – marketing

DC Rule 1.8(d)(1) & (2) – client financial help

DC Rule 5.4(b) – non-lawyer equity partner

DC Rule 1.6 – confidences & secrets

Getting started

What’s the problem you solve?

Why should a prospective client bring you into their life?

What are the skill sets you need to *attract* and *solve* the problem of your ideal client?

Are these the same skill sets?

76 words in a 30 second spot

Because that is what people remember

Less can be more

The words you speak become the house you live in.

- Hafiz

Firm name

Rule 7.5 & 7.1

Avoid implying that you are more than you are

Using *Firm* is acceptable Ethics Opinion 332

Be cautious of and test drive the unique name

Unique name example: *Ipseity Law*

Ipseity, from the Latin word *ipse,* meaning “itself”

“Ipseity reminds me of my core self,

the me beneath all layers of adaptation & personality,

and that’s why I choose Ipseity Law for the

name of my small firm.”

The entity question

Know why you need an entity

Small firm legal structure

Here is information from DCRA

Sole proprietor is an option

See *Choosing the Business Entity* in the e-Manual

Sole proprietors, partners & self-employed persons pay estimated taxes

Your firm will need an EIN

Apply to the IRS for an employer id number

You will need an EIN to open your firm's business checking account

Avoid putting your SSN on a 1099 form

More is in the e-Manual

IRS Employee vs Contractor Guidelines

Doing business in DC

Law firms do not need a business license
from DCRA

You may need to file the FR 500 (e-Manual)

More information about the FR500 is here

Do you need an office in DC?

DC Rules do not require it

Be careful about an office in a jurisdiction where you are not barred

See e-Manual for more information

The office should be client-focused

Is client data safe & secure?

Avoiding UPL

Rule 5.5 bars a DC Bar member from the unauthorized practice of law in another jurisdiction

Every jurisdiction has its own UPL rule, regulation or code provision

See e-Manual - Avoiding the Unauthorized Practice of Law

When emails from Colorado became UPL in Minnesota

ABA Legal Ethics Opinion 495
Lawyers Working Remotely - 12/16/20

"The Committee's opinion is that, in the absence of a local jurisdiction's finding that the activity constitutes the unauthorized practice of law, a lawyer may practice the law authorized by the lawyer's licensing jurisdiction for clients of that jurisdiction, while physically located in a jurisdiction where the lawyer is not licensed if the lawyer does not hold out the lawyer's presence or availability to perform legal services in the local jurisdiction or actually provide legal services for matters subject to the local jurisdiction, unless otherwise authorized."

ABOUT US OUR TEAM PRACTICES

HWG

HARRIS, WILTSHIRE & GRANNIS LLP

Avoiding Unauthorized Practice Of Law In Remote Work

August 05, 2021

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Amy Richardson and Lauren Snyder published the article "Avoiding Unauthorized Practice of Law in Remote Work" in *Law360* today.

Click here to see the full article

Attorney Grievance Commission of MD v. Jackson

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City Center
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Suite 500
Washington, DC

Clarendon
3033 Wilson Boulevard
Suite 700
Arlington, VA

Duke Street
1765 Duke Street
Alexandria, VA

Dupont
1101 Connecticut Ave NW
Suite 450
Washington, DC

Friendship Heights
5425 Wisconsin Avenue
Suite 600
Chevy Chase, MD

Georgetown
1050 30th Street NW
Washington, DC

King Street Station
1800 Diagonal Road
Suite 600
Alexandria, VA

K Street
1717 K Street NW
Suite 900
Washington, DC

Old Town
500 Montgomery Street
Suite 400
Alexandria, VA

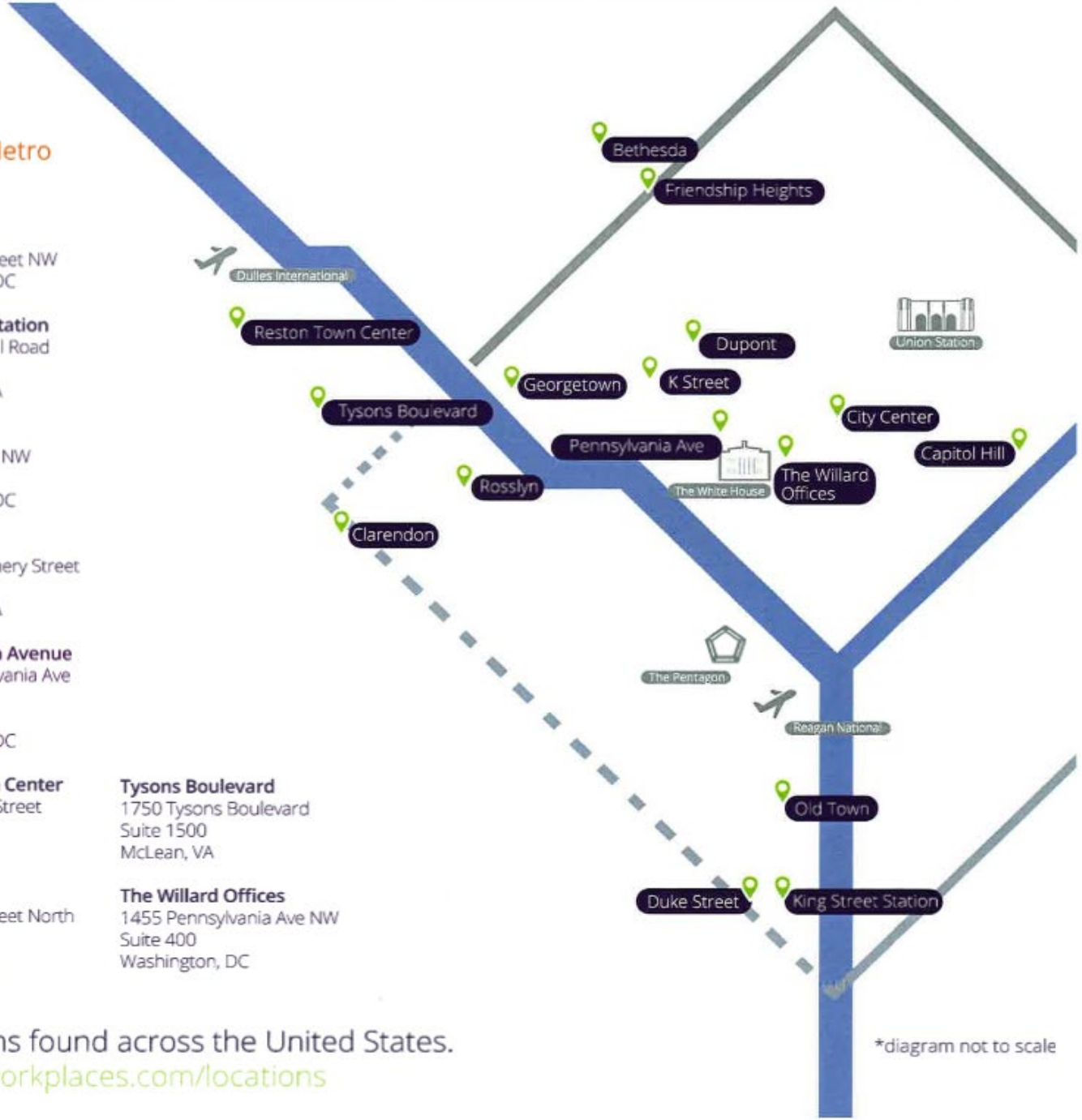
Pennsylvania Avenue
1701 Pennsylvania Ave NW
Suite 200
Washington, DC

Reston Town Center
1818 Library Street
Suite 500
Reston, VA

Rosslyn
1001 19th Street North
Suite 1200
Arlington, VA

Tysons Boulevard
1750 Tysons Boulevard
Suite 1500
McLean, VA

The Willard Offices
1455 Pennsylvania Ave NW
Suite 400
Washington, DC



Plus 10 additional locations found across the United States.
Learn more at www.carrworkplaces.com/locations

*diagram not to scale

Google My Business & virtual office issues

Engage with customers on Google for free

With a Google My Business account, you get more than a business listing. Your free Business Profile lets you easily connect with customers across Google Search and Maps.

Google My Business

DC Bar Member Benefits

Carr WorkPlaces

Clio, MyCase

Fastcase

USI Affinity

OSI

Office Services Inc.

1629 K Street NW Suite 300

Washington, DC

20006

The law firm business plan

Planning gives your focus, control, & direction

You will have an edge over the competition

You will think about your law enterprise as a system

Planning reduces risk & increases reward

See the e-Manual for more information.

Request the plan template, workbook & spreadsheets:

PMAS@dcbar.org

Here is why the plan is essential

It raises issues you will not have considered

It helps you to think like an entrepreneur

It puts you in your ideal client's
problem recognition process

Write a plan with your prospective partners

Build your network

Small firm support systems are important

Networking events & groups are vital

Mentoring can result

Referral networks are created

Resources are located

Informal groups, voluntary bars & Communities

And social media are some of the possibilities

Networking Opportunities

Law is a relationship business

Register here

April 21, 2022 – How to Start or Expand Your 'Low Bono' Legal Practice by Joining the DC Refers Panel of Attorneys and Mediators

April 28, 2022 – 5 Steps to Creating Great Marketing Content as a Lawyer

2nd Friday at Fireworks Pizza, 2350 Clarendon Blvd. (Clarendon Metro) in Arlington at 12:30 pm. RSVP to steven@stevenkriegerlaw.com

Last Friday at *Café Oaxaca, 4905 Fairmont Ave.*, Bethesda at Noon. RSVP to mark@markdelbianco.com

The business of the small firm

Fees & getting paid

Handling money

Management

Getting help

Handling client data

Fees

How will you price your service?

Rule 1.5 says it must be *reasonable*

So you can profit, know what a productive hour is worth –

More in the e-Manual

Ask for the 168 hour time management spreadsheet

Time & effort are not necessarily value.

The client values the result.

Covington's Eric Holder Bills at $2,295 Hourly, New Legal Services Contract Shows

Covington and other firms have long been hired to conduct internal investigations at companies and other institutions, but in many instances the engagement letters, revealing rates and the scope of legal services, are not matters of public record.

By **Mike Scarcella** | April 16, 2021 at 02:19 PM

Clio Legal Trends 2021

HOURLY RATES BY STATE

State	Law Firms	Lawyers	Non-lawyers	State	Law Firms	Lawyers	Non-lawyers
AL	$194	$206	$105	NC	$231	$255	$131
AR	$235	$251	$131	ND	$246	$264	$164
AZ	$233	$260	$142	NE	$223	$224	$218
CA	$319	$352	$172	NH	$219	$239	$141
CO	$242	$267	$138	NJ	$307	$324	$163
CT	$301	$335	$162	NM	$219	$243	$134
DC	$373	$411	$187	NV	$289	$320	$174
DE	$315	$353	$166	NY	$351	$372	$220
FL	$264	$296	$144	OH	$221	$234	$138
GA	$256	$275	$154	OK	$210	$225	$122
IA	$182	$189	$134	OR	$231	$257	$131
ID	$213	$227	$117	PA	$271	$287	$183
IL	$288	$309	$160	RI	$211	$221	$120
IN	$223	$239	$131	SC	$211	$246	$113
KS	$225	$237	$148	SD	$177	$183	$110
KY	$203	$214	$130	TN	$218	$235	$120
LA	$221	$244	$99	TX	$265	$301	$146
MA	$273	$285	$187	UT	$231	$251	$127
MD	$290	$312	$170	VA	$275	$295	$159

Productive hour calculation

Monthly expenses X 12

$5k professional, $5k personal X 12 = $120,000.00

$120k / 50 weeks = $2400.00

$2400 / 5 days = $480.00

$480 / 3 productive hours each day = $160.00

(/ = divide)

Incorporating profit

$160.00 + $90 profit = $250.00 hourly rate

$250.00 X 3 productive hours a day = $750.00

$750.00 X 5 days = $3750.00

$3750.00 X 50 weeks = $187,500.00

$187,500 - $120,000 = $67,500.00 profit

Lawyerist

Hourly rate calculator

Revenue – Expense = Profit

When the small firm does not intend to profit,
it is simply surfing cash flow.
Here is how to know when you are profiting:

Total Fixed Cost / (Matter Price – Cost) = Matters needed to break even

$5000 Fixed Cost (month) / ($1000 - $750) = 20 matters a month to break even

Revenue – Expense = Profit

Compare to a firm with more margin in the formula

$5000 Fixed Cost (month) / ($2500 - $750) = 3 matters a month to break even

How do you know the market?

Rule 1.5(a)(3)

Bar associations cannot tell you

Experienced lawyers & Clio reports are the best sources

The USAO's Fitzpatrick matrix is here

Above the Law accounts

DC US Attorney's Office Fitzpatrick Matrix

https://www.justice.gov/usao-dc/page/file/1189846/download

THE FITZPATRICK MATRIX

Hourly Rates ($) for Legal Fees for Complex Federal Litigation in the District of Columbia

Years Exp. / Billing Yr.	2013	2014	2015	2016	2017	2018	2019	2020	2021
35+	535	563	591	619	647	675	703	731	736
34	534	562	590	618	646	674	702	729	734
33	532	560	588	616	644	672	700	728	733
32	530	558	586	614	642	670	698	726	730
31	527	555	583	611	639	667	695	723	728
30	524	552	580	608	636	664	692	720	725
29	521	549	577	605	633	661	689	717	721
28	517	545	573	601	629	657	685	713	717
27	512	540	568	596	624	652	680	708	713
26	508	536	564	592	620	648	676	704	708
25	502	530	558	586	614	642	670	698	703
24	497	525	553	581	609	637	665	693	697
23	491	519	547	575	603	630	658	686	691
22	484	512	540	568	596	624	652	680	684
21	477	505	533	561	589	617	645	673	677
20	470	498	526	553	581	609	637	665	670
19	462	490	518	546	574	602	630	658	662
18	453	481	509	537	565	593	621	649	653
17	445	473	500	528	556	584	612	640	645
16	435	463	491	519	547	575	603	631	635
15	426	454	482	510	538	566	593	621	626
14	416	443	471	499	527	555	583	611	615
13	405	433	461	489	517	545	573	601	605
12	394	422	450	478	506	534	562	590	594
11	382	410	438	466	494	522	550	578	582
10	371	399	427	455	483	510	538	566	570
9	358	386	414	442	470	498	526	554	558
8	345	373	401	429	457	485	513	541	545
7	332	360	388	416	444	472	500	528	532
6	319	347	375	403	431	458	486	514	518
5	305	332	360	388	416	444	472	500	504
4	290	318	346	374	402	430	458	486	489
3	275	303	331	359	387	415	443	471	474
2	260	287	315	343	371	399	427	455	458
1	244	272	300	328	356	384	412	439	442
0	227	255	283	311	339	367	395	423	426
P*	130	140	150	160	169	179	189	199	200

DC US Attorney's Office former Laffey Matrix data

https://www.justice.gov/usao-dc/former-attorneys-fees-matrices

The best business model for getting paid

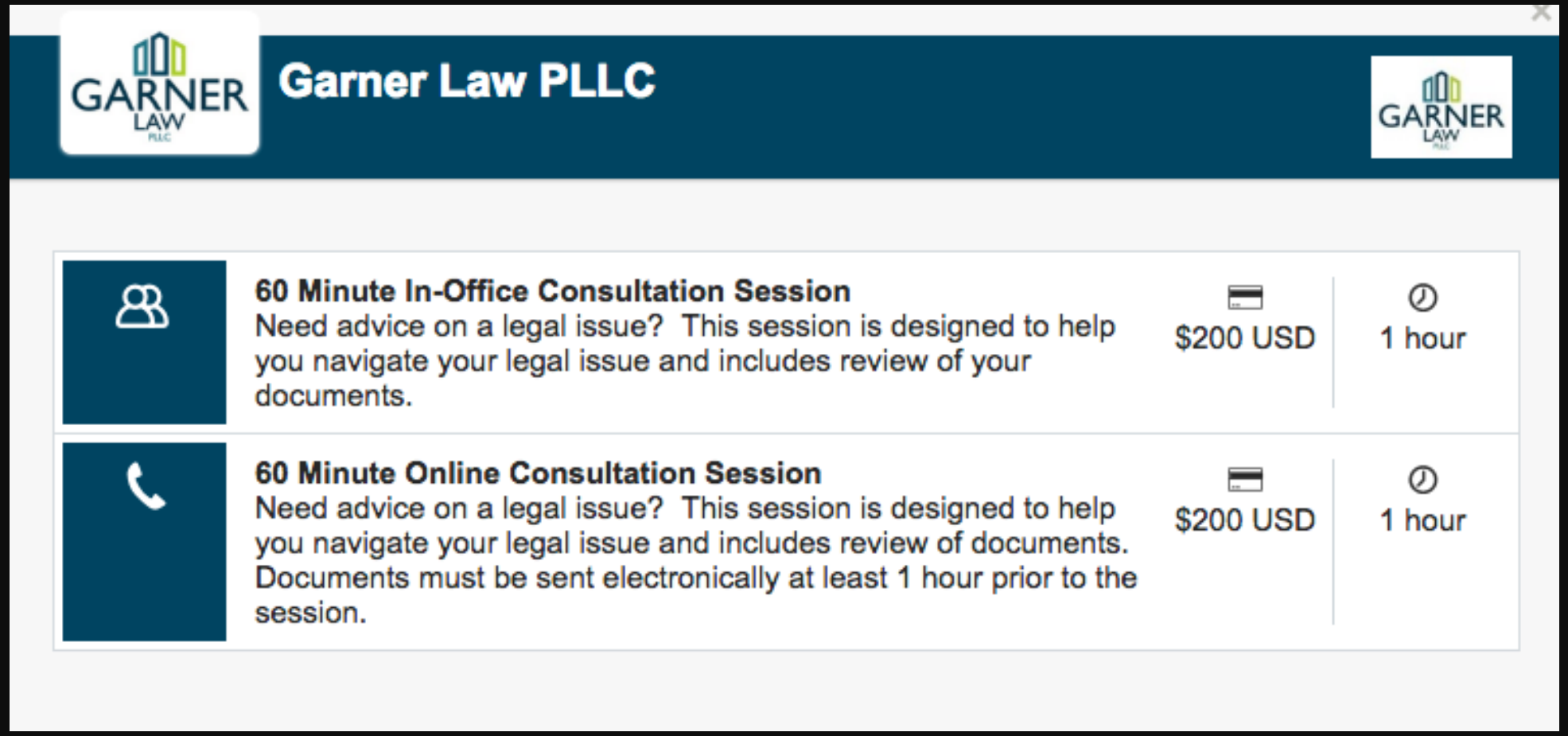
The Zips model works for the small firm

No inventory

Nothing perishable

Get paid up front

Charging for the initial consultation



Garner Law PLLC

The fee agreement

A plan for solving your client's problem

A plan for getting paid

Rule 1.5(b) requires a writing covering the scope, fee & expenses

A contingent fee "agreement" is required as is a written statement of the outcome - Rule 1.5(c)

The best practice

Create a client-friendly contract that complies with Rule 1.5 and Rule 1.15 (when necessary)

Address other important issues like how you will communicate, what is expected of the client & what happens to the file

The e-Manual covers other terms

Request sample forms at PMAS@dcbar.org

Limited Scope Opportunity

D.C. Superior Court has issued Admin Order 14-10 allowing limited appearances in these divisions:

Civil

Probate

Tax

Family

Domestic Violence

RPC 1.2 has been amended.

See more in the e-Manual for forms.

Bar Complaint Form

It asks this question regardless of the nature of the complaint:

D. Do you have a written retainer agreement with the attorney? If yes, please attach a copy.

There is no exception in Rule 1.5 for a client who is pro bono, court appointed,

friend or family

Small firm bank accounts

- The firm's business account (operating account)
- DC IOLTA, assuming there are IOLTA eligible funds
- Trust Account for a single client or case, assuming the need exists

What goes where?

If you have done the work and earned the money, it goes into the business or operating account.

When it is an advance fee, when you are paid before you have done the work, when you have not yet earned the money, it goes into the IOLTA, assuming it is nominal in amount or going to be held for a short time.

Elements of good trust account management:

A ledger for each account;

Advance fees (flat, fixed or hourly) are entrusted (DC IOLTA);

Keep a client ledger for each client’s money held in trust;

Include a summary of a client’s trust funds in the invoice;

Use the three-way trust account reconciliation spreadsheet.

e-Manual, Chapter 5, Trust Accounting

Use the DC IOLTA Registration Form to open an IOLTA at an IOLTA compliant bank

Most advance fees are IOLTA eligible because they will not earn net interest for the client

Name your IOLTA properly (Rule 1.15(b)) Example:

Daniel M. Mills Lawyer DC IOLTA, or

The Mills Firm DC IOLTA

IOLTA Exceptions / Rule 1.15

". . . when the lawyer is otherwise compliant with the contrary mandates of a tribunal . . ."

If you are licensed, principally practice & are IOLTA compliant in another jurisdiction. Rule 1.15(b)

". . . unless the client gives informed consent to a different arrangement." Rule 1.15(e)

The problem with "informed consent to a different arrangement"

The Rules don't explain it

There is no case that sets out the elements

After In Re Mance, Disciplinary Counsel is waiting on the right set of facts to establish the elements. It may be coming in In Re Ponds

Waiver of entrustment is high risk conduct

What we think we know about informed consent to waiver of entrustment

Orally & in writing the client agrees that:

1. Advance fees are normally entrusted;
2. Un-entrusted fees are treated as the lawyer’s property;
3. Lawyer must explain the service & do the work to earn the fee;
4. Unearned fee must be returned to the client;
5. Un-entrusted fees are subject to the lawyer’s creditors.

Credit Card Payments

Be certain the payment goes into the right law firm account

LawPay is a new DC Bar member benefit for credit card processing

LEO 348 Accepting Credit Cards for Payment of Legal Fees

The charge back risk & credit card provisions for fee agreements: request at PMAS@dcbar.org

Bank account record keeping

Maintain complete records for tax purposes;

Maintain complete records for trust account purposes (Rule 1.15(a);

"Complete records" tell the full story of how the lawyer handled the money and whether the lawyer followed the Rules – *In Re Clower, 831 A. 2d 1030, DCCA 2003*

Include supporting data

The law firm bank statement

Should only be opened or accessible by you;

Should be examined regularly;

Never delegate this task regardless of how big, busy & successful you become;

Only delegate financial duties after your thorough review of the bank statement;

Reconcile the bank statement with your trust account ledger & client ledgers.

Legal Issues

Staffer from major law firm sentenced to prison for spending $425,000 on designer clothes, candles and other luxuries

He could not explain the impulse behind the fraud during a sentencing hearing Monday.

By Rachel Weiner

Trust account scams

It typically begins with a remote “client”;

It will involve a check to deposit into your trust account and fees for you;

The scammer will want funds wired to another account (usually off-shore)’

Never wire funds until the check has cleared’

To be safe, send the check for “collection” (UCC 4-501).

Scam email example

LEGAL COUNSEL NEEDED!!!

Paris Jun

August 18, 2015, 11:46 PM

Dear Counsel,

My name is Paris Jun. I am contacting your firm in regards to a divorce settlement with my ex husband (Michael Jun) who resides in your jurisdiction. I am currently on assignment in Japan. We had a court agreement for him to pay $578,000.00 plus legal fees. He has only paid me $78,000.00USD since.

I am hereby seeking your firm to represent me in collecting the balance from him. He has agreed already to pay me the balance but it is my belief that a Law firm like yours is needed to help me collect this payment from my ex-husband or litigate this matter if he fails to pay as promised.

Sincerely,
Paris Jun

IOLTA eligible funds . . .

- **Must be held in an approved IOLTA bank;**
- **Are funds that are nominal in amount, or,**
- **Held for a short period of time;**
- **Such that effort to administer "consumes" interest income.**
- **Example of an account name: *Daniel M. Mills DC IOLTA Account;***
- **Interest goes to the DC Bar Foundation for pro bono legal services.**

IOLTA Program Data
May 2021

Net Interest (gross after service fees): $52,623

Average Daily Balance: $365,185,511

Number of approved depositories: 40 (24 remitting)

Top 10 Banks account for 87% of Revenue

Bank	Number of Accounts	Month Net Revenue
Bank of America	386	$11,830
Wells Fargo	478	$10.186
Citibank	531	$ 6,440
SunTrust	255	$ 5,218
Capital One Bank	188	$ 3,866
PNC	293	$ 3,237
BB&T	137	$ 2,812
United Bank	107	$ 2,047

Trust Account Records

- **What are you required to keep? *Complete records* - Rule 1.15(a);**
- **How long? *. . . for a period of five years after termination of the representation.* Rule 1.15(a);**
- **But is it ever safe to destroy trust account records when there is no statute of limitation on a disciplinary complaint?**

Complete records?

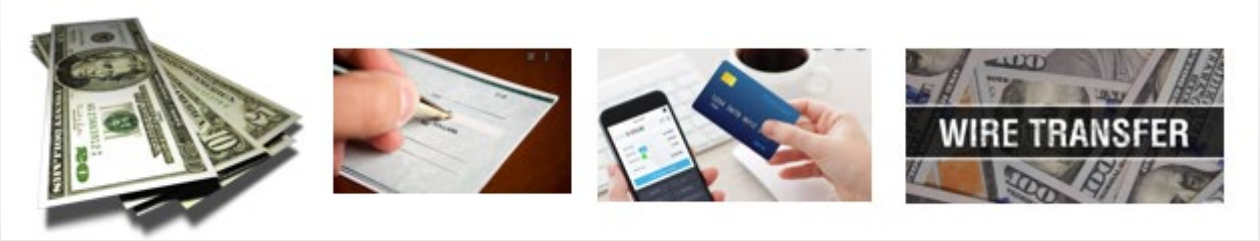
- **What are complete records of a trust account transaction?**
- **If Bar Counsel cannot figure it out from your records, then your records are not complete.**
- ***In re Donald A. Clower*, 831 A.2d 1030, DCCA 2003.**

- “Complete records” tell the full story of how the lawyer handled the money and whether the lawyer followed the Rules;
- If the records show what happened and that you complied with the Rules, then they are complete;
- “The reason for requiring complete records is so that any audit of the attorney’s handling of clients funds by Bar Counsel can be completed even if the attorney or the client, or both, are not available.” *In re Clower* at 1034.

What is ODC's expectation for complete records in a contingency fee matter?

ODC wants to see the underlying documentation for every entry on the recovered fund (settlement) distribution sheet.

Managing Money

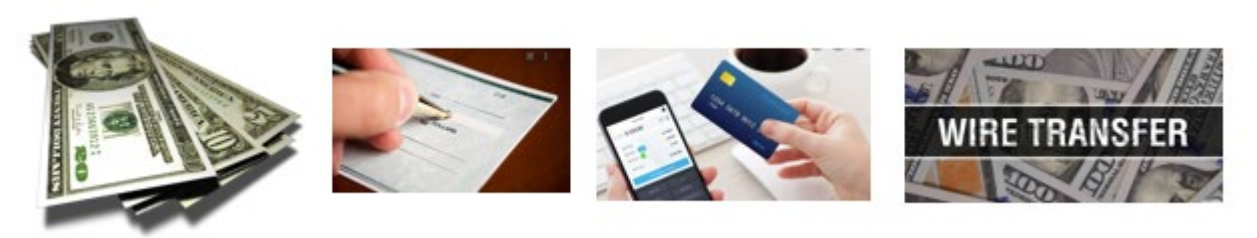


IOLTA

Operating

So where does the money go?

If the Fee is an …



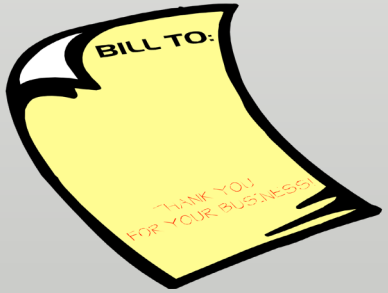
Advance Fee/Expense
or Settlement

It goes in your…

IOLTA Account

With the advance fee in the IOLTA, then you….

Perform the work



Send invoice

And then…

Transfer the attorney fee pursuant to your fee agreement …

From

IOLTA

To

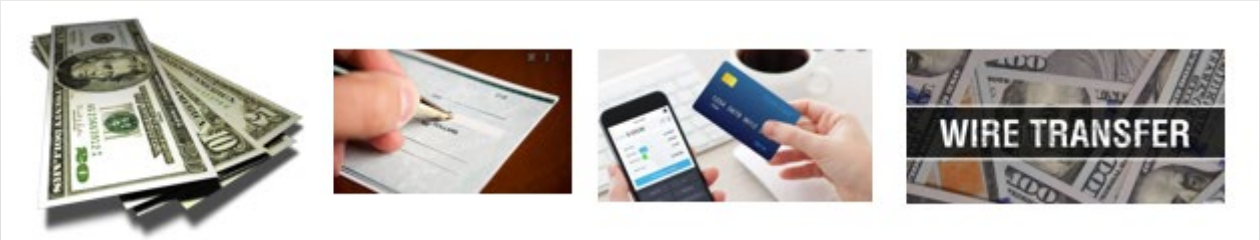
Operating

These separate accounts can be at the same bank or different banks

Recovered funds in a contingency fee matter

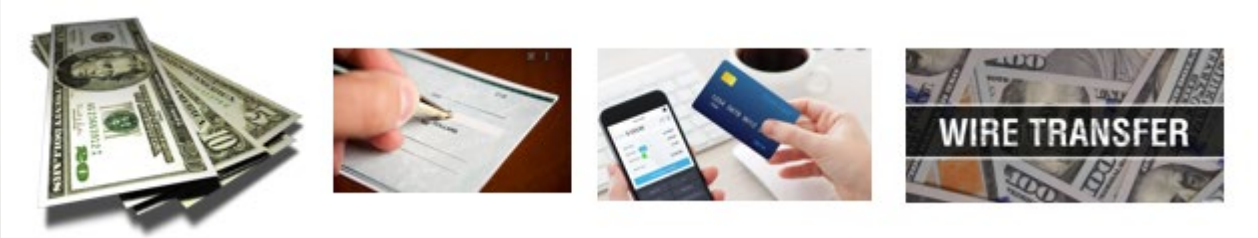
- Check is deposited into the firm’s IOLTA
- Wait for the check to clear
- When funds are available, distribute according to the fee agreement and claims of valid third parties

What if you get paid after the work is performed?



Then you deposit straight to…

Operating Account



NEVER

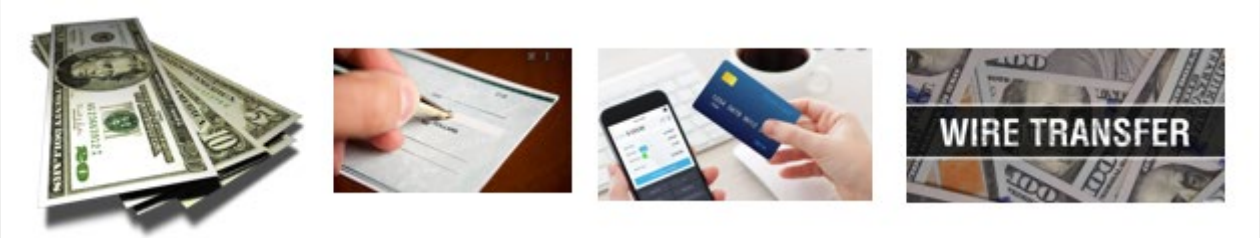
Advance Fee

Operating Account

UNLESS…..

You obtain the client's "Informed Consent" to deposit their money into your operating account - Rule 1.15(e).

Best Practice Tip: Don't Do This!



NEVER

Law firm Money

IOLTA Account

Except….

You can only put law firm money into an IOLTA Account pursuant to D.C. Rule 1.15(f) which says…

Nothing in this rule shall prohibit a lawyer from placing a small amount of the lawyer's funds into a trust account for the sole purpose of defraying bank charges that may be made against that account.

TrustBooks.

Features Customers Pricing Resources

Simplify your legal accounting

Accounting software for law firms

- Easy to use and built exclusively for law firms
- Track all activity at the client level
- Stay compliant with simple trust accounting

TrustBooks

In Re Mance
980 A.2d 1196 (D.C. 2009)

- A flat fee is now an advance fee when it is paid before work begins
- Rule 1.15(e) applies - it must be entrusted
- Advance flat fees go into the IOLTA
- The fee agreement determines how and when you earn the fee
- A lawyer cannot earn a fee for doing nothing. *In re Sather,* 3 P.3d at 414

When does a flat fee go into the operating account?

- When the work is done and the fee is earned.
- If a flat fee is paid after the work is performed, it goes into the operating account.

Availability - What's that?

- **Flat fee is generally not an *engagement retainer*** (classic definition)
- **Engagement retainer refers to availability, if required**
- **Flat fee for a task-based matter may cover all the work to be done**
- **LEO 355 - Flat Fees & Trust Accounts**
- **Availability gigs are rare and unique**

Rule 1.15(e) informed consent - what is needed?

- **Flat fees normally are entrusted**
- **Un-entrusted fee will be treated as the lawyer's property**
- **Lawyer must work for the fee to keep it**
- **Lawyer must explain the benefit or service**
- **Lawyer must refund any fee not earned**
- **Fee is subject to the lawyer's creditors**

What is the message sent by this?

IN RE KENNETH A. MARTIN
NO. 11-BG-775 DCCA February 13, 2014

- **If a client, *with reasonable promptness,* disputes a lawyer's fee after it has been withdrawn from the trust account, the lawyer must return the disputed sum to the trust account;**
- **Unearned fees that must be returned to the client under Rule 1.16(d) include an arbitration award in favor of the client.**

The new Managing Money course

Here are the dates in 2022

9 a.m. – 12:30 p.m., on Zoom

If you are interested in a private session for your firm or organization, email PMAS@dcbar.org with “Managing Money” in the subject line.

The course tracks the earning mechanism in seven types of fee agreements & manages funds in the IOLTA & operating account as representations unfold.

Ethics Help

From the DC Bar, it is free & confidential

- **Hope Todd, Saul Singer, Nakia Matthews & Erika Stillabower;**
- **202-737-4700 / ext. 1010**
- **ethics@dcbar.org**

Practice management help

We are free and confidential too

Dan Mills / 202-780-2762 / dmills@dcbar.org

Kaitlin Forster / 202-780-2764 / kforster@dcbar.org

Managing the small firm

A system for the paper & digital data

A system for time & dates

Invoicing & handling money

Work flows & procedures in your office

e-Manual, Chapter 8, Office Management

An onboarding system for the new client

What do you want the client to know about you?

How do you manage the representation?

How will you communicate?

How does the fee agreement work?

Do you accept electronic payments?

Download the checklist

https://www.gimbalcanada.com/

22 Core Processes You Need in Your Law Firm

Do you have the processes in place to run your firm effectively? Get the checklist and find out!

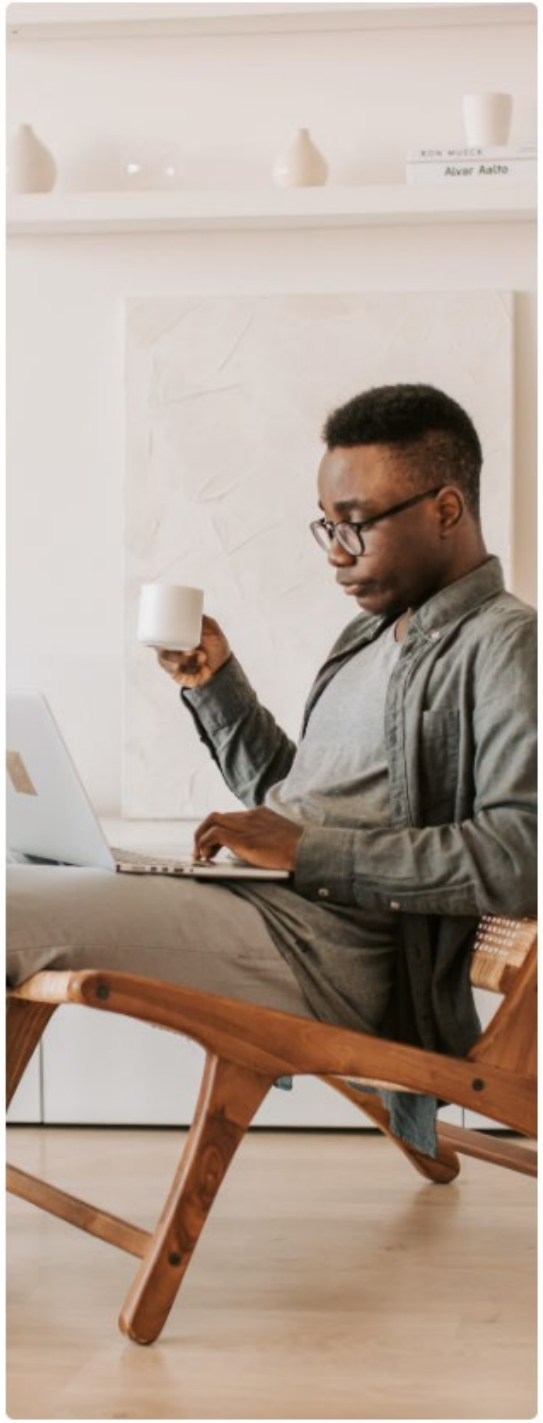
First Name

Email Address

GET THE CHECKLIST NOW!

You consent to receiving the Process Checklist and other information about business efficiency & practice management.

We respect your privacy. Unsubscribe at any time.



Tracking your work

Whether you charge for time or results, you need to know what you are doing & where you are spending your time

Useful tools: time59.com Timeslips Clio Timesolv

Clio is a DC Bar member benefit

Ask for the 168 hour time management spreadsheet at PMAS@dcbar.org

Invoicing

It starts in your initial consultation

It should be described in the fee agreement

It should be tied to value

It should involve a highly functional system in your law office

Invoices that show progress get paid

e-Manual, Chapter 6, Billing Practices

Project management

Keeping track of every prospective client, engaged client, administrative & marketing initiative in your law firm

Start with the Case & Action Manager spreadsheet; request from PMAS@dcbar.org

Migrate to Clio

Is it really possible to manage time?

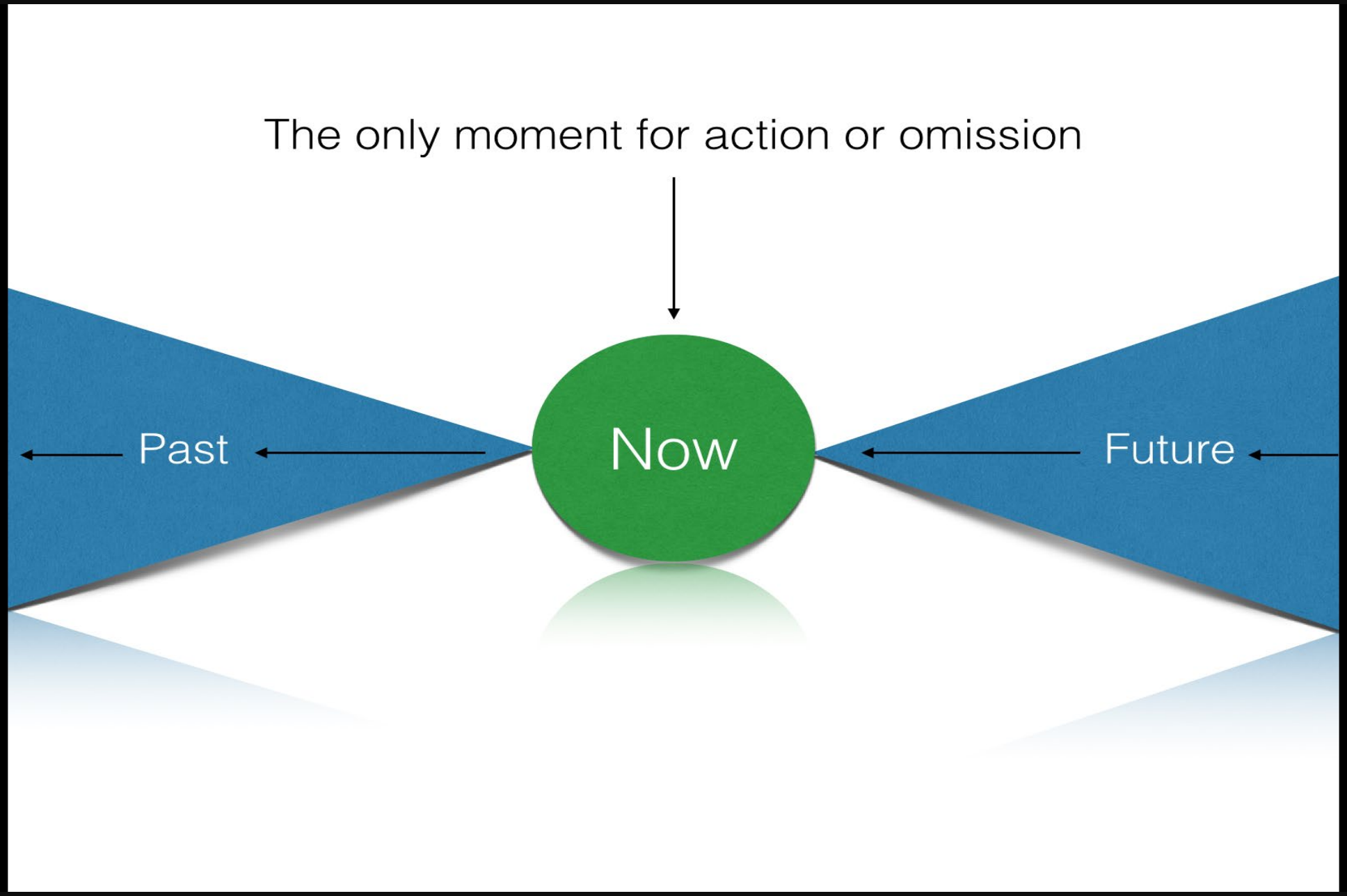
When people & projects compete for your time:

Works in blocks of time with a single goal

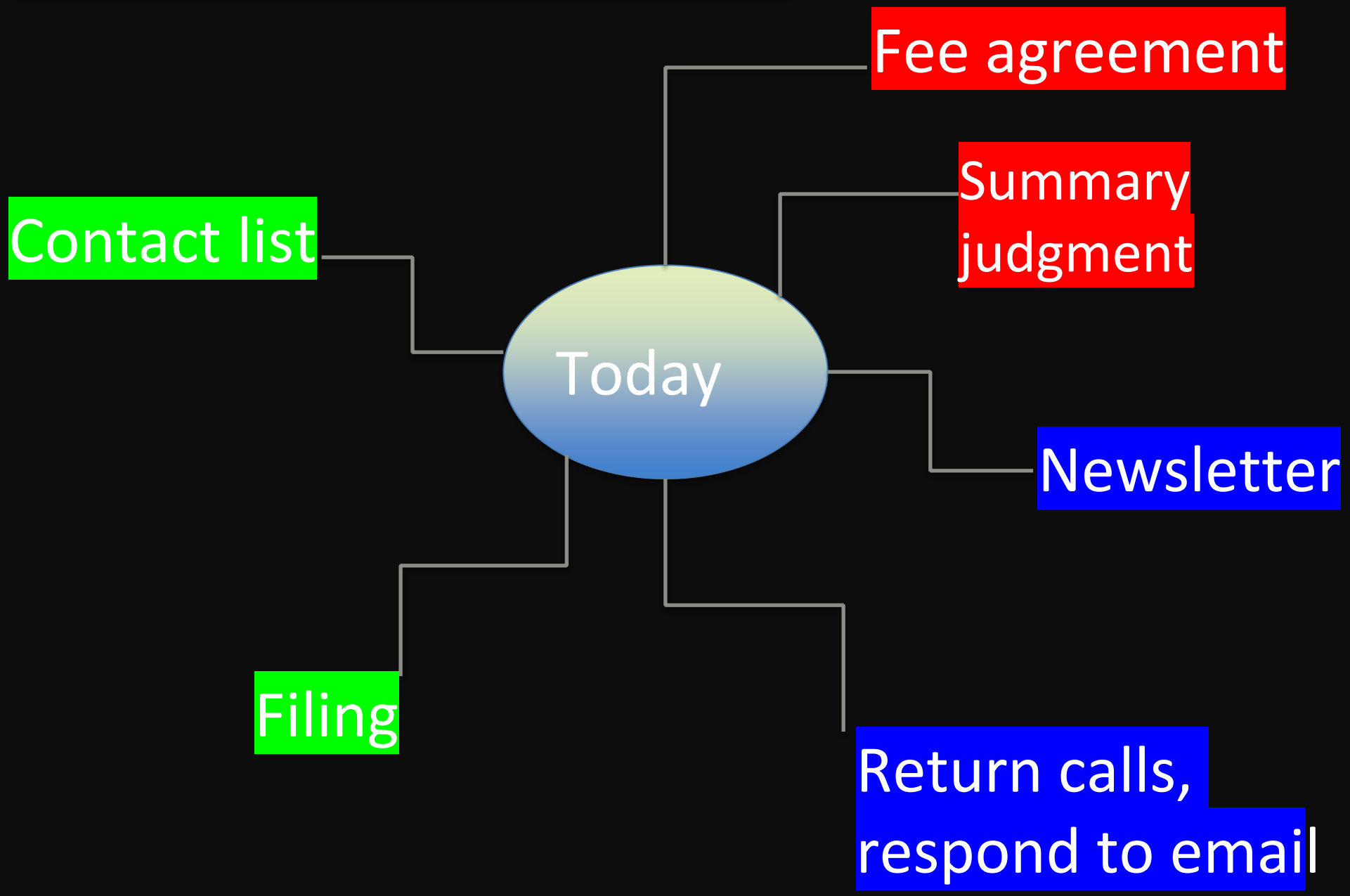
Employ self-discipline & focus

Avoid *chronic reaction syndrome*

Avoid *Distractions of Doom*


The only moment for action or omission
Past
Now
Future

A concept map for the next three hours



Backup systems for the small firm

Backup your data either to a safe, encrypted external hard drive, and/or

Backblaze Carbonite or similar service.

To be really safe, clone your hard drive.

Glyph are best.

Get a backup for yourself; avoid DC App. R. XI, Section 15(a); comply with R. 1.3, Comment 5

Ask for the *Agreement for Emergency Backup Services*

from PMAS@DCBar.org

When you need help

The *Of Counsel* arrangement; requires a close & ongoing relationship between the lawyer & firm;

Rule 1.10: the conflicts of the *of counsel* lawyer and of the firm are imputed to each other;

Washington Lawyer, Speaking of Ethics, Of Counsel

Page 14

Getting help on a contract basis

Lawclerk.legal

Montage Legal Group

Lawyer Exchange

CuroLegal

UpWork

Where to find virtual staff?

- upwork.com (My personal favorite)
- freelancer.com (general VAs - all categories)
- fiverr.com (everything from powerpoint to logos to research and article writing for $5)
- atlasvirtualparalegal.com
- 99designs.com (logo and graphics)
- guru.com (great pool of admin and paralegal support)
- virtualparalegalservices.com
- thevirtualparalegal.com
- starrparalegals.com (bankruptcy specialty)
- flex-counsel.com/
- equivityva.com
- Off-line options:
  - local colleges
  - former places of employment/courthouse clerks
  - social media

Managing client data

Whether you are paper oriented, paperless or a combination, the process starts with:

Rule 1.6 Confidentiality of Information

Know where the data is & that it is secure.

Should it be password protected & encrypted?

Who has access to the data?

Maintaining client data

Should the client be asked before data is stored in the cloud?

What is your duty to protect electronic communications?

Cloud ethics opinions

Some data should not be exposed to the internet

D.C. has a data breach statute applicable to lawyers: DC Code Section 28-3851

Legal Cloud Computing Association

USI Affinity offers cyber insurance

LEO 283 Disposition of Closed Client Files

LEO 333 What makes up the client's file

Tech competence

DCRPC 1.1 and LEO 371 suggest that a lawyer be and remain tech competent.

A proposed amendment to D.C. Rule 1.1, Comment [5] is before the DCCA and says:

Thoroughness and Preparation

[5] Competent handling of a particular matter includes inquiry into and analysis of the factual and legal elements of the problem, and use of methods**, procedures, and technology** meeting the standards of competent practitioners. It also includes adequate preparation and continuing attention to the needs of the representation to assure that there is no neglect of such needs. The required attention and preparation are determined in part by what is at stake; major litigation and complex transactions ordinarily require more elaborate treatment than matters of lessor consequences.

Practicing internet safety

How to change unsafe passwords in your Google Account

How a Burner Identity Can Provide Safety

Managing the risk

While the DC Rules do not require malpractice insurance, it is best to be covered

An entity will not protect you

Rule 1.8(g) bars a prospective limitation on a lawyer's liability for malpractice

e-Manual, Malpractice & Insurance

USI Affinity, DC Bar Member Benefit

The disciplinary system in DC

This is a consumer oriented disciplinary culture

Small firms are 10% of the DC Bar & generate nearly 50% of the docketed bar complaints

ODC statistics tell us to manage & communicate to avoid bar complaints

Evaluating your enterprise

Record what you learn as a part of your business plan

Get client feedback on their experience with your firm

Get a free, confidential assessment of your firm's operation from the

Practice Management Advisory Service

Here’s what to ask

- What should we keep doing?
- What should we stop doing?
- What did we not do that we should do?

How do small firms increase revenue?

- By adding clients
- By increasing fees
- By selling more services to current clients
- By adding lawyers to increase bandwidth

Clio Legal Trends Report

Unique data on why small firms grow

What’s the solution for too many lawyers & not enough clients who can afford them?

Lead generators? Caveat emptor!

www.justanswer.com

www.rocketlawyer.com

www.nolo.com

www.legalmatch.com

Read the Terms of Service & ask for references

Resources from the DC Bar

Free and confidential ethics guidance

Help with business issues from the Practice Management Advisory Service

Help with stress, addiction & personal issues from the Lawyer Assistance Program

Fee dispute resolution with the Attorney Client Arbitration Board

Upcoming events

Basic Training & Beyond, day-two, April 20, 2022,
9:15 a.m. - 4:30 p.m.

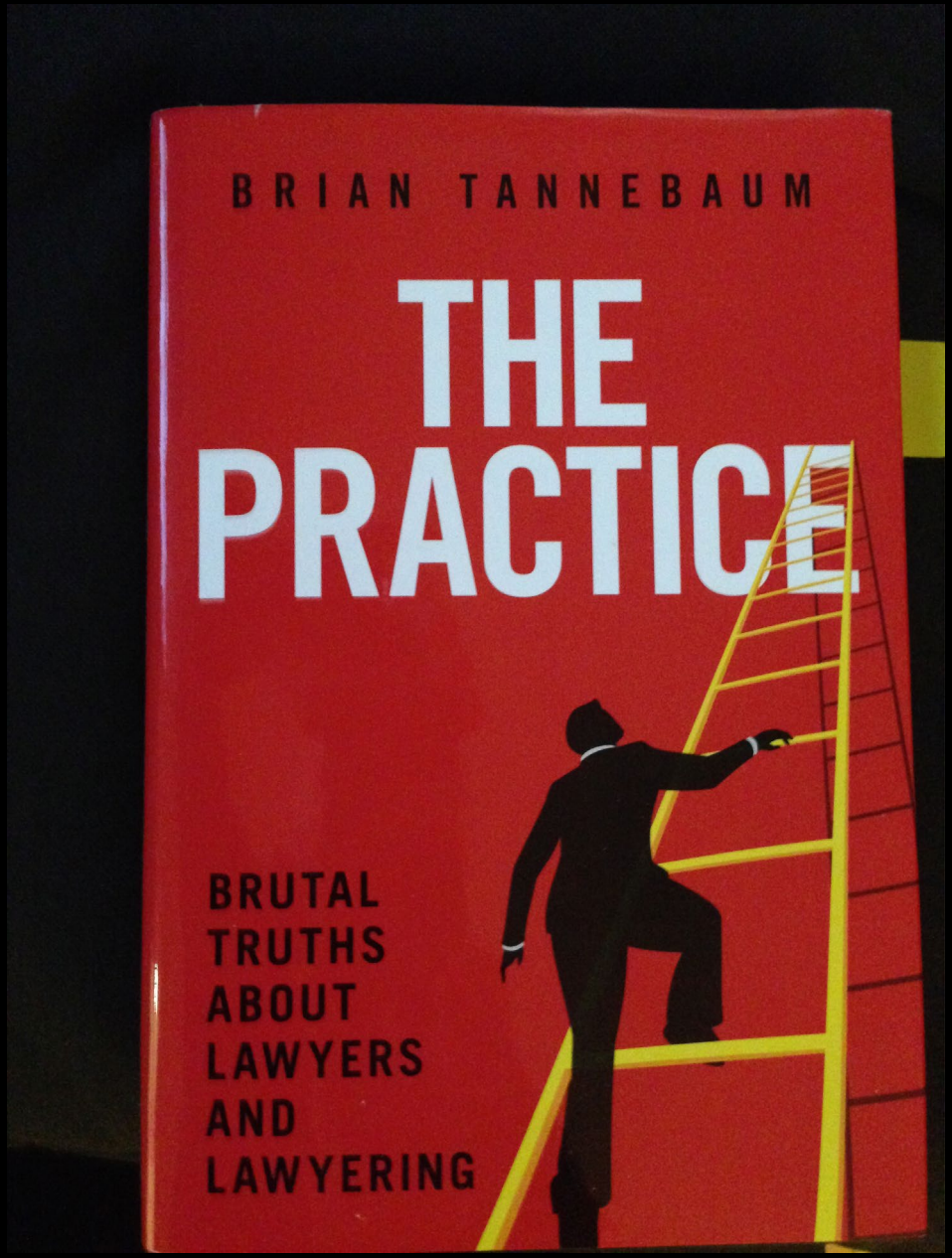
April 21, 2022,

Developing a low bono practice with D.C. Refers

Noon on Zoom

DC Bar Lunch & Learn

Our Newsletter



The Practice, amazon.com

. . . from Brian Tannebaum

How Did I Build My Practice?

- Being Present
- Working **on** my practice, not just **in** my practice
- Being Where Others Weren't
- Running Things
- Collecting Mentors

“The best tech a lawyer can have is ears.”

Brian Tannebaum

Small Law Misconceptions

- It takes a lot of money
- It's easy and for everyone
- It's for those who can't get a job
- Everyone I know will send me business
- Working two or more practice areas is best
- It's something to do until I find a job
- You can't turn anyone away

Posted by this D.C.lawyer 12/2/20 on Linkedin

Shahed Kader • 2nd
Attorney for Software Businesses, Former SaaS Sales Leader.
5h •

It's officially been 18 months since I went full time running my law practice. Here are 6 things I have learned:

1. Being in a niche is good. Doing a group of specific things for a specific type of client REALLY well can be better than doing a bunch of things kind of well. I focus on transactional law for software companies.

2. Not all types of marketing/advertising works for everyone. For example, my clients aren't looking for my services on Facebook and Instagram. They're Googling, asking colleagues, or looking on LinkedIn.

3. Educating people is key - through content, webinars, or podcasts. Share knowledge to build trust.

4. Stand firm in your worth - prospective clients will come and try to negotiate down rates and claim they're getting a better deal elsewhere - but you are better served holding your ground. Those looking for deals aren't going to be great clients.

5. My best, most consistent clients have come to me organically - through word of mouth, or just finding my content in Google or LinkedIN.

6. Mental health is really important. I knew this before, but the stresses of being an entrepreneur are amplified in a pandemic. Meditate, seek therapy, and do what you can to maintain your inner peace.

The lessons keep on coming, and I keep on learning. Onward!

Posted by this D.C.lawyer 4/6/21 on Linkedin

Sara Kropf • 1st
Defending executives and businesses in federal criminal investigations and business...
1d •

I'm going to let you in on a little secret. <whispers> It isn't very hard to start your own law firm. Here's all you need:

1. A computer
2. A domain name for email and website
3. A website (use a template to start)
4. Malpractice insurance
5. A corporate entity
6. An operating and IOLTA account
7. Basic software (Office365/G Suite; Adobe)
8. A telephone number

That's it.

I'm exaggerating a bit, of course, but the logistics of starting a law firm are easier than ever. Post-pandemic, you definitely do not need an office.

Of course, there is one very important thing you'll also need: confidence. A lot of it. You need to be confident that you can bring in clients. Maybe you have already had success as your prior firm. (I didn't.) Or maybe you are just sure that someone somewhere will hire you. (I was.)

If you need a pep talk to take the plunge, get in touch.

Practice Management Advisory Service

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