

## CONTINGENCY FEES IN BUSINESS and FIDUCIARY DISPUTES

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In 1908, the American Bar Association determined a contingency fee arrangement between a law firm and client is an ethical arrangement. Since that time, contingency fee arrangements have played a significant role in the legal industry for those seeking the recovery of damages. In most states, including Oklahoma, the prohibition against the use of contingency fee agreements is limited only to criminal and domestic matters. The contingency fee is commonly utilized in personal injury and insurance cases, with less application in business and fiduciary litigation.

There are two primary reasons for use of a contingent fee in commercial lawsuits: (1) a client's financial limitations or budgetary constraints and (2) a client's desire to share and allocate the risk of recovery between the client and law firm.

Under a contingency fee agreement, the client pays the law firm a previously agreed percentage, *only if the client recovers an amount through settlement or judgment*. The percentage can be a single percentage or tiered percentages based on the timing of the recovery, the amount of the recovery, and/or the tasks achieved through evolution of the case. A partial contingency is a hybrid arrangement with a lesser contingency fee coupled with a discounted hourly fee. There is no set percentage for a contingency fee arrangement and each case will warrant a review and agreed-to percentage at the outset; provided, no contingency fee can exceed 50% of the client's recovery. The applicable percentage will depend on a variety of factors impacting the client's potential recovery.

Although the contingency fee will not replace the conventional hourly fee in commercial cases, such arrangement does provide an alternative and budget certainty for the client. All forms of contingency fees are available through BLAKLEY LAW. Our lawyers have extensive experience in representing clients under contingency fee agreements in business and fiduciary disputes. Examples of claims susceptible to contingency fee agreements by the party seeking damages, include:

Breach of contract	Negligence
Breach of fiduciary duty	Fraud and misrepresentation
Real property disputes	Statutory violations
Shareholder disputes	Estate and Will disputes
Antitrust violations	Trustee and Beneficiary disputes

If you have a business or fiduciary dispute which warrants prosecution and recovery of damages, contact BLAKLEY LAW so we can discuss the merits of your claim and the potential for a contingency fee arrangement.