

Termination Clause in Contingent Fee Contract Is Invalid

A fired contingent fee attorney can't enforce a provision in his fee agreement requiring a client to pay the lawyer 20 percent of his eventual recovery if the client changes counsel, a divided Pennsylvania Superior Court declared Jan. 5, reports **Bloomberg BNA**.

"Enforcing the termination provision would penalize the client for exercising his absolute right to end the attorney-client relationship, Judge Kate Ford Elliott said in the majority opinion. In this situation, Elliott said, lawyers are limited to recapturing the reasonable value of their services, but that award can reflect the extent of the lawyer's contribution to obtaining the client's recovery," **the report** explains.

"Just as a lawyer may not charge an exorbitant fee or place a 'no termination' clause in the contract or assert a vested interest in a client's claim, a lawyer may not penalize a client for discharging him or her," Elliott wrote.

Read the article.