

Fee Arbitration Clause

The dispute resolution provisions of an Attorney-Client Agreement may take various forms. (An example of one possibility is shown below.) Certain governing principles should be considered with regard to a fee arbitration provision:

- Before a dispute over legal fees arises, the parties may agree, in the Fee Agreement or otherwise, that all fee disputes will be submitted to arbitration under Business and Professions Code Sections 6200 through 6206, but they **cannot** agree that the arbitration will be binding.
- Before a dispute over legal fees arises, the parties **may not** agree that they will mediate a fee dispute.
- **After** a dispute over legal fees arises, the client and the attorney **may agree** to mediation and/or to binding arbitration.
- For any disputes that do not involve fees (e.g. malpractice), the parties may agree at any time, including in the Fee Agreement and without waiting for a dispute to arise, to mediation and/or binding arbitration.

Sample Fee Arbitration Clause

*In the event of a dispute regarding our fees, under California Law (Business and Professions Code Sections 6200-6206), you have the right to request that the dispute be determined first by nonbinding or binding arbitration administered by a State Bar of California approved Fee Arbitration Program, including the Beverly Hills Bar Association **or** other local program. Unless we agree to binding arbitration **after** a dispute arises, any arbitration award is not binding on our firm or you and, to the extent permitted by law, our firm and you have the right to pursue any other available remedy within 30 days after the mailing of a non-binding arbitration award.*