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## A Time Study for Fixing Fees

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governmental agencies, or given assistance with respect thereto.

In most circles it is felt that if the opinion is correct there will be little reaction from anyone unless the matter of enforcement becomes an actuality. To have additional unenforced regulations before us would lend neither strength nor dignity to the legal profession. This leads inevitably to the question: What does the bar want to do about it?

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## A TIME STUDY FOR FIXING FEES

JACOB V. SCHAETZEL

*of the Denver Bar*

After receiving the yearly calendar for our new 1950 period, I took my pencil and made a few computations that should prove very interesting in arriving at one of the bases for fixing attorneys' fees.

There are 53 Sundays, 52 Saturdays, and 10 holidays, or 115 days in which we do no work excepting possibly Saturdays when some of us do get to the office. Even with Saturday counted as part of a day, we lose enough time on vacations and by sickness to make up for that difference.

There will be 365 days in the 1950 period and if we deduct 115 non-working days, we will have 250 working days left. If we figure that we will put in 7 hours each day as chargeable time, we will have 1750 hours for which we can make a charge. From my own experience, this would seem rather liberal because I doubt if we can really charge for more than 6 hours a day. The rest of the day is generally taken up with various consultations, charity work, and other types of work for which no charge is made. It now becomes a rather simple matter to determine how much per hour we should charge as a basic minimum if we are going to earn what we think we should. For example, if we want to earn \$600 a month or \$7,200 a year, before state and federal taxes are taken out, we must divide the hours of time that we have (1750) into the \$7,200 which gives us \$4.11 per hour. This totals \$28.77 per day. Then let us say that our tax is 20%. That now makes \$1,440 for federal and state taxes or approximately \$1.00 per hour more than the previous figure of \$4.11.

Now, add your overhead. This consists of rent, stenographers, telephone, stamps, stationery, supplies, etc.; I doubt if any of us are getting through with less than \$292 a month or \$3,504 per year. Now, 1750 working hours into \$3,504 makes roughly \$2 per hour additional charge that must be made. One can readily see that the charge should be \$7.11 per hour or approximately \$50.00 per day.

If you want to earn \$12,000 a year and still figure your overhead at \$3,500 (which I don't believe is possible) one must then charge \$8.85 per hour without allowing for taxes. This amounts to \$61.95 per day. There is only one way to increase earnings and that is by working over-time—Sundays, Saturdays, and nights. This is what the lawyers have been doing for a good many years to meet their normal and necessary financial requirements.

If some of the boys now going through law school recognized this, I believe they would think twice before embarking on a law course unless it is for love of the law itself. A merchant can make a great deal more than we can, providing he has the same acumen for business that we have for law.

In figuring this method, I recognize the fact that some cases will produce more than others while with other cases we can't even charge the minimum overhead, standing the loss ourselves. I like to think that every piece of law work that comes into the office should be able to pay its own way.

We now have the Legal Aid Society of Denver, which has three full-time lawyers and about 70 younger lawyers to whom they refer cases which require more than a short consultation. Lawyers should not hesitate a moment to send their indigent clients to the Legal Aid Office. Mr. Paul Irely, general counsel, is making a real contribution and his staff is one of the most efficient in the city. Nearly all their work is coming from the social agencies, also the criminal, police, and juvenile courts. We all should use it much more than we do, thus having additional time to devote to our paying cases.

Practically everything we buy has doubled in price but legal fees have only gone up about  $\frac{1}{3}$  on an average. This makes it very necessary for lawyers to become conscious of the value of their own time. Also, our Judges who often fix fees for lawyers should realize that we are meeting an overhead, state and federal taxes, and trying to give our children the same education that those in the mercantile and other fields are giving their children. Meeting these demands has not been easy for the past ten years and if all of us would take a good fair look at it we would realize that we should become much more efficient than we have been in the past. If all the labor saving equipment that we are capable of installing were put in our offices, precious and costly time would be saved. As a result, we could do more legal work without increasing fees.

The writer realizes that the amount of time a lawyer spends on a case is only one element of many that should be taken into consideration in arriving at the final fee to be charged, but when an attorney has kept an accurate record of what he did and the time it took and presents this to his client, who can afford to pay a reasonable fee, I know that the client will gladly pay it and will generally exclaim, "I had no idea it took that much time and I can readily see that you have earned your fee and here is my check in payment."

DIVORCE, ANNULMENT OF MARRIAGE AND SEPARATE MAINTENANCE.

By Warren R. Torrington, (privately printed, 1949) \$10.

The author of this book, a member of both the Colorado and New York bars, in the second sentence of his *Preface* makes a statement with which this reviewer is in complete accord. Therein he set forth, in commenting upon our Colorado law, as follows: "I discovered to my great surprise that very little had been written in the form of textbooks." He then makes a promise in the second paragraph of this *Preface* which this reviewer hopes he will be able to carry out. This expectation for the future is contained in the following language: "At last I . . . can realize my wish to write some treatises on the law of Colorado. The number of volumes which will be published will depend on the success of this first book. . . ." This review, therefore, is made with the thought in mind of what such a series should embrace, to be of maximum value to the profession, rather than simply as to what this particular little volume of 217 pages itself contains.

To me, Mr. Torrington has done an admirable job of succinctly covering his subject matter in an orderly fashion, using a minimum of words. His method of approach is to set forth briefly a summary of the decisions of the Colorado appellate courts under four general headings. Under the heading, *Divorce*, he discusses this matter in general, then each of the grounds, the defenses, practice and procedure, the decree, the problem of costs, attorneys' fees, alimony and other temporary relief, alimony, division of property, custody and support of minor children. *Annulment* is next treated in much the same manner. *Separate Maintenance* is discussed under similar subheadings. The fourth section deals with the important matter of *Separation Agreements*. The final subdivision is a collection of 73 forms, ranging from the familiar summons and ordinary form of complaint to commissioner's conveyances and separation agreements.

The author does not attempt to indulge in any philosophical or sociological approach to the subject or in any way comment on the decisions of our courts or to tell you how to present or try a case involving divorce. His approach is to say: here are the cases on the subject and here is briefly what these cases hold. It is akin to the treatment one finds in a digest of decided cases, such as our own Courtright's.

His handling of the forms is in the same vein. He merely sets forth the more essential forms which he tells us have been recognized, either in our trial or appellate courts. The provisions of our statutes are briefly summarized under each topic. Cases are cited in a most satisfactory way as not only the Colorado and Pacific citations are given, but A.L.R. references are also given where the Colorado cases appear therein.

To this reviewer, it is a handy and well-indexed volume for

any judge or lawyer who wants to find quickly what our appellate courts have said on the subjects of divorce, annulment or separate maintenance. It is not a book to be used in preparing an exhaustive brief or where the court's exact words must be used. It will help you locate the cases you may need, but you will then have to read the cases themselves. It is certainly not either a case book, nor a textbook, but is more nearly like a digest. The author's description of "a treatise" is certainly the most accurate description.

Now as to some items which this reviewer would have liked included, either in this or in any future volumes:

(1) An index of cases. Often we are familiar with a case and we would like to find quickly the places in the book where it and other similar cases are discussed by the author. Then, too, we could determine whether a thorough job has been done in considering all the adjudicated cases when a statement is made as to the Colorado judge-made law on a subject.

(2) A provision for a pocket-supplement. Most of us today are wedded to this device in keeping our libraries current. A supplement every five years would probably suffice in this field.

(3) The statutes should be set out in a separate portion of the book so a reader could refer to them without the necessity of going to another book. As these are subject to change with every legislature, it would be helpful to be able to know by a glance in the same book the laws on the subject with which the court is dealing in the cases discussed.

(4) A brief summary of the statutes, regulations, rulings and decisions of the Collector of Internal Revenue would be welcome in the chapter dealing with separation agreements, although it is to be admitted this subject might have been somewhat out of the scope of the treatise.

(5) Finally, citations as to where some of the forms were taken from might be of use, although for most of the forms, they are so simple and common that it is not necessary.

In conclusion, Mr. Torrington is to be congratulated on his first treatise which the bench and bar, particularly the younger members, in cases of this character will find a useful addition to their libraries. Let us hope he publishes others, whether they contain the changes the undersigned suggests or not. We need such books in Colorado.

JOHN E. GORSUCH

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Young attorney, with one to two years experience, wanted for association with established lawyer in rural county seat. May lead to partnership possibility. Qualified applicants who are interested should submit letter of application in duplicate to bar association office. The latter has a file of newly-admitted lawyers seeking placement and solicits requisitions for personnel from the members of the association who have openings.