



STERLING ANALYTICS

Sterling Analytics Group, LLC
135 Crossways Park Drive
Woodbury, NY 11797
(646) 863-9433
info@sterlinganalytics.com

www.sterlinganalytics.com

Attorney's Use of Quarter-Hour Billing Increments Results in a 7.5% Fee Reduction

In a recent case before the United States District Court for the Northern District of Ohio, the plaintiff was granted summary judgment in its lawsuit against the City of Toledo. Thereafter, the plaintiff filed a motion for attorney's fees and costs amounting to \$142,278.50.

After conducting a review of the billing records, the court found that the entries were generally adequate and sufficient. However, the court reduced the fee request due to the use of quarter-hour billing increments. Although the defendant did not object to the plaintiff's attorney's use of quarter-hour billing increments, the court raised this issue since it is required to grant only a reasonable fee.

The court found that the plaintiff's attorney recorded all his time in quarter-hour increments, with the exception of one entry. As a result, plaintiff's counsel billed a quarter-hour for tasks such as reviewing an email, reviewing correspondence, drafting emails, and reviewing revisions. The court concluded that, most likely, many of these tasks did not take fifteen minutes to complete. Concluding that a reduction in the attorney's hours was necessary, the court applied a 7.5% reduction to all hours that were billed in quarter-hour increments.

Implications for Legal Billing: Quarter-hour billing increments frequently result in an excessive and unreasonable attorney's fee. Although utilized by many law firms, "the quarter-hour billing increment is suspect." The use of quarter-hour increments is

“THE QUARTER-HOUR BILLING INCREMENT IS SUSPECT” ... [BECAUSE IT] IS FREQUENTLY VIEWED AS A “FEE-ENHANCING” BILLING METHOD

frequently viewed as a “fee-enhancing” billing method. Billing a quarter-hour for tasks which clearly take no more than one-tenth of an hour could quickly escalate into excessive billing. As noted by the court, “it rarely takes more than one-tenth of an hour to read an incoming letter or write a short outgoing letter.” Unquestionably, billing in quarter-hour increments for menial tasks will generally result in an inflated and inaccurate attorney’s fee application. Tenth of an hour billing increments, which are the favored billing method among many courts and commentators, will produce a

more precise and reasonable fee. As stated by the court, the use of quarter-hour billing increments “generates a fee that is 15% higher than billing in a tenth of an hour.”

* *Bench Billboard Co. v. City of Toledo*, 2010 WL 4054390 (N.D. Ohio 2010). Full copies of court decisions may be available through counsel or through various Internet links or paid services.

By Laura R. Bugdin

Sterling Analytics is a consulting and advisory firm that helps companies reduce their legal expenses. Our proven methodologies are based on legal precedent, guidelines and ethical standards that compel law firms to significantly modify improper billing practices. Although our clients come from a broad range of industries with different legal budgets, they share a concern about their legal expenses and are looking for solutions to manage outside counsel while maintaining the highest service level standards. We are able to audit legal fees based on our extensive database of proprietary benchmark data and our solid understanding of traditional legal practices. Our process is fair, independent, cost effective and maintains attorney-client privilege. We are able to measure the extent to which our clients' legal expenses exceed industry standards, and will manage the negotiation and recovery of excessive fees. To institutionalize cost controls, we assist clients by installing systems and protocols that monitor billing activity and catch improper practices.

Sterling Analytics Group, LLC
135 Crossways Park Drive
Woodbury, NY 11797
(646) 863-9433
info@sterlinganalytics.com

© 2011 Sterling Analytics Group, LLC.
All Rights Reserved.

www.sterlinganalytics.com