

Chicago Daily Law Bulletin®

Volume 162, No. 200

Serving Chicago's legal community for 161 years

Keeping track of legal costs turns into big business

Legal Fee Solutions finds more interest generated in budgeting future costs than fighting old charges

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When people ask legal fee consultant and attorney Mari Henry Leigh what she does for a living, she tries to keep it simple.

"I just say I solve puzzles. I find answers where other people dig through reams and reams of documents to find facts, I dig through reams and reams of invoices to find facts, to deduce patterns and tell a story from what you find in the invoices," Leigh said.

Leigh is the vice chair of Legal Fee Solutions LLC, a practice that was first started by Leigh and commercial litigator Bruce R. Meckler after Meckler co-founded a firm in 1994. The firm owned the fee practice, but they operated separately, Meckler said.

Last year, Legal Fee Solutions became a part of Cozen, O'Connor LLP when the Philadelphia-based firm merged with Meckler, Bulger, Tilson, Marick & Pearson, LLP.

In more technical terms, Meckler, Leigh and the rest of their firm of about a dozen people at Legal Fee work with clients, which include large corporations, to manage their litigation fees, conduct forensic audits of companies' attorney expenses, handle fee disputes and provide expert testimony and other services relating to legal fee advice. They say they've been involved in auditing more than \$7 billion in legal fees since the practice started.

While the bulk of their work over the past 20 years has revolved around addressing fees that have already accumulated, Leigh and Meckler said they're seeing the practice shifting as clients seek to attack legal costs on the front end.

They said more clients are approaching their practice about shaping policies that help keep their legal spending in line before the costs accrue.

"I think we've seen a huge shift basically in proactivity. When we originally got started, instead of calling ourselves Legal Fee Solutions we were kind of like fee disputes. Almost everything was an after-the-fact, retroactive look at somebody who has already had fees that are out of control," Leigh said.

In addition to working one-on-one with clients to do close examinations of costs, the practice's attorneys have been called on to testify on the validity of fee amounts in cases involving hundreds of millions of dollars.

Leigh said one of the highlights of her career was when she and Meckler were enlisted to help the State Department's attorneys in a dispute between the U.S. and Iran at the International Court of Justice in The Hague, the Netherlands,

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in 2012. The dispute involved attorney fees that came out of a settlement relating to the Iran hostage crisis in 1979.

When they're not weighing in on international affairs and complex audits, though, more of their time today is spent advising clients on how to best prevent themselves from facing out-of-line legal fees.

Businesses are getting smarter about legal spending, Leigh and



Bruce R. Meckler



Mari Henry Leigh

Meckler said. They're seeing corporations looking closer at legal expenses because of rising rates and the costs of collecting electronic data for cases, known as e-discovery.

There are many factors in complex litigation matters that can lead to various legal expenses, but Meckler pointed out the top three areas in which he finds companies are able to save money.

"I think the biggest thing is controlling hourly rates," he said. "That's Number One. It's the driver. And Number Two, controlling the number of lawyers that law firms like to put on cases, the staffing of cases, and Number Three, controlling the expenses a law firm can incur, most specifically, e-discovery. I would say those are the big three where we're able to go in fairly quickly and save our clients money."

Leigh said she'll work with clients to develop company policies that prevent issues that might surface in an audit.

Meckler said that traditional legal fee auditing continues to be the core of their business, but he's also noticing more clients are interested in preventing costs from building up in the first place.

Over the past decade, he's seen more groups — largely consisting of insurance companies, Fortune 500 companies and governmental entities — that have started reducing outside legal fees by putting in place litigation guidelines, electronic billing and other budgeting measures so that they know what their legal spending is going to be.

Even more recently, though, has been the move toward hiring consultants such as Legal Fee Solutions ahead of large impending cases to manage company's legal spending beforehand.

"[Some] companies are, in cases that have either just started and are going to be monster cases, where literally tens of millions or hundreds of millions of dollars are going to be spent in legal fees, they now hire us to help manage that legal spend," Meckler said.

Meckler also said there's also been a shift in more companies and government agencies simply becoming more savvy in general about their legal spending.

"I think clients' level of sophistication has grown dramatically in terms of wanting to be educated and sophisticated with reducing legal fees. I didn't see that 20 years ago," Meckler said.

"Twenty years ago, clients who had big cases and thought the fees were too high would call us. I think what we see now is how important maintaining legal fees is to corporations, governmental entities and insurance companies."

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