

Note for NWT NU customers

- This evolved into a 2.25 hour course, when it was originally planned to be 1 hour. Instead of needing to make a lot of changes to the website and system and quiz, we are providing it as a 1 hour course with 1.25 hours of optional, bonus content. You will get credit for 1 PD hour and can pass the quiz, as long as you watch the first hour
- This course is also known as **How to Manage Lawyer & Legal Fees**

COURSE INFORMATION

- This course deals with complex matters and may not apply to particular facts and circumstances. For these reasons, the course material should not be relied upon as a substitute for specialized professional advice in connection with any particular matter. Although the course material has been carefully prepared, Stephen Priddle does not accept any legal responsibility for its contents or for any consequences arising from its use.
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Note about electronic material

- You have the option of **printing the material** and taking notes during the presentation, or **taking electronic notes**
- If you print, we suggest you make sure you print the material large enough to take notes on it
- We **cannot provide conclusive instructions on how to take electronic notes** in the pdf file on each registrant's device, because of the wide ranges of combinations of pdf software that registrants may have, in addition to platforms, i.e. MAC or PC, tablet, etc. Note you will need one device to watch the course on and one device to take notes on
- The instructor will send you a fully completed and populated slide deck on completion of the course

HOW TO MANAGE LAWYERS & LEGAL FEES

www.practicalpd.com

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**PRACTICAL
PD**

Introduction



Welcome to this course



_____ makes learning
easier...that is my style



Handout slides full of
blanks?

The handout is deliberately full of blanks, so the instructor delivers the key points and punch lines via video



A fully completed slide deck can be requested from spriddle@bell.net after watching the video



I have included some past webinar chats, to make the course more interesting

Watching the
course

Introduction

- This is primarily for accountants, but you are very welcome if you are not an accountant
- I will be a bit sarcastic about lawyers, but take it all a bit tongue in cheek
- If you are a veteran in dealing with lawyers, obviously you won't learn as much as someone who has not dealt with lawyers much

Course background

- As noted in the course outline, this is an expansion and improvement of this topic, which I cover briefly in these courses:
- **Practical Tips for Controllers & CFOs, Part 2**
- **Practical Tips for Not-For-Profit Financial Leaders, Part 2**
- **Practical Tips for Government Accountants**
- People wanted more depth and people like shorter courses...

All my live seminars/webinars have an opportunity to win prizes

But I can't do that on the self-study version

However, send me an email with:

- example of how you plan to apply a tip
- another tip idea
- useful feedback
- clean relevant joke

and you will enter a draw for a prize spriddle@bell.net



We do a
couple of
get to
know you
questions
in the
webinar

Type
“lawyer” in
the Chat

- If you once aspired to be a lawyer...

Your instructor

- VP, Finance & CFO of Fidus Analytics Inc.
- I am a speaker and case writer



I live in _____

- That is the old name for _____, before 1855
- I am presenting this from my basement studio



Who has taken a business contract or commercial law course?

- Most of you probably have, but it is OK if you have not...
- I used to teach _____

DEALING WITH LEGAL MATTERS AND LAWYERS

Accountants can't help but deal with legal matters

- We usually see and oversee payment of the bills for all the legal work, and we are involved in much of it
- If there are no lawyers on staff, legal-type matters tend to come to Finance, in many small to medium size organizations
- This includes income tax law, GST law, employment law, contract law, bankruptcy law, securities law, intellectual property law, corporate law, business, banking and more

Accountants
can't help
but deal
with legal
matters

- A key question, does one go to a lawyer, every single time a legal matters comes up?
- I don't think _____

A very profound statement

- **“If it wasn’t for lawyers, we wouldn’t need _____”**
- (This was actually an Ottawa Law firm advertisement)
- That was profound, think about it...
- Someone said lawyers basically profit from _____ which is at least partly true



Any area I
don't cover
in this
course

- Is because I don't have experience, in the area
- I teach primarily from experience, not theory
- I did get a few short thoughts from _____
- If you are business veteran, with a lot of experience, you will obviously learn less than if you have not dealt with lawyers much

Some of my relevant experience

- Largely in charge of legal/compliance, all employers except KPMG and one large one, where there were 3-4 lawyers on staff
- In one short period, I paid bills to ____
- I have worked on the audit of a _____
- (I remember seeing the partner draws, perhaps __ times what I was making)

The top ten...

- Some will recognize the firm names...

Fasken Martineau DuMoulin LLP

Gowling WLG

Borden Ladner Gervais LLP

McCarthy Tétrault LLP

Blake, Cassels & Graydon LLP

Norton Rose Fulbright Canada LLP

Dentons Canada LLP

Osler Hoskin & Harcourt LLP

Stikeman Elliott LLP

Miller Thompson LLP

Relevant experience

- I have done a forensic investigation of a financial fraud at a _____
- I have used lawyers for just about everything that takes place in the business world and some in personal life
- I have been _____ of all my employers from 2002 to date, which is a quasi-legal function

Legal fees

- My sister-in-law



Legal fees

- (Note that there are _____ that may be able to save people money and court hassles, although this was not a _____)
- Important point, many of the tips in this course help you deal with lawyers better, in your personal life, although that is not the main focus



If you
thought
that was a
big bill
what about

- A ____ legal bill?
- And I don't think it was a success fee

Have you ever?

- Got a huge legal bill that shocked and concerned you?
- Felt the lawyers were out of control
- Been afraid to overrule your lawyer?
- I think this course will help you

Lawyers are like



The most troublesome, _____ you
ever hired



The course is partly about
managing them, getting results,
and “controlling” their greed



Someone said, “the law sharpens
the mind by _____ it”(1)



Course objectives

1. Reduce legal fees from outside lawyers
2. Get legal work done faster, whether inside or outside lawyers, by managing them better
3. Improve quality of the work, whether inside or outside lawyers

Other objectives

- To share lawyer war stories, for lessons
- (To provide you with some lawyer jokes!)

Course coverage

LESSON 1

- Introduction
- Is this course practicing law?
- Important lawyer joke
- Applicability of material and jurisdictions
- Why they are slow
- Poll on how lawyers are viewed

Course coverage

- How lawyers think
- A business approach and the possible engagement letter
- What is your lawyer's record
- Don't be intimidated by them
- Law schools don't seem to teach...
- What language do they speak
- Demand to understand what they are saying

Course coverage

- Selecting & interviewing lawyers
- Firing your lawyer
- Your lawyer fires you
- Lawyers & ethics
- Are they less ethical than accountants?
- Who is charge?

Course coverage

LESSON 2

- Lawyers are risk averse
- Question them, how risky is this?
- Risk averse examples
- Lawyers need a business perspective
- Communicating through lawyers?
- When should you avoid this and when to do this

Course coverage

- You decide how many lawyers come to the meeting/join the call
- Contracts and agreements
- You draft, the lawyer reviews
- Use of templates and other examples
- Writing tips
- Use of AI for contracts
- Suppose they ask you to review contracts?

Course coverage

LESSON 3

- They may not even read the document
- Question lawyers, don't assume they are right
- Re-write what the lawyer wrote, with one condition
- Mini-case, lawyer management
- Lawyer fees
- Billing time
- Fixed fees

Course coverage

- The retainer
- Prepaid legal services
- Pro bono for charities
- When to use contingent fees
- Risk fees
- Pay your lawyer with shares
- The risks of a lawyer shareholder
- Startups may get lower fees

Course coverage

- Fee disputes
- Reviewing bills sent to others
- Before the lawyer starts the work
- The need to attend a trial
- Why are so many politicians, lawyers?
- I do have lawyer friends!
- Detailed bills

Course coverage

- Ask for docket
- Don't pay them to correct their mistakes
- Request a junior lawyer for some work
- Question bills
- Question lawyer's work
- Privity of contract
- Should you get in-house counsel

Course coverage

LESSON 4

- You can do secretary work
- A great website
- Litigation
- Find a business solution
- Preventing litigation – defensive
- Offensive litigation
- Settle out of court
- Arbitration/mediation

Course coverage

- The “lowest” form of lawyers
- No more trips to notarize documents
- M&A and legals
- A lawyer causes trouble
- Pop quiz
- Second opinions
- The letter of credit case

Course coverage

- Being kind to lawyers may pay off
- Some quick little tips
- What creature best represents a lawyer?
- Always be careful conclusion

The practice of law

- In teaching this course, am I illegally practicing law?



- _____
- If I hang up a sign, and said I _____, that would be another story in most jurisdictions
- All accountants give quasi legal advice all the time internally with our employer, income tax, GST, etc

But we need a joke

- A lawyer told me this joke...

This
material
should
generally
apply

- Business, NFP, Government
- And of course, personally
- Please, always follow whatever rules and guidelines you have on legal matters in your organization

Note

- Some of these tips can apply to managing _____
- For more advice on managing specialists, when you a generalist, see my course **Practical Work Smarts For All**
- Although lawyers have some significant differences

You will all be in different situations

- For some, a \$50K legal bill is _____
- For others, a \$3K legal bill is _____
- For some, internal lawyers handle everything, sometimes going outside for specialty help, but they can be slow and frustrating

Jurisdictions

- Listeners will probably be located in different jurisdictions in Canada and perhaps outside Canada
- And have contracts/legal matters in all kinds of jurisdictions, including international, like I have in my career
- Therefore, I will try keep the advice more general, noting that some jurisdictions might be different
- In other words, I am not saying everything applies everywhere, do your own research





LAWYERS' APPROACH
AND YOURS

Attitude

- Because of experience, annoyance and fees and slight exaggeration for humour, it may sound like I treat the lawyers as the ____....
- But of course, I generally want to work with them as a ____, but control their role and place and power on the team

Lawyers are often slow responding and they delay your work

- But I have some sympathy, this is _____
- They are working for dozens of clients, most of whom _____
- It is like this in _____
- As a CFO, I can more or less say to my one client, _____



Polling question in a webinar

- Question: You find lawyers generally to be (you can check more than one answer)
- Expensive
- Annoying
- Frustrating
- Charming
- Arrogant
- Helpful

How do lawyers think?

- I am more _____ than my client and am very important!
- (Perhaps arrogance grows in law school as a defence against _____)
- Thinking like a lawyer is the finest tool to analyze _____(I don't think this is true) (1)
- I need to maximize my _____



A business-
like
approach
to lawyers

- I'm buying a ____, and I want these results
- I want to know if these results can be expected, how much it will cost and when it will be done
- I would prefer penalties if not done by....
- The value of the results must be greater than the ____ (1)

Engagement letter

- There is always an engagement letter for audits, and most professional assignments, but it is quite rare with lawyers despite them being contract experts
- Don't be afraid to _____

Engagement letter

- “I am writing to make sure I understand.... “
- Ensures there is no _____
- Focuses your lawyer’s attention, documents conversations and let’s the lawyer know you are a _____ customers

Advice

- JP Morgan, a famous banker apparently said: “I pay lawyers to do what I tell, not to _____”
- One approach is to tell the lawyer you are a hired advisor, your purpose is to advance what I believe or need
- Is your lawyer willing to say, this is not a good idea, or will they just _____and...(1)

Lawyers

- May be accustomed to client's calling about a specific quick legal question
- But if a client wants to understand the big picture, they get _____



A joke with some truth in it

- How many lawyers does it take to change a lightbulb?
- None, they'd rather keep their clients _____



What is your lawyer's record?

- When they say it will take three weeks, does it take about _____?
- When they say you can settle for \$300K, does it usually _____?
- When they said this will protect you, _____?
- Once you detect a pattern, adjust for it, like we do in life with others (spouse, family, colleagues), if you want to keep using them
- They are unreliable, when they say six months, assume _____
- When they say this will protect you, have a _____ plan



Big point

- Don't be _____ by lawyers!
- Some may think:
 - “They are so smart, educated (add wealthy) and I know nothing about their area of expertise, I should do everything they say and recommend”
- I strongly _____

Perhaps....

- Lawyers think that clients will lose respect for them if they make things _____
- So, they _____
- They also want to give you _____

I am not sure if law schools

- Teach much _____
- As you probably know, many lawyers are sorely in need of this, you may need to help them...



What they say about themselves

Someone
said

- The law contains fine lines and traps
- People who know nothing, _____ the traps
- People who know a little, _____ them

What language do lawyers speak?

- _____
- _____
- _____
- _____

So true

- “The minute you read something, and you can’t understand it you _____.”
- Will Rogers, funny guy, 1879-1935, nothing _____...

Note

- I do understand that sometime legal documents must be long-winded to cover everything and to stop certain things
- The more legal documents you read, the easier it gets
- I have also done this to help: we had a complex **Unanimous Shareholders Agreement**, and I put _____-

Don't be afraid to say to a lawyer

-
- I have no idea what you are talking about
 - “Please speak English, not _____....”
 - “Stop using _____ or explain it to me”
 - The more you get lost, the further behind you get... so don't get _____
 - It is a red flag if they say it is too _____



More

- They are saying “don’t worry your ____ about that”
- “We have ways of ____”
- They maybe bluffing, or they don’t know what they are talking about, ____



CHOOSING LAWYERS



What firm should you use?

- Depends on size, matter and industry and of course you can use must multiple firms, depending on the matter
- I counsel small to medium-size businesses/NFPs away from the giant firms, use _____
- Unless they get faced with a huge, specialized matter, in which case they may need a large firm with _____

What firm should you use?

- Make sure you are comfortable with your main lawyer and that they are pragmatic and business-like and have reasonable fees, and don't have _____practices
- Get referrals from trusted people

What firm should you use?

- _____sometimes have a list as well as the lawyer organizations
- Ask a lawyer with a different specialty who they would see, about the specialty you are investigating
- Sometimes even using the name of a _____can scare people/help you in certain situations

Large firms

- Are more likely to have conflicts of interest, “we can’t _____”.....
- All firms will want to feel you out, that is figure out how much ____ you have...

A tactic

- We were going to fire an executive who is litigious
- He has a long history with a firm that does a lot of employment law, but no current activity
- We engage this firm to help with the firing, so the executive couldn't _____

Interviewing lawyers

- You say: “do you do _____?”
- They say: “sure we do that followed by _____ to confuse you”
- Better lawyers will say, “_____” or “_____”
- If they insist on always saying: “this is a gray area”, try to pin them down further, “are you sure....”

Like most professional service firms

- They will be very responsive about your initial enquiry call
- But they won't be so _____, once they have signed you up

Interviewing a new lawyer

- We were looking for a new contract lawyer and one of our law firms proposed one
- I interviewed her, looked at her LinkedIn, asked about relevant industry experience and importantly, hourly rate, but it was hard to make a decision
- So we have her _____an interview test, which we would have to pay for
- We were not that impressed, so we did not engage her



How do you know if the meter is running?

- When you have a first ever consultation with a new lawyer
- You could insist it be free, but that could be _____!
- No bill: if it is more like an _____, you don't get too specific,
- Bill likely: larger firm, if you ask a lot of _____ you share several documents, they ask for your _____

Considerations

- A lawyer should be able to tell you what the relevant law is
- But you can't let a lawyer insist that the law is the only way _____
- There may be all kinds of other pragmatic solutions
- Ask: "are there any non-legal options out there to solve this?"
- Also, it is pretty good if the lawyer says you can do _____

They don't know?

- If your lawyer doesn't seem to know about a _____ impacting an area, you need to get worried
- The lawyer has no expertise or experience in the area, so will be paying to _____ them
- You probably didn't screen them enough up-front or they _____ to you

You contact a lawyer about a less common assignment

- And they don't really know how to handle it and don't have experience in the area
- They can't explain what they will do on the phone
- Will _____, when you ask them if they have done it before
- May talk about their _____ and try to impress
- May be ____ (1)

You then meet with this lawyer about a less common assignment

- And they don't really know how to handle it and don't have experience in the area
- They need to make a lot of _____, and want your documents
- Probably cannot give you an _____, but will talk about their hourly rate
- Says the job is a challenge and may talk a lot (1)

You contact a lawyer about a less common assignment

- And they know how to handle it and have lots of experience in the area
- Makes note only on _____ and may not even need your documents
- Will give you a high-level analysis of the situation
- Can give you an idea of _____ and may not talk too much (1)

You then meet with this lawyer about a less common assignment

- And they know how to handle it and have lots of experience in the area
- They won't offer a _____ on the phone
- Will quickly understand the scenario, and will say we _____
- Will confirm they can do it, and won't try to impress you (1)

Sometimes

- You start describing your problem to the lawyer
- A few minutes into the describing it, you no longer _____, because the lawyer has confused you
- And they love it...
- The best specialists in any of area of business, should in fact communicate well with their clients

Firing your lawyer or firm

- It sometimes needs to be done, considering the service, tasks, fees and more
- If they are terribly slow responding
- You do need to consider the cost of _____
- Be prepared for a bill in which they don't _____, they may try to _____

Firing your lawyer or firm

- You may need to ask for your _____ back
- Best to have the next lawyer _____, rather than be looking after the firing
- If you are really mad at your lawyer, suing them is a possibility, but they have _____to defend themselves

Don't be afraid to file a complaint against your lawyer

- If you believe they have done something that they could get into professional trouble for
- Which is not the same as what a CPA can get into trouble for
- Use your common sense and do your research and then contact the professional body which your lawyer belongs to

Complaints

If you have a concern about a lawyer or paralegal licensed by the Law Society of Ontario, we want to help.

Your lawyer fires you

- Sometimes they may not want you, or your problems, or slow payment of fees
- They may _____
- They may _____
- Or they may kill you via _____

LAWYERS & ETHICS

Ethics

- We have our CPA and personal ethics, and we would want lawyers working with and for us to be ethical
- Are lawyers strong or weak on ethics?



Question

Do you think lawyers are less ethical than accountants...?

Name _____

Signature _____

Date _____

Recent headlines

Question

Do you think
lawyers are less
ethical than
accountants....?

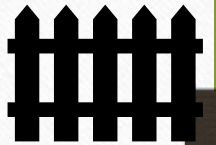
I am convinced
—

Some data

- CPA Quebec, 45,000 members and students, ___ **disciplinary notices**, Jan 1-May 22, 2020 .031%
- Law Society of Upper Canada (Ontario), about 50,000 members, ___ **disciplinary notices**, Jan 1-May 22, 2020 .362%
- _____ more times conduct/ethical issues!

Lawyers and ethics

- It sometimes seems that the purpose of lawyer ethics is mainly to _____
- Some are happy for their lawyer to ____ for them, but I don't go along with this idea, and it is not consistent with CPA ethics
- I have experience with lawyers telling me/my employer to do unethical _____
- These stories are in two different ethics courses I teach



Another comment

- From a CPA, extremely experienced in dealing with lawyers:
- “ client’s lawyer just received a letter from a top family law lawyer who is _____ not to know certain key aspects of child support legislation, and driving up the _____ because of that back and forth correspondence about needless stuff. Ethics, and “best interest of the client” mean totally different things to different people.”

One conclusion for me

- I think you need to be more _____ with respect to ethics around lawyers...

LAWYERS' APPROACH AND YOURS

Back to who is in charge

- Lawyers shouldn't be running your business or organization! This is the tail wagging the _____ !
- _____run the business

Lesson 2

LAWYERS
AND
RISK

Lawyers and risk

Lawyers usually prefer the _____ approach

_____ from all risks

They always think of what is the _____ and try to protect from it

This is not bad, but it can be taken to the _____

How do you know these two are lawyers?

Guess what very funny label is on this
brush? (you can win it)



A contractual lawyer risk averse example

- We need to sign a lease with a major Canadian airport
- Their risk averse lawyers want _____

A contractual lawyer risk averse example

- The lease was for _____
- The rent is ____/year where our weather equipment will sit at the airport

Another example

- We bought a backyard swimming pool when our first grandchild visited a few years ago, for the first time...
- **What was on the warning label???**

Point
made,
but...

- I have made the point about lawyers being risk averse, but I will drop a few more funny ones in at later points on the course, for extra humour...

Note

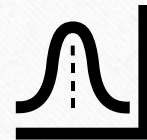
- I am using unusual examples to show that lawyers are extremely risk averse
- The problem is people do ___ things, lawyers sometimes make wild claims, and courts side with the plaintiff
- I am more concerned with their extreme positions on _____ and unwillingness to measure risk, than **warning labels**

Lawyers and legal fees

- The weak ones only think legal implications, not business objectives
- Risk considers both _____
- You need a lawyer with a _____ perspective, who can _____ risk (then we make a business decision on risk)

Measuring risk

- “Please give me your analysis with your business hat on (if you have one).”
- Is this a ____risk, I know you are not a statistician but.... What is the loss if the thing happens, _____
- OK, _____
- Do you think the risks are worth the ____we think is out there for the business?



Discussing risk

- Would you invest in this? I need risk reduction, not _____
- Do you understand the difference between protecting our side and telling the other party to _____
- I know lawyers will rarely give you probabilities other than ____ but I trying to get at the concepts



Don't be afraid to pin the lawyer down

- “Is this a real ____?”
- Or you getting this from an extremely obscure on a different matter from ____?”
- “Have you ever heard of, or experienced someone ____ in the modern era?”
- “Give me the name of the case, and I will review it myself”
- Bird dogs find birds, beavers build dams and lawyers _____...!

In one webinar, this was the Top Participant prize

- Representing the all-round accountant organization



But then I put my lawyer hat on

Lawyers
often take
extreme,
unreasonable
positions

- *10:05:13 From greg to Everyone: We had a lawyer who once asked Microsoft to*
-

The background is a blurred, high-angle shot of a busy stock exchange floor. People are seen walking in various directions, their figures slightly out of focus. Overlaid on this scene is a semi-transparent grid of financial data, including stock tickers and prices in green and yellow text. The overall color palette is dark and moody, with blues and greys dominating, punctuated by the bright colors of the data and the floor's lights.

A BUSINESS PERSPECTIVE

It could be argued that



Only a few can come up with real business solutions, with a good, big picture view



Most sort of say: “have you worked out _____ so I can get to work legally”



Although many think they have _____!



_____ them about business (yours) is expensive of course

I realized recently

- That 90% of my discussions with my favourite M&A lawyer are _____ discussions, not legal discussions, which shows how business-like she is, which is great
- This is rare among lawyers in my experience, they can't get their minds out of the _____ to understand the business _____



Confusion

- Here is an example of a lawyer forgetting the main business objective and thinking too much about the legal side:
- A lawyer and I are helping a not-for-profit charity, with policies to ensure children are protected from pedophiles who might try to volunteer with the organization
- The lawyer is entirely focused on _____

One good thing about lawyers

- They see a lot of foolishness and disasters in their work
- Therefore, take note of any _____ they give to, based on real, relevant experience
- More on litigation later

COMMUNICATING
ONLY THROUGH
LAWYERS

Communicating only through lawyers is
also a problem

Communicating through lawyers

- Lawyers love this as it _____
- Take charge in many situations and communicate directly, but not all..
- Exceptions: _____

Examples of
not
communicating
through lawyers

- The company _____

Examples of
not
communicating
through lawyers

- The debt dispute had been dragged out for year by the lawyers
- CPA was told not to talk to the other party
- But she decided to go ahead and
- Settled the matter in _____

Now

I am drafting a _____ for a family member looking at purchasing a business, transaction in the \$ millions

I am also advising a friend looking at buying a very small _____ although I am not enthusiastic about the prospects of the industry....

Another joke, related



In a different course

- **Practical Financial Negotiating Tips** taught in-person, I told some funny lawyer jokes
- At lunch, a participant said “I should let you know that I am a lawyer and a CPA...”
- “But I _____.”



A neighbour in my youth

- I grew up with a lawyer next door, he was a nice man, I believe his area was anti-trust laws
- We kept 6 chickens in the backyard (2 km from Parliament Hill, Ottawa)
- We asked him if he didn't like our rooster crowing early in the morning, he said: "I love it, I grew up on a farm"
- Then the city reduced the limit to 3 per household



A neighbour in my youth

- But he came up with an idea to solve the problem



The meeting or call

- You are planning to fire an executive, so you call your employment lawyer and....
- Reminder: You decide how many _____

One of our sons does a lot of legal work

- Actually he is a _____

CONTRACTS & AGREEMENTS

Story with a lesson

- I am the Controller of a public company, our key success factor is expanding in the US market
- We need a US Distribution Agreement to get moving
- I ask “where is it, we need to accelerate this”
- They say, “we are waiting _____” (have you ever heard a statement like this?)



Story with a lesson

- I say, “what, get this _____...”
- “The lawyer barely knows what we want, when we finally get a draft, there will be a _____with them to get it right”
- “Get a template, _____-”

Note

- Lawyers want the public to think that _____ are dangerous, they must be paid a lot of money to customize everything
- But you and I know that hundreds of thousands of homes change hands annually with fairly standardized contracts
- If a lawyer says something must be drafted from scratch, be ____

I drafted my last four employment offers

- With different clauses to put me in the best position, medium-size companies, I told them it would be more efficient
- Examples include _____

Name _____

Signature _____

Date _____

Employment law and HR

- I have carried HR in some smaller organizations
- If you get a good offer letter and termination without cause template _____, you can usually run with them, and not go to the lawyer every time there is an offer or a dismissal
- This is even more true if you have good ___ people

Lawyers - more

- Don't let them draft contracts, you do it
- Use templates, where to get:
 - _____
 - _____
- Real contracts: _____
- Contract clauses: _____
- Draft in English, the lawyer can translate into _____, if you can't
- When should legal be involved in review? Based on _____ analysis, it is insurance

Aside

- A European board member who I sit on a Board with, says his wife is a lawyer who works full-time on a collaboration of European law firms making all kinds of _____...

Challenge

- Sadly, I have been so tainted by lawyers, that I can speak/write legalese!
- Someone give me a random sentence about anything in the world (**not a song or poetry!**)
- It is even more funny if it does not relate to business
- And I will translate it into “legalese” instantly!

Writer's block tips

- Stuck, everyone can _____
- Write what comes to mind fast and insert ___ if you don't know what to write and keep moving

You can also use AI like Chat GPT for contracts

- I gave it these parameters for a simpler lease agreement, and it did amazingly well
- Example: I want a lease for a 600 square foot warehouse, gross rent \$1,800 a month, with typical clauses, for four years



ChatGPT

Result



ChatGPT

An option

We used a former, veteran
_____ counsel as a lawyer
for contracts

He did not think so much
like a _____, because of
his extensive in-house
experience, so there were
some advantages

You say, stop wait



Often the contract/agreement is already drafted, it is too late for me/us write it



And I am asked to review it...



Yes, this often happens to me and most accountants



Contract review tips/stories/jokes/checklists/practice are in my course
Contract Review Tips for Accountants (1 hour)



Be confident, you can do it, especially on the more business/finance issues...but even on some common-sense legal issues

Lesson 3

A physician I know

Wanted to test if his lawyer, or assistant actually read key agreements coming from another party

He buried something funny and out of place in a house purchase document his lawyer was supposed to review

Can you see it?

11. DOCUMENTS: All documents required to give effect to this contract will be delivered in registerable form where necessary and shall be lodged for registration in the appropriate Land Title Office by 3:00 p.m. on the Completion Date.

12. TIME: Time shall be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may at the Seller's option terminate this Contract and in such event the amount paid by the Buyer will be absolutely forfeited to the Seller on account of damages, without prejudice to the Seller's other remedies.

13. BUYER FINANCING: If the Buyer is relying upon a new mortgage to finance the Purchase Price the Buyer, while still required to pay the Purchase Price on completion date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if before such lodging, the Buyer has six pink elephants: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new Mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, A Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").

A CFO of a company I worked for

- In an important meeting with the General Counsel of the company, a QC
- Pinned him to the wall by saying:
- “You have not _____”

Sometimes

- You need to question lawyers, don't assume they are ____
- You may need to _____ what the lawyer drafted
- Often their version is: too threatening, too long, not comprehensible, will cause problems with the other party
- Example _____

More Will Rogers

- “Every time a lawyer writes something, he is not writing for posterity, he is writing so that _____.”

Mini case, lawyer management

- Make an appointment in 4 days to talk to your lawyer about a customer dispute
- Call to lawyer to discuss a dispute for 2 hours
- Lawyer gets back on documents needed 3 days later
- Then 2 weeks of document gathering for the lawyer
- Then wait for the lawyer for a week to respond on a course of action...
- \$9,000 of legal fees, nearly 4 weeks

Is there a different way of doing this?

Or..

Or..

\$1,000 of legal fees,
one hour

LAWYER FEES

A lawyer joke from the 1850s from my Dad with a lesson

- The Hoosac Tunnel was an amazing civil engineering feat, cutting through the Berkshire mountains in 1856. The tunnel work engineering was led by a West Point civil engineering grad named Haupt
- At one point, Haupt was disgusted with the legal wrangling associated with the tunnel build, he said: “the best way to dig through this mountain would be to _____”
- Better than heavy equipment and explosives!





The lesson

- This reminds us that lawyers have been frustrating people and greedy for fees, for a long time, not just in recent years

Let's talk about lawyer's fees

- In a recent webinar poll, ___% of the class felt they had been over-billed by a lawyer

We know that lawyers basically bill time

- They are not fixed fee professionals, like auditors are, to a certain extent...
- And of course, they bill out of pocket costs...



More than for most parties that bill time

- Keep a _____ of all interactions with the lawyer, including phone calls
- This can help you a lot with all kinds of disputes you might have, including billing

Sometimes get a fixed fee

- In some cases, you should ask for a fixed fee
- I have done this with recurring _____

Retainers

- I am not a big fan of these, I only want to pay for work carried out
- In the middle east, our lawyer said the lawyer's union in the country said you must _____
- We were not able to confirm or deny or this, so we unhappily paid it

Prepaid legal services

- Does anyone have any experience in this?
- It is kind of like ____
- The _____look good, but one never knows
- There obviously must be limits on how much you can use them
- I have experience with this in a non-business environment



Pro bono work for charities

- Admirable _____, doing good work, should be able to get this sometimes, donated, free legal work
- One day I was doing the tax return for a retired judge and he said he had done _____!
- I had to explain that _____

When to use contingent fees

- It has to be _____ for the lawyer to want to do it, usually litigation
- A lawyer, who used to be a dental hygienist, would not take our case against a dentist, who _____
- Obviously not recommended when you are very likely to win

Also

- Note if you fire your lawyers, the next one may_____
- Ensure your contract covers how _____ will be treated

Risk fees

- Once a course participant said their lawyer was charging them “risk-based fees”, not time-based
- This \$50M loan guarantee is risky because of its size, so we are charging you _____
- I have not heard of this _____

Pay your lawyer with shares

- You save cash, and they become a _____ with the other shareholders
- They now have a _____ in your success
- They may be nicer to you in terms of billing and late payments, I have seen the latter (we can wait _____)
- I have done this in _____
- The worry is that angry lawyer shareholder can be _____...

A story

- A company I invested in with two of my brothers, sort of ____....
- We knew there was a lawyer shareholder so we _____
- The firm lawyers explained _____

Another example of lawyers being too risk
averse

A model for startups

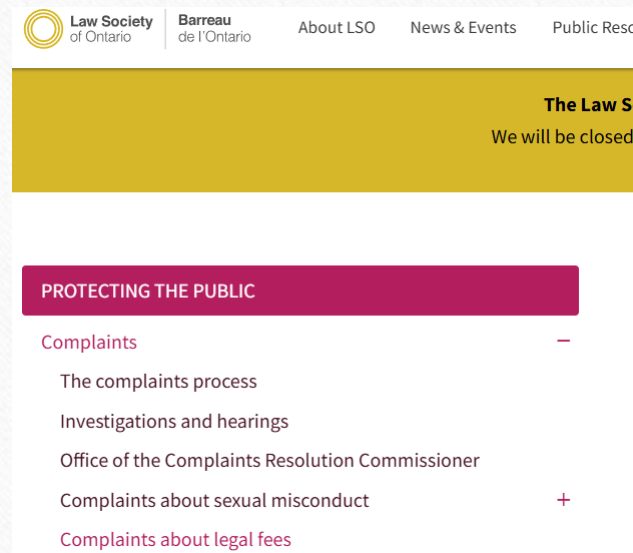
- I know law firms that are very gentle and reserved on bills to high potential startups
- They take some fees as shares
- They are hoping for _____
- Then they _____
- I have seen this happen, I was on the _____ of the company that was bought out

A model for startups

- You might also be able to get this with a _____, that are not startups

Note

- There is a fee dispute resolution service on the Ontario Law Society website, I am sure there is one for the other Canadian jurisdictions



The screenshot shows the top navigation bar of the Ontario Law Society website. The navigation menu includes: Law Society of Ontario, Barreau de l'Ontario, About LSO, News & Events, and Public Reso. Below the navigation bar is a yellow banner with the text "The Law S" and "We will be closed". Below the banner is a purple header for "PROTECTING THE PUBLIC". Underneath this header is a list of links: "Complaints" (with a minus sign), "The complaints process", "Investigations and hearings", "Office of the Complaints Resolution Commissioner", "Complaints about sexual misconduct" (with a plus sign), and "Complaints about legal fees".

Another funny risk averse lawyer

- 12:17:29 From Linda to Everyone: Costco recent butter recall because the label omitted the term _____

Sometimes
I see a legal
bill

- For legal work, initiated, “supervised” by someone else in the organization
- When I see it, I have to ask questions:
- “Did you _____?”

Before the lawyer starts work

- Ask for a _____ before the work starts, including out of pocket costs
- Ask the big questions, i.e. what _____?
- Have the lawyer initially quantify and label _____

Before the lawyer starts work

- Having all legal forms _____
- A good lawyer might even tell you which ones you can _____



Strange situation

- We have an interest in a trial related to and IP legal action of another company
- Our IP lawyer say they will attend the trial for us, about a week long, for \$50K, which would include a bit of travel and hotel costs, 200 km trip from Ottawa
- I hit the roof, there is no way I am going to pay this
- We need to be well-informed about this action, what are my other options?

Options I put on the table

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Aside: why do so many politicians become lawyers?

- Since WW2, I believe only two Canadian PM's did not have law degrees, the last two
- One reason, we all know that lawyers are _____
- Does this raise concerns _____ as well as not being strong on finances?

Lawyer PM doesn't understand finances, or

- Liberal PM candidate Jean Chretien says publicly that the Reform party's fixation on reducing the deficit is silly, “_____”
- I write a letter to the editor of the newspaper who reported this, saying essentially that “Mr. Chretien, _____”

Lawyer PM doesn't understand finances, or

...

- The newspaper called me to say they were looking at publishing the letter, I am not sure they ever did....
- Either Chretien was _____



Aside: I actually have lawyer friends...

- A lawyer friend lived _____
- A _____ is a lawyer
- I once thought of a law student as a possible _____

More ways to reduce legals

- Get a detailed _____ so you can audit it
- Ask for a _____ to monitor spending
- Don't pay fees for their _____!
- Request a _____ lawyer for some work

Have you ever been over-billed?

Do you have an example of a dumb lawyer mistake?

- And did they try to bill you for it?
- Send me an email, spriddle@bell.net

Question the lawyer

- The lawyer created a special loan agreement, between the corporation and a lender who was a shareholder



An aside

- He was annoying, the only lawyer I know who billed time to the nearest 0.5 hours, which is expensive,
- This allowed him to _____!
- This lawyer once tried to _____

Once upon a time, an Ottawa Senators hockey star

- Refused to play and honour his contract
- A local firm took on a fan who was going to sue him for damages
- What do you think?
- _____!



Another extreme warning label

There is apparently a lawyer



WHO DOESN'T PRACTICE
LAW, BUT JUST ADVISES ON
FEES AND BILLS



APPARENTLY, HIS BEST TIP
IS “_____”



I DON'T HAVE THEIR
CONTACT INFORMATION, I
JUST HEARD ABOUT THEM

I asked two law firm Controllers for tips

- One said, “we are busy, there is lots of time being accounting for, go through your bills carefully, mistakes are made”
- One gave me the tip I already knew about of asking for the work to be done by a junior lawyer to do work (Stikeman Elliott..!)
- Once said no tips, “but boy, I hear the lawyers complaining about you clients all the time...and sometimes lawyers who are weak on admin, don’t bill some time...”

In-house counsel versus outside

- Obviously large organizations have inside counsel
- Tiny ones don't
- The in-between ones, must make a decision
- Just like the fractional CFO is more popular these days, the _____ is a possibility, it is not full-time or nothing..

Running the number is just part of the discussion

- Last fiscal year, legal fees were \$545,404, and we analyzed the bills and they spent 1,244 hours working for us, an average of \$428 an hour
- Just because we can get a competent internal counsel \$220,000 base, \$251,000 with benefits, doesn't mean it is a no-brainer decision
- Was this a typical year, or were _____

Questions

- Most important question: there is no way the internal counsel can replace outside counsel in all kinds of specialty areas, so _____?
- Could quite a lot more _____
- The internal counsel is likely to be _____

Analysis

- The internal counsel will have to shift away from _____, otherwise it won't work so well
- The internal counsel should be able to _____
- Their foresight should _____

Questions

- You also don't want them to play _____, as lawyers do
- They can also fill the _____role

My engineer grandfather

- Was a hobby beekeeper, he ran a large factory making steel products, who had a bit of a legal mind
- One day, a neighbour complained to him that one of his bees stung her
- He has a good lawyer answer: “_____?”
- He became impervious to bee stings, he was stung so often, and wasn't sympathetic when others got stung....



Lesson 4

Secretary work

- Who is looking after your _____?
- Bring it in-house now!
- There are many things you can do:
- Take the _____ yourself
- Report changes in directors
- You can run the _____ ledger
- Other things you can do

The other
day my
Dad said

- “I was cross-examined by lawyers from

Do a little
research
before
sitting
down with
a lawyer on
specialized
area

- A sister-in-law needed to kick out a tenant, and had no background in anything legal
- A quick bit of research and it was quite clear
_____....
- Someone told our friend's sister: "I will get sole custody of the kids"....

More ideas

-
- Another useful website: _____
 - It has.....
 - I am in it...





Huge legal fees

- My Dad grew up in a poor coal-mining town in Northern England, the mine was a few hundreds metres from his backyard
- He told me there was a huge suit by the coal miners about black lung disease against the coal-mining employers
- There was a multi-billion pound settlement, but _____!

LITIGATION

Do you have a clean lawyer joke?

Note an oldie that everyone knows...

Please share it in the Chat

Do you have a clean lawyer joke?

- 18:21:54 From David to Everyone: How many lawyers does it take to change a light bulb?
- _____



The only time I was sued

- I was about 17, and I carelessly _____
- Unfortunately, the other driver had _____
- 364 days after the accident some kind of official delivers a document suing me
- It said I failed to _____





The only time I was sued

- I was cross-examined in court, answered _____
- There probably was a _____ by the insurance, out of _____

Any litigation is looking inevitable

- Separate yourself from the lawyer, clear your mind and think _____ only

First, defensive litigation

What is the best defence, against being sued successfully

- Extremely well-worded contracts?
- Watertight insurance coverage?
- A defence lawyer who is a whiz?
- Actually, _____
- **This would also apply in _____ life dealings**

What is the best defence, against being sued in business?

- Also, if a cunning lawyer _____
- Another one is “say _____” (1)
- Warren Buffet said: “we never made a good deal with a _____”
- The contract clause that the losing party will pay the other party’s legal costs, means lawyers will encourage their clients to _____

Post-course email

- Here is a funny quote that was posted at my work just outside the legal unit:
- *Dance like nobody's watching and write emails like _____.*



My “litigation”

- I was driving down slippery hill in snow, with a heavy vehicle, and I decided to go through the amber light as I was so close to the intersection
- A cop immediately _____
- I argued the case in the traffic court and the judge _____
- While waiting for my case, I didn't feel almost anyone else had _____

Litigation, offensive

A Proverb

- *Do not hastily bring into court, for what will you do in the end, when your neighbor puts you to shame? Argue your case with your neighbor himself*
- This is saying _____
- Is there a _____ that will solve the problem?
- Is there a way to ____ and avoid financial loss?
- Would they rather settle for \$100,000, than pay their lawyers \$_____?
- Occasionally, rarely, lawyers may offer a _____ solution

Litigation

- A big firm litigator once said to me, “my job is not that _____, and I am rarely in _____”
- Ask for a cost estimate, before you start, the Ontario lawyer website has good info, I am sure they all do
- [Litigation cost estimate - Lawyer | Law Society of Ontario \(lso.ca\)](#)

Sometimes in business and personal

- A letter from a lawyer _____
- Use this judiciously, it certainly won't intimidate _____
- I once was working on the audit of a branch of a top ten corporate name in the world, and I was staggered _____

In a dispute

- Think what the other party's lawyer is likely _____
- Ask your lawyer about this, if they are thoughtful, they can help
- Think about whether the other party's senior management knows _____
- If it is just legal and lower people, they may be less likely to _____ than senior management

Some unethical businesses

- Have the attitude, that you win some and _____
- A letter from your aggressive-sounding lawyer can get things moving quickly, they will _____

Alternative avenues

- You are tempted to file a lawsuit against some annoying government body that caused you some kind of problem
- Success is questionable, and they have the taxpayer to fund their fees, almost without limit
- You could send the money that you would have used to legal fees, to a _____
- This sometimes might work in the corporate world



As you probably know

- The USA is way more litigious and payouts don't seem to make sense, so it is riskier, you must be careful
- I think this is a huge drag on their economy, but tort reform is talked about and never done
- Example I saw recently, job loss settlement, about 100 times _____

Mediation/arbitration

- Use mediation (they help you agree) or arbitration (you both agree that they can impose an outcome) instead of litigation, if you don't settle out of court
- It may be _____
- Put arbitration clauses in contracts, this arbitrator will be used if we can't agree, or we will use an arbitrator that we mutually agree on

Who are the “lowest form” of lawyers?

- _____

Call 1800
SCOTFREE



Scotfree LLP, Criminal Lawyers
110 Main Street, Bytown, Ontario


We are dedicating to

I know

- There are rare cases of the wrongfully _____ who they help as well
- In those cases, there will be a _____ lawyer, doing the prosecution....
- I know a lawyer, who after a while, his _____ said he could not touch criminal law and he had to leave it

CBC interview with Marie Heinen famous
criminal defence lawyer. I want to ask a couple of them to you. One is, how can you defend someone who's charged with a heinous crime?

— That is the job. And part of it is a misunderstanding of what my job is. When you are charged, the state has to prove the case against you beyond a reasonable doubt. It's not trite. It's not just a platitude. The weight of the state's authority is focused on you; we know there are miscarriages of justice. So when a client comes in to me, I do not judge their moral culpability. That is not my job. My job is to force the state to prove their case, to advance whatever defences I can advance for the client.

 But you don't walk into my office to get a moral assessment of your character, just like you wouldn't walk into a surgeon's office and say, "Look, before you do the heart surgery, I just want to know, do you think I'm a good person? Do you really like my life choices?"

Hopefully

- You don't have to _____...

Jury duty

- Have you ever been called for jury duty?
- The government of Ontario picks on my family:
- _____



Criminal trial jury selection hearing



A BUNCH OF MISCELLANEOUS ADVICE

We once
got a legal
surprise

- We had become a public company in Ontario by accident, our lawyer didn't warn us
- Not a publicly-listed company
- But we had over 50 shareholders of a certain type, which required _____
- Watch out for this....

Often

- Executives and politicians “_____” their lawyers, I can’t comment etc,
- I am not convinced it is true in all cases, it is an excuse

Once I asked a top 10 law firm what they would charge for a specific task

- They told me \$2,300 and then sent a _____ bill for answering the question
- I said “I am not paying it, you didn’t _____”
- They eventually _____

Notarizing document is a pain

- (I also believe it has no real value)
- Having to find a notary, often a lawyer who is available, making an appointment and driving over and waiting is time-consuming
- But those days are gone now for me, and can be for you, if you don't know this tip _____

Money in trust with a lawyer

- Often solves business problems related to cash uncertainty
- Sometimes be done cheaper, by a _____ issued by a bank
- If there is a whiff of a lawyer playing games with trust money, this is a serious matter, which should be _____
- A crooked law firm is most likely to do this with a _____



Money in trust with a lawyer

- Just like for accountants, _____ can produce temptations to dip into trust funds
- I once audited _____, but this does not guarantee no funny stuff

Scenario

- Your employer will be paid \$4.2 million at the beginning of the month, but it must be held in trust by the firm's lawyer until three specific conditions are met
- This will take about two months
- Question: What should you do?

Answer

Another risk averse problem

Extreme warning labels!



M&A and legals

- Lawyers love M&A what a great chance to load up the bill
- \$100M deal, \$_____gets sort of lost...especially when selling and you are very busy and you are becoming _____
- And before the accounting rules changed, on the buy side legals were an _____, not an expense
- But I would stay you still want to monitor them closely

A lawyer causes trouble

- The advisor of my friend Rod causes him some significant financial damage in a professional capacity (construction-related) due to an error
- The advisor is a friend of Rod's and admits the failure and damage
- The advisor basically says sue my employer to access some insurance money, the insurance limit is \$400K
- (I have heard of sue me to access insurance \$ a number of times)

A lawyer causes trouble

- Rod works with his lawyer on the letter, for a claim for direct damages of \$400K, but the lawyer sends out a letter which is different
- The advisor is shocked when the letter is received because it uses words like “_____...” standard lawyer extreme statements
- The advisor is aghast, and their friendship is threatened and it is hard to talk, due to the pending legal matter

A lawyer causes trouble

- Lessons:

- 1. _____

- 2. _____

Pop quiz

How are you tracking so far?

The course teaches that:

- a) Your employer should stay away from lawyers
- b) Involve lawyers in everything, as
- c) Refuse to pay bills from lawyers if you think they are charging too much
- d) Manage lawyers carefully and use them judiciously

A warning label from this building



Second opinions

- Sometimes these are needed for various reasons
- Obviously, like in medicine, it is sometime wise to ask for a second opinion, and we know lawyers have lots of opinions
- Or tell two lawyers with different views to _____

I am trying to be a “lawyer...”

- My son buys a house
- He finds the neighbour has _____

Mini case

- Executive is fired and wants a letter of credit issued by a chartered bank to back up future payments, integrated into his severance letter in case the employer doesn't make the payments
- The company agreed to this, but it just needs to be papered
- I was in charge of global treasury including letters of credit, so I was involved

Mini case

- The company had 3-4 lawyers on staff and the General Counsel worked on this for weeks, but his wording was not working, partly because he didn't understand letters of credit
- I said “_____”
- Being busy, he was not _____
- Lessons: Letters of credit is a specialized area so lawyer needs _____
- Internal lawyers are less likely to be offended if you do work for them, as _____

Once I ran into an IP issue

- Someone was illegally copying my copyrighted video courses
- It so happened that I had _____
- They were more than happy to help me with my IP issue for nothing...
- Both were _____
- Lesson: being _____ to people sometimes pays off, even with lawyers

Lawyers can be wrong

Once a fairly famous lawyer said to me: “a person can never be charged under Canadian law for something that my physically takes place outside Canada”

I said I think you are wrong, what about _____

And he _____

He is now a _____

Some quick little tips

- You need to call your lawyer for 1-2 minutes, you might as well cover some other topics, so you may want to delay or gather questions, as you know it will be _____
- Don't send regular emails to your lawyer _____ them as they will just charge you for reading the emails (unless important actions flow from the updates)
- Make sure your lawyers is _____ with the lawyer directly opposed to you, this is possible, it is a small world

Some quick little tips

- Charges on the bill for “file _____”, should be proved
- I once incorporated a business for two of my brothers, it was _____
- Some organizations send staff to argue _____, say \$2K, it would rarely be worth even have a lawyer to advise on these

Paralegals

- Obviously, a lot of work in law firms is done by paralegals, not lawyers
- How do you know? They tell you, you are talking to them, you guess from experience, and at the end of the day, the bill will tell you
- If the work has some _____, and they are not _____ properly, there can be problems
- I think lazy lawyers become _____ with paralegals causing this problem

I have sat down with my President and said something like this

- “Legal bills last year were \$190K, the year before I joined, but this year, \$___K, I think I am responsible for most the _____...”
- “Consider this in relation to my _____ to the company please”
- You may be able to do this....

What creature best represents lawyers,
and why?

A CPA heard this material

- And it was like a revelation
- “I had never thought to _____”
- I think this is true for many, they just didn’t say it

Finally

- Always be careful, you don't want to assume _____ by doing everything yourself, because that is not what I taught
- I have never had a _____ operating like this in medium-size businesses, with a fair amount of complexity

A recent comment on this teaching

I have over 50 hours of other courses

For courses that deal more with legal matters



Contract Review Tips For Accountants, actually practice doing it, plus more tips, one hour



Practical Financial Negotiation Tips, 4 hours

In other courses

- Minimizing the bank's pass-through lawyer fees (**Sharpen Your Business Loan Negotiation Skills**)
- Deal structure and taking advantage when the big company's lawyers road block the party you dealing with (**Practical Financial Negotiation Tips**)

Closing comments

- I hope you liked the course
- You cannot sue me or the sponsoring organization if anything is wrong
- You can do LinkedIn with me, mention this course
- You can now write the **Quiz**



Source where noted

- (1) Source: Carroll, Nicholas, 1997, **Dancing With Lawyers**, Random House Canada