

Oregon State Bar

Referral Fees Committee Report

May 15, 2019

BACKGROUND

Origin of the committee

The Referral Fees Committee (the “Committee”) was created in response to the Oregon State Bar House of Delegates (“HOD”) meeting on November 3, 2017. At that meeting, the HOD considered a Board of Governors (“BOG”) resolution that would have amended Oregon Rules of Professional Conduct (“ORPC”) 5.4(a)(5) and 7.2(b)(2). Rule 5.4 protects the lawyers’ professional independence by prohibiting sharing legal fees with non-lawyers except in specified circumstances. Rule 7.2 addresses attorney advertising, and restricts lawyers from paying others to recommend the lawyer’s services in most circumstances. The BOG resolution would have allowed—with some limitation—lawyers to share fees with for-profit lawyer referral services

The HOD declined to adopt the recommended rule changes, and instead sent the issue back to the BOG for further study. To that end, the BOG created this committee. In creating the committee, the BOG sought to include individuals with a variety of backgrounds, perspectives and experience. The committee roster is included at the end of this report as Appendix A.

Committee charge

The Referral Fees Committee was charged to:

Study the rules that govern the circumstances under which a lawyer may pay a for-profit company for directing clients to that lawyer (esp. 5.4(a)(5) and 7.2(b)), in light of changing models for obtaining and delivering legal services. Consider how such rules should be amended in order to account for these changes, while still protecting the public and allowing for greater access to legal services.

The committee began meeting in April of 2018 and met a total of 7 times. It commenced its work by reviewing the Futures Task Force Report and the proposal to amend Rules 5.4 and 7.2 that was considered by the HOD at its November 2017 meeting.

OSB Futures Task Force

The committee discussed proposed rule changes in light of the larger recommendations of the OSB Futures Task Force. The Futures Task Force was convened by the BOG in April of 2016. At that time the Task Force was charged to:

Examine how the Oregon State Bar can best protect the public and support lawyers’ professional development in the face of the rapid evolution of the manner in which legal services are obtained and delivered. Such changes have been spurred by the blurring of traditional jurisdictional borders, the introduction of new models for regulating legal services and educating legal professionals, dynamic public expectations about how to

seek and obtain affordable legal services, and technological innovations that expand the ability to offer legal services in dramatically different and financially viable ways.

The Futures Task Force was split into two committees, a “Legal Innovations Committee” and a “Regulatory Committee.” Since the Futures Task Force Report was adopted, the OSB has worked to implement most of the recommendations from the report. The Futures Task Force Executive Summary can be found [here](#)¹.

Among the recommendations of the Futures Task Force were proposed changes to ORPCs 5.4(a)(5) and 7.2(b)(2) intended to “remove barriers to innovation.”² Specifically, the Regulatory Committee recommended that Rules 5.4 and 7.2 be amended as follows:

RULE 5.4 PROFESSIONAL INDEPENDENCE OF A LAWYER

(a) A lawyer or law firm shall not share legal fees with a nonlawyer, except that:

(5) a lawyer may pay the usual charges of a ~~bar-sponsored or operated not-for-profit lawyer-referral service,~~ **including sharing legal fees with the service, only if:**

(i) the lawyer communicates to the client in writing at the outset of the representation the amount of the charge and the manner of its calculation, and

(ii) the total fee for legal services rendered to the client combined with the amount of the charge would not be a clearly excessive fee pursuant to Rule 1.5 if it were solely a fee for legal services, including fees calculated as a percentage of legal fees received by the lawyer from a referral.

RULE 7.2 ADVERTISING

(b) A lawyer shall not give anything of value to a person for recommending the lawyer’s services except that a lawyer may:

(1) pay the reasonable costs of advertisements or communications permitted by this Rule;

¹ http://www.osbar.org/docs/resources/taskforces/futures/FuturesTF_Summary.pdf

² Recommendation 2.2 – Amend current fee-sharing rules to allow fee sharing between lawyers and lawyer referral services, with appropriate disclosure to clients. OSB Futures Task Force Executive Summary, page 10. See also Appendix B of this report.

(2) pay the usual charges of a legal_service plan or a lawyer-referral service in accordance with Rule 5.4; and

(3) pay for a law practice in accordance with Rule 1.17.

The Regulatory Committee report related to this recommendation is attached as Appendix B.

ISSUES DISCUSSED

Impact of lawyer referral services on access to justice

The committee began with a discussion about the types of online services available and how they operate. The committee identified the following three models:

- Marketing model (directories, search engines, matching services)
- Document provider
- Lawyer referral service

While there is no general statutory definition of a “lawyer referral service,” in 2018 the Bar assisted with the passage of [HB 4095](#), which added the following definition of the term to the Oregon Evidence Code³:

“Lawyer Referral Service” means an entity that, as a regular part of its business, refers potential clients to lawyers, including but not limited to a public nonprofit entity sponsored or operated by the Oregon State Bar.

There was considerable discussion about the extent to which the access to justice issues described in the Futures Task Report can be meaningfully addressed by for-profit lawyer referral services. Proponents of the use of for-profit lawyer referral services have argued that they can result in both:

- Connecting potential clients with lawyers who will charge the client a lower rate than the client could otherwise have obtained; and
- Informing some individuals that problems they face are in fact legal problems with which a lawyer can help.

Proponents identified for-profit businesses that are effective at advertising, and indicated that if for-profit referral services offered advertising and educational content relating to legal services, licensed attorneys in Oregon participating in a lawyer referral service would be able to

³ The definition appears in Rule 503 (ORS 40.225) and addresses attorney-client privilege as related to a lawyer referral service.

spend more time providing legal services rather than advertising on their own. Proponents also argued that consumers have grown accustomed to finding professional services via the internet, and current rules regarding fee sharing are an impediment to developing new and innovative business models.

Some committee members believed these factors result in some clients hiring lawyers who would not have otherwise done so. Other committee members expressed concern that there is little or no empirical evidence to support either claim, and that the main interest of for-profit referral entities is to make a profit, not to ensure access to justice for clients. Those committee members expressed concerns about consumer protection, and that the harm to Oregonians may be greater than any theoretical benefits identified by proponents.

The only data point available is the Oregon State Bar Lawyer Referral Service. In 2017:

- 47,000 referrals were made;
- 47% made no contact with the lawyer;
- 48% contacted and had consultation but did not retain lawyer, and;
- 5% retained lawyers and paid fees

Some committee members expressed concern that allowing fee sharing with lawyer referral services could actually harm access to justice because increased costs to lawyers would simply be passed on to clients, resulting in decreased access to justice.

Consumer protection concerns

Current regulation of for-profit lawyer referral entities

One objection to allowing lawyers to share fees with for-profit lawyer referral services is the lack of existing robust regulation. The Oregon State Bar does not currently have any regulatory authority over such entities. It was noted that the Oregon Department of Justice (“DOJ”) Financial Fraud Division has some regulatory oversight through the Unlawful Trade Practices Act, which applies to lawyer referral services. To get a sense of the numbers and types of complaints DOJ receives regarding online legal services, the committee requested DOJ to provide information regarding complaints it received about AVVO, Legal Shield, Legal Zoom and Rocket Lawyer. A summary of those complaints is attached as Appendix C.

Between 2008 and 2017, the DOJ received a total of 13 complaints directed at the above four entities. Of those, four related to allocation of fault or misleading claims of services offered; four others were pricing related complaints; and three were complaints about the quality of services provided by the law firm provider. These complaints come from a pool of between 8,000 and 12,000 written complaints DOJ receives each year.

Some committee members said that the fact that DOJ has only received 13 complaints since 2008 regarding on-line lawyer referral services does not capture the spectrum of activity. A

number of committee members reported receiving regular solicitations from such services for personal injury claims in violation of ORS 9.500 et seq. Some committee members believe the frequency with which such services are violating Oregon law indicates that some form of regulation is necessary to protect consumers, particularly in the areas of confidentiality of information and disclosure regarding captive lawyer referral networks.

Interference with independent professional judgment

The primary consumer protection concern expressed by some committee members was that a fee-sharing arrangement with a for-profit institution could threaten a lawyer's independent professional judgment. This could manifest in a number of ways. Specifically, some committee members felt that if lawyers are reliant on a for-profit service to attract clients, they may be susceptible to pressure from that service to resolve cases in a particular manner or within a particular time frame for fear of losing future referrals from the service. Similarly, other lawyer fiduciary obligations to clients may succumb to the pressure of a third-party referral service in the interests of its own profit.

Young new lawyers may be particularly susceptible to these pressures. Other committee members felt that the existing rules regarding undue influence in the ORPCs may be sufficient to guard against these concerns.

Other Consumer Protection Concerns

Some committee members expressed concerns that consumers might receive lower quality legal services because legal claims could be sold to the highest bidder or sold to out-of-state, aggregators lacking experience with Oregon courts. Other members thought those concerns were unfounded: the highest bidders would not necessarily be unqualified providers of legal services, or even less qualified providers than the lower bidders, and that allowing in-state lawyers to accept referrals from for-profit companies would, if anything, reduce referrals to out-of-state aggregators.

Some members also expressed concern that it could be unclear to consumers who is actually handling their claim and what the relationship between the lawyer and the referral service really is.

Other committee members argued instead that the consumer is free to evaluate the quality of lawyer once their lawyer has been identified and is free to end the relationship. They also noted that this concern already exists in many lawyer-client relationships. Lawyer referral services would likely argue they are providing higher quality services because of their ability to allow for direct consumer feedback regarding the quality of the legal services they received.

Impact on lawyers

The committee also discussed which practitioners were most likely to be impacted if lawyers were permitted to contract with for-profit lawyer referral services. One train of thought was

that the proposed change to RPC 5.4 would primarily benefit newer and solo lawyers because it would provide a possible route to attracting clients that would not be controlled by larger, existing firms. In theory, this could benefit attorneys who have nontraditional practices or who are less likely to be hired by traditional firms.

Other committee members were skeptical of this outcome, based on the idea that existing, established firms could outbid younger independent attorneys for cases, which would create barriers to entry for younger attorneys. This was especially a concern to such members if on-line lawyer referral services succeed in dominating search engine results, making it extremely difficult for younger attorneys to launch their own websites and compete for legal work on the internet.

This point was discussed extensively by the committee, as well as by outside groups who raised the concern with committee members. Ultimately, the committee was not able to reach a consensus on which was the more likely outcome.

OPTIONS CONSIDERED

The committee considered a number of specific recommendations regarding how to proceed on this issue, including the following 6 options:

1. Recommend adoption of the 2017 HOD resolution in its current form.
2. Recommend amending Rule 5.4 to permit a lawyer to pay a for-profit referral service a flat fee – but not a percentage fee – that is calculated based on payment for services rendered.
3. Recommend amending Rule 5.4 to permit a lawyer to pay a for-profit referral service a fee based on a percentage of legal fees received for a limited scope representation.
4. Recommend adoption of a rule similar to one proposed in North Carolina whereby lawyers may pay a portion of a fee to an online marketing platform so long as the amount paid is for administrative or marketing services, and there is no interference with the lawyer's independent professional judgment.
5. Recommend amending Rule 5.4 to permit payment of a flat or percentage fee to a for-profit lawyer referral service so long as the referral is for a short-term limited representation and the fee is not contingent on the outcome of the representation.
6. Recommend making no changes to existing rules.

Concerns were expressed about any solution that would attempt to limit fee sharing to limited scope representations. As members pointed out, most representations in modern law practices are limited in some respect, and crafting a definition of "limited scope" that would truly restrict the application of a fee sharing rule would be difficult. This could make any limitations on fee sharing in a modified Rule 5.4 illusory, as they would end up applying to only a few attorney-client relationships.

While some committee members were uncomfortable with any form of fee sharing, most members expressed a level of comfort with allowing some form of fee sharing when it was limited to cases where the amount paid to the referral service was a flat fee, and not related to either the amount paid to the attorney by the client or to the outcome of the case.

The task force selected a workgroup to further explore the second of the above options – that fee sharing with a for-profit lawyer referral service be permitted so long as the amount paid was not based on the outcome of the case.

The workgroup debated adding a subsection to the proposal, which would reiterate that the total fees charged to a client – including both fees for legal services, and any additional fees paid to the lawyer referral service – cannot constitute an unreasonable fee. While there was some support for including additional language to this effect, the majority of the committee determined that the additional language was unnecessary and could cause confusion, as Rule of Professional Conduct 1.5(a) already prohibits a lawyer from charging “an illegal or clearly excessive fee or a clearly excessive amount for expenses”. Committee members agreed that a lawyer should not be permitted to charge a client an additional amount if that caused the total fees paid by the client to be excessive or unreasonable under the rules.

COMMITTEE RECOMMENDATIONS

A majority of the Referral Fees Committee felt it was important to make a recommendation. From among the options considered, a single proposal with two variations was identified as best balancing the concerns raised with the potential benefit to access to justice. It is important to note that the Committee did not reach a consensus on the overall desirability of implementing any rule change and no recommendation received the unanimous approval of the committee.

A majority of the committee did, however, recommend that Rule 5.4(a) be amended as follows:

(a) A lawyer or law firm shall not share legal fees with a nonlawyer, except that:

(6) a lawyer may pay the usual charges of a for-profit lawyer referral service for referral of a matter, only if:

(i) the amount of the payment is fixed at the outset of representation, is not a percentage of legal fees, and is not based on the outcome of the matter; and

(ii) the lawyer discloses to the client in writing at the outset of the representation the amount of the payment to the lawyer referral service and the nature of the lawyer’s relationship with the lawyer referral service.

Should the Board of Governors choose not to recommend the above change be made to the Rules of Professional Conduct, the Committee recommends in the alternative that the BOG recommend the following change, which includes an additional subsection.

(a) A lawyer or law firm shall not share legal fees with a nonlawyer, except that:

(6) a lawyer may pay the usual charges of a for-profit lawyer referral service for referral of a matter, only if:

(i) the amount of the payment is fixed at the outset of representation, is not a percentage of legal fees, and is not based on the outcome of the matter;

(ii) the lawyer discloses to the client in writing at the outset of the representation the amount of the payment to the lawyer referral service and the nature of the lawyer's relationship with the lawyer referral service; and

(iii) the fee charged by the lawyer to the client is not contingent on the outcome of the matter.

The addition of the third subsection is intended to address concerns about contingent fee cases.

Several committee members expressed that their concerns about fee sharing were particularly acute in the case of contingent fee cases. To these members, the addition of subsection (iii) made the proposal less objectionable, though they still expressed reservations about amending Rule 5.4 at all for all of the reasons detailed above.

Other members opposed the addition of subsection (iii) because they felt that many of the practice areas in which there is unmet legal need are areas in which lawyers traditionally charge contingent fees. These include landlord-tenant disputes; small-value tort and contract claims subject to ORS 20.080 and 20.082, and employment-related proceedings.

The committee members in support of subsection (iii) argued instead that in contingent fee cases, the fees charged by lawyer referral services could result in such a small margins as to discourage attorneys from taking these lower value cases at all. This could result in increasing, rather than decreasing any unmet legal need.

The primary recommendation passed the committee by a vote of 7-3 with one abstention. The alternate recommendation passed the committee by a vote of 6-3 with two abstentions. Different committee members objected to each proposal, meaning that 6 of the committee members voted “yes” to one recommendation and “no” to the other, while 3 other members voted “yes” on each proposal. One member abstained from both votes.

Respectfully submitted,

Kurt Hansen
Referral Fees Committee Chair

Referral Fees Committee Roster

Committee Members

Kurt Hansen, Chair
Steven Berman
Mika Blain
Jermaine Brown
Thomas Christ
Ankur Doshi
Leigh Gill
John Grant III
C Scott Howard
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OSB Futures Task Force Regulatory Committee – Report and Recommendations
(Excerpt from pages 38-40)

RECOMMENDATION 2.2: Amend Lawyer-Referral Services Fee-Sharing Rules

2.2 The Bar should amend current fee-sharing rules to allow fee-sharing agreements between lawyers and lawyer-referral services, with appropriate disclosure to clients.

Oregon lawyers are generally prohibited from “giv[ing] anything of value to a person for recommending the lawyer’s services,” RPC 7.2(b), subject to exceptions for advertising and the usual charges of a lawyerreferral service, RPC 7.2(b)(1)–(2)⁴. Similarly, Rule 5.4 prohibits lawyers from sharing a legal fee with a nonlawyer, including an advertiser or referral service, unless the referral service is a bar-sponsored or notfor-profit service. RPC 5.4(b)(5).

The historical justification for such prohibitions has been a concern that allowing lawyers to split fees with nonlawyers and to pay for referrals would potentially compromise the lawyer’s professional judgment. For example, if a lawyer agreed to take only a small portion of a broader fee paid to one who recommends the lawyer’s services, that modest compensation arguably could affect the quality of the legal services. Similarly, a percentage-fee arrangement could reduce the lawyer’s interest in pursuing more modest claims.

We acknowledge that important concern, and we do not propose discarding regulation of lawyers’ fee arrangements. We do believe, however, that the current rule is ill-suited to a changing market in which online, for-profit referral services may be the means through which many consumers are best able to find legal services. Innovative referral-service models that could assist in shrinking Oregon’s access-to-justice gap should not be stifled by a rule that was written for a very different time.

Rather, borrowing from the approach taken for attorney fee splits in Rule 1.5(d), we suggest a revision that balances the legitimate historical concerns with relaxed regulation by requiring written disclosure of the fact of the fee split and the manner of its calculation. Because the rules should also continue to ensure that any fee is reasonable, we further recommend new wording that essentially prohibits the overall fee shared by a lawyer and a referral service from being clearly excessive as defined in RPC 1.5.

Finally, we note that, despite the existence of Rule 5.4, Oregon lawyers are currently participating in an online attorney-client “matchmaking” service that has been found by other bars to be referral services

⁴ Rule 7.2(b)(2) was amended on January 1, 2017, to remove the requirement that the lawyer-referral service be “not for profit.”

that engage in the improper sharing of fees⁵. Although the Oregon State Bar has not squarely addressed this issue, and no bar complaints have yet been filed arising from such activity, it is entirely possible that the Bar will soon be required to decide whether lawyers who participate in popular online attorney-client matchmaking services are engaged in unethical conduct. This is yet another reason to carefully examine the continuing utility of Rule 5.4 in its current form.

Accordingly, we recommend that Rule 5.4 be amended to provide:

RULE 5.4 PROFESSIONAL INDEPENDENCE OF A LAWYER

(a) A lawyer or law firm shall not share legal fees with a nonlawyer, except that:

(5) a lawyer may **pay the usual charges of a lawyer-referral service, including sharing legal fees with the service** ~~pay the usual charges of a bar-sponsored or operated not-for-profit lawyer referral service,~~ only if:

- (i) the lawyer communicates to the client in writing at the outset of the representation the amount of the charge and the manner of its calculation, and**
- (ii) the total fee for legal services rendered to the client combined with the amount of the charge would not be a clearly excessive fee pursuant to Rule 1.5 if it were solely a fee for legal services,** including fees calculated as a percentage of legal fees received by the lawyer from a referral.

In addition, we recommend that Rule 7.2 be amended to provide:

RULE 7.2 ADVERTISING

- (a) Subject to the requirements of Rules 7.1 and 7.3, a lawyer may advertise services through written, recorded, or electronic communication, including public media.
- (b) A lawyer shall not give anything of value to a person for recommending the lawyer's services except that a lawyer may

(1) pay the usual charges of a legal service plan or a lawyer-referral service **in accordance with Rule 5.4;**

This proposed change to Rule 5.4 would equal the playing field between for-profit, nonprofit, and bar sponsored lawyer-referral services. It would allow for-profit referral services to take advantage of the same fee-sharing exception currently offered to bar-sponsored and nonprofit lawyer-referral services, but would ensure consumer protection through fee-sharing disclosures and a requirement that the overall fee not be clearly excessive.

We discussed at length whether, in addition to written disclosure as discussed above, lawyers should be required to obtain a client's informed consent to share a legal fee with a lawyer-referral service. This approach would be consistent with other approaches taken when there is some concern that a lawyer's

⁵ See Pa. Bar Ass'n Comm. on Legal Ethics & Prof'l Responsibility, Formal Op. 2016-200, 9/16; Ohio Supreme Court Board of Professional Conduct Op. 2016-3; South Carolina Ethics Op. 16-06 (2016).

fiduciary duty of loyalty to the client could be implicated by self-interest or a relationship with a third party. See, e.g., RPC 1.5(d) (fee splitting among lawyers not at the same firm); RPC 1.7(a)(2) (material limitation conflict); RPC 1.8(a) (business transactions with clients). Although we have stopped short of making that recommendation, we note that our proposal could be easily amended to require informed consent, should the Board wish to do so.

Taken together, these proposed changes to RPC 5.4 and RPC 7.2 would allow lawyers to use a broader range of referral services, while increasing price transparency for consumers and continuing to ensure an overall reasonable fee.

COMPLAINTS RECEIVED BY THE DEPARTMENT OF JUSTICE CONSUMER PROTECTION HOTLINE

REVISED 6/19/18

The Department of Justice has received 13 written complaints involving Avvo, LegalShield, Legal Zoom, and Rocket Lawyer since 2008. Legal Shield has been the subject of seven complaints; Legal Zoom, four; and Avvo and Rocket Lawyer, one each.

A summary of the complaints follows by year.

2008

- **Avvo:** A California attorney complained that he was listed and ranked on Avvo's website; that the company did business in 19 States, including Oregon; that the website's information was "incomplete, inaccurate, false and misleading"; and that its rating system was "arbitrary and capricious." The attorney challenged the company's claim that the site's information was culled from publicly available sources and complained that the company had ignored his requests to have his listing removed. The attorney alleged that, in fact, the company had changed his listing in such a way that it provided more incorrect information. The attorney reiterated that he did not want to be affiliated with the company and was concerned that the company interfered with his ability to control his marketing strategy.

2009

- **Legal Zoom:** The complainant explained that her spouse's employer offered access to the company's discounted services and that she had visited the company's website after having seen an advertisement featuring one its founders, Robert Shapiro. The complainant did not use the company's services. Nevertheless, she was concerned that the website and advertising left the impression that the company would obtain legal counsel on consumers' behalf or perform a substantive review to ensure that the documents created using its software were legally sufficient, but had fine print stating otherwise.
- **Legal Zoom:** The complainant, an attorney, was concerned that the company's advertisements left the impression that attorneys would be assisting in the preparation of documents, including living trusts.

2011

- **Legal Zoom:** The complainant appears to have been the victim of a telephonic business investment scam. The complainant's attorney provided several documents identifying unauthorized charges on her credit card, one of which was a charge for Legal Zoom. The complainant later received a document from Legal Zoom, who had in turn, received a document from the Oregon Secretary of State. The document advised that a limited liability company had failed to file an annual report.

2014

- **Legal Zoom:** The complainant expressed concern that he was still being billed for a monthly \$17 fee despite having cancelled his services with Legal Zoom several months prior. The complainant later contacted DOJ to report that the matter was resolved.

2015

- **Legal Shield:** The complainant reported that her son had been approached by a friend about Legal Shield and she was concerned that the company was a multilevel marketing scheme. The complainant found it concerning that the company had recently changed its name from Pre-Paid Legal after having been investigated by the Federal Trade Commission and the Securities and Exchange Commission.
- **Legal Shield:** The complainant appears to have been a contractor for the company and was responsible for promoting its services to consumers. The complainant states that she was unwilling to promote the services without first “test driving” the company’s services and alleged that the letters provided by the company’s law-firm partner were of low quality. The complainant was also concerned that the company’s website featured a testimonial from a consumer that stated: “I was owed a refund. My lawyer made sure I got it.” The complainant had the law-firm provider author a demand letter, but unlike the consumer in the testimonial, did not receive a refund
- **Legal Shield:** The anonymous complainant alleged that a local Oregon resident was employed by Legal Shield, had advertised herself as a licensed attorney and real estate broker offering loan modification services.

2016

- **Legal Shield:** The complainant had purchased a membership in order to have a letter written to her landlord. She was dissatisfied because, despite repeated efforts, the law-firm provider was unable to provide an adequate letter. She was concerned that the letters had not been proofread, contained grammatical errors, and contained basic errors of fact. In its response to the complainant, the company acknowledged that the complainant had wanted changes to be made to the letter and that the company had declined to make a change to the last letter because the complainant insisted that the letter contain false information.

2017

- **Legal Shield:** The complainant, a small business owner, purchased a small business legal policy. The complaint alleges that the law-firm provider claims to have a conflict of interest. As a result, the business cannot use its accumulated hours and must pay the bulk of the attorney bill. The complainant was also frustrated because the law-firm provider will only speak to him with respect to legal business, not his employees, a practice that he deems inefficient. His requests for a new provider have gone unheard.
- **Legal Shield:** The complainant alleged that the attorney working on her case had failed to resolve her case and had not provided an explanation for his failure to do so. She was also concerned that the company had not honored her refund requests. In its response,
- *REVISED 6/19/18*

- the company stated that it had provided to promised services, including mailing a letter to the opposing party that had been returned undeliverable, at which point, the complainant advised the provider that the matter had been resolved.
- **Legal Shield:** The complainant purchased a membership in 2014, but was unable to use it because the law-firm provider was unable to provide services to a Spanish speaker. The complainant alleged that he had been told that, upon cancellation, he would receive a refund of all amounts paid, but he had only received a partial refund of the amounts paid. The company declined to give a full refund, explaining that, the complainant had called shortly after purchasing the service and explained that he only spoke Spanish. Before being transferred to the Spanish line, the complainant ended the call. The company reasoned that, had the call been completed, it would have learned about its inability to provide the services earlier and would have cancelled the membership after the first call.
- **Rocket Lawyer:** The consumer reported that, in 2015, he had created an account to use a legal form and agreed to a free trial within a \$39.95 monthly charge if he failed to cancel or downgrade the account. The consumer received no further correspondence, invoices, or payment notifications from the company and did not notice the recurring charges to his credit card until December 2016. The consumer was concerned that the company was not complying with Oregon laws governing automatic renewal contracts and recommended state and federal legislative action to regulate free offers. The company provided the consumer with a full refund.