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SUPERIOR COURT OF NEW JERSEY APPELLATE DIVISION DOCKET NO. A-2256-21

THE LAW OFFICE OF RAJEH A. SAADEH, LLC,

Plaintiff-Appellant,

v.

MARIAMA BAH,

Defendant-Respondent.

Argued May 22, 2023 - Decided July 13, 2023

Before Judges Haas and DeAlmeida.

On appeal from the Superior Court of New Jersey, Law Division, Somerset County, Docket No. L-0138-22.

Sierra K. Chandler argued the cause for appellant (The Law Office of Rajeh A. Saadeh, LLC, attorneys; Rajeh A. Saadeh and Lindsay A. McKillop, on the briefs).

Mariama Bah, respondent pro se.

PER CURIAM

Plaintiff The Law Office of Rajeh A. Saadeh, LLC (Saadeh, LLC) appeals from the March 22, 2022 judgment of the Law Division to the extent it denied Saadeh, LLC's application for the costs of collection and attorney's fees. We reverse the portion of the judgment under appeal and remand for further proceedings.

I.

The material facts are not in dispute. In July 2016, defendant Mariama Bah signed a retainer agreement hiring Saadeh, LLC in connection with a non-dissolution family matter related to child support. In October 2016, Bah signed a second retainer agreement hiring Saadeh, LLC in connection with an appeal of an order in the child support matter.

The fees to be charged Bah for Saadeh, LLC's services are expressly explained in the agreements. The agreements also detail the steps Saadeh, LLC may take to collect unpaid fees and provide: "Should it be necessary to utilize the legal process to collect any amount outstanding, I will be entitled to recover the costs of collection including a reasonable allowance for professional time expended by attorneys in my firm and reasonable expenses." ¹

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¹ "I" appears in this provision of the July 2016 agreement and apparently refers to Rajeh A. Saadeh, who we surmise is a principal of Saadeh, LLC. The October

In July 2020, Saadeh, LLC sent Bah a fee arbitration pre-action notice stating that she had outstanding invoices for legal services in the amount of \$4,063.50. The notice informed Bah that she had the right to pursue fee arbitration within thirty days of receipt.

In September 2020, after expiration of the thirty-day period, Saadeh, LLC filed a complaint in the Law Division seeking a judgment for the outstanding fees, along with interest, costs of suit, and attorney's fees. The matter was subsequently transferred to the Special Civil Part.

In April 2021, the parties filed a stipulation of dismissal without prejudice to permit them to engage in fee arbitration. Fee arbitration took place on July 9, 2021 with both parties present. The Fee Arbitration Committee issued an arbitration determination requiring Bah to pay Saadeh, LLC \$4,063.50 within thirty days for services rendered by Saadeh, LLC.

After Bah failed to satisfy the arbitration determination within thirty days, Saadeh, LLC filed a verified complaint and order to show cause in the Law Division seeking: (1) reduction of the arbitration award to judgment against Bah;

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²⁰¹⁶ agreement has a blank space where "I" appears in the July 2016 agreement. It reads, in relevant part, "... to collect any amount outstanding, will be entitled to recover" Our review of the record reveals that the parties have operated with the understanding that both agreements purport to permit Saadeh, LLC to recover the costs of collection and attorney's fees incurred for unpaid fees.

and (2) a judgment against Bah for "the costs of collection including a reasonable allowance for professional time expended by attorneys in" Saadeh, LLC "and reasonable expenses "

The court converted the order to show cause to a motion and, on March 4, 2022, issued an oral opinion. The court granted Saadeh, LLC's request to reduce the arbitration determination to a judgment against Bah. With respect to Saadeh, LLC's request for costs of collection and attorney's fees, the court concluded that "given the fact that the matter went to fee arbitration, [it was] not inclined to add additional attorney[']s fees." The court reasoned that "[t]hat's what fee arbitration is designed to do, to avoid more fees." A March 22, 2022 judgment memorializes the court's decision.

This appeal follows. In its brief, Saadeh, LLC argues that it has a contractual right to reasonable costs and compensation for its attorneys' work "incurred in connection with the fee arbitration proceeding itself, the initial Law Division and Special Civil Part proceedings . . . and after [Saadeh, LLC] sought court intervention to reduce the [a]rbitration [determination] to judgment " At oral argument, however, Saadeh, LLC informed the court that it sought only costs of collection and attorney's fees it incurred after entry of the arbitration determination.

We are guided in our analysis of Saadeh, LLC's arguments by our holding in <u>Hrycak v. Kiernan</u>, 367 N.J. Super. 237 (App. Div. 2004). In that matter, Hrycak, an attorney, represented Kiernan in a matter before the Chancery Division. <u>Id.</u> at 238-39. The parties' retainer agreement provided that should Hrycak

bring suit against [Kiernan] for fees due under this agreement, and after the requisite pre-action notice required by Rules Governing the Courts of New Jersey, [Kiernan] shall be responsible for all fees and attorney['s] fees with a minimum of \$450.00 attorney's fees for the filing of same.

[Id. at 239 (third alteration in original).]

After Hrycak sent Kiernan a bill for services rendered, Kiernan paid only a portion of the amount due, claiming Hrycak guaranteed there would be a cap on the cost of his services. <u>Ibid.</u> The dispute was brought before a fee arbitration committee, which determined what fee would be reasonable for Hrycak's service. <u>Ibid.</u> The arbitration determination resulted in an outstanding unpaid balance of \$2,231.47 owed by Kiernan. <u>Ibid.</u> Kiernan did not appeal the arbitration determination, but also did not pay the amount due within thirty days. <u>Ibid.</u>

Hrycak thereafter filed a complaint in the Law Division seeking to reduce the arbitration determination to a judgment against Kiernan, and for the award of \$450 in attorney's fees in accord with the parties' retainer agreement. <u>Ibid.</u> The application was accompanied by a detailed account of the work Hrycak performed in filing the complaint. <u>Ibid.</u> The trial court entered judgment in the amount of the arbitration determination but denied the request for attorney's fees. Id. at 239-40.

We reversed. We noted that agreements between attorneys and their clients generally are enforceable as long as they are fair and reasonable. <u>Id.</u> at 240. In addition, we observed that the court rules do not prohibit the award of attorney's fees that are provided for in the parties' retainer agreement. <u>Ibid.</u> We held:

[i]n accordance with these authorities, we are not presented with any reasons why Hrycak should be denied fees incurred in collecting an arbitration award. Subject to review for reasonableness by the court, the collection fee with a minimum of \$450 was based upon the express terms of the retainer agreement.

[<u>Ibid.</u>]

We noted that "the retainer [does not] penalize[] the client for a fixed percentage of the fees owed if the attorney is forced to file suit to collect." <u>Ibid.</u> (citing Gruber & Colabella, P.A. v. Erickson, 345 N.J. Super. 248 (Law Div.

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2001) (holding unenforceable a provision in a retainer which added one-third of the outstanding legal fees to the client's bill if the attorney is forced to collect)). "Under those agreements," we noted, "there is the potential for an attorney to receive an unreasonable fee if little work was necessary to enforce the additional fee claim." <u>Ibid.</u> We continued,

[a]n arbitration committee has already determined the reasonable value of Hrycak's services and that he was owed money. After arbitration, when Kiernan still refused to honor his obligation, Hrycak was forced [to] take the matter to the Law Division to perfect his rights. For Hrycak's reasonable time and effort in seeking his fee, especially where the balance awarded was unjustifiably withheld, we see no reason why he should be denied compensation for additional work required in enforcing the award as covered by the retainer agreement.

[<u>Id.</u> at 241.]

We see no reason to depart from the holding in <u>Hrycak</u>. Bah executed two retainer agreements providing that she would be responsible for the costs of collection and a reasonable attorney's fee in the event Saadeh, LLC was forced to take legal action to collect unpaid fees. After Saadeh, LLC filed suit, Bah took advantage of fee arbitration, but refused to pay the arbitration determination. She is liable under the retainer agreements for the costs and attorney's fees incurred by Saadeh, LLC to reduce the arbitration determination

to a judgment. We were apprised of no legal obstacle to Saadeh, LLC being

reasonably compensated for the time attorneys employed by that firm devoted

to seeking enforcement of the arbitration determination.

The March 22, 2022 judgment is reversed to the extent that it denied

Saadeh, LLC's application for collection costs and reasonable attorney's fees.

The matter is remanded for the entry of an order awarding collection costs and

reasonable attorney's fees incurred by Saadeh, LLC after entry of the arbitration

determination. We leave to the trial court in the first instance to review a

certification of costs and services to be submitted by Saadeh, LLC on remand

and determine what amounts constitute reasonable compensation to Saadeh,

LLC. We do not retain jurisdiction.

I hereby certify that the foregoing is a true copy of the original on file in my office.

CLERK OF THE APPELIATE DIVISION

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