SUPREME COURT OF KENTUCKY

Emery Law Office, Inc. v. Joel Franklin

2024-SC-0306-DG · No. 2024-SC-0306-DG · Decided June 25, 2026

SUMMARY

The Supreme Court of Kentucky held that a 75% fee-allocation provision in an attorney's separation agreement did not, on the record presented, violate SCR 3.130(5.6), because it did not directly or functionally restrict the attorney's ability to practice law or impair client choice. The Court further held that Baker v. Shapero does not require a quantum meruit analysis whenever an attorney leaves a firm, where a valid agreement governs fee allocation. The court reversed the Court of Appeals and remanded for enforcement of the separation agreement; a dissent argued that the provision's general tendency violated public policy.

CASE DETAILS

COURT	Supreme Court of Kentucky
WRITING FOR THE COURT	Justice Thompson; Justice Bisig; Justice Goodwine; Justice Keller; Justice Conley; Chief Justice Lambert; Justice Nickell
JURISDICTION	Supreme Court of Kentucky
DECIDED	June 25, 2026
DOCKET	2024-SC-0306-DG
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Emery sought discretionary review of the Kentucky Court of Appeals' reversal of a Jefferson Circuit Court summary judgment enforcing a fee-allocation provision in an attorney separation agreement.
STANDARD OF REVIEW	Summary judgment is reviewed under the standard that it is proper when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. Contract formation and whether contract terms violate public policy are reviewed de novo.
PRECEDENTIAL VALUE	Published Kentucky Supreme Court opinion; precedential
PARTIES	Emery Law Office, Inc. v. Joel Franklin

TOPICS

contracts · employment contracts · contract interpretation · standard of review · appellate procedure

PRACTICE AREAS

Contract law · Legal ethics and professional responsibility · Employment law · Appellate procedure

QUESTIONS PRESENTED

1. Whether the fee-allocation provision in the attorney separation agreement violated SCR 3.130(5.6) or public policy by restricting Franklin's right to practice law or impairing client choice.
2. Whether Baker v. Shapero requires a quantum meruit proceeding whenever an attorney leaves a law firm and continues representing clients whose matters originated with the firm.
3. Whether summary judgment enforcing the fee-allocation provision was proper.

HOLDINGS

1. A fee-allocation provision in an attorney separation agreement is not, on these facts, a per se violation of SCR 3.130(5.6) where the agreement imposes no direct restriction on the attorney's ability to practice law and the record does not show that it impaired clients' freedom to choose counsel.
2. Baker v. Shapero does not require a quantum meruit proceeding every time a lawyer leaves a firm. Quantum meruit is the default method for disputes between successive, unaffiliated counsel when no valid agreement governs fee allocation; it does not displace a valid fee-allocation agreement between a firm and its associate.
3. Summary judgment for Emery was proper because the undisputed record established an enforceable fee-allocation agreement that did not violate SCR 3.130(5.6) or public policy.

KEY QUOTATIONS

> *"Baker supplies a default rule for disputes between successive, unaffiliated counsel in the absence of a governing agreement and does not displace a valid contract between a firm and an associate."* (8)

> *"First, we conclude that the fee allocation provision at issue in a separation agreement—negotiated as part of an employment relationship between a law firm and an associate—is not, on these facts, a per se violation of SCR 3.130(5.6)."* (8)

FACTUAL BACKGROUND

Emery employed Franklin as an associate attorney and entered into a separation agreement providing that, if Emery clients continued representation with Franklin after his departure, Emery would receive 75% of any eventual contingency fee plus reimbursement of costs advanced before departure. Emery terminated Franklin in April 2022, and fourteen clients elected to continue with Franklin after being informed of their options. Franklin later refused to divide fees under the agreement, leading Emery to sue; ten cases remained at issue, including two still pending at oral argument.

PROCEDURAL HISTORY

After Emery terminated Franklin's employment, Franklin continued representing fourteen former Emery clients. Emery sued for a declaration that the separation agreement was valid and for breach of contract after Franklin refused to divide fees under the agreement. The Jefferson Circuit Court granted Emery summary judgment and enforced the fee-allocation clause. The Kentucky Court of Appeals reversed, concluding that the clause violated SCR 3.130(5.6) and remanding for a quantum meruit analysis. The Supreme Court of Kentucky granted discretionary review, reversed the Court of Appeals, and remanded for enforcement of the separation agreement.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Reverse the Kentucky Court of Appeals and remand for enforcement of the separation agreement, reinstating the Jefferson Circuit Court's grant of summary judgment to Emery.

CASES CITED

- Baumann Paper Co., Inc. v. Holland, 554 S.W.3d 845 (Ky. 2018)
- Steelvest, Inc. v. Scansteel Serv. Ctr., Inc., 807 S.W.2d 476 (Ky. 1991)
- State Farm Mut. Auto. Ins. Co. v. Hodgkiss-Warrick, 413 S.W.3d 875 (Ky. 2013)
- Yellow Cab Co. of Ashland v. Murphy, 243 S.W.2d 42 (Ky. 1951)
- Zeitz v. Foley, 264 S.W.2d 267 (Ky. 1954)
- Cumberland Valley Contractors, Inc. v. Bell Cnty. Coal Corp., 238 S.W.3d 644 (Ky. 2007)
- Hopkinsville Motor Co. v. Massie, 228 Ky. 569, 15 S.W.2d 423 (1929)
- Superior Steel, Inc. v. Ascent at Roebling's Bridge, LLC, 540 S.W.3d 770 (Ky. 2017)
- Equitable Loan & Sec. Co. v. Waring, 44 S.E. 320 (Ga. 1903)
- Stephens v. S. Pac. Co., 41 P. 783 (Cal. 1895)
- Richmond v. Dubuque & S.C.R. Co., 26 Iowa 191 (1868)
- Kentucky Bar Ass'n v. Truman, 457 S.W.3d 325 (Ky. 2015)
- Baker v. Shapero, 203 S.W.3d 697 (Ky. 2006)