IPI #1

Instructions:

Choose the best answer for each question. Put the letter on the answer sheet. If you feel a question is misleading or ambiguous, place an asterisk (*) next to your answer and write your qualification on the qualification sheet. You may choose any of the lettered responses. You have 40 minutes for this IPI.

1. Which of the following will be permitted to take the Bar Examination? (All have good moral character and are mentally and emotionally stable).

   1) Jennifer, a Tennessee resident who graduated from the University of Tennessee law school.

   2) Rafael, a citizen of Mexico who has legal and permanent resident status in the United States, and is a graduate of the University of Arkansas law school.

   3) Kate, a Nebraska resident. As a stay at home mom, she took online courses and earned her J.D. from Concord Law School.

Who will be permitted to take the Arkansas Bar Exam?

   A) Only (1).
   B) Only (1) and (2).
   C) Only (1) and (3).
   D) All will be permitted to take the exam.
   E) None will be permitted to take the exam.

2. Four women graduate from law school and open an office in Forrest City as the “Women’s Law Office of Forrest City.” They place an ad on the municipal water tower, visible for blocks. They announce that their practice is “Limited to Farming Law.” At the St. Francis County Fair, they have a booth and give away free canisters of mosquito repellent with their photographs and names to all visitors.

Have they violated the Rules of Professional Conduct?
(A) Yes; the firm’s name is improper.

(B) Yes; the ad on a city facility is improper.

(C) Yes; they have improperly announced a legal specialty, and they are not certified as such.

(D) Yes; gifts with advertisements are improper.

(E) No.

3. In 1890 Simon DeGrande and Louis Foster founded a law firm under the name DeGrande & Foster. Simon and Louis passed away early in the 20th century, but the firm continued. Over the years, there have always been various descendants of the two founders as partners and/or associates at the firm. At the present time, Tammie and Tommy DeGrande are partners at the firm, but there are no lawyers there with the surname of “Foster” who are direct descendants of Louis Foster. Tammie DeGrande has just been offered a lifetime appointment as a federal judge.

If Tammie accepts the appointment, may the DeGrande & Foster law firm continue to use the same trade name?

A) Yes, but only as long as Tommy DeGrande remains a partner in the firm.

B) Yes, unless use of the trade name would be misleading.

C) No, if Tammie DeGrande accepts the lifetime appointment and surrenders her partnership interest.

D) No, unless there is a partner at the firm with the last name Foster.

4. Lisa Lawstudent graduated from the University of Missouri School of Law last year. Because she was unsure about her plans for the future, she went ahead and took the Missouri bar, passed it, and became admitted in Missouri. Recently she was offered a job as in-house corporate counsel for Wal-Mart. She would only be providing services to Wal-Mart and would be working out of the home office in Bentonville, Arkansas. She will reside in Arkansas. Does she need to take the Arkansas bar exam and be admitted in Arkansas to practice at her new job?

A) Yes. All attorneys must pass the bar exam and be admitted to practice in Arkansas.

B) Yes. She did not graduate from an Arkansas law school and cannot benefit from
the diploma privilege.

C) Yes. She will be establishing a systematic and continuous presence in this state and must be admitted.

D) No. She can practice as long as she works at Wal-Mart, provided she associates local counsel when she appears in Arkansas courts.

E) No. She is allowed to practice is in-house counsel doing out of court projects.

5. Farmer Crawford needed to borrow money. A lender agreed to lend the money, provided that the farmer gave an adequate security interest in his farm machinery. The lender required the farmer to obtain a letter from a lawyer, assuring the lender that there were no prior liens on the machinery.

Farmer Crawford went to Attorney Alan and asked him to prepare the letter. Alan wrote a letter, on his legal stationery, to the lender stating: "On behalf of my client Farmer Crawford, I have conducted a UCC, tax and judgment search and the machinery is free and clear of any liens or encumbrances." A copy of the letter was sent to Farmer Crawford. The lender loaned $1,000,000 to Farmer Crawford. The $300 attorney's fee was paid by Farmer Crawford.

A year later Farmer Crawford defaulted on the loan and went into bankruptcy. The lender then learned that most of the farm machinery had previously been pledged to other lenders. The lender has sued Attorney Alan for malpractice. The evidence reveals that the law clerk for Attorney Alan forgot to examine one book at the courthouse when conducting the search.

In the legal malpractice suit against Attorney Alan, the lender is likely to:

A) Lose, because the lawyer did not personally make a mistake.

B) Win, because the lawyer knew that the lender was to be benefitted and he personally notified the lender.

C) Lose, because any mistake was only one of judgment.

D) Win, because the lawyer committed fraud.

E) Lose, because there was no attorney-client relationship between the attorney and the lender.

6. Alice Aggressive has a practice limited to personal injury cases. She represents Irene
Injured, who was injured when a commercial truck ran her off the road. The written agreement calls for a retainer of $5000 and a fee of 1/3 of any recovery.

Alice contacted the attorney for the trucking company and set up an appointment to discuss possible settlement. But because of her busy schedule, she did not keep the appointment and did not return calls from either the trucking company attorney or Irene.

Out of frustration, Irene contacted Sarah Secondlawyer. Sarah informed Irene that the state of limitations would expire in two months. At the direction of Irene, Sarah filed the lawsuit before the statute ran. Alice then refunded the $5000 retainer.

Is Alice Aggressive subject to discipline?

(A) No; she returned the $5000.

(B) Yes, she neglected Irene’s case and failed to communicate.

(C) No, Irene’s case was filed before the statute expired, and she was not harmed.

(D) Yes, unless the time of Alice was completely occupied with work from other clients that came first or was more urgent.

7. Alice represents Client Carla. A lawyer has a duty to keep a client informed and to abide by the client’s decision. Nevertheless, which of the following actions or inactions on the part of Attorney Alice would most likely be acceptable?

A) Failure to inform Client Carla of a settlement offer based on Carla’s initial reluctance to accept any offer.

B) Failure to inform Client Carla that the judge has ordered a hearing on the opponent’s motion for a temporary injunction.

C) Failure to immediately inform Client Carla, based on the advice of Carla’s doctor, of a recent psychiatric exam which showed Carla to have a mental illness.

D) Failure to gain Client Carla’s consent before placing her mentally handicapped son on the witness stand to give necessary testimony.

8. Paula Pennsylvania was injured while vacationing in Arkansas. She hired her regular Pennsylvania attorney Paul to represent her. But Paul is not licensed in Arkansas, and he associated with Nancy Newport of Arkansas to handle the case. The case was settled with a $100,000 attorney fee, to be split between Paul and Nancy.
Is the fee allocation proper?

(A) Yes, but only if both did 50% of the work.

(B) Yes, but only if Paula consented to have Nancy on the case.

(C) Yes, but only if both attorneys agreed in writing with Paula to be jointly responsible for the whole case.

(D) No, because Paula was not licensed in Arkansas.

(E) No, because the finder’s fee is limited to 1/3.

9. Olive Optimistic hired Albert Attorney to file a lawsuit for defamation and agreed to pay his standard hourly fee for all time spent. Olive believed her case was worth $500,000. After most of the case was dismissed on summary judgment, Albert strongly recommended that Olive accept the defendant’s settlement offer of $50,000. Olive reluctantly accepted, and the defendant paid the $50,000 into Albert’s trust account. Albert sent his bill for fees of $30,000 to Olive, who disputed half his bill.

It is proper for Albert to

A) Give Olive all $50,000 and let her then decide how much to pay Albert.

B) Give Olive $20,000 and transfer $30,000 to his operating account.

C) Give Olive $20,000, transfer $15,000 to Albert’s operating account, and retain $15,000 in the trust account.

D) Keep the $50,000 in the trust account pending a final resolution of the fee dispute.

10. Barbara Barrister practiced law in St. Louis, Missouri for four years. She has now moved to Fayetteville and joined the law school faculty and teaches 4th Amendment law. She has not taken the Arkansas Bar examination. She has been asked to assist the public defender in a complex search and seizure matter now pending before the circuit judge. May she do so?

A) Yes; she qualifies for admission by reciprocity (assuming that Missouri reciprocates).

B) Yes, provided she is admitted pro hac vice.
C) Yes, provided she only makes arguments in front of the judge (and does not appear in front of a jury).

D) Yes, provided she only signs court documents as co-counsel with the public defender.

E) No. All of the above are forbidden or improper.

11. Attorney Al is charged with conversion of a client’s funds. After a jury trial, Al is acquitted. Subsequently the Committee on Professional Conduct proceeds against him on the same factual charges. After a public hearing, and after a finding based on the preponderance of the evidence, the committee suspends him from the practice of law for 5 years and also fines him $10,000.

Have the correct procedures been followed?

A) No. After the jury acquittal, the committee cannot proceed against him.

B) No. The committee has no power to fine him.

C) No. The committee must conduct disciplinary hearings in private.

D) No. The standards of proof in disciplinary hearings is clear and convincing evidence.

E) Yes

12. The corporate client has agreed to pay “all reasonable expenses” connected with the representation. According to the rules of the profession and the professional traditions, which of the following charges would not be acceptable?

1) The attorney charges the client for 8 hours at the normal hourly fee for driving from Fayetteville to Little Rock to attend a 30 minute hearing.

2) The attorney charges the client for the cost of first class air fare for travel from Fayetteville to New York City.

3) The attorney charges the client for travel time to Chicago and sleeps on the plane.

4) The attorney charges the client for travel time to Los Angeles and reads a magazine during the evening flight.
5) The attorney charges the client for travel time to Detroit and during the flight does an hour’s work for another client and bills the second client for the hour of work.

A) Only 1 and 2 are impermissible.
B) Only 1 and 4 are impermissible.
C) Only 2 and 5 are impermissible.
D) Only 3 and 4 are impermissible.
E) Only 3 and 5 are impermissible.

13. Susan is a full time salaried attorney in the Trust Department of the bank. Which of the following activities are permitted?

(1) With the permission of the Board of Directors, she handled an adoption for a bank vice-president, and does not charge the vice-president.

(2) On Saturdays, at her home, she drafts wills for bank employees and charges them a discount fee. The fee is paid directly to Susan.

(3) She defends the bank in employment discrimination actions.

(4) She represents the bank in court when it is named as the executor in a will.

A) Only 1 and 2 are permitted.
B) Only 3 and 4 are permitted.
C) Only 1 and 3 are permitted.
D) All but (1) are permitted.
E) All but (4) are permitted.

14. Paula Prosecutor worked for the Prosecutor’s office for five years after law school. All her work there involved prosecuting felonies. Due to a cutback in public funding, her position was eliminated, and she hung out her shingle to practice law.

Her first client asked Paula to draft a memorandum covering a complicated corporate reorganization. Paula never took any corporate or tax courses in law school, but she needed the work and the money. She therefore accepted the case after receiving a $3,500
cash retainer.

Which of the following is the most acceptable course of action for Paula?

A) Attend a seminar on corporate reorganizations read all the references contained in the seminar workbook, and charge the client for the time.

B) Attend a seminar on corporate reorganizations, read all the references contained in the seminar workbook, and not charge the client for the time.

C) Associate with another lawyer with extensive corporate reorganization experience without informing the client.

D) Decide the engagement is too difficult and withdraw from the case after tendering the client a fee statement for $2,500.

15. Sally recently graduated and practices with a small firm in Jonesboro. In addition, she and her friend Virginia have started a local business known as "Kitchen Magic". They are equal partners. On behalf of the partnership, Sally prepares the partnership tax return, negotiates the lease and reviews contractual documents, and represents the partnership in court when it sues debtors. She does not bill the partnership for her services.

A) Sally has acted unethically in doing the partnership tax returns because she is not a tax specialist.

B) Sally has acted unethically because she may not represent the partnership in court because she is one of the partners.

C) Sally has acted unethically in splitting legal fees with a non-lawyer.

D) Sally has acted unethically in forming a partnership with a non-lawyer.

E) Sally's actions do not violate the ethical standards.

End of Exam
IPI #2

Instructions:

Choose the best answer for each question. Put the letter on the answer sheet. If you feel a question is misleading or ambiguous, place an asterisk (*) next to your answer and write your qualification on the qualification sheet. You may choose any of the lettered responses. You have 40 minutes for this IPI.

1. You represent Client, a telemarketer. Client cheats some people, including Gullible, out of thousands of dollars. Gullible accuses you and Client of fraud, and sends a letter telling all about the deception to the local paper which the paper publishes. You knew nothing about the fraudulent scheme. As soon as you read about the accusations against you, you send Gullible copies of letters between you and Client in which you advised Client not to undertake such schemes. No lawsuit, either civil or criminal, has been filed against either you or Client.

Are you subject to discipline for sending the letters to Gullible?

A) Yes, because your action violates the duty of confidentiality.

B) No, because a lawyer may reveal confidential information to clear his name before charges are filed.

C) Yes, because no charges have been filed against you.

D) No, because Client is not trustworthy and did not follow your advice.

E) Yes, unless Client gave his written consent for the letters to be sent to Gullible.

2. Danny the Driver hires Alice the Attorney to represent him in a criminal matter in Rogers. She agrees and accepts a fee. She has not yet appeared in court for him.

The next day, Larry the Landlord comes to Alice and says "I sure am glad I have you on retainer for 2013. Here is another deadbeat tenant in my Fayetteville apartments. Have him evicted and collect all back rent and damages." Alice realizes the tenant is Danny the Driver, whom she agreed to represent yesterday.

What can Alice the attorney ethically do?

1) She can represent both Danny and Larry because the matters are unrelated; in different counties and before different judges.
2) Alice should refund the fee to Danny, and then proceed to represent Larry against Danny, because she had a retainer for 2013 from Larry.

3) She can represent Danny, because he came to her first; however, another member of her firm may represent Larry.

A. All of the above are ethically permitted.
B. Only (1) is permitted.
C. Only (2) is permitted.
D. Only (3) is permitted.
E. None of the above are ethically proper. She must find another solution to her dilemma.

3. Abigail Attorney has served the client for many years in corporate matters, real estate transactions, and estate planning. Client says to Abigail: “You have served me exceptionally well, and you are indeed a dear friend. As you know, I am aging, and I have more money than I know what to do with. I would like to give your college age daughter Dottie, whom I love like the child I never had, a summer in Rome all expenses paid; and, also I would like to give you Blackacre, provided I can remain there will I am alive. I think you lawyers call it a life estate or something. Dear friend, can you help me accomplish these two wishes?”

What is Abigail Attorney permitted to do under the Rules of Professional Conduct?

A) She may accept, for her daughter Dottie, the trip to Rome.
B) She may do the necessary legal work in regard to the property transaction.
C) Both (a) and (b) are permitted.
D) Neither (a) nor (b) is permitted.
E) Both (a) and (b) are permitted, but only if another lawyer in Abigail’s office does the work.

4. Carl Counselor is a former member of the ABC law firm. One of ABC’s clients is the 2nd National Bank. Carl, an environmental attorney, never did any work for 2nd National and no confidential communication concerning 2nd National Bank was ever communicated to him.

Carl is now a partner in XYZ, a firm specializing in environmental litigation. A local farmer has contacted XYZ about representing him in litigation against 2nd National Bank concerning hazardous waste on property owned by the bank.

Which of the following statements is correct?
A) Carl is disqualified from representing the farmer because of his relationship with ABC.

B) XYZ is disqualified from representing the farmer because of Carl's former relationship with ABC.

C) Neither Carl nor XYZ are disqualified.

D) Both Carl and XYZ are disqualified.

5. Attorney Alan is the head of the consumer protection section of the Attorney General's Office. On behalf of the office, Alan is handling a major class action case against the manufacturer of computer software. The manufacturer is represented by the Wilson firm.

Allen is preparing to leave the Attorney General's Office and move into private practice. He has not informed the office. The Wilson firm is impressed with Alan's abilities and is eager to hire him.

a) Alan may negotiate for employment with the Wilson firm, provided that he does not work on the class action when he joins the firm.

b) If Alan joins the Wilson firm, the principle of imputed disqualification will disqualify the Wilson firm from the class action case.

c) If Alan joins the Wilson firm, he may not work on the class action case for 12 months.

d) None of the above statements are correct.

6. Jane is really excited about her first trial in Arkansas state court, and is extremely confident about the outcome. It involves a novel issue of common law torts. She has a week before trial and decides to run one more query on Westlaw just to be on the safe side. Unfortunately, the 8th Circuit Court of Appeals very recently handed down a case concerning her issue. The decision is right on point, and is unfavorable to her case. The federal court predicted how the Arkansas state courts would decide a similar case. The way the 8th Circuit decided the case would make Jane's client's case a sure loser. Jane wrestled with her problem all night. She has to make a decision.

Jane:

A) Must disclose the federal case to the state judge because it is directly adverse to her case.

B) Should do nothing, because the opinion is not from a controlling jurisdiction.

C) Must disclose it, but can make it hard to find by string citing it in her trial brief.
D) Must do nothing because this would hurt her client and she has a responsibility as a zealous advocate.

E) Should seek and follow the advice of her clients.

7. Lawyer Penny represents client Paul in a family law matter. When Paul and Donna were divorced, the court gave Paul custody of their infant son and gave Donna "reasonable" visiting rights. Paul is a busy accountant and often stays late at his office. While Paul is working, the baby stays at a baby sitter's house. Donna has started making unannounced visits to the baby sitter's house on the evenings when Paul works late. Paul believes Donna may try to kidnap the baby and disappear. Paul asks Penny to apply immediately for a temporary restraining order that forbids Donna from going near the sitter's house. A temporary restraining order can be granted in an ex parte proceeding, without giving the adversary any notice or chance to be heard. An affidavit from the sitter states that when Donna makes her surprise visits, the baby cries and refuses to eat or sleep for hours thereafter.

Just as Penny is leaving her office to go the judge's chambers, her investigator arrives with three additional pieces of information. First, when Paul works late, the sitter sometimes leaves a ten-year-old neighbor girl in charge of the baby while the sitter grocery shops and runs errands. Second, Donna's unannounced visits are motivated by her concern for the baby's safety. Third, when Paul works late, Donna could conveniently keep the baby at her house until Paul is through at the office.

What should Penny do?

A) She should present the judge with only those facts that favor Paul's position.
B) She should present the judge with the facts that favor Paul's position, but she should respond candidly if the judge specifically asks for information that is adverse to Paul's position.
C) She should present the judge with all the relevant facts, even those that are adverse to Paul's position.
D) She should withdraw the application for a temporary restraining order.

8. You have a criminal practice. Your current client, Jim, has been charged with the murder of a 12 year old boy. Jim confesses to you that he killed two girls last month and tells you where the bodies are. Of the following options according to the Rules, which is the most unethical (or the least defensible)?

A) Ask the judge if you can withdraw from the case.
B) Advise your client to provide the police with the information in the hope he may receive a lighter sentence.
C) Anonymously inform the police of the location of the bodies.
D) Keep quiet and speak only to your client Jim.
E) Ask your client for permission to anonymously tell the parents of the location of the bodies.

9. Attorney Berry practices in a 10 member law firm. As part of his civic responsibilities, Berry is on the board of directors of Memorial Hospital. He was appointed to an un-paid 5 year term. While on the board he had access to, and occasionally reviewed, personnel records of physicians at the hospital. Those records contained confidential information. His term was completed last year. This year a patient has come to the law firm and wishes to sue the Hospital and a staff doctor. The lawsuit will involve personnel records and confidential information.

May Berry or his law firm represent the patient against the Hospital and the doctor?

A) Yes; Berry is no longer on the Board.

B) Yes; Berry was not the attorney for Memorial Hospital.

C) Berry may work on the case, provided he does not share any confidential information.

D) Any disqualification of Berry is merely personal; and is not imputed to the other members of the law firm. A Chinese Wall can be built around Berry.

E) No; the lawyer-director Berry owes a continuing duty of loyalty to the hospital; and the firm is likewise disqualified.

10. Alice Administrative was a lawyer who specialized in state administrative law and agency oversight. She had a number of clients who were active in the consumer loan business. Alice also had real estate shopping center clients. She learned during representation of Better Loans, Inc., that the State Banking Commission had interpreted a statutory provision in the relevant law as authorizing and encouraging the expansion of the consumer loan business in the state.

Is Alice subject to discipline if the discloses and uses this information to benefit her real estate shopping center clients?

A) Yes, because the lawyer learned the detailed information during representation of Better Loans, Inc.

B) Yes, because Better Loans, Inc., may not want her to work with any other clients.

C) Yes, as long as Better Loans, Inc., consents to Alice disclosing and using the information to the benefit of her other clients.

D) No, as long as the use of the information does not disadvantage Better Loans, Inc.
11. Which of the following actions are violations of the Arkansas Rules of Professional Conduct?

1) the criminal defense attorney suspects, but does not know that his client will lie on the stand; he puts him on the stand.

2) the day before a motor vehicle accident trial, an eye witness walks into the office of the defense attorney and says "I saw it all; your client ran a red light, he was at fault; no doubt about it;" the defense attorney does not tell the judge or the plaintiff's attorney.

3) in offering jury instructions to a Washington County circuit judge, the attorney does not tell the judge that last week, up the road in Benton County, the trial judge refused to allow the same jury instruction, concluding it was a misstatement of the law.

   A) Only (1) and (2) are violations.

   B) Only (1) and (3) are violations.

   C) both (2) and (3) are violations.

   D) All three are violations.

   E) None of the three are violations.

12. During the course of a criminal investigation of your client for tax evasion, your client sent you a tape in the mail. In this tape your client states that he did not have time to come into the office so he sent you a taped statement instead. In this tape, your client confesses to purposely preparing false income tax returns for the last ten years. The client also asks you to prepare the best course of action for dealing with the Internal Revenue Service.

   However, quite to your surprise the next day you are contacted by the Internal Revenue Service. The Internal Revenue Service has become aware of the tape's existence and demands that it be turned over to them at once. You have no idea how the Internal Revenue Service has become aware of the tape's existence.

   As a licensed attorney you should:

   A) Immediately destroy the tape and claim it never existed to prevent the Internal Revenue Service from gaining evidence which could be potentially damaging to your client.

   B) Immediately turn the tape over to the Internal Revenue Service, notwithstanding the fact that this will probably result in a successful prosecution of your client.
C) Lock the tape in a safety deposit box and refuse to give the tape to the Internal Revenue Service, asserting claims of either confidentiality or privilege.

D) Refuse to give the tape to the Internal Revenue Service until you are served with a subpoena and then promptly comply.

13. Vicki Pickard is an attorney who is representing Earl Siebert in a criminal case. Earl wants Vickie to call his girlfriend as an alibi witness. Vickie does not know, but she reasonably suspects, that the girlfriend will be presenting false evidence. Which of the following statements most accurately describes Vickie’s options under the Arkansas Rules of Professional Conduct?

A) Vickie must call the witness because she does not know that the testimony will be false, and her client has instructed her to call the witness.

B) Vickie must withdraw from the case because to continue will require her to violate the Rules of Professional Conduct.

C) Vickie has the option to call the witness or to refuse to call the witness.

D) Vickie may not call the witness because Vickie reasonably believes that the witness will be presenting false evidence.

14. XYZ is a 30 member law firm. Associate Ann handles "slip and fall" cases. She has been approached by Client, who is seriously injured in a fall at Pete's Pizza.

Pete's Pizza is represented by another law firm. However Pete's Pizza is owned by three siblings, Peter, Paul and Mary. Peter is the most senior partner in XYZ, handling tax matters. Peter owns 90% of the pizza business.

Ann and Peter have no meaningful interaction at the law firm, but Ann does have knowledge of Peter's ownership interest in the pizza business. His interest in the pizza business is maintained in the firm's conflicts records.

May Ann represent the client in suing Pete's Pizza?

A) Yes, any disqualification of Peter is personal and is therefore not imputed to her.

B) No, she would be opposing a current client of the law firm.

C) No, Peter could not sue Pete's Pizza; and his disqualification is imputed to the entire firm. Because of loyalty to a partner, the associate cannot sue the partner's pizza business.

D) Yes, she owes no loyalty to Pete's Pizza.
15. You represent Larry Songs, who was a prolific home run hitter for the Pirates. He is in a criminal trial for using performance enhancing drugs. He has denied using them, but you suspect he is lying. Mr. Songs can't even look you in the eyes when he denies using steroids, and he starts to cry every time you bring up the matter. Based on his baseball record, his actions and your evaluation, you believe that he is lying. But he wants to testify.

What do you do?

A) Put Larry on the stand and allow him to testify; treat him as a normal witness.

B) Refuse to allow him to testify because the right to testify does not include the right to testify falsely.

C) Call the prosecutor and discuss your dilemma.

D) Move to withdraw from representation.

E) Ask the court for permission to use "narrative testimony".

END OF EXAM