Problem #37 - Variations on a Law Firm

Consider the following variations of a traditional law firm. First, are they permitted under the current Arkansas Rules of Professional Conduct. Secondly, should they be permitted in the future? What are the advantages and disadvantages?

1) Lawyers merely sharing office space: See Rule 7.5(d).

2) The Dual Professional: an individual who is both an attorney and CPA and engages in both professions from her office.

3) The Retiring Lawyer: a lawyer wishes to sell his practice (including office equipment and books, clients, open files, and good will) to a lawyer just admitted to practice. Rule 1.17.
See Morgan, page 573-575.

4) The Separate Business: the attorney who, apart from the law practice, owns and operates a pizza restaurant. Remember Rule 8.4 (a, c).

5) The Client-Partner: the lawyer does legal work for a dentist. Together they purchase and operate an automatic car wash. See Rule 1.8(a).

6) The attorney who has, as employees of his law firm, a CPA and other professionals: the lawyer uses them to provide services to the clients and bills the client for their services. See Comment 2 to Rule 5.5.

7) The Temporary Lawyer: a firm is swamped with business for the next month. It calls Kelly Services and hires a secretary and an attorney for the next month. ABA Formal Opinion 88-356, page 254 of Morgan.

8) The "Of Counsel" Attorney: the letterhead of the law firm lists a retired member of the firm and a law school professor as "of counsel." ABA Formal Opinion 90-357, page 260 of Morgan.

9) "Affiliated" Firms: a large firm in Little Rock and a small firm in Sebastian County described themselves as affiliated. See ABA Formal Opinion 94-388. See Morgan, p. 260.

10) The Friendly Professionals: the attorney and the accountant who rent offices in a suite and share a secretary, but keep clients, fees and information separate.

11) An attorney who is an employee of an accounting firm. See Rule 5.5(a) and the Arkansas case law and statutes.

12) Services provided by an accounting firm: the issue is whether the firm is engaged in the unauthorized practice of law as defined by Arkansas case law and the Supreme Court Committee on the Unauthorized Practice of Law.

13) Law Related Services (or Ancillary Business / Affiliate / Subsidiary): the attorney who is also the owner of the title insurance or abstract company, or the law firm that creates and owns a lobbying organization. See Rule 5.7. See Advisory Opinions 98-01 and 2000-01 of the Arkansas Bar Association. See Morgan, pages 634-636.

14) The lawyer in Wal-Mart: the lawyer rents office space in the Supercenter, next to the florist and the optician, and provides services to clients. How is the rent calculated? See Rule 5.4(a). Are the safeguards of the legal profession assured?

15) The defense law firm that is a "captive" of an insurance company: What is the relationship in reality? See the professional independence requirement of Rule 5.4(c). Who is the client? See Rules 1.7(a) and 1.8(f). See Morgan, pages 630-632.

16) The outsider investor: the corporation that purchases and owns a law firm, but is not involved in the management of the firm. See Rule 5.4(d). See Morgan, pages 636-638.

17) The full service MDP: the corporation (or other business entity) that includes, as employees, a cast of attorneys, accountants, underwriters, brokers, and others. The corporation provides complete services as a team to the client/consumer. See Rule 5.4(b). See Morgan, page 633-634.

18) The future?: Wal-Mart hires an attorney, pays her a salary, places her in a Supercenter; she provides legal services to customers, and the fees go to Wal-Mart. See page 635 of Morgan.

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