

**LOUISIANA STATE BAR ASSOCIATION  
RULES OF PROFESSIONAL CONDUCT COMMITTEE MEETING  
September 12, 2013 \* 12:00 Noon**

**AGENDA**

1. Roll Call and Introduction of New Members
2. April 29, 2013 Meeting Minutes
3. Review of Dane Ciolino's Report regarding Subcommittee Recommendations to ABA Changes to the Model Rules and discussion regarding how to proceed with recommended revisions
4. Discussion regarding how to proceed with Revision to Rule 1.15
5. ABA 1.10 – Subcommittee Report
6. Publications Subcommittee – Eric Barefield
7. New ABA Formal Opinion on Fee-Sharing – Richard Lemmler & Eric Barefield
8. Future Meeting Dates

**Adjournment**

## **LSBA Proposed Amendments to the Louisiana Rules of Professional Conduct (September 2013)**

### **RULE 1.0. TERMINOLOGY**

**(a) “Belief” or “believes” denotes that the person involved actually supposed the fact in question to be true. A person’s belief may be inferred from circumstances.**

**(b) “Confirmed in writing,” when used in reference to the informed consent of a person, denotes informed consent that is given in writing by the person or a writing that a lawyer promptly transmits to the person confirming an oral informed consent. See paragraph (e) for the definition of “informed consent.” If it is not feasible to obtain or transmit the writing at the time the person gives informed consent, then the lawyer must obtain or transmit it within a reasonable time thereafter.**

**(c) “Firm” or “law firm” denotes a lawyer or lawyers in a law partnership, professional corporation, sole proprietorship or other association authorized to practice law; or lawyers employed in a legal services organization or the legal department of a corporation or other organization.**

**(d) “Fraud” or “fraudulent” denotes conduct that is fraudulent under the substantive or procedural law of the applicable jurisdiction and has a purpose to deceive.**

**(e) “Informed consent” denotes the agreement by a person to a proposed course of conduct after the lawyer has communicated adequate information and explanation about the material risks of and reasonably available alternatives to the proposed course of conduct.**

**(f) “Knowingly,” “known,” or “knows” denotes actual knowledge of the fact in question. A person’s knowledge may be inferred from circumstances.**

**(g) “Partner” denotes a member of a partnership, a shareholder in a law firm organized as a professional corporation, or a member of an association authorized to practice law.**

**(h) “Reasonable” or “reasonably” when used in relation to conduct by a lawyer denotes the conduct of a reasonably prudent and competent lawyer.**

**(i) “Reasonable belief” or “reasonably believes” when used in reference to a lawyer denotes that the lawyer believes the matter in question and that the circumstances are such that the belief is reasonable.**

**(j) “Reasonably should know” when used in reference to a lawyer denotes that a lawyer of reasonable prudence and competence would ascertain the matter in question.**

**(k) “Screened” denotes the isolation of a lawyer from any participation in a matter through the timely imposition of procedures within a firm that are reasonably adequate under the circumstances to protect information that the isolated lawyer is obligated to protect under these Rules or other law.**

**(l) “Substantial” when used in reference to degree or extent denotes a material matter of clear and weighty importance.**

**(m) “Tribunal” denotes a court, an arbitrator in a binding arbitration proceeding or a legislative body, administrative agency or other body acting in an adjudicative capacity. A legislative body, administrative agency or other body acts in an adjudicative capacity when a neutral official, after the presentation of evidence or legal argument by a party or parties, will render a binding legal judgment**

directly affecting a party's interests in a particular matter.

(n) "Writing" or "written" denotes a tangible or electronic record of a communication or representation, including handwriting, typewriting, printing, photostating, photography, audio or videorecording and ~~e-mail~~ electronic communications. A "signed" writing includes an electronic sound, symbol or process attached to or logically associated with a writing and executed or adopted by a person with the intent to sign the writing.

#### **BACKGROUND**

The Louisiana Supreme Court adopted this rule on January 21, 2004. It became effective on March 1, 2004, and has not been amended since.

The proposed revision would make the Louisiana rule identical to ABA Model Rule of Professional Conduct 1.0 (as revised by the ABA in 2012) by replacing the term "e-mail" with "electronic communications."

#### **RULE 1.6. CONFIDENTIALITY OF INFORMATION**

(a) A lawyer shall not reveal information relating to the representation of a client unless the client gives informed consent, the disclosure is impliedly authorized in order to carry out the representation or the disclosure is permitted by paragraph (b).

(b) A lawyer may reveal information relating to the representation of a client to the extent the lawyer reasonably believes necessary:

(1) to prevent reasonably certain death or substantial bodily harm;

(2) to prevent the client from committing a crime or fraud that is reasonably certain to result in substantial injury to the financial interests or property of another and in

**furtherance of which the client has used or is using the lawyer's services;**

**(3) to prevent, mitigate or rectify substantial injury to the financial interests or property of another that is reasonably certain to result or has resulted from the client's commission of a crime or fraud in furtherance of which the client has used the lawyer's services.**

**(4) to secure legal advice about the lawyer's compliance with these Rules;**

**(5) to establish a claim or defense on behalf of the lawyer in a controversy between the lawyer and the client, to establish a defense to a criminal charge or civil claim against the lawyer based upon conduct in which the client was involved, or to respond to allegations in any proceeding concerning the lawyer's representation of the client; ~~or~~**

**(6) to comply with other law or a court order;  
or**

**(7) to detect and resolve conflicts of interest between lawyers in different firms, but only if the revealed information would not compromise the attorney-client privilege or otherwise prejudice the client.**

**(c) A lawyer shall make reasonable efforts to prevent the inadvertent or unauthorized disclosure of, or unauthorized access to, information relating to the representation of a client.**

#### **BACKGROUND**

The Louisiana Supreme Court adopted this rule on January 20, 2004. It became effective on March 1, 2004, and has not been amended since.

The proposed amendment would make the Louisiana rule identical to ABA Model Rule of Professional Conduct 1.6 (2003), by including ABA

Model Rule paragraph (b)(7) (which allows disclosures “to detect and resolve conflicts of interest arising from the lawyer’s change of employment or from changes in the composition or ownership of a firm, but only if the revealed information would not compromise the attorney-client privilege or otherwise prejudice the client”), and Model Rule paragraph (c) (which requires a lawyer to “make reasonable efforts to prevent the inadvertent or unauthorized disclosure of, or unauthorized access to, information relating to the representation of a client”).

#### **RULE 1.18. DUTIES TO PROSPECTIVE CLIENT**

(a) A person who ~~discusses~~ consults with a lawyer about the possibility of forming a client-lawyer relationship with respect to a matter is a prospective client.

(b) Even when no client-lawyer relationship ensues, a lawyer who has ~~had discussions with~~ learned information from a prospective client shall not use or reveal that information learned in the consultation, except as Rule 1.9 would permit with respect to information of a former client.

(c) A lawyer subject to paragraph (b) shall not represent a client with interests materially adverse to those of a prospective client in the same or a substantially related matter if the lawyer received information from the prospective client that could be significantly harmful to that person in the matter, except as provided in paragraph (d). If a lawyer is disqualified from representation under this paragraph, no lawyer in a firm with which that lawyer is associated may knowingly undertake or continue representation in such a matter, except as provided in paragraph (d).

(d) When the lawyer has received disqualifying information as defined in paragraph (c), representation is permissible if:

**(1) both the affected client and the prospective client have given informed consent, confirmed in writing, or:**

**(2) the lawyer who received the information took reasonable measures to avoid exposure to more disqualifying information than was reasonably necessary to determine whether to represent the prospective client; and**

**(i) the disqualified lawyer is timely screened from any participation in the matter and is apportioned no part of the fee therefrom; and**

**(ii) written notice is promptly given to the prospective client.**

#### **BACKGROUND**

The Louisiana Supreme Court adopted this rule on January 21, 2004. It became effective on March 1, 2004, and has not been amended since.

The proposed revisions would make the Louisiana rule identical to ABA Model Rule of Professional Conduct 1.18 (2002), by adopting (1) language from paragraph (a) of the Model Rule which uses the term “consults with a lawyer about” instead of “discusses with a lawyer;” and, language from paragraph (b) of the Model Rule which uses the term “has learned information from a prospective client,” instead of “has had discussions with a prospective client.” The ABA made these changes to reflect that informal “discussions” are not enough for a person to become a “prospective client” of a lawyer. A person must more formally “consult” with a lawyer before becoming a “prospective client.”

#### **RULE 4.4. RESPECT FOR RIGHTS OF THIRD PERSONS**

**(a) In representing a client, a lawyer shall not use means that have no substantial purpose other than to embarrass, delay, or burden a third person, or use methods of obtaining evidence that violate the legal rights of such a person.**

**(b) A lawyer who receives a writing or electronically stored information that, on its face, appears to be subject to the attorney-client privilege or otherwise confidential, under circumstances where it is clear that the writing or electronically stored information was not intended for the receiving lawyer, shall refrain from examining the writing, promptly notify the sending lawyer, and return the writing.**

**BACKGROUND**

The Louisiana Supreme Court adopted this rule on January 21, 2004. It became effective on March 1, 2004, and has not been amended since. Paragraph (a) of this rule is identical to ABA Model Rule of Professional Conduct 4.4(a) (2002).

Paragraph (b) of this rule departs significantly from ABA Model Rule 4.4(b). In contrast to the model rule—which requires only that the lawyer who receives an inadvertently-sent document notify the sender of that fact—this rule requires a lawyer not only to notify the sender of receipt, but also to refrain from examining the writing and to return it to the sender. *See* Model Rules of Prof'l Conduct Rule 4.4(b).

The proposed amendment to the Louisiana rule mirrors the ABA's 2012 amendment to the model rule which inserted the term "electronically stored information" in addition to "document."

**RULE 5.3. RESPONSIBILITIES REGARDING NONLAWYER ASSISTANTS**

**With respect to a nonlawyer employed or retained by or associated with a lawyer:**

**(a) a partner, and a lawyer who individually or together with other lawyers possesses comparable managerial authority in a law firm shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the lawyer;**



**(b) a lawyer having direct supervisory authority over the nonlawyer shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer; and**

**(c) a lawyer shall be responsible for conduct of such a person that would be a violation of the Rules of Professional Conduct if engaged in by a lawyer if:**

**(1) the lawyer orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or**

**(2) the lawyer is a partner or has comparable managerial authority in the law firm in which the person is employed, or has direct supervisory authority over the person, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.**

**BACKGROUND**

The Louisiana Supreme Court adopted this rule on January 21, 2004. It became effective on March 1, 2004, and has not been amended since.

The proposed amendment would make the Louisiana rule identical to ABA Model Rule of Professional Conduct 5.3 (2002), by changing the title of the rule. In 2012, the ABA changed the title of the model rule to "Responsibilities Regarding Nonlawyer Assistance" from "Responsibilities Regarding Nonlawyer Assistants."

**RULE 1.15. SAFEKEEPING PROPERTY**

(a) A lawyer shall hold property of clients or third persons that is in a lawyer's possession in connection with a representation separate from the lawyer's own property. Except as provided in (g) and the IOLTA Rules below, funds shall be kept in one or more separate interest-bearing client trust accounts maintained in a bank or savings and loan association: 1) authorized by federal or state law to do business in Louisiana, the deposits of which are insured by an agency of the federal government; 2) in the state where the lawyer's primary office is situated, if not within Louisiana; or 3) elsewhere with the consent of the client or third person. No earnings on a client trust account may be made available to or utilized by a lawyer or law firm. Other property shall be identified as such and appropriately safeguarded. Complete records of such account funds, including monthly reconciliations, and other property shall be kept by the lawyer and shall be preserved for a period of five years after termination of the representation.

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(b) A lawyer may deposit the lawyer's own funds in a client trust account for the sole purpose of paying bank service charges on that account or obtaining a waiver of those charges, but only in an amount necessary for that purpose.

(c) A lawyer shall deposit into a client trust account legal fees and expenses that have been paid in advance, to be withdrawn by the lawyer only as fees are earned or expenses incurred. The lawyer shall deposit legal fees and expenses into the client trust account consistent with Rule 1.5(f).

(d) Upon receiving funds or other property in which a client or third person has an interest, a lawyer shall promptly notify the client or third person. For purposes of this rule, the third person's interest shall be one of which the lawyer has actual knowledge, and shall be limited to a statutory lien or privilege, a final judgment addressing disposition of those funds or property, or a written agreement by the client or the lawyer on behalf of the client guaranteeing payment out of those funds or property. Except as stated in this rule or otherwise permitted by law or by agreement with the client, a lawyer shall promptly deliver to the client or third person any funds or other property that the client or third person is entitled to receive and, upon request by the client or third person, shall promptly render a full accounting regarding such property.

(e) When in the course of representation a lawyer is in possession of property in which two or more persons (one of whom may be the lawyer) claim interests, the property shall be kept separate by the lawyer until the dispute is resolved. The lawyer shall promptly distribute all portions of the property as to which the interests are not in dispute.

(f) Every check, draft, electronic transfer, or other withdrawal instrument or authorization from a client trust account shall be personally signed by a lawyer or, in the case of electronic, telephone, or wire transfer, from a client trust account, directed by a lawyer or, in the case of a law firm, one or more lawyers authorized by the law firm. A lawyer shall not use any debit card or automated teller machine card to withdraw funds from a client trust account. On client trust accounts, cash withdrawals and checks made payable to "Cash" are prohibited. A lawyer shall subject all client trust accounts to a reconciliation process on a monthly basis, and shall maintain records of the reconciliation as mandated by this rule.

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