3/67 Partnership with non-lawyer

This inquiry concerns the propriety of an active member of the Bar creating a partnership in which the lawyer proposes to engage in labor-management relations work and his non-lawyer partner will be active in market research analysis advice and similar business advice. There was the additional question as to the attorney advertising this labor management relations advice, either alone or with his partner's advertising.

Upon examining the proposed activities, the committee determined that in part they would constitute law practice. Since Canon 33 prohibits partnership between lawyers and non-attorneys where part of the activity of the partnership will involve law practice, the proposed partnership would be unethical for an attorney. Also, Canon 27 prohibits the solicitation of legal work by attorneys by direct or indirect means, with certain well stated exceptions.

It was further stated that such plan is designed for small employers who cannot afford the cost of an individually designed plan. Various employers subscribe to the plan and fund their benefits through insurance policies issued by various insurers. There is a joinder fee as well as an annual administration fee. The attorney claims that there is considerably less legal work on such pre-qualified plans than individually tailored plans. A number of employers selected his law firm to qualify their phase of the plan, although they could choose any attorney.

The Unauthorized Practice of Law Committee was of the opinion that there was no illegal law practice here but that the Ethics Committee should examine the activity.

Upon this committee's consideration, it concludes that the solicitation activities of certain insurance agents in behalf of the lawyer are improper under Canon 27 of the Canons of Professional Ethics, and must be terminated. (Note: Under Canon 2, Code of Professional Responsibility, this opinion would be the same.)