

---

**6/65 Conflicts relating to bankrupt clients**

---

Two questions were raised regarding an attorney's relation to a client who has requested that he commence a bankruptcy petition. One involves whether the attorney may represent the debtor if the attorney has a claim for fees which he is willing to waive. To this question, the committee replied that he may continue to represent the client provided that he fully explains the potential conflict of interest to his client and formally waives his claim. The committee suggested listing the attorney as a creditor on the appropriate bankruptcy schedules with a notation that the claim is waived.

The second holding was that an attorney who represents a block of creditors cannot ethically advise the debtor and file a bankruptcy petition for him while continuing to handle the creditors' accounts.

In certain cases where conflicts of interest may arise, the lawyer is permitted under Canon 6 to continue to represent his client provided the client agrees after the lawyer makes a complete disclosure of his interests. In other cases, there is such an inherent and basic conflict that the lawyer could not in good faith continue to go forward with a case of the clients whose interests were adverse. It would be impossible for him to maintain the undivided fidelity and bond of confidential relationship which must continue to exist. (6/8/65)