Supreme Court Approved November 2, 2016 Committee Opinion April 11, 1994

**LEGAL ETHICS OPINION 1584** 

PARTNERSHIP WITH A NONLAWYER – MULTIJURISDICTIONAL LAW FIRM WITH NONLAWYER PARTNER PRACTICING IN VIRGINIA THROUGH LICENSED VIRGINIA BAR MEMBER.

You have presented a hypothetical situation in which an attorney contemplates forming a partnership with a nonlawyer, for the practice of law, that complies fully with all aspects of the District of Columbia ["D.C."] Rules of Professional Conduct which permit D.C. attorneys to engage in the practice of law with non-lawyer partners. You state that the partnership will be formed solely for the practice of law. You also state that the nonlawyer will agree in writing to be bound by the D.C. Rules but that the nonlawyer will not be rendering any legal services, will have no signature authority over any client trust monies, and his status as a nonlawyer will be stated on the firm letterhead. Finally, you state that the firm name will not include the nonlawyer, who is never held out as a lawyer, and all correspondence identifying the non-lawyer will include his title as "administrator".

You have asked the committee to opine whether, under the facts of the inquiry, a D.C. law firm in which a nonlawyer is a partner may engage in the practice of law in Virginia and/or for Virginia-based clients (through a licensed Virginia Bar member) if the nonlawyer partner is a named partner in the firm. Additionally, you ask whether the propriety would be impacted if the nonlawyer partner is not a named partner in the firm. Finally, you ask whether the propriety would be impacted if the nonlawyer partner is precluded by written agreement from sharing in the profits of any of the firm's legal services performed in the Commonwealth of Virginia.

The appropriate and controlling Disciplinary Rules related to your inquiry are DR:1-102(B) which provides that a lawyer admitted to practice in this jurisdiction is subject to these Disciplinary Rules although engaged in practice elsewhere, unless disciplinary rules of the foreign jurisdiction permit the activity; and DR:3-103(A) which states that a lawyer shall not form a partnership with a nonlawyer if any of the activities of the partnership consist of the practice of law.

Disciplinary Rule 3-103(A) provides the general prohibition against forming a partnership with a nonlawyer. Here, however, there is a conflict of rules between D.C. and Virginia with D.C.'s Rules permitting a partnership with a nonlawyer, while Virginia's Rules do not. Additionally, DR:1-102(B) acts as a conflicts of rules provision providing, as noted above, that the more permissive D.C. Rule would control the circumstances you describe.

Thus, the committee interprets DR:1-102(B) as not banning the D.C. law firm from conducting activities in D.C. benefitting Virginia clients (through a licensed Virginia Bar member), but only as banning the practice of law in Virginia by a law firm which

Supreme Court Approved November 2, 2016 Committee Opinion April 11, 1994

includes a non-lawyer partner. The committee is of the view that a lawyer licensed in both D.C. and Virginia could practice law through a partnership which includes a nonlawyer partner in the District of Columbia without being subject to discipline by Virginia. Also, the same lawyer could practice law in Virginia without being subject to discipline under DR:3-103(A), so long as no part of that lawyer's practice in Virginia is conducted through a firm with a nonlawyer partner. The committee opines that the D.C. firm, which includes a nonlawyer as a partner, may not engage in the practice of law in Virginia (through a licensed Virginia Bar member), if the nonlawyer partner is a partner in the firm. See ABA Formal Opinion No. 91-360 (7/11/91). See also EC:3-4 and EC:3-8.

The committee is of the view that both variations on your inquiry, i.e., (1) the nonlawyer partner not being a named partner, and (2) the nonlawyer partner being precluded by written agreement from sharing in the profits of any of the firm's legal services performed in the Commonwealth of Virginia, are immaterial to the conclusions reached.

Supreme Court Approved November 2, 2016 Committee Opinion April 11, 1994

**Legal Ethics Committee Notes.** – Dr 1-102(B) provided that the Virginia Disciplinary Rules governed a lawyer admitted in Virginia although engaged in practice elsewhere, unless a foreign jurisdiction's Disciplinary Rules permitted the activity in question. In contrast, Rule 8.5(b) provides that a lawyer licensed to practice in Virginia and in another jurisdiction is governed by the rules of the jurisdiction in which the lawyer principally practices, except that if the lawyer's conduct in question clearly has its "predominant effect" in another jurisdiction in which the lawyer is licensed, the rules of the "predominant effect" jurisdiction govern.