OPINION

EC 5-8 provides as follows:

> "A financial interest in the outcome of litigation also results if monetary advances are made by the lawyer to his client. Although this assistance generally is not encouraged, there are instances when it is not improper to make loans to a client. For example, the advancing or guaranteeing of payment of the costs and expenses of litigation by a lawyer may be the only way a client can enforce his cause of action, but the ultimate liability for such costs and expenses must be that of the client."

DR 5-103 (B) provides:

> "While representing a client in connection with contemplated or pending litigation, a lawyer shall not advance or guarantee financial assistance to his client, except that a lawyer may advance or guarantee the expenses of litigation, including court costs, expenses of investigation, expenses of medical examination, and costs of obtaining and presenting evidence, provided the client remains ultimately liable for such expenses."

It is the opinion of this Committee that a lawyer may neither loan money or guarantee the notes of a negligence client except for those purposes specifically authorized by DR 5-103 (B).

Opinion #134 - 4/9/70 (13-70)

Topic: Fee splitting; Sharing fees; Forwarding fees.

Digest: Proper to share a fee with another lawyer provided (1) client knows and consents; (2) division is in proportion to work performed and responsibility assumed; and (3) total fee is reasonable.

Code*: EC 2-22
DR 2-107 (A)

QUESTION

An Ohio lawyer has a client who is a New York resident. After making a preliminary investigation with respect to a matter, the Ohio lawyer referred his client to a New York lawyer. Is it proper for the New York lawyer to divide his fee with the Ohio attorney?

OPINION

If the client consented to the referral of the matter to the New York lawyer with knowledge that a division of the fee would be made, it is proper for the Ohio lawyer to share in the fee in proportion to the services performed and the responsibility assumed by him. The total fee of the lawyers in Ohio and New York should not exceed reasonable compensation for all legal services they rendered the client. (EC 2-22; DR 2-107 (A).)

Opinion #135 - 4/9/70 (14-70)

Modified by implication by #206

Overruled (in part) by 493

Topic: Real estate office; Advertising; Insurance agency; Dual practice.

Digest: In advertising a real estate or insurance office in which he is involved, a lawyer may not at the same time advertise that he is engaged in the practice of law.

Code*: DR 2-102 (E)

QUESTION

May lawyers conduct insurance or real estate offices jointly with their law practice and advertise the insurance and real estate activities?

OPINION

Disciplinary Rule 2-102 (E) provides as follows:

> "A lawyer who is engaged both in the practice of law and another profession or business shall not so indicate on his letterhead, office sign, or professional card, nor shall he identify himself as a lawyer in any publication in connection with his other profession or business."

Lawyers may conduct insurance and real estate businesses but not in a manner that identifies them as lawyers or tends to promote their name or law practice. The Committee believes that it would be extremely difficult, if not impossible, to both practice law and to engage in the other activities in the same office without violating this Disciplinary Rule. N.Y.State 128 (1970). Advertisements of the insurance and real estate businesses may not use the lawyers' names or make reference directly or indirectly to the fact that the principals are lawyers. Nothing in the Code requires a modification of N.Y.State 26 (1966) rendered under the former Canons of Professional Ethics.