



## Committee on Professional Ethics

Opinion #366 - 10/25/74 (45-74) Topic: Purchase of interest in law partnership.

Digest: Proper for incoming partner to purchase an interest in lawyer partnership assets.

Code: Canon 9  
EC 4-6

### QUESTION

May an incoming partner in a law firm properly purchase an interest in possible future executorships or trusteeships in addition to existing partnership assets?

### OPINION

There is no ethical impropriety in a bona fide partnership agreement between attorneys, and there is no objection to an incoming partner in a law firm purchasing an interest in existing assets of the firm. However, if the partnership arrangement is a subterfuge for the purchase or sale of a law practice it would contravene EC 4-6 and numerous ethical opinions disapproving such purchase or sale. N.Y. State 319 (1973); ABA 266 (1945); N.Y. City 565 (1941).

The purchase of an interest in the tangible assets of a firm, in the accounts receivable, in fees accrued but not billed and in fees or commissions earned from services performed in connection with existing trusts and estates, if reasonable in amount, presents no ethical problem. However, the purchase of an interest in possible future executorships or trusteeships is improper in that it is or has the appearance of the sale of a law practice or the sale of unearned fees in violation of Canon 9. The reason for this prohibition is summed up in N.Y. City 633 (1943):

"Clients are not merchandise. Lawyers are not tradesmen. They have nothing to sell but personal service. An attempt, therefore, to barter in clients would appear to be inconsistent with the best concepts of our professional status."

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