

Committee Opinion
September 20, 1982

LEGAL ETHICS OPINION 473

CONFLICT OF INTERESTS/REFERRAL
OF CLIENT TO FINANCE COMPANY:
LAW FIRM PLEDGING RECEIVABLES.

It is not ethically improper for an attorney to refer a client to a finance company to obtain funds for the payment of the attorney's fees. If the attorney has a relationship with the finance company, however, the attorney must disclose that relationship prior to making the referral. [See DR:5-101 and DR:5-105.]

An attorney may not ethically refer the debtor of a creditor whom the attorney represents to any finance company since the attorney would not be in a position to give independent legal advice to the debtor. [See DR:7-103.]

It is not improper for a law firm to pledge its receivables in order to secure a bank line of credit.

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