

Committee Opinion
May 31, 1984

LEGAL ETHICS OPINION 578

ATTORNEY AS NOTEHOLDER – SUIT
AGAINST MAKER.

An attorney assumed a note and guaranteed payment of the note along with a husband and wife. Ultimately the note went into default and the attorney purchased the note at that time. Thereafter, the attorney prepared an agreement, whereby the husband agreed to hold the wife harmless from liability on the note. When the husband filed for bankruptcy, the attorney sought contribution from the wife. Although the Legal Ethics Committee expressed grave reservation about the propriety of the attorney preparing agreements in which he had a financial interest, it would not be improper for the attorney to sue the wife for her obligations under the note.

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