

Committee Opinion
May 1, 1986

LEGAL ETHICS OPINION 794

PARTNERSHIP AGREEMENT –
DEPARTING ATTORNEY.

A law firm provides in its partnership agreement that a partner who leaves the firm must continue to work on matters for clients the partner served prior to leaving the firm. All bills, however, are submitted to the predecessor firm for processing and payment. Although the departing attorney performs the work, the predecessor law firm submits the bill to client, receives payment from the client and remits payment to the departing partner after deducting one-third of the payment received from client for "continuing overhead burdens to the predecessor firm." The one-third deduction is taken whether or not the predecessor firm actually incurs expenses and no provision is made for expenses the departing partner's new firm may incur. The client is not advised by the predecessor firm that the firm retains one-third of the payment made.

Given the above circumstances, the partnership agreement is unethical to the extent that it is inconsistent with DR:2-105. [DR:2-105]

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