

Committee Opinion  
February 8, 1994

LEGAL ETHICS OPINION 1576

NONATTORNEY OWNERSHIP OF LAW  
FIRM PROFESSIONAL CORPORATION.

You have presented a hypothetical situation in which a Commissioner in Chancery has ordered a practicing attorney to issue stock in his law corporation, and turn over his shares and interest in the law corporation, to his ex-wife, a nonlawyer, to satisfy the ex-wife's equitable distribution, which has been reduced to judgment. You state that at a hearing for the purpose of debtor's interrogatories, the Commissioner ordered debtor/lawyer to issue shares to his ex-wife within fifteen days. The Commissioner was then advised by the debtor that his ex-wife could not have an interest in his law corporation because she is not a lawyer. The Commissioner advised the debtor that the issuance of the shares and the turn-over order would have the effect of dissolving his corporation and restated his position that the debtor would have fifteen days to comply. The Commissioner's order was affirmed by the Circuit Court.

You have asked the committee to opine, under the facts of the inquiry, (1) whether a Commissioner in Chancery can compel a debtor, who is a practicing attorney, to issue stock in his law corporation to be turned over to his ex-wife to satisfy the ex-wife's equitable distribution which has been reduced to judgment; and (2) whether a Commissioner in Chancery can compel a debtor/attorney to turn over his shares and interest in his law corporation to his ex-wife, who is not a lawyer. Additionally, you ask whether the debtor/attorney is shielded from any debtor/creditor laws or any other statute or rule of court in Virginia.

The committee has considered your inquiry and determined that the issues raised call for interpretations of debtor/creditor statutes; and Va. Code §§ 13.1-543 and -544; as well as various provisions of Para. 14 of Part Six, § IV of the Rules of Court, all of which govern the professional conduct of the practice of law through professional law corporations and professional limited liability companies in Virginia. Thus, the committee declines to opine since the resolution of legal issues is beyond the purview of the committee. See, however, DR:3-103(A) (prohibiting a lawyer from forming a partnership with a nonlawyer if any of the activities of the partnership consist of the practice of law).

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