

Committee Opinion  
August 30, 1985

LEGAL ETHICS OPINION 719

CONFLICT OF INTEREST – MULTIPLE  
CLIENTS – FORMER/SUBSEQUENT  
CLIENTS.

An attorney originally represented four clients in a claim involving an automobile accident, but one of those clients terminated the attorney/client relationship and retained another attorney. The original attorney has been advised by one of the remaining clients that the former client was not injured in the accident but was injured by a previous event and is, therefore, committing a fraud on the liability carrier. The original attorney believes that the amount of liability insurance will not cover all claims. If the former client is successful in perpetrating the fraud on the liability carrier, there may be less coverage available to compensate the remaining three clients for their legitimate injuries.

If the attorney is to continue representing the remaining three clients, the attorney must advise the uninformed clients of the intended fraud because that fraud may deplete the fund from which the remaining three clients might recover. [See: DR:5-105(C)]

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