

Committee Opinion
April 14, 1986

LEGAL ETHICS OPINION 779

CORPORATION – CONFLICT OF
INTEREST.

A law firm is counsel to a corporation which is a political subdivision of the Commonwealth of Virginia. Said corporation is a developer of an industrial park and an "issuer" of Industrial Revenue Bonds. Counsel advises corporation as to whether applicants for bonds are proper applicants and drafts bonds and prepares security documents associated with the applicant. Counsel also renders advice concerning the issuance of tax free industrial issuance bonds during the formation of the project in order to comply with federal and state regulations. Under these circumstances, it is not improper for one law firm to serve as counsel to the parties indicated above. The interests of the lender and the applicant developer are not inconsistent, but mutually exclusive. Both parties to the transaction are sophisticated users of money and legal services and know and appreciate the distinctions among legal responsibilities undertaken by the firm.
[DR:5-105(C)]

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