

Committee Opinion  
June 25, 1986

LEGAL ETHICS OPINION 807

CONFLICT OF INTEREST – PRIOR  
EMPLOYMENT.

An attorney is currently employed as general counsel to Corporation A. Said general counsel previously represented Corporation B and is, at the present time, involved in litigation against Corporation B for collection of unpaid fees. One of the functions of the general counsel to Corporation A is collection of outstanding amounts, one of which happens to be the account of Corporation B. Said general counsel is also representing Corporation A in litigation against Corporation B in reference to an accounts receivable financing agreement which the general counsel prepared when employed by Corporation B.

Under these circumstances, it is not proper for the general counsel or the other attorneys on his staff to represent Corporation A in litigation against Corporation B with regards to the accounts receivable agreement.

It is not improper for the general counsel to represent Corporation A in claims against third parties for amounts which were to be paid to Corporation A, but were erroneously paid to Corporation B.

It is not improper for the general counsel to represent Corporation A in defense of a claim by an individual who wrote his check payable to Corporation A and Corporation B, jointly, for payment of sums due by Corporation B to Corporation A pursuant to the accounts receivable financing agreement. [ DR:5-105(D) and (E), LE Op. 718]

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