

Committee Opinion
September 19, 1986

LEGAL ETHICS OPINION 823

FEES – COLLECTIONS.

A collections attorney and his client proposed to enter into an agreement whereby the client's employees would provide administrative and clerical assistance to the attorney. Because the large number of collections referred to the attorney required a large amount of the employee's time, the client wished to be reimbursed. At issue was whether payment to the client from attorney's fees collected from judgments amounted to fee splitting with a nonlawyer.

The committee concluded that such an arrangement was not improper. In order to avoid conflict with DR:3-102, it would be preferable for the client to bill the collection attorney on a periodic basis for the cost of services rendered by the client's employees rather than to have the client compute the cost of the services rendered and set off these charges against attorney's fees. [DR:3-102; LE Op. 541, LE Op. 534 and LE Op. 480]

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