

Digest of Ethics Advisory Panel
Opinion #91-56, Request #174
Issued August 16, 1991

An attorney seeks Panel advice concerning the attorney's ethical obligations under circumstances in which the attorney has been discharged by the client before final resolution of a matter undertaken on a contingency fee basis. The attorney indicates he/she holds in an escrow account a substantial sum of money on behalf of this client. The client has not yet compensated the attorney for rendering legal services.

As far as the amount of recovery to which the attorney is entitled is concerned, the Panel refers to its General Informational Opinion #4 in which it stated that the proper measure of recovery for an attorney engaged on a contingency fee basis who is discharged with or without cause, prior to final resolution of the matter is the reasonable value of the services performed for that client.

Rhode Island Rules of Professional Conduct 1.15 controls the disposition of funds the attorney holds in escrow on behalf of the client. Rule 1.15 provides in pertinent part:

When in the course of representation a lawyer is in possession of property in which both the lawyer and another person claim interests, the property shall be kept separate by the lawyer until there is an accounting and severance of their interests. If a dispute arises concerning their respective interests, the portion in dispute shall be kept separate until the dispute is resolved.