

DIGEST OF ETHICS ADVISORY PANEL
Opinion #92-12, Request #221
Issued January 14, 1992

An attorney seeks Panel advice as to whether the attorney's law firm has a right of setoff against client funds for the payment of outstanding legal fees and expenses.

The Panel takes the position that this situation is governed by Rule 1.15(c) of the Rhode Island Rules of Professional Conduct, which states in part that if a dispute arises between a lawyer and another person concerning their respective interests in property, the portion in dispute shall be kept separate by the lawyer until the dispute is resolved. The Panel states that the law firm does not have the right of setoff. Instead, the law firm should deposit the disputed amount in the client fund account. If the fee dispute with the client cannot be resolved, then the attorney may consider filing an interpleader action.