

Final

**RHODE ISLAND SUPREME COURT  
ETHICS ADVISORY PANEL**

**Opinion No. 97-05, Request # 703**

**Issued April 10, 1997**

FACTS:

The inquiring attorney is incorporating a business in which the attorney and his/her spouse will be directors and shareholders. The attorney proposes to operate the business in the same office where he/she conducts a law practice. The office manager and the paralegal/secretary for the law firm will staff the business and serve as its officers. The inquiring attorney anticipates that individuals may be mutual clients of both his/her law firm and of the business. The purposes of the business are the importation and exportation of consumer products and resort development outside the continental United States.

ISSUES PRESENTED:

The inquiring attorney asks whether the arrangement is permissible under the Rules of Professional Conduct.

OPINION:

The arrangement is permissible provided the inquiring attorney and employees of the law firm adhere to the Rules of Professional Conduct particularly those rules pertaining to client confidentiality, conflicts of interest, advertising, direct contact with prospective clients, and the requirement that an attorney exercise independent judgment.

REASONING:

Attorneys may share office space and staff members with nonlawyers, but must make the separate nature of their businesses clear to the public and must take measures to protect client confidences. See South Carolina Bar Ethics Advisory Comm. Op. 96-13 (1996). The Panel directs the inquiring attorney's attention to Rules 1.6, 1.7, 1.8, 5.3, 5.4(c), 7.1, and 7.3(a).

The inquiring attorney has not specified the nature of the interrelationship between the law firm and the business corporation. The attorney foresees, however, that there will be individuals who will be clients of both. In the opinion of the Panel, the arrangement is rife with potential conflicts of interest. Circumstances may preclude the inquiring attorney from undertaking the legal representation of a client/customer of the corporation, or may otherwise give rise to violations of the Rules of Professional Conduct. Such circumstances, should they arise, may war-

rant the inquiring attorney to reapply to the Panel for further guidance.



