

Supreme Court

Articles II, IV, and V of the Supreme Court :
Rules :
(Proposed Amendments)

ORDER

The attached proposed amendments to Articles II, IV, and V of the Supreme Court Rules are hereby scheduled for public hearing on *Thursday, February 14, 2013* at *9:00 a.m.* in the Supreme Court courtroom located on the seventh floor of the Licht Judicial Complex.

Any person interested in offering oral comment may do so at that time. Notice of intent to present oral comment shall be submitted to the Supreme Court Clerk on or before *Thursday, January 31, 2013*. Those opting to comment in writing on one or more of the proposed amendments may do so by submitting memoranda containing their comment with the Clerk of the Supreme Court on or before *Thursday, January 31, 2013*.

Copies of the proposed amendments may be obtained either from the Supreme Court clerk or by visiting the Rhode Island Supreme Court website.

Entered as an Order of this Court this *14th* day of *December 2012*.

By Order,

/s/
Clerk

In re Amendment to Articles II and IV of the :
Supreme Court Rules :
(Admission to Practice Law and Periodic :
Registration of Attorneys). :

ORDER

Section 1. Article II, Rule 10 of the Supreme Court rules, entitled “Professional service corporations, limited liability partnerships and limited liability companies (limited liability entities)” is modified by amending Sections (a), (c), (d), (e), and (g), and adding thereto new Section (k) to read as follows:

“Rule 10. Professional service corporations, limited liability partnerships and limited liability companies (limited liability entities).

(a) Attorneys at law admitted to practice before this Court may engage in the practice of law in the form of professional service corporations as provided by the Professional Service Corporation Law, G.L. 1956 (1999 Reenactment), §§ 7-5.1-1 to 7-5.1-12, as amended, registered limited liability partnerships, as provided by the Uniform Partnership Act, G.L. 1956 (1999 Reenactment), §§ 7-12-31.1, 7-12-56 to 7-12-59, as amended, or as limited liability companies, as provided by the Rhode Island Limited Liability Company Act, G.L. 1956 (1999 Reenactment) §§ 7-16-1 to 7-16-75, as amended.

(b) As used in this rule, the term "limited liability entity" shall include a professional service corporation and a registered limited liability partnership and limited liability company organized to practice law pursuant to the laws of any state or other jurisdiction of the United States and which practices law in the State of Rhode Island; the term “limited liability entity charter” shall mean its Articles of Incorporation (in the case of a professional service corporation), its Articles of Organization (in the case of a domestic limited liability company), its Application for Registration (in the case of a foreign limited liability company), its Application for Registered Limited Liability Partnership (in the case of a domestic partnership) or its Notice of Foreign Registered Limited Liability Partnership (in the case of a foreign partnership); and the term "limited liability entity amendment" shall mean its Articles of Amendment to the Articles of Incorporation (in the case of a professional service corporation), its Articles of Amendment to Articles of Organization (in the

case of a domestic limited liability company), its Amendment to Application for Registration (in the case of a foreign limited liability company) or its renewal Application for Registered Limited Liability Partnership (in the case of a domestic partnership) or its new Notice of Foreign Registered Limited Liability Partnership (in the case of a foreign partnership). In order to obtain a license from this Court a foreign limited liability entity must employ one or more attorneys who is licensed and in good standing to practice law in this state.

(c) A limited liability entity and the attorneys employed by the entity may not engage in the practice of law unless and until it applies to and receives from this Court a license to operate as a limited liability entity and only so long as such license remains in good standing.

(d) Within thirty (30) days after filing its limited liability entity charter with the Secretary of State, each limited liability entity formed to engage in the practice of law shall file with the Clerk of the Supreme Court a copy of its limited liability entity charter together with an application for license on a form to be prescribed by the Clerk setting forth:

(1) The name and address of the limited liability entity;

(2) The names and addresses of all shareholders, directors and officers, if the applicant is a professional service corporation; partners if the applicant is a registered limited liability partnership; and managers and members if the applicant is a limited liability company, each of whom must be an attorney authorized to practice law and the state or jurisdictions where licensed to practice law;

(3) A representation that at the time of filing, each attorney in the organization is in good standing in this state or, if licensed to practice elsewhere, in every state or jurisdiction in which he or she is licensed;

~~(3)~~ (4) The names and addresses of all of its attorneys who will practice law in Rhode Island;

~~(4)~~ (5) The name and address of the insurance company writing the insurance required by G.L. 1956 (1999 Reenactment), § 7-5.1-8 or § 7-12-58 or 7-16-3.3 and shall attach to the application a copy of the certificate furnished by the insurance company to the limited liability entity;

~~(5)~~ (6) Such other information as the court may from time to time prescribe.

The license application shall be submitted electronically through the electronic filing system of the Clerk's Office, when such systems are

available. The application shall be submitted by a lawyer who is licensed and in good standing to practice law in this state. The Clerk is authorized to waive the electronic filing requirement in a given year if filing electronically will cause undue hardship.

The license application shall be submitted with a two hundred dollar (\$200.00) application fee. Applications filed after thirty (30) days from the filing of the limited liability entity charter with the Secretary of State, shall be subject to an additional one hundred and twenty five dollar (\$125.00) late fee.

The Clerk shall review the copy of the limited liability charter and the application for license to determine if all requirements of law and these rules have been complied with and notify the court of his or her findings. The court may then order the issuance of a license to practice to the limited liability entity, deny the application, or may refer the application for further consideration to such committee as it may appoint or designate.

(e) Within thirty (30) days after filing any limited liability entity amendment or articles of dissolution with the Secretary of State, a copy of the limited liability entity amendment or articles of dissolution (duplicate original in the case of professional corporations and limited liability companies) shall be filed with the Clerk. Within thirty (30) days of any change in the facts set forth in any application for license verified with the Clerk, a statement describing such change shall be filed with the Clerk. If any such change would require additional insurance under applicable law, a new insurance company certificate shall be obtained and filed with the Clerk, together with the statement describing the change. The Clerk shall review any such documents filed with him or her to determine if such amendments or changes comply with the law and these rules, and notify the court of any non-compliance.

(f) In issuing a license the Court shall consider whether the limited liability entity meets the standards of admission imposed upon individual attorneys. The limited liability entity shall comply with and be subject to all rules governing the practice of law by attorneys and it shall do nothing which, if done by an individual attorney, would violate the standard of professional conduct applicable to attorneys licensed to practice law in this state. Any violation of this rule by the limited liability entity shall be grounds for the court to discipline it, including termination or suspension of its right to practice law. A lawyer who, while acting as a shareholder, member, officer, director, manager, partner, agent or employee of a limited liability entity engaged in the practice of law, violates or sanctions the violation of the provisions of the Professional Service Corporation Law, the provisions of the Uniform Partnership Act applicable to registered limited liability partnerships practicing law in Rhode Island, the

provisions of the Rhode Island Limited Liability Company Act applicable to limited liability companies practicing law in Rhode Island or the rules of the Supreme Court of the State of Rhode Island relating to the practice of law, shall be subject to disciplinary action. No attorney may be a shareholder, member, officer, director, manager, partner, or employee of any other limited liability entity or unincorporated entity engaged in the practice of law in this state.

(g) * * *

(h) If a shareholder, member, or partner dies or becomes ineligible, the ~~professional service corporation~~ entity shall:

(1) Redeem the ~~shareholder's shares~~ interest of the shareholder, member or partner unless prohibited by law from accomplishing such redemption, or

(2) Cause the ~~shareholder's shares~~ interest of the shareholder, member or partner to be purchased by an eligible person or persons, or

(3) If neither of the foregoing is accomplished within nine (9) months from the date that the ineligibility occurred, then the corporation's license to practice shall be terminated forthwith and the shareholders, members, or partners shall promptly take all steps necessary to cause the dissolution and liquidation of the ~~corporation~~ entity. Nothing in this rule is intended to prevent the payment for ~~shares~~ interests in the entity redeemed or purchased over any period of time that is agreed upon by the parties.

(4) The ~~corporation~~ entity and the ineligible shareholder, member or partner shall have three (3) months from the date that the ineligibility occurs to agree on the fair market value of such ~~stock~~ interest. If no agreement is reached within such three (3) month period, the ~~corporation~~ entity shall apply to this court for appointment of three (3) qualified persons, as provided by G.L. 1956 (1999 Reenactment), § 7-5.1-5, to determine the fair market value; they shall report their decision within six (6) months of the date that the ineligibility occurred.

(5) The court may, upon a showing of good cause, extend any of the time periods provided by this rule.

(6) The shares of an ineligible shareholder, member or partner shall not be voted for any purpose, nor shall they be counted in determining a quorum or the number of votes required for ~~any shareholder~~ action by the entity.

(i) * * *

(j) * * *

(k) Every limited liability entity shall register annually with this Court as required by Article IV, Rule 1(a)(Periodic registration of limited liability entities). Limited liability entity licenses issued by this Court

shall remain in effect until terminated, revoked, or dissolution of the limited liability entity.”

Section 2. Limited liability entities currently practicing law in this state without a license from this Court shall have ninety (90) days from the date of this order to file an application without payment of the one hundred and twenty five dollar (\$125.00) late fee provided for in Article II, Rule 10(d) as amended herein. Applications received after ninety (90) days from the date of this order shall be subject to the additional one hundred and twenty five dollar (\$125.00) late fee.

Section 3. Article II, entitled Admission to Practice Law, is hereby amended as follows:

“**Rule 11. Legal Service Organizations.** Nonprofit organizations incorporated in this state for the purpose of providing legal assistance to the poor and that provide legal assistance to a defined and limited class of clients, may practice law in their own names through attorneys who are members of the Rhode Island Bar, subject to the approval of this Court. These organizations shall follow the application and registration requirements imposed on limited liability entities pursuant to Rule 10 but shall be exempt from the payment of application and registration fees. Organizations providing legal assistance pursuant to this rule may practice law under a trade name as approved by the Court.

Rule 112. Law clerks of justices not to practice. No one serving as a law clerk or secretary to a justice of the Supreme Court shall practice as an attorney or counsel in any court or before any agency of government while continuing in that position except as a participant in the Court-Appointed Law-Clerk Advocate Program; nor shall he or she after separating from that position practice as an attorney or counselor in the Supreme Court until one (1) year has elapsed after such separation; nor shall he or she ever participate, by way of any form of professional consultation and assistance, in any case that was pending in the Supreme Court during the period that he or she held such position.

Rule 123. Court-Appointed Law-Clerk Advocate Program. The Court-Appointed Law-Clerk Advocate Program shall be comprised of persons serving as law clerks to the justices of the Supreme Court or as members of the Supreme Court Law Clerk Pool ~~Pool~~ Department. Advocates under the program may, with the approval of the Supreme Court, and under the

general supervision of an experienced member of the bar of this state, appear without compensation in Family Court, upon appointment by a justice of that court, as guardians-ad-litem in (1) dependency, neglect, abuse, and termination of parental rights proceedings, (2) wayward and delinquency proceedings, and (3) proceedings conducted in accordance with R.I.G.L. § 23-4.7-6. Such law clerks need not be members of the bar of this state at the time of their appointment.”

Section 4. Article IV of the Supreme Court Rules, entitled “Periodic registration of attorneys,” is hereby amended to add the following provision:

“Rule 1(a). Periodic registration of limited liability entities.

(1) Every limited liability entity licensed by this Court shall on or before July first of every year file a completed annual limited liability entity registration statement prescribed by the Clerk and pay a two hundred dollar (\$200.00) registration fee if the limited liability entity employs fewer than five (5) attorneys; a three hundred dollar (\$300.00) registration fee if the limited liability entity employs five (5) to ten (10) attorneys; or a five hundred dollar (\$500.00) registration if the limited liability entity employs eleven (11) or more attorneys.

The annual registration required by this section shall be submitted electronically through the electronic filing system of the Clerk’s Office, when such systems are available. The annual registration statement shall be submitted by a lawyer who is licensed and in good standing to practice law in this state. The Clerk is authorized to waive the electronic filing requirement in a given year if filing electronically will cause undue hardship.

(2) The license of any limited liability entity that fails to register on or before July 1st shall be revoked forthwith. A limited liability entity whose license has been revoked may be reinstated within six (6) months upon the filing of the registration statement, payment of the appropriate registration fee, and payment of a one hundred and twenty five dollar (\$125.00) late fee, which shall not be waived. A limited liability entity whose license has been revoked for more than six (6) months must petition the court for reinstatement with an affidavit attesting that the limited liability entity and its attorneys remain in good standing.

(3) If a limited liability entity notifies the Clerk, in writing, that it is no longer practicing law and is winding down the operations and final activities of the organization, no registration fees shall be owed and the limited liability entity shall be moved to inactive status for a period not to exceed one (1) year. If, at the end of that period, a copy of the articles of

dissolution has not been filed with the Clerk, the limited liability entity license shall be revoked forthwith.”

Entered as an Order of this Court this _____ day of _____ 201X.

Suttell, C. J.

Goldberg, J.

Flaherty, J.

Robinson, J.

Indeglia, J.

DRAFT

Supreme Court

In re Amendment to Article V, Rule 7.5 of the :
Supreme Court Rules of Professional Conduct :
(Firm names and letterheads). :

ORDER

Article V, Rule 7.5 of the Supreme Court rules, entitled “Firm names and letterheads” is hereby amended to read as follows:

“(a) A lawyer shall not use a firm name, letterhead or other professional designation that violates Rule 7.1. ~~A trade name may be used by a lawyer in private practice if it does not imply a connection with a government agency or with a public or charitable legal services organization and is not otherwise in violation of Rule 7.1.~~ A lawyer shall not practice under a trade name, a name that is misleading as to the identity of the lawyer or lawyers practicing under such name, or a firm name containing names other than those of one or more of the lawyers in the firm, except as provided for in Article II, Rule 10(j) (Limited Liability Entities) and Rule 11 (Legal Service Organizations) and, if otherwise lawful, a firm may use as, or continue to include in its name the name or names of one or more deceased or retired members of the firm or a predecessor firm in continuing line of succession.

(b) Provided the firm name complies with subsection (a), A law firm with offices in more than one jurisdiction may use the same name or other professional designation in each jurisdiction, but identification of the lawyers in an office of the firm shall indicate the jurisdictional limitations on those not licensed to practice in the jurisdiction where the office is located.

(c) The name of a lawyer holding a public office during any substantial period in which the lawyer is not actively and regularly practicing with the firm, and the name of a lawyer who is disbarred or suspended from the practice of law for a period of at least six (6) months, shall not be used in the name of a law firm or in communication on its behalf.

(d) Lawyers may state or imply that they practice in a partnership or other organization only when that is the fact.”

Entered as an Order of this Court this _____ day of _____ **201X**.

Suttell, C. J.

Goldberg, J.

Flaherty, J.

Robinson, J.

Indeglia, J.

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