

Digest of Ethics Advisory Panel  
Opinion #91-53, Request #171  
Issued August 16, 1991

An attorney seeks Panel advice concerning the attorney's ethical obligations under circumstances in which the attorney holds funds in escrow on behalf of a party who owes the attorney legal fees. The legal fees are in dispute. The party refuses to allow the attorney to take the amount due for the legal services out of the funds held in escrow.

The Panel takes the position that this inquiry is governed by Rhode Island Rule of Professional Conduct 1.15, which provides in pertinent part:

(c) 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 a 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 by the lawyer until the dispute is resolved.

The Panel is of the opinion that the attorney's ethical duty under these circumstances is to hold the disputed funds in the escrow account until the matter is resolved.