

SUPREME COURT OF LOUISIANA

ORDER

Acting in accordance with Article V, Sections 1 and 5 of the Louisiana Constitution of 1974, and the inherent power of this Court, and considering the recommendations of the Louisiana State Bar Association for amendments to the Rules of Professional Conduct,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

Article XVI of the Articles of Incorporation of the Louisiana State Bar Association (the “Rules of Professional Conduct”) be and is hereby amended to read as follows:

I. Rule 1.17 of the Rules of Professional Conduct is hereby enacted to read as follows:

Rule 1.17. Sale of a Law Practice

A lawyer or a law firm may sell or purchase a law practice, or an area of law practice, including good will, if the following conditions are satisfied:

- (a) The selling lawyer has not been disbarred or permanently resigned from the practice of law in lieu of discipline, and permanently ceases to engage in the practice of law, or has disappeared or died;
- (b) The entire law practice, or area of law practice, is sold to another lawyer admitted and currently eligible to practice in this jurisdiction;
- (c) At least ninety (90) days in advance of the sale, actual notice, either by in-person consultation confirmed in writing, or by

U.S. mail, is given to each of the clients of the law practice being sold, indicating:

- (1) the proposed sale of the law practice;
 - (2) the identity and background of the lawyer or law firm that proposes to acquire the law practice, including principal office address, number of years in practice in Louisiana, and disclosure of any prior formal discipline for professional misconduct, as well as the status of any disciplinary proceeding currently pending in which the lawyer or law firm is a named respondent;
 - (3) the client's right to choose and retain other counsel and/or take possession of the client's files(s); and
 - (4) the fact that the client's consent to the transfer of the client's file(s) will be presumed if the client does not take any action or does not otherwise object within ninety (90) days of the notice.
- (d) In addition to the advance notice to each client described above, at least thirty (30) days in advance of the sale, an announcement or notice of the sale of the law practice, including the proposed date of the sale, the name of the selling lawyer, the name(s) of the purchasing lawyer(s) or law firm(s), and the address and telephone number where any person entitled to do so may object to the proposed sale and/or take possession of a client file, shall also be published: 1) in the *Louisiana Bar Journal*; and 2) once a week for at least two (2) consecutive weeks in a newspaper of general circulation in the city or town (or parish if located outside a city or town) in which the principal office of the law practice is located. The announcement or notice required by this Rule does not fall within the scope of Rules 7.1 through 7.10 of these Rules.
- (e) The fees or costs charged clients shall not be increased by reason of the sale.
- (f) (1) A lawyer or law firm that proposes to acquire a law practice may be provided, initially, with only enough information regarding the matters involved reasonably necessary to enable the lawyer or law firm to determine whether any conflicts of interest exist. If there is reason to believe that the identity of a client or the fact of representation itself constitutes confidential information under the circumstances, such information shall not be provided to the purchasing lawyer or law firm without first advising the client of the identity of the purchasing lawyer or law firm and obtaining the client's informed consent in writing to the proposed disclosure.

If the purchasing lawyer or law firm determines that a conflict of interest exists prior to reviewing the

information, or determines during the course of review that a conflict of interest exists, the lawyer or law firm shall not review or continue to review the information unless the conflict has been disclosed to and the informed written consent of the client has been obtained.

- (2) A lawyer or law firm that proposes to acquire a law practice shall maintain the confidentiality of and shall not use any client information received in connection with the proposed sale in the same manner and to the same extent as if the clients of the law practice were already the clients of that acquiring lawyer or law firm.
- (g) Consistent with Rule 1.16(c) of these Rules, before responsibility for a matter in litigation can be sold as part of a law practice, any necessary notice to and permission of a tribunal shall be given/obtained.
- (h) Notwithstanding any sale, the client shall retain unfettered discretion to terminate the selling or purchasing lawyer or law firm at any time, and upon termination, the selling or purchasing lawyer in possession shall return such client's file(s) in accordance with Rule 1.16(d) of these Rules.

II. Rule 5.4(a)(4) of the Rules of Professional Conduct is hereby amended to read as follows:

Rule 5.4. Professional Independence of a Lawyer

- (4) a lawyer who purchases the practice of a deceased, disabled, or disappeared lawyer may, pursuant to the provisions of Rule 1.17, pay to the estate or other representative of that lawyer the agreed-upon purchase price; and

III. These rule changes shall become effective on July 1, 2016, and shall remain in full force and effect thereafter, until amended or changed through future Orders of this Court.

New Orleans, Louisiana, this _____ day of June, 2016

FOR THE COURT:

Bernette Joshua Johnson, Chief Justice