

FOR IMMEDIATE RELEASE
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HEARING ON PROPOSED CHANGES GOVERNING LAWYER FEE ARRANGEMENTS AND BUSINESS TRANSACTIONS

The Rules Committee of the Illinois Supreme Court will hear comments at a public hearing on Friday October 24, 2008 on proposals governing allowable fee arrangements and non-lawyer business transactions between attorneys and clients.

The hearing will begin at 10 a.m. at 160 N. LaSalle Street, Room C-500 in Chicago.

The hearing will center on proposed amendments to Rule 1.15 of the Illinois Code of Professional Responsibility, which regulates the conduct of Illinois attorneys; and a proposed new Rule 5.7, which seeks to explain the responsibilities of lawyers in providing law-related services ranging from financial planning to legislative lobbying.

There are two proposals to amend Rule 1.15 pending before the Rules Committee. They both deal with an attempt to incorporate into the disciplinary rules an Illinois Supreme Court decision which clarified the types of fee arrangements in Illinois. The decision is *Dowling v. Chicago Options Associates, Inc.*, which is archived under opinions, May 2007 on the Supreme Court web site at www.state.il.us/court.

One of the proposed amendments is offered by the Supreme Court Committee on Professional Responsibility and the other is offered by the Attorney Registration and Disciplinary Commission.

The *Dowling* opinion dealt with defining the three types of fee arrangements in Illinois and how disbursements to the lawyer are made in each and whether they require deposit in a client trust account. The fee arrangements are known as the advanced retainer, the security retainer and the classic retainer.

The proposal by the Committee on Professional Responsibility recommends that the language from the *Dowling* opinion be incorporated in the "Comments" section of the rule. The proposal by the ARDC recommends that the language from the *Dowling* opinion be incorporated in the actual body of the rule.

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Proposed new Rule 5.7 would make a lawyer subject to the disciplinary Rules of Professional Conduct with respect to the provision of “law-related” services. According to the comment section, examples of law-related services include providing title insurance, financial planning, accounting, trust services, real estate counseling, legislative lobbying, economic analysis, social work, psychological counseling, tax preparation, and patient, medical or environmental consulting.

None of the proposed rules will take effect unless specifically approved by the Supreme Court. Last September, the Rules Committee heard public comments on extensive proposals to make numerous changes to the Illinois Rules of Professional Conduct. Those proposals have not yet been acted on by the Supreme Court.

Justice Thomas L. Kilbride is the Supreme Court liaison to the Rules Committee, Justice Lloyd A. Karmeier is the Supreme Court liaison to the ARDC, and Justice Anne M. Burke is the Supreme Court liaison to the Professional Responsibility Committee.

Attorney John Nicoara is chair of the Rules Committee.

The full texts of the proposed rules are posted on the Supreme Court website at: www.state.il.us/court. To view the proposals, scroll down on the Home page to “Legal Community” (left side of the screen) and click on “Supreme Court Rules Committee Public Hearings.”