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### **Duty of Loyalty**

The lawyer has a duty to represent its clients with loyalty and should be work for the best interest of the clients. Here, Laura is a general counsel of MoreHome(MH), she has a duty to be loyal to the company and also work for the best interest of MH. Since Laura is represent MH who is an organization, it should be responsible for the company other than its employees.

Under ABA rule , the lawyer has a duty to report any misconduct to the board of the association and persuade the organization to comply with the law, otherwise the lawyer may reveal it to the public for the extent of necessary. Under CA rule, the lawyer did not have the authority to reveal it to the public but it need to withdraw its representation under this circumstances.

As the supervisor of Eric, when Laura received the report from Eric about the document demonstrate that MH employees are falsifying the financial history of many mortgage applicants so they can qualify for mortgages they could not otherwise obtain, and the documents show MH policy is pushing risky mortgages onto unsuspecting customers. The report made by Eric is the wrongdoing of the company and Laura is obligated to report this incident to the management of the company.

When Eric consulted Laura for legal advice on the incident, and does not want to Mianne to learn of their discussion, Laura should immediately notified Eric that she does not represent Eric but MH, and she has no responsibility for any confidential discussion they have. Plus, Laura is required to explained the consequence of Eric 's behavior and suggest Eric for another lawyer for advise under ABA and CA rules.

Thus, Laura made a ethical violation to fail notify Eric she is not represent him and she has no responsibility to keep confidential about their conversations.

### **Duty of Candor and Zealous**

The lawyer should make its practice comply with all the laws and rules. Here, there is very clear that Laura have the knowledge that the practices of MH is constitute a crime under state law, she has the duty to work zealous and remind the company of such illegal activities.

Here, although Laura is aware of the dangerous of the company activities, she only informed Mianne about Eric's concerns, she did not try to contact with other person in the management or report this incident to the board of the company, she's conduct shows no efforts to achieve for the best interest of the company.

Also, Laura is known that the State Attorney General is aggressively investigating similar practices by mortgage companies in the state, despite she does not know whether MH has been identified as a target for investigation. As a lawyer for MH, Laura should know if she report

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to the State Attorney General, there will be a lot of trouble for the company, and there is no way to adverse it. Even with that knowledge she report to the State Attorney General after she only consult with Mianne and the outside counsel.

Thus, Laura made a ethical violation of duty of candor and zealous.

### **Duty of Confidentiality**

The lawyer has a duty to keep the communication about the conversation concerns the legal advice between the lawyer and their clients. Here, Eric left all of the documents with Laura as she requested. But she provided the copies of the documents to the State Attorney General. Without any consideration of possibility of trade secrets or unnecessary documents.

As discussed before, the lawyer do have a duty to reveal to the public, but only with the extent of necessary. Although Laura has consult with outside counsel about what to do with the documents, she's behavior violate the confidential duty between MH and her.

Thus, Laura made a ethical violation of duty of confidentiality.

### **Duty of report**

Under ABA rules, if there is anything related to death or fraud, the lawyer has a duty to report it. CA does not require for it.

Here, Laura has a duty to report the incident and Mianne to the board of MH, since MH's activity constitute a crime and Mianne 's conduct obviously has an adverse effect on the company. Laura will have to remind the board such instruction has bad effect on the company and may end the company business at last. During the representation of an organization, Laura is not represent Mianne or Eric, she is represent MH, if there is any possibility for the bad effect on the company, Laura has a duty to report to the high level management of the company and provide legal advice as she should be.

Thus, here, Laura made a ethical violation of duty of report.

### **Duty of competence**

The lawyer should have the skill and knowledge to represent the clients under ABA rules and the lawyer required not to fail the clients negligently and repeatedly.

Here Laura's behavior shows no competence for the incident reported by Eric, because she should know the rules to report the management before provide the documents to the State Attorney General.

Laura is in violation of ethical.

### **Conclusion**

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Laura did not act as a lawyer for an organization and she's behavior shows no consideration for the best interest of the company, Thus, she's behavior has been a violation of professional responsibility under CA and ABA rules.

Question #3 Final Word Count = 894

**END OF EXAM**