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1. What ethical violations did August commit?

Validity of Contingency Fee

Under the ABA rules, and CA rules, contingency fee agreements are valid as long as they are written and signed by the attorney and the client. A contingency fee agreement cannot be used for criminal cases, or in family law cases.

Here the contingency fee agreement is being used for a lawsuit allegedly a tort lawsuit for negligence by Paul against Dani, his real estate broker. The fee is valid and signed in writing.

Thus there is a valid fee agreement.

Duty to not contact represented party Paul speaking to Dani without August knowledge

Under ABA and CA rules an attorney nor his client can contact opposing party when they are being represented by an attorney.

Here, Paul spoke to Dani and asked her about the settlement demand. August as an attorney should have advised Paul that while the litigation is ongoing he is not allowed to contact or speak to Dani without her attorney present. As such it can be argued that August breached his duty to not contact a represented party, by allowing his client to contact Dani without her attorney present.

Thus, even though Paul spoke to Dani, August did not know of this until after and as such he did not break his duty to contact represented party.

Duty to report misconduct

Under ABA rules, an attorney has a duty to report misconduct of other attorneys. Under CA rules, there used to be no rule to report misconduct, of other attorneys only misconduct of oneself but recently this changed, and now one has to report misconduct of other attorneys under CA rules as well.

Here, when August found out that Paul spoke to Dani he had a duty to report this to opposing counsel Len or to at least report the fact that Len had not told his client about the settlement demand. August did not report Len to the court, or the bar, nor did he confront Len about his inactions.

Thus, August breached his duty to report misconduct.

Duty to not contact represented party by August asking Paul to contact Dani (supra)

Duty of Fairness to opposing counsel

Under the ABA and CA rules, attorneys have a duty to act in good faith and work with opposing counsel.

Here, August asked Paul to contact Dani and communicate her about the settlement offer. Paul also told her why it was a good offer. When August allowed Paul to do this he breached his duty of contacting represented party and could arguably have engaged in misconduct. August knows he has a duty to act in good faith and to act fairly towards the other party when he allowed Paul to do this, he breached both duties.

Thus, the court would find August breached his duty to not contact a represented party and duty of fairness to opposing counsel.

2. What ethical violations exist in August and Rita's arrangement?

Duty to inform client of arrangement with another attorney

Under ABA and CA rules An attorney is allowed to contract with another attorney for help on the case as long as the fees do not change the percentage given to the client and the client has been informed and has given his written consent to this agreement.

Under ABA and CA rules, the percentage can only be based on the work the attorney has put in.

Here, Rita was supposed to take 50% of the contingent fee this is unreasonable. Rita, came into the case last minute and she did not do much work. Rita also has a conflict because she knows Dani and she "could work with her." Rita had a duty to not accept this representation without informing Dani of the possible conflict. The other major issue is that when August wrote to Paul of the arrangement he did not even send it or get his approval prior to Rita settling the case.

Thus, given the facts, the court would find there was a violation of duty to inform client of arrangement with other attorney.

Duty to Avoid conflict of interest

A conflict of interest arises when an attorney takes a job working with another attorney and they know the party the attorney is going against, or have worked with them. It creates a conflict since there are adverse interest.

Here, Rita breached her duty to avoid conflict of interest by taking on the case, without informing Paul or Dani about her involvement with both of them. Rita should have gotten approval from both parties before accepting representation.

Thus, Rita violated her duty to avoid conflict of interest.

3. What ethical violations did Len commit?

Duty of fairness to Opposing Counsel

Under the ABA and CA rules, attorneys have a duty to act in good faith and respond promptly and diligently to opposing counsel.

Here, Len breached his duty of fairness to opposing counsel because he did not respond to the demand letter at all. He did not even give an explanation to opposing counsel for the delay and when confronted about it, he just said he did not respond because he believed the amount was too high for the value of the case. Regardless of LEn's belief he cannot stop communication with opposing counsel without proper notification or explanation to the court for the reason.

Thus, the court would find that Len breached his duty of fairness to opposing counsel by not responding. As an attorney Len had a duty to act in good faith and respond promptly. He breached this duty by just never responding to August.

Duty to communicate with client

Under the ABA and CA rules the attorney has a duty to communicate all potential settlement demands to the client unless, the attorney has the clients permission to settle on a certain amount on his or her behalf.

Here, Len heard from August about the written demand for \$500,000. At this point Len had a duty to communicate to Dani the settlement demand. There is nothing that indicates that Len had permission from Dani to settle on her behalf or to not communicate the settlement to her.

Thus, Len breached his duty to communicate with his client.

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