

## ETHICS OPINION

RO-96-09

Alabama lawyers may form limited liability partnership with other lawyers or professional corporations for practice of law

### QUESTION:

“This letter is to request a formal written opinion from the Disciplinary Commission concerning the utilization of the Revised Uniform Partnership Act provisions regarding Registered Limited Liability Partnerships by lawyers who are licensed to practice law in the State of Alabama.

Section 1010 of the Alabama Revised Uniform Partnership Act appears to allow professionals to render professional services as a member or as an employee of a Registered Limited Liability Partnership whether such Registered Limited Liability Partnership is an Alabama Registered Limited Liability Partnership or a foreign Registered Limited Liability Partnership. Paragraphs (d) and (e) of Section 1010 appear to limit this authority to the discretion of the licensing authority. Section 1010 is attached hereto and incorporated herein by this reference.

Based upon the foregoing, we are concerned that without the issuance of a formal opinion by the Disciplinary Commission, lawyers attempting to utilize a Registered Limited Liability Partnership (whether Alabama or foreign) in the delivery of legal services, either as members or as employees, may be subject to disciplinary procedures. Therefore, we would appreciate your providing us with a written declaratory ruling as to the following questions:

Under the Alabama Rules of Professional Conduct, Rules of Disciplinary Procedure, Alabama Standards for Imposing Lawyer Discipline, and any other rules of the Alabama State Bar governing the professional conduct of lawyers, will it be permissible for (i) lawyers who are licensed to practice law in the State of Alabama to utilize an Alabama Registered Limited Liability Partnership in the delivery of legal services, (ii) lawyers who are

licensed to practice law in the State of Alabama to be employed by an Alabama Registered Limited Liability Partnership for the delivery of legal services, (iii) lawyers who are licensed to practice law in the State of Alabama to utilize a foreign Registered Limited Liability Partnership in the delivery of legal services and (iv) lawyers who are licensed to practice law in the State of Alabama to be employed by a foreign Registered Limited Liability Partnership for the delivery of legal services?

These questions appear to be relatively simple questions; however, a written opinion would be helpful to allow us to advise our clients concerning the usage of the Registered Limited Liability Partnership provisions of the Revised Uniform Partnership Act.”

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ANSWER:

An Alabama lawyer may form a limited liability partnership with other lawyers or professional corporations for the practice of law, so long as the lawyers in the partnership remain ethically responsible to their clients for the consequences of their own actions and the actions of the persons they supervise.

DISCUSSION:

In RO-93-16, the Disciplinary Commission considered identical language to paragraphs (d) and (e) above in the context of the Alabama Limited Liability Company Act. That opinion is attached hereto for reference purposes.

Paragraphs (d) and (e) of Section 1010 of the Alabama Revised Uniform Partnership Act do not limit the right of lawyers to organize as a limited liability partnership, as you seem to suggest they do.

Paragraph (d) simply states that professionals do not evade the jurisdiction of their licensing authority by registering under the Act. Lawyers would still be subject to the

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Rules of Professional Conduct and any other rule or regulations applicable to the practice of law in Alabama.

Paragraph (e) of Section 1010 states that a licensing authority may impose requirements in addition to the Act on its members seeking to operate as limited liability partnerships. Paragraph (a) of section 1010 makes it clear that an employee or partner of a limited liability partnership is responsible for the consequences of his or her own conduct.

While the Act has, in effect, eliminated joint and several liability among law partners, all lawyers still remain ethically accountable for the wrongful conduct of those lawyers and nonlawyers whom they supervise. No additional requirements under paragraph (e) have been imposed at this time.

MLM/vf

12/5/96