

ETHICS OPINION

RO-87-161

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QUESTION:

I have an interest in a real estate sales company located in the same suite of offices as my law practice. I am a licensed real estate broker. Assuming that an ethically proper referral with full disclosure took place from the law practice to the real estate company, can the law firm close the sales contract developed by the real estate company?"

ANSWER:

If your law client requests that you close the sales contract developed by your real estate company, you may ethically do so.

DISCUSSION:

It is well established that an attorney may engage in a separate profession so long as that profession is not used as a cloak for solicitation. An attorney may ethically refer clients to a separate business operated by the attorney so long as full disclosure is made to the client of the attorney's interest in the business. The converse is not true, however. An attorney's non-legal business cannot refer customers to the attorney for legal services, as the business is not prohibited from direct solicitation of customers. In other words, an attorney cannot solicit customers for his law practice through his separate business. See RO-86-15. Thus if you had not previously represented a customer of your real estate company, you could not accept a referral from the company to close the sales contract for the company's customer. However, where you originally represented the customer as his attorney and referred the customer to your real estate company with full disclosure of your interest in the company, you may handle the real estate closing on your client's

RO-87-161

behalf. Your pre-existing attorney/client relationship with the customer
removes the dangers of solicitation.

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