Ins and Outs of Buying, Selling or Transitioning In or Out of Law Practice

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Overview of Regulations on Law Practice Sales

Before 1990

1990: ABA Model Rule 1.17

1995: Oregon DR 2-111

2005: Oregon RPC 1.17
Differs (somewhat) from the ABA Model Rule (that is the more typical format in other states)

Based on former DR 2-111

Rarely interpreted rule
Oregon RPC 1.17

- Includes sale of goodwill
- Can sell “all or part” of a practice
- Don’t necessarily have to leave the practice area sold
- Can include a non-compete
Oregon RPC 1.17

- **Limited** exception to confidentiality under RPC 1.6(b)(6)
- Notice to clients
- Clients don’t have to go
- Fees can’t be increased by reason of the sale alone (except where the client agrees)
“Transitioning”
Rather than Selling

► RPC 5.6(a):
♦ Prohibits restrictive covenants
♦ Not just a disciplinary remedy

► OSB Formal Ethics Op. 2005-70:
♦ Client choice
♦ Client files