

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**

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**