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Multi-Representation for the Business Lawyer- 2020 Revisited

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**MULTI-PARTY REPRESENTATION FOR THE BUSINESS LAWYER
2020 REVISED**

TABLE OF CONTENTS

	<u>Page</u>
1. INTRODUCTION	1
2. OVERVIEW OF BASIC CONFLICT OF INTEREST RULES	3
A. Texas Conflict of Interest Rules.....	5
B. ABA Conflict of Interest Rules.....	5
3. RULE 1.06 CONFLICTS OF INTEREST: GENERAL RULE	6
A. Absolute Prohibition in Litigation: Rule 1.06(a)	6
(1) Representing Multiple Parties on Same Side in Litigation	9
(2) Suing a Client in an Unrelated Matter.....	9
(3) ABA Rule 1.7 Comparison	10
B. Non-Litigation Situations: Rule 1.06(b)	11
(1) General Rule: Multiple Representation Allowed.....	11
(2) Major Exception-Lawyer Reasonably Relieves Representation Will Not Be Materially Affected and Client Consents	19
(3) ABA Rule 1.7 Comparison	22
(4) Conflict with Lawyer's Interests	23
C. Prohibited Transactions: Rule 1.08 Conflict of Interest: Prohibited Transactions	24
4. RULE 1.09 CONFLICT OF INTEREST: FORMER CLIENT	26
A. Introduction to the Potentially Messy Situation of Ethical Duties	

	Owed to Former Clients	26
B.	Disqualification Risk.....	27
C.	Texas Rule 1.09(a) Conflict of Interest: Former Client	27
	(1) Three Circumstances in Rule 1.09 Preventing Conflict with Former Client	28
	(2) ABA Model Rule 1.9(a).....	29
	(3) Adversity of Interest to Former Client	31
	(4) Appearance of Impropriety	31
	(5) The Presumptions.....	32
	(6) Prospective Clients and Taint Shopping	33
D.	Dormant Client.....	33
	(1) Distinction Between Active and Inactive Clients	33
	(2) Dormant Clients: Lesser but Continuing Duties	34
	(3) Client Expectations	34
E.	Rule 1.09(b): Extension of Rule 1.09(a) to All Firm Lawyers	35
	(1) ABA Rule 1.9(b) is Similar to Texas Rule 1.09(b).....	37
	(2) Removal of the Imputation.....	38
F.	Rule 1.09(c): Former Partners or Associates	38
	(1) Conflict Facing Transferring Lawyer.....	40
	(2) Conflict Facing Remaining Lawyers at Firm A, After Departure of Transferring Lawyer.....	40
	(3) Substantial Relationship Test.....	41
G.	Seven-Step Framework for Analyzing Conflicts with Former Clients	42
5.	RULE 1.12 ORGANIZATION AS CLIENT.....	42

A.	Introduction	42
B.	Texas Rule 1.2.....	43
C.	Entity as Client.....	45
	(1) Lawyer's Duty Runs to Entity	45
	(2) Type of Entity as Influencing Attorney-Client Identification Issue	46
	(3) Size of Entity as Influencing Attorney-Client Identification Issues	46
	(4) Other Factors as Influencing Attorney-Client Identification Issues	47
	(5) Who Does the Lawyer for a Business Represent?	47
	(6) Who Does the Lawyer for General Partnership Represent?	49
	(7) Who Does the Lawyer for Limited Partnership Represent?	50
	(8) Who Does the Lawyer for a Family Limited Partnership or Other Family Business Represent?	51
	(9) Loose Knit Group as an Organization.....	52
	(10) Conflict Between Entity and Constituents	53
	(11) Problems When Control of Entity in Doubt.....	54
	(12) Dual Representation of Entity and Constituents	55
D.	Decisions by Constituent	56
E.	Entity in Formation	57
	(1) Representing Only the Entity	57
	(2) Representing the Entity and One Constituent	59
	(3) Representing the Entity and All Constituents	61
F.	Representing an Affiliate or Another Entity	62

G.	Governmental Agencies as Client.....	64
H.	Disclosure of Client Information: Balancing Act	64
6.	INFORMED CONSENT	66
A.	Circumstances When Client Consent is Permissible	66
B.	Risk to Non-Litigator of Failing to Obtain Informed Consent	67
C.	What is Informed Consent?.....	68
D.	Suggestions About Consents from Texas Lawyers Insurance Exchange	70
(1)	Put it in writing	70
(2)	Gather information	70
(3)	Analyze	70
(4)	Avoid adverse representation of an existing client	70
(5)	Disclose risks and obtain consent	70
(6)	Include all necessary clients.....	71
(7)	Monitor for changes	71
(8)	React to changes.....	71
(9)	Act consistently	71
(10)	Reconsider whether you should walk away	71
E.	Advanced Waivers	71
F.	Thoughts on Informed Consent.....	73
7.	LAWYER AS "OF COUNSEL"	73
A.	Imprecise Phrase	73
B.	The Controlling ABA Opinion on "Of Counsel"	73
C.	Conflict of Interest Implications of "Of Counsel"	74

8.	SPECIAL PROBLEMS OF PREPARING ESTATE PLAN OR REPRESENTING FIDUCIARY OR BENEFICIARY	75
A.	Introduction	75
	(1) ACTEC Resources	75
B.	Attorney Client Relationship	76
	(1) Overlapping Roles and Responsibilities	76
	(2) Heightened Responsibility	77
	(3) Finding an Attorney-Client Relationship.....	77
	(4) Privity	79
C.	Duty of Maintaining and Preserving Confidential Client Information	81
	(1) Basic Rule: Not Reveal Confidential Information	81
	(2) Confidentiality When Representing Multiple Persons- Unworkable?	81
D.	Competence.....	83
	(1) Breadth of Practice	83
E.	Fiduciary Exception to the Attorney-Client Privilege	85
F.	Conflicts of Interest for Fiduciary.....	86
	(1) How Many Hats are Being Worn?	86
	(2) 2-Hat Client.....	87
	(3) Best Practices	88
	(4) 3-Hat Client.....	89
G.	Relationship of Lawyer for Fiduciary to Beneficiaries.....	89
	(1) Duty of Care.....	89
	(2) Communications with Beneficiaries	89

9.	SUGGESTIONS ON CONSIDERING MULTIPLE PARTY REPRESENTATION	90
A.	Documentation	90
	(1) Before Commencement of Representation	90
B.	Commencement of Representation	91
C.	Fee Agreements.....	92
D.	Disclosures	92
	(1) During Representation	93
	(2) At Conclusion of Representation	93
	BIBLIOGRAPHY	95
	EXHIBIT 1 - TLIE MODEL LANGUAGE FOR CURRENT CLIENT CONFLICT DISCLOSURE AND CONSENT	97
	FORM ENGAGEMENT LETTERS	99

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MULTI-PARTY REPRESENTATION FOR THE BUSINESS LAWYER 2020 REVISTED

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1. INTRODUCTION

Commonly, the lawyer will represent multiple parties at the same time. Often, this type of representation occurs in a family context. When forming a business entity, the lawyer may represent an original client while non-clients are recruited as investors. The investors may look to the lawyer as their lawyer.

Despite risks or the appropriateness of concurrent representation of multiple business owners or family members, this is common practice among lawyers. For lawyers who think of themselves as counselors, not litigators, intertwined multiple representation is recognized and even perhaps encouraged. Clients may even be better served by such representation. It is economical and offers coordination of the business or family goals. The common goals predominate over narrow, individual and possibly inconsistent interests. Much of legal work is and should be non-adversarial.¹

The ABA has recognized this reality in a formal opinion,

[c]onsiderable efficiency is gained through having one lawyer or firm manage the legal affairs of all family members. The firm learns about family businesses, assets, documents, and personalities and thus is able to provide quality representation requiring less time.²

Ethical rules dictate standard of conduct to which attorneys should conform. They are quasi-statutory and enforced by disciplinary proceedings and represent standards of conduct.³

¹ Am. C. Of Tr. & Est. Couns. Found., Commentaries on the Model Rules of Prof'l Conduct 91 (5th ed. 2016) [hereinafter "ACTEC COMMENTARIES"]. One of the main themes of the ACTEC Commentaries is "the utility and propriety, in this area of the law, of representing multiple clients, whose interests may differ but are not necessarily adversarial." Am. C. of Tr. & Est. Couns. Found., Commentaries on the Model Rules of Prof'l Conduct Reporter's Note (1st ed. 1993). Mary F. Radford, Ethical Challenges in Representing Families in Family Limited Partnerships, 35 ACTEC J. 1 (2009).

² ABA Comm. on Ethics and Prof'l. Responsibility, Formal Op. 02-428 (2002), n.2 (citing Am. C. of Tr. & Est. Couns. Found., Commentaries on the Model Rules of Prof'l Conduct 149-50 (3d ed. 1999)).

³ See Tex. Disciplinary Rules Prof. Conduct preamble ¶ 10, reprinted in Tex. Gov't Code Ann., tit. 2, subtit. G, app. A (West 2019) (Tex. State Bar R., art. X § 9) ("The Texas Rules of Professional Conduct define proper conduct for purposes of professional discipline."). Sealed Party v. Sealed Party, No. CIV.A.H-04-2229, 2006 WL 1207732, at *8 (S.D. Tex. May 4, 2006) ("The [Texas Disciplinary Rules of Professional Conduct] are quasi-statutory and are

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