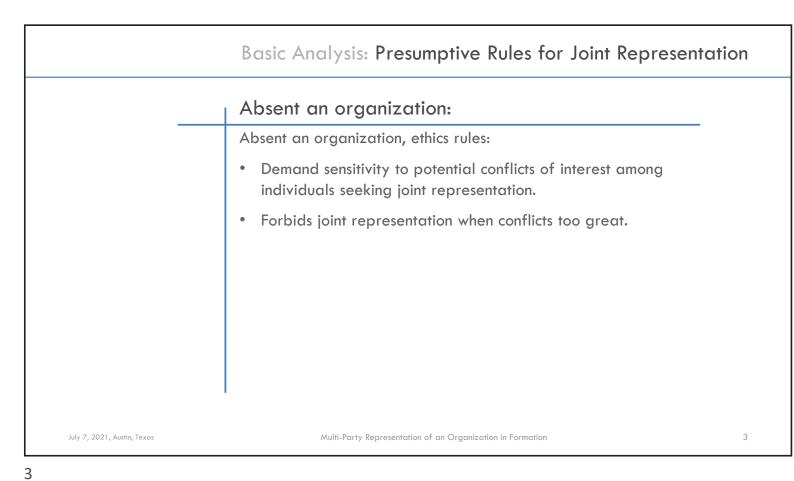


	Introduction: Reality of Multi-Party Represent	
	Practical Realities	
	 Most lawyers work for organizational clients. 	
	 Most lawyers jointly represent individuals at some time. 	
	 Most lawyers represent families. 	
	 Most lawyers wants to be helpful. 	
	I Contraction of the second	
July 7, 2021, Austin, Texas	Multi-Party Representation of an Organization in Formation	2



 Basic Analysis: Presumptive Rules for Joint Representation
Absent an organization:
Joint representation is cumbersome & fragile
 Cumbersome – joint representation requires unanimity. Notice is required to everyone.
 Fragile – each client can terminate his or her relationship with the lawyer at will. Former client can veto representation of others for substantially related matter.
Brennans', Inc. v. Brennans' Restaurants, Inc., 590 F.2d 168, 172 (5th Cir. 1978) (holding that when one or more clients withdraw from a joint representation the lawyer may not continue to represent one without consent of the others).
Lawyer should initiate ending representation when conflict goes beyond mutual consent.
•

Once an organization is adopted:
Everything changes.
• Representation is of the "entity" not the aggregate individuals.
• When there is internal conflict, lawyer does not need to withdraw.
 The entity rules allows the group to speak, listen and act without unanimity.
 Decisions can be made in the interest of the organization, not the individuals.
 Interests of organization can be identified separate from individuals.

	Basic Analysis: Presumptive Rules for Joint Represente	ation
	When Organization Form is Ambiguous	
	Sometimes,	
	 Formation of organization is too hasty or casual. 	
	 Organizational structure not integrated to actual operation. 	
	 Entity formed to get limited liability, but do not change their informal method of operation. 	
	Then, ethics rules disregard the organization:	
	Woods v. Superior Court, 197 Cal. Rptr. 185 (Cal. Ct. App. 1983) (treating representation of two- person corporation as joint representation for conflicts purposes)	
	Opdyke v. Kent Liquor Mart, 181 A.2d 579, 583-84 (Del. 1962) (treating representation of three- person corporation as joint representation for the purpose of lawyer's fiduciary duty to provide information to clients).	
July 7, 2021, Austin, Texas	Multi-Party Representation of an Organization in Formation	6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the <u>UT Law CLE eLibrary (utcle.org/elibrary)</u>

Title search: Multi-Party Representation of an Organization in Formation

Also available as part of the eCourse <u>Answer Bar: LLCs and Partnerships Formation</u>

First appeared as part of the conference materials for the 30th Annual LLCs, LPs and Partnerships session "Multiparty Representation —Entity Formation"