

## MINUTES

**COMMITTEE:** Ethics Committee

**DATE:** October 31, 1996

### **4. CHAPTER 9, RULE 6: PURCHASE OF LAW PRACTICE BY PAYING PERCENTAGE OF BILLINGS**

A lawyer asked whether an agreement by his firm to purchase the law practice of another lawyer by paying the lawyer a percentage of future billings is improper. The other lawyer is no longer a member of the Law Society.

The Committee considered the application of Chapter 9, Rule 6 of the *Professional Conduct Handbook* which states that a lawyer shall not split, share or divide a client's fee with any person other than a member of the Law Society in good standing or an employee of the lawyer's firm.

The Committee was of the view that where billings are used simply to calculate the compensation owed to a vendor of a law practice the payment of compensation is not division of a client's fee within the meaning of the Rule. It is therefore proper to use billings to calculate the amount owned to the vendor of the law practice.

JO:ld/hjm