

RULE CHANGE 2009(06)

APPENDIX TO CHAPTERS 18 TO 20

THE COLORADO RULES OF PROFESSIONAL CONDUCT

Colo. RPC 1.0. Terminology

(a) and (b) [No Change]

(c) "Firm" or "law firm" denotes a ~~lawyer or lawyers in a law partnership, professional corporation, company, sole proprietorship~~ or other ~~association~~ entity or a sole proprietorship authorized to practice law through which a lawyer or lawyers render legal services; or lawyers employed in a legal services organization or the legal department of a corporation or other organization.

(d) through (f) [No Change]

(g) "Partner" denotes a member of a partnership, ~~a shareholder in a law firm organized as a professional corporation~~ an owner of a professional company, or a member of an association authorized to practice law.

(1) "Professional company" has the meaning ascribed to the term in C.R.C.P. 265.

Colo. RPC 5.4. Professional Independence of a Lawyer

(a) [No Change]

(1) through (5) [No Change]

(b) and (c) [No Change]

(d) A lawyer shall not practice with or in the form of a professional ~~corporation, association, or limited liability company, authorized to practice law for a profit, except in accordance with C.R.C.P. 265 and any successor rule or action adopted by the Colorado Supreme Court.~~ company, if

(1) A nonlawyer owns any interest therein, except that a fiduciary representative of the estate of a lawyer may hold the stock or interest of the lawyer for a reasonable time during administration; or

(2) A nonlawyer has the right to direct or control the professional judgment of a lawyer.

(e) A lawyer shall not practice with or in the form of a professional company except in compliance with C.R.C.P. 265.

(f) For purposes of this Rule, a "nonlawyer" includes (1) a lawyer who has been disbarred, (2) a lawyer who has been suspended and who must petition for reinstatement, (3) a lawyer

who has been immediately suspended pursuant to C.R.C.P. 251.8 or 251.20(d), (4) a lawyer who is on inactive status pursuant to C.R.C.P. 227(A)(6), or (5) a lawyer who, for a period of six months or more, has been (i) on disability inactive status pursuant to C.R.C.P. 251.23 or (ii) suspended pursuant to C.R.C.P. 251.8.5, 227(A)(4), 260.6, or 251.8.6.

COMMENT

[1] [No Change]

[2] To assist a lawyer in preserving independence, a number of courses are available, For example, a lawyer may practice law in the form of a professional ~~legal corporation~~ company, if in doing so the lawyer complies with all applicable rules of the Colorado Supreme Court. Although a lawyer may be employed by a business corporation with nonlawyers serving as directors or officers, and they necessarily have the right to make decisions of business policy, a lawyer must decline to accept direction of the lawyer's professional judgment from any nonlawyer. Various types of legal aid offices are administered by boards of directors composed of lawyers and nonlawyers. A lawyer should not accept employment from such an organization unless the board sets only broad policies and there is no interference in the relationship of the lawyer and the individual client the lawyer serves. Where a lawyer is employed by an organization, a written agreement that defines the relationship between the. Lawyer and the organization and provides for the lawyer's independence is desirable since it may serve to prevent misunderstanding as to their respective roles. Although other innovations in the means of supplying legal counsel may develop, the responsibility of the lawyer to maintain the lawyer's professional independence remains constant, and the legal profession must insure that changing circumstances do not result in loss of the professional independence of the lawyer.

[3] [No Change]

Amended and adopted by the Court, En Banc, February 26, 2009, effective immediately.

By the Court:

**Michael L. Bender
Justice, Colorado Supreme Court**

**Nathan B. Coats
Justice, Colorado Supreme Court**