

TERRY APPENDIX B6: SUMMARY OF CMDP PUBLIC HEARING TESTIMONY

Prepared by Prof. Laurel S. Terry, Penn State Dickinson School of Law, ©1999*

	Roger Page: Deloitte & Touche	Samuel DiPiazza: Pricewaterhouse- Coopers	Irwin Treiger & William Lipton: Nat'l Conference of Lawyers & CPAs	William Bolger: Nat'l Resource Ctr. for Consumers of Legal Services	Lora Weber: Consumers Alliance of the Southeast	William M. Hannay, I Int'l Law Practice S
Threshold Issues	Threshold Issues	Threshold Issues	Threshold Issues	Threshold Issues	Threshold Issues	Threshold
A. Standards used in evaluating the MDP issue?			Public interest, not the interests of either lawyers or accountants.		CMDP's goal should be to ask what will make consumers' lives easier.	
B. Core Values to Protect?	Cites confiden- tiality, independent judgment & conflict free advice & says these are also the core values of the accounting profession.	<i>Cf.</i> Attys & CPAs have identical core values - objective & independent advice, loyalty, confi- dentiality. Rules are very similar, although implemented differently sometimes. Also wants MDP lawyers subject to atty rules.	<i>Cf.</i> It's questionable whether current rules are necessary in order to protect core values.			

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C. Same rules for Main & Wall St. lawyers? relevant to both			Relevant to Main St. also; will provide opportunities for clients & lawyers. Conf. is not sure if there should be the same rules; this requires thought. Treiger personally would use the same rules, but might interpret disclosure differently based on client's sophistication; he worries about effect on cost of legal services. If uniform rules, an effort must be made to reconcile such rules. (But not clear to LT if this meant lawyer-CPA rules or MDP & MRPC lawyer rules.)	His focus is lawyers who serve individuals, not international law firms. He thinks it is natural to add services, altho many lawyers see MDPs & teams as a threat (he gave examples). He believes there is an advantage to Main St. lawyers & clients to add services.		
D-E. Burden of Proof?						

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F. Is there client need or demand for MDPs?	Large & small clients demand comprehensive advice from teams of professionals. They find this to be an efficient, value-added service.	CMDP already has heard about large & small client demand for integrated services. PwC's experience in US & abroad is that clients want MDPs offering legal services.	Legal services consumers, including corporate counsel, agree with MDP claims that they can offer clients competent, efficient, cost-effective 1-stop solutions to global business problems. He cites paper by Garrett & Bower & Witness Bennett.	Yes; he lists 5 areas where the middle class uses lawyers: (personal injury cases, real estate, divorce, estate planning, and criminal.) He thinks nonlawyer partners would be useful for 4 of these areas.	Yes (based on anecdotal info, since no surveys exist.) The lack of consumer pickets doesn't mean they don't care. Most don't know what they are missing. But a lightbulb goes on when she describes the possibility of integrated professional services. <i>See, e.g.</i> statistics that ½ of adults don't have a will. More might if a financial planner& attorney were in 1 office. Or 1-stop shopping for home purchase or renovations or entrepreneurs. Proximity will demystify lawyers.	No. He's n CMDP wel hasn't seen testimony f client comm There was witness wh be consider client & he claim to sp the whole c community IBA survey suggest tha availability stop shopp little impor inside cour 90% of clic wanted MI would be 1 But if only want it, CM should thin about whet MDPs mak as a policy The CMDP recommend ABA work down barri multi-natio practice by lawyers &

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G. Are US MDP lawyers & non-lawyers offering what would be called legal services if done in a law firm ?	900+ lawyers work for D&T in the US. He is a JD/CPA but doesn't hold himself out as a lawyer or as practicing law. Answered hypos about what would be <i>holding out</i> . If MDPs were ok, some D&T lawyers would do the same thing as now; some might do tax litigation, but D&T hasn't yet decided. He was asked what D&T tells potential hirees about their activities.		Yes; US acc'ting firms haven't acquired law firms and don't hold selves out as giving legal services, but are doing things traditionally thought of as legal services (<i>e.g.</i> tax, employee benefits, insolvency, business planning, bankruptcy, loan workouts, litigation support, ADR). <i>Cf.</i> Dec. 97 Acc'ting Today article shows acc'ting firms are 4 of 5 largest lawyer employers. In Europe, Canada & Australia, acc'ting firms offer legal services (in various forms of association.)			

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H. Personal knowledge of MDPs causing problems?	<i>Cf.</i> To ?, he said they don't currently tell their clients that the clients that they aren't receiving the benefits of the atty-client privilege. D&T doesn't think clients have an expectation that they are getting legal services. Business cards don't say JD or lawyer & they don't hold themselves out as lawyers (although it may be on a resume.) Clients have no expectation of privilege. He hasn't heard any complaints about clients being mislead or confused on this issue.		<i>Cf.</i> points out lack of horror stories from England or DC even though MDPs are permitted in both places.	<i>Cf.</i> Based on his info as administrator of the AFL-CIO plan & his role helping AARP select plan lawyers, he believes that consumers have problems with lawyers, 2 of which are relevant to MDPs: 1) clients worry about a lawyer's effect on a case; 2) lawyers' loyalty in 3 rd party payer situations (gave examples of clients not utilizing free services); & 3) Clients' perceptions about conflicts (<i>e.g.</i> they often don't want their lawyer to be civil to the other side & they don't understand the disclosures.)		<i>Cf.</i> When a whether the existence of in Europe is inconsistent view that p MDPs in the will undermine US bargaining position, he indicated the lawyers in have the same concerns about MDPs that The bars in are not clear supportive. a constant they look to U.S. as a role model. To noted that happened because of absence of They are not evaluating phenomenon US amended 5.4, it would much more significant Europe's a rules.

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FORMS OF ASSOCIATION ISSUES	Forms of Assoc. Issues	Forms of Association Issues	Forms of Assoc. Issues	Forms of Association Issues	Forms of Association Issues	Forms of A Issues
A. Any limits on who can join an MDP?		He was familiar with the tow-truck driver hypo. There are definition issues; the question should be compatibility. He knows it when he sees it. A tow truck driver to him is not compatible. The problem with requiring licensing is that a <i>Nobel Laureate</i> in economics might be useful in an MDP, but not be licensed.	The Nat'l Conference has not, as a body, addressed the issue of what are compatible professions.			
B. Is the MDP purpose limited to giving "legal services"?						
C. What is an acceptable MDP Name?						

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D. Any requirement for lawyer majority ownership or control, or a separate legal entity?	<p>Asked about <i>CMDP Model 4</i>, he said it is a disguised or incomplete MDP. Clients only get partial benefits not seamless services. Their experience shows you need fee sharing to have true seamlessness. He anticipates regulatory problems if the rule is “no profit sharing.” So <i>Model 4</i> is not satisfactory. When asked later about whether 100% profit sharing is needed, said he knows he has seamlessness at 100% & doesn’t at 0%, but in between it depends on the bells & whistles.</p>	<p>He strongly prefers <i>CMDP Model 5</i>; this model is the context for his comments. PwC would require an identifiable legal services division within the MDP. To ?, said not all lawyers have to be in the legal services division; it depends on what they do in the MDP. TO ?, said many different models are used in Europe, depending on the local rules. He Explained the history & policy of CPA ownership req’ments: it’s based on the public nature of the attest function; it used to be 100%, now 50% & it’s still moving. “Activity” not “ownership” should be key issue.</p>	<p>Implicit: Wants <i>CMDP Model 5</i>: “There is, however, nothing in the nature of a separate legal entity that makes its borders any more impenetrable than those that separate different departments in the same firm.” To a ?, said he favors separation of legal services.</p>		<p>To ?, said the differences between <i>CMDP Models 4 & 5</i> are invisible to the consumer. Both give the consumers benefits & choices. She didn’t understand the <i>Hypotheticals</i> when she received them.</p>	

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E. Is passive investment permitted?		<i>Cf.</i> Their first reaction to Amex's acquisition of non-audit accounting practices was to oppose it. They now focus on core values & rely on individual CPAs to resist any pressure.	<i>Cf.</i> Opponents of Kutak proposed rule worried about the takeover of legal practice by corporations that owed their principal duties to shareholders, not clients. This is not a far-fetched notion (<i>see</i> American Express' acquisition of CPA firms), but note that Kutak rule opponents never mentioned MDPs.	When asked which <i>CMDP Model</i> he preferred, said he's not eager to see Sears providing legal services. Gave his perception of the Hyatt-H&R Block affiliation. Thinks it failed because Hyatt couldn't convince Block that it could deliver legal services more efficiently than small law firms. Wards failed in Florida & Dart Drug failed in D.C.		
F. Transparency requirements? or other limitations?		Clients should be told that atty is practicing in an MDP in which non-lawyers hold an ownership or other economic interest. Let the consumer decide.			She'd require disclosure to protect both sides. She gave as an example, Gov't lawyers' disclosures to her when she was a gov't e'ee; she appreciated this. MDPs should be accessible & transparent.	

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SCOPE OF PRACTICE	Scope of Practice Issues	Scope of Practice Issues	Scope of Practice Issues	Scope of Practice Issues	Scope of Practice Issues	Scope of P Issues
A. Any limits on an MDP lawyer's scope of practice?	<p>Witness Fox's remarks about incompatibility of auditor attest & lawyer confidentiality obligations is based on a misunderstanding of an auditor's obligations; the management not the auditor bears disclosure responsibility. With 1 exception, auditors have a confidentiality duty; they must withdraw or qualify the opinion, but they can't disclose. The exception is for fraud/illegality of an SEC co. <i>Cf.</i> lawyers' <i>red flag</i> obligations. To ?, said an auditor may have to tell a new auditor why he withdrew. ISB is looking at independence.</p>		<p>There should not be a ban on the same firm providing legal and audit services. It's an issue of client choice. Some clients may choose not to have the same firm provide both services because of potential confidentiality/disclosure conflicts, but other clients may see value in obtaining multiple services from a single source, and especially from a firm that starts with the intimate knowledge of the client's business afforded by audit work.</p>			

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Scope of Practice, p.2	Scope of Practice, p.2	Scope of Practice, p.2	Scope of Practice, p.2	Scope of Practice, p.2	Scope of Practice, p.2	Scope of P p.2
B. Would MDP lawyers <i>opt out</i>?						
C. Can a regulator effectively limit the UPL activities of non-lawyers?		<i>Cf.</i> To hypo, said it looks too much like the practice of law for an accounting firm lawyers to help aliens prepare documents.	No. UPL targets historically have been untrained or poorly trained nonlawyers. These historical precedents, related to competency, aren't particularly relevant to the current trends & issues. Those in MDPs are competent; the issue is choices for consumer within the framework of atty independence. It's time to ask whether a traditional law firm is the only proper vehicle for delivery of legal services; their answer is "no".			

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A Functional Analysis of MDP Ethics&Discipline	Functional Ethics Analysis	Functional Ethics Analysis	Functional Ethics Analysis	Functional Ethics Analysis	Functional Ethics Analysis	Functional Analysis
A. Must MDP lawyers obey legal ethics rules?		Cf. It's bad for both the public & for lawyers if rigid rules result in lawyers pursuing their professional interests outside of the system of lawyer regulation. PwC wants lawyers who are holding themselves out as lawyers to be subject to the system of lawyer regulation. To ? about which state's rules to use, he said MDP lawyers should use whichever rules a lawyer in a private firm would use (although he recommends that another commission be created to try to get all lawyers under one set of rules.)	To ?, said yes.			Yes. He d endorse ch MRPC 5.4 the CMDP to amend R an absolute precondition MDPs is ch ethical rule would bind uniform ma members o MDP that i lawyers.

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Functional Ethics Analysis, p.2	Functional Ethics Analysis, p.2	Functional Ethics Analysis, p.2	Functional Ethics Analysis, p.2	Functional Ethics Analysis, p.2	Functional Ethics Analysis, p.2	Functional Analysis, p
B. Whose ethics rules should MDP non-lawyers use?	They have CPAs & non-CPAs now, but CPAs can be responsible for actions of non-CPAs. The legal profession could do something similar. But later said that lawyers wouldn't want AMA rules applied to them; so need regulation of the individual.	Continue using MRPC rule about a lawyer's responsibilities for nonlawyer assistants. Lawyer must take steps to make sure non-lawyer involved in providing legal services acted compatibly with lawyer's obligations. But he urges caution about an overarching set of rules, <i>e.g.</i> lawyers wouldn't want to have to use an actuary's rules.				See above. appears to unlimited application lawyer rule nonlawyers MDP.

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Functional Ethics Analysis, p.3	Functional Ethics Analysis, p. 3	Functional Ethics Analysis, p. 3	Functional Ethics Analysis, p.3	Functional Ethics Analysis, p.3	Functional Ethics Analysis, p.3	Functional Analysis, p
C. What happens when ethics rules clash?	To ?, said a decision to use the rule with the “most protection” sounds good but is unworkable.				To ? about whether the strictest rule should apply, she asked how it would be enforced.	
D. Was or should a new entity be created to regulate the MDP?	D&T wouldn’t favor regulation of firms. Thinks the only effective way to regulate is to regulate the individual, not the firm. To ?, said this will work since there is a mechanism; they have people who do compliance & enforcement of ethics rules.	Thinks regulation of the individual will work; it’s taking a big leap to regulate the firm. Thinks the liability system and the market are the ultimate sanction. When asked about firm discipline, said they don’t want to be singled out.	Which state regulates an MDP lawyer and whether to regulate the MDP firm were both listed as issues requiring open-minded and thoughtful consideration. Treiger personally might favor entity regulation along with individual regulation. Thinks the market is an effective regulator, but he agrees that he doesn’t know over what period of time. But even if the market is slow, he’d be careful about making paternalistic rules.			
E. Any unusual malpractice liability issues?						

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Threshold Ethics Premises	Threshold Ethics Premises	Threshold Ethics Premises	Threshold Ethics Premises	Threshold Ethics Premises	Threshold Ethics Premises	Threshold Premises
1. Is an MDP lawyer's obligation to use lawyer ethics rules judged on a case-by-case basis?		No. This should not be decided on a case-by-case basis.				
2. Can an MDP L's obligations vary based its structure?						
3. How should the MRPC term "firm" be defined in an MDP context?		Implicit: only the legal services division of the MDP.				Implicit: th MDP firm.
4. Does an MDP L's duty of confidentiality forbid giving info to nonLs?	Implicit: Yes. In discussion of privilege, said an MDP lawyer cannot disclose info to MDP auditor without client consent. Re imputation & firewalls, said you can share info in an MDP only if clients consent.	Yes. If there is a separate legal services division, then info is limited to those who <i>need to know</i> in order to support delivery of legal services. Info thus would be as safe as in any law firm today.				

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5. Should knowledge be imputed from MDP non-lawyers to MDP Lawyers?	No. To ?s about Hypo 4.1, said no reason to impute from lawyers to MDP firm, even if lawyers & accountants are working together on other matters (<i>but note Hypo 4.1</i> had facts in the other order) <i>Model 4</i> is like law firm networks & in 1994, the ABA said no imputation for law firm networks. Imputation here would be a step backwards. But can share info if clients consent.					
6. Should knowledge be imputed from MDP lawyers to nonlawyers?	Implicit: No. In discussion of privilege, said MDP lawyer could not disclose info to MDP auditor without client consent.					

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7. Should there be a new rule for MDP lawyers? (Cf. MRPC 1.13)				<i>Cf.</i> Some states wrote rules for legal services plans too early, before the issues were clear. As a result, plans were hamstrung unnecessarily.		
8. Does the MDP L's loyalty duty mean MDP non-Lawyers use this rule?			<i>Cf.</i> Witnesses cite conflicts-imputation rule, after noting that some legal ethics rules effectively prohibit MDP lawyers from offering traditional legal services and questioning whether such rules are necessary to protect clients and preserve the integrity of the legal profession			

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Comments about Specific Ethics or MRPC Provisions	Specific Ethics Rules	Specific Ethics Rules	Specific Ethics Rules	Specific Ethics Rules	Specific Ethics Rules	Specific Et Rules
1. Duty of Confidentiality	Thinks CPAs & lawyers have the same duty to preserve client confidences. <i>See</i> discussion above in <i>Scope of Practice</i> §A, p. 10. Doesn't see privilege as a problem; it runs between the client & the lawyer, not the client & the firm. Therefore, having an attest function doesn't change confidentiality duty. MDP lawyer can't disclose info to an MDP auditor without client consent. If a directly adverse conflict, still can't disclose to clients without consent.	Many misunderstand AICPA rules. Confidentiality is a core value. AICPA rule 301 & state codes require consent before disclosure. PwC limits disclosure to those on a <i>need to know basis</i> . (PwC supports having a separate legal services division.)	Accountants do have the same culture of confidentiality as lawyers (he cites examples.) In addition to the <i>spill the beans</i> concerns, some worry that accountants may have disclosure obligations. But accountants & lawyers representing SEC registrants have similar obligations. Also, a client could always choose not to have the same firm do attest & legal. <i>Cf.</i> He cited the confidentiality-imputation rule and asked whether such rules are necessary in order to protect clients and preserve the integrity of the legal profession.	<i>Cf.</i> Consumers are worried about confidentiality. Many don't believe lawyers will keep client info confidential, especially in an employer-3 rd party payer situation. He gave example of clients going outside the plan if a criminal or juvenile case.	To ?, said that if client called financial planner & asked him to tell lawyer some info, the client reasonably would expect the financial planner to keep that information confidential. Said she didn't know that much about either sets of rules. She was unsure about how to enforce a rule that the strictest rule should apply.	Discusses I v. KPMG. case shows potential weaknesses screening.

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Specific Ethics Provisions	Specific Ethics Rules, p.2	Specific Ethics Rules, p.2	Specific Ethics Rules, p.2	Specific Ethics Rules, p.2	Specific Ethics Rules, p.2	Specific Et Rules, p.2
2. Conflicts of Interest & Imputation	Agrees AICPA <i>direct adversity</i> is more lenient than the lawyer conflict rules. In <i>CMDP Model 5</i> , he would impute conflicts if directly adverse. He wants all conflicts to be <i>consentable</i> . Rejects Fox's arguments that firewalls are ineffective. The trust of sophisticated users means firewalls work. Cites his firm's M&A practice & talks about logistics of firewalls. He sees audit/legal conflict as more theoretical than practical; most clients are NOT SEC registrants. To ?, said he's not aware of any debates about CPA's using advance waivers for conflicts.	AICPA Rule 102 only covers direct adversity. Difference between L & CPA rules is that all CPA conflicts are consentable. MRPC should permit MDPs attys to treat direct adversity the same. Gives examples: same litigation, or 2 clients after the same license, or takeover are all direct adversity. If Client 1 buys a competitor of Client 2, that's an indirect conflict (so is was the takeover preliminary workup.) He explained why the AICPA doesn't impute indirect conflicts & asked to have the MRPC modified to use the same rule.	Current conflicts rules pose challenges for Ls working in law firms. As firm size increases, potential conflicts increase. Conflicts rules are outmoded & should be revised to permit greater flexibility. Recommends AICPA rule, in which all conflicts are consentable (especially if fire walls & sophisticated clients.) Law firms' use of waivers is an indication that conflicts rules do not meet the needs of clients. When asked about this, said Conference lawyers were frustrated. CMDP should ask whether waiver is an efficient process. Since rules exist only to protect clients, if clients want to waive conflicts rules, they should be able to.	Provides a caution regarding "full disclosure". Disclosure isn't useful if clients are under a big emotional load. A lawyer can tell them something 3 times, have them sign something 3 times, & they still won't "get it." When asked about what this means for nonconsentable conflicts, gave the example of a divorce where the client doesn't hear the disclosures because he or she is distracted, & Virginia real estate closings, where disclosure becomes meaningless because so much information is disclosed at the last minute.		Discusses <i>L v. KPMG</i> . case shows potential weaknesses conflicts so by MDPs. Concludes "there is no Wall that a grapevine c climb over said that ca highly fact but shows principles: act like a la you are sub lawyer rule you cannot of firewalls there was r suggestion leaks in the Admitted t lawyers so push the en on conflict thinks KPM is typical o perspective they testifi CMDP tha is only nee direct adve

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3. Rules regarding competence		Supports idea of having lawyers organized in a legal services division & supervised by other lawyers.	When asked about how to preserve high standards for MDP lawyers, especially if supervised by a nonlawyer, said that this is a problem even today. Perhaps there is an opportunity here for the bar.	Agrees that public cares about competent lawyers & doesn't care about the form of association as long as it perceives lawyer as competent. To date, public hasn't been ready to assume that a lawyer working for Dart Drug is competent.	Consumers want competence. But she isn't worried that if MDPs exist, consumers will be confused about the scope of a lawyer's expertise & the scope of the financial planner's expertise. Any blurring that might occur probably occurs now as well.	

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4. Other Rules or Measures for Maintaining Independence & Supervision	<i>Cf.</i> simultaneous offering of attest & legal services raises issues of auditor independence. Independence Standards Board currently is considering this issue. D&T will follow the resulting guidelines & doesn't want to argue with the SEC Chief Accountant here. He explained D&T's mentoring system & system of office <i>Professional Practice Director</i> , who handles ethics questions, etc.	Cites Witness Jones & notes that MRPC tolerate risks to independence in many situations & relies on lawyers themselves to resist any pressures. The same approach should be used in MDPs. With <i>CMDP Model 5</i> , the marketplace gives self-regulation incentive. As noted above, he supports idea of lawyers in a separate department supervised by lawyers. He told about PwC's institutional efforts re ethics, but wants details before he endorses a requirement that an MDP have measures in place. He worries about the effect on nonlawyers. But it's OK if it's an across-the-board requirement.	Independence concerns needn't preclude practice of law within an MDP setting. Lawyers can report to nonlawyers and be subject to nonlawyer's direction for some purposes. These don't inherently impair a lawyer's ability to practice law or to exercise independent legal judgment. Indeed, independence makes good business sense. Lipton works for E&Y & has never had his advice overridden; he thinks the loss of license & litigation are enough to discourage this. To ? about insurance company reviews, he said legal advice should come from a separate department. He also asked whether this issue isn't also theoretically true for general counsel as well?		To ?, said she wasn't particularly concerned about consumers being steered to 1 provider & getting poor services. The consumer need not use that provider. The key point is that consumers want choices. When asked about lawyers compromising judgment, said it's not a great concern. It's a question of the individual & they either maintain their standards or they don't.	Cited rema lawyer Chr Arnheim (c captive firm IBA meeting show inde risks. Arnh firm had be by a compa finance dir board with knowledge counsel. Th that the pra law as an independence profession when it is t a commod lumped wit professional services & part of a pa arrangement asked why bad for non to hire law said the ch aspect was counsel's l knowledge decision is a discount, worries.
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5. Pro Bono Rules	Lawyers have no monopoly on public service. Giving to the community is a big part of D&T's firm culture. The expectation would be for lawyers to provide <i>pro bono</i> in the same manner as is currently required under lawyer rules. D&T lawyers would have greater resources to draw on when providing this. So he disagrees with Fox here. To ?, said they'd do death penalty work & hurricane assistance, & give billable hour credit.	If MDPs are ok, MDP lawyers must follow these rules. To ? about whether PwC would support the death penalty case, said lawyer would receive credit since it's an obligation. CPAs don't have the same requirement, but PwC has this culture. If lawyers have a requirement, PwC would have to abide by it. He wants the same rules for MDP lawyers as for other lawyers.	The question below was listed as an example of an issue that requires open-minded and thoughtful consideration: "Does an attorney working for an MDP firm retain her obligations to the public and to the courts with respect to such matters as the provision of pro bono legal services?" Lipton says that at E&Y, they would encourage the lawyer. The perception is wrong that CPAs love to account & don't do anything else. They think they do more <i>pro bono</i> than law firms.			
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Specific Ethics or Rules, p. 6	Specific Ethics Rules, p. 6	Specific Ethics Rules, p.6	Specific Ethics Rules, p.6	Specific Ethics Rules, p.6	Specific Ethics Rules, p.6	Specific Et Rules, p.6
6. Client Money Rules, including security funds		.				
7. Fee Rules		Need to revise MRPC 5.4 in order to permit MDPs. Current ban isn't necessary to protect lawyer independence. Cites other examples of pressures on independence. If MDPs are permitted, MDP lawyers should use fee rules about reasonableness	A fee splitting ban is not needed in order to protect public interest. No evidence to support this <i>E.g.</i> no flood of horror stories from D.C. Other rules exist to protect the lawyer's independent judgment. MDPs were not mentioned by Kutak rule opponents, who worried about obligations to shareholders.		Thinks consumers would like to have 1 fee for integrated services. Fees should be discussed early on. When asked about Bolger's view that not enough experimentation has occurred, she said she was aware of very few experiments - just referrals.	When asked position wa timing of a change, rat opposition amending I he said he think 5.4 sh changed, b point is tha CMDP sho take the M out of its la context. (L never gave which a 5.4 would be appropriate
8. Advertising-Marketing Rules		If MDPs are ok, Lawyers must use these rules.				

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Miscellaneous	D&T believes human capital is its most important asset; they want a supportive workplace. Cites a 98 survey as confirming Willard's testimony that lawyers leave firms for the Big 5 because they perceive them as a better work environment. Cites results of survey taken 1 year after lawyers were hired by D&T. These lawyers say D&T is more collegial. He listed efforts for women & minorities &, training.	He's in charge of legal services in the non-US Americas; he's a CPA not a lawyer. 1000 of 6,000 PwC US tax professionals are lawyers.	Gave historical background of Nat'l Conference of Lawyers & CPAs. Like lawyers, most CPAs are in small or solo firms. The current ethics rules disadvantage lawyers who seek to meet client demand for multidisciplinary, unified global solutions, and thus disadvantage the profession. Need open minded & thoughtful consideration of issues such as: who regulates MDP lawyers, electronic virtual practice, regulating the MDP firm, pro bono obligations, & whether 1 set of rules applies. The National Conf. is available to help & is uniquely situated. This may be the most important issue of our lifetime. The Statement to CMDP was unanimously adopted by the Conference.	His group is not grass roots; it represents legal services plan providers (e.g. AARP, AFL-CIO).Explained methods of lawyer payment & selection. He had always taken the ABA rules as a given & hasn't advocated changes in RPC 5.4. Legal services plans haven't taken advantage of MDP-type possibilities under existing mechanisms Limits haven't been explored & so his group has no views on how to draft an MDP rule.	She is a consumer advocate, spending 16 years in gov't, a board member of the oldest consumer advocacy group in the US & president of Consumers Alliance, a coalition of consumer groups, community leaders & small business owners in 12 states. She asked to testify because she thinks the CMDP has focused too much on the needs of large, multi-national corporations. She wants to offer the perspective of the individual consumer & small business consumer.	The ABA Law § is v interested i issues; his draws on c of many in but is his o not the §'s. CMDP may mistaking a for a moun MDP issue part of a la complex pu reduce barr trade. It wo mistake for to deal with without dea with issues <i>multination</i> practice. He about the h transnation practice iss including t ABA's FL Japan, WT provisions East MDPs said that ev there are o 50,000 U.S. internat'l la his perspec important d be consider

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BOTTOM LINE ADVICE TO CMDP	Integrated service firms may not be the answer for every lawyer, but ethics rules should not prohibit it. MDPs would not diminish lawyers' core values.		Relax MRPC 5.4's absolute ban on fee splits. Technology & globalization mean we need to reexamine the professional services paradigm. AICPA investigated this when preparing its Vision Statement. The question is ultimately whether, assuming the necessary professional safeguards, the public is best served by having its choice of legal service provider limited to traditional law firms? Cites WTO Working Party & says rules based on economic grounds will be scrutinized by gov't, including consumer protection & antitrust authorities. Bar should recognize tides of change & attempt to shape the change by working with agents of change.	His group believes in innovation and competition. They want the cheapest competent provider. Thinks it is worthwhile to consider steps to make it easier for lawyers to associate with nonlawyers. With respect to the middle class, he's not sure it is necessary to change the rules since the envelope hasn't been pushed on existing rules concerning associations between lawyers and nonlawyers. If MDPs were permitted, he'd see that as a <i>plus</i> ; not all plans would use it but a plan could add MDPs to its resume.	Lawyers are scary to the average consumer & often a last resort. The CMDP has a chance to recast lawyers as part of a problem-solving team that seeks effective, efficient, integrated solutions for everyday problems. The debate should be about the best way to provide services to consumers. Integrated services are the wave of the future. Consumers want more choices. The end result of MDPs will be a strengthened legal system that is more consumer friendly.	If the CMDP to unilateral change RPL permit MDP could hurt lawyers' & negotiators flexibility & leverage to market access concession trading par even given WTO time liberalization The MDP must be seen of a larger It would be inconsistent accounting can practice the U.S. where lawyers can practice abroad form partnerships with foreign lawyers. If are allowed firms may be able to compete level playing In the global we need more ethical norms less.