SUPREME COURT OF NEW JERSEY DOCKET NO.: 089278

IN RE: ADVISORY COMMITTEE ON PROFESSIONAL ETHICS OPINION 745

FILED

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BRIEF IN SUPPORT OF NJAJ'S PETITION FOR REVIEW OF ADVISORY COMMITTEE ON PROFESSIONAL ETHICS OPINION 745

Stark & Stark A Professional Corporation Mailing Address: PO Box 5315, Princeton, NJ 08543 Office Location: 100 American Metro Boulevard, Hamilton, NJ 08619 (609) 896-9060 Attorneys for Petitioner, New Jersey Association for Justice

Of Counsel: Michael G. Donahue

On the Brief: Michael G. Donahue John A. Sakson Michael C. Shapiro John C. Lowenberg

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Date: April 11, 2024

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PRELIMINARY STATEMENT

Advisory Committee on Professional Ethics ("ACPE") Opinion 745-Referral Fees ("Opinion 745" or "the Opinion") holds that certified attorneys generally may not pay referral fees to out-of-state attorneys or New Jersey lawyers who are not required by <u>Rule</u> 1:21-6 to maintain New Jersey trust or business accounts. Certified attorneys may, however, pay referral fees to New Jersey lawyers who referred a case when they were eligible to practice but were thereafter suspended or disbarred when the case resolved, and the referral fee was payable.

Opinion 745 neither addresses a recognized problem nor provides a needed solution. It is inconsistent with <u>Rule</u> 1:39-6(d), which provides that referral fees may be paid by a certified attorney "without regard to services performed or responsibility assumed by the referring attorney, provided that the total fee charged the client relates only to the matter referred and does not exceed reasonable compensation for the legal services rendered therein." <u>R.</u> 1:39-6(d); <u>see RPC 1.5(e)</u>.

Opinion 745 incorrectly labels the referral of a client a "legal service," without explanation, elaboration, or legal justification, and utilizes that specious conclusion as the basis for its holding. The Opinion is led astray by this misconception, resulting in an interpretation of <u>Rule</u> 1:39-6(d) that contradicts our courts and the Committee's own guidance, to unnecessarily bar payment of referral fees to out-of-state lawyers and certain New Jersey attorneys. Its flawed analysis, where a referral from a licensed attorney out-of-state or a New Jersey licensed attorney who is not required to maintain the required attorney accounts is considered the "unauthorized practice of law," is as illogical as it is damaging to the New Jersey's attorney certification program and the public interest.

The Opinion contradicts the fundamental underpinning of the certification program in New Jersey, which is designed to identify qualified and experienced practitioners and promote referrals to those practitioners. The Opinion's dictates will have a negative effect on the practice of law in New Jersey and will result in harm to individuals who have claims that must brought in New Jersey yet need guidance to a skilled and diligent attorney.

NJAJ respectfully requests the Court grant review of Opinion 745 and nullify that portion of the Opinion which disallows the payment of referral fees to out-ofstate lawyers and New Jersey lawyers who do not maintain a trust account. As this presents immediate practical issues to New Jersey certified attorneys, NJAJ respectfully requests expedited review to resolve any uncertainty regarding the right to a referral fee.

STATEMENT OF THE MATTER INVOLVED

Opinion 745 was published by the ACPE on March 12, 2024. Pursuant to <u>Rule</u> 1:19-8, Petitioner, the New Jersey Association for Justice ("NJAJ"), filed a Notice for Petition for Review of ACPE Opinion 745 on April 1, 2024. For the reasons set

forth herein, Opinion 745 is worthy of this Court's discretionary review and NJAJ respectfully petitions this Court for its review and reversal.

QUESTION PRESENTED

Whether attorneys certified by the Supreme Court of New Jersey may pay the referral fees authorized by <u>Rule</u> 1:39-6(d) to out-of-state lawyers and New Jersey lawyers who do not maintain the requisite <u>Rule</u> 1:21-6 accounts?

ERRORS COMPLAINED OF

NJAJ is a voluntary bar association dedicated to the pursuit of equal justice for all and to upholding the honor and dignity of the profession of law and the privilege to practice it. It is comprised of over 2000 members, the vast majority of whom are licensed attorneys of the State of New Jersey, with many of them certified as trial attorneys by the Supreme Court of New Jersey. NJAJ's members are aggrieved for the following reasons:

First, the Opinion is rooted in the unsupported assumption that "a referral fee is considered payment for legal services rendered in the case" and thus "the lawyer to whom the fee is payable must be eligible to practice New Jersey law." The referral of a potential client is not a "legal service" nor is the referring attorney engaged in the "practice of law."

Second, Opinion 745 undermines the important public interest furthered by the Certification Program and broad interpretation of <u>Rule</u> 1:39-6(d).

Third, Opinion 745 requires expedited review as it creates significant uncertainty and conflict between the claimed rights of referring attorneys in referral fees earned at the time of the referral and the ethical obligations created by this Opinion.

ARGUMENTS IN SUPPORT OF REVIEW AND REVERSAL

I. THE REFERRAL OF A CLIENT TO A CERTIFIED TRIAL ATTORNEY IS NOT A "LEGAL SERVICE" IMPLICATING THE "PRACTICE OF LAW"

Opinion 745 unequivocally, but incorrectly, states that referral fees are "payment for legal services rendered in the case[,]" requiring their recipient to be "eligible to practice New Jersey law."¹ The Opinion relies upon the foundational misconception that the referral of a potential client to a New Jersey certified attorney is a "legal service." It simply is not; neither by measure of this Court's own analysis, nor as contemplated by the Certification Program, nor based on prior precedent. The referring attorney has not and need not provide legal services or be admitted to practice New Jersey law in order to receive a referral fee. While the referral fee is paid from the legal fee, this fact does not establish that the attorney receiving the referral fee has practiced law in New Jersey or otherwise provided legal services in New Jersey.

¹ Where the Opinion narrowly defines "eligible" to mean eligible to engage in private practice, citing the requirements of <u>Rule</u> 1:21-6.

The mere act of referring a potential client to a certified attorney, the specific act identified for compensation by the plain language of <u>Rule</u> 1:39-6(d), is not a "legal service" or the "practice of law." This misconception runs afoul of the original text of <u>Rule</u> 1:39 and contemporaneous scholarship, as well as more recent appellate guidance in analogous circumstances. There is no justification for the limits imposed by the Opinion once this error is acknowledged.

A. The Referral of a Client is not a "Legal Service"

Referral fees are compensation provided to a person or organization to recommend or secure the lawyer's employment by a client. Michels & Hockenjos, <u>Current N.J. Attorney Ethics</u> 1164 (2024); <u>see RPC 7.2(c)</u> and RPC 7.3(d). The referral fee is therefore a fee paid solely for the recommendation of counsel, without the performance of services. <u>Ibid.</u>

<u>Rule</u> 1:39-6(d) provides that:

A certified attorney who receives a case referral from a lawyer who is not a partner in or associate of that attorney's law firm or law office may divide a fee for legal services with the referring attorney or the referring attorney's estate. **The fee division may be made without regard to services performed or responsibility assumed by the referring attorney**, provided that the total fee charged the client relates only to the matter referred and does not exceed reasonable compensation for the legal services rendered therein.

The enactors of <u>Rule</u> 1:39 and their contemporaries understood that the referral of a client was not a legal service that would entitle the attorney to even a proportional fee. It was understood that forwarding or recommending an attorney did not

implicate the practice of law or assumption of responsibility and it was for that reason that referral fees were not previously permitted.

Ethics Opinion 273, a 1973 decision concerning fee sharing, evidences that prior perspective. Advisory Comm. Prof. Ethics Op. 273, 96 N.J.L.J. 1421 (Dec. 13, 1973). There, the Committee was confronted with the question of whether a New Jersey attorney could divide a fee with a Pennsylvania attorney who forwarded several cases before being suspended. <u>Ibid.</u> The Committee determined that the attorney would be entitled to a division of fees in proportion to the services he performed prior to his suspension, and it is clear that these compensable services did not include the referral of the case itself. <u>Ibid.</u> This is consistent with the universal understanding that referral of a case does not constitute the practice of law.

The pre-suspension referral of the matter was not compensable precisely because it did not implicate legal service or responsibility. To highlight this point, the Committee cited one of its then-regular touchstones, commentary from Henry S. Drinker's 1953 text, <u>Legal Ethics</u> 186-7. This commentary (and the approving ACPE) recognized the referral (termed a "recommendation") was a "Finder's Fee," not a payment for legal services. The passage explains that "Canon 34 [now DR 2-107]²," enacted to restrict fee division to the exclusive basis of "service or

² The Disciplinary Rules were superseded by the Rules of Professional Conduct in 1984 and the referenced language from DR 2-107 was incorporated in R.P.C. 1.5(e)(1).

responsibility," would be "frustrated by construing the necessity of 'responsibility' as being satisfied by the bare recommendation." Advisory Comm. Prof. Ethics Op. 273, 96 N.J.L.J. 1421 (Dec. 13, 1973) (alteration in original) (quoting Drinker, Legal <u>Ethics</u> 186-7 (1953)). Likewise, any minimal service or responsibility inherent within the referral would not "be effective" to warrant a fee division because it would not "relate to the handling of the case." <u>Ibid.</u>

Likewise, in Opinion 87, 88 N.J.L.J. 779 (Dec. 2, 1965), the Committee cited to this very same passage from Drinker (with explicit endorsement), when evaluating whether a fee division could be made with the estate of a forwarding attorney. Here again, any recommendation made by the decedent was not compensable because it was **not** a sufficient legal service or responsibility. <u>Ibid.</u> (quoting Drinker, <u>Legal</u> <u>Ethics</u> 186-7); <u>see</u> Advisory Comm. Prof. Ethics Op. 80, 88 N.J.L.J. 460 (Jul. 15, 1965) (quoting Drinker, <u>Legal Ethics</u> 189) (restricting compensation for sale of practice to "*bona fide* evaluation of the fees earned but uncollected at the time of retirement," also under Canon 34 (as explained, predecessor to DR 2-107 and R.P.C. 1.5(e)(1)).

The Appellate Division, in <u>Eichen, Levinson & Crutchlow, LLP v. Weiner</u>, 397 N.J. Super. 588, 594-595 (App. Div.), <u>certif. denied</u> 195 N.J. 418 (2008), also concluded that the referral of a case does not constitute the practice of law, labeling the referral fee "other compensation" rather than "fees for legal services." An

attorney referred personal injury files to a firm comprised of Certified Civil Trial Attorneys. He was subsequently suspended from the practice of in New Jersey. The firm resolved the referred matters during his suspension. An attorney trustee for the suspended lawyer sought to collect the referral fees, but the firm contended it was prohibited from dividing "legal fees" with a suspended or disbarred attorney. <u>Id.</u> at 590-592. The trial court ordered them paid, and an appeal followed.

The Appellate Division recognized the Court Rules authorizing the trustee's activities "include[] forms of compensation that are due and payable to a suspended or disbarred attorney other than fees for legal services." <u>Id.</u> at 594. Among them, "a trustee who has been appointed pursuant to <u>Rule</u> 1:20-19 is required by the terms of <u>Rule</u> 1:20-20(b)(13) to be paid 'all legal fees for legal services and other compensation due the [disbarred] attorney.'" <u>Ibid.</u> (quoting <u>R.</u> 1:20-20(b)(13)). The Court reasoned that the referral fees were a form of this "other compensation," directly at odds with Opinion 745.

First, in recognized the referring attorney "was not required to have performed any legal work[,]" <u>Rule</u> 1:39-6(d) permitted a certified civil trial attorney to pay a referral fee "without regard to services performed or responsibility assumed by the referring attorney[,]" and thus the referral fees at issue could not be considered a "fee for legal services" that would violate the prohibition on dividing fees with suspended or disbarred attorneys. <u>Ibid.</u> (quoting <u>R.</u> 1:39-6(d)). Second, the Court was satisfied the referring attorney had genuinely "relinquished all further professional responsibility for the handling of those files[.]" <u>Ibid.</u> The absence of professional responsibility rendered the referral a transactional assignment or transfer, one expressly authorized by <u>Rule</u> 1:20-20(b)(13) and contemplated by <u>Rule</u> 1:39-6(d). <u>Id.</u> at 394-95; <u>R.</u> 1:39-6(d) ("without regard to . . . responsibility assumed by the referring attorney"). <u>Eichen</u> is consistent with the framing of referral fees in earlier ACPE opinions.

Conversely, Opinion 745's conclusion that referral fees are payment for legal services rendered rests upon no developed support or foundation and fails to address the ACPE and judicial precedent holding otherwise. The acknowledgment that referral fees constitute compensation for the recommendation, distinct from fees for legal services, best matches the plain language of <u>Rule</u> 1:39-6(d); it also reflects how referral fees have been considered historically, and, below, how the "practice of law" is defined in analogous circumstances.

B. The referral of a client by an out-of-state attorney is not the "unauthorized practice of law" in New Jersey

An out-of-state attorney is not engaged in the "unauthorized practice of law" in New Jersey when he or she refers a client to a New Jersey certified attorney. The attorney initially assesses the matter, the venue, and their own possible representation in that foreign jurisdiction. Further, there are exceptions and carveouts within our Rules of Professional Conduct and Rules of Court which permit

out-of-state lawyers (and sometimes non-lawyers) to perform legal or quasi-legal services in New Jersey matters. <u>See</u> R.P.C. 5.5 (authorizing multijurisdictional practice); <u>New Jersey State Bar Ass'n v. New Jersey Ass'n of Realtor Bds.</u>, 93 N.J. 470, 472 (1983) (permitting brokers to continue drafting residential sale and lease agreements but mandating attorney review safeguard); <u>see also Appell v. Reiner</u>, 43 N.J. 313, 317 (1964) (permitting out-of-state attorney's New Jersey legal services because of case context and practical concerns).

The Committee on the Unauthorized Practice of Law (UPL Committee) recently considered the question of what constitutes the practice of law, in the context of multijurisdictional practice pursuant to RPC 5.5. UPL Committee Opinion 60 was issued in the aftermath of Johnson v. McClellan, 468 N.J. Super. 562 (App. Div. 2022), certif. denied, 249 N.J. 76 (2022), a claim for division of fees by an out-of-state attorney.

UPL Opinion 60 held that out of state attorneys, fully licensed in their home jurisdiction but not in New Jersey, may engage in the practice of law in New Jersey on a limited basis under the following circumstances:

- 1. Become admitted *pro hac vice* pursuant to <u>R.</u> 1:21-2;
- 2. Register as a multijurisdictional practitioner pursuant to RPC 5.5; or
- 3. Perform the limited activities under the supervision of a New Jersey attorney.

<u>See</u> Comm. UPL Opinion 60 (December 23, 2022). In UPL Opinion 60, the UPL Committee provided guidance to out of state lawyers who do not appear in a case because they are neither New Jersey licensed or admitted *pro hac vice*, but seek to assist New Jersey lawyers. It "recognize[d] that clients, especially those who are out-of-state, may seek counsel from a familiar lawyer who, while not licensed in New Jersey, serves as a liaison to trial counsel in the New Jersey case." CUPL Opinion 60 at 4. The Committee stated that "out-of-state lawyers who participate in New Jersey court cases under the direct supervision of an admitted lawyer, or who consult with admitted counsel on specialized issues, need not register as a multijurisdictional practitioner." <u>Id.</u> at 5. By contrast, "out-of-state lawyers who directly advise a client about a New Jersey case or who provide legal services, such as drafting documents, outside the direct supervision of an admitted lawyer, must register as a multijurisdictional practitioner." <u>Ibid.</u>

The act of referring a client falls within the limited circumstances that do not require *pro hac vice* admission or registration as a multidisciplinary practitioner. By referring a New Jersey attorney, the out-of-state is suggesting to the prospective client that his or her interests are best served by the New Jersey lawyer. It is an acknowledgement that the out-of-state attorney cannot represent the client in the matter and a recommendation of who best can represent the client. This conduct is best viewed as consulting with the New Jersey lawyer and handing over

responsibility to the New Jersey attorney. It inextricably involves the New Jersey attorney and cannot be viewed as conduct outside the consultation or supervision of the New Jersey attorney. This opinion is consistent with the fundamental understanding that referral of a client does not constitute the practice of law.

Opinion 745's conception of the "unauthorized practice of law" also conflicts with that adopted by our courts in the criminal law setting. As example, while this Court has remarked that the "practice of law does not lend itself 'to [a] precise and all-inclusive definition," <u>State v. Rogers</u>, 308 N.J. Super. 59, 66 (App. Div. 1998) (quoting <u>New Jersey State Bar Ass'n v. N. New Jersey Mortg. Assocs.</u>, 32 N.J. 430, 437 (1960)), our jurisprudence does not support a finding that the "bare recommendation" of referring a certified attorney constitutes the practice of law.

<u>Rogers</u> and the many New Jersey decisions collected therein recognize, as did Drinker, that the "practice of law" demands something greater than the conduct attendant to referring a matter. <u>Id.</u> at 68 (citing, *inter multi alia*, <u>Application of New</u> <u>Jersey Soc. of Certified Public Accountants</u>, 102 N.J. 231, 233 1986) (preparing and filing inheritance tax return); <u>In re Estate of Margow</u>, 77 N.J. 316, 328 (1978) (offering legal advice to testatrix and active participation in the drafting of the will); and <u>Cape May Cnty. Bar Ass'n v. Ludlam</u>, 45 N.J. 121, 124 (1965) (drawing deeds, bonds, warrants, mortgages, releases of mortgages, affidavits and other legal instruments). To engage in the unauthorized practice of law, the non-lawyer or the out-of-state lawyer must perform some legal work or assume some responsibility to handle a matter. <u>See, e.g.</u>, <u>Stack v. P.G. Garage, Inc.</u>, 7 N.J. 118, 120 (1951) (non-lawyer appeared for and retained counsel to defend corporation in tax board appeal).

The referral of client to a New Jersey Certified Attorney does not constitute legal services nor is it the unauthorized practice of law in New Jersey. As such, there is no basis to bar the payment of referral fees to out of state lawyers or those who are not required to maintain the accounts required by <u>Rule</u> 1:21-6.

II. OPINION 745 INHIBITS PUBLIC ACCESS TO SKILLED, EXPERIENCED ATTORNEYS

Opinion 745 obstructs efficient access to qualified and experienced New Jersey attorneys by a large group of potential litigants. Out-of-state attorneys and now-ineligible New Jersey attorneys play an important role in guiding claimants most in need of help – those located outside of the State or otherwise without the means to identify or access competent New Jersey attorneys. These individuals are now left more likely to be victimized, through ills including false advertising or simply by navigating an unknown system, when they were among those New Jersey's attorney certification program was designed to assist and protect.

A. Attorney referrals were expected, intended, and promoted to channel aggrieved members of the public to Certified New Jersey Attorneys

The New Jersey attorney certification program was created because of this Court's desire to make skilled, specialized attorneys more identifiable and accessible

to the general public. In October 1976, the New Jersey Supreme Court appointed a Committee on Trial Advocacy Specialization out of the concern that professional standards were lessening. The Committee was asked to consider the "ever present concern for attorneys' competency" and "whether the public interest calls for our establishing some form of trial advocacy certification" to make competent attorneys more identifiable. Supreme Court Committee on Trial Advocacy Specialization, Final Report and Proposed Standards for Certification as a Trail Attorney, p. 1. When restrictions on attorney advertising were struck down in 1977, its work became even more important out of the fear the public would be even less able to discern whether the attorney they have identified or been referred to was qualified to handle their case. (NJAJa014). The Committee concluded "a program of certification of trial attorneys is in the "public interest and would "improve the quality of trial advocacy." (NJAJa021) (emphasis added). It thus proposed a certification program with rigorous standards, to identify skilled attorneys and promote an increased standard of practice across the legal profession. Ibid. This program was formalized in early 1979 with this Court's adoption of Rule 1:39, engrafting the proposed certification program into our Court Rules. Pressler & Verniero, Current N.J. Court Rules, creation of R. 1:39-1, et. seq. (1979) (NJAJa062-070).

The payment of referral fees to non-certified attorneys has been an integral solution to channel the public to competent attorneys since the inception of the program, which the Committee contemplated would both require and promote lawyer referrals. Its Final Report notes that "by making available reliable information concerning attorneys having special competence as trial lawyers, the general public's access to qualified legal services would be increased and lawyer referral in the trial area would be facilitated." (NJAJa19). These twin aims were described as the primary facet of the Program, even before its "encourage[ment of] members of the bar to improve their trial advocacy skills through training and experience in order to meet certification standards which would result in the quality of trial advocacy being improved." <u>Ibid.</u>

This Court has obviously agreed lawyer referrals are essential to the program, evidenced by multiple, intentional amendments to the Disciplinary and Court Rules. Upon adoption of the attorney certification program in <u>Rule</u> 1:39, this Court amended Disciplinary Rule 2-107 to permit the division of a legal fee not based on "a division of service or responsibility" so long as "the attorney to whom the matter has been referred to has been certified as a specialist under <u>Rule</u> 1:39." <u>Compare</u> Cannon of Professional Ethics 34 (NJAJa081), <u>and</u> Advisory Comm. Prof. Ethics Op. 273 (Dec. 13, 1973) (citing pre-1979 amendment DR 2-107, "Division of Fee Among Lawyers".) <u>with</u> post-1979 amendment DR 2-107 (NJAJa088). Several

years later, when adoption of the Rules of Professional Conduct inadvertently erased this carveout, the Court adopted <u>Rule</u> 1:39-6(d), reviving the exception and replanting it into the Court Rule specifically outlining the Certification Program. 116 N.J.L.J. Index Page 33 (NJAJa098); <u>Rule</u> 1:39-6(d) (Effective January 2, 1986); Pressler & Verniero, <u>Current N.J. Court Rules</u>, cmt. to <u>R.</u> 1:39-6 (2024). <u>Rule</u> 1:39-6(d) has remained practically unchanged through two subsequent amendments. <u>Ibid</u>. And, just as <u>Rule</u> 1:39 once required amendment of DR 2-107, it now abrogates, in part, RPC 1.5(e)(1), a fact our Appellate Division and the ACPE have previously acknowledged. <u>Weiner & Mazzei P.C. v. The Sattiraju Law Firm P.C.</u>, A-1079-14T3 (App. Div. May 25, 2016) (slip op. at 5-6); Advisory Comm. Prof. Ethics Op. 694, 174 N.J.L.J. 460 (Nov. 3, 2003).

B. Out-of-state attorneys and now-ineligible New Jersey lawyers play an important role in directing the public to Certified Attorneys

The sanctioned payment of referral fees under the Certified Attorney program simultaneously drives public access to competent attorneys and helps shield the public from inferior representation and inappropriate referrals. Referral fees serve as a practical incentive for lawyers who should not handle a case to pass the potential client on to a Certified Attorney. The legal marketplace is crowded and confusing to the lay legal consumer seeking legal services in New Jersey. There are billboards, television commercials, websites, and other forms of advertising offering seemingly interchangeable law firms and lawyers, while objective evaluations and reviews are much harder to acquire. The layperson is challenged to find a competent attorney with relevant experience in this legally littered landscape. Without the benefit of the certification program, factors outside the skill and experience of an attorney will play a larger role in the public's access to qualified representation.

The limitation that only Certified Attorneys may pay referral fees is an important and necessary protection for the public. Certified Attorneys have satisfied the rigid eligibility requirements of <u>Rule</u> 1:39-2 for length of practice, experience, professional reputation, and education; and passed the Board's own written examination. <u>R.</u> 1:39-3. The public deserves to be guided to attorneys of this level of ability and dedication, and the public and profession equally benefit from the motivation of non-certified attorneys to pursue those standards.

It is inexplicable why the ACPE, through Opinion 745, would excise out-ofstate lawyers and New Jersey lawyers not eligible to "practice law" from this effective system. The Opinion recognizes that it is likely members of the public may contact out-of-state lawyers regarding claims that should or must be brought in New Jersey. ACPE Opinion 745 at 1. ("Some states, such as Florida, host seasonal New Jersey residents who present local lawyers with legal issues that involve New Jersey law; out-of-state lawyers in our neighboring states may also have local clients with New Jersey matters."). Such attorneys are regularly approached by members of the public and have direct connections to competent, trusted New Jersey attorneys in the required fields or specializations through the certification program. New Jersey's attorney certification program's benefits should not disappear beyond New Jersey's borders, nor should they become non-existent by a lack of attorney accounts the lawyer isn't even required to maintain. There is no rational basis for excluding these attorneys from effective and active participation in the certification program through making referrals to New Jersey certified attorneys.

The system which has been upended by the Opinion has existed for more than forty years of rule, precedent, and practice. DR 2-107 and then <u>Rule</u> 1:39-6(d) have survived numerous amendments without this Court imposing the restriction now adopted by the ACPE. As it stands, Opinion 745 inhibits public access to the highly skilled, specialist attorneys certified by this Court, particularly with regard to those most in need of a guide to their services. It stands in opposition to NJAJ's mission. We respectfully request the Court exercise its discretionary review to reverse the challenged portions of Opinion 745.

III. OPINION 745 SHOULD BE REVIEWED AND REVISED AS SOON AS PRACTICABLE

Opinion 745 creates an immediate and deeply concerning problem for New Jersey certified attorneys who have been referred a client from an out of state attorney. A referring attorney's interest in a referral fee "vests" when the referral occurs. <u>Eichen</u>, 397 N.J. Super. at 595. Attorneys receiving referrals likewise

undertake obligations to pay referral fees at the conclusion of referred matters. Opinion 745 presents an ethical obstacle to those obligations.

The status of those obligations is in question, while the prospect that out-ofstate firms and attorneys will file action to compel payment of vested referral fee interests grows likely. Given the exigency left in the wake of Opinion 745, NJAJ respectfully requests that the Court act as soon as reasonably practicable to address the uncertainty regarding the right to recover moneys associated with a vested interest in a referral fee.

CONCLUSION

Opinion 745 needlessly and inexplicably departs from past guidance, modern practice, and public interest by misconstruing referral fees as "payment for legal services." They are not, not by any measure, and for that reason there is every reason to permit them to be paid to and from out-of-state attorneys and to New Jersey lawyers without the <u>Rule</u> 1:21-6 accounts, to further incentivize ongoing, active engagement with the Certification Program.

For the foregoing reasons, the New Jersey Association for Justice respectfully requests that its Petition for Review be granted, and the challenged portions of Opinion 745 be reversed.

> Stark & Stark A Professional Corporation Attorneys for Petitioner, New Jersey Association for Justice

By:

Michael G. Donahue NJ Attorney ID No.: 045771994

Dated: April 11, 2024

CERTIFICATION OF GOOD FAITH

The undersigned counsel certifies that this Petition presents a substantial question and is filed in good faith and not for the purposes of delay. I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Stark & Stark A Professional Corporation Attorneys for Petitioner, New Jersey Association for Justice

By:

Michael G. Donahue NJ Attorney ID No.: 045771994

Dated: April 11, 2024