

Professional Standards Committee
September 12, 1994

MINUTES

Committee: Professional Standards

Date: Monday, September 12, 1994

6. ACTING WHEN THE LAWYER HAS A FINANCIAL INTEREST IN THE CLIENT
CHAPTER 7 RULING 2

The Committee considered a request for an opinion from a lawyer who was being asked to provide environmental law advice to a publicly traded company on the mining business, in which the lawyer held shares which, while they were approximately 1% of the outstanding stock of the company, represented a significant part of the lawyer's net worth. The nature of the advice being sought from the lawyer relates to remediation measures which may be necessary to clean up contaminated mining sites. Relevant regulating authorities were aware of some of the contamination but not all of it, and the costs of obligatory clean up had the potential to be very high. He was concerned about whether he could act, or whether he was, in the words of Ruling 2, in a situation "which would reasonably be expected to affect [his] professional judgment". After consideration, the Committee concluded this was a situation in which, because of his financial interest in the company, it might reasonably be expected that his professional judgment would be affected.