

## MINUTES

**COMMITTEE:** Ethics Committee

**DATE:** Thursday, February 6, 1997

### **12. CHAPTER 9, RULE 8: LAWYER'S REQUIREMENT TO DISCLOSE RECEIPT OF AIR MILE BENEFITS**

The Committee considered correspondence from two lawyers raising the question of whether a lawyer's receipt of air mile benefits in conjunction with the use of a particular title search firm is improper if the lawyer fails to disclose the receipt of such benefits to the client. One of the points made by one of the lawyers is that receiving such benefits may distort the lawyer's ability to make a judgment regarding which service is best for an individual client.

The Committee's opinion was that receipt of air mile benefits is a "reward", "rebate", or "forwarding allowance" within the meaning of Rule 8.

The Committee was of the view that a single transaction with a client might fall within a *de minimis* rule if the air miles accruing to the lawyer as a result of the transaction are of very small financial benefit. However, in cases where a lawyer may receive a substantial benefit because of the size of a single transaction for a client or because the lawyer acts on multiple transactions it would be necessary for the lawyer to make full disclosure of the benefit and obtain the client's consent to receiving it pursuant to Rule 8. The rationale for requiring disclosure and consent is that in such cases there is an appearance that the receipt of a benefit may affect the lawyer's judgment about what title search firm to retain.

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