

## MINUTES

**COMMITTEE:** Ethics Committee

**DATE:** December 2, 1999

**10. CHAPTER 2, RULE 2: WHETHER DEBT OWED TO BANK FOR LINE OF CREDIT IS A PRACTICE DEBT**

The Discipline Committee asked the Ethics Committee to consider what constitutes a practice debt in relation to Chapter 2, Rule 2. The issue that precipitated the referral from the Discipline Committee arose when a lawyer defaulted on an amount owed on a line of credit to a bank. The line of credit was used to finance the lawyer's practice.

The Committee noted that Rule 2 gives examples of the practice debts that are covered by the rule. Those examples relate to obligations that members of the profession incur to meet the needs of clients. It was the Committee's view that a more general obligation incurred by a lawyer, such as a line of credit to run a practice, is not the kind of obligation contemplated by the rule.

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