

REPORT . . . LAWYERS PROFESSIONAL RESPONSIBILITY BOARD

By

R. Walter Bachman, Jr., Administrative Director
Minnesota Office of Lawyers Professional Responsibility

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Published below is the final version of Formal Opinion No. 10, adopted by the Lawyers Professional Responsibility Board on June 22, 1977. The opinion specifies basic guidelines to be followed by attorneys who represent debt collection agencies.

Former board member Allen Saeks chaired a sub-committee of the board which spent considerable time studying the issues which arise in the collection practice area. Mr. Saeks and his fellow committee members, Gerald Carroll and Martha Zachery, presided at a well-attended public hearing held on April 20 at which proponents and opponents of the initial draft of the opinion were heard.

R. Walter Bachman, Jr.

OPINION NO. 10 DEBT COLLECTION PROCEDURES

In order to prevent the possibility of misleading the public regarding its dealings with attorneys, it is imperative that the activities of attorneys be separate from and be perceived by the public to be separate from the activities of debt collection agencies. The blurring of the distinction between the actions of a lawyer seeking to collect on a claim for a client and the actions of a debt collection agency seeking to collect an account for a creditor may lead to abuses of debtors and adversely reflect upon the legal profession. To prevent the possibility of (a) misleading the public, or (b) abusing debtors, violations of the following guidelines by attorneys in connection with debt collection work shall be grounds for the initiation of disciplinary proceedings against an attorney.

1. An attorney who represents, or performs legal work for, a debt collection agency may not do any of the following:
 - (a) If an attorney is engaged both in the practice of law and in the debt collection agency business, the attorney may not list his or her name in, or on, any building office sign, building tenants' directory, office sign or door sign of the debt collection agency. (DR2-102(E))
 - (b) An attorney may not indicate on his or her letterhead, office sign or shingle, or professional

card, that the attorney is in any way associated with a debt collection agency. (DR2-102(A)(1)(3)(4); DR2-102(D))

- (c) An attorney may not identify himself or herself as a lawyer in any publication relating to the operation of a debt collection agency. (DR2-101(B); DR2-102(E))
 - (d) An attorney may not have, or use, the same telephone number as that used by a debt collection agency. (DR2-102(E))
 - (e) An attorney may not use the same office address as that used by the debt collection agency. (DR2-102(E))
 - (f) An attorney may not permit his or her name to be used in connection with any oral or written advertisement or solicitation for business by a debt collection agency. (DR2-101; DR2-102(E))
2. An attorney who represents, or performs legal work for, a debt collection agency shall exercise reasonable care to insure that confidences and secrets of the attorneys' clients are not disclosed by employees of the debt collection agency to any person not authorized by the client to receive such information. (DR4-101(D); EC3-4; 3-6)
 3. Except for purposes of effecting service of legal process according to law, no attorney shall permit any correspondence, pleadings, garnishment summonses, executions, releases, or other documents which bear his or her signature (or facsimile thereof) to be used, or mailed, by persons who are not in the exclusive employ of the attorney's law office. (DR1-102(A)(5)(6))
 4. An attorney who represents, or performs legal work for, a debt collection agency shall be responsible for all acts of the attorney's own lay employees, and the attorney may not permit, expressly, by implication or by non-action, lay employees to engage in conduct which, if engaged in by an attorney, would be in violation of the Code of Professional Responsibility. (DR3-101(A); DR4-101(D); EC3-8, DR2-102(A)(2))
 5. Form letters, pleadings or other legal documents shall be signed by any attorney who represents or performs legal work for a debt collection agency in the completed form in which they are to be sent, served or delivered. (EC3-6; DR1-102(A)(4)(5))
 6. An attorney who represents, or performs legal work for, a debt collection agency shall not deliver to, or otherwise make available to, lay persons who are not in the exclusive employ of the attorney's law office (a) rubber stamp signatures, (b) reproduced signatures, (c) mechanized signatures, or (d) other facsimile signatures of the attorney, for purposes of allowing use of the same on demand letters, original pleadings, or on any other documents used in debt collection. (EC3-6; DR1-102(A)(5); DR3-101(A))

7. An attorney shall not aid, abet or assist any debt collection agency in the violation of the provisions of Minnesota Statutes §332.37, prescribing prohibited practices of debt collection agencies. Similarly, an attorney shall not aid, abet or assist a debt collection agency in the violation of any other state or federal laws, rules or regulations governing debt collection agency practices. (DR3-101(A); DR1-102(A)(6))

Adopted: June 22, 1977