

Is Your Firm Required to File with the OLPR?

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The Office of Lawyers Professional Responsibility (OLPR) has written several past articles on the importance of law firm filings under the Minnesota Professional Firms Act. (See “Filing firms with the OLPR: It’s not just for us,” in the Aug. 9, 1999, edition of *Minnesota Lawyer*, and “Professional firms: If you don’t file, you might not get paid,” in the April 30, 2001, edition of *Minnesota Lawyer*.) Yet there are undoubtedly firms that fall under the provisions of the act that are unaware of their obligations. A short review of the applicable statutory framework may be helpful.

Minnesota Stat. sec. 481.02, subd. 2, states that, with certain exceptions, a corporation organized for pecuniary profit may not engage in the practice of law unless it elects to be governed under Chapter 319B, the Minnesota Professional Firms Act. In turn, the act requires that firms first file with the OLPR before they furnish any professional services. Thus, firms which practice as corporations, such as limited liability partnerships and limited liability companies, may not practice law in the state of Minnesota unless they first elect to be governed by the Minnesota Professional Firms Act and make initial filings with the OLPR.

The initial filings generally include a copy of the firm’s organizational document, a report form from the OLPR, and a fee of \$100. See Minn. Stat. sec. 319B.11, subd. 3. Thereafter, an annual report and \$25 filing fee is due on or before Jan. 1 of each year.[Ftn 1](#) Minn. Stat. sec. 319B.11, subd. 4. Annual filings generally are due to the OLPR as long as the firm is in existence, regardless of whether any business has been conducted during that year.

There are a number of reasons why you and your firm should comply with the filing obligations under the act. First, it is important simply because the law requires it. In addition, caselaw suggests that the corporate protection against individual liability may be in jeopardy and that your ability to enforce fee agreements may be impaired if you don’t comply with the act.

In *John E. Miles v. Law Offices of James H. Cohen, P.C. and James H. Cohen*, C5-98-2233, unpublished (Minn. Ct. App. July 9, 1999), the court upheld a trial court judge’s determination piercing the corporate veil

and adding Cohen individually as a judgment debtor in a judgment previously obtained against the corporation. In making its determination, the trial court noted that Cohen “has not yet completed the registration process for his Minnesota professional association. He has never filed his articles of incorporation with the Office of Lawyers Professional Responsibility Board. Nor has he made the mandatory filings with that organization.”

In addition, a California court recently held that an unregistered professional firm was engaged in the unauthorized practice of law and therefore was unable to enforce its fee agreements. See *Cappiello, Hoffman & Katz, P.C. v. Thomas J. Boyle*, 105 Cal. Rptr. 2d 147 (Cal. Ct. App. 2001).

In short, if you do not keep current on your law firm filings you run the risk of the unlawful practice of law, you may lose the protection you sought by choosing a particular format in which to practice, and you may run the risk of not getting paid.[Ftn 2](#)

¹ As a courtesy, the OLPR mails out annual report forms to firms on record in November of each year. However, the statute¹ clearly indicates that the filing obligation is an affirmative obligation on each professional firm. Thus, the failure to receive an annual report form from the OLPR does not excuse the failure to timely file reports.

² For a listing of filings required, see the OLPR Web site at: www.courts.state.mn.us/lprb.