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Laura's Ethical Violations

**Eric's approach to Laura with package of documents and advise on legal approach**

Conflict of Interest Client v. third party

Under ABA and Ca rules, there is a conflict of interest if the attorney is representing a current client and there is a material adversity when the attorney takes up third party for representation, there is a personal conflict, or two clients are adverse to each other. For an organization, the attorney's main client is the organisation itself. An attorney must represent an organisation's employee as a client. However, when the employee seeks advise agaisnt the organization, there is conflict of interest. However, in a situation like this, the attorney's sole client is the organization and the attorney should represent the organization seperately. This conflict can only be waived if the client confirms in writing that they would like to waive the conflict. The attorney should have this consented confirmed in writing from the client.

Here, Laura is a general counsel for company MoreHome Mortgage (MoreHome). Thus, making Morehome her client and Eric, who is an entry level employee the client of the organization. When Eric came to visit Laura, Laura wasnt aware of the violations in the company and she heard Eric's position as she, a general counsel would. However, when eric told her about the violations, she should have informed him that the organization was her client and that he could confide in her however, to protect his confidentiality. Moreover, while discussing this issues with Eric, Laura potentially breached her duty to invoke the conflict of interest and could have asked Eric to wait till she obtained consent from organization.

Duty of Confidentiality

Under ABA and CA rules, a lawyer owes duty of confidentiality to their clients. Such a duty is only waived if the client knowingly and in writing with informed consent waives the duty. Here, even though Eric was an employee of the organization, he was still an employee and Laura still owed him duty of confidentiality. When Laura told Eric she would think about it and get back to him and further, infomed the CEO of Eric's visit and concerns, she breached the duty of confidentiality.

**Laura's knowledge of the crime**

Duty to inform higher authorities

Under ABA and CA, the attorney is required to inform the higher authority in the organization (such as the CEO, directors), if there is a suspicion or reason to know or knows of fradulent activity. Under ABA, if the higher authority does not take any actions, they attorney can inform outside thr organization. Under CA, the attorney is not allowed to inform outside organization and must take reasonable oppotunities to make the amends.

Here, Laura knew that the practices shown in the documents and described by Eric constituted a crime under State Law. She also knew of the state's AG's regiuations. She should have tus

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informed the upper management immediately (Under ABA) and should have made sure the officials did something to rectify (Under CA).

Duty to permissive withdraw

One of the duties under permissive withdrawal is, an attorney may withdraw under ABA and CA, if she knows her advice can violate the ethical duties. Here, Laura knew what was happening was a crime and her advice would be required since she was the general counsel of the company. If it wasn't a burden on the client, Laura should have withdrawn from the organization.

**Laura's outside consultation**

Duty of Confidentiality

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Attorney Client Privilege

**Laura providing copies to State Attorney General**

Duty to report outside/ Duty to snitch

Under ABA, an attorney should inform outside if she knows there is fraudulent activity occurring outside an organization. Under CA, this is not mandatory, moreover, attorney should make sure the higher officials make amends or withdraw. Laura, Under CA, violated her duty when she informed the State Attorney and provided copies and also consulted outside counsel.

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**END OF EXAM**