

NEW YORK STATE BAR ASSOCIATION
Professional Ethics Committee Opinions

Opinion #193 - 9/30/71 (26-71) Topic: Interest Charges on Unpaid
Legal Fees.

Overruled (in part) by 399

Digest: Improper for an attorney to
charge interest or service fee
on delinquent accounts.

Code*: EC 2-17; 2-19; 2-23

QUESTION

May an attorney charge a service fee or interest on delinquent
accounts?

OPINION

It has heretofore been concluded that it was improper for an
attorney to affix interest charges on delinquent accounts. N. Y. State
87 (1968); See also, ABA Inf. 741 (1964).

Nothing contained in the Code of Professional Responsibility
effective January 1, 1970 has altered this conclusion. See EC 2-17,
EC 2-19, and EC 2-23. A "service fee" instead of "interest" does not
change the result.

This, of course, does not prohibit in an extreme case, the
commencement of appropriate litigation to collect a fee to which may
be added interest and costs. A lawyer "should not sue a client for
a fee unless necessary to prevent fraud or gross imposition by the
client". EC 2-23.

Opinion #194 - 9/30/71 (27-71) Topic: Law List

Digest: Attorney may permit his name
to appear on law list certified
by the American Bar Association.

Code*: EC 2-7;
DR2-102(A)(6);
DR2-103(D);
DR2-103(E)

QUESTION

Where a motor club prepares and distributes to its members a
list of recommended attorneys, which list is certified by the American
Bar Association as being in compliance with its rules and standards, may
an attorney permit his name to be added to such list and accept an in-
dependent retainer from a client who acts on such recommendation even
though the client will be reimbursed by the motor club?