NEW YORK STATE BAR ASSOCIATION
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New York State Bar Association
Committee on Professional Ethics

Opinion 1302 (09/16/2026)

Topic: Provision of integrated legal, tax, and financial planning services

Digest: An attorney's provision of integrated legal, tax, and financial planning services would, under Rule 5.7 of the New York Rules of Professional Conduct (the "Rules"), very likely result in all of such attorney's services being subject to the Rules. In determining whether the Rules apply to the nonlegal services, the key factor is the degree of integration of the legal and nonlegal services (*i.e.*, whether or not the legal and nonlegal services are "distinct" or not "distinct"). Providing these integrated services would require consent, confirmed in writing, to a personal interest conflict but that consent would not permit the attorney to receive commissions or similar separate payments for providing financial planning advice. Whether an attorney should practice in a particular organizational form is beyond this Committee's jurisdiction.

Rules: 1.5, 1.6, 1.7(a)(2), 1.7(b), 1.8(a), 5.4, 5.7, 7.3, 8.4(c).

FACTS:

1. The inquirer is an attorney admitted to practice in the State of New York and is also a Certified Public Accountant ("CPA"). In addition, the inquirer is planning to become a Certified Financial Planner and, thereafter, to expand his current solo practice to provide integrated wealth strategy services – legal, tax, and financial planning services – to high-net-worth clients through a "Family Office" model. He notes that he would serve as the "central architect" for a client's entire financial life and would personally prepare all necessary legal documents, such as trusts and operating agreements, while simultaneously handling the tax filings required to implement the client's strategies.

QUESTIONS:

2. The inquirer asks the following questions:

a) Would the financial planning services be considered "law-related services" under Rule 5.7 and, if so, what specific disclosures would be required to notify clients that the protections of the attorney-client relationship may not apply to the financial planning aspects of their engagement?

b) Would any Rule of Professional Conduct prohibit the inquirer from offering legal, tax, and financial planning services through a single professional entity, provided he is the sole owner and there is no fee-sharing with non-lawyers?

c) Should or must the inquirer maintain a separate Professional Limited Liability Company ("PLLC") for his legal practice, distinct from a separate entity for his CPA and future financial planning services?

d) Should the inquirer address any other ethical constraints, disclosure requirements, or regulatory considerations under the Rules before integrating these three distinct professional disciplines into a single client offering?

OPINION:

3. This Committee has previously addressed a lawyer or law firm's provision of legal services plus other services, including services similar to those at issue here. *See, e.g.*, N.Y. State 1155 (2018) (lawyer and certified financial planner); N.Y. State 1135 (2017) (lawyer and CPA); N.Y. State 1200 (2020) (lawyer and wealth management provider).

4. In addressing the inquirer's questions, we confine our analysis to the Rules, and do not opine on whether the provision of tax services or financial planning services proposed by the inquirer is consistent with any other source of potential guidance, such as any rules directed at accountants from the American Institute of Certified Public Accountants, the New York State Board for Public Accountancy or any other similar body, or any rules directed at or applicable to Certified Financial Planners.

<u>Whether the Rules apply to tax and financial planning services that are integrated with legal services</u>

5. Rule 5.7 ("Responsibilities Regarding Nonlegal Services") is instructive and provides as follows:

> (a) With respect to lawyers or law firms providing nonlegal services to clients or other persons:
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> > (1) A lawyer or law firm that provides nonlegal services to a person that are *not distinct from legal services* being provided to that person by the lawyer or law firm is subject to these Rules with respect to the provision of both legal and nonlegal services.
> >
> > (2) A lawyer or law firm that provides nonlegal services to a person that are *distinct from legal services* being provided to that person by the lawyer or law firm is subject to these Rules with respect to the nonlegal services *if the person receiving the services could reasonably believe that the nonlegal services are the subject of a client-lawyer relationship*.
> >
> > (3) A lawyer or law firm that is an *owner, controlling party or agent of, or that is otherwise affiliated with*, an entity that the lawyer or law firm knows to be providing nonlegal services to a person is *subject to these Rules with respect to the nonlegal services if the person receiving the services could reasonably believe that the nonlegal services are the subject of a client-lawyer relationship*.
> >
> > (4) For purposes of paragraphs (a)(2) and (a)(3), it will be presumed that the person receiving nonlegal services believes the services to be the subject of a client-lawyer relationship *unless* the lawyer or law firm has advised the person receiving the services in writing that the services are not legal services and that the protection of a client-lawyer relationship does not exist with respect to the nonlegal services, or if the interest of the lawyer or law firm in the entity providing nonlegal services is *de minimis*.
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> (b) Notwithstanding the provisions of paragraph (a), a lawyer or law firm that is an owner, controlling party, agent, or is otherwise affiliated with an entity that the lawyer or law firm knows is providing nonlegal services to a person shall not permit any nonlawyer providing such services or affiliated with that entity to direct or regulate the professional judgment of the lawyer or law

firm in rendering legal services to any person, or to cause the lawyer or law firm to compromise its duty under Rule 1.6(a) and (c) with respect to the confidential information of a client receiving legal services.

> (c) For purposes of this Rule, "nonlegal services" shall mean those services that lawyers may lawfully provide and that are not prohibited as an unauthorized practice of law when provided by a nonlawyer. [Emphasis added.]

6. Under the language of Rule 5.7, in response to the inquirer's first question, the relevant inquiry is whether the services being provided are nonlegal services and, if so, whether those services are distinct from legal services being provided to that person by the lawyer. "Nonlegal" is defined in Rule 5.7(c) to mean "those services that lawyers may lawfully provide and that are not prohibited as an unauthorized practice of law when provided by a nonlawyer." We assume that accounting and financial planning services are "services that lawyers may lawfully provide and that are not prohibited as an unauthorized practice of law when provided by a nonlawyer," and are thus "nonlegal services" within the meaning of Rule 5.7.

7. We turn first to whether the nonlegal services contemplated in the instant inquiry are "distinct from" the legal services the inquirer will be providing. If the nonlegal services are "not distinct" from the legal services provided by the inquirer, then the rules applicable to the provision of legal services (the Rules of Professional Conduct) will also apply to the provision of the nonlegal services. Rule 5.7(a)(1). If the services are "distinct" from the legal services, then those rules will apply only "if the person receiving the services could reasonably believe that the nonlegal services are the subject of a client-lawyer relationship." Rule 5.7(a)(2). For purposes of interpreting Rule 5.7(a)(2), Rule 5.7(a)(4) provides that "it will be presumed that the person receiving nonlegal services believes the services to be the subject of a client-lawyer relationship unless the lawyer or law firm has advised the person receiving the services in writing that the services are not legal services and that the protection of a client-lawyer relationship does not exist with respect to the nonlegal services, or if the interest of the lawyer or law firm in the entity providing nonlegal services is *de minimis*."

8. With respect to the question of whether the tax and financial planning services will be distinct from the legal services, N.Y. State 1155 (2018) observed that the degree of integration of the legal and nonlegal services is key:

> In NY State 1135 ¶ 7, noting that the Rules do not define "distinct," we used the dictionary meaning: To be "distinct" is to be "not alike, different, not the same, separate, clearly marked off." Rule 5.7(a) identifies the subjects to compare — the service provider (the lawyer), the substance of the service to be provided (legal or nonlegal), the proposed recipient of the service (the potential client), and the manner or means by which the lawyer offers the services (that is, the degree of integration of the two services). *When the lawyer provides both the legal and nonlegal services, <u>the most important factor</u> in determining distinctness is the degree of integration of the services.* See N.Y. State 1135 ¶ 8 (state and local tax services involving tax law and accounting, including tax audit defense and certain administrative matters before tax authorities, are integrated "not distinct" services); N.Y. State 1026 ¶ 10 (2014) (services are "not distinct" when a lawyer offered nonlegal mediation services in domestic relations matters in which the retainer agreement offered to "represent the parties in drafting and filing the court papers to obtain a divorce if the mediation results in a settlement; thus the legal and nonlegal services were "intimately bound up with each other"); N.Y. State 1015 ¶ 14 (legal and nonlegal real estate services provided in the very same matter are not distinct). [Emphasis added; some citations omitted.]

9. Whether the nonlegal services are distinct depends on the specific facts, but we think it unlikely that the nonlegal services in this case would be found to be distinct. The inquirer's explicit objective is to provide "integrated" services to clients, and thus "the most important factor" indicates that the services to be offered will not be distinct. Discussions of tax issues and financial planning will likely be intermixed with legal issues and legal advice. The conclusion that the legal, tax, and financial services will not be distinct is consistent with our conclusion in N.Y. State 1135 (2017) that the lawyer's provision of legal services was not distinct from the lawyer's provision of tax advice and is consistent with our conclusion in N.Y. State 1155 that the lawyer's legal services were not distinct from the lawyer's financial planning advice.

10. Moreover, this Committee has previously concluded that, when a *lawyer* (as opposed to a nonlawyer) provides tax advice, that tax advice should be considered a legal service. *See* N.Y. State 557 (1984) ("While there are many services that may properly be undertaken by lawyers and non-lawyers alike, especially in the fields of taxation and tax planning, when such services are performed by a lawyer who holds himself out as a lawyer, they constitute the practice of law and the lawyer, in performing them, is governed by the Code [of Professional Responsibility]"); N.Y. State 832 (2009) ("despite the fact that a nonlawyer might be entitled to provide some advice about a shelf corporation without committing the unauthorized practice of law, when a lawyer provides such advice it becomes the provision of legal services"); N.Y. State 951 ¶ 7 (2012) (citing and quoting N.Y. State 557); N.Y. State 1289 ¶ 8 (2025) (same). Under Opinion 1289's analysis, the only issue would be, as in N.Y. State 1155 ¶ 15 (2018), whether certified financial planning services are distinct from legal services offered to the same clients. *But see* N.Y. State 1135 (2017) (analyzing whether tax services provided by a lawyer who was also an accountant were distinct from legal services).

11. Accordingly, if the legal and nonlegal services are not distinct, then under Rule 5.7(a)(1) the Rules would also apply to the provision of the nonlegal services – and the disclaimer set out in Rule 5.7(a)(4) (discussed below) would not excuse the lawyer from compliance with the Rules when providing nonlegal services because the disclaimer in paragraph (a)(4) is "[f]or purposes of paragraphs (a)(2) and (a)(3)," but not (a)(1).

12. Even if the nonlegal services are distinct from the legal services (or are provided by a separate entity owned by or affiliated with the lawyer), then the Rules will nevertheless apply unless, per Rule 5.7(a)(4), the lawyer advises the client (or customer) in writing "that the services are not legal services and that the protection of a client-lawyer relationship does not exist with respect to the nonlegal services."[1] Absent such written advisement, "it will be *presumed* that the person receiving nonlegal services believes the services to be the subject of a client-lawyer relationship." (Emphasis added.)

13. The disclaimer set forth in paragraph (a)(4) is not dispositive or foolproof, however. As Comment [3] to Rule 5.7 explains:

> [3] … In certain circumstances … additional steps may be required to ensure that the person understands the distinction. For example, while the written disclaimer set forth in paragraph (a)(4) will be adequate for a sophisticated user of legal and nonlegal services, a more detailed explanation

[1] Two points should be noted. First, the protections referred to in Rule 5.7 are those provided by the Rules of Professional Conduct, such as the rules with respect to client confidentiality (Rules 1.6, 1.9, and 1.18) and the conflicts rules (*e.g.*, Rules 1.7, 1.8, and 1.9). The Rules of Professional Conduct do not govern attorney-client privilege, so whether or not communications concerning a lawyer's nonlegal services would be privileged would be a question of law not governed by the Rules. Second, even if the nonlegal services are distinct and the lawyer provides an (a)(4) disclaimer, the prohibition in the Rules on conduct involving dishonesty, as well as certain other Rules, cannot be disclaimed and would still be applicable. See Rule 5.7, Cmt. [4] (certain Rules, such as Rules 1.9, 8.3 and 8.4, "apply to a lawyer irrespective of the existence of a representation"). *See also* N.Y. State 832 ¶ 8 (2009) (Rule 8.4(c), which prohibits conduct involving dishonesty, fraud, deceit or misrepresentation, would always apply).

may be required for someone unaccustomed to making distinctions between legal services and nonlegal services. …

14. Moreover, even if the lawyer provides the disclaimer per (a)(4), the presumption may still be overcome if the lawyer's conduct is contrary to the disclaimer and renders the legal and nonlegal services not distinct. *See* N.Y. State 832 ¶¶ 6 & 11 (2009) ("because the lawyer would actually be rendering legal services, the disclaimer in Rule 5.7(a)(4) would not be effective"; disclaimer not sufficient if inconsistent with actual facts of the relationship).

<u>Whether the integrated services may be offered through a single entity</u>

15. No provision in Rule 5.7 or any other Rule requires that nonlegal services be provided by or through separate legal entities and, indeed, the plain language of Rule 5.7 and the presence of Rule 5.7(a)(3), which addresses the provision of nonlegal services through a separate entity, as well as our prior opinions addressing the provision of both legal and nonlegal services by a single lawyer or law firm, *see, e.g.*, N.Y. State 1135 (2017) (solo practice offering a range of legal and accounting tax services), support the permissibility under the Rules of providing nonlegal services through the same entity that provides legal services. That was an explicit conclusion in a number of our prior opinions. *E.g.*, N.Y. State 1157 ¶ 3 (2018) (permissible to provide legal and engineering services from a single entity); N.Y. State 933 ¶¶ 4-5 (legal and real estate brokerage services from a single entity).

<u>Whether the inquirer should or must provide his legal services through a separate Professional Limited Liability Company</u>

16. In its opinions, the Committee addresses the Rules and does not recommend the form of legal entity or entities through which an inquirer should provide legal and/or nonlegal services.

<u>Whether there are other ethical constraints, disclosure requirements, or regulatory considerations under the New York Rules of Professional Conduct</u>

17. Providing both legal and nonlegal services can create significant conflict issues under Rule 1.7(a)(2) and Rule 1.8(a).[2] Our prior opinions have recognized that client consent is usually required when both legal and nonlegal services are provided to the same client. Comment [5A] to Rule 5.7 is clear on that point: "When a lawyer or law firm provides both legal and nonlegal services in the same matter (or in substantially related matters), a conflict with the lawyer's own interests will nearly always arise." The application of the conflict rules – including provisions of the conflict rules requiring a client's consent – was explained in detail in N.Y. State 896 (2011), which addressed a law firm providing both legal and lien search services. Opinion 896 said:

> 9. Regarding conflicts, Comment [5] to Rule 5.7 notes that "the lawyer may have a financial interest in the nonlegal services that would constitute a conflict of interest under Rule 1.7(a)(2), which governs conflicts between a client and a lawyer's personal interests." In addition, Comment [5A] to Rule 5.7 notes that if the legal representation involves exercising judgment about whether to recommend nonlegal services and which provider to recommend, or if the representation involves overseeing the provision of the nonlegal services, then a conflict with the lawyer's own interests under Rule 1.7(a)(2) is likely to arise on that ground as well.

[2] Both Rules 1.7 and 1.8(a) were amended effective November 10, 2025. The amendments do not impact the Committee's analysis here, but readers should note that quotations in opinions issued before 2025 may reflect language that has since been amended.

> 10. Under Rule 1.7(a)(2), a lawyer may not represent a client if "a reasonable lawyer would conclude that … there is a significant risk that the lawyer's professional judgment on behalf of a client will be adversely affected by the lawyer's own financial, business, property, or other personal interests" unless the lawyer complies with Rule 1.7(b). To comply with Rule 1.7(b), the lawyer must reasonably believe that the lawyer can provide competent and diligent legal representation despite the conflict, and the lawyer must obtain the client's informed consent, confirmed in writing. In obtaining the client's informed consent under Rule 1.7(b), the lawyer should disclose the advantages and risks of obtaining legal and nonlegal services from the same provider in a matter, including the effect of the lawyer's financial interest in providing the nonlegal services. For example, if the payment of legal fees is contingent upon closing the transaction, the lawyer may have an incentive not to perform an exhaustive lien search or not to reveal information that might prevent the closing from occurring.
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> 11. A lawyer or law firm providing both legal and lien search services in the same matter must also comply with Rule 1.8(a), which governs business transactions between lawyers and their clients. See Rule 5.7, cmt. [5A]. As Comment [6] to Rule 5.7 explains, when a law firm provides both legal and nonlegal services to a client in the same matter (or in substantially related matters), Rule 1.8(a) requires that: (i) the nonlegal services be provided on terms that are "fair and reasonable" to the client, (ii) the terms on which the nonlegal services will be provided are fully disclosed to the client in writing in understandable form, (iii) the client is advised to seek the advice of independent counsel about the lawyer's provision of the nonlegal services, and (iv) the client gives informed consent, in a writing signed by the client, to the terms of the transaction in which the nonlegal services are provided and to the lawyer's inherent conflict of interest. If the lawyer provides nonlegal services on terms generally available to the public in the marketplace, Rule 1.8(a)'s "fair and reasonable" requirement is ordinarily met. But if the lawyer charges above-market prices for the nonlegal services, then the "fair and reasonable" requirement of Rule 1.8(a) might not be met. In addition, Comment [7] to Rule 5.7 notes that "in the context of providing legal and nonlegal services in the same transaction, Rule 1.8(a) requires a full disclosure of the nature and extent of the lawyer's financial interest or stake in the provision of the nonlegal services."

18. Here, providing financial planning advice and options while also providing integrated legal and tax advice to the same client would likely give rise to a personal interest conflict and would therefore require the client's informed consent, confirmed in writing. *See generally* N.Y. State 933(2012) (client's informed consent required where lawyer provided both legal services and nonlegal real estate brokerage services); N.Y. State 1200 (2020) (conflict requiring client consent where lawyer provided both legal and wealth management services).

19. In some circumstances, however, the personal interest conflict arising under Rule 1.7(a)(2) would not be consentable, which would result in a limitation on the scope of nonlegal services that the lawyer could ethically provide. As we explained in N.Y. State 1155 (2018):

> 6. Some conflicts are deemed to be so serious that client consent is not possible. In a series of opinions, we have found that, in certain cases, the conflict between the legal and nonlegal services is so severe that it cannot be cured by consent. Most of these opinions involve acting as a lawyer and a real estate broker in the same transaction. . . .
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> 7. We have reached similar conclusions with respect to brokers of financial products. In N.Y. State 536 (1981), we were asked whether the members of a law firm could conduct a financial planning business from the same office in which they practiced law, and whether they could provide both legal and financial planning services to the same clients. We concluded that

engaging in such dual practice would not be unethical, as long as the financial planning corporation did not offer any products (*e.g.* securities, real estate or insurance) for which it would receive a commission or other form of compensation or act as legal counsel and broker in the same transaction. We reached a similar conclusion in N.Y. State 619 (1991). There, a lawyer engaged in estate planning wanted to recommend to the lawyer's clients the purchase of life insurance products that were an appropriate means to achieve the client's financial or estate planning goals, but the lawyer had a financial interest in the sale of the products recommended. We concluded that this situation presented a nonconsentable conflict of interest . . . .

8. Consequently, we believe the inquirer could conclude that a lawyer may provide both legal and financial planning advice to clients but could not also receive brokerage commissions with respect to financial products purchased by clients receiving the lawyer's legal advice. [Some citations omitted.]

20. Here, consistent with N.Y. State 1155 (2018), which also addressed a lawyer providing both legal and financial planning services, there are certain kinds of compensation, such as commissions, which would create a nonconsentable conflict and would thus be out-of-bounds under the Rules for a lawyer providing both legal and financial planning services. *See also* N.Y. State 1200 (2020) ("A lawyer may not simultaneously provide legal services and wealth management services to a client for separate fees because it is a conflict of interest that consent may not remedy."); N.Y. State 536 (1981) (law firm's financial planning corporation may not "offer any products (*e.g.*, securities, real estate or insurance) for which it would receive a commission or other form of compensation").

21. Apart from adhering to Rules 1.7 and 1.8, Inquirer would need to be alert to, and comply with, other provisions of the Rules. For example, the solicitation of clients would be governed and restricted by Rule 7.3's prohibition on in-person solicitation.[3] *See* N.Y. State 1135 (2017). Rule 1.6, concerning the confidentiality of information, Rule 1.5, concerning fees and billing, and Rule 5.4, concerning professional independence, would also be applicable.

CONCLUSION:

22. An attorney's provision of integrated legal, tax, and financial planning services would, under Rule 5.7 of the Rules, very likely result in all of such attorney's services being subject to the Rules. In determining whether the Rules apply to the nonlegal services, the key factor is the degree of integration of the legal and nonlegal services (*i.e.*, whether or not the legal and nonlegal services are "distinct" or not "distinct"). Providing these integrated services would require consent, confirmed in writing, to a personal interest conflict but that consent would not permit the attorney to receive commissions or similar separate payments for providing financial planning advice. Whether an attorney should practice in a particular organizational form is beyond this Committee's jurisdiction.

(05-26)

[3] Rule 7.3 was amended by New York's Appellate Division effective June 1, 2026 but the amendments do not affect the Committee's analysis here.