



Professional Ethics Committee

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INFORMAL OPINION 2012 – 05

IDENTIFYING NON-LAWYER AS ‘PRINCIPAL’ ON LETTERHEAD

You have requested the Committee's informal opinion and guidance on the proposed title of a hypothetical non-attorney, law firm employee who would help with the overall operations of a law firm. You would like to identify said employee as “principal” on the law firm’s letterhead, business cards, and the firm's website.

You indicate that this individual has a substantial number of years of legal industry experience and extensive knowledge of financial markets, investments, competition and general business. You state that the would-be employee will not be sharing in profits and will have no interest in the outcome of contingency matters. Instead, the hypothetical employee would be compensated in the form of a salary and discretionary bonus. We assume there is no understanding that this individual’s bonus will be tied to contingency fees received. You also state that you would not use the identifier “Esq.” after this person’s name, while you would use this identifier for all attorneys in the firm.

You describe the employee's primary duties/responsibilities as including the following:

- Report to the managing partner/supervising attorney;
- Contribute in developing organizational and business goals including participation in meetings;
- Participate in developing strategic plans;
- May help supervise support staff responsible for carrying out the organization's day-to-day operations;
- Support attorneys in case development, the analysis of data and document preservation efforts;
- Communicate with clients for client-intake and in furtherance of data analysis and research;
- Assist in matters related to case management and operations;
- Take part in the hiring of new employees and attorneys.

Finally, you indicate that you do not believe it would be appropriate to identify this employee as an administrative/clerical employee.

For the reasons set forth below, the Committee answers your questions in the negative: you may not identify the non-lawyer employee as a “principal”.

Rule 7.1 states that a lawyer shall not make a false or misleading communication about the lawyer or the lawyer’s services. The commentary to Rule 7.1 states that this Rule governs all communications used to make

known the lawyer's services. The commentary states further that statements, even if literally true, that are misleading are also prohibited by this Rule.¹

Black's Law Dictionary (5th Edition) defines "principal" as "chief, leading, most important or considerable; primary, original, highest in rank, authority, character, importance, or degree." In addition, as you note in your inquiry, "the title of 'principal' . . . may refer to an owner of the business."

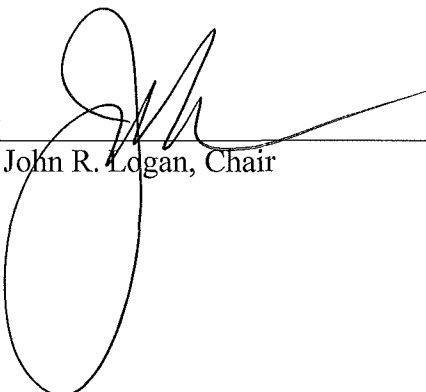
The title of "principal" indicates a chief or leading individual in the law firm, someone of the highest rank or importance in the law firm, or an owner of the firm. Accordingly designating the employee as a "principal" may well create the impression that he or she has an ownership interest in the law firm or is a person of high rank and authority in the firm. Based on your description, that appears not to be the case. Rule 7.1 prohibits the false implication or suggestion of such ownership or authority in the firm.

Moreover, using the title "principal" for a non-lawyer also suggests that the employee may be practicing law. Clients and potential clients cannot all be expected to understand the significance of not using the identifier, "Esq." after the person's name. Having an asterisk after the employee's name, with an asterisk notation "non-lawyer" or something to that effect, could solve this particular problem but not other Rule 7.1 problems.

This scenario is distinguishable from the scenario in Informal Opinion 02-11, where a law firm proposed to employ a non-lawyer as its "Executive Manager." Such a title does not give the impression that the non-lawyer either is an owner of the law firm or is practicing law in any way.

Therefore, your proposal to use the title "principal" for a non-lawyer prospective employee described in your inquiry would violate Rule 7.1 for two reasons: the use of that title (1) does not make clear that the person is a non-lawyer and (2) suggests that the person is an owner of the law firm.

THE COMMITTEE ON PROFESSIONAL ETHICS

By  _____
John R. Logan, Chair

¹Because your prospective employee would not own an interest in the firm and, from your description, would not have "similar responsibilities" to a corporate director or officer, the situation you present does not suggest any potential violation of Rule 5.4(d), which provides that:

A lawyer shall not practice with or in the form of a professional corporation or association... if: (1) A nonlawyer owns any interest therein...[or] (2) A nonlawyer is a corporate director or officer thereof or occupies the (sic) position of similar responsibility in any form of association other than a corporation...