## Lawyers Who Receive Referral Fees From Investment Advisors Should Watch Out

Dorothy K. Phillips says that lawyers who accept fees from an investment advisor for referring a client to it for investment of the client's equitable distribution proceeds should watch out.

**Sept. 22, 2007** - <u>PRLog</u> -- Philadelphia – Family Law attorney Dorothy K. Phillips says that although a 2000 Joint Ethics Opinion from the Pennsylvania and Philadelphia Bar Associations approved referral fees to an attorney from an investment advisor for referring a client to it for investment of the client's equitable distribution proceeds, lawyers who accept those fees should watch out.

"Not so fast! The myriad of ethical problems which could come about could create a slippery slope." says Phillips, who commented on the ruling in "A Slippery Slope," published in the September 3, 2007 issue of the Pennsylvania Law Weekly, which appears on her web site, www.mydivorceattorney.com

"One could ... argue that many domestic relations attorneys find that the dependent spouse runs out of monies and they must wait for payment until equitable distribution is made to be paid the balance of legal fees due. The attorney, by making an agreement with the investment company to refer the client there with the client's funds realized post-divorce has been able to continue to represent that client, knowing that the referral fee from the investment company would pay the client's outstanding balance," writes Phillips. "The client, of course, is only too happy to consent to this arrangement because her attorney continued to represent her and her fees were paid by a third party."

But Phillips asks "Does this arrangement pass the smell test? When in doubt, rule it out." This type of arrangement could serve the attorney rather that the client, writes Phillips. The potential is there for "the lawyer [to hasten] the divorce in order to get paid, thereby serving the attorney's best interests rather than those of the client," she says. "That is exactly why the Rules of Professional Conduct prohibit a domestic relations attorney from using a contingent fee," said Phillips.

The Pennsylvania Law Weekly is one of the most prestigious legal resources in the Commonwealth. The publication offers timely and objective coverage on federal and state cases for all 67 counties throughout Pennsylvania. Phillips is a featured family law columnist and regular contributor.

Phillips, who is founder and managing Partner of Dorothy K. Phillips & Associates, LLC, is a frequent author and lecturer on a variety of family law issues. She has been featured on WPVI-ABC 6, KYW-CBS 3, WCAU-NBC 10, Fox Philadelphia, and CNNfn, and has been published in The Wall Street Journal, The Philadelphia Inquirer, The Philadelphia Business Journal, Harper's Bazaar magazine, and The Legal Intelligencer. A resident of Wynnewood, PA, Phillips also has been chosen to be listed in Who's Who in American Law. She has received an AV rating by Martindale Hubble and is listed in the Martindale-Hubble Bar Register of Preeminent Lawyers.

A former family therapist, Phillips received her B.S. from The University of Pennsylvania (1964), her M.A. from New York University (1975) and her Jurist Doctor degree from Villanova University School of Law (1978). She is a member of the American, Pennsylvania, Philadelphia and the Montgomery County Bar Associations and the Pennsylvania and American Trial Lawyer Associations. She is a member of the Bars of Pennsylvania and New Jersey, as well as the Third Circuit Court of Appeals and the United States Supreme Court.

For over two decades, Dorothy K. Phillips has focused her practice in the area of domestic relations, providing advice and counsel on a variety of complex marital issues involving divorce, division of property,

alimony, child custody and child support. With three offices throughout Pennsylvania and New Jersey, Dorothy K. Phillips & Associates, LLC is committed to providing its clients superior counsel and support.

Website: www.mydivorceattorney.com

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Source Dorothy K. Phillips

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