

Committee Opinion  
April 30, 1984

LEGAL ETHICS OPINION 577

CONFLICT OF INTEREST-CORPORATE  
LEGAL FEES.

It is not improper for an attorney, who forms a corporate or partnership entity for a client and who represents the entity as an applicant before a local governing body seeking a cable television franchise, to accept as legal fees a proprietary interest in the entity and a separate fee contingent upon the successful outcome of the franchise case, so long as the client consents after full and adequate disclosure in accordance with DR:5-104, and the requirements of DR:2-105 are met with respect to the contingency fee.  
[DR:5-103, DR:5-104, DR:2-105]

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**Legal Ethics Committee Notes.** – Under Rule 1.8(a), a lawyer may not enter into a “business transaction” with a client unless the client is given an opportunity to seek independent advice, and there has been full disclosure and consent in writing.