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May 6, 1999

OFFICE OF
APPELLATE COURTS
MAY - 6 1999
FILED

Office of Appellate Courts
25 Constitution Avenue
Room 305
St. Paul, MN 55155

Re: In Re Petition of Lawyers Professional Responsibility Board to
Amend the Minnesota Rules of Professional Conduct and the
Rules on Lawyers Professional Responsibility
Supreme Court File Nos. C8-84-1650 and C1-84-2140

Dear Clerk:

Please find enclosed the original and eight copies of the Joint Petition of the Lawyers Professional Responsibility Board and the Minnesota State Bar Association for Further Amendment of Rule 1.15, MRPC. This is intended as a friendly amendment to the currently pending petition which is set for hearing on May 21, 1999.

Very truly yours,

Office of Lawyers Professional
Responsibility

By 

Patrick R. Burns
Senior Assistant Director

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Enclosures

cc: Hon. Alan C. Page
Richard S. Slowes
Charles E. Lundberg
Mark W. Gehan, Jr.

FILE NO. C8-84-1650 (MRPC)

FILE NO. C1-84-2140 (RLPR)

STATE OF MINNESOTA

IN SUPREME COURT

In Re Petition to Amend the
Minnesota Rules of Professional
Conduct and the Rules on Lawyers
Professional Responsibility

**JOINT PETITION OF THE
LAWYERS PROFESSIONAL
RESPONSIBILITY BOARD AND
MINNESOTA STATE BAR
ASSOCIATION FOR FURTHER
AMENDMENT OF RULE 1.15, MRPC**

TO: THE HONORABLE JUSTICES OF THE SUPREME COURT OF THE
STATE OF MINNESOTA:

Petitioners, Lawyers Professional Responsibility Board (LPRB) and Minnesota State Bar Association (MSBA), respectfully petition this Court to further amend Rule 1.15, Minnesota Rules of Professional Conduct (MRPC).

1. Petitioner MSBA is a not-for-profit corporation of lawyers admitted to practice law before this Court and the lower courts of the State of Minnesota. It has a substantial interest in the Minnesota Rules of Professional Conduct and in the administration of the system of professional discipline for lawyers.

2. On March 29, 1999, the LPRB filed with this Court a petition to amend the MRPC and the Rules on Lawyers Professional Responsibility which included a proposed amendment to Rule 1.15, MRPC, requiring lawyers to restore previously withdrawn funds to their trust account if the lawyer or law firm's right to the funds is subsequently disputed. As initially proposed, the obligation to restore the funds to the trust account contained no time limitation.

3. On April 17, 1999, the MSBA voted to urge this Court to grant the LPRB petition and to support the proposed amendments to the MRPC and RLPR. In addition, the MSBA proposed a further amendment to proposed Rule 1.15(b), MRPC, providing that disputed funds previously withdrawn from a trust account must be restored to the account only if the dispute is raised within a reasonable time after withdrawal of the funds.

4. The LPRB accepts the MSBA proposed language as a friendly amendment to the pending petition.

5. The LPRB and MSBA therefore request that Rule 1.15, MRPC, be further amended as follows:

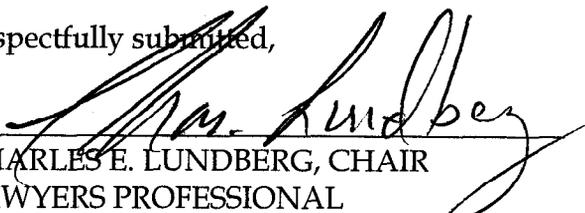
Rule 1.15. Safekeeping Property

(b) A lawyer must withdraw earned fees and any other funds belonging to the lawyer or the law firm from the trust account within a reasonable time after the fees have been earned or entitlement to the funds has been established and the lawyer must provide the client or third person with: (i) written notice of the time, amount and the purpose of the withdrawal; and (ii) an accounting of the client's or third person's funds in the trust account. If the right of the lawyer or law firm to receive funds from the account is disputed by the client or third person claiming entitlement to the funds, the disputed portion shall not be withdrawn until the dispute is finally resolved. If the right of the lawyer or law firm to receive funds from the account is disputed within a reasonable time after the funds have been withdrawn, the disputed portion must be restored to the account until the dispute is resolved.

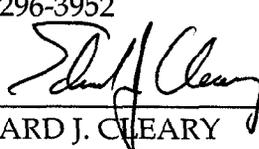
Based upon the foregoing, petitioners, LPRB and MSBA respectfully recommend and request this Honorable Court to amend the Minnesota Rules of Professional Conduct and the Rules on Lawyers Professional Responsibility as set forth in the petition filed on March 29, 1999, with the correction noted above.

Dated: May 5, 1999.

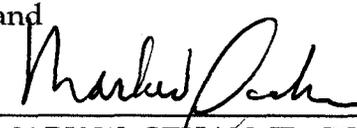
Respectfully submitted,


CHARLES E. LUNDBERG, CHAIR
LAWYERS PROFESSIONAL
RESPONSIBILITY BOARD
Attorney No. 6502X
25 Constitution Avenue, Suite 105
St. Paul, MN 55155-1500
(651) 296-3952

Dated: May 5, 1999.


EDWARD J. CLEARY
DIRECTOR OF THE OFFICE OF LAWYERS
PROFESSIONAL RESPONSIBILITY
Attorney No. 17267

Dated: 5-5, 1999.

and

MARK W. GEHAN, JR., PRESIDENT
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Minnesota State Bar Association
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