### A BILL FOR AN ACT

RELATING TO ATTORNEYS.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that an attorney is

2 usually in the best position to recognize the unauthorized

3 practice of law committed by an attorney who is not licensed or

4 authorized to practice law in the State. Clients are often

5 unaware of the unauthorized practice of law because the

6 offending attorney's involvement or presence is not disclosed to

7 the clients.

8 The purpose of this Act is to protect consumers by

9 requiring attorneys who are aware that another attorney is

10 engaging in the unauthorized practice of law to report the

11 unauthorized practice to an appropriate professional authority

12 or court. This Act also creates an exception to applicable

13 privileges when reports are made. In doing so, this Act

14 provides an exception to the rule of privilege in addition to

15 the exception in rule 503, Hawaii Rules of Evidence, that

16 renders the attorney-client privilege inapplicable where an

17 attorney communicates a disclosure that is required or

# H.B. NO. 2096

- 1 authorized by the Hawaii rules of professional conduct for
- 2 attorneys.
- 3 SECTION 2. Section 605-14, Hawaii Revised Statutes, is
- 4 amended to read as follows:
- 5 "§605-14 Unauthorized practice of law prohibited. (a) It
- 6 shall be unlawful for any person, firm, association, or
- 7 corporation to engage in or attempt to engage in or to offer to
- 8 engage in the practice of law, or to do or attempt to do or
- 9 offer to do any act constituting the practice of law, except and
- 10 to the extent that the person, firm, or association is licensed
- 11 or authorized [so] to do so by an appropriate court, agency, or
- 12 office or by a statute of the State or of the United States.
- (b) An attorney who knows that a person, firm,
- 14 association, or corporation has committed a violation of.
- 15 subsection (a) shall inform the appropriate professional
- 16 authority or court, notwithstanding any applicable privileges.
- 17 (c) Nothing in sections 605-14 to 605-17 contained shall
- 18 be construed to prohibit the preparation or use by any party to
- 19 a transaction of any legal or business form or document used in
- 20 the transaction."

- 1 SECTION 3. Statutory material to be repealed is bracketed
- 2 and stricken. New statutory material is underscored.
- 3 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

JAN 2 2 2016

## H.B. NO. 20%

### Report Title:

Attorneys; Unauthorized Practice of Law

### Description:

Establishes an attorney's duty to report the unauthorized practice of law despite any applicable privilege.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.