

Ethics exam October 2014

1. A registered foreign lawyer in Israel represented a client in a matter involving foreign law. The client paid a portion of the lawyer's fee but refused to pay the remaining amount due. One week later, the client contacted the lawyer with a request to receive the documents that he provided to the lawyer in the matter in which the lawyer represented the client. The foreign lawyer notified the client that he will not provide the documents to the client until the lawyer receives payment in full of the remaining fee due.

Has the lawyer committed a disciplinary offense?

- a. Yes. A foreign lawyer is not permitted to exercise the right of delay.
- b. No. A lawyer may delay providing documents if a client does not pay fees.
- c. **No. A lawyer may delay providing documents only if the lawyer files suit against the client within 3 months from the date of the client's written demand for the documents that the lawyer delayed providing.**
- d. Yes. The lawyer is obligated to provide all documents to the client.

2. If a registered foreign lawyer in Israel is a board member of a public company:

- a. The lawyer is permitted to provide legal advice to the public company, only if there is no conflict between the advice and his position as board member.
- b. The lawyer may provide legal advice to the public company, if the lawyer is an outside director for such company.
- c. **The lawyer is prohibited from providing legal advice to the public company, unless the company's Board of Directors decided at its plenum to request legal advice from the lawyer regarding an issue which is within the lawyer's field of expertise, and the Bar Association permitted him to do so.**
- d. The lawyer is absolutely prohibited from providing any legal advice to the public company.

3. An income tax assessor arrives at the office of a registered foreign lawyer in Israel, and demands to receive all of the documents in the lawyer's possession regarding a particular client.

How should the foreign lawyer proceed?

- a. The lawyer should immediately claim that the attorney-client privilege applies to this material; in these circumstances, the tax assessor must leave the premises without taking the material.
- b. The lawyer should immediately claim that the attorney-client privilege applies to this material and pursuant to the terms of Section 90 of the Bar Association

Law 5721-1961, the lawyer is prohibited from providing the material to the tax assessor.

- c. The lawyer should immediately claim that the attorney-client privilege applies to this material, and the tax assessor will take the material after reviewing it, place it in a package in the lawyer's presence, and deliver the package to the Court.
- d. The lawyer should immediately claim that the attorney-client privilege applies to this material and that the lawyer is willing to provide the material to the tax assessor on condition that the material shall be inserted into a package without the tax assessor reviewing the material; the tax assessor shall write the client's name on the package, and the tax assessor and the lawyer shall both sign on the package; and that the lawyer wishes to escort the tax assessor to verify delivery of the package to the Court.**

4. Paul, a registered foreign lawyer in Israel, works during the morning hours as a licensed insurance agent in Israel. The day after Paul sold a car insurance policy to Moshe, Moshe went to Paul's law office and requested that Paul advise him on inheritance law in the United States. Is Attorney Paul permitted to advise Moshe?

- a. Paul is prohibited from advising because it is the same matter.
- b. Paul is permitted to advise because he is a foreign lawyer and an Israeli insurance agent.
- c. Paul is permitted to advise because it is not the same matter.**
- d. A foreign lawyer is only permitted to engage in other business on the condition that the foreign lawyer obtains the authorization of the Central Committee.

5. One month ago, Attorney Cohen was convicted of assaulting a public official and sentenced to six months community service. The Bar Association now seeks to impose a disciplinary sanction as a result of this criminal conviction. Does the Bar Association have the authority to do so?

- a. No. Because Attorney Cohen was already criminally convicted, he cannot be subjected to double jeopardy.
- b. Yes. There is authority, if it is ruled that the conviction involved moral turpitude.**
- c. Yes. Authority exists regarding any criminal conviction.
- d. No. As this is a misdemeanor, the Bar Association does not have authority to impose a disciplinary sanction.

6. Attorney David serves as outside counsel for a new construction company, which is in the startup phase. To establish the company, Attorney David pays several fees to the Registrar of Companies and pays the company's accountant. Attorney David sends

the company a bill for his services totaling 100,000 NIS which includes fees for his work and the expenses he paid on behalf of the company. Did Attorney David act according to law?

- a. **No. It is prohibited to produce one bill which does not separate between legal fees and expenses.**
- b. No. A lawyer is prohibited from paying expenses on behalf of a client.
- c. No. A company's legal counsel is prohibited from paying a company's expenses.
- d. No. The legal fees are unreasonable.

7. Attorney Malka was called in as part of a police investigation. During the investigation, the police asked her about the nature of her relationship with Mr. Chen, who had been indicted for money laundering. Attorney Malka told the police that Mr. Chen is a longtime client of hers, and that she represented Mr. Chen in his purchase of several apartments, which he purchased in cash. Attorney Malka's statement leaked to the media. Now the Bar Association seeks to try Attorney Malka for disciplinary offenses. For which disciplinary offense will Attorney Malka be tried?

- a. For behavior that is inappropriate for a lawyer, as she was investigated by the Police
- b. For behavior that is inappropriate for a lawyer, as she did not report the cash transactions to the money laundering authorities.
- c. **For violating the attorney-client privilege.**
- d. Attorney Malka did not commit any disciplinary offense.

8. In 2012, Attorney Sara registered as a foreign lawyer in Israel, to practice French law in Israel. Attorney Sara now seeks to design a business card in Hebrew to distribute to clients in Israel. Does the following card meet all legal standards?

Attorney Sara Weiss, French Lawyer Since 1990

Licensed Lawyer in Israel Since 2012.

Practicing Real Estate Law.

Phone: 052-3333333

- a. No. Attorney Sara is not licensed to practice law in Israel.
- b. No. Attorney Sara must state that she practices French real estate law.
- c. **No. Attorney Sara is not licensed to practice law in Israel and must state that she practices French real estate law.**
- d. No. It is prohibited to state on a business card which year she was licensed in France.

9. The Geva Law Office routinely represents the Golden Construction Company, Ltd. in all lawsuits that are filed against the company by persons who purchased apartments. One of the purchasers, whose suit against Golden Construction Company, Ltd. ended one month ago, contacts the Geva Law Office seeking representation in a lawsuit against his former employer. Is the Geva Law Office permitted to accept this representation?

- a. **Yes. There is no prohibiting conflict of interest.**
- b. No. This is representation against a former client.
- c. Yes, on condition that the District Committee's authorization is obtained.
- d. No. A year must pass from the end of representation against the new client.

10. Attorney Brown was appointed by the Court as a receiver for the assets of the A.D. Ltd's factories, and Attorney Brown's salary as a receiver was set by Court order. During the receivership proceedings, the company's factory was sold to a buyer. Attorney Brown was involved in the sale, for which he charged the buyer 1% of the asset's value. Did Attorney Brown commit a disciplinary offense?

- a. No. The ethics rules do not apply to a lawyer acting as a receiver.
- b. No. The receiver was court-appointed.
- c. Yes. Attorney Brown was not authorized by the court to charge the buyer that fee.
- d. **Yes. Attorney Brown was prohibited from charging the buyer a fee.**

11. Attorney Rakefet represents the buyers of an apartment. According to the contract, the buyers deposited a portion of the sales price with Attorney Rakefet, who was obligated to transfer this amount to the seller on dates set forth in the sales contract. Attorney Rakefet deposits the funds in the law office's operating account. When the first date to transfer money under the sales contract arrives, Attorney Rakefet realizes that she does not have enough funds in her operating account to cover the payment, so she transfers funds to her operating account from a client's trust account, who resides abroad. Which disciplinary offenses has Attorney Rakefet committed?

- a. Depositing the buyers' funds in the operating account.
- b. **Depositing the buyers' funds in the operating account and transferring funds from the trust account to the operating account without client authorization.**
- c. Transferring funds from the trust account to the operating account without client authorization.
- d. Depositing the buyers' funds in the operating account, transferring funds from the trust account to the operating account without client authorization and maintaining a trust account for a client who does not reside in Israel.

12. Yakov is an Israeli lawyer who is employed in Israel by a branch of a foreign law firm. The law firm is registered in the state of Delaware, in the United States as a Limited Liability Company. Is Yakov permitted to work for the firm?

- a. Yes. There is no prohibition.
- b. Yes, on condition that the law firm registers in Israel in the same way.
- c. No. Yakov is not permitted to work as an employee of an Israeli branch of a foreign law firm which limits the liability of its members.**
- d. No, as long as the firm's members who are foreign lawyers in Israel, have not yet signed an agreement requiring them to indemnify Yakov for any law suit against him arising out of his work for the firm.

13. The National Council of the Bar set the minimum fee tariff for legal fees for writing and providing a professional legal opinion at 5000 NIS. Andy, a lawyer licensed to practice law in the state of Illinois, in the United States, provided a professional legal opinion on Illinois law for a legal fee of 3000 NIS. Was Attorney Andy permitted to agree to receive this legal fee?

- a. Yes. A foreign lawyer is not subject to the National Council of the Bar.
- b. Yes. The National Counsel of the Bar's ruling is merely a recommendation.**
- c. No. A foreign lawyer is obligated to obey the decisions of the National Council of the Bar.
- d. No. Attorney Andy acted against public policy.

14. A foreign lawyer registered in Israel and who provides legal services in Israel, seeks to establish a web site to advertise her services. Which of the following is **incorrect**:

- a. She is permitted to post pictures only of the lawyers working for her firm on the web site.
- b. She is permitted to have a banner on her web site advertising a publishing house that she owns, which publishes law books.**
- c. She is permitted to post links on her web site to the web sites of other lawyers.
- d. She is permitted to use graphic illustrations on her web site, which do not damage the reputation of the profession.

15. A registered foreign lawyer in Israel who provides legal services in Israel, seeks to advertise the services that he provides in foreign law, in the local Israeli newspapers. He hired a graphic artist to design the ad, and to include in it his picture, his secretary's picture, and three color print. He requests your opinion on his ad. Which of the following is correct advice?

- a. **Do not include pictures in the ad, and do not use more than one color in the ad.**
- b. Do not include the secretary's picture, but all else is permitted.
- c. Do not include pictures in the ad, but the lawyer's picture is permitted to be advertised.
- d. The ad is permissible to be published as is.

16. A registered foreign lawyer in Israel who provides legal services in Israel, seeks to publish the following ad in the yellow pages: "Attorney Gerar specializing in French law registers apartments in France, from Israel. 10% discount for French citizens." How should the ad look, so as to follow the rules governing advertising for lawyers in Israel?

- a. No change.
- b. "Attorney Gerar specializing in French law registers apartments in France, from Israel"
- c. "Attorney Gerar registers apartments in France, from Israel. 10% discount to French citizens."
- d. **"Attorney Gerar practicing French law registers apartments in France, from Israel"**

17. Attorney Shalom is licensed to practice law in New York, in the United States, and registered as a foreign lawyer in Israel. A large group of young New Yorkers contracted with a travel company, to purchase organized tours of Israel. The travel company breached its duties to the purchasers. Israeli media reported on the travel company's outrageous conduct. Attorney Shalom read about this in the paper and asked his wife, who was in the United States, to contact the purchasers to persuade them to contact his office in Israel, with the purpose of engaging him to represent them in their legal negotiations with the United States travel company. Did Attorney Shalom commit any disciplinary offense and can he be tried for disciplinary violations in Israel?

- a. **Attorney Shalom committed the disciplinary offense of solicitation, and though his wife contacted the purchasers, he can be tried in Israel.**
- b. Attorney Shalom committed the disciplinary offense of solicitation, and though his wife contacted the purchasers, he cannot be tried in Israel.
- c. Attorney Shalom did not commit any offense, so he cannot be tried.
- d. Only if Attorney Shalom's wife's contact with the purchasers constitutes the prohibited offense of solicitation in New York, can Attorney Shalom be tried in Israel.

18. Attorney Shira is licensed to practice law in Vermont in the United States and is registered as a foreign lawyer in Israel. Israeli soldiers who served in Operation Protective Edge in the summer of 2014, were sued in a British court for incidents they

may have witnessed during the operation. The soldiers contacted Attorney Shira seeking advice on British law in this regard, and as to what to expect if they visit England. Attorney Shira refused to represent the soldiers without providing any explanation or reason. She notified the soldiers of her decision five months after they first contacted her, and only after they contacted her repeatedly. Did Attorney Shira commit a disciplinary offense?

- a. Yes, a lawyer cannot refuse to represent without reason, and here the circumstances appear to support the suspicion that Attorney Shira refused the representation on ideological grounds.
- b. No. Attorney Shira is permitted to refuse the representation, and is not obligated to explain why.
- c. **Attorney Shira was obligated to refuse the representation, because she is not licensed to provide an opinion on British law. However, she was obligated to notify the soldiers of her decision within a reasonable time, and therefore committed a disciplinary offense.**
- d. Attorney Shira did not commit any offense. Attorney Shira was obligated to refuse the representation because she is not licensed to provide an opinion on British law. Attorney Shira does not have any obligation to explain nor to notify the soldiers of her decision, rather it is their responsibility.

19. Attorney Shiffman is licensed in Florida in the United States, and is registered as a foreign lawyer in Israel. The tax assessor contacted Attorney Shiffman requesting that he provide the tax assessor with all documents in his possession that Attorney Shiffman received from his client, Liora. Attorney Shiffman had advised Liora on Florida law, and to this end, exchanged information that had a substantial connection to professional services rendered. Attorney Shiffman provided all of the documents in his possession to the tax assessor. Liora filed a complaint against Attorney Shiffman with the Bar Association, for violating the attorney-client privilege. Attorney claimed Shiffman that he is a foreign lawyer, advising on foreign law, and is thereby not obligated to maintain the privilege. Attorney Shiffman added that in any case, he was obligated to provide the documents without any hesitation to the tax assessor, per law. Is Attorney Shiffman correct?

- a. Attorney Shiffman is correct in his claim that as a foreign lawyer advising on foreign law, he is not subject to the privilege; he is also correct in his claim that he was obligated to provide the materials to the tax assessor.
- b. Attorney Shiffman is correct in his claim that as a foreign lawyer advising on foreign law, he is not subject to the privilege; he is mistaken in his claim that he was obligated to provide the materials to the tax assessor.
- c. Attorney Shiffman is mistaken in his claim that as a foreign lawyer advising on foreign law, he is not subject to the privilege; he is correct in his claim that he was obligated to provide the materials to the tax assessor.

- d. Attorney Shiffman is mistaken with both claims. He is subject to the privilege and he should have claimed the documents were privileged.**

20. Attorney Levi is licensed in Washington, in the United States and registered as a foreign lawyer in Israel. He is drafting an agreement of sale of an apartment located outside of Israel, representing both the buyer and the seller who are Israeli residents. The agreement is governed by Washington state law. The terms of the agreement call for the buyer to transfer funds to Attorney Levi's trust account until they are to be transferred to the seller. Attorney Levi deposits the funds in his existing trust account, which he has had for years, located in Washington state. Did Attorney Levi act according to the law and rules when he represented both the buyer and seller on the same transaction? Did Attorney Levi commit a disciplinary offense when he deposited the trust funds?

- a. Attorney Levi did not commit any disciplinary offense.
- b. Attorney Levi committed a disciplinary offense because he deposited the trust funds in an account located outside of Israel.**
- c. Attorney Levi committed a disciplinary offense when he represented both parties to the agreement.
- d. Attorney Levi committed a disciplinary offense because he deposited the trust funds in an account located outside of Israel and when he represented both parties to the agreement.