News & Insights

Hinderks Addresses Conflicts of Interest in *Law360* Legal Ethics Column

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Stinson LLP Partner and former Managing Partner Mark Hinderks authored a column for *Law360* regarding the complex legal issues behind conflict of interest rules and how they impact law firm mergers, new and existing clients, too.

Law firm mergers have accelerated in the first half of 2022, and the mergers are expected to keep pace for the rest of the year. Hinderks says that now is a good time to revisit conflict of interest rules and best practices law firms should consider.

"When is a client properly regarded as a former client? Sometimes the answer can be relatively straightforward," Hinderks writes. "If the engagement is limited to a specific matter, the relationship terminates when that matter has been resolved. Because of this, it is good practice to have an engagement letter for each specific matter, limiting the scope of overall representation to matters included within those engagement letters, and providing that the firm's representation ceases upon conclusion of the specific engagements."

Hinderks also evaluates potential causes of client conflicts as a result of a merger, and provides examples of judicial doctrines the courts have applied to fill in perceived gaps in the rules issued by the American Bar Association in their Model Rules of Professional Conduct.

"The hot potato doctrine prevents firms presented with a merger or new client opportunity from dropping a current client specifically for a new opportunity. Best practice use of engagement and closing letters can reduce ambiguity when work for a current client is complete," Hinderks shares. "The thrust upon conflict exception to the hot potato doctrine can also serve to protect the law firm in conflict situations created by client action when the law firm is not at fault."

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Hinderks leads the firm's Legal Ethics & Professional Responsibility practice. He is the author of Dear Ethics Lawyer, a twice-monthly newsletter with questions and answers concerning legal ethics, and a cofounder and presenter of "Ethics for Good," a twice-annual stage show which uses humor, skits and real-world scenarios to teach legal ethics to lawyers. Hinderks has presented more than 125 programs on legal ethics over the past 30 years, has authored many articles and handbook chapters on legal ethics, and has been deeply involved in professional organizations with legal ethics and professional responsibility as their focus.

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