

Hinderks Addresses Ethical Considerations for Attorneys Navigating Client Fraud in a Completed Deal in *The Legal Intelligencer*

In the News
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Stinson LLP Senior Counsel [Mark Hinderks](#) authored a column for *The Legal Intelligencer*, "What Should a Transactional Lawyer Do Upon Discovery of Client Fraud in a Completed Deal?"

Hinderks examines if an attorney is at risk for engaging in unethical conduct after discovering misfiled emails revealing their client made false representations about the condition of a property in a previous deal. The attorney was unaware of the issue at the time, and the deal was completed without complaint from the buyer.

Hinderks also explores Model Rules 4.1(b) and 1.6 to determine if the attorney has a duty to disclose information relating to the representation. He notes that while Model Rule 4.1(b) prohibits attorneys from knowingly failing to disclose material facts to avoid assisting a criminal or fraudulent act by a client, unless disclosure is prohibited by Rule 1.6, it does not apply to a completed fraud where the attorney was unaware of the false representation.

"The lawyer should consult with the client about the client's best interests in the matter, which likely involves an effort to disclose and rectify or mitigate the misrepresentation before it turns into fraud claims and litigation," Hinderks said.

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 co-founder 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 135 programs on legal ethics over the past 30 years, has authored many articles and handbook chapters on legal ethics, and has been

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deeply involved in professional organizations with legal ethics and professional responsibility as their focus.

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