

MEMORANDUM

TO: Carolyn Koegler

FROM: Eileen Fox

DATE: April 5, 2017

RE: Supreme Court Rule 41

The Supreme Court requests that the Advisory Committee on Rule review Supreme Court Rule 41, Limited Liability Entities.

Supreme Court Rule 41 authorizes attorneys who are organized as limited liability entities to engage in the practice law in New Hampshire. This authorization includes limited liability entities organized under the law of another state or the District of Columbia. The rule establishes requirements for the ownership and management of limited liability entities engaged in the practice of law. It also requires these entities to file certain information with the court, including the names of owners and managers of limited liability entities who are not licensed in New Hampshire, and a certification that such owners or managers are in good standing in the jurisdiction in which they are actively engaged in the practice of law. If the status of such an owner or manager changes, or if an attorney with the limited liability entity is subject to discipline in another jurisdiction, the rule requires the limited liability entity to provide this information to the court.

Given the changing legal landscape, the court believes that Rule 41 should be reviewed to determine whether the rule continues to serve the

purpose for which it was adopted. One area of the rule, in particular, that the court would like the committee to review is paragraph 7, which requires that limited liability entities file information with the court about owners or managers who are not licensed in New Hampshire. For example, a limited liability entity is required to file a list of the names and addresses of all owners and managers who are not licensed in New Hampshire. It is not clear why this information is required. Similarly, a limited liability is required to notify the court if an owner, manager or employee who is not licensed in New Hampshire becomes the subject of disciplinary proceedings in another jurisdiction. It is not clear what purpose this serves since the attorney, if not licensed in New Hampshire, would not be subject to discipline in New Hampshire unless he or she had taken some action here.

If the filing requirements of paragraph 7 are retained, an effort should be made to educate law firms of the rule and its requirements. The court receives very few filings under the rule even though it seems likely that there are many limited liability law firms engaged in the practice of law in New Hampshire that are subject to the rule's requirements.