

MARYLAND STATE BAR ASSOCIATION, INC.

COMMITTEE ON ETHICS

ETHICS DOCKET 91-5

Fees – acceptance of credit cards.

In your letter you state the following facts. Many of your clients have inquired as to whether you accept credit cards for payment of fees. Although you see no ethical rules that would be violated by this practice, there are two areas that give you concern. First, you state that it would seem unethical to accept credit cards in matters that would ultimately result in the attorney undertaking bankruptcy proceedings for the client. Second, you also have a concern about accepting credit cards for payment in domestic relations matters when both parties' credit is pledged.

Rule 1.5 of the Maryland Rules of Professional Conduct sets forth the guidelines relating to lawyer's fees. But, neither that Rule nor any other in the Maryland Rules of Professional Conduct makes any specific reference to the use of credit cards by a client for the payment of fees. In several previous opinions, Ethics Docket 78-19, 79-31 and 89-52, this Committee has opined that a lawyer may accept credit cards for payment for legal services actually rendered or reimbursement for cash actually paid out on a client's behalf.

As to your question concerning the use of a credit card in connection with bankruptcy proceedings, it is the Committee's view that it would be improper to accept a credit card for the payment of any legal fee, either related to the filing of a bankruptcy petition or for other matters, when the lawyer knows that the client will be filing a petition in bankruptcy and the debt would be discharged in the bankruptcy proceeding. Accepting a credit card in such circumstances would assist the client in perpetrating a fraud on the credit card company in violation of Maryland Rule 1.2(d).

With regard to the use of a credit card to pay for representation in a domestic relations matter, the Committee is of the view that the practice does not present an ethical problem per se. However, the Committee cautions you to review each set of facts as they arise. As a general rule, so long as the credit card is issued in the name of your client, even though it may be a joint account, the credit card may be used to pay the lawyer's fees.