DIGEST

Connick   HB No. 782

Abstract: Provides that conducting business under certain types of contracts, such as contingency fee, referral fee, commission, and fee-splitting contracts, in order to collect or settle consumer debts shall be considered practicing law.

Present law provides an extensive definition of the "practice of law" which provides, in part, that the practice of law includes appearing in a representative capacity as an advocate, or the drawing of papers, pleadings, or documents, or the performance of any act in connection with pending or prospective proceedings before any court of record in this state, and advising or counseling of another as to secular law for consideration, reward, or pecuniary benefit.

Proposed law retains present law but also includes those activities listed in present law which are done pursuant to certain types of contracts, such as contingency fee, referral fee, commission, and fee-splitting contracts.

Present law provides, in part, that no natural person, who has not first been admitted to practice law by the supreme court of this state, no corporation, no partnership, and no limited liability company shall practice law, furnish attorneys to render legal services, or render or furnish legal services or advice.

Proposed law provides that no natural person, who has not first been admitted to practice law by the supreme court of this state, no corporation, no partnership, and no limited liability company shall operate any service or program represented, directly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt between a person and one or more unsecured creditors or debt collectors.

(Amends R.S. 37:212(A)(intro. para.), (1), and (2)(a) and (b); Adds R.S. 37:212(A)(2)(e), (f), and (g) and (3) and 213(A)(8))