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Exhibits Attached to the Minutes in Connection with the Last Resolution

Wyoming State Bar

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The nominations for each office would be by secret written ballot, with the two receiving the highest number of votes being nominated for that office; that a second secret written ballot would be had to determine the election between the nominees.

It was duly moved and seconded that the rules be suspended, that R. Dwight Wallace be nominated for the office of President, that nominations be closed, and that the Secretary cast the unanimous ballot of the meeting for the nominee. The motion was carried and President Murane, thereupon, declared R. Dwight Wallace elected President.

Upon secret written ballot J. O. Spangler was duly elected Vice-President and President Murane so declared.

It was duly moved and seconded that the rules be suspended, that Robert B. Laughlin be nominated for the office of Secretary-Treasurer, that nominations be closed, and that W. Hume Everett cast the unanimous ballot of the meeting for the nominee. The motion was carried and President Murane, thereupon, declared Robert B. Laughlin elected Secretary-Treasurer.

President Murane presented a gavel to President-elect Wallace and turned the meeting over to him. Mr. Wallace thanked the Wyoming State Bar for his election.

There being no further business, the meeting was adjourned at noon on September 19, 1953.

A noon luncheon meeting was held at the Gladstone Hotel and was addressed by the Honorable Frank E. Holman, Past President of the American Bar Association.

Robert B. Laughlin,
Secretary-Treasurer.

EXHIBITS ATTACHED TO THE MINUTES IN CONNECTION WITH THE LAST RESOLUTION

WHEREAS, It is not the province of the realtor to engage in the practice of law, nor of the lawyer to engage in the real estate business, nor is it in the interest of the public that they should do so; and

WHEREAS, It is in the interest of the realtor, the lawyer and the public, that a joint conference committee should be formed to implement by a statement of principles the general purposes above indicated;

NOW, THEREFORE, BE IT RESOLVED (by the undersigned) That a National Conference of Realtors and Lawyers is hereby organized and does hereby formulate a statement of principles as follows:

ARTICLE I

(1) The realtor shall not practice law or give legal advice directly or indirectly; he shall not act as a public conveyancer, nor give advice or

opinions as to the legal effect of legal instruments, nor give opinions concerning the validity of title to real estate, and he shall not prevent or discourage any party to a real estate transaction from employing the services of a lawyer.

(2) The realtor shall not undertake to draw or prepare documents fixing and defining the legal rights of parties to a transaction. However, when acting as a broker, a realtor may use an earnest money contract form for the protection of either party against unreasonable withdrawal from the transaction, provided that such earnest money contract form, as well as any other standard legal forms used by the broker in transacting such business, shall first have been approved and promulgated for such use by the bar association and the real estate board in the locality where the forms are to be used.

(3) The realtor shall not participate in the lawyer's fees.

ARTICLE II

(1) No lawyer in rendering professional service should for any reason other than in the interest of or for the protection of his client express an opinion discouraging the consummation of a real estate transaction, where the parties have been brought together by the real estate broker.

(2) The lawyer shall not participate in the realtor's commissions.

(3) A lawyer who engages in business activities ordinarily undertaken by a realtor shall qualify under the Real Estate License Acts in states having them, when his business activities are such that qualification would be required if he were not a lawyer.

ARTICLE III

(1) The National Conference of Realtors and Lawyers shall consist of five (5) realtors appointed by the President of the National Association of Real Estate Boards, and five (5) lawyers, members of the American Bar Association, to be designated by the President of the American Bar Association.

(2) The National Conference shall seek to have the two Associations:

(a) Engage in common effort to simplify laws and procedure governing real estate transactions and to reduce the cost thereof;

(b) Eliminate detrimental practices arising in connection with the taking of expert testimony of valuation in litigations involving the value of real property;

(c) Maintain a constant exchange of information concerning any practices on the part of their members which may be detrimental to the public or to the members of either Association.

(3) The National Conference may consider any controversies referred to it between realtors and lawyers and shall seek to settle and dispose of same.

(4) The National Conference, in line with the principles herein stated, shall from time to time issue such further statements of principles as may be agreed upon which are deemed in the public interest and in the interests of realtors and lawyers, and which may be approved by the Board of Governors or the House of Delegates of the American Bar Association, and the Board of Directors of the National Association of Real Estate Boards.

(5) The National Conference, in the public interest and for the purpose of implementing and making effective the carrying out of the principles herein stated and which may hereafter be promulgated and the ami-

cable and cooperative solution of disputes or misunderstandings in relation thereto, shall seek to be of assistance in an advisory capacity to state and local bar associations and real estate boards.

Resolution adopted by the National Conference Group of Accountants and Lawyers on May 6, 1944:

"WHEREAS, Lawyers and certified public accountants are trained professional men, licensed by the several states, and required to bring to their public service qualifications both as to competency and character; and

"WHEREAS, The American Bar Association and the American Institute of Accountants have adopted codes of ethics to assure high standards of practice in both professions;

"BE IT RESOLVED, In the opinion of the National Conference of Lawyers and Certified Public Accountants,

"(1) That the public will be best served if income-tax returns are prepared either by certified public accountants or lawyers;

"(2) That it is in the public interest for lawyers to recommend the employment of certified public accountants, and for certified public accountants to recommend the employment of lawyers, in any matter where the services of either would be helpful to the client; and that neither should assume to perform the functions of the other;

"(3) That certified public accountants should not prepare legal documents, such as articles of incorporation, corporate by-laws, contracts, deeds, trust agreements, wills, and similar documents, where in connection with such documents questions of accountancy are involved or may result, it is advisable that certified accountants be consulted."

NATIONAL STATEMENT OF PRINCIPLES

of Cooperation Between Life Underwriters and Lawyers

Issued By

The National Conference of Lawyers and Life Underwriters

FOREWORD

The National Conference of Lawyers and Life Underwriters was constituted on July 17, 1946, by representatives of the American Bar Association and the National Association of Life Underwriters upon due authorization by the governing bodies of the two Associations. Its purpose shall be to promote cooperation and understanding between life underwriters and lawyers and eliminate, as far as possible, misunderstandings and causes for complaint by either against the other in relation to any practices which do not appear to be in the public interest.

The National Association of Life Underwriters has a membership of 54,063; its members are estimated to sell and service more than 70 per cent of all life insurance in the United States. There are affiliated with it 43 State and 533 local associations throughout the country. It and its members have for many years sought to maintain and uphold a formal code of ethics adopted by them. The association has created the American College of Life Underwriters through which have been established university and college courses leading to the designation of "Chartered Life Underwriter" after a recommended course of study of three years; all of this has been done toward the end of developing competency and a professional point of view by the life underwriters.

The American Bar Association has, for many years, adopted its Canons of Professional Ethics and maintained its Standing Committee on Professional Ethics and Grievances to aid the bar in their interpretation and observances by lawyers.

The American Bar Association is recognized as the national representative of organized Bar of this country.

In 1940, a National Statement of Principles of Cooperation between Life Underwriters and Lawyers was published. The present Statement is intended to supersede the 1940 Statement. It, like its predecessor, is intended as a guide to the professional conduct of attorneys and life underwriters in respect to one another and in relation to the public.

STATEMENT

In recent years, much of the actual negotiation of the sale of life insurance contracts involves estate planning. The acquisition of life insurance has become a complex problem by its every increasing relation to plans of testamentary disposition, wills and living trusts, to partnerships and close corporation contracts, and to problems of taxation. The solution of such problems requires a man to make far reaching decisions. These decisions often are, or upon the happening of death become, irrevocable. The American public should therefore receive not only expert insurance service and disinterested advice but also skilled and disinterested legal guidance and advice when necessary; both are often required in the problems arising out of negotiation for and use of life insurance, and when this is the case, the simultaneous and harmonious attention of a representative of each profession in solving the problems of the same client will provide the safest and most efficient service.

Fair dealing with the public and an observance of laws which have been enacted throughout the United States require that all legal service and advice should at all times be given by an individual trained in the law and duly licensed to practice; anyone who gives legal advice should be solely devoted to the interest of his client and permit no personal consideration whatsoever to weaken his exclusive loyalty to his client.

In this connection, it might well be remembered that the courts consider communications between an attorney and his client as privileged, that is, they do not compel their disclosure, while communications between a life underwriter and his client are not so considered. This distinction should, for the protection of the public, be borne in mind by the members of both professions.

For the guidance of life underwriters and of lawyers, and to insure that the public shall be protected by receiving authorized and disinterested legal advice on life insurance problems, such as those hereinafter referred to, the National Conference states.

The National Conference considers it to be in the interest of cooperation between life underwriters and lawyers and of better service to the public, that all lawyers be guided by the opinion of the American Bar Association's Standing Committee on Professional Ethics and Grievances, dated February 10, 1940, issued in reply to an inquiry from that Association's Standing Committee on Unauthorized Practice of Law. That opinion in full is as follows:

"In the opinion of the Committee, the Lawyer's conduct in each of the following situations is ethically improper and should be condemned:

"1. A life underwriter recommends a certain transaction, for example,

the purchase of business life insurance. The client presents the proposed transaction to his attorney for approval or disapproval. The attorney then demands of the life underwriter, as a condition for his approval, a share in the life underwriter's commission.

"2. An attorney promises a life underwriter to recommend him to the attorney's client, provided the life underwriter will pay to the attorney a share of his commissions resulting from any business obtained from the lawyer's clients.

"It should be noted, in this connection, that in most of the states participation in commissions on life insurance contracts by any person other than a duly licensed life insurance agent, has been condemned by statute or by court decision and has been declared unethical for life underwriters by their professional organizations.

"3. A life underwriter proposes a certain life insurance plan to a prospective client; the client submits the proposed plan to his attorney for his legal opinion. The Attorney approved the plan, but for reasons of personal advantage to himself advises the client to divert the business and to purchase the necessary life insurance not through the underwriter who submitted the plan but through another underwriter whom the attorney recommends although the interests of the client do not require such substitution.

"4. An attorney promises an underwriter that if he, the underwriter, will induce his clients to refer legal business to the attorney, the attorney will pay to the underwriter a share of the fees resulting from such business.

"5. To advertise himself and to promote his sale of life insurance, a life underwriter desires to use a lawyer's legal opinion in relation to a specific plan by using the lawyer's name and opinion in a general circular or as a selling document. At the underwriter's request, a lawyer furnishes such an opinion knowing (a) that the attorney's name will be thus advertised and utilized by the underwriter and (b) that the opinion may mislead the person to whom it is exhibited to his detriment unless it is adapted to the facts of his particular case. This form of business solicitation by life underwriters has been condemned by their profession and by this Association's Committee on Unauthorized Practice of the Law."

II

The National Conference considers it to be in the interest of cooperation between life underwriters and lawyers and of better service to the public, that all life underwriters be guided by the following principles:

(1) A life underwriter has no right to practice law or give legal advice or to hold himself out as having such rights. He should not attempt to do so directly or indirectly. Therefore, he must never prepare for execution by his client legal documents of any kind, such as wills, or codicils thereto, trust agreements, corporation charters, minutes, by-laws, or business insurance agreements. When submitting an involved mode of settlement, or one which may affect a client's prior disposition of property by his Last Will and Testament, the life underwriter should suggest that the same be submitted to the client's attorney for approval.

In estate planning, all transfers of property, except simple modes of settlement under life insurance policies or change of beneficiary thereof, should be recommended subject to the approval of the client's attorney. Since these decisions should be in the final analysis subject to the approval of the client's attorney, it is important for the life underwriter to colla-

borate with his client's attorney as early as possible in the negotiations so as to afford his client the safest and most effective service.

It is improper for a life underwriter, in submitting to his client an estate planning report, to attach thereto or insert therein any forms of legal instruments or of specific legal clauses.

(2) A life underwriter should never dissuade a client from seeking the advice of legal counsel. It is improper for a life underwriter to attempt to divert legal business from one attorney to another.

(3) It is improper for a life underwriter to furnish attorneys who will give legal advice to the life underwriter's clients or prospective clients.

(4) A life underwriter must never share or participate in an attorney's fee; a life underwriter must not pay directly or indirectly any part of his commission to an attorney or any other person not a life underwriter; whether or not such sharing in commissions is known to the insured.

It should be noted, in this connection, that in most of the states participation in commissions on life insurance contracts by any person other than a duly licensed life insurance agent, has been condemned by statute or by court decision and has been declared unethical for life underwriters by their professional organizations.

(5) A life underwriter may properly obtain legal advice or a written legal opinion from an attorney for his own guidance; it is improper conduct, however, to circularize any such legal opinion, or to use it as a selling document.

Nothing herein contained is intended to restrict or limit the life underwriter's legitimate activities in measuring the client's need for life insurance, determining the amount and type needed, developing a comprehensive life insurance program in relation with the client's other plans and affairs, and selling such insurance; the ethics of his profession require him not to recommend the purchase of additional insurance unless needed. Such activities are for the benefit of those insured and their dependents only insofar as they are consistent with the foregoing statement of principles.

III

The National Conference of Lawyers and Life Underwriters recommends to state, district and local Bar Associations and to state and local Associations of Life Underwriters that cooperative action be taken by them to secure adherence to the principles contained in this Statement and to dispose of misunderstandings between the two groups. The National Conference is authorized to act in an advisory capacity as a clearing house for suggestions and complaints, to aid in establishing, as far as may be practical, a country-wide recognition of these principles, and to aid in setting up of similar conference groups in the various states and localities. It gladly offers its services in this respect to state, district and local associations of the bar and life underwriters. (Adopted by The American Bar Association, February 24, 1948. Adopted by The National Association of Life Underwriters, March 16, 1948.)