

SUPREME COURT OF OHIO

Columbus Bar Ass'n v. Verne, 99 Ohio St. 3d 50, 2003-Ohio-2463

788 N.E.2d 1064 (Ohio 2003) · Decided May 16, 2003

SUMMARY

The Ohio Supreme Court held that a certified public accountant engaged in the unauthorized practice of law by advising clients on the selection of a business structure and preparing documents to establish a limited liability company. The court enjoined the respondent from preparing legal documents constituting the unauthorized practice of law and taxed costs and expenses to him.

CASE DETAILS

COURT	Supreme Court of Ohio
WRITING FOR THE COURT	Per Curiam; Moyer, C.J.; Resnick, J.; F.E. Sweeney, J.; Pfeifer, J.; Lundberg Stratton, J.; O'Connor, J.; Cook, J.
JURISDICTION	Ohio
DECIDED	May 16, 2003
DISPOSITION	other
PROCEDURAL POSTURE	The Columbus Bar Association filed a formal complaint alleging that respondent engaged in the unauthorized practice of law by preparing LLC formation documents and advising clients about business structure. The Board of Commissioners on the Unauthorized Practice of Law found the allegations established and recommended an injunction and reimbursement of costs and expenses.
PRECEDENTIAL VALUE	Published, precedential opinion of the Supreme Court of Ohio
PARTIES	Columbus Bar Association v. Leonard P. Verne Jr.

TOPICS

limited liability companies

corporate law

remedies

PRACTICE AREAS

unauthorized practice of law

limited liability companies

corporate law

legal ethics and professional responsibility

QUESTIONS PRESENTED

1. Whether a nonlawyer certified public accountant engages in the unauthorized practice of law by preparing documents to create an LLC for others.
2. Whether advising clients about which business structure to select constitutes the unauthorized practice of law rather than permissible clerical or accounting assistance.

HOLDINGS

1. A layperson who drafts documents creating a business entity for another person engages in the unauthorized practice of law.
2. A certified public accountant engages in the unauthorized practice of law when he advises clients about which business structure to choose because that advice requires substantial legal judgment in addition to tax and accounting considerations.

KEY QUOTATIONS

“For a layperson to draft documents creating a business entity on another’s behalf is unquestionably the unauthorized practice of law.” (¶ 4)

“To the contrary, respondent’s advice to his clients about which business structure they should choose is just what Gustafson determined to be the unlicensed practice of law.” (¶ 5)

FACTUAL BACKGROUND

Leonard P. Verne, a certified public accountant who had never been admitted to practice law, helped two individuals structure a power-washing business as a limited liability company and drafted articles of organization using state forms. After the business partners later disagreed, an attorney reviewing the LLC documents discovered that no operating agreement had been executed and learned that Verne had assisted with the formation. Verne also advised the clients about which business structure to choose, including considerations beyond tax consequences.

PROCEDURAL HISTORY

After discovering that respondent, a certified public accountant who was not licensed to practice law, had prepared articles of organization for an LLC and advised clients about structuring their business, an attorney filed a grievance with the Columbus Bar Association. The Association filed a formal complaint on March 27, 2002. The Board of Commissioners on the Unauthorized Practice of Law recommended an injunction and costs, which the Supreme Court of Ohio adopted.

DISPOSITION

other

CASES CITED

- Cincinnati Bar Assn. v. Davis, 62 Ohio Misc. 2d 64, 590 N.E.2d 916 (1992)
- Florida Bar v. Mills, 398 So. 2d 1368 (Fla. 1981)

- Knight v. Day, 343 Ark. 402, 36 S.W.3d 300 (2001)
- Gustafson v. V.C. Taylor & Sons, Inc., 138 Ohio St. 392, 20 O.O. 484, 35 N.E.2d 435 (1941)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/state/ohio-supreme-court-of-ohio/2003/columbus-bar-ass-n-v-verne-99-ohio-st-3d-50-2003-ohio-2463-tugfe96z>