

## **PROFESSIONAL RESPONSIBILITY (24 Minutes)**

Question PR-1A (3 minute/s) A, a member of the Ready, Willing and Able law firm, represents Virtual Co in trademark dispute against Digital Co. Digital Co. has requested B, another member of the Ready, Willing firm to represent it in Tax Court litigation. Can B accept the representation? Briefly explain.

Question PR-1B (2 minute/s) Does the answer change if A's representation of Virtual Co in the trademark dispute ended two years ago?

Question PR-2 (3 minute/s) D represents Ellen Schmidt in a Tax Court proceeding that would be appealed to the Ninth Circuit. After submitting the brief to the Tax Court on behalf of Schmidt, D discovers a decision of the Ninth Circuit that is directly contrary to her client's position in this matter. The government's brief fails to mention the case. What action, if any, must D take and why?

Question PR-3A (3 minute/s) C devised a transaction designed to save federal income taxes and convinced James Martin to enter into the transaction. C prepared all the documentation for the transaction. Martin subsequently was audited and received a notice of deficiency, which he intends to contest in Tax Court. Can C represent Martin in this proceeding? Briefly explain.

Question PR-3B (2 minute/s) Does the answer change if Martin consents to C's representation? If so, why?

Question PR-3C (3 minute/s) Suppose instead that C represents the promoter P who devised and designed the transaction and sold it to several investors, including Martin. Can C represent Martin in the deficiency matter?

Question PR-3D (2 minute/s) C identified the properties that were used to carry out the transaction. If C is likely to be called as a potential witness in the deficiency litigation, can C represent Martin if he obtains a waiver from Martin?

Question PR-3E (3 minute/s) If P had previously revealed information to C in confidence about the transaction that would be helpful in representing Martin, may C reveal this information to Martin?

Question PR-4 (1 minute/s) E represents Nathan Goldberg in a Tax Court proceeding involving deficiency with respect to his sole proprietorship. As part of the pre-trial process, the government lawyer offers a settlement. E is surprised by the settlement offer and has never discussed with Goldberg the possibility of settling the case. E believes the government's offer should be accepted. Goldberg is out of the country. Can E agree to and sign the stipulation of settled issues? Briefly explain your answer.