

# SENATE BILL No. 1229

May 2, 2000, Introduced by Senators DUNASKISS, HOFFMAN, MC COTTER, BENNETT and SHUGARS and referred to the Committee on Judiciary.

A bill to amend 1917 PA 354, entitled

"An act to prohibit the practice of law by corporations and voluntary associations and to provide penalties for violations,"

by amending section 1 (MCL 450.681).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. (1) ~~It shall be unlawful for any~~ A corporation or  
2 voluntary association ~~to~~ SHALL NOT practice or appear as an  
3 attorney-at-law for ~~any~~ A person other than itself in ~~any~~ A  
4 court in this state or before ~~any~~ A judicial body, or ~~to~~ make  
5 it a business to practice as an attorney-at-law, for ~~any~~ A  
6 person other than itself, in ~~any of said courts or to~~ A COURT  
7 OF THIS STATE OR hold itself out to the public as being entitled  
8 to practice law ~~—~~, or TO render or furnish legal services or  
9 advice, or ~~to~~ furnish attorneys or counsel or ~~to~~ render legal  
10 services of any kind in actions or proceedings of any nature or

1 in any other way or manner, or in any other manner ~~to~~ assume to  
 2 be entitled to practice law or ~~to~~ assume, use, or advertise the  
 3 title of lawyer or attorney, attorney-at-law, or equivalent terms  
 4 in any language in such A manner as to convey the impression that  
 5 it is entitled to practice law ~~,~~ or to furnish legal advice,  
 6 services, or counsel, or ~~to~~ advertise that either alone or  
 7 together with ~~or by or through any~~ ANOTHER person, whether a  
 8 duly and regularly admitted attorney-at-law ~~,~~ or not, it has,  
 9 owns, conducts, or maintains a law office or an office for the  
 10 practice of law ~~,~~ or for furnishing legal advice, services, or  
 11 counsel. ~~It shall be unlawful further for any~~ A corporation or  
 12 voluntary association ~~to~~ SHALL NOT solicit itself or ~~by or~~  
 13 through its officers, agents, or ~~employees any~~ EMPLOYEES A claim  
 14 or demand for the purpose of bringing an action ~~thereon~~ ON THE  
 15 CLAIM OR DEMAND or of representing as attorney-at-law ~~,~~ or for  
 16 furnishing legal advice, services, or counsel to a person sued or  
 17 about to be sued in any action or proceeding or against whom an  
 18 action or proceeding has been or is about to be brought, or who  
 19 may be affected by any action or proceeding ~~which~~ THAT has been  
 20 or may be instituted in ~~any~~ A court or before ~~any~~ A judicial  
 21 body, or for the purpose of ~~so~~ representing ~~any~~ A person in  
 22 the pursuit of any civil remedy. ~~Any~~

23 (2) A corporation or voluntary association violating ~~the~~  
 24 ~~provisions of~~ this section, and ~~every~~ EACH officer, trustee,  
 25 director, agent, or ~~employee of such~~ EMPLOYEE OF THAT corpora-  
 26 tion or voluntary association who directly or indirectly engages  
 27 in any of the acts ~~herein~~ prohibited BY THIS SECTION or assists

1 such A corporation or voluntary association to do such A  
 2 prohibited ~~acts shall be~~ ACT IS guilty of a misdemeanor, ~~and~~  
 3 ~~shall be punished~~ PUNISHABLE by a fine ~~of~~ not to exceed ~~1,000~~  
 4 ~~dollars~~ \$1,000.00 or by imprisonment for ~~a period of~~ not to  
 5 exceed 6 months, or ~~by~~ both. ~~such fine and imprisonment, in~~  
 6 ~~the discretion of the court.~~ The fact that ~~such~~ THE officer,  
 7 trustee, director, agent, or ~~employee shall be~~ EMPLOYEE IS a  
 8 duly and regularly admitted attorney-at-law ~~shall not be held to~~  
 9 ~~permit or allow any such~~ DOES NOT PERMIT THAT corporation or  
 10 voluntary association to ~~do the acts prohibited herein nor shall~~  
 11 ~~such fact be a defense upon the trial of any of the persons men-~~  
 12 ~~tioned herein for a violation of the provisions of~~ VIOLATE THIS  
 13 SECTION AND IS NOT A DEFENSE FOR A PERSON THAT VIOLATES this  
 14 section.

15 (3) This section ~~shall~~ DOES not apply to any corporation  
 16 or voluntary association lawfully engaged in a business autho-  
 17 rized by ~~the provisions of any~~ AN existing statute, ~~nor~~ OR to  
 18 a corporation or voluntary association lawfully engaged in the  
 19 examination and insuring of titles of real property. ~~, nor shall~~  
 20 ~~it~~ THIS SECTION DOES NOT prohibit a corporation or voluntary  
 21 association from employing an attorney or attorneys ~~in and~~  
 22 ~~about~~ FOR its own immediate affairs or in any litigation to  
 23 which it is or may be a party, or from employing an attorney or  
 24 attorneys to render legal aid without charge to ~~any employee~~ AN  
 25 EMPLOYEE of ~~such~~ THE corporation or voluntary association. ~~,~~  
 26 ~~nor shall it~~ THIS SECTION DOES NOT apply to organizations  
 27 organized for benevolent or charitable purposes, or for the

1 purpose of assisting persons without means in the pursuit of any  
 2 civil remedy, whose existence, organization, or incorporation  
 3 ~~may be~~ IS approved by the circuit court of the circuit in which  
 4 the principal office of ~~said~~ THE corporation or voluntary asso-  
 5 ciation may be located. ~~Nothing herein contained shall~~ THIS  
 6 SECTION SHALL NOT be construed to prevent a corporation from fur-  
 7 nishing to ~~any~~ A person ~~,~~ lawfully engaged in the practice of  
 8 the law ~~,~~ ~~such~~ information or ~~such~~ clerical services in and  
 9 about his OR HER professional work as, except ~~for the provisions~~  
 10 of AS PROVIDED IN this act, may be lawful. ~~Provided, That at~~  
 11 ~~all times~~ HOWEVER, the lawyer receiving ~~such~~ THE information  
 12 or ~~such~~ services shall maintain full professional and direct  
 13 responsibility to his OR HER clients for the information and  
 14 services ~~so~~ received. ~~But no corporation shall be~~ HOWEVER,  
 15 THE CORPORATION IS NOT permitted to render ~~any~~ services ~~which~~  
 16 THAT cannot lawfully be rendered by a person not admitted to  
 17 practice law in this state ~~nor~~ OR to solicit directly or indi-  
 18 rectly professional employment for a lawyer.

19 (4) THIS SECTION DOES NOT APPLY TO REPRESENTATION OF A  
 20 MOBILE HOME PARK AS PERMITTED IN SECTION 916 OF THE REVISED JUDI-  
 21 CATURE ACT OF 1961, 1961 PA 236, MCL 600.916.

22 Enacting section 1. This amendatory act does not take  
 23 effect unless Senate Bill No. 1228

24 of the 90th Legislature is enacted into  
 25 law.