AN ACT to amend and reenact section five, article two, chapter thirty of the code of West Virginia, one thousand nine hundred thirty-one, as amended; and to further amend said article two by adding thereto a new section, designated section five-a, prohibiting the practice of law and other specified activities or representations in connection with the practice of law or the rendering of legal services by corporations, other than legal corporations, or voluntary associations; providing for criminal offenses and criminal penalties; negating certain defenses; providing certain exceptions; providing for the organization of legal corporations for the practice of law; maintaining the attorney-client relationship and any liability arising therefrom; specifying that the creation of a legal corporation shall not affect ethical standards of conduct; specifying that a legal corporation may issue its capital stock only to duly licensed attorneys; relating to authorization for legal corporations by the West Virginia State Bar; relating to fees; authorizing the West Virginia State Bar to adopt rules and regulations in connection with legal corporations; relating to issuance of certificate of incorporation for a legal corporation; establishing restrictions upon the transfer of shares of stock in a legal corporation; and relating to corporate names of legal corporations.

Be it enacted by the Legislature of West Virginia:

That section five, article two, chapter thirty of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted; and that said article two
be further amended by adding thereto a new section, designated section five-a, all to read as follows:

ARTICLE 2. ATTORNEYS AT LAW.

§30-2-5. Practice by corporations or voluntary associations; penalties; limitations of section.

1 Except as provided by section five-a of this article, it shall be unlawful for any corporation or voluntary association to practice or appear as an attorney at law for any person in any court of this state or before any judicial body, or to hold itself out to the public as being entitled to practice law, or to render or furnish legal services or advice, or to furnish an attorney or counsel to render legal services of any kind in actions or proceedings of any nature, or in any other manner to assume to be entitled to practice law, or assume, use or advertise the title of lawyer in such manner as to convey the impression that it is entitled to practice law or to furnish legal advice, services or counsel, or to advertise that, either alone or together with or by or through any person, whether a duly and regularly admitted attorney at law or not, it has, owns, conducts or maintains a law office for the practice of law, or for furnishing legal advice, services or counsel. It shall be unlawful further for any corporation or voluntary association to solicit, itself or by or through its officers, agents or employees, any claim or demand for the purpose of bringing an action thereon, or of settling the estate of any insolvent debtor, or of representing as attorney at law, or of furnishing legal advice, services or counsel to, a person sued or about to be sued in any action or proceeding, or against whom an action or proceeding has been or is about to be brought, or who may be affected by any action or proceeding which has or may be instituted in any court or before any judicial body, or for the purpose of so representing any person in the pursuit of any civil or criminal remedy. Any corporation or voluntary association violating the provisions of this section, or any officer, trustee, director, agent or employee of such corporation or voluntary association
who directly or indirectly engages in any of the acts herein prohibited, or assists such corporation or voluntary association to do such prohibited acts, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than one thousand dollars. The fact that any such officer, trustee, director, agent or employee shall be a duly and regularly admitted attorney at law shall not be held to permit or allow any such corporation or voluntary association to do the acts prohibited herein, nor shall such fact be a defense upon the trial of any of the persons mentioned herein for a violation of the provisions of this section.

This section shall not apply to a partnership composed of licensed attorneys, or to a corporation or voluntary association lawfully engaged in examining and insuring the titles to real property, nor shall it prohibit a corporation or voluntary association from employing an attorney or attorneys in and about its own immediate affairs or in any litigation to which it is or may be a party, nor shall it apply to organizations organized for benevolent or charitable purposes, or for the purpose of assisting persons without means in the pursuit of any civil remedy.

§30-2-5a. Legal corporations.

One or more individuals, each of whom is licensed to practice law within this state, may organize and become a shareholder or shareholders of a legal corporation. Individuals who may be practicing law as an organization created otherwise than pursuant to the provisions of this section may incorporate under and pursuant to this section: This section is not intended to amend the statutory or common law as it relates to associations or partnerships, except to allow partnerships of lawyers to organize as a legal corporation.

A legal corporation may render professional service only through officers, employees and agents who are themselves duly licensed to render legal service within this state. The term “employee” or “agent” as used in this section, does not include secretaries, clerks, typists, paralegal personnel or other individuals who are not usually and ordinarily considered by custom and practice
to be rendering legal services for which a license is re-
quired.
This section does not modify the law as it relates to the
relationship between a person furnishing legal services
and his client, nor does it modify the law as it relates to
liability arising out of such a professional service re-
lationship. Except for permitting legal corporations, this
section is not intended to modify any legal requirement or
court rule relating to ethical standards of conduct required
of persons providing legal service.
A legal corporation may issue its capital stock only to
persons who are duly licensed attorneys.
When not inconsistent with this section, the organiza-
tion and procedures of legal corporations shall conform
to the requirements of article one, chapter thirty-one of
this code.
The West Virginia State Bar may require that lawyers
under its licensing authority must obtain its prior autho-
rization before beginning to act as a legal corporation
and may require a fee of not more than fifty dollars for
each application for authorization to form a legal corpo-
ration. The state bar may adopt rules and regulations:
(1) To set reasonable standards for granting or refusing
prior approval, (2) to require appropriate information
therefor from a legal corporation applicant, and (3) to
notify the secretary of state that certain persons have been
given authorization by the state bar to form a legal
corporation.
Upon notification by the West Virginia State Bar of its
approval, the secretary of state, upon compliance by the
incorporators with this section and the applicable pro-
visions of chapter thirty-one of this code, may issue to
the incorporators a certificate of incorporation for the
legal corporation which then may engage in practice
through duly licensed or otherwise legally authorized
stockholders, employees and agents.
A shareholder of a legal corporation may sell or trans-
fer his shares of stock in such corporation only to another
individual who is duly licensed to practice law in this
state or back to the corporation.
The corporate name of a legal corporation shall contain the last name or names of one or more of its shareholders: Provided, That if the rules or regulations of the state bar so permit the corporate name may contain or include the name or names of former shareholders or of persons who were associated with a predecessor partnership or other organization. The corporate name shall also contain the words "legal corporation" or the abbreviation "L. C." The use of the word "company," "corporation," or "incorporated," or any other words or abbreviations in the name of a corporation organized under this article which indicates that such corporation is a corporation, other than the words "legal corporation" or the abbreviation "L. C." is specifically prohibited.
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The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Signed: A. B. Ballard
Chairman Senate Committee

Signed: Ethel J. Ruthledge
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

Signed: Howard L. Kanner
Clerk of the Senate

Signed: C. Blankenship
Clerk of the House of Delegates

Signed: E. H. McCann
President of the Senate

Signed: Lewis W. M. Mann
Speaker House of Delegates

The within approved this the 27th day of March, 1972.

Signed: A. S. L. M., Governor