

PETITION

The Board of Governors of the State Bar of Nevada ("State Bar") hereby petitions this Court to amend Nevada Rules of Professional Conduct (NRPC) 7.1 and 7.2 regarding the regulation of lawyer advertising. This petition is the result of a Board of Governors taskforce ("Taskforce") established to examine the effectiveness of lawyer advertising regulation in Nevada. The Board of Governors adopted the Taskforce recommendations and submits proposed amendments, attached hereto in their entirety, as Exhibit A.

DISCUSSION

In 1977, the U.S. Supreme Court ruled on *Bates v. Arizona*, which recognized lawyer advertising as free speech protected under the First Amendment. The ruling effectively lifted previous restrictions on lawyer advertising and began the evolution of lawyer advertising and regulation of the same.

Following *Bates*, this Court appointed a Study Commission on Lawyer Advertising (SCLA) to make recommendations which led to Nevada's initial advertising rules in 1990. In 2005, the issue of lawyer advertising was brought back for discussion, largely due to the emergence of multi-jurisdictional practice and the use of online technologies for lawyer advertising. The Court appointed another **SCA to study** advertising issues *de novo*; amended rules were adopted in 2007 that

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ELIZABETH A. BROWN ERK OF SUPREME COURT established the regulatory structure for lawyer advertising in Nevada. Except for minor amendments in 2012, these rules have been in effect for the past decade.

As part of its ten-year review, the Taskforce considered several issues affecting the regulation of lawyer advertising in this State. Taskforce members were drawn from the Board of Governors and current members of the southern and northern Nevada Lawyer Advertising Advisory Committees.

The Taskforce began by looking at adoption of lawyer advertising rules in other jurisdictions. In recent years, there has been a shift in regulatory models nationwide, with a trend toward adoption of the American Bar Association (ABA) Model Rules for Lawyer Advertising. ABA Model Rule 7.1, for example, simply states that lawyer advertising, regardless of the media in which the advertisement is disseminated, shall not be false or misleading. ABA Model Rule 7.2 goes a step further by subjecting violations of advertising rules to the same process as other alleged rule violations where investigation is initiated upon receipt of a complaint, rather than upon review and referral by a bar committee.

A review of 19 unified bar association lawyer advertising rules revealed varying degrees of consistency regarding adoption of the ABA Model Rules 7.1 and 7.2 with ABA Model Rule 7.1 being the most widely accepted. There is variation in statewide adoption of ABA Model Rule 7.2, particularly regarding required disclaimers. Additionally, Nevada, Florida and Texas are the only states that require attorneys to file their advertisements with the bar and that have standing committees dedicated to advertising review¹.

Using this information as a backdrop for its discussions, the Taskforce outlined its considerations beginning with a discussion regarding ABA Model Rule 7.1.

¹ Kentucky has an Advertising Review Committee established for the review of requests for Advance Opinions.

Before making recommendations regarding the adoption of ABA Model Rule 7.2, the Taskforce elected to divide its discussion into the following points of consideration:

Regulation of online lawyer advertising;
Role of Northern and Southern Lawyer Advertising Advisory Committees;

- Withdrawal or correction of an advertisement after dissemination;
- Administrative expenses associated with regulation; and
- Advertising disclosures and disclaimers.

I. <u>ABA Model Rule 7.1</u>

At least ten states² have adopted ABA Model Rule 7.1, Communication Concerning a Lawyer's Services, which states:

"A lawyer shall not make a false or misleading communication about the lawyer or the lawyer's services. A communication is false or misleading if it contains a material misrepresentation of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading."

The Taskforce found the ABA Model Rule language to be sufficient and clearly written. Moreover, the simplified language gives the Lawyer Advertising Advisory Committees more flexibility for interpretation. In comparison, the Taskforce also found that NRPC 7.1, which includes subsections (b), (c) and (d), to be interpretive in nature and limiting on the Committee's recommendations. Therefore, the Taskforce recommended, and the Board of Governors approved adopting ABA Model Rule 7.1 and amending NRPC 7.1 as follows:

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² Arizona, Kentucky, Massachusetts, New Mexico, Oklahoma, Oregon, Tennessee, Virginia, Washington and Wyoming.

NRPC 7.1. Communication Concerning a Lawyer's Services

A lawyer shall not make a false or misleading communication about the lawyer or the lawyer's services. A communication is false or misleading if it:

- (a) C contains a material misrepresentation of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading;
- (b) Is likely to create an unjustified or unreasonable expectation about results the lawyer can or has achieved, which shall be considered inherently misleading for the purposes of this Rule, or states or implies that the lawyer can achieve results by means that violate the Rules of Professional Conduct or other law:
- (c) Compares the lawyer's services with other lawyer's services, unless the comparison can be factually substantiated; or

(d) Contains a testimonial or endorsement which violates any portion of this Rule.

Regulation of Online Lawyer Advertising II.

The question before the Taskforce was: should lawyers' online advertisements be subject to Nevada's filing requirement?

All attorneys must comply with NRPC 7.1 and 7.2 when advertising, regardless of the format in which their advertisement is delivered. Nevada is one of three states that requires attorneys to file their advertising with their respective state bar for review³. Each state has exempted social media from its filing requirements,

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³ Florida, Nevada and Texas

although Texas does require the filing of websites. In Nevada, online advertising has been specifically exempted per Board of Governors policy.

Unlike traditional print, television and radio advertising, the forms of advertising in the social media sphere are harder to define, continually changing, and gaining popularity among the legal profession. For example, according to a 2015 Report of the Regulation of Lawyer Advertising Committee published by the Association of Professional Responsibility Lawyers (APRL), more than 60 percent of law firms now use LinkedIn and more than 80 percent of attorneys have LinkedIn profiles for their professional use.

Additionally, forms of advertising on social media vary significantly. Examples of existing forms include:

- Sponsored Facebook posts or sponsored tweets;
- Sponsored ads on third party websites;
- Third party online rating services such as AVVO, Yelp, Super Lawyers and Best Lawyers;
- Search engine optimization;
- Content marketing, such as legal blogs;

- You Tube infomercials;

- Paid pop-up advertisements on game apps and webpages; and
- Legal questions posed on Twitter with answers linked to a third-party website.

However, given the increased use of social media for lawyer advertising, the Taskforce recommended expanding the scope of the filing requirements by establishing a "bright line" regulation that could be applied consistently by requiring the filing of all advertisements that are disseminated in exchange for

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something of value. This would include both paid placements and in-kind or bartered placements. By way of example, this scope would encompass a lawyer donating \$1,000 to a public radio station who then airs a statement promoting the lawyer's practice. 4

Proposed amendments to NRPC 7.2A, Advertising Filing Requirements, are as follows:

Rule 7.2A. Advertising Filing Requirements

(a) Filing requirements. A [lawyer or law firm shall file with the state bar (1) a] copy or recording of an advertisement [all advertisements disseminated in exchange for something of value and; (2)] or written or recorded communication[s the lawyer causes to be disseminated for the purpose of advertising legal services. For the purpose of this Rule, websites are not considered to be advertisements subject to filing requirements.] published after September 1, 2007, shall be submitted to the state bar in [Submission shall be in a format provided by the bar] either physical or digital format within 15 days of first dissemination along with [accompanied by] a form supplied by the state bar. If a published item that was first disseminated prior to September 1, 2007, will continue to be published after this date, then it must be submitted to the state bar on or before September 17, 2007, along with a form supplied by the state bar.

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Role of Northern and Southern Lawyer Advertising Advisory III. **Committees**

The ABA Model Rules for lawyer advertising do not include a framework for Lawyer Advertising Advisory Committees. However, in Nevada, consumer complaints about lawyer advertising are rare, with most referrals to the Office of

Bar Counsel originating from other attorneys or the bar's Lawyer Advertising Advisory Committees. Therefore, the Taskforce considered maintaining the committee structure, with amendments to provide for streamlined review.

Nevada Rule of Professional Conduct 7.2B requires the state bar to create two Standing Lawyer Advertising Advisory Committees to review advertisements filed under NRPC 7.2A and 7.2B(c). For efficiency and reduced administration time, the State Bar has recently held joint northern and southern Lawyer Advertising Advisory Committee meetings each month.

The Taskforce recommended and the State Bar proposes formalizing this process by amending NRPC 7.2B to create a single 11-member Advertising Advisory Committee, comprised of four northern and four southern members and three lay members. Additionally, the amendment proposes eliminating the requirement for a designated staff person to support the standing committees to provide the State Bar greater flexibility in staffing resources. The proposed amendment is as follows:

Rule 7.2B. Volunteer Advisory Committees; Pre-Dissemination Review

(a) Standing Lawyer Advertising Advisory Committees. The board of governors shall create <u>a two</u> Standing Lawyer Advertising Advisory
Committees, one for each district north and south as defined in Supreme Court
Rule 100, to review filings submitted under Rule 7.2A and to respond to written requests from an advertising lawyer or law firm voluntarily seeking an advance opinion regarding that lawyer's compliance with the advertising rules.

The board of governors may promulgate bylaws, rules of procedure, and reasonable fees for advance opinions to offset the administrative costs of these committees, as it deems necessary and proper. A state bar staff member or

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members shall be designated to assist with implementing this Rule, including but not limited to providing administrative support to the standing committees, and receiving and coordinating requests submitted under subparagraph (c)(1) of this Rule.

(1) **Committee composition.** Each [<u>The</u>] committee shall have a minimum of 5 volunteer members, 4 of whom shall be members of the State Bar of Nevada [<u>11 members</u>; eight of whom shall be members in good standing of the state bar; four of whom shall practice in northern Nevada and four of whom shall practice in southern Nevada. and 1 of whom <u>Three members</u> may be a non-lawyers]. Each committee shall also have a minimum of 5 members to serve as ad hoc or conflict replacements when needed. Members must have a full-time business or residential presence in the respective district.

(i) **Appointment.** Members shall be appointed by the board of governors and serve 2-year terms, subject to reappointment at the board's discretion. No member shall serve a lifetime total of more than 12 years. Members may be removed by the board of governors for cause.

(ii) **Minimum duties.** Each [<u>The</u>] committee shall meet at least monthly on a predetermined date, and as often thereafter as necessary, to review all matters before it in a timely fashion. Advance opinions shall be provided within 30 days of submission of the request or sooner. Requests to expedite review of advertisements shall be granted whenever possible within reason. The board of governors may promulgate a procedure and attach an added fee for expedited requests.

(b) **Review of filings; advisory opinions to bar counsel.** The committee may issue advisory opinions on any advertisement filed with the state bar. If the

committee finds that an advertisement does not comply with these Rules, it may issue an advisory opinion to bar counsel within 30 days of its review. The opinion must include the basis for the Committee's finding of noncompliance and a recommendation that bar counsel issue a notice to the lawyer or law firm requesting a correction or withdrawal of the advertisement. If bar counsel accepts the committee's recommendation and issues the notice, the advertising lawyer or law firm has 30 days to respond to bar counsel's notice. Bar counsel may initiate appropriate disciplinary action if the lawyer or law firm fails to file a timely response.

(c) **Pre-dissemination review.** A lawyer or law firm may file a written request with the state bar seeking an advance opinion on whether a proposed advertisement complies with these Rules. The request shall be made in the form and manner designated by the state bar. Upon receipt of such request, the state bar shall submit it to the appropriate Standing Lawyer Advertising Advisory Committee for its review.

(1) Advance opinion. Within 30 days of submission, the committee shall issue an advance opinion to the lawyer or law firm submitting the request for pre-dissemination review. The opinion shall include a finding of whether the proposed advertisement is in compliance with these Rules. If the Committee finds that the advertisement is not in compliance, then the opinion shall also include the basis for the finding and instructions on how the proposed advertisement can be corrected. Such an adverse opinion must also notify the lawyer or law firm of an opportunity for a hearing on [an appeal] the committee's finding of noncompliance and the procedure for requesting such a hearing.

(2) Appeal. An adverse advance opinion of one committee may be appealed by the requestor in writing to the other committee, which [Appeals are decided by the committee, whose] decision shall be controlling.
(d) Limitations; when binding on discipline authority. The committees

created under this Rule are [is] primarily dedicated to providing independent, volunteer peer advance opinions to lawyers upon request as a safe-harbor to future disciplinary action only. No request for an advance opinion shall be granted after a disciplinary investigation is commenced on the subject advertisement. In the event an opinion is inadvertently issued by a committee during or after a disciplinary review is in progress, the decision of any disciplinary panel convened pursuant to Supreme Court Rule 105 shall be controlling.

An advance opinion of noncompliance issued under this Rule shall not be binding on any disciplinary panel or bar counsel. An advance finding of compliance is binding on the disciplinary panel and bar counsel in favor of the advertising lawyer provided that the representations, statements, materials, facts and written assurances received in connection therewith are true and not misleading. An advance opinion of compliance constitutes admissible evidence if offered by a party.

(e) **Annual report.** The board of governors shall file an annual report with the clerk of this court that addresses, among other things, [the status of <u>lawyer advertising in this state.</u>] the state bar's efforts to enforce the rules, the operation of the standing committees, the effectiveness of the current rules and any changes to the rules that this court should consider. The first report under this paragraph shall be filed by December 31, 2008, and then annually thereafter.

IV. Withdrawal or Correction of Advertisement after Dissemination

Under NRPC 7.2B(b), when the Lawyer Advertising Advisory Committee refers a noncompliant advertisement to bar counsel, the lawyer is afforded the opportunity to withdraw or correct an advertisement that has already been disseminated. Bar counsel may initiate appropriate disciplinary action if the lawyer or law firm fails to file a timely response. This "loophole" in the lawyer advertising rules has been used by some attorneys (one to two per year) who routinely place advertisements in violation of the rule and then agree to withdraw them upon notice from bar counsel.

While bar counsel has the authority to bring these repeat violations forward for action and has done so, the Taskforce recommended and the State Bar proposes an amendment to NRPC 7.2B(b) to eliminate this provision and make advertising rule violations subject to investigation and discipline the same as other alleged rule violations. Bar counsel would retain its ability to informally resolve the matter if warranted under SCR 104(2). The proposed amendment is as follows:

NRPC 7.2B Volunteer Advisory Committees; Pre-Dissemination Review.

(b) **Review of filings; advisory opinions to bar counsel.** The committee may issue advisory opinions on any advertisement filed with the state bar. If the committee finds that an advertisement does not comply with these Rules, it may issue an advisory opinion to bar counsel within 30 days of its review. The opinion must include the basis for the Committee's finding of noncompliance and a

recommendation that bar counsel issue a notice to the lawyer or law firm
requesting a correction or withdrawal of the advertisement. If bar counsel accepts
the committee's recommendation and issues the notice, the advertising lawyer or
law firm has 30 days to respond to bar counsel's notice. Bar counsel may initiate
appropriate disciplinary action if [warranted] the lawyer or law firm fails to file a
timely response.

V. Administrative Expenses Associated with Regulation

The State Bar's lawyer advertising program operates on an annual budget of about \$20,000 per year. The Lawyer Advertising Advisory Committees review approximately 460 advertisements – filed by about 150 attorneys – each year. The advertising program budget includes actual expenses related to Committee meetings in Reno and Las Vegas, staff travel and 20 percent of the salary and benefits of one staff person needed to operate the program⁴. These administrative expenses are funded through the annual license fees paid by all Nevada attorneys, regardless of whether they advertise.

The State Bar proposes implementation of an administrative fee that would place the financial burden of regulating lawyer advertising on the segment of lawyers who advertise. The State Bar would anticipate implementing a \$100 filing fee, subject to review by the Board of Governors annually. The proposed Rule amendment is as follows:

Rule 7.2A. Advertising Filing Requirements

(a) **Filing requirements.** A [lawyer or law firm shall file with the state bar a] copy or recording of an advertisement or written or recorded communication.

⁴ Other expenditures not included in the program budget include attorney staff time, executive staff time, overhead and database maintenance expenses.

published after September 1, 2007, shall be submitted to the state bar in [Submission shall be in a format provided by the bar] either physical or digital format within 15 days of first dissemination along with [accompanied by] a form supplied by the state bar [and a filing fee, as established by the board of governors]. If a published item that was first disseminated prior to September 1, 2007, will continue to be published after this date, then it must be submitted to the state bar on or before September 17, 2007, along with a form supplied by the state bar.

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VI. Advertising Disclosures and Disclaimers

The ABA Model Rules do not specify disclosures or disclaimers to be required in lawyer advertising. Research of comparable rules in other states shows a great degree of variation regarding adoption of Model Rule 7.2, particularly as they relate to disclaimers, with most states having disclosure or disclaimer requirements to one extent or another⁵.

Nevada has at least nine specific disclosure or disclaimer requirements, including identification of actors, statements regarding contingency fees, the duration for how long specific attorney fees are in effect and statements that warn consumers that past successes or results may not guarantee, warrant or predict future cases. Upon review of the current disclosure and disclaimer requirements, the Taskforce and the State Bar agreed that although these requirements should not be eliminated, they can be simplified by moving language that is interpretive in nature

^{25 ||&}lt;sup>5</sup> No disclosures required in Arizona, Idaho, Utah and Washington. Minimal disclosures required in Alabama, Alaska, Florida, Georgia, New Mexico, Oregon and Wyoming.

from Rule to interpretive guidance so as to provide more flexibility in addressing future advertising methods as they develop.

Additionally, the Task force recommended and the State Bar approved amending NRPC 7.2 to adopt a modified version of ABA Model Rule 7.2(b) prohibiting a lawyer for giving anything of value to a person for recommending the lawyer's services. These proposed amendments are as follows:

NRPC 7.2. Advertising

(a)—Subject to the requirements of Rule 7.1 <u>and 7.3</u>, a lawyer may advertise services through <u>written</u>, recorded or electronic communication, including the public media., such as a telephone directory, legal directory, newspaper or other periodical, billboards and other signs, radio, television and recorded messages the public may access by dialing a telephone number, or through written or electronic communication not involving solicitation as prohibited by Rule 7.3.

-----These Rules shall not apply to any advertisement broadcast or disseminated in another jurisdiction in which the advertising lawyer is admitted if such advertisement complies with the rules governing lawyer advertising in that jurisdiction and the advertisement is not intended primarily for broadcast or dissemination within the State of Nevada.

[(a) Except as allowed under Rule 7.1(e), a lawyer shall not give anything of value to a person for recommending the lawyer's services, except that a lawyer may pay the reasonable cost of advertising or written or recorded communication permitted by these Rules and may pay the usual charges of a lawyer referral service or other legal service organization.

(b) Any communication made pursuant to this Rule shall include the following disclaimers and disclosures:]

(b1) [Use of actors.] If the advertisement uses any actors to portray a lawyer, members of the law firm, clients, or utilizes depictions of fictionalized events or scenes, the same must be disclosed. In the event actors are used, the disclosure must be sufficiently specific to identify which persons in the advertisement are actors, and the disclosure must appear for the duration in which the actor(s) appear in the advertisement.

(e2) [Lawyer responsible for content.] All advertisements and written communications disseminated pursuant to these Rules shall identify the name of at least one lawyer responsible for their content.

(d<u>3</u>) [<u>Area(s) of practice.</u>] Every advertisement and written communication that indicates one or more areas of law in which the lawyer or law firm practices shall conform to the requirements of Rule 7.4.

(e4) [Contingency fees.] Every advertisement and written communication indicating that the charging of a fee is contingent on outcome or that the fee will be a percentage of the recovery shall contain the following <u>a</u> disclaimer if [that] the client may be liable for the opposing parties' fees and costs: "You may have to pay the opposing parties' attorney fees and costs in the event of a loss."

(<u>f5</u>) [<u>Range of fees.</u>] A lawyer who advertises a specific fee or range of fees shall include the duration said fees are in effect and any other limiting conditions to the availability of the fees. For advertisements in the yellow pages of telephone directories or other media not published more frequently than annually, the advertised fee or range of fees shall be honored for no less than one year following publication.

(g6) [Quality of services.] A lawyer may make [Statements] describing or characterizing the quality of the lawyer's services in advertisements and written

communications. However, such statements are subject to proof of verification, to be provided at the request of the state bar or a client or prospective client.

(7) [Statement regarding past results.] If the advertisement contains any reference to past successes or results obtained, the communicating lawyer or member of the law firm must have served as lead counsel in the matter giving rise to the recovery, or was primarily responsible for the settlement or verdict. The advertisement shall also contain a disclaimer that past results do not guarantee, warrant, or predict future cases.

If the past successes or results obtained include a monetary sum, the amount involved must have been actually received by the client, and the reference must be accompanied by adequate information regarding the nature of the case or matter and the damages or injuries sustained by the client, and if the gross amount received is stated, the attorney fees and litigation expenses withheld from the amount must be stated as well.

(hb) Any statement or disclaimer required by these rules shall be made in each language used in the advertisement or writing with respect to which such required statement or disclaimer relates; provided, however, the mere statement that a particular language is spoken or understood shall not alone result in the need for a statement or disclaimer in that language.

(i) Statement regarding past results. If the advertisement contains any reference to past successes or results obtained, the communicating lawyer or member of the law firm must have served as lead counsel in the matter giving rise to the recovery, or was primarily responsible for the settlement or verdict. The advertisement shall also contain a disclaimer that past results do not guarantee, warrant, or predict future cases.

— If the past successes or results obtained include a monetary sum, the amount involved must have been actually received by the client, and the reference must be accompanied by adequate information regarding the nature of the case or matter and the damages or injuries sustained by the client, and if the gross amount received is stated, the attorney fees and litigation expenses withheld from the amount must be stated as well.

(jc) **Diselaimers.** [Any information required by these rules to appear in an advertisement must be reasonably prominent and clearly legible if written, or intelligible if spoken.] In addition to any specific requirements under these rules, any disclosures or disclaimers required by these rules to appear in an advertisement or unsolicited written communication must be of sufficient size to be clearly legible and prominently placed so as to be conspicuous to the intended viewer. If the disclosure or disclaimer is televised or broadcast in an electronic medium, it shall be displayed for a sufficient time to enable the viewer to see and read the disclosure or disclaimer. If the disclosure or disclaimer. If the disclosure or disclaimer is spoken aloud, it shall be plainly audible to the intended listener. If the statement is made on a website, the required words or statements shall appear on the same page as the statement requiring the disclosure or disclaimer.

(k) The following information in advertisements and written communications shall be presumed not to violate the provisions of Rule 7.1:

(1) Subject to the requirements of this Rule and Rule 7.5, the name of the lawyer or law firm, a listing of lawyers associated with the firm, office addresses and telephone numbers, office and telephone service hours, and a designation such as "attorney" or "law firm."

(2) Date of admission to the State Bar of Nevada and any other bars and a 1 listing of federal courts and jurisdictions other than Nevada where the lawyer is 2 3 licensed to practice. (3) Technical and professional licenses granted by the state or other 4 recognized licensing authorities. 5 (4) Foreign language ability. 6 (5) Fields of law in which the lawyer is certified or designated, subject to 7 the requirements of Rule 7.4. 8 (6) Prepaid or group legal service plans in which the lawyer participates. 9 (7) Acceptance of credit cards. 10 11 (8) Fee for initial consultation and fee schedule, subject to the requirements 12 of paragraphs (e) and (f) of this Rule. (9) A listing of the name and geographic location of a lawyer or law firm as 13 a sponsor of a public service announcement or charitable, civic or community 14 15 program or event. (1d) Nothing in this Rule prohibits a lawyer or law firm from permitting the 16 inclusion in law lists and law directories intended primarily for the use of the 17 legal profession of such information as has traditionally been included in these 18 publications. 19 (m) A copy or recording of an advertisement or written or recorded 20 communication shall be submitted to the State Bar in accordance with Rule 21 7.2A and shall be retained by the lawyer or law firm which advertises for 4 22 years after its last dissemination along with a record of when and where it was 23 24 used. 25

(n) A lawyer shall not give anything of value to a person for recommending the lawyer's services, except that a lawyer may pay the reasonable cost of advertising or written or recorded communication permitted by these Rules and may pay the usual charges of a lawyer referral service or other legal service organization.

CONCLUSION

During its ten-year review of lawyer advertising regulations in Nevada, the State Bar worked to create a balance between public protection, attorney free speech and effective regulation.

The State Bar's proposed amendments to lawyer advertising regulation will continue to safeguard the public while streamlining the advertising review process and expand regulation to all forms of advertising in which there is paid placement. Furthermore, with the proposed assessment of a filing fee, the State Bar will shift the financial burden of lawyer advertising regulation onto the relatively small population of attorneys who engage in paid placement marketing practices.

Respectfully submitted this 5th day of July 2017.

STATE BAR OF NEVADA BOARD OF GOVERNORS

BRYAN K. SCOTT, President Nevada Bar No. 4381 State Bar of Nevada 3100 W. Charleston Boulevard Las Vegas, NV 89102 (702) 382-2200

EXHIBIT A

NRPC 7.1 Communications Concerning a Lawyer's Services

A lawyer shall not make a false or misleading communication about the lawyer or the lawyer's services. A communication is false or misleading if it: (a) <u>C[contains</u> a material misrepresentation of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading.]; (b) Is likely to create an unjustified or unreasonable expectation about results the lawyer can or has achieved, which shall be considered inherently misleading for the purposes of this Rule, or states or implies that the lawyer can achieve results by means that violate the Rules of Professional Conduct or other law; (c) Compares the lawyer's services with other lawyers' services, unless the comparison can be factually substantiated; or

(d) Contains a testimonial or endorsement which violates any portion of this Rule.

NRPC 7.2 Advertising

(a)–Subject to the requirements of Rule 7.1 and 7.3, a lawyer may advertise services through written, recorded or electronic communication, including the public media., such as a telephone directory, legal directory, newspaper or other periodical, billboards and other signs, radio, television and recorded messages the public may access by dialing a telephone number, or through written or electronic communication not involving solicitation as prohibited by Rule 7.3.

[(a) Except as allowed under Rule 7.1(e), a lawyer shall not give anything of value to a person for recommending the lawyer's services, except that a lawyer may pay the reasonable cost of advertising or written or recorded communication permitted by these Rules and may pay the usual charges of a lawyer referral service or other legal service organization.

(b) Any communication made pursuant to this Rule shall include the following disclaimers and disclosures:]

(b1) [Use of actors.] If the advertisement uses any actors to portray a lawyer, members of the law firm, clients, or utilizes depictions of fictionalized events or scenes, the same must be disclosed. In the event actors are used, the disclosure must be sufficiently specific to identify which persons in the advertisement are actors, and the disclosure must appear for the duration in which the actor(s) appear in the advertisement.

(e2) [Lawyer responsible for content.] All advertisements and written communications disseminated pursuant to these Rules shall identify the name of at least one lawyer responsible for their content.

(d<u>3</u>) [<u>Area(s) of practice.</u>] Every advertisement and written communication that indicates one or more areas of law in which the lawyer or law firm practices shall conform to the requirements of Rule 7.4.

(e4) [Contingency fees.] Every advertisement and written communication indicating that the charging of a fee is contingent on outcome or that the fee will be a percentage of the recovery shall contain the following <u>a</u> disclaimer if [that] the client may be liable for the opposing parties' fees and costs: "You may have to pay the opposing parties' attorney fees and costs in the event of a loss."

(<u>f5</u>) [<u>Range of fees.</u>] A lawyer who advertises a specific fee or range of fees shall include the duration said fees are in effect and any other limiting conditions to the availability of the fees. For advertisements in the yellow pages of telephone directories or other media not published more frequently than annually, the advertised fee or range of fees shall be honored for no less than one year following publication.

(g6) [Quality of services.] A lawyer may make [Statements] describing or characterizing the quality of the lawyer's services in advertisements and written communications. However, such statements are subject to proof of verification, to be provided at the request of the state bar or a client or prospective client.

(7) [Statement regarding past results.] If the advertisement contains any reference to past successes or results obtained, the communicating lawyer or member of the law firm must have served as lead counsel in the matter giving rise to the recovery, or was primarily responsible for the settlement or verdict. The advertisement shall also contain a disclaimer that past results do not guarantee, warrant, or predict future cases.

If the past successes or results obtained include a monetary sum, the amount involved must have been actually received by the client, and the reference must be

accompanied by adequate information regarding the nature of the case or matter and the damages or injuries sustained by the client, and if the gross amount received is stated, the attorney fees and litigation expenses withheld from the amount must be stated as well.

(<u>hb</u>) Any statement or disclaimer required by these rules shall be made in each language used in the advertisement or writing with respect to which such required statement or disclaimer relates; provided, however, the mere statement that a particular language is spoken or understood shall not alone result in the need for a statement or disclaimer in that language.

(i) Statement regarding past results. If the advertisement contains any reference to past successes or results obtained, the communicating lawyer or member of the law firm must have served as lead counsel in the matter giving rise to the recovery, or was primarily responsible for the settlement or verdict. The advertisement shall also contain a disclaimer that past results do not guarantee, warrant, or predict future cases.

(jc) **Diselaimers.** [Any information required by these rules to appear in an advertisement must be reasonably prominent and clearly legible if written, or intelligible if spoken.] In addition to any specific requirements under these rules, any disclosures or disclaimers required by these rules to appear in an advertisement or unsolicited written communication must be of sufficient size to be clearly legible and prominently placed so as to be conspicuous to the intended viewer. If the disclosure or disclaimer is televised or broadcast in an electronic medium, it shall be displayed for a sufficient time to enable the viewer to see and read the disclosure or disclaimer. If the disclosure or disclaimer. If the statement is made on a website, the required words or statements shall appear on the same page as the statement requiring the disclosure or disclaimer.

(k) The following information in advertisements and written communications shall be presumed not to violate the provisions of Rule 7.1:

(1) Subject to the requirements of this Rule and Rule 7.5, the name of the lawyer or law firm, a listing of lawyers associated with the firm, office addresses and telephone numbers, office and telephone service hours, and a designation such as "attorney" or "law firm."

(2) Date of admission to the State Bar of Nevada and any other bars and a listing of federal courts and jurisdictions other than Nevada where the lawyer is licensed to practice.

(3) Technical and professional licenses granted by the state or other recognized licensing authorities.

(4) Foreign language ability.

(5) Fields of law in which the lawyer is certified or designated, subject to the requirements of Rule 7.4.

(6) Prepaid or group legal service plans in which the lawyer participates.

(7) Acceptance of credit cards.

(8) Fee for initial consultation and fee schedule, subject to the requirements of paragraphs (e) and (f) of this Rule.

(9) A listing of the name and geographic location of a lawyer or law firm as a sponsor of a public service announcement or charitable, civic or community program or event.

(<u>ld</u>) Nothing in this Rule prohibits a lawyer or law firm from permitting the inclusion in law lists and law directories intended primarily for the use of the legal profession of such information as has traditionally been included in these publications.

(m) A copy or recording of an advertisement or written or recorded communication shall be submitted to the State Bar in accordance with Rule 7.2A and shall be retained by the lawyer or law firm which advertises for 4 years after its last dissemination along with a record of when and where it was used.

(n) A lawyer shall not give anything of value to a person for recommending the lawyer's services, except that a lawyer may pay the reasonable cost of advertising or written or recorded communication permitted by these Rules and may pay the usual charges of a lawyer referral service or other legal service organization.

Rule 7.2A. Advertising Filing Requirements

(a) Filing requirements. A [lawyer or law firm shall file with the state bar (1) a] copy or recording of an advertisement [all advertisements disseminated in exchange for something of value and; (2)] or written or recorded communication[s the lawyer causes to be disseminated for the purpose of advertising legal services. For the purpose of this Rule, websites are not considered to be advertisements subject to filing requirements.] published after September 1, 2007, shall be submitted to the state bar in [Submission shall be in a format provided by the bar] either physical or digital format within 15 days of first dissemination along with [accompanied by] a form supplied by the state bar [and a filing fee, as established by the board of governors]. If a published item that was first disseminated prior to September 1, 2007, will continue to be published after this date, then it must be submitted to the state bar on or before September 17, 2007, along with a form supplied by the state bar.

(b) **Failure to file.** A lawyer or law firm's failure to file an advertisement in accordance with paragraph (a) is grounds for disciplinary action. In addition, for purposes of disciplinary review pursuant to Supreme Court Rule 106 (privilege and limitation), when a lawyer or law firm fails to file, the 4-year limitation period begins on the date the advertisement was actually known to bar counsel.

Rule 7.2B. Volunteer Advisory Committees; Pre-Dissemination Review

(a) **Standing Lawyer Advertising Advisory Committees.** The board of governors shall create <u>a two</u> Standing Lawyer Advertising Advisory Committees, one for each district north and south as defined in Supreme Court Rule 100, to review filings submitted under Rule 7.2A and to respond to written requests from an advertising lawyer or law firm voluntarily seeking an advance opinion regarding that lawyer's compliance with the advertising rules.

The board of governors may promulgate bylaws, rules of procedure, and reasonable fees for advance opinions to offset the administrative costs of these committees, as it deems necessary and proper. A state bar staff member or members shall be designated to assist with implementing this Rule, including but not limited to providing administrative support to the standing committees, and receiving and coordinating requests submitted under subparagraph (c)(1) of this Rule.

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(1) **Committee composition.** Each [<u>The</u>] committee shall have a minimum of 5 volunteer members, 4 of whom shall be members of the State Bar of Nevada [<u>11 members; eight of whom shall be members in good standing of the state bar;</u> four of whom shall practice in northern Nevada and four of whom shall practice in <u>southern Nevada</u>. and 1 of whom <u>Three members</u> may be a non-lawyers]. Each committee shall also have a minimum of 5 members to serve as ad hoc or conflict replacements when needed. Members must have a full-time business or residential presence in the respective district.

(i) **Appointment.** Members shall be appointed by the board of governors and serve 2-year terms, subject to reappointment at the board's discretion. No member shall serve a lifetime total of more than 12 years. Members may be removed by the board of governors for cause.

(ii) **Minimum duties.** Each [<u>The</u>] committee shall meet at least monthly on a predetermined date, and as often thereafter as necessary, to review all matters before it in a timely fashion. Advance opinions shall be provided within 30 days of submission of the request or sooner. Requests to expedite review of advertisements shall be granted whenever possible within reason. The board of governors may promulgate a procedure and attach an added fee for expedited requests.

(b) **Review of filings; advisory opinions to bar counsel.** The committee may issue advisory opinions on any advertisement filed with the state bar. If the committee finds that an advertisement does not comply with these Rules, it may issue an advisory opinion to bar counsel within 30 days of its review. The opinion must include the basis for the Committee's finding of noncompliance and a recommendation that bar counsel issue a notice to the lawyer or law firm requesting a correction or withdrawal of the advertisement. If bar counsel accepts the committee's recommendation and issues the notice, the advertising lawyer or law firm has 30 days to respond to bar counsel's notice. Bar counsel may initiate appropriate disciplinary action if [warranted] the lawyer or law firm fails to file a timely response.

(c) **Pre-dissemination review.** A lawyer or law firm may file a written request with the state bar seeking an advance opinion on whether a proposed advertisement complies with these Rules. The request shall be made in the form and manner designated by the state bar. Upon receipt of such request, the state bar shall submit it to the appropriate Standing Lawyer Advertising Advisory Committee for its review.

(1) Advance opinion. Within 30 days of submission, the committee shall issue an advance opinion to the lawyer or law firm submitting the request for predissemination review. The opinion shall include a finding of whether the proposed advertisement is in compliance with these Rules. If the Committee finds that the advertisement is not in compliance, then the opinion shall also include the basis for the finding and instructions on how the proposed advertisement can be corrected. Such an adverse opinion must also notify the lawyer or law firm of an opportunity for a hearing on [an appeal] the committee's finding of noncompliance and the procedure for requesting such a hearing.

(2) **Appeal.** An adverse advance opinion of one committee may be appealed by the requestor in writing to the other committee, which [Appeals are decided by the committee, whose] decision shall be controlling.

(d) Limitations; when binding on discipline authority. The committees created under this Rule are [is] primarily dedicated to providing independent, volunteer peer advance opinions to lawyers upon request as a safe-harbor to future disciplinary action only. No request for an advance opinion shall be granted after a disciplinary investigation is commenced on the subject advertisement. In the event an opinion is inadvertently issued by a committee during or after a disciplinary review is in progress, the decision of any disciplinary panel convened pursuant to Supreme Court Rule 105 shall be controlling.

An advance opinion of noncompliance issued under this Rule shall not be binding on any disciplinary panel or bar counsel. An advance finding of compliance is binding on the disciplinary panel and bar counsel in favor of the advertising lawyer provided that the representations, statements, materials, facts and written assurances received in connection therewith are true and not misleading. An advance opinion of compliance constitutes admissible evidence if offered by a party.

(e) **Annual report.** The board of governors shall file an annual report with the clerk of this court that addresses, among other things, [the status of lawyer advertising in this state.] the state bar's efforts to enforce the rules, the operation of the standing committees, the effectiveness of the current rules and any changes to the rules that this court should consider. The first report under this paragraph shall be filed by December 31, 2008, and then annually thereafter.

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