IN THE SUPREME COURT OF THE STATE OF ALASKA

ORDER NO. 1371

Amending Alaska Rule of Professional Conduct 5.4(a) concerning the sharing of legal fees with a nonlawyer.

IT IS ORDERED that paragraph (a) of Alaska Rule of Professional Conduct 5.4 is amended to read as follows:

(a) A lawyer or law firm shall not share legal fees with a nonlawyer, except that:

(1) an agreement by a lawyer with the lawyer's firm, partner, or associate may provide for the payment of money, over a reasonable period of time after the lawyer's death, to the lawyer's estate or to one or more specified persons;

(2) a lawyer who<u>undertakes</u> to complete unfinished legal-business of a deceased lawyer may pay to the estate of the deceased lawyer that proportion of the total compensation which fairly represents the services rendered by the deceased lawyer purchases the practice of a lawyer who is deceased, disabled, or whose whereabouts are unknown may, pursuant to the provisions of Rule 1.17, pay to the estate or other representative of that lawyer the agreed-upon purchase price; and

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> a lawyer or law firm may include nonlawyer (3) employees in a compensation or retirement plan, even though the plan is based in whole or in part on a profit-sharing arrangement.

DATED: September 2, 1999

EFFECTIVE DATE: April 15, 2000

/s/

Chief Justice Matthews

/s/ Justice Eastaugh

/s/

Justice Fabe

/s/

Justice Bryner

/s/

Justice Carpeneti