



On left, Dewitt M. Lacy

Dewitt M. Lacy

# SOME CONSIDERATIONS FOR SHARING OFFICE SPACE

**T**hough it may seem a daunting task at first, many more lawyers are taking a bold step and starting their own practices. This phenomenon can be credited to several factors. Large firms are downsizing due to current economic pressures, a substantial percentage of women and minority attorneys still experience a sturdy glass ceiling when it comes to partnership at larger firms, and still other attorneys are starting their own offices because of the increased freedom and autonomy that come along with owning your own business.

Unfortunately, most attorneys looking to start their own practice have the unfriendly burden of finding of-

fice space. In today's rough and tumble times, a solution for the headaches related to expensive rents for office space can often be mitigated by sharing office space with another business. However, before you consent to signing your name on a lease agreement, there are several considerations that deserve your attention.

Sharing office space is probably the most cost effective solution for new solo practitioners who feel they need to have a more formal office space and cannot work in an office space at home. The first question you might want to ask yourself is, do you *really* need office space? If you have very few client interactions in your practice, working out of a home office may be a viable choice. However, if you plan on a steady level of client traffic

and contact, a more formal office setting will probably better suit your business.

How long you plan on working in that particular setting should be a determining factor in deciding whether or not you want to make any office the home of your business. Do not pay for something you do not need. Are you only giving the solo life a try for a year or a few months and not thinking of a serious long-term commitment? If so, you may well want to consider toughing it out at home before involving yourself in a shared office environment.

ethical and professional implications, discussed more thoroughly later, that should be considered before doing this. For example, duties of confidentiality and competence can become an issue when sharing support staff.

You should keep in mind, though, that sharing office space with nonlawyers is not prohibited and may even provide some needed foot traffic for your new office. In addition, negotiating with two or three potential office mates allows you more leverage. I suggest starting with a mentor in the legal field or a community center

## Part of having your own office is learning what works for you and your clients through trial and error.

Before agreeing to share space, and thus, in most circumstances share burdens, find out how long your soon-to-be office mate plans on being in residence. If there is a lease, find out for how long the space has been leased. If your office mate is planning on moving in a few months and your ambitions require a stable office address for the next few years, you might want to consider another space or toughing it out at a home office.

Much like any roommate hunt, there are a few practical aspects to office sharing that need examination. It may seem like common sense and an unworthy task, but it is necessary to examine the office culture and ask yourself whether your practice fits within the current culture. An office I shared had an office dog from time to time. While that worked fine with my Civil Rights practice, it may not work as well for others that demand a more professional setting.

If you are thinking of sharing office space with another attorney or law office, you should consider the type of law your potential office mates are practicing. While it may benefit any solo practitioner to share office space with attorneys of a similar practice, there are definitely

that houses nonprofits.

Giving thought to the working relationship that you want to exist in the office will make for a more collaborative office space in the future. You can make sharing your office space with other lawyers or nonlawyers increase your opportunity to acquire more business by being of counsel for some of your office mate's business. It can help solidify professional roles, boundaries, and standards for your office. I suggest picking up a copy of *The of Counsel Agreement: A Guide for Law Firm and Practitioner*, by Harold G. Wren and Beverly J. Glascock, at a local bookstore or law library. It contains good information on the many variances in of counsel relationships. An "of counsel" relationship can mean anything from a probationary partner to an independent lawyer who helps out on a part-time basis.

Either way you decide, formalize the agreement in writing to assure the security and sanity you will crave should the relationship go awry. Remember that a short conversation and a detailed memorandum early on can help to resolve later problems and prevent disruption of friendships or business relationships.

Whomever you end up deciding to share office space with, a lease agreement is another document that you will need to discuss. You can find templates for lease agreements online if you need to develop one on your own. Moreover, there are more vacant spaces than normal in today's marketplace for office space.

But before you sign, consider the implications of the type of lease. "Failure to properly understand the ramifications of what type of lease you are entering can have a substantial financial impact on your law practice." See *The California Guide to Opening and Managing a Law Office* published by the State Bar of California. Make sure you understand the difference between gross and net leases. If you end up signing a net lease with a landowner then your business could be responsible for paying normal utilities, maintenance, and the regular taxes associated with ownership.

Unless you have a great concern for dictating the office décor, a sublease might offer the best, most economical lease agreement. A sublease allows you to negotiate with greater latitude about adding friendly clauses to the terms of your lease agreement, like assignment clauses. With an assignment clause, you can assign your interest to another company or solo practitioner if you need to move out before the lease expires.

Ethical issues and concerns offer the most complication for office sharing. Even still, there are several things you can do to prevent these problem areas from creating the biggest malpractice and ethics traps in your practice.

First, you will need to get your own letterhead and stationery. Business and Professions Code section 6106 prohibits an attorney from misleading a client, which means allowing a client to believe you and your office mate are partners in business. But, before paying an unreasonable amount for the development of your office brand, research some local advertising and marketing companies for competitive pricing. I used the services of a local advertising and marketing company, In the Bag San Francisco ([www.inthebagsf.com](http://www.inthebagsf.com)), which has excellent service and understands the needs of solo practitioners.

Second, if there is a shared receptionist, the receptionist cannot lead callers to believe there is only one law practice in the office. Most importantly, use your own computer and computer network. If you do not have your own laptop or desktop computer, you will need to get one. Sharing computers or computer networks risks violating duties of client confidentiality.

In addition, each attorney has the duty to supervise his or her subordinates to ensure that they do not violate any rules of professional conduct while performing their employment duties. See California Rule of Professional Conduct Rule 3-110(A). That means making sure that discussion of party names and specific case facts should not be a topic of discussion for that intern you hired to share with your office mate's secretary.

Of course, all the preparation in the world cannot prevent every problem scenario from occurring. Problems will occur. Part of having your own law office is learning what works for you and your clients through some trial and error. But so long as you perform your due diligence and adhere to ethical standards of professional responsibility, you should fare well. The State Bar membership office should be utilized when you are uncertain.

Keep in mind that, if you are thinking of starting your own practice and sharing an office space, asking questions is never wrong. More than likely, you'll find sharing an office space an enjoyable experience. I certainly enjoyed sharing an office with another firm. It offered the opportunity to host client meetings in a professional setting, have some ownership of personal space, and form lasting relationships with other attorneys in the practice who could give invaluable advice.

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