



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

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**Federal Trade Commission
Washington, DC 20580**

**Department Of Justice
Washington, DC 20530**

March 28, 2003

The Honorable William J. Murphy
Speaker of the House of Representatives
Speaker's Office
State House
Providence, Rhode Island 02903

The Honorable Gordon D. Fox
Majority Leader of the House of Representatives
Majority Leader's Office
State House
Providence, Rhode Island 02903

The Honorable Robert A. Watson
Minority Leader of the House of Representatives
Minority Leader's Office
State House
Providence, Rhode Island 02903

Members of the House Judiciary Committee
c/o The Honorable Robert E. Flaherty
Chairperson, Committee on the Judiciary
House of Representatives
State House, Room 206
Providence, Rhode Island 02903

The Honorable Rene R. Menard
House of Representatives
Providence, Rhode Island 02903

Proposed Bills H.5936 and H.5639, Proposed Restrictions on Competition From Non-Attorneys In Real
Re: Estate Closing Activities

Dear Speaker and Members of the House of Representatives:

We understand that the Rhode Island House of Representatives is considering two bills that would amend the definition of "practice of law" to require lawyers to represent buyers in virtually all aspects of the real estate closing process. These bills are H.5936 and H.5639, both entitled, "An Act Relating To Criminal Offenses - Law Practice."

Both bills are very similar to H.7462, considered by the House of Representatives last year. The Department of Justice and the Federal Trade Commission urged the House to reject that bill because it would have restrained competition between lawyers and nonlawyers for real estate closing business, likely resulting in increased costs for Rhode Island consumers. The current bills raise many of the same concerns as H.7462 did. Accordingly, we urge the General Assembly to reject the current legislation for the reasons stated in our March 29, 2002 letter.⁽¹⁾ A copy of our 2002 letter is attached.

Sincerely yours,

R. Hewitt Pate
Acting Assistant Attorney General
United States Department of Justice
Antitrust Division

By Order of the

Federal Trade Commission,
Timothy J. Muris
Chairman

1. The bills primarily differ from the old bill in two respects. First, the new bills will allow realtors to answer questions about purchase and sale agreements and other issues that the old bill would have forbidden. Second, H. 5639 contains a provision present in the old bill that would permit employees of corporations owned exclusively by Rhode Island attorneys to close transactions. We believed this provision could raise interstate commerce clause and other concerns. H. 5936, however, does not include this provision. In any event, these changes do not diminish our concerns about the potential anticompetitive impact of the bills and we urge their rejection.