



UNITED STATES OF AMERICA



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

Re: Proposed Bills H.5936 and H.5639, Proposed Restrictions on  
Competition From Non-Attorneys In Real 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.<sup>1</sup> 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

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<sup>1</sup> 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.