

Rule 12. Restricted and Involuntary Restricted Status

A. Election of Restricted Status. A lawyer duly admitted to practice in this state may elect restricted status as defined in Rule 2X by sending written notice of such election to the Director, except that a referee or judicial officer of any court of record of the State of Minnesota or lawyer employed and serving as attorney or legal counsel for any employer, including any governmental unit of the State of Minnesota, is not eligible to apply for restricted status. A lawyer on restricted status shall not be required to satisfy the educational and reporting requirements of these Rules.

B. Restrictions Imposed. A lawyer on restricted or involuntary restricted status shall be subject to the following provisions and restrictions:

(1) The lawyer may not engage in the practice of law or represent any person or entity in any legal matter or proceedings within the State of Minnesota other than himself or herself, except as provided in Rule 14.

(2) The name of the lawyer may not appear on law firm letterhead without a qualification that the lawyer's Minnesota license is restricted. A law firm name may continue to include the lawyer's name if the name was included prior to the lawyer's placement on restricted or involuntary restricted status. The lawyer may not be listed "of counsel" or otherwise be represented to clients or others as being able to undertake legal business.

(3) The lawyer may not have a financial interest in a law firm that is a professional corporation.

C. Transfer from Restricted Status to Active Status.

(1) **Notice to Director and Fee.** Unless otherwise ordered by the Court, a lawyer on restricted status who desires to resume active status shall notify the Director in writing of the lawyer's intention to resume active status and submit a transfer fee of \$125.

(2) **Transfer Requirements.** A lawyer on restricted status shall be transferred to active status upon the Director's determination that the lawyer has fulfilled the requirements of paragraph (a) or paragraph (b) below:

(a) **Automatic transfer requirements.** The lawyer has completed the number of CLE hours that the lawyer would have had to complete to meet reporting requirements and to be current on a proportional basis had the lawyer not been on restricted status, or

(b) **Discretionary transfer requirements.** The lawyer has completed such lesser requirements as the Director determines are adequate provided that the number of hours completed total no fewer than 45 hours during the three years immediately preceding transfer. The Director will specify no more than 90 hours. Determinations will be made subject to the criteria set forth in paragraph (c) below. The Director shall report to the Board at its next meeting the terms and conditions upon which each transfer to active status was made.

(c) **Discretionary transfer criteria.** The Director may transfer a lawyer to active status when the lawyer has fulfilled appropriate CLE conditions precedent or agreed to fulfill appropriate CLE conditions subsequent as determined by the Director. In making discretionary transfer decisions, the Director will take the following into consideration:

- i. The number of CLE hours the lawyer has taken in the past;
- ii. The lawyer's other educational activity;
- iii. The lawyer's practice of law in another jurisdiction;

iv. The lawyer's law-related work other than the practice of law;

v. Whether the lawyer acted reasonably in not anticipating the need to take the appropriate number of CLE hours before being transferred from active status; and

vi. Whether the lawyer has demonstrated circumstances of hardship or other compelling reasons that show the lawyer should be transferred to active status before completing the appropriate number of CLE hours.

(3) Failure to Abide by Transfer Conditions. A lawyer who fails to comply with the conditions of transfer shall be restored to restricted status upon notice from the Director sent by regular mail to the lawyer's last known address.

(4) Appeal to the Board. Upon written request from a lawyer, the Board shall review the Director's determination of transfer requirements and notify the lawyer in writing regarding the outcome of that review.

D. Transfer from Involuntary Restricted Status to Active Status.

(1) Notice to Director and Fee. Unless otherwise ordered by the Court, a lawyer on involuntary restricted status who desires to resume active status shall notify the Director in writing of the lawyer's intention to resume active status and submit a transfer fee of \$250.

(2) Transfer Requirements. Unless otherwise ordered by the Court, the Director shall recommend to the Court that a lawyer on involuntary restricted status be transferred to active status upon the Director's determination that the lawyer has completed the number of CLE hours that the lawyer would have had to complete to meet reporting requirements and to be current on a proportional basis had the lawyer not been placed on involuntary restricted status, or that the lawyer has completed such lesser requirements as the Director determines are adequate provided that the number of hours completed total no fewer than 45 hours during the three years immediately preceding transfer. The Director will specify no more than 90 hours. The Director may recommend to the Court that a lawyer on involuntary restricted status be transferred to active status when the lawyer has fulfilled appropriate CLE conditions precedent or agreed to fulfill appropriate CLE conditions subsequent as determined by the Director. In making such a recommendation, the Director will take into consideration the discretionary transfer criteria in section C(2)(c) of this Rule.

(3) Appeal to the Board. Upon written request from a lawyer, the Board shall review the Director's determination of transfer requirements and notify the lawyer in writing regarding the outcome of that review.

E. Transfer from Involuntary Restricted Status to Voluntary Restricted Status. Unless otherwise ordered by the Court, a lawyer on involuntary restricted status who desires to transfer to restricted status shall notify the Director in writing and submit a transfer fee in the amount of \$250.

(Amended effective February 1, 2004; amended effective February 1, 2010; amended effective July 1, 2013; amended effective July 1, 2014; amended effective July 1, 2024.)