

REGARDING THE PROHIBITION OF UNETHICAL CONDUCT AND IMPROPER FEES
BY PERSONS ADVISING OR ASSISTING WITH VETERANS BENEFITS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF XXXXX:

SECTION 1. The purpose of this Act is to provide a cause of action under XXXXX state law to prevent unethical conduct and improper collection of fees by persons advising or assisting any individual with the filing of claims for disability benefits before the Department of Veterans Affairs.

SECTION 2. Chapter XXX of State Provision is amended by adding a new part to be appropriately designated and to read as follows:

PART XX. VETERANS BENEFITS

§XXXXX - Prohibitions.

(a) No person shall receive compensation for preparation, presentation, prosecution, advising, consulting, or assisting any individual with regard to any veterans benefits matter before the Department of Veterans Affairs, except as permitted under Title 38 of the U.S. Code and the Code of Federal Regulations.

(b) No person shall receive compensation for referring any individual to another person to prepare, present, prosecute, advise, consult, or assist this individual with any veterans benefits matter before the Department of Veterans Affairs.

1. Notwithstanding the above, nothing set forth herein shall be construed as prohibiting a division of fees between lawyers which is otherwise proper pursuant to the American Bar Association's Model Rules of Professional Conduct, Rule 1.5(e).

§XXXXX - Ethical Considerations.

(a) Any person who receives compensation for preparation, presentation, prosecution, advising, consulting, or assisting an individual with regard to any veterans benefits matter before the Department of Veterans Affairs shall be held to the same ethical standards as an attorney is held to in the State Bar Association Rules regarding the following:

1. Advertising
2. Solicitation of new clients
3. Confidentiality

4. Duty of care
5. Duty of honesty
6. Duty to zealously pursue what is in the best interest of their client.

§XXXXX - Penalty. A violation of the provisions of this part shall be an unlawful practice and a violation of **State Consumer Protection Law**.

SECTION 4. Section **XXXX State Revised Statutes**, is amended by adding new definitions to be appropriately inserted and to read as follows:

"Compensation" means payment of any money, thing of value, or financial benefit.

"Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

"Veterans benefits matter" means the preparation, presentation, or prosecution of any claim affecting any person who has filed or expressed an intent to file a claim for any benefit, program, service, commodity, function, or status, entitlement to which is determined under the laws and regulations administered by the United States Department of Veterans Affairs or the department of defense pertaining to veterans, their dependents, their survivors, and any other individual eligible for such benefits.

SECTION 5. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 6. This Act shall take effect upon its approval.