

JOHN E. QUINN
SUPERINTENDENT



DEPARTMENT OF BUSINESS REGULATION
BUREAU OF CONSUMER PROTECTION
STATE HOUSE ANNEX
AUGUSTA, MAINE 04330
(207)289-3731

ADVISORY RULING #6

(Formerly Administrative
Interpretation #8)

February 7, 1975

Dear

You have inquired whether a law firm may be subject to the Code where:

1. bills are sent out in the form of single payment requests with no finance charge imposed;
2. on occasion a "consumer" client will remit part payment with an explanation that the remainder will be paid as soon as possible;
3. the payments may extend beyond four installments by the unilateral act of the consumer;
4. the law firm has neither acquiesced to this form of payment nor initiated litigation to recover the balance; and
5. the situation you describe occurs in approximately one-half of one percent of your client billing situations in any given year.

Section 1-301(3) of the Code defines "agreement" as the "...bargain of the parties in fact found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance..." It is the opinion of the Bureau that the situations you have described would not be considered "agreements" subject to the Code.

Our interpretation is based upon the following premises: (a) the unilateral action taken by the consumer, without the benefit of a definite understanding with your law firm that the bill could be repaid in four or more periodic installments, would not constitute an "agreement" as defined by the Code; and (b) the incidence of these situations, even assuming such an agreement existed, would not permit this Bureau to conclude, under §1-301(11)(A)(i) that your firm "regularly" engages in such credit transactions.

Respectfully,

/s/ John E. Quinn

John E. Quinn
Superintendent

JEQ/jh