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Resource Guide: "Avoiding Ethical Pitfalls: Recent Developments from Across the Country"

Recent Cases(with excerpt of LexisNexis "Overview" for each Case)

Florida Bar v. Liberman, 2010 Fla. LEXIS 1407, 35 Fla. L. Weekly S 455 (2010) (Due to the gravity of an attorney's conviction for drug trafficking, and in the interest of encouraging rehabilitation while protecting the public, the supreme court disapproved a suspension recommendation and imposed a sanction of disbarment.)

Disciplinary Counsel v. Gittinger, 125 Ohio St. 3d 467 (Ohio 2010) (The attorney engaged in federal bank fraud and money laundering, causing a loss between \$ 400,000 and \$ 1,000,000. He received an aggregate twelve-month and one-day prison sentence followed by an aggregate five-year period of supervised release. In addition, he was ordered to pay a fine a special assessment fee. The attorney served and completed his prison sentence. The reviewing court found that the attorney violated ethical duties incumbent upon Ohio attorneys and adopted the Board's recommendations. After considering the aggravating and mitigating factors, the court found that indefinite suspension of the attorney was the proper sanction.)

Disciplinary Counsel v. Bandman, 929 N.E. 2d 442 (Ohio 2010) (The attorney wrote checks drawn on a client's family trust account, payable to himself, his business, and his fiancee and business partner without the knowledge or approval of the grantor or her granddaughter, who served as her attorney-in-fact. The parties stipulated and the Board found that the attorney's conduct violated Ohio R. Prof. Conduct 1.7(a)(2), 8.4(c), 8.4(d), and 8.4(h). The attorney violated his duties to both his client and the trust by appropriating trust assets for his own benefit and concealing his actions.)

Oklahoma Bar v. Wilburn, 236 P.3d 79 (Okla 2010) (The disciplinary proceedings were commenced after the attorney was convicted of felony unlawful possession of a controlled substance, misdemeanor entering a building with the unlawful intent to commit assault and battery, and two counts of misdemeanor assault and battery upon the persons of an 11-year-old girl and a five-year-old boy. On review, the court noted that the offenses were committed merely three months after it publicly censured the attorney for his inappropriate touching of two courthouse female security guards. While the attorney claimed that his difficulties

stemmed from drug and alcohol abuse, the record established that he continued to drink alcohol and abuse other substances, showed a lack of judgment and repeated indifference to the law, and failed to seek and/or cooperate in treatment. Because the attorney failed to take any meaningful steps to address and resolve his addictions and their adverse impact on his fitness to practice law, suspension was an appropriate sanction.)

Florida Bar v. Hall, 2010 Fla. LEXIS 1406, 35 Fla. L. Weekly S 458 (2010) When an elderly couple refused to sell respondent pasture land that attorney was leasing from them, she forged their signatures on an agreement of sale, which she recorded. The court held that under Fla. Stds. Imposing Law. Sancs. 5.11, respondent's conduct warranted disbarment. Although respondent was not in an attorney-client relationship with the couple, she misused her status as an attorney to harm the couple by recording the fraudulent document, by asserting that they and their realtor would suffer for not complying with her legal claims, and by forcing the couple to hire counsel to resolve the legal problems that she created.)

In re Peterson, 348 Ore. 325, 232 P.3d 940 (2010) (The supreme court noted that the attorney conceded that he violated the recordkeeping requirements of Or. R. Prof. Conduct 1.15-1(a). The attorney violated Rule 1.15-1(a) and (c) when he removed the \$2,000 from his lawyer trust account and deposited it into his personal checking account. The supreme court found that the deposit of the funds into the lawyer's trust account did not, standing alone, prove by clear and convincing evidence that the attorney knowingly misappropriated funds. The Bar did not prove by clear and convincing evidence that the attorney had no legitimate reason to ask for the \$2,000 advance payment. The Bar did not prove that the attorney violated Or. R. Prof. Conduct 8.4(a)(3) in his handling of the \$1,000 that had been earmarked as payment for his attorney fees. The presumptive sanction was a suspension. Under the circumstances, the failure of the lawyer to protect client funds in a lawyer trust account outweighed his unblemished prior disciplinary record and good reputation in the community. The Bar's proved charges required that the attorney be suspended for 60 days.)

In re Application of Brown, 928 N.E.2d 445 (Ohio 2010) The applicant completed his application to register as a candidate for admission to the Ohio bar in October 2007. On his application, the applicant answered "No," to a question concerning whether the applicant had a complaint filed against him alleging fraud, deceit, misrepresentation, forgery, or legal malpractice. It was not until the applicant was interviewed eight months later that the applicant revealed that, in October 2007, a copyright-infringement suit had been filed against him regarding certain eBay transactions and that he had settled the suit in April 2008. The court held that the Board properly determined that the applicant had yet to sustain his burden of proof that he possessed the requisite character, fitness, and moral qualifications for the practice of law given the seriousness and recency of the conduct leading to the copyright-infringement action, which occurred while the applicant was a law student, and the applicant's deliberate decision, in violation of the duty imposed by Ohio Sup. Ct. R. Gov't Bar I(2)(F), to delay disclosure of the lawsuit to the Office of Bar Admissions.)

In re Shaw, 695 S.E.2d 640 (Georgia 2010) (In his petition, the attorney admitted that he performed work for clients, submitted invoices to his former law firm's accounting department, received checks, endorsed the checks over to himself, and deposited the funds into his personal checking account. The attorney took responsibility for his actions and reimbursed his former law firm, voluntarily refrained from practicing law since leaving his former firm, suffered from undiagnosed mental health conditions, for which he was obtaining treatment, had no prior disciplinary record, fully cooperated with the disciplinary proceedings, and expressed remorse for his actions. The supreme court held that the attorney violated Rule 8.4(a)(4), and a two to four-year suspension was an inappropriate sanction in view of the scope and extent of the attorney's fraudulent and deceptive conduct.)

Eng v. Cummings, McClorey, Davis & Acho, PLC, 611 F.3d 428 (8th Cir. Mo. 2010) (Defendant referred personal injury clients to plaintiffs with the understanding, which it confirmed in letters to plaintiff and to its client, that defendant would receive one-third of any fee recovered by plaintiff. Plaintiff recovered \$ 375,000. When defendant refused to accept 10% of that amount, plaintiff sought a declaratory judgment that it owed no fee. The court agreed with the district court that, even if a fee-splitting agreement existed, it was unenforceable under Missouri law, and that defendant's counterclaims failed when the underlying agreement was unenforceable. The agreement did not comply with Rule 4-1.5 because there was no written agreement with the clients for the attorneys to assume joint responsibility for their representation. Assuming that the confirmation letter to the client was sufficient to meet the Rule's written agreement requirement, it did not meet the joint responsibility requirement which had to be stated in the agreement itself. The counterclaims could not be pursued because there were no causes of action for claims seeking to recover on the basis of an unenforceable agreement.)

In re Orrick, 233 P.3d 257 (Kan. 2010) (Improper billing by attorney / guardian ad litem in suspension from Kansas Bar).

In re Thomas v. Girardi, 611 F.3d 1027 (9th Cir. 2010) (The special master found that sanctions were justified because the appeal was frivolous and respondents' filings were made in bad faith. Respondents were directed to show cause why they should not be required to reimburse defendants, a company and others, for fees and expenses, and why they should not be disciplined or sanctioned for filing a frivolous appeal, falsely stating that the foreign court's writ of execution named the company as a judgment debtor, falsely stating that the writ corrected mistakes in the judgment, and falsely stating that a notary's affidavit constituted an accurate translation of the writ. The court found that the conduct identified in the order to show cause clearly constituted conduct unbecoming a member of the court's bar. Respondents were reckless in failing to verify the truth of the statements made to the court about the notary's affidavit and the judgment it purported to represent.)

In re Smith, 236 P.3d 137 (Oregon 2010) (While representing a client in an employment dispute with a clinic, the attorney assisted her in attempting to take over the clinic by entering the

premises with several individuals before business hours. Two clinic employees testified that they told the attorney to leave, that he refused, and that he claimed to have official authorization for his client to take control of the clinic. The court upheld the findings of disciplinary violations. The attorney violated RPC 3.1 by giving his client groundless advice that she had a legal basis to take over the clinic and by telling others that she had a right to do so. His behavior constituted criminal trespass under Or. Rev. Stat. § 164.245(1) because he knew that his client did not have authority to allow him to enter; thus, his entry was not licensed or privileged under Or. Rev. Stat. § 164.205(3)(a). The court determined that a suspension was appropriate, noting that the attorney did not instigate his client's acts and that the incident was resolved quickly and peacefully.)

Global NAPs, Inc. v. Awiszus, 457 Mass. 489 (Mass. 2010) (Attorney's failure to file appeal on time was per se legal malpractice.)

In re King, 232 P.3d 1095 (Wash. 2010) (The attorney was suspended from the practice of law in the State of Washington based upon professional misconduct. Despite his suspension, the attorney represented a client in a legal proceeding. On review, the court held that no due process violation occurred. Although the attorney claimed that he was not personally served with the complaint against him, service was proper under Wash. Enforcement Law. Cond. R. 4.1(b)(3)(B) because it was left with the attorney's roommate at the residence address on file with the Washington State Bar Association.)

Columbus Bar Association v. Clovis, 928 N.E. 2d 1078 (Ohio 2010) (The attorney accepted a retainer in a clemency case, but failed to file any documents with a parole board on his client's behalf. A grievance was filed after the attorney failed to return the retainer and paperwork relating to the case. It was determined that the attorney had violated Ohio R. Prof. Conduct 1.3, the Ohio R. Prof. Conduct 1.5(a), Ohio R. Prof. Conduct 8.4(h). However, there was insufficient evidence to support a finding that the attorney had violated Ohio R. Prof. Conduct 8.4(c). Due the attorney's failure to assist in an investigation, it was also determined that he violated Ohio R. Prof. Conduct 8.1(b) and Ohio Sup. Ct. R. Gov't Bar V(4)(G). In imposing a sanction, it was determined that there were several aggravating factors. The attorney failed to cooperate in the disciplinary process, he did not acknowledge the wrongful nature of his misconduct, his license had been suspended for a failure to register, and he did not attempt to make restitution. There were no mitigating factors in the record. The attorney's conduct warranted an indefinite suspension from the practice of law.)

Toledo Bar Association v. Farah, 928 N.E.2d 1097 (Ohio 2010) (The attorney represented a client in two personal-injury actions arising from separate automobile accidents. The client claimed that the attorney dismissed her cases without her knowledge or consent, but that he led her to believe that the cases remained pending. She also testified that the attorney often did not return her calls during the course of his representation. The attorney testified that he informed the client several times, both in person and on the telephone, that he was dismissing her case. The attorney admitted that he failed to cooperate in the investigation of the grievance. He

acknowledged that he received letters regarding the investigation but never opened them and that he promised but failed to provide certain documents. The panel and board found that the attorney violated Ohio Code Prof. Resp. DR 6-101(A)(3), by neglecting his client's legal matters, and Ohio R. Prof. Conduct 8.1(b), by failing to cooperate in the resulting disciplinary investigation. The Supreme Court of Ohio adopted the Board's findings and pursuant to BCGD Proc. Reg. 10(B) decided that the recommended suspension of the attorney was proper.)

Disciplinary Counsel v. Chambers, 928 N.E. 2d 1061 (Ohio 2010) (The attorney failed to file a motion on behalf of a client and attempted to have another grievance dismissed. Based on these actions, it was determined that the attorney had violated numerous Ohio Code of Professional Responsibility provisions and a one-year suspension was eventually recommended, which was stayed upon conditions. The Supreme Court determined that the attorney had underwent a divorce, a child custody matter, a drinking problem, a stroke, and surgery. He began to cooperate in the investigation after he sought treatment for alcoholism and other issues. The attorney's multiple offenses and failure to cooperate were aggravating factors, but he did not have a prior disciplinary record, he had made restitution, and he had other sanctions imposed upon him. The attorney's mental disorder and alcohol dependency contributed to his misconduct, and he had made progress in treatment.)

Cleveland Bar v. Sherman, 929 N.E.2d 1061 (Ohio 2010) (Failure to act with reasonable diligence to keep a client informed about the status of a legal matter or to inform a client that he did not maintain professional-liability insurance -- Nine-month suspension stayed on condition.)

Padilla v. Kentucky, 130 S. Ct. 1473 (U.S. 2010) (Defendant was a lawful permanent resident who pleaded guilty to transporting marijuana. His crime was a removable offense under 8 U.S.C.S. § 1227(a)(2)(B)(i). He claimed that his counsel incorrectly told him prior to entry of his plea that he did not have to worry about immigration status because he had been in the United States for so long. The state court held that the Sixth Amendment did not protect defendant from erroneous advice about deportation because it was merely a collateral consequence of his conviction. The Supreme Court held that the distinction between collateral and direct consequences was ill-suited to the deportation context, so advice regarding deportation was not categorically removed from the ambit of the Sixth Amendment. Counsel's alleged failure to correctly advise defendant of the deportation consequences of his guilty plea amounted to constitutionally deficient assistance under prevailing professional norms, as the consequences could easily have been determined from reading the removal statute.)

Kuhn v. Kuhn, 2010 ND 127 (N.D. 2010) (Attorney who drafted will for incapacitated client without consulting legal guardian clearly and convincingly violated N.D.R Prof. Conduct 1.14, Client With Limited Capacity. Attorney suspended from practice ordered to pay coast of disciplinary proceedings).

In re Newell, 234 P.3d 967 (Oregon 2010) (A lumber manufacturer sought to purchase a lumber company. The buyer's auditors discovered that numerous accounting errors resulted in the

overstatement of the seller's inventory, and that its accountant had embezzled money. The accountant retained an attorney to represent him in a criminal action. The accused represented the buyer in a civil action against the seller. The accused had a subpoena served on the accountant for a deposition, but did not notify his attorney. At the deposition, the accused repeatedly asked the accountant questions about the amount of money he had taken. The accountant took the Fifth Amendment and expressed concern that his criminal attorney was not present. The Supreme Court of Oregon held that the accused's communication with the accountant violated Or. Code Prof. Resp. 4.2, even though the accountant had not retained an attorney for the civil matter.)

Palmer v. Pioneer Inn Assocs., LTD., 118 Nev. 943 (Nev. 2002) (The individual sued the company after she was told that she was not hired for a restaurant manager position because she was pregnant. The company contended that it had never offered the individual that position. An executive sous chef for the company spoke with the individual's lawyer and told the lawyer that the manager who had interviewed the individual told him that he had hired the individual. The federal district court held that the individual's lawyers contact with the chef constituted an ex parte contact with a represented party in violation of Nev. Sup. Ct. R. 182 and sanctioned the lawyer by excluding the affidavit, by not allowing the chef to testify about the information contained in the affidavit, and imposing \$ 2,800 in fees and costs. Upon appeal, the federal court of appeals certified the matter to the instant court to determine what test Nevada used in applying Nev. Sup. Ct. R. 182 to an employee of a represented organization.)

Estate of Saul Schneider v Finmann, 2010 NY Slip Op 5281 (N.Y. June 17, 2010) (Defendants represented the decedent from April 2000 to his death in October 2006. In April 2000, the decedent purchased a \$ 1 million life insurance policy. Over several years, the decedent transferred ownership of the policy several times. At his death, the proceeds of the policy were included as part of his gross taxable estate. The estate commenced a malpractice action in 2007, alleging that defendants negligently advised the decedent to transfer, or failed to advise the decedent not to transfer, the policy which resulted in an increased estate tax liability. Privity, or a relationship sufficiently approaching privity, existed between the estate and defendants. The estate essentially stood in the shoes of the decedent and, therefore, had the capacity to maintain the malpractice claim on the estate's behalf. The estate was entitled to raise an estate planning malpractice claim against defendants because they caused harm to the estate.)

In re Anonymous Member of S.C. Bar, 2010 S.C. LEXIS 318 (S.C. Sept. 13, 2010) (Attorney who had sex with client's spouse committed per se legal malpractice).

In re Witherspoon, 2010 N.J. LEXIS 704 (N.J. July 29, 2010) (Respondent was also charged with practicing law during a period he was ineligible, failing to pay an annual assessment, and failing to maintain the books and records required of attorneys, for which he had been disciplined in the past. The Court solely focused on the appropriate level of discipline with regard to the sexual harassment claims. The Court noted respondent's past disciplinary history, his actions toward the female clients, and considered various precedent involving sexual

offenses and criminal conduct. The Court determined that it could not impose, fairly, discipline on respondent that was far harsher than the sanctions the Court's precedents demanded. As a result, the Court concluded that the appropriate sanction was to suspend respondent from the practice of law for a period of one year.)

Cleveland Metro Bar v. Lockshin, 929 N.E.2d 1028 (Ohio 2010) (The attorney was accused of engaging in inappropriate sexual communications with a potential witness, a law enforcement officer, and multiple clients. He also failed to file a timely appeal on behalf of a client. In entering an indefinite suspension, the supreme court held that the attorney violated Ohio Code Prof. Resp. DR 1-102(A)(6) in several different instances by making sexual comments and taking other inappropriate actions. He violated Ohio R. Prof. Conduct 1.3 and Ohio R. Prof. Conduct 8.4(d) by failing to file a timely appeal in a criminal case or take any action on behalf of the client. The supreme court determined that the attorney's conduct was serious, even though he did not engage in sexual acts with clients, because there were multiple offenses, the attorney submitted false testimony during his depositions, and he failed to follow a recommendation for sex offender treatment. The attorney had not received the treatment necessary to develop a realistic and effective plan to decrease the risk of repeating inappropriate sexual behaviors. Therefore, a lesser sanction recommended by the parties was not sufficient to protect the public from further misconduct.)

In re Anonymous, 932 N.E.2d 671 (Ind. 2010) Attorney violated Professional Conduct Rule 1.9(c)(2) by improperly revealing information relating to the representation of a former client. For Respondent's professional misconduct, the Court imposes a private reprimand.)

Swidler & Berlin v. United States, 524 U.S. 399 (1998)(Respondent, as part of an investigation of the dismissal of employees from the White House Travel Office, sought the notes petitioner attorney had made during an interview of his client, the Deputy White House Counsel, prior to the client committing suicide. Petitioner filed a motion to quash, arguing that the notes were protected by the attorney client privilege and by the work product privilege. The lower appellate court reversed the trial court which had found the notes were protected from disclosure by the attorney client privilege and the work product privilege. Petitioner sought a writ of certiorari to the decision. The court reversed finding that the general rule with respect to confidential communications was that such communications were privileged during a testator's lifetime and, also, after the testator's death unless sought to be disclosed in litigation between the testator's heirs. The court held that the attorney-client privilege survived the death of the client in this case.)

In re Hostetter, 348 Ore. 574 (Ore. Sup. Ct. 2010) (The accused represented the first former client in loan transactions and drafted several promissory notes and mortgages to obtain loans from his new client. He then, in the debt collection, represented the new client in enforcing his rights arising out of those same documents. The debt collection was significantly and substantially related to the loan transactions and the new client's interests were in likely conflict with and materially adverse to the first former client's surviving interests during the subsequent

representation. Thus, the accused violated both Or. Code Prof. Resp. DR 5-105(C) and Or. R. Prof. Conduct 1.9(a). Also, clear and convincing evidence established that the accused acted with knowledge because he stated in his deposition testimony that he had permission from the second former client to affix a signature page from a deed on four parcels to a deed on three parcels was not credible.)

In re Harding, 223 P.3d 303 (Kan. 2010) (City attorney was suspended from the practice of law for 90 days for violating the Kansas Rules of Professional Conduct by publicly revealing confidential information obtained while representing his client in retaliation for inquiries into whether he qualified for a state public pension. Mitigating circumstances did not justify a published censure.)

United States v. Figueroa, 2010 U.S. App. LEXIS 19060 (7th Cir. Wis. Sept. 13, 2010) (Resentencing required where judge makes comment relating to defendant claim he was "a good family man" that "Even Adolph Hitler was admired by his family. Adolf Hitler loved his dog. Yet he killed 6 million Jews.")

Disciplinary Counsel v. Plough, 931 N.E.2d 575 (Ohio 2010) (While serving as a judge the attorney failed to maintain or provide complete records of the proceedings in his courtroom, resulting in the reversal of one criminal conviction and the removal of a sex-offender registration requirement from a criminal sentence. He also unreasonably delayed compliance with a mandate of the court of appeals on remand, engaged in an improper ex parte communication with a prosecutor, expressed an opinion on an issue of fact in the jury's presence, berated defense counsel during closing argument, and refused to grant a mistrial based upon his own prejudicial conduct. The state supreme court concluded that the sanction of suspension which was recommended by the parties and the Board was reasonable and appropriate pursuant to BCGD Proc. Reg. § 10(B).)

Background Materials

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Margaret Raymond, *The Law and Ethics of Law Practice*. (2009 West Publishing Co.). Library Call No.: **KF306.A4 R39 2009 (Treatise Collection)**

David Luban, Deborah L. Rhode, *Legal Ethics*. 5th ed. (Thomson Reuters/Foundation Press, 2009). Library Call No.: **KF306.A4 R48 2009 (Treatise Collection)**

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Mortimer D. Schwartz, *Problems in Legal Ethics*. 8th ed. (Thomson/West, 2007). Library Call No.: **KF306**. **S38 2007** (**Treatise Collection**)

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Susan D. Carle, *Lawyers' Ethics and the Pursuit of Social Justice: A Critical Reader*. (New York University Press, 2005). Library Call No.: **KF306.A5 L378 2005 (Treatise Collection)**

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Katherine R. Kruse, "Lawyers in Character and Lawyers in Role," 10 Nevada Law Journal 393 (Spring 2010).

Laura Graner, "Living by the Rules in Our Electronic World," 18 Nevada Lawyer 40 (June 2010).

Jeffrey Stempel, "Lawyer Professional Responsibility in Litigation," Nevada Lawyer, at 12 (August 2007).

Marshal S. Willick, "Ethics 2000: What You Need to Know About Changes in Ethical Lawyering and the Rules Governing Professional Conduct in Nevada," 14 Nevada Lawyer 8 (June 2006).

Jeffrey Stempel, "An Overview of the Sarbanes-Oxley Act and its Implications for Attorneys," Nevada Lawyer, at 8 (March 2003).

Websites

Model Rules of Professional Conduct http://www.abanet.org/cpr/mrpc/mrpc_toc.html

Links to Other Legal Ethics and Professional Responsibility Pages http://www.abanet.org/cpr/links.html

Nevada Rules of Professional Conduct http://www.leg.state.nv.us/courtrules/RPC.html

State Bar of Nevada Standing Committee on Professional Responsibility and Conduct Formal Ethics Opinions

http://www.nvbar.org/Ethics/Ethics_Opinions.htm

Nevada Standing Committee on Judicial Ethics and Election Practices - Opinions since 1998 http://www.judicial.state.nv.us/advopnscjeep3new.htm

ABA "Voluntary Good Practices" http://www.abanet.org/leadership/2010/annual/docs/116.doc.

Scholarly Commons@UNLVLaw: Ethics & Professional Responsibility

http://scholars.law.unlv.edu/cgi/query.cgi?connector_1=and&field_1=lname&op_1=eq&value_1

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