

BEFORE THE SUPREME COURT COMMITTEE ON PROFESSIONAL CONDUCT

PANEL A

IN RE: STEVEN RICHARD SMITH
ARKANSAS BAR ID # 91177
CPC Docket No. 2001-101

FINDINGS AND ORDER

The formal charges of misconduct upon which this Order is based arose from a grievance received on September 5, 2001, from Jennie Hudson. A formal complaint was filed by the Office of Professional Conduct and was supported by an affidavit from Ms. Hudson.

The information contained in the formal disciplinary complaint revealed that during December 2000, Ms. Hudson hired the Ludwig Law Firm to handle a personal injury case for her. The fee agreement was one-third of the settlement. During settlement negotiations Ms. Hudson asked Mr. Smith what portion of the settlement would she get to keep and he told her it was \$5,900. When the settlement offer was increased, Mr. Smith told Ms. Hudson her share would be \$6,922. Mr. Smith told Ms. Hudson that the first \$5,000 of the medical bills was paid, that the \$13,500 was the remaining balance of the settlement, and Ms. Hudson's part would be \$6,922.33. Ms. Hudson called Mr. Smith's office several times during the negotiation period and was always told that her share of the settlement would be \$6,922.33. Ms. Hudson agreed and signed the settlement agreement and faxed it back to Mr. Smith. On August 23, 2001, Mr. Smith sent Safeco Insurance Company ("Safeco"), a fax confirming that Ms. Hudson would accept the settlement offer of \$13,500. Mr. Smith sent Ms. Hudson a transmittal letter, the settlement papers and a copy of the check. The transmittal letter from Mr. Smith was dated August 24, 2001, and it stated the settlement check was \$8,500 and that Ms. Hudson's portion was \$6,922.33. The settlement statement said the total amount of recovery was \$13,500, that the medical bills paid directly totaled \$2,017 and that Ms. Hudson's portion would be \$6,922.33. The Release of Claims from Safeco, stated that the settlement amount was \$13,500. The check from Safeco was for \$8,500. Mr. Smith called Ms. Hudson after he received the settlement agreement she had signed and faxed to him. He told her he made a mistake, that the \$5,000 in medical bills had not been paid, and that Ms. Hudson's portion would only be \$1,900. Ms. Hudson rejected the offer at that point. Mr. Smith informed the Safeco that Ms. Hudson rejected the offer.

Upon consideration of the formal complaint, the response thereto, and the Arkansas Model Rules of Professional Conduct, Panel A of the Committee on Professional Conduct finds:

1. That Mr. Smith's conduct violated Model Rule 1.1, when Ms. Hudson was continuously misled until she had signed a settlement agreement on what her portion of the settlement would be. Prior to her signing the agreement she was told her portion would be \$6,922.33 and after she signed it she was told her portion would only be \$1,900. Model Rule 1.1, provides that a lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.

WHEREFORE, it is the decision and order of the Arkansas Supreme Court Committee on Professional Conduct that Steven Richard Smith, Arkansas Bar ID # 91177, be, and he hereby is, CAUTIONED for his conduct in this matter.

ARKANSAS SUPREME COURT COMMITTEE ON
PROFESSIONAL CONDUCT - Panel A

By:

Win A. Trafford, Chairman, Panel A

WT/AD/c Date:
