

BEFORE THE SUPREME COURT COMMITTEE ON PROFESSIONAL CONDUCT
PANEL B

IN RE: LARRY JAMES HARTSFIELD
Arkansas Bar ID #69030
CPC Docket No. 2006-002

FINDINGS AND ORDER

The formal charges of misconduct upon which this Findings and Order is based were developed from information provided to the Committee by United States Bankruptcy Judge Audrey R. Evans on December 6, 2005. The information related to the representation of Eula Mystery Willis in Bankruptcy Case No. 4:05-bk-19364, In Re: Eula Mystery Willis, in 2005 by Respondent Larry James Hartsfield, an attorney practicing primarily in Little Rock, Pulaski County, Arkansas. On January 12, 2006, Respondent was served with a formal complaint, and he filed a timely response.

Eula Mystery Willis ("Willis") is or was at the time, a business woman in Little Rock engaged in property development, management, leasing/rental, and computer software engineering. No affidavit was obtained from her or submitted with the complaint, as her sworn testimony is contained in two transcripts of hearings November 15 and December 16, 2005, before Judge Evans, parts of which were made exhibits to the Complaint. Prior to July 21, 2005, Willis conferred with Hartsfield about filing for protection in bankruptcy court, as she stated she was getting behind in her business obligations in the property development business. She was an Arkansas-licensed general contractor. She stated she told Hartsfield she needed to reorganize her business because she had over one million dollars in construction loans. She states Hartsfield told her he would put her in a "business Chapter 13." She states he never gave her an opportunity to look at her bankruptcy petition and schedules before they were filed, and that she did not sign them before they were filed. She states Hartsfield failed to advise her as to the requirements and benefits of each bankruptcy "Chapter" available to her. At the time her debts were in excess of the \$307,675 limit for unsecured debts and \$922,975 for secured debts allowable for her to file a Chapter 13 wage-earner petition. The Amended Form B1 Hartsfield filed August 8, 2005, lists her debts as totaling \$1,000,001-10,000,000. The Amended Schedule F, "Creditors Holding Unsecured Non-Priority Claims" he filed August 24, 2005, listed a total of \$616,358.82 in such unsecured debts.

Willis states she never asked Hartsfield to convert the Chapter 13 he did file for her into a Chapter 7 liquidation plan, as she had no intention of liquidating her ongoing businesses. She states she got a letter from the bankruptcy court informing her that her plan had been converted from a Chapter 13 to a Chapter 7, and she then met with Hartsfield to try to find out what was going on. She states he told her the conversion was the result of "computer error." She states she attended the first creditor's meeting, apparently held prior to September 8, 2005, and the day after the creditor's meeting she terminated Hartsfield's services. Another attorney moved to substitute in his place for Ms. Willis on September 8, 2005. Willis states that at the creditor's meeting she was asked by John Walker if she had signed the petition and she said "no." She states that at that point Hartsfield stated on the record that Willis had not signed the schedules and petition he filed for her.

Upon consideration of the formal complaint and attached exhibit materials, the response to it, and other matters before it, and the Arkansas Model Rules of Professional Conduct, Panel B of the Arkansas Supreme Court Committee on Professional Conduct, with Chair Harry Truman Moore recusing, and Panel C attorney member Robert Trammell substituting for him, finds:

A. Mr. Hartsfield's conduct violated Rule 8.4(d) in that he filed a Chapter 13 Petition for Eula Mystery Willis on July 21, 2005, at a time when her total unsecured debt made her ineligible for Chapter 13 relief. The Bankruptcy Court sent him a Memorandum of Document Deficiency, filed July 26, 2005, (C-10) alerting him to the fact that he had filed Eula Mystery Willis's Petition without an electronically scanned signature image for Ms. Willis, as required by bankruptcy filing rules, yet he took not action to comply with the requirements of the bankruptcy rules and code to obtain his client's signature on her Petition. Model Rule 8.4(d) requires that a lawyer shall not engage in conduct that is prejudicial to the administration of justice.

WHEREFORE, it is the decision and order of the Arkansas Supreme Court Committee on Professional Conduct, acting through its authorized Panel B, that Respondent LARRY JAMES HARTSFIELD, Arkansas Bar ID# 69030, be, and hereby is, CAUTIONED for his conduct in this matter, fined \$250.00, and assessed Committee case costs of \$50.00. The fine and costs assessed herein shall be payable by cashier's check or money order payable to the "Clerk, Arkansas Supreme Court" delivered to the Office of Professional Conduct with thirty (30) days of the date this Findings and Order is filed of record with the Clerk of the Arkansas Supreme Court.

ARKANSAS SUPREME COURT COMMITTEE ON PROFESSIONAL CONDUCT - PANEL B

By: _____
John L. Rush, Vice Chair, Panel B

Date: _____