

**BEFORE THE SUPREME COURT COMMITTEE ON PROFESSIONAL CONDUCT  
PANEL A**

IN RE: WILLIAM KURT MORITZ  
ARKANSAS BAR ID No. 99021  
CPC DOCKET NO. 2007-065

**FINDINGS AND ORDER**

The formal charges of misconduct upon which this Findings and Order is based arose from information provided to the Committee by Daniel and Stephanie Padgett. The information related to the representation of the Padgetts by William Kurt Moritz, Attorney at Law, Hot Springs, Arkansas, in 2007.

On January 16, 2007, Daniel and Stephanie Padgett found themselves in financial difficulties and went to the office of Attorney William Kurt Moritz to discuss with him representation of them in a bankruptcy matter. After providing creditor information to him and discussing their options, the Padgetts paid him the agreed fee of Nine Hundred Dollars (\$900.00.) Mr. Moritz admitted that he was paid Nine Hundred Dollars (\$900.00), but adds that the money he received for legal services came not from the Padgetts, but from Vernice Cox. The Padgetts did not have a telephone number and the only contact was through Ms. Cox. Mr. Moritz provided the Padgetts with a list of bankruptcy court-approved credit counselors with whom they needed to speak before filing.

On February 3, 2007, the Padgetts received a certificate of counseling from Money Management, Inc., an approved credit counseling service. The Padgetts immediately took the certificates to Mr. Moritz so that their Chapter 7 bankruptcy petition could be filed. Mr. Moritz admitted that he did not immediately file the Padgetts' bankruptcy matter, as he assumed that

more creditors would be added.

The Padgetts stated that about two weeks later, they placed a telephone call to Mr. Moritz's office to check on the status of their matter. The secretary informed them that they should speak to Mr. Moritz. Mr. Moritz was placed on the call and said that he would call when he got his file. Mr. Moritz denied the telephone call by stating that not once in February or March did the Padgetts call. At the end of March, Mr. Moritz stated, he received a telephone call from the Padgetts.

After two weeks of not hearing anything from Mr. Moritz, another call was made to his office. The person who answered the phone said that she was not his personal assistant and that they should speak to him. The Padgetts left their name and telephone number for him to call. Mr. Moritz did not return any of the telephone calls or send any letter advising the Padgetts of the legal matter.

On March 27, 2007, one of the Padgetts's creditors sent them a letter. The Padgetts delivered a copy of the letter to Mr. Moritz's office on March 29, 2007, and asked that he advise them what to do. Mr. Moritz, again, failed to respond to the request.

Mr. Moritz became aware of a problem with his secretary acting in an extremely unprofessional manner when speaking to the Padgetts on the telephone. Mr. Moritz stated that his secretary, who was his responsibility, had been unprofessional in dealing with the Padgetts, that she was his responsibility and addressed the matter with her.

On April 10, 2007, knowing that something needed to be done, the Padgetts filed a bankruptcy petition themselves, as Case No. 07-bk-71053. They were informed by the Court that their bankruptcy filing failed to contain required information. Despite their efforts to provide the

necessary information, the bankruptcy court dismissed the bankruptcy petition on April 27, 2007, because they failed to file the required documents.

On May 4, 2007, the Padgetts employed other counsel to assist them in getting the bankruptcy matter corrected. The new counsel charged the Padgetts Five Hundred Dollars (\$500.00.)

Mr. Moritz stated that he was never asked for a return of the money paid by the Padgetts and was never told that they wanted to speed things up. According to Mr. Moritz, bankruptcies often take months to piece together. When he was notified that the Padgetts had employed other counsel, Mr. Moritz called Ms. Cox and asked why she never requested her money back. According to Mr. Moritz, Ms. Cox stated that she didn't know she could do so. Mr. Moritz then issued Ms. Cox a check after contacting the Office of Professional Conduct to see if he could do so.

Arkansas lawyers are required to comply with Rule VII of the Supreme Court Rules Governing Admission to the Bar by making payment of annual license fees. The annual license fees are due on March 1 of each year. As evident by a list of delinquent attorneys provided to all courts of the State of Arkansas by Leslie W. Steen, Arkansas Supreme Court Clerk, Mr. Moritz had not paid his license fee for the year 2007 by March 1. Mr. Moritz stated that he made an honest mistake in thinking that he had taken care of the matter when he had not. Mr. Moritz later paid his license fee and a late fee.

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 A of the Arkansas Supreme Court Committee on Professional Conduct finds:

1. William Kurt Moritz violated Rule 1.3 when he failed to file a bankruptcy petition in a timely manner on behalf of his clients, Daniel Ray and Stephanie Michele Padgett. Rule 1.3 requires that a lawyer act with reasonable diligence and promptness in representing a client.

2. William Kurt Moritz violated Rule 1.4(a)(3) when he failed to provide his clients, Daniel Ray and Stephanie Michele Padgett, with information about their legal matter during the month of February, 2007, and when he failed to provide his clients, Daniel Ray and Stephanie Michele Padgett, with information about their legal matter during the month of March, 2007. Rule 1.4(a)(3) requires that a lawyer keep the client reasonably informed about the status of the matter.

3. William Kurt Moritz violated Rule 1.4(a)(4) when he failed to respond to a request in February, 2007, from his clients, Daniel Ray and Stephanie Michele Padgett, for information about the status of their legal matter and when he failed to respond to a request on March 29, 2007, from his clients, Daniel Ray and Stephanie Michele Padgett, for information about the status of their legal matter. Rule 1.4(a)(4) requires that a lawyer promptly comply with reasonable requests for information.

4. William Kurt Moritz violated Rule 1.16(d) when he received \$900 for advanced fees and costs, failed to earn or spend any for fees or costs, and failed to return any of the unearned advanced fees or costs to his former clients, Daniel Ray Padgett and Stephanie Michele Padgett. Rule 1.16(d) states, in pertinent part, that upon termination of representation, a lawyer shall take steps to the extent reasonably practicable to protect a client's interests, such as..... refunding any advance payment of fee or expense that has not been earned or incurred.

5. William Kurt Moritz violated Rule 3.4(c) when he failed to pay his annual license fees

as required by Rule VII of the Supreme Court Rules Governing Admission by March 1, 2007. Rule 3.4(c) requires that a lawyer not knowingly disobey an obligation under the rules of a tribunal except for an open refusal based on an assertion that no valid obligation exists.

WHEREFORE, it is the decision and order of the Arkansas Supreme Court Committee on Professional Conduct, acting through its authorized Panel A, that WILLIAM KURT MORITZ, Arkansas Bar ID No. 99021, be, and hereby is, CAUTIONED and assessed costs in the sum of FIFTY DOLLARS (\$50.00) for his conduct in this matter. The 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 within 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 A

By: \_\_\_\_\_  
Jerry D. Pinson, Chair, Panel A

Date: \_\_\_\_\_