

**BEFORE THE DISCIPLINARY BOARD OF THE
SUPREME COURT OF PENNSYLVANIA**

OFFICE OF DISCIPLINARY COUNSEL,	:	No. 142 DB 2019
Petitioner	:	
	:	File No. C3-18-524
v.	:	
	:	Attorney Registration No. 84345
SANDRA ILENE THOMPSON	:	
Respondent	:	(York County)

O R D E R

AND NOW, this 23rd day of August, 2019, in accordance with Rule 208(a)(5), Pa.R.D.E., the determination by a Review Panel of the Disciplinary Board of the above captioned matter is accepted; and it is

ORDERED that the said SANDRA ILENE THOMPSON of York County be subjected to a **PUBLIC REPRIMAND** by the Disciplinary Board of the Supreme Court of Pennsylvania as provided in Rule 204(a) and Rule 205(c)(8) of the Pennsylvania Rules of Disciplinary Enforcement.

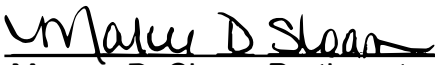
Costs shall be paid by the Respondent.

BY THE BOARD:



Chair

TRUE COPY FROM RECORD
Attest:



Marcee D. Sloan, Prothonotary
The Disciplinary Board of the
Supreme Court of Pennsylvania

retained, Mr. Paddick put her on notice of his claim to fees in May 2015 and October 2015.

After the civil litigation was settled, Mr. Paddick asserted a charging lien on the settlement proceeds by filing a Motion for Recognition and Enforcement of the Lien against the clients. At the outset, Respondent claimed her retention was limited to representation of the clients only in their claims against the union and the Philadelphia Housing Authority, not a claim by or against Mr. Paddick for legal fees.

Following the filing of the enforcement motion, Respondent insisted that in order for her to continue to provide legal representation in the defense against Mr. Paddick and his lien claims, the clients had to agree that they would not contest her 35% contingency agreement. Respondent prepared an Acknowledgement dated January 26, 2018, which was executed by one of her clients, and which reaffirmed Respondent's perceived entitlement to the full 35% set forth in the contingency fee agreement. The Acknowledgement included an indemnification clause, which released Respondent from any liability for Mr. Paddick's legal fee claims. However, Respondent failed to explain to her clients the practical implications of the indemnity provision and her intent to take legal fees separate and apart from Mr. Paddick. To induce her clients to countersign the Acknowledgement, Respondent made material misstatements of fact that she did not have to continue to represent her clients in the lien phase of the civil action. She did not advise them that in fact, she was required to seek leave of court to withdraw as counsel and could not cease representation until such leave was granted.

Ultimately, the District Court determined that, although Mr. Paddick's contingency fee agreement was unenforceable, he was entitled to legal fees in excess of \$50,000.

Thereafter, Respondent failed to comply with court orders entered on April 24, 2018, May 24, 2018, and June 18, 2018, to disburse the final settlement funds to her clients as well as funds to Mr. Paddick. Mr. Paddick filed a motion for contempt, which the court treated as a motion to enforce. The court directed payment to Mr. Paddick from Respondent's IOLTA account by July 10, 2018, and further directed payment to the clients by July 10, 2018. Respondent did not comply with the court's directives, as she transmitted the distribution by placing the final payments to her clients in the mail on July 10, 2018; therefore, the clients did not receive the payment by July 10, 2018.

While Respondent eventually disbursed funds to her clients in accordance with the court's order, she did not pay Mr. Paddick, despite the court's ruling that Mr. Paddick possessed a valid charging lien and that Respondent was responsible to make such payment. In fact, Mr. Paddick was not paid his monies until October 9, 2018, three months after the court entered its order.

On December 27, 2018, a magistrate judge issued an opinion that granted Mr. Paddick's motion for entry of a civil contempt order, which expressly found Respondent in civil contempt for failing to comply with the District Court's order compelling her to disburse Mr. Paddick's fee award. In connection with that opinion, the District Court entered an order that granted Mr. Paddick's contempt motion and required Respondent to compensate Mr. Paddick on or before January 10, 2019 an additional \$14,760.50 for the attorney time he incurred as a result of Respondent's non-compliance with the District Court's order.

By her conduct. Respondent violated the following Rules of Professional Conduct (“RPC”):

1. RPC 1.7(a)(2) – Except as provided in paragraph (b), a lawyer shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if there is a significant risk that the representation of one or more clients will be materially limited by the lawyer’s responsibilities to another client, a former client or a third person or by a personal interest of the lawyer.
2. RPC 1.7(b) - Notwithstanding the existence of a concurrent conflict of interest under paragraph (a), a lawyer may represent a client if: (1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client; (2) the representation is not prohibited by law; (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal; and (4) each affected client gives informed consent.

Respondent violated RPC 1.7(a)(2) and RPC 1.7(b) in that she was adverse to her clients because she maintained that her legal fees were separate and apart from prior counsel’s legal fees. Respondent’s position on entitlement to her full legal fee created a direct conflict with her clients such that she could not represent, and did not represent their interests. Respondent failed to provide adequate information to her clients for them to make an informed decision regarding representation of their interests at the time the conflict was apparent.

3. RPC 1.8(a) – A lawyer shall not enter into a business transaction with a client or knowingly acquire an ownership, possessory, security or other pecuniary interest adverse to a client unless: (1) the transaction and terms on which the lawyer acquires the interests are fair and reasonable to the client and are fully disclosed and transmitted in writing in a manner that can be reasonably understood by the client; (2) the client is advised in writing of the desirability of seeking and is given a reasonable opportunity to seek the advice of independent legal counsel on the transaction; and (3) the client gives informed consent in a writing signed by the client, to the essential terms of the transaction and the lawyer’s role in the transaction, including whether the lawyer is representing the client in the transaction.

Respondent violated RPC 1.8(a) in that she induced at least one client to execute the Acknowledgement, which affirmed her entitlement to her entire fee. Such agreement was not fair or reasonable because it had the practical effect of causing the clients to pay twice for their legal representation.

4. RPC 1.15(e) - Except as stated in this Rule or otherwise permitted by law or by agreement with the client or third person, a lawyer shall promptly deliver to the client or third person any property, including but not limited to Rule 1.15 Funds, that the client or third person is entitled to receive and, upon request by the client or third person, shall promptly render a full accounting regarding the property; Provided, however, that the delivery, accounting, and disclosure of Fiduciary Funds or property shall continue to be governed by the law, procedure and rules governing the requirements of Fiduciary administration, confidentiality, notice and accounting applicable to the Fiduciary entrustment.

Respondent violated RPC 1.15(e) in that she failed to promptly make the final distribution to her clients and made such distribution only after she was ordered to by the District Court. Respondent failed to promptly pay Mr. Paddick his funds despite multiple orders including an order for contempt, which forced Mr. Paddick to pursue collection of his valid lien and court-ordered disbursement.

5. RPC 7.1 - A lawyer shall not make a false or misleading communication about the lawyer or the lawyer's services. A communication is false or misleading if it contains a material misrepresentation of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading.

6. RPC 8.4(c) – It is professional misconduct for a lawyer to engage in conduct involving dishonesty, fraud, deceit or misrepresentation.

Respondent violated RPC 7.1 and RPC 8.4(c) in that she failed to explain to her clients that she lacked the authority to freely withdraw from the case and was required to request leave to withdraw from the court. Such false statements caused at last one client to execute the Acknowledgment, which was directly against the client's pecuniary interest.

7. RPC 8.4(d) – It is professional misconduct for a lawyer to engage in conduct that is prejudicial to the administration of justice.

Respondent violated RPC 8.4(d) in that she disregarded express court orders without justification and her conduct prejudiced her clients, Mr. Paddick, and the court, which had to repeat directives to Respondent in numerous orders, and cause the entry of an order of contempt against Respondent.

Respondent was admitted to practice law in the Commonwealth in 1999 and has no record of discipline.

Respondent's misconduct in this matter is public. This Public Reprimand is a matter of public record and shall be posted on the Disciplinary Board's website at www.padisciplinaryboard.org


Board Chair