

## **BOARD OF PROFESSIONAL RESPONSIBILITY**

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## SUPREME COURT OF TENNESSEE

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RELEASE OF INFORMATION
RE: H. OWEN MADDUX, NO. 515
CONTACT: JAMES A. VICK
BOARD OF PROFESSIONAL RESPONSIBILITY

November 24, 2004

## CHATTANOOGA ATTORNEY SUSPENDED BY SUPREME COURT

H. Owen Maddux, a Chattanooga attorney, was suspended from the practice of law for thirty days, placed on probation for one year, and otherwise sanctioned by Opinion and Judgment of the Supreme Court of Tennessee entered August 27, 2004. A Petition for Rehearing filed by the Board of Professional Responsibility was denied by the Supreme Court on November 9, 2004. Pursuant to Section 18.5 of Supreme Court Rule 9, the suspension became effective ten days from the date of the denial of the Petition for Rehearing.

Mr. Maddux's suspension arose out of a Petition for Discipline filed against Mr. Maddux on February 7, 2001. A hearing was conducted by a Hearing Committee of the Board of Professional Responsibility on August 29, 2002. By Judgment of the Hearing Panel entered September 17, 2002, the Hearing Panel found that Mr. Maddux had violated DR 1-102(A)(1)(3)(4)(5)(6), suspended Mr. Maddux for thirty days, and required Mr. Maddux to submit an article to the Tennessee and Hamilton County Bar Associations discussing partnership law and the pitfalls of dissolving a partnership, to perform 100 hours of community service, to comply with order of the Chancery Court, and pay the cost of the disciplinary proceeding. The Board of Professional Responsibility filed a Writ of Certiorari to the Chancery Court for Hamilton County. The Chancery Court for Hamilton County entered an Order dated April 10, 2003, affirming the Hearing Panel's decision and, in addition, placed Mr. Maddux on probation for one year during which he would be monitored by an attorney approved by the Board of Professional Responsibility. The Board of Professional Responsibility then appealed to the Supreme Court. The Supreme Court affirmed the decision of the Chancery Court.

Mr. Maddux joined the existing law firm of Jahn, Jahn and Cavett as a partner on January 1, 1991. No written partnership agreement was ever adopted by the members of the firm. It was agreed and understood by all partners that any attorney fees generated by any

attorney during the duration of the partnership were partnership income and would be paid into the partnership and partnership account. On October 21, 1994, Mr. Dick Jahn issued a "memo" asserting that three partners, including Mr. Maddux, owed negative capital accounts. One partner immediately withdrew from the partnership. The remaining partners continued to practice pursuant to the prior agreement. On January 16, 1995, three other partners withdrew from the partnership. In December, 1994, Mr. Maddux began taking and converting to his own use partnership fees, income, and/or client payments made by at least seventeen separate partnership clients on approximately fifty different occasions over a three-year period from December, 1994, through November, 1997, in the total sum exceeding \$92,000.00. Mr. Maddux took the partnership fees, income, and/or client payments without the knowledge or consent of the other partners. On October 16, 1996, the firm filed suit against Mr. Maddux in the Chancery Court for Hamilton County to recover the firm monies. By Judgment filed in the Chancery Court for Hamilton County, Tennessee, on October 2, 2000, Mr. Maddux was found to have defrauded the partnership and wrongfully converted \$92,534.57 in receivables from the partnership. The Board of Professional Responsibility then filed the Petition for Discipline.

Mr. Maddux may resume the practice of law upon the expiration of the period of suspension.

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