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of the
SUPREME COURT OF TENNESSEE

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RELEASE OF INFORMATION
IN RE: DAVID RANDOLPH RAY, BPR #7803
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FORMER MEMPHIS LAWYER DISBARRED

David Randolph Ray, formerly of Memphis and currently residing in Tampa, Florida, has been disbarred from the practice of law by Order of the Supreme Court of Tennessee entered on January 14, 2004.

Mr. Ray misappropriated thousands of dollars from the operating account of his former Memphis law firm without authorization from the partnership to pay for professional baseball season tickets, his own personal credit cards and personal cell phone accounts. He also failed to reimburse to his former partner one-half of the final pay of a former law firm employee due in February 1999, which the former partner paid in full out of a new private practice account after the dissolution of the partnership. During the existence of the partnership through February of 1999, Ray had issued all firm employees' payroll checks out of the firm's operating account.

In other client matters which came before the Board, Ray was found to have taken action on behalf of clients without obtaining their consent, and he failed to invest nearly \$500,000 in proceeds from the sale of real estate within a separate interest bearing account. Instead, Ray maintained these funds in his IOLTA account for a considerable period of time while awaiting entry of a bankruptcy court order requiring the funds to be deposited with the Clerk of the Court. During late 1998 and early 1999, Ray routinely had several drinks at the office approximately three to four days per week during afternoon business hours while some clients were present in the firm's offices, and on one occasion, drank excessively while enroute to his own presentation on the status of real estate titles sponsored by an auctioneer.

Mr. Ray neglected several clients' adoption and real estate matters he was entrusted with and did not move with reasonable diligence and promptness in such cases. He engaged in the unauthorized practice of law in Shelby County for three months until late May of 2000 in violation of a February 16, 2000 Supreme Court Order suspending his law license for failing to obtain required continuing legal education. Further, Ray also negligently disclosed secretive information (including Social Security numbers) from former real estate clients' closing documents to a paralegal education institute for inclusion within course seminar materials, by

failing to excise or redact from such materials all identifying information as to his former clients before disclosing them to the paralegal education institute. This action proximately caused injury to certain of his former clients, due to identity fraud. Finally, Ray did not respond to the Board regarding many of the disciplinary complaints filed against him.

Disciplinary Counsel filed three petitions for discipline against Ray which were consolidated for hearing on March 14, 2002. Ray filed an answer to the first petition, but not to the second two and did not appear at his own disciplinary hearing. The Hearing Panel of the Board in its Judgment ordered Ray suspended from the practice for three years and found that he had shown an indifferent attitude toward the Board and the Panel, and a failure to cooperate.

On May 12, 2003, the Board of Professional Responsibility appealed the Hearing Panel's Judgment to the Chancery Court for Shelby County, contending that the proof at hearing warranted a disbarment of Ray's law license, and that the Hearing Panel erred in failing to find the existence of four aggravating circumstances in the case. Ray never filed any answer in Chancery Court, and on September 15, 2003, the Chancery Court entered a Default Judgment of Disbarment against Mr. Ray and ordered that he be required to make restitution to his former partner for the misappropriations from his prior law firm's operating account, and for one-half of the final pay of the law firm's former employee. The Chancery Court also required Ray to make restitution to one former client or the Lawyers' Fund for Client Protection in the total amount of \$1,650 representing fees paid while Ray engaged in the unauthorized practice of law in 2000 during the period of his prior suspension. Ray filed a Motion to Alter or Amend and for Relief from the Chancery Court's disbarment order alleging that his voluntary Chapter 7 bankruptcy petition imposed a stay on these disciplinary proceedings. On September 25, 2003, the Chancery Court entered an Order denying Mr. Ray's Motion to Alter or Amend and for Relief from the disbarment order.

Ray did not appeal the Chancery Court's disbarment order to the Supreme Court.

Section 18 of Tennessee Supreme Court Rule 9 requires Mr. Ray to notify by registered or certified mail all clients being represented in pending matters; all co-counsel and opposing counsel of the Supreme Court's Order disbaring him. Section 18 also require Mr. Ray to deliver to all clients any papers or property to which they are entitled.

This disciplinary matter was held pursuant to Supreme Court Rules 8 and 9. In Tennessee, disbarred lawyers may, after five years, apply for reinstatement, but they must carry the burden of proof by clear and convincing evidence that their reinstatement will not be detrimental to the integrity and standing of the bar, or the administration of justice, or be subversive to the public interest.

JDJ:mw