LAW LICENSE OF FORMER KNOXVILLE LAWYER SUSPENDED

On August 28, 2007, the Supreme Court of Tennessee entered an order suspending the law license of Sherman Ames for six months followed by an indefinite suspension to be terminated upon Mr. Ames’ satisfaction of conditions imposed by the Court. Mr. Ames, now a resident of Montana, formerly practiced law in Knoxville.

This matter arose out of a Petition for Discipline filed as to Mr. Ames. The matter was heard by a Hearing Panel, which recommended this suspension. Mr. Ames appealed to the Knox County Chancery Court, which affirmed the Hearing Panel’s decision. Mr. Ames then appealed to the Supreme Court of Tennessee. The Supreme Court dismissed Mr. Ames’ appeal for his failure to file a brief in the matter.

Mr. Ames and the other members of his firm failed to adequately supervise an employee of his firm and thereby were not aware that this employee was embezzling monies from the firm’s trust account. Mr. Ames also had a sexual relationship with the employee. This employee also managed Mr. Ames’ personal trust account. Mr. Ames was unaware that the approximate $784,000 the employee misappropriated from the firm was laundered through Mr. Ames’ personal account. No client was harmed by this misappropriation, since the law firm reimbursed its trust account for the monies misappropriated.

Mr. Ames continued to inadequately supervise his personal trust account after the aforementioned employee was fired. He received $130,000 on behalf of his client in a worker’s compensation case. Mr. Ames subsequently commingled these funds with his personal funds. He was entitled to receive a fee in the amount of $26,000. Mr. Ames instead paid himself a fee in the amount of almost $65,000. Furthermore, due to his inadequate trust accounting, almost $3000 was unaccounted for.

The Court required Mr. Ames to complete a course in trust accounting and reimburse his client for the excess fee and the unaccounted amount of money in his trust account before his license was reinstated.
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