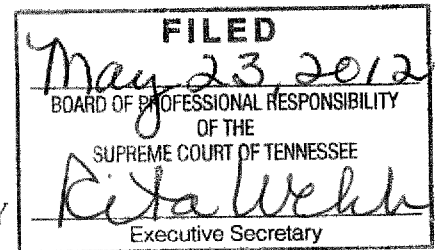


**IN DISCIPLINARY DISTRICT IX
OF THE
BOARD OF PROFESSIONAL RESPONSIBILITY
OF THE
SUPREME COURT OF TENNESSEE**



**IN RE: GEORGE ERNEST SKOUTERIS, JR.
Respondent, BPR No. 13417
An Attorney Licensed
to Practice Law in Tennessee
(Shelby County)**

DOCKET NO. 2010-1965-9-KH

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This formal disciplinary hearing was held on March 28, 2012 before a duly appointed Hearing Panel consisting of Hayden Lait, Panel Chair; Max Ostrow, Panel Member; and Phyllis Aluko, Panel Member. Present for this proceeding was Krisann Hodges, Disciplinary Counsel; Robert Green, Counsel for Mr. Skouteris; and Mr. Skouteris, Respondent.

FINDINGS OF FACT

1. George Ernest Skouteris, Jr., is an attorney licensed to practice law in Tennessee. Mr. Skouteris was licensed to practice law in 1988.
2. Mr. Skouteris holds an attorney trust account at Trust One Bank, account number 1110241.
3. His operating account is also at Trust One Bank, account number 1003747.
4. Mr. Skouteris has a personal account at Trust One Bank, account number 2435314.

5. Although not affiliated with the law firm of Skouteris and Magee, Mr. Skouteris has shared office space in that law firm.

6. Mr. Skouteris has been listed on the firm's letterhead, however.

7. Further, he was listed as a member of the firm on the firm's website.

8. Mr. Skouteris is the only person with signatory authority of his attorney trust account.

Tiffany Pruett case

9. In October 2005, Ms. Tiffany Pruett was involved in an automobile accident which caused her significant physical injury.

10. The accident killed her fiancé, who was driving the car.

11. Ms. Pruett was taken to the hospital for medical treatment. She received rehabilitative therapy after her release from the hospital.

12. Mr. Skouteris approached Ms. Pruett about handling her legal case against the insurer.

13. Ms. Pruett had spoken to another attorney about handling her case, but she decided to use Mr. Skouteris because of their prior relationship.

14. According to Ms. Pruett, Mr. Skouteris promised to represent her without charge and without taking one-third of any recovery she received due to their prior relationship.

15. Mr. Skouteris never presented Ms. Pruett with a written contingency fee agreement.

16. Following their original agreement, Mr. Skouteris did not communicate with Ms. Pruett about the status of settlement until a few months after the settlement was received.

17. In the middle of 2007, Mr. Skouteris informed Ms. Pruett that he had settled her case.

18. Although he told her the amount, he did not provide her with any paperwork demonstrating the amount of the settlement.

19. Until the middle of 2007, Ms. Pruett was unaware that Mr. Skouteris was making efforts to settle the case.

20. He never sought her signature for a settlement agreement, release, or any other type of document.

21. Mr. Skouteris received \$197,480.00 in settlement funds on behalf of Ms. Pruett.

22. He deposited the settlement into his trust account on April 16, 2007, as reflected by his deposit slip and the check from Southern Farm Bureau Casualty Insurance Company. (Collective Exhibit 27, Tab 4, pp. 7-8)

23. The trust account statement for the period April 13, 2007 to May 14, 2007 also reflects that Mr. Skouteris made a deposit of \$197,480.00 into his trust account on April 16, 2007. (Collective Exhibit 27, Tab 2)

24. The trust account statement for the period April 13, 2007 to May 14, 2007 reflects an ending balance for that month of \$204,662.28, including the Pruett settlement deposit. (Collective Exhibit 27, Tab 2)

25. The statement for the next month, May 14, 2007 to June 14, 2007, shows that the ending balance was less than Ms. Pruett's total settlement amount. (Collective Exhibit 27, Tab 2)

26. However, Ms. Skouteris did not make a payment to any of Ms. Pruett's medical providers or to Ms. Pruett in the time between the April and May statements.

27. In the following months, the balance in Mr. Skouteris' trust account continued to decrease below the settlement account. (Collective Exhibit 27, Tab 2)

28. In June 2007, Mr. Skouteris began sending Ms. Pruett payments once or twice a month in small amounts. (Exhibit 3)

29. The payments were made by depositing the money into Ms. Pruett's account.

30. The payments were usually in small amounts, such as \$1,000.00 or \$2,500.00.

31. Two (2) of the payments to Ms. Pruett were drawn on Mr. Skouteris' personal checking account. (Collective Exhibit 27, Tab 6)

32. Mr. Skouteris continued to dole out small payments to Ms. Pruett from July 2007 to August 2008.

33. Ms. Pruett testified that she never requested that her portion of the settlement be sent to her in small increments.

34. Throughout this period Ms. Pruett suffered financial distress which affected her credit rating and her ability to get a school loan.

35. Ms. Pruett demanded to know the total amount she was entitled to receive, less payment to medical providers.

36. The total medical bills were much less than the purported settlement; therefore, she should have received a substantial portion of the proceeds.

37. Instead, Mr. Skouteris continued to send small payments without responding to Ms. Pruett's demands for the total due.

38. According to Ms. Pruett, Mr. Skouteris would respond to her demands by offering to send a small amount to "help her out."

39. Mr. Skouteris paid one medical bill, to Cynthia Meador, on November 3, 2007.
(Collective Exhibit 27, Tab 5, pg. 19)

40. Other than the Meador check and the payments made to Ms. Pruett, no other withdrawals had been made from the settlement as of June 2008.

41. Therefore, a substantial portion of the settlement should have been held in Ms. Skouteris' trust account.

42. Mr. Skouteris maintains that he was holding approximately \$80,000.00 in his trust account in order to ensure that a lien to the Regional Medical Center "the Med" was covered.

43. However, the trust account records demonstrate that beginning May 14, 2007 until August 2008, Mr. Skouteris did not maintain a balance sufficient to cover the amount remaining in Ms. Pruett's settlement. (Collective Exhibit 27, Tabs 1 & 2)

44. Mr. Skouteris informed Ms. Pruett on many occasions that the medical bills had been paid, which was false.

45. Despite this, Ms. Pruett was receiving letters and phone calls from several of the providers demanding payment.

46. Mr. Skouteris did not send proof of payment to the medical providers to Ms. Pruett despite her repeated requests.

47. In July 2008, Ms. Pruett was frustrated with the lack of communication regarding the status of her settlement.

48. She sent an e-mail to Mr. Skouteris on July 23, 2008 requesting a meeting and requesting that he be prepared to show her documentation of the settlement balance, payments to medical providers, and an explanation regarding the Med lien. (Exhibit 28)

49. Ms. Pruett met with Mr. Skouteris on July 30, 2008; however, he did not provide her with any of the documentation she was requesting.

50. In fact, some of the medical bills that remained to be paid in her case were negotiated by Mr. Skouteris only after their meeting, in August 2008, including Audubon Orthopedics (\$887.00), Southern Orthopedic (\$463.02), and the Med (\$1,348.39). (Collective Exhibit 27, Tab 5, pp. 31-33)

51. Mr. Skouteris has never paid the amount due to Blue Cross Blue Shield (\$19,191.00).

52. Ms. Pruett has receiving "dunning" letters from Blue Cross Blue Shield regarding this unpaid balance.

53. In August 2008, following his meeting with Ms. Pruett and more than a year after receiving the settlement proceeds, Mr. Skouteris' trust account only had a balance of \$1,361.51. (Collective Exhibit 27, Tab 1, pg. 15)

54. In August 2008, Ms. Pruett hired attorney Mark Vorder-Bruegge to assist her in recovering her settlement proceeds from Mr. Skouteris.

55. Mr. Vorder-Bruegge sent a letter to Ms. Skouteris on August 20, 2008 requesting a complete accounting of all monies received and disbursed in connection with Ms. Pruett's settlement. (Exhibit 32)

56. Mr. Skouteris responded to Mr. Vorder-Bruegge by letter dated August 28, 2008 stating that he was enclosing a settlement sheet and a copy of the Med lien for \$82,097.35. Further, Mr. Skouteris acknowledged that he had sent Ms. Pruett a total of \$67,500.00 as of that date. (Exhibit 9)

57. Although the settlement sheet he provided Mr. Vorder-Bruegge reflected that the Med was owed \$82,097.35, Mr. Skouteris had already paid the Med the reduced amount of \$1,348.34 on August 5, 2008. (Collective Exhibit 27, Tab 5, pg. 31)

58. In fact, Mr. Skouteris had received notice over two years earlier that Revenue Recovery Corporation was only requesting \$1,348.34 as payment to the Med. (Exhibits 5 & 6)

59. Despite Mr. Skouteris' statements that he was withholding approximately \$80,000.00 in case the Med decided to collect on the original amount, he had not been keeping that amount in his trust account.

60. The settlement sheet that Mr. Skouteris provided to Mr. Vorder-Bruegge on August 28, 2008 does not reflect any attorneys fees due. (Exhibit 9)

61. On October 30, 2008, Mr. Vorder-Bruegge sent another letter advising Mr. Skouteris that his previous response had been deficient. Mr. Vorder-Bruegge requested documentation of the settlement amount, payments, billing, etc. (Exhibit 32)

62. Having received no response, Mr. Vorder-Bruegge wrote another letter to Mr. Skouteris on November 21, 2008 expressing disappointment that Mr. Skouteris had not responded and alerting Mr. Skouteris to Ms. Pruett's need for money. (Exhibit 32)

63. On December 1, 2008, Mr. Skouteris responded that he was gathering the requested information and that he would be glad to send Ms. Pruett \$2,000.00. (Exhibit 10)

64. Mr. Skouteris did not send Ms. Pruett \$2,000.00.

65. On July 3, 2009, Mr. Skouteris sent a check from his trust account, number 3184, for \$32,018.05 to Mr. Vorder-Bruegge for Ms. Pruett. (Collective Exhibit 27, Tab 5, pg.42)

66. Mr. Skouteris did not have a sufficient balance in his trust account to cover the check, although it appears the bank honored it. (Collective Exhibit 27, Tab 1, pg. 37)

67. When Mr. Skouteris responded to the Board's inquiry regarding his conduct, he produced another settlement sheet which differed greatly from the one he produced to Mr. Vorder-Bruegge. (Exhibit 30)

68. In this version of the settlement sheet, he claimed an attorney fee of \$65,826.66.

69. Mr. Skouteris admits that he never had a written contingency fee agreement with Ms. Pruett.

70. Mr. Skouteris cannot demonstrate when he withdrew this supposed fee from Ms. Pruett's settlement balance.

71. Further, other than when the total settlement was deposited, Mr. Skouteris never had a balance sufficient to cover the \$80,000.00 he said he was withholding for the Med, Ms. Pruett's proceeds, the remaining payments to other medical providers, and his legal fees.

72. Ms. Pruett sued Mr. Skouteris in the United States District Court, Western District, No. 2:09-cv-026000-JPM-cgc.

73. Mr. Skouteris never answered the lawsuit and a default was taken.

74. Mr. Vorder-Bruegge ensured that all pleadings were properly served upon Mr. Skouteris.

75. A judgment was entered against Mr. Skouteris for \$93,017.55 in compensatory damages and \$300,000.00 in punitive damages. (Exhibits 33 & 34)

76. Mr. Skouteris attempted to have the judgment set aside on the basis that he had not received notice of the lawsuit; however, the federal court denied his motion and the judgment still stands.

77. Mr. Skouteris has not satisfied this judgment.

78. Two and a half years after Mr. Skouteris received the Pruett settlement funds, he distributed a total of \$96,518.05 of the \$197,480.00 settlement proceeds to Ms. Pruett in twenty-seven "installments" between June 12, 2007 and July 2, 2009.

79. He paid a total of \$7,944.29 to her medical providers between November 2007 and August 2008, not including Blue Cross Blue Shield which he never paid.

80. During the same time period that Mr. Skouteris was holding Ms. Pruett's settlement proceeds, he was continuing to make deposits and withdrawals from his trust account in relation to other cases.

82. In July 2009, the same month in which he sent \$32,018.05 to Mr. Vorder-Bruegge for Ms. Pruett, his ending balance was -\$3,360.69. (Collective Exhibit 27, Tab 1, pg. 37)

83. On July 15, 2009, Mr. Skouteris deposited a check from his brother's personal checking account in the amount of \$15,000.00. (Collective Exhibit 27, Tab 4, pg. 31)

84. Mr. Skouteris states that this was his portion of a fee; however, he cannot explain why he deposited an earned fee into his trust account.

85. With the deposit of this check, his trust account balance was positive again.

86. The balance in Mr. Skouteris' trust account should have been at least the amount he owed to Ms. Pruett; however, his account records demonstrate deficiencies for his other cases as well.

Jacqueline Baker case

87. On December 9, 2009, the Board received a complaint of disciplinary misconduct from Jill Alston regarding alleged ethical misconduct by Mr. Skouteris.

88. On December 11, 2009, the Board sent a copy of the complaint of misconduct to Mr. Skouteris requesting a response within ten (10) days.

89. Mr. Skouteris has admitted that he failed to respond to the Board in a timely manner.

90. Mr. Skouteris represented Ms. Alston's minor daughter, Jacqueline Baker, in a personal injury action resulting from an automobile accident occurring in November 2007.

91. The case settled for \$100,000.00.

92. On September 18, 2008, an Order Approving Compromise Settlement was entered.

93. The Order provided that Jacqueline's father, Steve Baker, would receive his daughter's portion of the funds.

94. Mr. Skouteris testified that Mr. Baker asked him to keep Jacqueline's portion of the funds in trust until he could decide what kind of investment to make.

95. Mr. Skouteris agreed to keep the money in his trust account.

96. The \$100,000.00 settlement was deposited into the trust account on September 19, 2008. (Collective Exhibit 27, Tab 4, pg. 26)

97. On September 24, 2008, Mr. Skouteris disbursed \$10,900.00 to Mr. Baker for Jacqueline's dental care, by check number 3155. (Collective Exhibit 27, Tab 5, pg. 33)

98. Mr. Skouteris' fee was \$30,000.00, which meant that a total of \$40,677.00 was Jacqueline's portion.

99. Mr. Skouteris has admitted that he should not have agreed to maintain Jacqueline's portion in his attorney trust account.

100. Over the next year, Mr. Skouteris wrote checks for Jacqueline's school expenses such as Sylvan Learning Center (check no. 3160, \$599.00) and Christian Brothers University (check no. 3182, \$450.00).

101. Jacqueline turned 18 years old in August 2009.

102. In August and September 2009, Mr. Skouteris paid partial proceeds directly to Jacqueline (check no. 3187, \$3,500.00 and check no. 3189, \$1,500.00). (Collective Exhibit 27, Tab 5, pp. 36-43)

103. As mentioned in paragraph 82, above, Mr. Skouteris' trust account balance had a negative balance in July 2009 thus demonstrating that not only were Tiffany Pruett's funds depleted, but Jacqueline's proceeds were also missing from his trust account.

104. In January 2010, his trust account only held a balance of \$982.38. (Collective Exhibit 27, Tab 3, pg. 1)

105. On February 4, 2010, Mr. Skouteris wrote check number 3196 to Jacqueline Baker, in the amount of \$17,564.00. (Collective Exhibit 27, Tab 3, pg. 3)

106. Mr. Skouteris was charged a fee for insufficient funds; however, it appears that the bank honored the check.

107. At the end of the January 15, 2010 to February 12, 2010 statement period, Mr. Skouteris only had \$131.38 in his trust account. (Collective Exhibit 27, Tab 3, pg. 3)

108. On February 26, 2010, Mr. Skouteris wrote another check to Jacqueline in the same amount. (Collective Exhibit 27, Tab 3, pg. 7; Tab 5, pg. 46)

109. The only deposits made to Mr. Skouteris' trust account during the January to March 2010 period were the proceeds of other clients.

110. In fact, the February 26, 2010 check to Jacqueline appears to have cleared due to deposits from Nationwide Insurance and Montgomery Insurance payable to other clients. (Collective Exhibit 27, Tab 4, pg. 35)

Gary Crawford case

111. On May 27, 2009, the Board received a complaint of disciplinary misconduct from Gary Crawford regarding alleged ethical misconduct by Mr. Skouteris.

112. On July 24, 2009, the Board sent a copy of the complaint of misconduct to Mr. Skouteris requesting a response within ten (10) days.

113. Mr. Skouteris has admitted that he failed to respond to the Board in a timely manner.

114. Mr. Crawford hired Mr. Skouteris on or around January 15, 2008 for representation following an automobile accident. (Exhibit 14)

115. On June 4, 2008, a settlement was reached for \$6,500.00. (Exhibit 15)

116. The settlement check was deposited into Mr. Skouteris' trust account on June 11, 2008. (Collective Exhibit 27, Tab 4, pg. 23)

117. Mr. Skouteris has admitted that he did not have a written contingency fee agreement with Mr. Crawford.

118. At the time Mr. Crawford's settlement was deposited into the trust account, on June 11, 2008, the balance in the trust account was \$7,745.92. (Collective Exhibit 27, Tab 1, pp. 11-12)

119. The next month, the ending balance was less than the total amount of Mr. Crawford's settlement amount; however, Mr. Skouteris had not yet made any disbursements from the account in relation to Mr. Crawford's case. (Collective Exhibit 27, Tab 1, pg. 13)

120. Mr. Skouteris did not issue checks to medical providers until June 25, 2009.
(Exhibit 16)

121. As mentioned in paragraph 82, above, Mr. Skouteris' trust account balance had a negative balance in July 2009 thus demonstrating that not only were Tiffany Pruett's and Jacqueline Baker's funds depleted, but the account did not have sufficient funds to also cover the Crawford case.

Danzel Davis case

122. On October 19, 2010, the Board received a complaint of disciplinary misconduct from Sheron Johnson, the mother of Danzel Davis, regarding alleged ethical misconduct by Mr. Skouteris.

123. On October 21, 2010, the Board sent a copy of the complaint to Mr. Skouteris requesting a response within ten (10) days.

124. Mr. Skouteris has admitted in his answer that he failed to respond to the Board in a timely manner.

125. Mr. Skouteris represented Danzel in a premises liability matter while Danzel was still a minor.

126. On June 23, 2009 and June 30, 2009, Mr. Skouteris deposited settlement proceeds into his trust account on behalf of Danzel.

127. On June 23, 2009, a check from Memphis Light, Gas and Water "MLGW" in the amount of \$2,500.00 was deposited. (Collective Exhibit 27, Tab 4, pg. 30)

128. On June 30, 2009, a check from First Specialty Insurance Corporation in the amount of \$6,500.00 was deposited. (Collective Exhibit 27, Tab 4, pg. 31)

129. An Order of Dismissal was entered in the Davis case on October 30, 2009.
(Exhibit 18)

130. The Order states that as of the date of entry, Danzel had reached the age of majority.

131. Therefore, there was no longer any need for judicial approval for disbursement of the funds.

132. Mr. Skouteris did not disburse the money to Danzel until a year later.

133. The same month that Danzel's proceeds were deposited into Mr. Skouteris' trust account, Mr. Skouteris ended the statement period with a negative balance. (Collective Exhibit 27, Tab 4, pg. 37)

134. Danzel's proceeds were immediately lost due to the insufficient funds in the account.

135. As mentioned above, in July 2009, the account was lacking Tiffany Pruett's remaining funds, Jacqueline Baker's funds, and Mr. Crawford's funds.

136. As mentioned in paragraph 83, above, Mr. Skouteris deposited an earned fee of \$15,000.00 into the account and the balance was again positive.

137. However, in the months following, the trust account balance dropped below the balance that should have remained in the account as representing Danzel's settlement proceeds.

Justin Levick case

138. Mr. Skouteris represented Mr. Levick in a personal injury case after Mr. Levick sustained a knee injury in an automobile accident in August of 2010.

139. Mr. Skouteris did not utilize a written contingency fee agreement.

140. The case settled for \$3,000.00, which was deposited into Mr. Skouteris' trust account on November 12, 2010. (Collective Exhibit 27, Tab 4, pg. 43)

141. At one point during the October to November 2010 statement period, Mr. Skouteris had another negative balance in the account. (Collective Exhibit 27, Tab 3, pg. 21)

142. During the next few months, the trust account balance dipped below the total amount of the settlement; however, no disbursements had been made in Mr. Levick's case.

143. It was not until August 15, 2011 that Mr. Skouteris disbursed the funds to Mr. Levick, by check number 3234. (Collective Exhibit 27, Tab 5, pg. 59)

144. Notably, this occurred after Mr. Levick filed a complaint with the Board.

Valerie Cox case

145. On June 29, 2009, the Board received a complaint of disciplinary misconduct from Valerie Cox regarding alleged ethical misconduct by Mr. Skouteris.

146. On July 1, 2009, the Board sent a copy of the complaint of misconduct to Mr. Skouteris requesting a response within ten (10) days.

147. Mr. Skouteris has admitted that he failed to respond to the Board in a timely manner.

148. Ms. Cox was injured in an automobile accident on August 25, 2008. She hired Mr. Skouteris to represent her a few days later.

149. On May 15, 2009, State Farm Mutual Automobile Insurance Company issued a check for \$12,000. (Exhibit 21)

150. Mr. Skouteris signed the back of the check and wrote his operating account number on the back of the check. (Exhibit 21)

151. Mr. Skouteris previously informed the Board that he believed that the operating account number was an error and that the money was deposited into his trust account.

151. However, there is no record of this deposit into the trust account. (Collective Exhibit 27, Tab 1, pp. 35-36)

152. Prior to receiving the settlement, Mr. Skouteris had been alerted that the Florida child support enforcement office held a lien for unpaid child support against Ms. Cox.

153. Mr. Skouteris has never disbursed any of the proceeds to either the State of Florida or to Ms. Cox.

Prior Disciplinary Sanctions

154. On July 18, 1997, Mr. Skouteris received a private informal admonition due to his failure to pay his clients medical providers from settlement proceeds in a timely manner.

155. On July 10, 2000, Mr. Skouteris received a public censure for withholding money from settlement proceeds for payment to medical providers and then did not pay the medical providers. The monies withheld were not in his trust account at all times.

156. On November 21, 2003, Mr. Skouteris received a private informal admonition for failing to timely file a lawsuit on behalf of a client and then failed to advise the client of his neglect.

CONCLUSIONS OF LAW

157. Pursuant to Tenn. Sup. Ct. Rule 9, Section 1, any attorney admitted to practice law in Tennessee is subject to the disciplinary jurisdiction of the Supreme Court, the Board of Professional Responsibility, the Hearing Committee, hereinafter established, and the Circuit and Chancery Courts.

158. Pursuant to Tenn. Sup. Ct. Rule 9, Section 3, the license to practice law in this state is a privilege and it is the duty of every recipient of that privilege to conduct himself or herself at all times in conformity with the standards imposed upon members of the bar as conditions for the privilege to practice law.

159. Acts or omissions by an attorney which violate the Rules of Professional Conduct of the state of Tennessee shall constitute misconduct and be grounds for discipline.

Conversion of Client Property; Failure to Properly Maintain Attorney Trust Account

160. The Board has demonstrated by a preponderance of the evidence that Mr. Skouteris violated the Rules of Professional Conduct 1.15(a) and (c), and 8.4(a),(b),(c), and (d) by failing to account for and maintain client proceeds in his trust account.

161. Mr. Skouteris failed in his fiduciary duty to his clients by failing to keep their settlement funds protected at all times. "Attorneys have a fiduciary relationship with their clients and, therefore, must deal with them with the utmost good faith. (*citations omitted*) The fiduciary relationship arises when a client first consults an attorney and extends to all dealings between the attorney and the client, including the process by which the attorney and the client reach an agreement concerning the terms of employment." *Alexander v. Inman*, 903 S.W.2d 686, 693 (Tenn. Ct. App. 1995) *citing Cummings v. Patterson*, 59 Tenn. App. 536, 541, 442 S.W.2d 640, 643 (1968); *ABA Comm. on Ethics and Professional Responsibility, Informal Op.* 86-1521 (1986).

162. The evidence demonstrates that Mr. Skouteris has failed to maintain a balance in his trust account sufficient to cover the proceeds of multiple clients throughout 2007 to present.

163. His prior disciplinary history demonstrates that he had been put on notice by the Board as far back as 1997 that his failure to timely pay medical providers and maintain funds in his trust account constitutes ethical misconduct.

164. The most egregious violation in this matter is the conversion of client funds.

165. Ms. Pruett and Ms. Cox have both been deprived of their total settlement funds due to Mr. Skouteris' failure to timely distribute the funds.

166. It is apparent that he did not properly hold their money in trust. There is no other explanation for his steadfast failure to distribute the remaining settlement proceeds to Ms. Pruett despite repeated demands for the funds. He failed to pay Blue Cross Blue Shield in her case; thereby causing actual and serious injury to Ms. Pruett.

167. In the Pruett matter, Ms. Skouteris abused the trust of his client by failing to ensure that the medical bills were paid in full and in a timely manner. Notably, the Blue Cross Blue Shield bill for over \$19,000.00 was never paid, causing actual and serious injury to Ms. Pruett.

168. Mr. Skouteris' explanation that he could not release the entire settlement because he needed to reserve approximately \$80,000.00 in the event the Med would demand more than they were claiming was due is not credible. In the first place, he did not keep even a minimum balance of \$80,000.00 in trust. Further, in the months following the deposit of Ms. Pruett's settlement into his account in 2007, the balance in his account fell short even before any of the medical payments had been disbursed.

169. Throughout this period, the balance in his account only increased due to deposits related to other clients' cases.

170. It is obvious that Mr. Skouteris converted funds in his trust account for personal use in that he utilized any funds available to keep his practice afloat and to make payments to others and to make withdrawals for himself.

171. In the Cox matter, Mr. Skouteris converted her settlement proceeds by depositing them into his operating account. This is clear proof of conversion of client funds.

172. According to Mr. Skouteris, he kept Ms. Cox's settlement proceeds because he does not know what to do with them and he is ready to distribute the funds.

173. However, since he did not maintain these funds in trust, it is obvious that he intends to reimburse Ms. Cox from personal funds. Mr. Skouteris has derived a personal benefit from Ms. Cox's settlement proceeds since the money was received.

174. The activity in his trust account from June to July 2009 is particularly revealing. In that month, he wrote a check to Tiffany Pruett for which he did not have sufficient funds. The proceeds for the Baker and Crawford cases were no longer in the account. The proceeds deposited on behalf of Danzel Davis were immediately consumed to satisfy other withdrawals made when the account had a negative balance.

175. Conversion has been defined as "any unauthorized use of client's funds entrusted to him, including not only stealing but also unauthorized temporary use for the lawyer's own purpose, whether or not he derives any personal gain or benefit therefrom." *In re Wilson*, 81 N.J. 451, 455 n.1, 409 A.2d 1153, 1155 n.1 (1979).

176. The Tennessee Supreme Court has opined that "[W]hile the misappropriation of funds, whether from clients or a partnership, always involves serious breaches of trust and violations of ethical duties, the misappropriation of client funds implicates the 'protection of the public and preservation of the public's confidence in the legal profession [that] are the primary

purposes of attorney discipline.'" *Threadgill v. Bd. of Prof'l Responsibility of the Supreme Court of Tenn.*, 299 S.W.3d 792, 811 (Tenn. 2009) *citing In re Rice*, 99 Wn.2d 275, 661 P.2d 591, 593 (Wash. 1983).

177. In the Baker, Crawford, Levick, and Davis cases, Mr. Skouteris demonstrated an egregious pattern of mishandling his clients' funds.

178. By the time he disbursed Jacqueline Baker's funds to her, it was obvious that he had not maintained the remaining balance in trust.

179. In the Crawford and Levick cases, the settlement proceeds were not held in full due to Mr. Skouteris using the funds in his trust account for other clients.

180. Mr. Skouteris' accounting practices demonstrated an unacceptable disregard for the safety and welfare of entrusted funds.

Failure to Use a Written Contingency Fee Agreement

181. The Board has demonstrated by a preponderance of the evidence that Mr. Skouteris violated Rules of Professional Conduct 1.5(c) and 8.4(a) by failing to secure written contingency fee agreements.

182. Mr. Skouteris has admitted that he did not use written fee agreements in any of these cases.

183. RPC 1.5(c) states, in part, "[A] contingent fee agreement shall be in writing, signed by the client, and shall state the method by which the fee is to be determined, including the percentage or percentages that shall accrue to the lawyer in the event of litigation, settlement, trial, or appeal; other expenses to be deducted from the recovery; and whether such expenses are to be deducted before or after the contingent fee is calculated."

184. In addition to the failure to ensure that the terms of his fee were clearly reduced to writing at the beginning of representation, he failed to comply with RPC 1.5 regarding his duties at the end of the representation. RPC 1.5(c) states "...Upon conclusion of a contingent fee matter, the lawyer shall provide the client with a written statement stating the outcome of the matter and whether there was a recovery, and showing the remittance, if any, to the client and the method of its determination."

185. Ms. Pruett became so frustrated by Mr. Skouteris' failure to itemize the payments and remittances in her case, that she was compelled to hire an attorney to take action against Mr. Skouteris. Despite Mr. Vorder-Bruegge's attempts to simply obtain information regarding the total settlement amount and any disbursements that had been made, Mr. Skouteris could not provide an accounting.

186. Further, Mr. Skouteris violated RPC 1.16(d) by failing to promptly surrender paperwork or other relevant documents from his files to the clients at the conclusion of the cases.

Failure to Communicate, Lack of Diligence, Incompetence

187. The Board has demonstrated by a preponderance of the evidence that Mr. Skouteris violated Rules of Professional Conduct 1.1, 1.3, and 1.4 due to his negligence and failure to communicate with his client.

188. Rule of Professional Conduct Rule 1.3 requires that a lawyer "act with reasonable diligence and promptness when representing a client."

189. Rule of Professional Conduct Rule 1.4 requires that an attorney adequately communicate with his clients so that they are informed about the status of their cases.

190. Ms. Pruett repeatedly asked Mr. Skouteris to provide an accounting of her funds. His misconduct is demonstrated by his failure to produce a settlement sheet until Mr. Vorder-

Bruegge requested one, and then by providing a substantially different sheet to the Board during the investigation.

191. Further, he failed to act in a diligent manner by waiting over two years from the settlement to pay Ms. Pruett's medical bills. The issue of the Med lien aside, he still waited two years to pay the other medical bills. Finally, he never paid the Blue Cross bill.

192. There is simply no good explanation for his decision to dole out small payments to Ms. Pruett. If he was worried about disbursing her funds until the bills were paid, then his account should have reflected that the full amount of her funds were protected in the trust account.

193. Although Mr. Skouteris believed he was entitled to an attorney fee in the Pruett case, he cannot point to any withdrawal from the trust account showing that he transferred the earned fees to his operating or personal account. Further, the trust account balance is simply deficient and unable to cover the amount withheld for the Med lien, attorneys fees, the Blue Cross payment, and Ms. Pruett's remaining funds.

194. Rule of Professional Conduct 1.1 requires that an attorney "provide competent representation to a client." Rule 1.1 further states that competent representation "requires legal knowledge, skill, thoroughness, and preparation reasonably necessary for the representation."

195. Although Mr. Skouteris appears to focus on personal injury cases, his failure to keep proper records and to use acceptable accounting practices demonstrates that he does not have the knowledge or skill, thoroughness or preparation to be trusted with clients' property.

Failure to Timely Respond to Disciplinary Complaints

196. In the Baker, Crawford, and Davis cases, Mr. Skouteris has admitted that he failed to respond to the Board in a timely manner.

197. Therefore, there is a preponderance of evidence demonstrating that he has violated Rule of Professional Conduct 8.1(b).

ABA Standards

198. The Supreme Court has adopted for use by its Hearing Panels the ABA Center for Professional Responsibility Standards for Imposing Lawyer Sanctions (ABA Standards).

199. Based upon the Findings of Fact and Conclusions of Law set forth above, the Hearing Panel finds that the following ABA Standards are applicable.

4.1 Failure to Preserve the Client's Property

4.11 Disbarment is generally appropriate when a lawyer knowingly converts client property and causes injury or potential injury to a client.

4.4 Lack of Diligence

4.41 Disbarment is generally appropriate when:

- b) a lawyer knowingly fails to perform services for a client and causes serious or potentially serious injury to a client; or
- c) a lawyer engages in a pattern of neglect with respect to client matters and causes serious or potentially serious injury to a client.

4.6 Lack of Candor

4.61 Disbarment is generally appropriate when a lawyer knowingly deceives a client with the intent to benefit the lawyer or another, and causes injury or potential injury to the client.

5.1 Failure to Maintain Personal Integrity

5.11 Disbarment is generally appropriate when:

- b) a lawyer engages in any other intentional conduct involving dishonesty, fraud, deceit, or misrepresentation that seriously adversely reflects on the lawyer's fitness to practice.

7.0 Violations of Duties Owed to the Profession

7.1 Disbarment is generally appropriate when a lawyer knowingly engages in conduct that is a violation of a duty owed to the profession with the intent to obtain a benefit for the lawyer or another, and causes serious or potentially serious injury to a client, the public, or the legal system.

200. The ABA defines “intent” as follows: “Intent is the conscious objective or purpose to accomplish a particular result.”

201. The ABA Standards defines “knowledge” as follows: “Knowledge is the conscious awareness of the nature or attendant circumstances of the conduct but without the conscious objective or purpose to accomplish a particular result.”

202. Using these definitions, it is clear that Ms. Skouteris knowingly converted client property causing injury or serious injury to a client.

203. Mr. Skouteris had control of his trust account at all times. He had access to the statements.

204. The deficiencies in his trust account occurred for years. Mr. Skouteris was consciously aware of the activity in his trust account.

205. He knowingly engaged in conduct that deprived his clients from their settlement proceeds.

206. Mr. Skouteris purposely avoided providing an accounting of Ms. Pruett's proceeds. He attempted to deceive Ms. Pruett by telling her that her medical bills had been paid when they had not been paid. He deceived Ms. Pruett by claiming an attorney fee only after it became clear that he no longer had the remaining funds in his account.

207. In all of these cases, he engaged in a pattern of neglect with respect to client matters and caused serious or potentially serious injury to his clients.

208. Pursuant to ABA Standards 9.22, the following aggravating factors justify an increase in the disciplinary sanction:

- a. The Respondent's action evidenced a dishonest and selfish motive;
- b. The Respondent's conduct evidences a pattern of misconduct;
- c. The Respondent has engaged in multiple offenses;
- d. The Respondent has refused to acknowledge the wrongful nature of his conduct;
- e. The Respondent's victim's were particularly vulnerable in that they were his clients and relied on him to represent and care for their interest;
- f. The Respondent has substantial experience in the practice of law; and
- g. The Respondent has evidenced an indifference to making restitution.

209. The Respondent's prior disciplinary history also supports the imposition of disbarment.

210. Specifically, he has been disciplined twice for failing to disburse settlement proceeds. In one matter, he failed to keep settlement proceeds in his account at all times.

Comparative Discipline

211. On November 30, 2001, Nathaniel Hughes was disbarred for misappropriation of trust funds. (Attachment A)

212. On June 22, 2000, Wilson Clark was disbarred for misappropriation of client funds, deception to clients, neglect of clients' cases, and failure to refund an unearned fee. (Attachment B)

213. On March 12, 1992, Wendell Payne was disbarred for misappropriation of client funds and neglect of their cases. (Attachment C)

214. On December 12, 2006, Stuart Fields was disbarred for forgery of his client's name to a settlement check and retaining the proceeds, bouncing a check from his trust account, missing court dates, and failing to pay medical bills for a client. (Attachment D)

215. On January 15, 2002, Christopher Fox was disbarred for misappropriation of funds from clients and estates, commingling funds, unauthorized practice of law, neglect, and failure to turn over client files. (Attachment E)

216. Tennessee has several reported cases dealing with misappropriation of funds.

217. In the *Bonnington* case, the Supreme Court affirmed a four-year suspension of Mr. Bonnington's law license. In that case, Mr. Bonnington self-reported that he had withdrawn funds from an estate for his personal use. *Bd. of Prof'l Responsibility v. Bonnington*, 762 S.W.2d 568, (Tenn. 1988).

218. Mr. Skouteris did not self-report his misconduct.

219. Further, Mr. Skouteris converted client funds from two vulnerable clients, Ms. Pruett and Ms. Cox. Neither client has received full repayment.

220. In the *Dockery* case, the Supreme Court affirmed a two-year suspension of Mr. Dockery's law license. Mr. Dockery engaged in a pattern of misappropriating and commingling funds and kept records in such disarray that he could not account for disbursement of settlement proceeds. *Dockery v. Bd. of Prof'l Responsibility*, 937 S.W.2d 863, (Tenn. 1996).

221. In the *Milligan* case, the Supreme Court imposed a two-year suspension when an attorney deposited settlement proceeds directly into his personal account, repeatedly overdrew his client trust account, used client funds prior to the deposit of settlement proceeds, and wrote

checks from the trust account that were returned for insufficient funds. *Milligan v. Bd. of Prof'l Responsibility*, 166 S.W.3d 665, (Tenn. 2005).

222. Mr. Skouteris' misconduct is more egregious than Mr. Milligan's misconduct in that the actual injury to clients and potential injury to clients was an ongoing prospect for years.

223. Further, the clients in the *Milligan* case did not lose money.

224. Finally, the Panel concludes that disbarment is the appropriate sanction in this case based upon the findings of fact, aggravating factors, and the applicable ABA Standards of this particular case. While the Supreme Court must review each disciplinary case to ensure uniformity where possible, even the Tennessee Supreme Court acknowledges that cases should be decided based upon the individual facts and circumstances of each. In the *Bonnington* case, the Court concluded "[T]he contrast between the facts of this case and Banks reminds us that there are widely varying degrees of misappropriation of funds and widely varying degrees of the circumstances of restitution. In our view, the objective of achieving uniformity of punishment in disciplinary proceedings does not require that every named offense be accorded identical punishment. Like murder in the first degree, lawyer misappropriation of funds is subject to more than one punishment." *Bonnington*, 762 S.W.2d 568, 570-571 (Tenn. 1988)

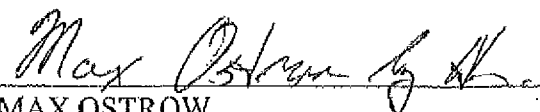
JUDGMENT

In light of the Findings of Fact and Conclusions of Law and the aggravating factors set forth above, the Hearing Panel hereby finds that the Respondent, George Skouteris, should be disbarred. Further, as a condition precedent to any subsequent reinstatement to the practice of law, the Hearing Panel further finds that the Respondent should be required to pay restitution to Tiffany Pruett and Valerie Cox.

It is so ORDERED this 23rd day of May, 2012.

HEARING PANEL:


HAYDEN LAIT, CHAIR


MAX OSTROW


PHYLLIS ALUKO