JACKSON, TENNESSEE ATTORNEY CENSURED

T. Verner Smith, a Jackson, Tennessee attorney, was publicly censured by the Board of Professional Responsibility on January 30, 2006. A public censure is a rebuke and warning to the attorney, but it does not affect the attorney’s right to practice law.

The censure resulted from a complaint filed by Smith’s former wife. Mr. Smith signed his former wife’s name to two promissory notes and one deed of trust. The parties disputed whether Mr. Smith had his former wife’s verbal consent to sign.

The former wife also reported that Smith had loaned money to a number of clients through a business that he had an undisclosed pecuniary interest in. While he stated that he did not believe that the loans were violative of ethics rules he agreed that he would not loan money to his own clients in the future in the manner complained about.

Mitigating factors apply in these matters. Mr. Smith has no prior discipline and has been in practice over twenty years. The promissory notes were for purchase of cars for the children of Mr. Smith and his former wife. Mr. Smith paid off both loans and the former wife was not required to pay any amount. The deed of trust was on the law office building of Mr. Smith which his former wife had no ownership interest in. All of the lawyers in his firm signed the deed of trust, along with their wives. His former wife incurred no liability for the loan secured by the deed of trust.

None of his clients ever complained about the loans made to them. The loans were usually for short terms and allowed the clients to receive an advance on the settlement of their legal matters. As stated, Mr. Smith has agreed not to make such loans to his own legal clients in the future.
The ethical rules violated were RPC 1.8(a) and (e), and RPC 8.4(a)(b)(c) and (d).

The rules of professional conduct are mandatory for all attorneys. They state a minimum level of conduct and any violation reflects negatively on the standing and integrity of the bar.

Smith 27909-7 rel.doc

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