

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

**IN RE: CHARLES EDWARD WALKER,  
BPR No. 021277, Respondent,  
an Attorney Licensed to Practice  
Law in Tennessee  
(Davidson County)**

**DOCKET NO. 2018-2907-5-AW**

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**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

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This matter came to be heard before a Hearing Panel on November 12 and 13, 2019. The Hearing Panel consisted of Michael M. Castellarin, Richard McGee, and Steven Parman. The Board of Professional Responsibility was represented by Brittany Lavalley. The respondent, Charles Edward Walker, represented himself. The charges were contained in a petition for discipline filed on August 29, 2018 and a supplemental petition for discipline filed on February 15, 2019. Mr. Walker responded to both the original petition and the supplemental petition for discipline. The petitions for discipline relate to five separate file numbers: 45298-5-KB, 48742-5-KB, 48920-5-KB, 53881-5-KB, and 58932-5-KB. The hearing panel heard testimony from Paul Krog, John McLemore, Eugene Bulso, and Charles Walker. The charges are summarized as follows:

**Candor toward the Tribunal - File No. 45298-5-KB – Informant – Chancellor Carol McCoy** - The allegations are that Mr. Walker represented to the Davidson County Chancery Court on November 13, 2015 that he possessed an original embossed assignment of deed of trust dated March 16, 2011 but did not produce it to the Court or opposing counsel. The original of that document has never been produced. Mr. Walker testified that the original document was in his possession at one time but was lost. It is alleged that this statement by Mr. Walker was made in

an attempt to mislead the Court in regard to falsified redemption documents and that Mr. Walker continued to continue the misrepresentation by creating a subsequent assignment of deed of trust signed by Jill Ann Lanman Carmack to replace the lost document.

An order was signed by Chancellor McCoy and entered on November 24, 2015 in the Davidson County Chancery Court to grant a Motion to Strike Notice of Redemption in Case No. 13-299-II, Estate and Heirs of Huff, Mildred, Bill No: 92591. The motion was filed by attorneys Paul Krog and Eugene Bulso on behalf of their client, John Sherrod, III. The Huff property, located at 6016 Lenox Avenue in Nashville, Tennessee, was sold by the Davidson County Chancery Court to John R. Sherrod, III on August 19, 2004 after the prior owner, Huff, failed to pay property taxes to the City of Nashville.

On May 7, 2015, Mr. Walker began a notice of redemption process with the Chancery Court in Davidson County, Tennessee on behalf of REO Holdings, LLC. It is alleged that Mr. Walker knew or had good reason to know that documents he filed in support of the redemption contained material misrepresentations and inaccuracies and that he failed to take any action to correct the record, withdraw the submissions or mitigate the damage. It is alleged that he represented that he had embossed copies of notarized documents which he never produced.

Chancellor McCoy signed and entered an Order of Formal Complaint and Recusal on November 24, 2015 in which she found that “Mr. Walker and his employees at the Walker Law Firm engaged in conduct intended to deceive this court with respect to a material issue in the redemption process. In so doing, Mr. Walker and his associates at the Walker Law Firm violated the Code of Professional Responsibility, Rule 3.3, *Candor Toward the Tribunal*, Rule 4.1, *Truthfulness in Statements to Others*, Rule 5.1, *Responsibility of Partners, Managers and Supervisory Lawyers*, and Rule 8.4, *Misconduct*.” The case was transferred to Chancellor Ellen

Hobbs Lyle for further proceedings. There is no evidence that either order entered on November 24, 2015, in regard to the Estate and Heirs of Mildred Huff, became a final order.

**Violation of Injunction - File No. 48742-5-KB – Informant – Paul Krog.** This complaint is based on a memorandum and order issued by Chancellor Ellen Hobbs Lyle in the Davidson County Chancery Court on August 2, 2016 in which the Chancellor found Charles E. Walker “guilty beyond a reasonable doubt of criminal contempt for willful disobedience of the memorandum and order issuing a temporary injunction to monitor defendant’s real estate filings and transactions, entered July 24, 2015, as amended July 27, 2015.” This finding was affirmed on appeal. The Tennessee Supreme Court denied Mr. Walker’s application for appeal. The August 2, 2016 order finding Mr. Walker in criminal contempt became a final order. This appears to be essentially the same complaint as set out in File No. 58932 – KB – Informant – Chancellor Ellen Hobbs Lyle.

**Violation of Injunction - File No. 58932 – KB – Informant – Chancellor Ellen Hobbs Lyle.** This complaint centers on an allegation that Mr. Walker created “all AMP trust” and used that trust to evade compliance with a July 24, 2015 restraining order issued by Chancellor Ellen Hobbs Lyle. This was the basis for the finding that Mr. Walker was in criminal contempt of the Chancery Court. This appears to be essentially the same complaint as set out in File No. 48742-5-KB – Informant – Paul Krog.

**Security Deposits - File No. 48920-5-KB – Informant – John McLemore.** This complaint relates to a finding by John McLemore, as bankruptcy trustee in Mr. Walker’s Chapter 11 Bankruptcy, that Mr. Walker deposited \$3,445.00 of tenants’ security deposits into his IOLTA account and that he failed to maintain tenant security deposits in the amount of \$33,308.09 in a separate account as required by T.C.A. § 66-28-301.

**Pro Hac Vice Application - File No. 53881-5-KB – Informant – Paul Krog.** This complaint was brought in regard to Mr. Walker’s motion for pro hac vice admission in an unrelated case in the United States District Court for the Western District of Texas at Austin. Mr. Walker stated in Paragraph five of his motion for pro hac vice that “applicant has never been subject to grievance proceedings or involuntary removal proceedings while a member of the bar of any state or federal court, except as provided below.” Mr. Walker failed to disclose pending disciplinary complaints mentioned immediately above. Mr. Walker also failed to disclose that he had been found in criminal contempt by Chancellor Lyle as discussed earlier.

Based on the evidence presented in this matter, the Hearing Panel makes the following findings of fact:

**Candor toward the Tribunal - File No. 45298-5-KB**

1. Mr. Walker has substantial experience in the practice of law. He was admitted to practice in Tennessee in 2002.
2. Mr. Paul Krog represented a client named Frances Teague in a suit against REO Holdings, LLC.
3. Mr. Walker was an owner of REO Holdings, LLC. He also represented REO Holdings, LLC. in an action to redeem real property.
4. Mr. John Johnson was a nonlawyer member of REO Holdings, LLC.
5. REO Holdings, LLC participated in a redemption of property.
6. There is a significant time gap in the assignment of judgment between Capitol Builders and Merdan Ibrahim, prior to the assignment from Ibrahim to REO Holdings, LLC.
7. Merdan Ibrahim was an employee of REO Holdings, LLC on, at least, a casual or part time basis.

8. In the Assignment of Deed of Trust from Capitol Builders to Ibrahim, Mr. Walker certified that the Assignment of Deed of Trust was a true and accurate copy of the assignment and authenticated according to the law.
9. Mr. Walker did not provide the original, embossed assignment from Capitol Builders to Ibrahim throughout the pendency of the proceedings with Chancellor McCoy.
10. A later replacement assignment to Ibrahim was provided during the disciplinary hearing because of the lack of, or lost, original assignment from Capitol Builders to Ibrahim.
11. The risk of potential serious injury to a party occurred when Mr. Walker attempted to pursue a redemption proceeding without the original assignment from Capitol Builders to Mr. Ibrahim.
12. The later assignment was created in October of 2015 during the pendency of the case with Chancellor McCoy.
13. The original which Mr. Walker would have needed to check for due diligence has not been made available. Mr. Walker testified that at one time he had the original document but that it has been lost.

**Violation of Injunction - File No. 48742-5-KB**

**Violation of Injunction - File No. 58932 – KB**

14. On July 24, 2015 Chancellor Hobbs issued a temporary injunction ordering that Mr. Walker and others were enjoined from transferring or encumbering real property identified in that case without obtaining leave from the court.
15. Mr. Walker was also enjoined from withdrawing funds paid to redeem any real property without leave of the Court.
16. Mr. Walker created All Amp Trust and operated it in violation of Chancellor Hobbs'

order.

17. This created a benefit for Mr. Walker where he could continue obtaining money from the actions without oversight from the Court.
18. Mr. Walker was found guilty of criminal contempt based upon his violation of the July 24, 2015 in a memorandum and order issued by Chancellor Ellen Hobbs Lyle in the Davidson County Chancery Court on August 2, 2016. The Chancellor found Charles E. Walker “guilty beyond a reasonable doubt of criminal contempt for willful disobedience of the memorandum and order issuing a temporary injunction to monitor defendant’s real estate filings and transactions, entered July 24, 2015, as amended July 27, 2015.” This finding was affirmed on appeal. The Tennessee Supreme Court denied Mr. Walker’s application for appeal. The August 2, 2016 order finding Mr. Walker in criminal contempt became a final order. The Hearing Panel finds accepts the facts found in this order as true based on the doctrine of offensive collateral estoppel as allowed by the holding in *Bowen v. Arnold*, 502 S.W. 3d 102 (Tenn. 2016).
19. Mr. Walker’s creation of a Trust in order to evade the Court’s order created a serious interference with the legal proceedings by circumventing the injunction.

**Security Deposits - File No. 48920-5-KB**

20. Mr. Walker filed for Chapter 11 bankruptcy.
21. John McLemore was appointed to serve as the Chapter 11 bankruptcy trustee.
22. Mr. McLemore discovered that at least \$30,000 was missing from the funds Mr. Walker should have held in trust as security deposits for his properties as required by T.C.A. § 66-28-301. He discovered that three security deposits totaling \$3,345.00 were placed into Mr. Walker’s IOLTA account.

23. Mr. Walker testified that after his bankruptcy filing he placed three security deposits totaling \$3,345.00 into his IOLTA account for safe keeping because the money belonged to tenants and did not belong to him.
24. Mr. Walker testified that the landlord/property manager of the rental property he owned was C&J Properties, a partnership in which he was a partner, and that C&J Properties kept a security deposit account for tenant security deposits. Mr. Walker was given an opportunity to produce records showing that a C&J security deposit account existed. No records were provided to show that a separate security deposit account existed.
25. The Board stated in closing that the failure of a lawyer who owns rental property to keep security deposits in a separate account, although a violation of T.C.A. § 66-28-301, is not a violation of the Rules of Professional Responsibility, but that it is a violation to place security deposits in an IOLTA account where they are co-mingled with client funds.

**Pro Hac Vice Application - File No. 53881-5-KB**

26. Mr. Walker applied for pro hac vice status in a case against Dell, Inc. in the United States District Court for the Western District of Texas – Austin Division on August 11, 2017.
27. Mr. Walker failed to disclose in his application that he had prior grievance proceedings in Tennessee where he received a private informal admonition on November 26, 2008.
28. Mr. Walker also failed to disclose the pending disciplinary complaints which were filed against him by Chancellor McCoy on December 8, 2015, Paul Krog on April 8, 2016, and John McLemore on August 22, 2016.
29. This behavior provided Mr. Walker with an attempt to gain pro hac vice status in the

case so that he could continue the representation of his client in a jurisdiction where he was not admitted.

### CONCLUSIONS OF LAW

1. Pursuant to Tenn. Sup. Ct. R. 9, § 8 (2014), attorneys admitted to practice law in Tennessee are 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.
2. Pursuant to Tenn. Sup. Ct. R. 9, § 1 (2014), 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.
3. Pursuant to Tenn. Sup. Ct. R. 9, § 11 (2014), acts or omissions by an attorney, individually or in concert with any other person, which violate the Rules of Professional Conduct (“RPC”) of the State of Tennessee constitute misconduct and grounds for discipline, whether or not the act or omission occurred in the course of an attorney-client relationship.
4. The Board has proved by a preponderance of the evidence that Mr. Walker violated RPC 3.1, 3.4, 3.4, 4.1 and 8.4.
5. The Hearing Panel does not find that Mr. Walker violated RPC 1.15 by placing security deposits, funds held for tenants, or “third persons” into his firm’s IOLTA account. While not the best practice, the deposit of these funds did not cause harm, or the threat of harm to any parties and RPC 1.15 allows for the deposit of funds “belonging to clients or third persons” into this account.



6. Based on the evidence presented, the Hearing Panel cannot conclude that Mr. Walker failed to use appropriate due diligence in investigating the assignment allegedly provided to Mr. Ibrahim from Capitol Builders concerning the interest then conveyed from Ibrahim to REO Holdings, LLC in the property sought to be redeemed. Mr. Walker testified that he initially had the original document in his possession.
7. By failing to correct his statements that he had the original assignment from Capitol Builders to Ibrahim, when he later discovered that he did not have that document, Mr. Walker has violated RPC 3.1. *Meritorious Claims and Contentions* and RPC 3.3. *Candor Toward the Tribunal*.
8. By failing to notify the tribunal of his prior disciplinary history when applying for pro hac vice status in Texas Mr. Walker has violated RPC 3.3. *Candor Toward the Tribunal*.
9. By failing to notify the tribunal in the United States District Court in Texas of his currently pending disciplinary complaints Mr. Walker has violated RPC 3.3. *Candor Toward the Tribunal*.
10. By failing to provide an original assignation of the interest from Capitol Builders to Merdan Ibrahim when litigation ensued concerning the assignment, or by not disclosing that he did not have that original document when he discovered that it was not in his possession, Mr. Walker has violated RPC 3.4. *Fairness to Opposing Party and Counsel*.
11. Based on the evidence presented, the Board does not find that Mr. Walker intentionally stated that the original assignment from Capitol Builders to Merdan Ibrahim existed while knowing that it did not exist Mr. Walker has violated RPC 4.1. *Truthfulness in*

- Statements to Others.* Mr. Walker, however, failed to disclose the loss of the document.
12. Based on the evidence presented Hearing Panel does not find that Mr. Walker has violated RPC 5.3.
  13. The Board has withdrawn a violation of RPC 5.5.
  14. In the above violations Mr. Walker has violated RPC 8.4 (a).
  15. Through the commission of the aforementioned acts, specifically the violation of the Court's injunction with the creation of All Amp Trust in order to avoid the Court order, Mr. Walker has violated RPC 8.4 (c).
  16. Through the commission of the aforementioned actions, Mr. Walker has violated 8.4 (d).
  17. Once disciplinary violations have been established, the Panel shall consider the applicable provisions of ABA Standards for Imposing Lawyer Sanctions.
  18. Prior to consideration of any aggravating or mitigating circumstances, the following ABA Standards are potentially applicable:
    19. 5.11 Disbarment is generally appropriate when 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.
    20. 5.13 Reprimand is generally appropriate when a lawyer knowingly engages in any other conduct that involves dishonesty, fraud, deceit, or misrepresentation and that adversely reflects on the lawyer's fitness to practice law.
    21. 6.11 Disbarment is generally appropriate when a lawyer, with the intent to deceive the court, makes a false statement, submits a false document, or improperly withholds material information, and causes serious or potentially serious injury to a party, or cause a significant or potentially significant adverse effect on the legal proceeding.
    22. 6.12 Suspension is generally appropriate when a lawyer knows that false statements or documents are being submitted to the court or that material information is improperly withheld, and takes no remedial action, and causes injury or potential injury to a party to the legal proceedings, or causes an adverse or potentially adverse effect on the legal proceeding.

23. 6.13 Reprimand is generally appropriate when a lawyer is negligent either in determining whether statements or documents are false or in taking remedial action when material information is being withheld, and causes injury or potential injury to a party to the legal proceeding, or causes an adverse or potentially adverse effect on the legal proceeding.
24. 6.21 Disbarment is generally appropriate when a lawyer knowingly violates a court order or rule with the intent to obtain a benefit for the lawyer or another, and causes serious injury or potentially serious injury to a party, or causes serious or potentially serious interference with a legal proceeding.
25. 6.22 Suspension is generally appropriate when a lawyer knows that he or she is violating a court order or rule, and causes serious injury or potentially serious injury to a party, or causes interference or potential interference with a legal proceeding.
26. 7.1 Disbarment is generally appropriate when a lawyer knowingly engages in conduct that is a violation of a duty owed as a professional 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.
27. 7.2 Suspension is generally appropriate when a lawyer knowingly engages in conduct that is a violation of a duty owed as a professional with the intent to obtain a benefit for the lawyer or another, and causes injury to a client, the public, or the legal system.
28. 7.3 Reprimand is generally appropriate when a lawyer negligently engages in conduct that is a violation of a duty owed as a professional with the intent to obtain a benefit for the lawyer or another, and causes injury to a client, the public, or the legal system.
29. **File No. 45298-5-KB – Informant – Chancellor Carol McCoy – The Hearing Panel** finds by a preponderance of the evidence that Mr. Walker knowingly made false statements, or misrepresentations, in regard to the existence of the original assignment from Capitol Builders to Mr. Ibrahim when he failed to disclose that the original document was not, or was no longer, in his possession and that he should be suspended from the practice of law for a period of three years for this violation.
30. **Pro Hac Vice Application - File No. 53881-5-KB.** The Hearing Panel finds Mr. Walker's failure to disclose the past admonition, and the pending disciplinary

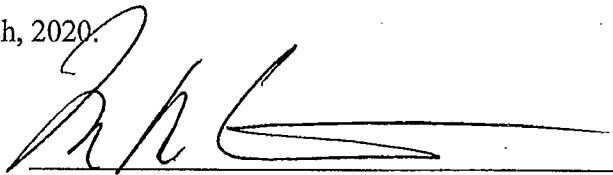
complaints, and criminal contempt complaint to be an intentional misrepresentation by omission and that this conduct should be punished by a two year suspension, concurrent with the other suspensions.

**31. Violation of Injunction - File No. 48742-5-KB, Violation of Injunction - File No. 58932 – KB.** A memorandum and order was issued by Chancellor Ellen Hobbs Lyle in the Davidson County Chancery Court on August 2, 2016 in which the Chancellor found Charles E. Walker “guilty beyond a reasonable doubt of criminal contempt for willful disobedience of the memorandum and order issuing a temporary injunction to monitor defendant’s real estate filings and transactions, entered July 24, 2015, as amended July 27, 2015.” This finding was affirmed on appeal. The Tennessee Supreme Court denied Mr. Walker’s application for appeal. A final order has been entered in which Mr. Walker has been found in criminal contempt of court. The Hearing Panel finds that Mr. Walker should be suspended for a period of three years for his willful violation of this court order.

### CONCLUSION

Based upon the evidence presented in this matter, the Panel finds that Mr. Walker knowingly violated the following Rules of Professional Conduct: 3.1, 3.4, 3.4, 4.1 and 8.4. In considering the ABA Standards listed above, the Hearing Panel finds that the appropriate sanction is a three year suspension, with the final year served on probation under the supervision of a practice monitor. The practice monitor is to be appointed in the order of reinstatement and the duties and responsibilities of the practice monitor shall be set in the order of reinstatement. Cost of this cause will be assessed pursuant to Tenn. Sup. Ct. R. 9, § 31.3 (a).

It is so ordered this 6<sup>TH</sup> day of March, 2020.



Michael Castellarin, Hearing Panel Chair

*Richard McGee by MIC of permission*  
Richard McGee, Hearing Panel, Member,

*STEVEN PARMAN by MIC of permission*  
Steven Parman, Hearing Panel, Member

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing has been sent to Respondent, Charles Edward Walker, 69 Thompson Lane, Nashville, TN 37211, by U.S. First Class Mail, and hand-delivered to Brittany Lavalley, Disciplinary Counsel, on this the 6<sup>th</sup> day of March, 2020.



Rita Webb  
Executive Secretary

**NOTICE**

**This judgment may be appealed by filing a Petition for Review in the appropriate Circuit or Chancery Court in accordance with Tenn. Sup. Ct. R. 9, § 33.**