## BEFORE THE ARKANSAS SUPREME COURT COMMITTEE ON PROFESSIONAL CONDUCT PANEL A

AUG 0 7 2018

STACEY PECTOL
CLERK

IN RE:

JEREMIAH DUANE PEARSON Arkansas Bar ID #2001218 CPC Docket No. 2018-019

## **CONSENT FINDINGS AND ORDER**

The formal charges of misconduct against Jeremiah Pearson upon which this Findings and Order is based arose from a grievance filed by Susan Harder. Pearson is an attorney practicing primarily in Siloam Springs, Arkansas. Following Mr. Pearson's receipt of the formal complaint, Mr. Pearson entered in to discussion with the Executive Director which resulted in an agreement by consent pursuant to Section 20.B of the Arkansas Supreme Court Procedures Regulating Professional Conduct of Attorneys at Law (2011).

Susan Kay Harder was involved in a motor vehicle accident in August 2014, and in February 2015 she retained Pearson to represent her under a contingency fee agreement with Pearson to receive 25% if the matter settled without going to trial. Around the time she hired Pearson, Geico informed Harder by letter that they were denying her injury claim.

In March and April 2015, Harder contacted Pearson's office for updates on what was going on with her matter. Following the telephone communication initiated by Harder in April 2015, Harder had no communication from Pearson's office until October 2015 when his office contacted her with a "Schedule A – Medical Bills" document, and she requested a second copy. Hearing nothing more from Pearson's office, Harder believed the matter was closed without action being taken as Geico had denied the claim.

By letter dated July 1, 2016, Geico informed Pearson that they would settle Harder's claim for \$4,102.35. Harder did not receive any update from Pearson or his office on this offer.

Harder filed for bankruptcy in April 2017 in Western District of Arkansas 5:17-bk-71100. By letter dated May 4, 2017, Centers for Medicare & Medicaid Services notified Harder that there was a \$396.56 conditional payment associated with her services. Page 4 of the letter was for Harder to return with information about her case. Harder replied that she never heard from her attorney and "assumed was closed due to Geico denying claim[.]" By letter dated May 25, 2017, CMS notified Harder that they now considered the "matter resolved." The original letter went to Pearson's firm, and Harder received a copy from CMS. Harder did not receive communication from Pearson regarding this. On August 15, 2017, an Order of Discharge was filed discharging Harder's debt including that related to chiropractic treatment she received following her 2014 motor vehicle accident.

On September 27, 2017, Pearson deposited \$4,102.35 into his IOLTA trust account. The deposit slip reflects Susan Harder. Pearson immediately issued a check for \$1,057.93 from his IOLTA trust account to "Law Offices of Jeremiah Pearson" with the memo reflecting Susan Harder. As of the date of the deposit, Harder was not aware of the settlement, had not authorized the settlement, and was not aware the check had been deposited into Pearson's account. In November 2017, Harder learned from her chiropractor that Pearson had settled and received a check from Geico on her behalf relating to her personal injury claim. Harder contacted Pearson's office and went in. At that time, Pearson had Harder sign a Settlement and Disbursement Authorization form. Pearson issued two checks to Harder, one in the amount of \$1,036.73 and one in the amount of \$1,600. Pearson retained \$396.56 for payment to Medicare. By letter dated November 24, 2017, CMS notified Harder that she owed \$308.87 to Medicare. On January 19, 2018, Harder wrote a check to Medicare for \$308.87 pursuant to the demand made from CMS. On January 19, 2018, Harder sent Pearson a letter reflecting she paid

Medicare and requested he return the funds he withheld for that payment to her. On January 22, 2018, Pearson issued check number 4144 from his IOLTA trust account to Medicare in the amount of \$396.56. On February 26, 2018, Pearson received a refund of \$396.56 from Medicare which was deposited into his IOLTA trust account. On February 20, 2018, Pearson issued check 4188 from his IOLTA trust account to Harder for \$396.56. OPC wrote to Pearson, and on March 30, 2018, Pearson presented his informal response to the grievance. In this letter, Pearson acknowledged that he "settled the case on [Harder's] behalf." Pearson claims he attempted to reach Ms. Harder by telephone after receiving the check from Geico.

Upon consideration of the formal complaint and attached exhibit materials, the response to it, and other matters before it, and the Arkansas Rules of Professional Conduct, Panel A of the Arkansas Supreme Court Committee on Professional Conduct finds:

- 1. Pearson's conduct violated Arkansas Rule 1.1 as Pearson settled his client, Susan Kay Harder's, claim for \$4,102.35 without written authorization by her to do so.
- 2. Pearson's conduct violated Arkansas Rule 1.2(a) as Pearson settled his client, Susan Kay Harder's, claim for \$4,102.34 without written authorization by her to do so.
- 3. Pearson's conduct violated Arkansas Rule 1.4(a)(3) as Pearson (a) failed to inform his client, Susan Kay Harder, of the offer from Geico to settle her case for \$4,102.45 and (b) settled his client, Susan Kay Harder's, claim for \$4,102.34 without written authorization by her to do so and without informing her that he had done so.
- 4. Pearson's conduct violated Arkansas Rule 1.4(c) when after receiving payment from Geico, Pearson failed to notify his client, Susan Kay Harder, that he possessed these funds.
- 5. Pearson's conduct violated Arkansas Rule 8.4(d) as Pearson's failure to communicate with his client, Susan Kay Harder, resulted in Harder filing a bankruptcy case to deal with her

outstanding debts, including medical bills, believing that the matter for which Pearson had been representing her had been closed without action.

WHEREFORE, it is the decision and order of the Arkansas Supreme Court Committee on Professional Conduct, acting through its authorized Panel A, that Jeremiah Pearson, Arkansas Bar ID# 2001218 be, and hereby is, CAUTIONED for his conduct in this matter, and ordered to pay \$869.06 Fine and \$200 Costs. The fine and costs assessed herein shall be payable by cashier's check or money order payable to the "Clerk, Arkansas Supreme Court" delivered to the Office of Professional Conduct within thirty (30) days of the date this Findings and Order is filed of record with the Clerk of the Arkansas Supreme Court.

ARKANSAS SUPREME COURT COMMITTEE ON PROFESSIONAL CONDUCT - PANEL A

Danyelle J. Walker, Yice-Chair Panel

Date