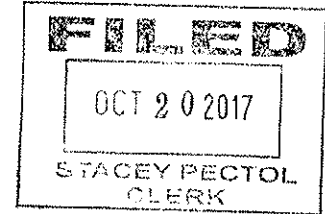


BEFORE THE ARKANSAS SUPREME COURT
COMMITTEE ON PROFESSIONAL CONDUCT
PANEL B



IN RE: **MARY ELIZABETH SKINNER**, Respondent
Arkansas Bar ID # 2003178
CPC Docket No. 2017-016

CONSENT FINDINGS & ORDER

The formal charges of misconduct upon which this Consent Order is premised, involving respondent attorney Mary Elizabeth Skinner of Stuttgart, Arkansas County, Arkansas, arose from information brought to the attention of the Committee on Professional Conduct in early 2017 by Jason Smith, a member of the Cedar Corner Farm partnership.

1. Jason Smith of Prairie County, Arkansas, with his father Jerry Smith and other family members, farm as Cedar Corner Farm ("Cedar") and have for many years.

2. For many years Cedar and the Smith Family had leased and farmed certain lands in south Prairie County owned by the Reitz family and containing about 360 acres. Previous lease agreements had been made by Cedar primarily dealing with Marie Reitz, who lived in the area and died prior to the 2012 expiration of the current lease.

3. The most recent lease was executed January 1, 2002, for a second term of ten years, after Cedar had already completed an initial lease term of ten years. The 2002 lease gave Cedar an option to renew the lease for a new ten year term at its term expiration in 2012. Cedar was given the right to make improvements on the leased land at Cedar's expense and with the right to be reimbursed for the improvements if the lease was terminated for any reason during the second lease term. Cedar insisted on a long-term lease of twenty years because it was making a substantial investment in the leased lands by putting in an irrigation

system at Cedar's expense. At its expense, Cedar made substantial improvements on the Reitz land in 2002 after the new lease was executed.

4. Larry Reitz, the out of state trustee for the Reitz Living Trust, the lessor, decided he did not wish Cedar to continue to farm the property after the expiration of the lease term in 2012. A dispute arose between the parties. Reitz engaged attorney Chris Gomlicker for representation

5. Cedar and the Smiths took the dispute to Skinner and asked her to represent their interests in dealing with Reitz. In prior years, Skinner had provided legal services to various Smith family members, including farm contracts for Cedar.

6. In late 2013, Reitz, through attorney Gomlicker, was in contact with Cedar, through its attorney Skinner. By letter dated May 22, 2014, Reitz demanded Cedar stop farming the land and remove its farming equipment within twenty days after the 2014 harvest.

7. Suit was filed for Reitz against Cedar and its members on June 26, 2014, as Prairie County Circuit Court No. 59SCV-14-16, seeking a declaratory judgment as to the rights of the parties to the farm lease and an accounting from the lessee Defendants. The Cedar-Smith defendants received the Complaint and their summons from Skinner at her office. Skinner filed an Answer for Cedar and the Smiths on July 25, 2014.

8. On November 5, 2014, Reitz filed an Amended Complaint, adopting his original Complaint in total, and adding a breach of contract claim alleging Defendants were growing an unauthorized crop on the leased land. The Amended Complaint was served on Skinner, who failed to file any response. Skinner failed to inform her Cedar clients of the receipt by her of the Amended Complaint and her failure to file an answer to it.

9. On November 5, 2014, a motion was filed for Reitz to compel Cedar to answer his discovery. Skinner filed no response. A Reitz motion was filed to compel defendants to respond to written discovery Gomlicker sent to Skinner on August 25, 2014. Skinner and defendants never responded or filed any responses.

10. On December 10, 2014, a motion was filed for Reitz for default judgment. Skinner filed no response to the motion. On January 5, 2015, Gomlicker wrote judge Hughes, copying Skinner, asking for a hearing on his motion for default judgment.

11. In January-February 2015, Cedar gave Skinner a check dated January 9, 2015, from the sesame seed company for the 2014 sesame crop and payable to Larry Reitz. Cedar had no address for Reitz. Skinner told Cedar she would get the check to Reitz.

12. A hearing for default judgment was held in Searcy on January 27, 2015. No representative of Cedar was present. Skinner did not inform any of the Cedar/Smith defendants of the upcoming hearing on the default motion. With the consent of Cedar's counsel Skinner, a default judgment was entered January 27, 2015, against Cedar terminating the Reitz-Cedar farm lease, giving Cedar twenty (20) days to remove all its farming equipment, and providing that a future hearing would consider damages, attorney's fees, and other relief for Reitz.

13. The Cedar defendants did not know of or agree to the taking of a default judgment against them by consent of their counsel. Skinner failed to notify her Cedar clients that a default judgment had been consented to in court by Skinner and entered against them.

14. In late February 2015, Jerry Smith and Carol Smith, wife of Jerry Smith and mother of Jason Smith, met with Skinner about other matters. Skinner informed them that

Skinner was “still on top of Reitz, but will probably still have to go to court,” as Carol Smith set out in a text she sent to Jason Smith on February 24, 2015.

15. In early 2015 Skinner informed her Cedar clients that they should remove their farm equipment from the Reitz land, since they did not want to farm it any more under the strained circumstances, and that she would get their money for Cedar in two-three years. Skinner did not inform her Cedar clients of the default judgment taken in January 2015. After farming the Reitz land for about eighteen years, Cedar removed its equipment and departed after harvesting the 2014 crops.

16. On May 14, 2015, Gomlicker wrote Skinner on several details of the Reitz-Cedar matter, including her failure to provide Cedar’s responses to the 2014 written discovery, including interrogatories, requests for production of documents, and requests for admissions, as well as an undelivered sesame crop check due to Reitz.

17. On April 12, 2016, an Order of Mediation was entered directing Reitz and Cedar to mediate the remaining unresolved issues between them. The Cedar defendants did not know of any such mediation, and did not know to attend.

18. In September 2016, as part of a refinancing of his home, Jason Smith first learned of the January 2015 Reitz default judgment. The Cedar Farm members terminated the legal services of Skinner and requested she transfer the Reitz matter file to their new attorney Randy Gammill. On December 20, 2016, Gammill wrote Skinner regarding the \$30,000 demand by Reitz on the Cedar defendants, the stalled mediation, and asking what she would do to avoid Cedar filing suit against Skinner. By letter of January 12, 2017, Gomlicker sent Gammill a breakdown of fees and costs Gomlicker’s client Reitz had incurred in the matter

from November 2013 through November 2016, which then totaled \$11,520.

19. On February 9, 2017, Gammill forwarded checks to Gomlicker written on Cedar's account. One check was made out to Reitz in the amount of \$9,900 for reimbursement of legal fees already paid by Reitz to Gomlicker and the other check was made out to Gomlicker in the amount of \$1,620 for fees not yet paid to Gomlicker.

20. The Reitz-Cedar-Skinner dispute was finally resolved with Skinner paying \$30,000. Skinner sent a check to Gammill's office made out to Gammill's trust account. Gammill wrote a check to Cedar for \$26,520, \$11,520 to reimburse Cedar for the legal fees it paid on Reitz' behalf to Gomlicker and \$15,000 for reimbursement of improvements made to the farm which Cedar would never be able to litigate or recover from Reitz due to the default judgment taken against Cedar. The remaining balance of \$3,480 was paid to Gammill for his legal fees to Cedar.

21. The principals in Cedar estimate its other loss as a result of the default judgment at about \$200,000, as a result of not being able to farm the Reitz land after 2014 for the balance of a new ten year lease term that would have ended in 2022.

22. Cedar never paid Skinner for her services in the Reitz matter because she never billed Cedar.

Following Respondent Attorney's receipt of the formal complaint, the attorney entered into discussion with the Executive Director which has resulted in an agreement to discipline by consent pursuant to Section 20.B of the Arkansas Supreme Court Procedures Regulating Professional Conduct of Attorneys at Law (2011). Upon consideration of the formal complaint and attached exhibits, admissions made by the respondent attorney, the terms of the written

consent, the approval of Panel B of the Committee on Professional Conduct, and the Arkansas Rules of Professional Conduct, the Committee on Professional Conduct finds:

A. The conduct of M. Elizabeth Skinner violated Rule 1.1 in that after being served with the Amended Complaint in late 2014, Skinner failed to file an answer or any response to the Amended Complaint, resulting in a default judgment against her clients. Arkansas Rule 1.1 requires that a lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness and preparation reasonably necessary for the representation.

B. The conduct of M. Elizabeth Skinner violated Rule 1.2(a) in that in hiring her, it was the intent of Skinner's Cedar/Smith clients that they would be fully protected and have the case against them by Reitz resolved on its merits, rather than by a default judgment granted against them that they knew nothing about and to which they did not consent. Arkansas Rule 1.2 (a) requires that a lawyer shall abide by a client's decisions concerning the objectives of representation, subject to paragraphs (c) and (d), and, as required by Rule 1.4, shall consult with the client as to the means by which they are to be pursued. A lawyer may take such action on behalf of the client as is impliedly authorized to carry out the representation.

C. The conduct of M. Elizabeth Skinner violated Rule 1.3 in that after being served with the Amended Complaint in late 2014, Skinner failed to file an answer or any response to the Amended Complaint, resulting in a default judgment against her clients and Skinner failed to prepare and provide to opposing counsel or file responses to Reitz discovery served on her on August 25, 2014, even after opposing counsel Gomlicker filed a motion to compel on

November 5, 2014, and wrote Skinner about the matter on May 15, 2015. Arkansas Rule 1.3 requires that a lawyer shall act with reasonable diligence and promptness in representing a client.

D. The conduct of M. Elizabeth Skinner violated Rule 1.4(a)(3) in that Skinner failed to keep her Cedar/Smith clients reasonably informed about the status of their legal matter with Reitz, including that a default judgment entered against them on January 27, 2016. Arkansas Rule 1.4(a)(3) requires that a lawyer shall keep the client reasonably informed about the status of the matter.

E. The conduct of M. Elizabeth Skinner violated Rule 1.4(a)(4) in that Skinner failed to respond to her client's inquiries about the status of their legal matter with Reitz. Arkansas Rule 1.4(a)(4) requires that a lawyer shall promptly comply with reasonable requests for information.

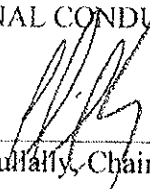
F. The conduct of M. Elizabeth Skinner violated Rule 8.4(c) in that in February 2016, Skinner represented to Carol Smith, wife of Skinner's client Jerry Smith, that Skinner was "Still on top of ritz (Reitz). Will probably have to go to court." Skinner failed to inform Smith and Skinner's clients that the default judgment had recently been granted against them and any future court proceeding would be to determine the damages to be awarded to the opposing party, Reitz, conduct by Skinner involving deceit or misrepresentation. Arkansas Rule 8.4(c) provides that it is professional misconduct for a lawyer to engage in conduct involving dishonesty, fraud, deceit or misrepresentation.

G. The conduct of M. Elizabeth Skinner violated Rule 8.4(d) in that after being served with the Amended Complaint in late 2014, Skinner failed to file an answer or any response to

the Amended Complaint, resulting in a default judgment against her clients, and them losing their right to contest the Complaint and have a decision based on the merits. Arkansas Rule 8.4(d) provides that it is professional misconduct for a lawyer to engage in conduct that is prejudicial to the administration of justice.

WHEREFORE, in accordance with the consent to discipline presented by Ms. Skinner and the Executive Director, it is the decision and order of the Arkansas Supreme Court Committee on Professional Conduct that Respondent Mary Elizabeth Skinner, Arkansas Bar No. 2003178, be, and hereby is, **CAUTIONED** for her conduct in this matter and assessed and ordered to pay \$50.00 case costs, the agreed restitution having already been paid to the former client. The \$50.00 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 with 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 B

By  _____
Michael Mullally, Chairperson, Panel B

Date 10/20/2017