

BEFORE THE SUPREME COURT COMMITTEE ON PROFESSIONAL CONDUCT
PANEL B

IN RE: STEVEN RAY DAVIS
ARKANSAS BAR ID #76029
CPC Docket No. 2021-031

FINDINGS AND ORDER

The formal charges of misconduct upon which this Findings and Order is based arose from a grievance filed by Mr. Christopher Ruh, Executive Vice President of Williams & Fudge, Inc (“WFI”). Mr. Davis is an Arkansas licensed attorney practicing primarily in North Little Rock, AR.

1. WFI is a debt collection firm located in Rock Hill, South Carolina.
2. On January 21, 2009, WFI retained Davis to initiate debt collection lawsuits against Arkansas consumers on behalf of WFI’s creditor clients for unpaid delinquent accounts. Davis and WFI signed an Agreement for Legal Services. Under the terms of the agreement, Davis is to deposit all collection payments into his firm trust account and at the end of each month, he is to remit those payments to WFI.
3. There was a total of fifty-eight (58) accounts submitted to Davis for collection with a portion of those cases in active litigation. Some of the cases were in “active payment” status where consumers would send payments to Davis until their balances were paid in full.
4. Davis appropriately engaged in collection efforts of those case for over ten (10) years. In 2019, Davis stopped communicating with WFI and refused to remit any recovered collection funds back to WFI.

5. Since 2019, Ruh and other executives at WFI have unsuccessfully attempted to contact Davis for status updates on the cases. Despite their attempts they have not received any information on the cases.

6. On November 12, 2020, Ruh terminated the agreement between WFI and Davis by written notice.

7. WFI's collection of those fifty-eight (58) accounts are on hold as they need to figure out which accounts Davis still has.

8. WFI filed a grievance with the Arkansas Supreme Court Office of Professional Conduct ("OPC") against Davis. Upon receipt of the grievance, OPC made several attempts to contact Davis and get an informal response to its investigation of the allegations made against Davis. The first attempt was by letter dated January 15, 2021. Davis failed to respond.

9. The second attempt at getting a response from Davis was by email sent on July 27, 2021. Again, Davis failed to respond.

10. The third attempt at getting a response from Davis was by phone call and email sent September 22, 2021. Davis and then Senior Staff Attorney for OPC had a phone conversation regarding Davis' lack of response. Davis requested an email be sent again regarding the matter, which was done. Davis again failed to respond.

Upon consideration of the formal complaint and attached exhibit materials and the Arkansas Rules of Professional Conduct, Panel B of the Arkansas Supreme Court Committee on Professional Conduct finds:

1. That Davis's conduct violated Rule 1.3 when he failed to notify WFI of what action he has taken on cases submitted to him from WFI and which resulted in WFI having to place a hold on collection efforts in those cases which eats into the time they may have to collect. Arkansas

Rule 1.3 states a lawyer shall act with reasonable diligence and promptness in representing a client.

2. That Davis's conduct violated Rule 1.4(a)(3) when he failed to inform his client, WFI, of the status of the fifty-eight (58) cases assigned to him to include whether he collected any funds on the client's behalf. Arkansas Rule 1.4(a)(3) states a lawyer shall keep the client reasonably informed about the status of the matter.

3. That Davis's conduct violated Rule 1.4(a)(4) when he failed to contact his client, WFI, after WFI made several attempts at contacting him. Arkansas Rule 1.4(a)(4) states a lawyer shall promptly comply with reasonable requests for information.

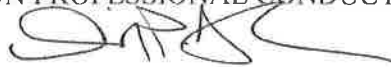
4. That Davis's conduct violated Rule 1.16(d) when after his termination on November 12, 2020, Davis failed to return case files to WFI and remit any collection funds received from consumers to WFI not previously remitted as requested. Arkansas Rule 1.16(d) states upon termination of representation, a lawyer shall take steps to the extent reasonably practicable to protect a client's interests, such as giving reasonable notice to the client, allowing time for employment of other counsel, surrendering papers and property to which the client is entitled and refunding any advance payment of fee or expense that has not been earned or incurred. The lawyer may retain papers relating to the client to the extent permitted by other law.

5. That Davis's conduct violated Rule 1.19(a)(3) when after his termination on November 12, 2020, WFI requested, in writing, that Davis return to the agency all account files previously placed with Davis and he failed to do so. Arkansas Rule 1.19(a)(3) states upon the client's written request in any format, the lawyer shall surrender the client's original file or a copy of the file, in paper or electronic format, to the client.

6. That Davis's conduct violated Rule 8.1(b) when he failed to comply with OPC's multiple requests for a written response to the allegations made against him in the WFI grievance investigation. Arkansas Rule 8.1(b) states an applicant for admission to the bar, or a lawyer in connection with a bar admission application or in connection with a disciplinary matter, shall not fail to disclose a fact necessary to correct a misapprehension known by the person to have arisen in the matter, or knowingly fail to respond to a lawful demand for information from an admissions or disciplinary authority, except that this rule does not require disclosure of information otherwise protected by Rule 1.6.

WHEREFORE, it is the decision and order of the Arkansas Supreme Court Committee on Professional Conduct, acting through its authorized Panel B, that **STEVEN RAY DAVIS** Arkansas Bar ID #76029, has engaged in serious misconduct as defined by Section 17.B of the Procedures, and is hereby **Suspended from the practice of law for a period of sixty (60) days** for his conduct in this matter. Davis shall pay costs in this matter in the amount of FIFTY DOLLARS (\$50.00) in accordance with Section 18.A of the Procedures. The cost assessed herein totaling FIFTY DOLLARS (\$50.00) 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 B



David P. Glover, Chair, Panel B

Date: 4/19/22