BEFORE THE SUPREME COURT COMMITTEE ON PROFESSIONAL CONDUCT PANEL D

IN RE:

MICHAEL W. LANGLEY ARKANSAS BAR ID# 94010 CPC Docket No. 2022-035

MAY - 5 2023 Clerk of the Courts

FINDINGS AND ORDER

The formal charges of misconduct upon which this Findings and Order is based arose from a grievance filed by Jason Polk ("Mr. Polk") and Kimberly Polk ("Mrs. Polk"). Michael W. Langley ("Langley") is an attorney licensed to practice law in the State of Arkansas and assigned Bar Number 94010.

- 1. On or about November 28, 2016, the Bevans Family Limited Partnership ("BFLP"), through Mr. Polk, retained the Barber Law Firm ("Barber") for representation, specifically regarding a medical marijuana cultivation license.
- On November 28, 2016, Langley, then an attorney at Barber, sent Mr. Polk an Engagement Letter establishing matters that were on both an exclusive and non-exclusive basis.
- 3. The purpose of Barber's representation was for Courageous Ann, a business entity created by BFLP, to incorporate and pursue a license to establish an Arkansas medical-marijuana cultivation company.
- 4. Barber's representation relating to BFLP's application for a cultivation facility was on an exclusive basis as set out in the engagement letter.
- 5. In December 2016, BFLP, through Mrs. Polk, entered into a Consulting Services Agreement with Canna, LLC, DBA Canna Advisors ("Canna") out of Colorado, for which they paid Canna \$160,000 for their services through BFLP's Lake Liquor, Inc.

- 6. Pursuant to its Agreement with BFLP, Canna did not engage in any type of services for any other candidate in the same geographic region for an Arkansas medical-marijuana cultivation license.
 - 7. Courageous Ann, LLC incorporated with the State of Arkansas on March 10, 2017.
- 8. On March 17, 2017, Langley wrote a personal check to Innovative Strategies Group, a lobbying firm, in the amount of \$10,000, with the memo line appearing to state for "Bevans".
- 9. Langley then requested reimbursement from Barber for the \$10,000 he paid to Innovative Strategies Group for a lobbying fee. Langley had not discussed the \$10,000 Innovative Strategies expenditure with Mr. or Mrs. Polk prior to issuing his personal check.
- 10. On the March 30, 2017, invoice to BFLP, an entry dated 3/30/2017 reflects an expert fee of \$10,000 to Innovative Strategies Group, LLC March 2017 consulting services.
- 11. In April 2017, Barber refunded \$10,000.00 to BFLP. Mr. Polk was not made aware of the reason for the refund other than it was an overpayment.
- 12. Throughout Langley's representation, documents created by Canna for the benefit of BFLP/Courageous Ann were made available in the file sharing program, Dropbox, for review.

 Those with access to the Bevans Family AR Dropbox included Canna, Barber Law Firm including Langley, and the Bevans Family Limited Partnership including Mr. and Mrs. Polk.
- 13. Langley's last day with Barber was July 5, 2017. BFLP/Courageous Ann remained clients of Barber after Langley left the firm.
- 14. Following his departure from Barber, Langley advised Mr. Polk that he remained their attorney and that BFLP owed him no additional fee. Langley continued to have access to the Dropbox for Courageous Ann/Canna files. Mr. Polk understood that Langley was still representing BFLP/Courageous Ann in the application process for a cultivation license.

- 15. On or about July 20, 2017, Langley, through his entity MWL Advisory Group, LLC, entered into an agreement to provide services on behalf of FJW Consulting, through Jason Willett, and FJW's client Delta Cannabis Company ("Delta"), a competitor of BFLP/Courageous Ann.
- 16. On July 24, 2017, Langley emailed persons affiliated with Delta "a basic org chart" titled "Bevans Family AR.pdf".
- 17. On July 31, 2017, Langley edited files in the BFLP/Courageous Ann Dropbox. A spreadsheet showed all access/activity taken by Langley in the Bevans/Courageous Ann Dropbox.
- 18. On August 4, 2017, Langley downloaded documents from the BFLP/Courageous Ann Dropbox.
- 19. On August 15, 2017, Langley created a new link for a non-team member to share documents from the BFLP/Courageous Ann Dropbox.
- 20. On August 30, 2017, Courageous Ann submitted its application for a medical marijuana cultivation license.
- 21. On September 8, 2017, Jason Willett emailed individuals, all of whom were associated with cultivation applicant Delta, that "Michael [Langley] agreed to provide the additional Exhibits and will provide assistance with the summary by providing a dispensary summary from an application he has already turned in."
 - 22. Delta also submitted its application for a medical marijuana cultivation license.
- 23. When the State issued medical marijuana cultivation licenses, Courageous Ann did not receive a license, but Delta did.

- 24. Shortly after information became public regarding rankings and licenses awarded, the Polks discovered, from information they obtained from many sources, that Delta's application mirrored Courageous Ann's application in several sections.
- 25. On or about March 7, 2018, Mrs. Polk received an email from Jay Czarkowski of Canna Advisors who stated in part "...Delta did not have permission to use any of our application materials. We never heard of them prior to the announcement of winners, and never had any communication with them."
- 26. On or about Thursday, March 15, 2018, Langley accessed the Bevans Family AR Dropbox and deleted nine (9) files. Mr. Polk became aware that Langley deleted files on his family's Dropbox the following day. Mr. Polk sent Langley a text message wanting an explanation for why Langley deleted 9 files from the Bevans Family AR Dropbox. Langley responded that deleted items could be recovered in Dropbox.
- 27. On June 27, 2018, the Arkansas Democrat-Gazette published a news story with the headline "Parts of application from firm awarded medical-pot growing license nearly identical to 1 rival group's material[.]" The story stated, in part, "Electronic fingerprints on Delta Medical's internal documents and company emails...show how the contents of Courageous Ann's application funneled into Delta Medical's hands through accounts linked to its previous attorney, Michael Langley.
- 28. The article went on to explain that "[t]he newspaper used the metadata buried in the document file to trace its apparent edit history. The data show that someone using the sign-on of 'Michael Langley' replaced Courageous Ann's name and biographical information with the same information for Delta Medical...[and] that the person using Langley's sign-on deleted

Courageous Ann's information from the section detailing its business plan and replaced it with Delta Medical Cannabis' name while keeping the wording roughly the same."

- 29. The article also contains a statement from Canna that Delta was not a client and "it would be unusual and likely improper for materials prepared by her or Canna Advisors to be shared with a competing company by a third party."
- 30. On August 22, 2019, Courageous Ann filed a Complaint with the ABC Medical Marijuana Commission based on Langley sharing their information.
- 31. Mr. and Mrs. Polk both deny authorizing Langley to share any information obtained by BFLP/Courageous Ann with anyone or any other entities.

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

- 1. That Langley's conduct violated Rule 1.4(a)(2) when failed to consult with his client, BFLP/Courageous Ann, regarding engagement of Innovative Strategies Group for a fee of \$10,000.00. Arkansas Rule 1.4(a)(2) requires that a lawyer shall reasonably consult with the client about the means by which the client's objectives are to be accomplished.
- 2. That Langley's conduct violated Rule 1.4(a)(3) when he failed to communicate with his client, BFLP/Courageous Ann, about retaining the services of Innovative Strategies for a cost of \$10,000.00. Arkansas Rule 1.4(a)(3) requires that a lawyer shall keep the client reasonably informed about the status of the matter.
- 3. That Langley's conduct violated Rule 1.6(a) when Langley failed to get his client's, BFLP/Courageous Ann, informed consent to authorize Langley to share any proprietary information with any competitor, including but not limited to Delta Medical Cannabis Co.

Arkansas Rule 1.6(a) requires that a lawyer shall not reveal information relating to representation of a client unless the client gives informed consent, the disclosure is impliedly authorized in order to carry out the representation or the disclosure is permitted by paragraph (b).

4. That Langley's conduct violated Rule 1.7(a) when while representing client Bevans Family Limited Partnership/Courageous Ann, LLC, Langley also began working on behalf of Delta Medical, an entity in direct competition with Courageous Ann for a medical marijuana cultivation license. Arkansas Rule 1.7(a) requires that, except as provided in paragraph (b), a lawyer shall not represent a client if the representation involves a concurrent conflict of interest. A concurrent conflict of interest exists if: (1) the representation of one client will be directly adverse to another client; or (2) there is a significant risk that the representation of one or more clients will be materially limited by the lawyer's responsibilities to another client, a former client or a third person or by a personal interest of the lawyer.

WHEREFORE, it is the decision and order of the Arkansas Supreme Court Committee on Professional Conduct, acting through its authorized Panel D, that MICHAEL W.

LANGLEY Arkansas Bar ID #94010, be, and hereby is, Suspended for a period of Six (6)

Months followed by Eighteen (18) Months' probation for his conduct in this matter. Langley shall pay a fine in the amount of ONE THOUSAND DOLLARS (\$1,000.00) in accordance with Section 18.B of the Procedures. Langley shall also pay costs in the amount of ONE HUNDRED FIFTY DOLLARS (\$150.00) in accordance with Section 18.A of the Procedures. The fine and cost assessed herein totaling ONE THOUSAND ONE HUNDRED FIFTY DOLLARS (\$1,150.00) 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 D

Paul W. Keith, Chair, Panel D

Date: May 2, 2023