

SUPREME COURT OF LOUISIANA

In re Jerry F. Palmer

835 So. 2d 410 (La. 2002) · No. 2002-B-1780 · Decided December 4, 2002

SUMMARY

The Louisiana Supreme Court considered attorney disciplinary charges arising from Jerry F. Palmer's participation in a fraudulent insurance-company scheme, including the preparation of false financial and regulatory documents. Although Palmer cooperated extensively with federal and state authorities and presented substantial mitigating evidence, the court held that the magnitude of the fraud and his use of legal skills to further it warranted disbarment.

CASE DETAILS

COURT	Supreme Court of Louisiana
WRITING FOR THE COURT	Per Curiam
JURISDICTION	Louisiana
DECIDED	December 4, 2002
DOCKET	2002-B-1780
DISPOSITION	other
PROCEDURAL POSTURE	Attorney disciplinary proceeding in the Supreme Court of Louisiana's original jurisdiction following a criminal conviction and recommendations by the hearing committee and disciplinary board. The Office of Disciplinary Counsel objected to the disciplinary board's recommendation of a three-year suspension as too lenient.
STANDARD OF REVIEW	In a criminal-conviction disciplinary proceeding, the conviction is conclusive evidence of guilt; the court independently determines whether discipline is warranted and the appropriate sanction based on the seriousness of the offense and aggravating and mitigating circumstances.
PRECEDENTIAL VALUE	Published Louisiana Supreme Court opinion; precedential disciplinary decision.
PARTIES	Office of Disciplinary Counsel v. Jerry F. Palmer

TOPICS

insurance

administrative law

corporate law

PRACTICE AREAS

attorney discipline

professional responsibility

insurance fraud

criminal law

QUESTIONS PRESENTED

1. Whether Palmer's federal conviction for conspiracy to defraud insurance companies, policyholders, and investors warranted professional discipline.
2. What sanction was appropriate in light of Palmer's participation in an organized insurance-fraud scheme, the resulting harm, and the aggravating and mitigating circumstances.

HOLDINGS

1. Palmer's conviction for conspiracy to defraud insurance companies and their investors was a serious crime involving fraud and moral turpitude and warranted discipline under the Louisiana Rules of Professional Conduct.
2. Disbarment was the only appropriate sanction where Palmer used his legal skills to further an organized fraud that caused millions of dollars in losses to policyholders and investors, notwithstanding substantial mitigating evidence and cooperation with authorities.

KEY QUOTATIONS

"As in those cases, disbarment is the only appropriate sanction under these facts." (416)

FACTUAL BACKGROUND

Palmer served as general counsel and a corporate officer for a family of insurance companies that he learned were insolvent and being operated through fraudulent transactions and misrepresentations. He knowingly prepared and filed fraudulent financial reports, legal documents, and corporate records, including documents that materially overstated assets and concealed the companies' insolvency from regulators, policyholders, and investors. After authorities uncovered the scheme, Palmer cooperated extensively with federal and state investigations and pleaded guilty to conspiracy to defraud under 18 U.S.C. § 371. He received probation, halfway-house confinement, and restitution after federal prosecutors sought a substantial sentencing departure based on his cooperation.

PROCEDURAL HISTORY

Palmer pleaded guilty in federal court to conspiracy under 18 U.S.C. § 371 arising from his participation in an insurance-fraud scheme. After the plea was unsealed, he voluntarily ceased practicing law, notified his clients, reported his misconduct, and sought disciplinary proceedings. The Supreme Court of Louisiana imposed an interim suspension on May 26, 1999. The hearing committee and disciplinary board found professional misconduct and recommended, respectively, a thirty-month retroactive suspension and a three-year suspension. The matter was docketed for briefing and argument after the ODC objected to the lenient sanction.

DISPOSITION

other

CASES CITED

- In re Palmer, 99-1395 (La. 5/26/99), 736 So. 2d 162
- Louisiana State Bar Ass'n v. Garraway, 520 So. 2d 400 (La. 1988)
- Louisiana State Bar Ass'n v. Perez, 550 So. 2d 188 (La. 1989)
- Louisiana State Bar Ass'n v. Hennigan, 340 So. 2d 264, 269 (La. 1976)
- In re Schneider, 97-2457 (La. 1/30/98), 707 So. 2d 38
- In re Naccari, 97-1546 (La. 12/19/97), 705 So. 2d 734
- In re King, 94-0686 (La. 11/30/94), 646 So. 2d 326