

SUPREME COURT OF KENTUCKY

Inquiry Commission v. Traci Lee Tidball Peppers

No. 2020-SC-000172 (Ky. Aug. 20, 2020) · No. 2020-SC-000172 · Decided August 18, 2020

SUMMARY

The Supreme Court of Kentucky temporarily suspended Traci Lee Tidball Peppers from practicing law after finding probable cause that she misappropriated funds belonging to a minor's estate and that her conduct posed a substantial threat of harm to clients or the public. The order required her to notify clients, cease advertising, and face disciplinary proceedings.

CASE DETAILS

COURT	Supreme Court of Kentucky
WRITING FOR THE COURT	Minton, C.J.; Hughes, J.; Keller, J.; Lambert, J.; Nickell, J.; VanMeter, J.; Wright, J.
JURISDICTION	Kentucky
DECIDED	August 18, 2020
DOCKET	2020-SC-000172
DISPOSITION	writ_granted
PROCEDURAL POSTURE	The Kentucky Inquiry Commission petitioned the Supreme Court of Kentucky for an order temporarily suspending Respondent from the practice of law under SCR 3.165. Respondent opposed the petition, but acknowledged the underlying conduct and submitted no supporting facts or documentation.
STANDARD OF REVIEW	The Court independently examined the petition, supporting documents, and response to determine whether probable cause existed under SCR 3.165(1)(a) and (b).
PRECEDENTIAL VALUE	Unknown
PARTIES	Inquiry Commission v. Traci Lee Tidball Peppers

TOPICS

[guardianship procedure](#)[guardianships](#)[estate administration](#)[probate procedure](#)

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether probable cause existed under SCR 3.165(1)(a) to believe that Peppers had misappropriated client funds or otherwise improperly dealt with those funds.
2. Whether probable cause existed under SCR 3.165(1)(b) to believe that the alleged misappropriation posed a substantial threat of harm to Peppers's clients or the public.
3. Whether Peppers should be temporarily suspended from the practice of law pending further orders and disciplinary proceedings.

HOLDINGS

1. Probable cause existed under SCR 3.165(1)(a) to believe that Peppers had misappropriated client funds to her own use or otherwise improperly dealt with those funds.
2. Probable cause existed under SCR 3.165(1)(b) to believe that Peppers's misappropriations posed a substantial threat of harm to her clients or the public.
3. Peppers was temporarily suspended from the practice of law in Kentucky effective upon entry of the order and pending further orders from the Court.

KEY QUOTATIONS

“This Court also finds probable cause, under SCR 3.165(1)(b), to believe Respondent’s misappropriations pose “a substantial threat of harm to [her] clients or to the public.”” (2)

FACTUAL BACKGROUND

Peppers served in connection with the estate of Garrett Hunter Graven, a minor, and failed for five years to file periodic settlements. Between April 2016 and January 2020, she transferred \$24,415 from the minor's bank accounts into her personal and business accounts without court approval and without an apparent benefit to the child. She repaid \$27,000, including interest, after the conservator prepared a report, self-reported the conduct to the Kentucky Bar Association, and acknowledged the accuracy of the report in response to the suspension petition.

PROCEDURAL HISTORY

The Inquiry Commission received information from the conservator of a minor's estate alleging that Peppers had improperly converted estate funds. After reviewing the petition, supporting documents, and Peppers's response, the Supreme Court found probable cause to believe that she had misappropriated client funds and that the conduct posed a substantial threat of harm to clients or the public. The Court entered an order temporarily suspending her, directed initiation of disciplinary proceedings, and imposed related notice and advertising requirements.

DISPOSITION

OPINION

PER CURIAM.

Supreme Court of Kentucky 2020-SC-000172 INQUIRY COMMISSION MOVANT V. IN SUPREME COURT TRACI LEE TIDBALL PEPPERS RESPONDENT ORDER Pursuant to SCR 3.165(1), the Inquiry Commission has petitioned this Court to enter an order temporarily suspending Respondent, Traci Lee Tidball Peppers, from the practice of law in the Commonwealth of Kentucky.

The Inquiry Commission asserts there is probable cause to believe Respondent has misappropriated funds held for others to her own use or has been otherwise improperly dealing with said funds. In its petition, the Inquiry Commission states it received information from Brian K. Pack, conservator for Garrett Hunter Graven, a minor, accusing Peppers of improperly converting \$24,415.00 of the minor's money to her own use.

Pack was appointed conservator for the child after Peppers was removed in March 2020 for failing to file periodic settlements for the child's estate for five years and informing the Barren District Court at a show cause hearing she was unable to provide any such accounting.

As detailed in Pack's report, between April 2016 and January 2020, Peppers made a series of transfers from the minor's bank accounts into her own personal and business accounts without court approval and with no apparent benefit to the child. Immediately prior to Pack completing his report, Peppers voluntarily repaid the estate \$27,000.00 to cover the amounts she had improperly withdrawn, plus interest.

Peppers self-reported her actions to the Kentucky Bar Association which instituted a disciplinary action against Peppers. In her response to the Inquiry Commission's petition, Peppers claims temporary suspension based on the allegations is unwarranted, but she submits no facts or documentation in support of her claim, other than her statement she possesses no client funds and does not act in a fiduciary capacity for any client and her pledge to fully cooperate in the disciplinary action.

She acknowledges her inappropriate actions and the accuracy of Pack's report. On an examination of the Inquiry Commission's petition and supporting documents, as well as the response, this Court finds probable cause, as required by SCR 3.165(1)(a), to believe Respondent has misappropriated client funds to her own use or has otherwise improperly dealt with such funds.

This Court also finds probable cause, under SCR 3.165(1)(b), to believe Respondent's misappropriations pose "a substantial threat of harm to [her] clients or to the public." 2

ACCORDINGLY, IT IS HEREBY ORDERED as follows: 1. Respondent is temporarily suspended from the practice of law in the Commonwealth of Kentucky, effective upon the date of entry of this order, pending further orders from this Court; 2.

Disciplinary proceedings against Respondent shall be initiated by the Inquiry Commission pursuant to SCR 3.160, unless already begun or unless Respondent resigns under terms of disbarment; 3. Pursuant to SCR 3.165(5), Respondent shall, within twenty (20) days from the date of the entry of this Order, notify—in writing—all clients of her inability to provide further legal services and furnish the Director of the Kentucky Bar Association with copies of all such letters; 4.

Pursuant to SCR 3.165(6), Respondent shall immediately, to the extent reasonably possible, cancel and cease any advertising activities in which she is engaged. All sitting. Minton, C.J.; Hughes, Keller, Lambert, Nickell, and VanMeter, JJ., concur. Wright, J., would deny the Petition for Temporary Suspension. ENTERED: August 20, 2020.

CHIEF JUSTICE 3