

SUPREME COURT OF GEORGIA

In the Matter of William Lewis Vaughn

277 Ga. 33, 585 S.E.2d 881 (2003) · No. S03Y1786 · Decided September 8, 2003

SUMMARY

The Supreme Court of Georgia accepted William Lewis Vaughn's petition for voluntary surrender of his law license, which is tantamount to disbarment. Vaughn admitted violating professional-conduct rules concerning dishonesty in two HUD-1 settlement statements and willful delay in recording a security deed and mortgage release. The Court noted his prior disciplinary history and reminded him of his duties under Bar Rule 4-219(c).

CASE DETAILS

COURT	Supreme Court of Georgia
WRITING FOR THE COURT	Per Curiam; All the Justices
JURISDICTION	Georgia
DECIDED	September 8, 2003
DOCKET	S03Y1786
DISPOSITION	other
PROCEDURAL POSTURE	Attorney-discipline proceeding on the special master's recommendation to accept William Lewis Vaughn's petition for voluntary surrender of his license.
PRECEDENTIAL VALUE	Published Georgia Supreme Court opinion
PARTIES	State Bar of Georgia v. William Lewis Vaughn

TOPICS

- deeds
- recording acts
- mortgages
- real estate

PRACTICE AREAS

- legal ethics and professional responsibility
- attorney discipline
- real estate transactions

QUESTIONS PRESENTED

- Whether the court should accept Vaughn's petition for voluntary surrender of his law license based on his admitted violations of Georgia Rules of Professional Conduct 1.3 and 8.4(a)(4).

2. Whether Vaughn's willful delay in recording a security deed violated Rule 1.3 even though the record contained no evidence or admission that the affected property owner was Vaughn's client.

HOLDINGS

1. Vaughn violated Rule 8.4(a)(4) by knowingly preparing two HUD-1 settlement statements containing false or materially inaccurate statements about the real-estate transactions.
2. Vaughn violated Rule 1.3 by willfully delaying for approximately three years the filing of a security deed and release of a second mortgage, even though the record did not establish that the affected property owner was his client.
3. The court accepted Vaughn's petition for voluntary surrender of his law license, recognizing that voluntary surrender is tantamount to disbarment and is warranted based on his admitted disciplinary violations.

KEY QUOTATIONS

"Although there is neither evidence nor an admission that the property owner whose security deed was not filed was Vaughn's client, we conclude that Rule 1.3 was violated because Vaughn's admitted willful three-year delay in filing the security deed could cause his client in the re-financing transaction "needless anxiety and undermine confidence in the lawyer's trustworthiness."" (882)

FACTUAL BACKGROUND

Vaughn admitted that, on two occasions while representing a mortgage company and preparing HUD-1 settlement statements for real-property sales, he knowingly prepared statements that misstated payments, property value, or other transaction facts. He also admitted that, after acting as settlement agent in a July 1999 refinancing, he willfully delayed until May 2002 the filing of a security deed and release of a second mortgage. The delay prevented the property owner from closing a sale in April 2002.

PROCEDURAL HISTORY

The State Bar disciplinary board's Investigative Panel found probable cause, the State Bar issued three formal complaints, and the Supreme Court appointed a special master. Vaughn filed a petition for voluntary surrender under Bar Rule 4-227(c), admitting violations of Rules 1.3 and 8.4(a)(4). The special master and the State Bar recommended acceptance of the petition, and the Supreme Court accepted it.

DISPOSITION

other

CASES CITED

- In the Matter of Vaughn, 275 Ga. 295, 565 S.E.2d 463 (2002)
- In the Matter of Vaughn, Case No. S00Y1933 (Sept. 8, 2000)

OPINION

PER CURIAM.

585 S.E.2d 881 (2003) 277 Ga. 33 In the Matter of William Lewis VAUGHN. No. S03Y1786. Supreme Court of Georgia. September 8, 2003. William P. Smith, III, General Counsel State Bar, K. Gene Chapman, Asst. General Counsel State Bar, for State Bar of Georgia, Atlanta, for appellant. William Lewis Vaughn, Macon, for appellee. PER CURIAM. This disciplinary matter is before the Court on the special master's report recommending acceptance of respondent William Lewis Vaughn's Petition for Voluntary Surrender of License.

The State Bar also recommends that Vaughn's petition be accepted. Vaughn filed his petition pursuant to Bar Rule 4-227(c) after the Investigative Panel of the State Bar's State Disciplinary Board found probable cause to charge respondent with violations, the State Bar issued three Formal Complaints, and this Court appointed a special master.

In his petition, Vaughn admits having violated Rules 1.3 and 8.4(a)(4) of Bar Rule 4-102(d) of the Georgia Rules of Professional Conduct. A violation of either rule is punishable by disbarment and a voluntary surrender of license is tantamount to disbarment. Rule 8.4(a)(4) prohibits a lawyer from engaging in professional conduct involving dishonesty, fraud, deceit, or misrepresentation.

In his petition, Vaughn admits he violated Rule 8.4(a)(4) when, on two separate occasions, he represented a mortgage company and prepared a HUD-1 settlement statement regarding the sale of certain real property. Vaughn admits he knew one of the settlement statements did not reflect the actual payments the parties involved in the transaction made and did not reflect the actual value of the property involved in the transaction.

With regard to the other HUD-1 settlement statement, Vaughn admits he was aware the settlement statement contained untrue statements of fact and did not accurately reflect the transaction between the parties. Rule 1.3 requires a lawyer to act with reasonable diligence and promptness in representing a client, and prohibits a lawyer from willfully abandoning or willfully disregarding a legal matter entrusted to the lawyer, to the detriment of the client and without just cause.

Vaughn admits he violated Rule 1.3 when he willfully delayed filing until May 2002 a security deed and a release of a second mortgage after serving as the settlement agent when the owner refinanced the property in July 1999. When the individual attempted in April 2002 to sell the property for which the security deed had not been filed, the attorney handling the 2002 closing determined that the security deed concerning the property had not been recorded and contacted Vaughn about the problem.

Vaughn informed the attorney the unrecorded deed and the release of a second mortgage were in *882 a file in Vaughn's office. Vaughn recorded the security deed and the release on May 2, 2002; however, Vaughn's willful delay in recording the documents prevented the individual from closing the sale of her property in April 2002.

Although there is neither evidence nor an admission that the property owner whose security deed was not filed was Vaughn's client, we conclude that Rule 1.3 was violated because Vaughn's admitted willful three-year delay in filing the security deed could cause his client in the re-financing transaction "needless anxiety and undermine confidence in the lawyer's trustworthiness."

Comment (2) to Rule 1.3. We have reviewed the record in this case and conclude that Vaughn's Petition for Voluntary Surrender of License should be accepted on the basis of his admission of twice violating Rule 8.4(a)(4) and having violated Rule 1.3.

We note that Vaughn has prior disciplinary violations for which he received a 12-month suspension with conditions (In the Matter of Vaughn, 275 Ga. 295, 565 S.E.2d 463 (2002)), and a Review Panel reprimand. In the Matter of Vaughn, Case No. S00Y1933 (September 8, 2000).

Accordingly, Vaughn's Petition for Voluntary Surrender of License hereby is accepted. He is reminded of his duties under Bar Rule 4-219(c). Voluntary surrender of license accepted. All the Justices concur.