

SUPREME COURT OF KENTUCKY

William J. Gallion v. Kentucky Bar Association

266 S.W.3d 802 (Ky. 2008) · No. 2008-SC-000629-KB · Decided October 23, 2008

SUMMARY

The Supreme Court of Kentucky granted William J. Gallion's motion for permanent disbarment based on admitted misconduct arising from his handling of the Fen-Phen class-action settlement. The court found violations involving client communication, fee arrangements, conflicts of interest, settlement allocation, handling of client funds, supervision, and candor to the court, and ordered Gallion to cease practice-related activities and pay disciplinary costs.

CASE DETAILS

COURT	Supreme Court of Kentucky
WRITING FOR THE COURT	John D. Minton
JURISDICTION	Kentucky
DECIDED	October 23, 2008
DOCKET	2008-SC-000629-KB
DISPOSITION	other
PROCEDURAL POSTURE	Gallion moved under SCR 3.480 to withdraw his membership in the Kentucky Bar Association under terms of permanent disbarment and admitted that his conduct violated Supreme Court Rules. The Kentucky Bar Association urged the Court to grant the motion and disbar him.
PRECEDENTIAL VALUE	Published disciplinary opinion and order
PARTIES	William J. Gallion, Movant v. Kentucky Bar Association, Respondent

TOPICS

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether the Court should grant Gallion's motion under SCR 3.480 to withdraw his membership in the Kentucky Bar Association under terms of permanent disbarment.
2. What disciplinary and administrative consequences should follow from Gallion's admitted misconduct.

HOLDINGS

1. The Court granted Gallion's motion to withdraw his membership in the Kentucky Bar Association under terms of permanent disbarment, so that he may never apply for reinstatement under the current rules.
2. A permanently disbarred attorney must notify courts with pending matters and active clients of the inability to continue representation and must immediately cease advertising activities.
3. Gallion was ordered to pay \$24,928.25 in costs associated with the disciplinary proceedings.

KEY QUOTATIONS

“Movant, William J. Gallion's motion to withdraw his membership in the Kentucky Bar Association under terms of permanent disbarment is granted.” (at 807)

“Movant thusly, may never apply for reinstatement to the Bar under the current rules” (at 807)

FACTUAL BACKGROUND

Gallion represented plaintiffs in a Fen-Phen class action that settled for a single lump-sum payment of \$200,450,000. The attorneys determined individual plaintiff distributions without adequately informing the plaintiffs of the total settlement, allocation process, opt-out rights, fee arrangements, or proposed charitable donation. Gallion and affiliated attorneys received approximately \$104,337,000, including more than \$56 million received by Gallion and his firm, and improperly handled undistributed settlement funds. Gallion admitted multiple violations involving client communication, excessive and undisclosed fees, conflicts, handling of client funds, supervision, misrepresentations, and conduct before the Boone Circuit Court.

PROCEDURAL HISTORY

The disciplinary charges arose from Gallion's representation of plaintiffs in the Fen-Phen class action settlement. The Inquiry Commission charged him with twenty-two violations of the Kentucky Supreme Court Rules. Gallion admitted specified misconduct and sought permanent disbarment; the Kentucky Bar Association supported the motion. The Supreme Court of Kentucky granted the motion, terminated the pending disciplinary proceedings, imposed permanent disbarment, ordered notice to courts and clients, prohibited advertising, and assessed costs.

DISPOSITION

other