

SUPREME COURT OF KENTUCKY

Seth Jarad Johnston v. Kentucky Bar Association

439 S.W.3d 171 (Ky. 2014) · No. 2014-SC-000288-KB · Decided August 19, 2014

SUMMARY

The Supreme Court of Kentucky grants Seth Jarad Johnston's petition to resign from the Kentucky Bar Association under terms of permanent disbarment. The order follows Johnston's guilty plea to federal charges involving fraud, obstruction of justice, conspiracy to distribute controlled substance analogues, and tax fraud, and imposes permanent disbarment, costs, client-notification duties, and cessation of advertising.

CASE DETAILS

COURT	Supreme Court of Kentucky
JURISDICTION	Kentucky
DECIDED	August 19, 2014
DOCKET	2014-SC-000288-KB
DISPOSITION	other
PROCEDURAL POSTURE	Johnston moved to resign his membership in the Kentucky Bar Association under terms of permanent disbarment pursuant to SCR 3.480(3). The Kentucky Bar Association did not object.
PRECEDENTIAL VALUE	Published Kentucky Supreme Court disciplinary opinion and order; binding as to the court's application of SCR 3.480(3) and the terms imposed in this matter.
PARTIES	Seth Jarad Johnston v. Kentucky Bar Association

TOPICS

remedies tax fraud criminal procedure

PRACTICE AREAS

legal ethics attorney discipline professional responsibility criminal conduct by attorneys tax fraud

QUESTIONS PRESENTED

1. Whether Johnston's motion to resign from the Kentucky Bar Association under terms of permanent disbarment satisfied SCR 3.480(3).

2. Whether Johnston should be permanently disbarred and required to pay proceeding costs and comply with attorney-notification and advertising requirements.

HOLDINGS

1. A lawyer who admits violations of the Rules of Professional Conduct and satisfies the requirements of SCR 3.480(3) may resign from the Kentucky Bar Association under terms of permanent disbarment; Johnston's motion was appropriate and was granted.
2. Upon permanent disbarment, Johnston was required to pay the costs of the proceeding, notify clients and courts of his inability to represent them, provide copies of notices to the Office of Bar Counsel, and cease advertising activities to the extent possible.

KEY QUOTATIONS

“Movant, Seth Jared Johnston, is permanently disbarred from the practice of law;” (439 S.W.3d at 172)

“Movant, Seth Jared Johnston, is permanently disbarred from the practice of law;” (439 S.W.3d at 172)

FACTUAL BACKGROUND

Johnston, a Kentucky lawyer, pleaded guilty in federal court to two counts of mail fraud, wire fraud, obstruction of justice, conspiracy to distribute controlled-substance analogues, and tax fraud. The offenses involved diverting funds belonging to clients and an associate, concealing estate assets, attempting to influence a witness, financing a synthetic-marijuana distribution scheme, and knowingly underreporting taxable income. He acknowledged that the conduct violated Kentucky Rules of Professional Conduct and sought permanent disbarment rather than continuing membership in the bar.

PROCEDURAL HISTORY

Johnston was temporarily suspended under SCR 3.166(1) after pleading guilty in the United States District Court for the Eastern District of Kentucky to federal charges including fraud, obstruction of justice, conspiracy involving controlled-substance analogues, and tax fraud. The Kentucky Bar Association was investigating the offenses, but formal disciplinary charges had not yet been returned. Johnston filed a verified motion seeking resignation under terms of permanent disbarment, and the Supreme Court of Kentucky granted the motion and imposed permanent disbarment and related obligations.

DISPOSITION

other

CASES CITED

- United States v. Seth J. Johnston, No. 13-CR-00142-JMH (E.D. Ky.)