

2020 WI 77

SUPREME COURT OF WISCONSIN

CASE No. : 2020AP724-D

COMPLETE TITLE: In the Matter of Disciplinary Proceedings
Against Coral Dawn Pleas, Attorney at Law:

Office of Lawyer Regulation,
Complainant,

v.

Coral Dawn Pleas,
Respondent.

DISCIPLINARY PROCEEDINGS AGAINST PLEAS

OPINION FILED: September 29, 2020

SUBMITTED ON BRIEFS:

ORAL ARGUMENT:

SOURCE OF APPEAL:

COURT:

COUNTY:

JUDGE:

JUSTICES:

Per Curiam

NOT PARTICIPATING:

ATTORNEYS:

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NOTICE

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STATE OF WISCONSIN

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IN SUPREME COURT

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Against Coral Dawn Pleas, Attorney at Law:**

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Respondent.

FILED**SEP 29, 2020**

Sheila T. Reiff
Clerk of Supreme Court

ATTORNEY disciplinary proceeding. *Attorney's license suspended.*

¶1 PER CURIAM. We review the stipulation filed by the Office of Lawyer Regulation (OLR) and Attorney Coral Dawn Pleas pursuant to Supreme Court Rule (SCR) 22.12. On April 10, 2020, the OLR filed a complaint in this court alleging eight counts of misconduct against Attorney Pleas. Attorney Pleas did not file an answer. Instead, she and the OLR filed a stipulation in which Attorney Pleas admitted the facts and the misconduct alleged in the OLR's complaint and agreed to the level of discipline sought

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by the OLR: a six-month suspension of Attorney Pleas' license to practice law in Wisconsin.

¶2 We approve the stipulation and adopt the stipulated facts and conclusions regarding Attorney Pleas' eight counts of misconduct as alleged in the OLR's complaint. We determine that the seriousness of Attorney Pleas' misconduct warrants the suspension of her license to practice law in the state for a period of six months. In addition, we agree that Attorney Pleas should be required to pay \$8,333.33 in restitution. Because Attorney Pleas entered into a comprehensive stipulation under SCR 22.12, thereby obviating the need for the appointment of a referee and a full disciplinary proceeding, we impose no costs in this matter.

¶3 Attorney Pleas was admitted to practice law in Wisconsin in 1993 and practices in Milwaukee. She has no prior disciplinary history.

¶4 The misconduct alleged in the OLR's complaint arose out of Attorney Pleas' representation of V.B. On September 25, 2014, V.B. was involved in a motor vehicle accident and sustained serious injuries. The other driver involved in the accident was insured through Progressive Insurance Company.

¶5 On September 27, 2014, V.B. signed a contingent fee agreement with Pleas Williams, LLC, the law firm at which Attorney Pleas worked. The fee agreement provided for a one-third contingent fee for all money recovered as part of the case.

¶6 From September 2014 through January 2015, V.B. received medical treatment for her injuries. However, in January of 2015,

she was involved in a second automobile accident and suffered additional injuries.

¶7 On March 27, 2015, V.B. signed a second contingent fee agreement with Attorney Pleas to represent her with regard to the 2015 accident.

¶8 In March 2015, Attorney Pleas settled V.B.'s property damage claim for the 2014 accident for \$7,396.29. In June 2015, Attorney Pleas settled V.B.'s personal injury claim for the 2014 accident with Progressive Insurance for \$25,000, which was the policy limit for Progressive's insured.

¶9 On June 15, 2015, Attorney Pleas deposited the \$25,000 settlement check from Progressive into her client trust account. Attorney Pleas did not notify V.B. or any of V.B.'s medical providers that she had received the \$25,000 insurance settlement. Pursuant to the first fee agreement, Attorney Pleas would have been entitled to no more than \$8,333 out of the \$25,000 settlement. In addition, V.B. and third-party medical providers had an ownership interest in a portion of the \$25,000.

¶10 Between June 17 and 26, 2015, Attorney Pleas transferred a total of \$23,000 from her client trust account to her business checking account. She accomplished these transfers via internet transfers.

¶11 On June 26, 2015, Attorney Pleas withdrew \$20,710.54 from her business account. In July and August of 2015, Attorney Pleas made additional internet transfers totaling \$6,865 from her client trust account. By the end of August 2015, Attorney Pleas' client trust account had a balance of \$.35.

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¶12 On September 15, 2015, a service charge to Attorney Pleas' client trust account resulted in an overdraft on the account. At the time, Attorney Pleas did not have an overdraft agreement on file with the OLR.

¶13 From June 2015 through April 2018, Attorney Pleas did not inform V.B. of the \$25,000 settlement of her personal injury claim for the 2014 accident.

¶14 Attorney Pleas took no action on V.B.'s personal injury claim for the 2015 accident, and the three-year statute of limitations expired. Attorney Pleas did not inform V.B. that she had failed to file the civil action for the 2015 accident and that the statute of limitations had expired.

¶15 By January 2018, V.B.'s health insurer, UnitedHealthcare, had paid over \$38,000 for medical expenses related to the two accidents. Attorney Pleas worked to negotiate a reduction of the entire medical lien with the third-party administrator hired by UnitedHealthcare. In a letter to V.B. dated April 28, 2018, Attorney Pleas advised that she was trying to negotiate a reduction of the entire medical lien. By August 2018, Attorney Pleas negotiated a reduction of the entire medical lien to \$8,333.33.

¶16 On August 7, 2018, Attorney Pleas sent a letter to V.B. enclosing the release of claims, a settlement statement, and a settlement check in the amount of \$8,333.33. The settlement statement reflected that Attorney Pleas received attorney's fees in the amount of \$8,333.33 and noted the medical lien in that same amount. On August 21, 2018, V.B.'s new attorney sent a letter to

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Attorney Pleas advising that he had been retained by V.B. with regard to her handling of the two accident claims. The new attorney requested the name of Attorney Pleas' errors and omissions carrier.

¶17 On August 21, 2018, Attorney Pleas sent a letter to V.B. apologizing for her delay in handling the 2014 accident case and saying she would be refunding the full attorney's fee of \$8,333.33 from that case. Attorney Pleas has since refunded the full attorney's fee to V.B. Attorney Pleas has also agreed to pay off the medical lien of \$8,333.33 but has not yet done so.

¶18 The OLR's complaint alleged the following counts of misconduct with respect to Attorney Pleas' representation of V.B. in the two accident claims:

Count 1: By failing to promptly notify V.B. and UnitedHealthcare of the receipt of the \$25,000 settlement proceeds, as well as failing to promptly deliver to V.B. and UnitedHealthcare those funds to which they were entitled, Attorney Pleas violated former SCR 20:1.15(d)(1).¹

¹ Effective July 1, 2016, substantial changes were made to Supreme Court Rule 20:1.15, the "trust account rule." See S. Ct. Order 14-07, 2016 WI 21 (issued Apr. 4, 2016, eff. July 1, 2016). Because the conduct underlying this case arose prior to July 1, 2016, unless otherwise indicated, all references to the supreme court rules will be to those in effect prior to July 1, 2016.

Former SCR 20:1.15(d)(1) provided:

Upon receiving funds or other property in which a client has an interest, or in which the lawyer has received notice that a 3rd party has an interest identified by a lien, court order, judgment, or contract, the lawyer shall promptly notify the client or 3rd party in writing. Except as stated in this rule or otherwise permitted by law or by agreement with the client, the lawyer shall promptly deliver to the client

Count 2: By failing to hold in trust \$25,000 from V.B.'s personal injury settlement for the 2014 accident, Attorney Pleas violated SCR 20:1.15(b)(1).²

Count 3: By making multiple internet transfers out of her client trust account from June to August 2015, Attorney Pleas violated former SCR 20:1.15(e)(4)(c).³

Count 4: By failing to provide V.B. and UnitedHealthcare an accounting following final distribution of trust property in June 2015, Attorney Pleas violated former SCR 20:1.15(d)(2).⁴

Count 5: By converting \$25,000 in settlement funds to her own use, Attorney Pleas violated SCR 20:8.4(c).⁵

Count 6: By failing to file a civil action on a personal injury claim arising out of the 2015 accident prior to

or 3rd party any funds or other property that the client or 3rd party is entitled to receive.

² SCR 20:1.15(b)(1) provides:

A lawyer shall hold in trust, separate from the lawyer's own property, that property of clients and 3rd parties that is in the lawyer's possession in connection with a representation. All funds of clients and 3rd parties paid to a lawyer or law firm in connection with a representation shall be deposited in one or more identifiable trust accounts.

³ Former SCR 20:1.15(e)(4)(c) provided: "A lawyer shall not make deposits to or disbursements from a trust account by way of an Internet transaction."

⁴ Former SCR 20:1.15(d)(2) provided: "Upon final distribution of any trust property or upon request by the client or a 3rd party having an ownership interest in the property, the lawyer shall promptly render a full written accounting regarding the property."

⁵ SCR 20:8.4(c) provides: "It is professional misconduct for a lawyer to engage in conduct involving dishonesty, fraud, deceit or misrepresentation."

the expiration of the statute of limitations, Attorney Pleas violated SCR 20:1.3.⁶

Count 7: By failing to communicate sufficiently with V.B. regarding her 2014 accident and 2015 accident claims, including the fact that the statute of limitations had expired on the 2015 accident claim, Attorney Pleas violated SCR 20:1.4(a)(3).⁷

Count 8: By failing to file an overdraft notification agreement with the OLR, Attorney Pleas violated former SCR 20:1.15(h)(8).⁸

¶19 As noted, Attorney Pleas has now stipulated to the eight counts of misconduct as alleged in the OLR's complaint. She further stipulates that a six-month suspension of her license to practice law in Wisconsin is an appropriate sanction for the misconduct.

¶20 The stipulation states that Attorney Pleas fully understands the allegations of misconduct; fully understands the ramifications should this court impose the stipulated level of discipline; and fully understands her right to contest the matter and her right to consult with counsel. The stipulation further

⁶ SCR 20:1.3 provides: "A lawyer shall act with reasonable diligence and promptness in representing a client."

⁷ SCR 20:1.4(a)(3) provides: "A lawyer shall keep the client reasonably informed about the status of the matter."

⁸ Former SCR 20:1.15(h)(8) provided:

Every lawyer practicing or admitted to practice in Wisconsin shall comply with the reporting and production requirements of this subsection, including filing of an overdraft notification agreement for each IOLTA account, each draft-type trust account and each draft-type fiduciary account that is not subject to an alternative protection under sub. (j)(9).

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states that Attorney Pleas entered into it knowingly and voluntarily; that she has read the complaint and the stipulation; and that her entry into the stipulation represents her decision not to contest the allegations in the complaint or the level and type of discipline sought by the OLR's director.

¶21 The OLR filed a memorandum in support of the stipulation in which it cited a number of cases that it believes support its request for a six-month suspension. The OLR notes that In re Disciplinary Proceedings Against Mulligan, 2015 WI 96, 365 Wis. 2d 43, 870 N.W.2d 233, this court imposed a nine-month suspension for eight counts of misconduct involving multiple trust account violations in two client matters. The violations included commingling trust funds, dishonest conduct, and making cash withdrawals from the trust account. This court noted that Attorney Mulligan had previously received two private reprimands and one public reprimand, and it found that progressive discipline was warranted since Attorney Mulligan had demonstrated a persistent pattern of failure to abide by the requirements of the Rules of Professional Conduct. The OLR notes that while the Mulligan case similar to the instant case in the number of counts of misconduct and the type of some of the violations, Attorney Mulligan had three prior reprimands, while Attorney Pleas has no prior discipline and her misconduct was limited to the handling of two matters for the same client.

¶22 The OLR's memorandum also discussed In re Disciplinary Proceedings Against Smith, 2013 WI 98, 351 Wis. 2d 368, 841 N.W.2d 278. In Smith, the attorney received a six-month suspension

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for 20 counts of misconduct in four separate matters. The misconduct included trust account violations, failure to act diligently, failure to communicate, dishonest behavior, and other forms of misconduct. Attorney Smith had a prior public reprimand. This court noted aggravating factors in Attorney Smith's misconduct, including a troubling pattern of poor bookkeeping, office mismanagement, inadequate communication with clients, and insufficient concern for her clients' reasonable needs. The OLR says Attorney Pleas' misconduct was more limited in the number and scope of violations and she has shown remorse and accepted responsibility for it, although she has not yet paid the \$8,333.33 in restitution that the OLR seeks.

¶23 The OLR's memorandum also discussed In re Disciplinary Proceedings Against McClure, 2015 WI 25, 361 Wis. 2d 339, 860 N.W.2d 474. In McClure, the attorney received a five-month suspension for 20 counts of misconduct, 14 of which involved trust account irregularities including commingling and converting trust funds to the attorney's personal use; failing to pay a client's medical bills from settlement proceeds; and fee agreement irregularities. This court agreed with the referee that the number of violations charged resulted in part from overcharging by the OLR. Attorney McClure had no prior discipline in a lengthy 34 year career, was remorseful for his misconduct, and admitted the majority of the misconduct by stipulation.

¶24 From our independent review of the matter, we approve the stipulation and conclude that the seriousness of Attorney Pleas' misconduct warrants a six-month suspension of her license

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to practice law in Wisconsin. Attorney Pleas' admitted acts are serious violations of the Rules of Professional Conduct governing lawyers in this state. We deem a six-month suspension sufficient to protect the public from Attorney Pleas' unacceptable professional behavior, to ensure she will not repeat it, and to deter others from engaging in similar misconduct. We also agree that Attorney Pleas should be required to make restitution in the amount of \$8,333.33 to UnitedHealthcare. In light of the fact that Attorney Pleas entered into a comprehensive stipulation, thereby obviating the need for the appointment of a referee, we agree with the OLR's request that the costs of the disciplinary proceeding not be assessed against Attorney Pleas.

¶25 IT IS ORDERED that the license of Coral Dawn Pleas to practice law in Wisconsin is suspended for a period of six months, effective November 10, 2020.

¶26 IT IS FURTHER ORDERED that within 60 days of the date of this order, Coral Dawn Pleas shall make restitution to UnitedHealthcare in the amount of \$8,333.33.

¶27 IT IS FURTHER ORDERED that Coral Dawn Pleas shall comply with the provisions of SCR 22.26 concerning the duties of a person whose license to practice law in Wisconsin have been suspended.

¶28 IT IS FURTHER ORDERED that compliance with all conditions of this order is required for reinstatement. See SCR 22.29(4)(c).

