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IN THE SUPREME COURT OF GUAM

IN RE:

GERALD E. GRAY

Respondent.

Supreme Court Case No.: ADC2002-001

ORDER

This matter comes before the court upon a Stipulated Admission of Facts and Consent to Discipline submitted on February 26, 2002 by Respondent and the Guam Bar Ethics Committee (“Ethic’s Committee”) by and through Prosecuting Counsel Alberto E. Tolentino. In the Stipulation, Respondent admitted and consented to the following:

1. That the Respondent is an attorney admitted to the Bar of Guam and was a resident of Guam during the time of the conduct alleged herein. As such, he is subject to the jurisdiction of the Guam Bar Ethics Committee and of the Guam Supreme Court pursuant to Rule 3 of the Rules of the Guam Bar Ethics Committee Governing Discipline and Rule 1 of the Supreme Court of Guam Rules for the Discipline of Attorneys, respectively.

2. That Respondent’s conduct as alleged below occurred during a period when the Guam Rules of Professional Conduct were in effect and applicable to the Respondent’s conduct as an attorney licensed to practice law within Guam.

3. On or about between February, 1999, and July 2001, Respondent engaged the services of Daniel Del Priore (hereinafter “Del Priore”). Respondent had employed Del Priore as an independent contractor to provide services as a paralegal or law clerk in Respondent’s law office. Del Priore’s primary duties were to provide legal research and writing, to conduct a pre-screening of potential clients, to prepare letters and other correspondence for Respondent’s signature and to obtain files and records

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1 from clients and other sources pertaining to a variety of cases handled by Respondent's law office.
2 Respondent was aware, at all relevant times herein, that Del Priore was not an attorney nor was he
3 authorized to practice law on Guam.

4 4. That on or about and between February, 1999 and July 1999, Del Priore would be
5 compensated for the work done on the cases he was assigned by the submission of an invoice to
6 Respondent and payment directly from the Respondent's trust account.

7 5. That at all relevant times herein, compensation for Del Priore's services was paid from the
8 amounts received by Respondent in settlement of the claims of the cases Del Priore worked on.

9 6. That at all relevant times herein, the amount of compensation invoiced by and paid to Del
10 Priore represented fifty per cent (50%) of the amount Respondent was entitled as legal fees.

11 7. Respondent stipulates and agrees that his conduct as described above was a violation of Rule
12 5.4 of the Guam Rules of Professional Conduct which provides that a lawyer or law firm shall not share
13 legal fees with a non-lawyer.

14 8. That on or about October 12, 2000, Respondent undertook the representation of Eduardo
15 Calalo (hereinafter "Calalo") in a person injury matter. Calalo, his wife, and the Respondent executed
16 a Personal Injury Representation Agreement whereby Respondent's legal services were retained and
17 where it was agreed that Respondent would receive thirty three and one third percent (33 1/3%) of all
18 monies collected.

19 9. That sometime in April 2001, Calalo had to leave for the Philippines for an emergency. He
20 was told by both the Respondent and his assistant, Daniel Del Priore, that because the statute of limitation
21 would soon run he (Calalo) had to execute a power of attorney in favor of Respondent so that a
22 settlement may be negotiated and reached.

23 10. That upon Calalo's return from the Philippines, he was informed by Respondent that the case
24 had settled for ten thousand dollars (\$10,000.00), that the Respondent had deducted his fees from the
25 settlement, and that the balance remains in his trust account. Calalo had not been advised of nor did he
26 approve of the settlement amount.

27 11. Respondent stipulates and agrees that his conduct as described above was a violation of
28 Rule 1.2 of the Guam Rules of Professional Conduct which provides that a lawyer shall abide by a

1 client's decisions concerning the objectives of representation, that he shall consult with the client as to the
2 means by which they are to be pursued and that a lawyer shall abide by a client's decision whether to
3 accept an offer of settlement of a matter.

4 12. Respondent stipulates and agrees to the imposition of discipline as herein provided:

5 (A) Respondent shall be suspended from the practice of law for a period of thirty (30)
6 days;

7 (B) The suspension imposed above shall be stayed provided that Respondent take and
8 pass the Multi State Professional Responsibility Examination within one (1) year of the
9 date this Stipulated Admission of Fact and Consent to Discipline is filed with the
10 Supreme Court and that Respondent shall be responsible for informing Prosecuting
11 Counsel or the Guam Bar Ethics Committee of his compliance with this provision;

12 (C) Respondent shall be publicly reprimanded by the Supreme Court of Guam and that
13 the Guam Bar Ethics Committee shall publish the following:

14 GERALD E. GRAY, an attorney licensed to practice law, has
15 been publicly reprimanded by the Supreme Court of Guam for
16 violations of the Rules of Professional Conduct proscribing the
sharing of legal fees with a non-lawyer and the settlement of a
matter without the prior approval of his client.

17 (D) Respondent shall pay to Mr. Eduardo Calalo all legal fees collected for his
18 representation of Mr. Calalo.

19 13. In the event that Respondent should fail to take and pass the Multi State Professional
20 Responsibility Examination as provided above, the Respondent stipulates and agrees that he will be
21 immediately suspended from the practice of law for a period of thirty (30) days and that he will comply
22 with the provisions of Rule 18 of the Supreme Court of Guam Rules for the Discipline of Attorneys.

23 14. Within ninety (90) days of the entry of judgment, the Respondent shall pay to the Guam Bar
24 Association the cost of publishing the public reprimand in the *Pacific Daily News* and the *Guam*
25 *Variety*.

26 15. Respondent understands that he is waiving his right to a hearing and a determination by the
27 Guam Bar Ethics Committee and his right to review by the Supreme Court of Guam.

28 16. Respondent understands that the admission or provisions of the consent decree are voluntary


1 and not the result of force or threats or promises other than what is contained herein.

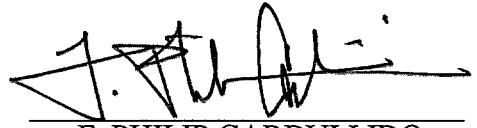
2 17. The Guam Bar Ethics Committee accepts the above stipulation and the discipline outlined
3 therein.


4 The members of the Ethics Committee, Prosecuting Counsel, and Respondent having agreed to
5 the terms of discipline and other provisions in the Stipulation, this Court hereby approves the Stipulation
6 and orders Respondent to comply with the provisions therein. Pursuant to the terms of the Stipulation
7 and Rule 12 of the Supreme Court of Guam Rules for the Discipline of Attorneys, Respondent is hereby
8 ordered to take and pass the Multi-State Professional Responsibility Examination within one (1) year of
9 the date the Stipulation was filed. Should Respondent fail to comply, Respondent shall be suspended
10 from the practice of law for a period of thirty (30) days.

11 **SO ORDERED** this 20 day of March, 2002.

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FRANCES TYDINGCO-GATEWOOD
Associate Justice


F. PHILIP CARBULLIDO
Associate Justice


PETER C. SIGUENZA, JR.
Chief Justice