

IN THE SUPREME COURT OF THE STATE OF DELAWARE

IN THE MATTER OF A MEMBER §  
OF THE BAR OF THE SUPREME § No. 390, 2005  
COURT OF THE STATE OF §  
DELAWARE: § Board Case No 5, 2005  
§  
WILLIAM M. CHASANOV, ESQ., §  
§  
Respondent. §

Submitted: September 20, 2005  
Decided: October 18, 2005

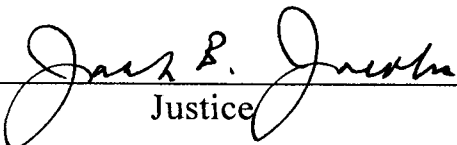
Before **BERGER, JACOBS, and RIDGELY**, Justices.

**ORDER**

This 18<sup>th</sup> day of October 2005, it appears to the Court that the Board on Professional Responsibility has filed its Report in this matter pursuant to Rule 9(d) of the Delaware Lawyers' Rules of Disciplinary Procedure. Neither the Respondent nor the Office of Disciplinary Counsel has filed objections to the Board's Report. The Court has reviewed the matter pursuant to Rule 9(e) and concludes that the Board's Report should be approved.

NOW, THEREFORE, IT IS ORDERED that the Report of the Board on Professional Responsibility filed on August 24, 2005 (copy attached) is hereby APPROVED. The matter is hereby CLOSED.

BY THE COURT:

  
Justice



BOARD ON PROFESSIONAL RESPONSIBILITY  
OF THE  
SUPREME COURT OF THE STATE OF DELAWARE

In the Matter of a Member  
of the Bar of the State of Delaware

CONFIDENTIAL

WILLIAM M. CHASANOV,  
Respondent.

Board Case No. 5, 2005

NO. 390, 2005

2005 JUN 22 10 46 26

**REPORT OF THE BOARD ON PROFESSIONAL RESPONSIBILITY**

The Panel of the Board on Professional Responsibility appointed to hear this matter consisted of Elizabeth M. McGeever, Esquire, James H. Geer, and David J. Ferry, Jr., Esquire, Chair. A hearing was held in the Supreme Court Courtroom in Wilmington, Delaware, on Friday, June 3, 2005. The Office of Disciplinary Counsel ("ODC") was represented by Patricia Bartley Schwartz, Esquire and Mary Susan Much, Esquire, and Respondent, William M. Chasanov, Esquire, was represented by Dennis L. Schrader, Esquire. A Preliminary Stipulation and Joint Recommendation of Sanction was filed with the Board on that date. Part I of the Stipulation contained 11 admitted facts and 1 admitted violation. Part II of the Stipulation contained a statement of two aggravating factors and two mitigating factors. Part III of the Stipulation contained joint recommendations of sanction with conditions.

**BACKGROUND**

A petition for discipline was filed against the respondent by the ODC on March 2, 2005. The

petition for discipline was approved by a Panel of the Preliminary Review Committee. The petition alleged a total of five violations of the Delaware Lawyers' Rules of Professional Conduct ("the Rules") as follows:

**COUNT ONE CHASANOV FAILED TO GET WRITTEN CONSENT TO WAIVE THE CONFLICT OF INTEREST IN VIOLATION OF RULE 1.7**

**Rule 1.7** provides that a "lawyer shall not represent a client if . . . the representation of one client will be directly adverse to another client" unless "the lawyer reasonably believes the representation will not adversely affect the relationship with the other client . . . each affected client gives informed consent, confirmed in writing."

By failing to get written consent from the Sellers and Dooling prior to the settlement, Chasanov violated **Rule 1.7**.

**COUNT TWO CHASANOV FAILED TO MAKE REASONABLE EFFORTS TO ENSURE EFFECTIVE MEASURES WERE IN PLACE IN VIOLATION OF RULE 5.1**

**Rule 5.1(c)(2)**, which states, in part, "a lawyer shall be responsible for another lawyer's violation of the Rules of Professional Conduct if . . . the lawyer is a partner . . . and knows of the conduct at the time when its consequences can be avoided or mitigated but fails to take reasonable remedial action."

By failing to ensure that Chasanov instituted the corrective measures outlined in their correspondence to the ODC, Chasanov violated **Rule 5.1(c)(2)**.

**COUNT THREE CHASANOV KNOWINGLY MADE A FALSE STATEMENT OF MATERIAL FACT IN VIOLATION OF RULE 8.1.**

**Rule 8.1** provides that in connection with a disciplinary matter a lawyer "shall not (a) knowingly

make a false statement of material fact.”

By knowingly misrepresenting the status of the conflict system to the ODC, Chasanov violated

**Rule 8.1.**

**COUNT FOUR CHASANOV ENGAGED IN CONDUCT INVOLVING DISHONESTY, FRAUD, DECEIT OR MISREPRESENTATION IN VIOLATION OF RULE 8.4(c).**

**Rule 8.4(c)** states that it is professional misconduct for a lawyer to “engage in conduct involving dishonesty, fraud, deceit or misrepresentation.”

By misrepresenting the status of the conflict system to the ODC and by failing to implement the conflict system as purported, Chasanov engaged in conduct involving dishonesty, fraud, deceit or misrepresentation in violation of **Rule 8.4(c)**.

**COUNT FIVE CHASANOV ENGAGED IN CONDUCT PREJUDICIAL TO THE ADMINISTRATION OF JUSTICE IN VIOLATION OF RULE 8.4(d)**

**Rule 8.4(d)** provides that it is professional misconduct for a lawyer to “engage in conduct that is prejudicial to the administration of justice.

By misrepresenting the status of the conflict system to the ODC and by failing to implement the conflict system as purported, Chasanov engaged in conduct that was prejudicial to the administration of justice in violation of **Rule 8.4(d)**.

## **I. ADMITTED FACTS**

1. Chasanov is a member of the Bar of the Supreme Court of Delaware. He was admitted to the Bar in 1967. At all times relevant to this Petition, Chasanov was a partner in the law firm of Brown,

Shiels, Beuregard & Chasanov ("Firm") which has offices in Dover, Georgetown and Rehoboth Beach, Delaware. He is currently serving a suspension for a six-month period pursuant to the Order of the Delaware Supreme Court effective February 22, 2005.

2. On March 10, 2000, the ODC received a complaint from Steven P. Dooling against Chasanov that, among others, raised issues regarding representation of Dooling in violation of the Rules addressing conflicts of interest.

3. After investigation, the complaint against Chasanov was "...dismissed on the grounds that you comply with these conditions and with the understanding that any future violations of the rules addressing conflicts of interest will not be tolerated." (See Exhibit 3, Petition for Discipline, Letter dated December 7, 2000, from the ODC, "Dismissal with Warning and Conditions.")

4. It was agreed with ODC that a new conflicts system for the Firm was to be put into place, including:

A comprehensive and effective system should be in place. A computerized system would certainly be most practicable, but the Rules do not mandate use of a computerized system. Regardless, this system must enable attorneys from all three offices to consult with one central source which is kept updated by all attorneys as to new matters, closed matters, and clients on retainer. Said system must enable effective, timely compliance with Rules 1.7, 1.9, 1.10 and 1.11. (Letter of December 7, 2000.)

The Firm was to notify the ODC in writing as to the system adopted by the firm.

5. On November 13, 2001, Chasanov wrote to ODC that the firm's three offices had complete operational conflict systems. According to Chasanov: the data in all three offices had been entered and exchanged with the updated list; the updated list would be exchanged twice per month until

the Firm could purchase networking for all three offices; the attorneys and staff had been informed that the client intake information would be entered on a daily basis; no new client would be represented until the conflicts system had been checked. Chasanov also advised that the Georgetown office was networked and that the two other offices would be networked once the funds became available. (See Exhibit 8, Petition for Discipline.)

6. In 2004, in connection with the ODC's review of other administrative systems in the Firm, it came to the ODC's attention that the Firm had neither established the conflict system required by the Dismissal with Warning and Conditions nor put in place the systems as represented by Chasanov in his November 13, 2001 letter. On December 27, 2004, Joseph McCullough, auditor for the Lawyers' Fund for Client Protection ("LFCP"), reviewed the Firm's conflicts system in the Dover, Georgetown and Rehoboth offices.

7. According to Mr. McCullough's report, the three offices were not networked. The Firm is using the Time and Billing System ("TABS") in its Georgetown and Dover offices for its conflict system. The Georgetown and Dover offices have their own TABS systems and there is no central database where conflict checks can be made. The Rehoboth Office relies on the Georgetown office to handle its conflict checks.

8. According to McCullough, the conflict systems used by the Firm's offices as of December 2004 were as follows:

(a) **The Dover Office** - Mr. McCullough was told that a new client request form is prepared and forwarded to Renee Lins who is responsible for the conflict check. Ms. Lins

enters the client's name and the name of the adverse party. If there is a conflict she prints out the information and forwards it to the attorney for review. If there is no conflict, nothing is printed out and nothing is put in the client file. There are approximately 38,000 names in the Dover TABS system. With regards to checking for conflicts between the Georgetown and Rehoboth office, Ms. Lins will receive a fax from the Georgetown office listing names that need a conflict check. If there is no conflict she faxes a response to Georgetown indicating "no conflict."

(b) **The Georgetown Office** - Mr. McCullough was told that a card system is in place to check for any conflicts. The card system has been in place for at least 20 years. It does not have any Dover client listings or conflict information. Sometime in 2001, the office started to enter all names from the card system into the newly installed TABS. This process took five to six months to complete. Once completed, the office began to use TABS for conflict checks. The office continued to use the card system as back up. The Georgetown receptionist has each client prepare a client intake sheet. The receptionist then checks the card system for any conflict. After a client meets with an attorney, Jo Ann Jefferson would check TABS for any conflict. She then faxes the client names to Dover to check for conflicts. Dover would fax back a response.

(c) **The Rehoboth Office** - Mr. McCullough was told that all conflict inquiries are sent to the Georgetown office, usually by phone. Georgetown then implements the procedure described above in paragraph (b). Once a response is received back from Dover, Georgetown



advises the Rehoboth office if there is a conflict.

**COUNT TWO: CHASANOV FAILED TO MAKE REASONABLE  
EFFORTS TO ENSURE EFFECTIVE MEASURES  
WERE IN PLACE.**

9. **Rule 5.1(c)(2)** states, in part, that “a lawyer shall be responsible for another lawyer’s violation of the Rules of Professional Conduct if . . . the lawyer is a partner . . . and knows of the conduct at the time when its consequences can be avoided or mitigated but fails to take reasonable remedial action.”

10. Chasanov was a partner in the Firm and knew that the Firm had not complied with the conditions set forth in the Dismissal with Warning and Conditions and that the representations set forth in his November 13, 2001 letter did not accurately describe the conflicts check system in place at the firm.

11. By failing to ensure that the Firm instituted the corrective measures, Chasanov admits he violated **Rule 5.1(c)(2)**.

**II. AGGRAVATING FACTORS & MITIGATING FACTORS<sup>1</sup>**

**Aggravating Factors**

The ODC and Chasanov stipulate that the following aggravating factors exist in this disciplinary matter:

- (1) Chasanov has a prior disciplinary record, consisting of two private admonitions (a)

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<sup>1</sup>The aggravating and mitigating factors addressed in this Stipulation are derived from the ABA Standards for Imposing Lawyer Sanctions §§ 9.2 and 9.3 (1991) (as amended Feb. 1992) (the “Standards”)

8/9/94 for violation of Rule 1.5(c) for failing to provide clients with a written contingent fee agreement; (b) 3/24/99 for violation of Rule 1.15(b) by failing to promptly deliver to the opposing party in a domestic relations case funds being held which were payable as alimony; and he is currently suspended from the practice of law for a six month period effective 2/22/05 for violation of Rules 3.3, for lack of candor to a tribunal, and 1.15(b), for failure to deliver funds to a client upon request. [Standard § 9.22(a)]; and

(2) Chasanov has substantial experience in the practice of law. [Standard § 9.22(i)].

### **Mitigating Factors**

ODC and Chasanov stipulate that the following mitigating factors apply in this disciplinary matter:

(1) Chasanov has made efforts to rectify the consequences of his misconduct by consulting with Richard Herrmann, Esquire with regard to the implementation of computerized conflicts screening; and by agreeing to dissolve the Firm. [Standard § 9.32(d)]; and

(2) Chasanov is cooperating with ODC in this proceeding before the Board. [Standard § 9.32(e)].

### **STATEMENT OF FACTS**

Mr. Chasanov testified that he is 63 years of age and is presently suspended from practice until August 22, 2005. He was admitted to the Delaware Bar in 1967 and has been with the Brown, Shiels firm since 1969. He opened the Georgetown office. The Rehoboth Beach office was opened later.

Mr. Chasanov indicated that he has come to understand the regulation regarding the practice of

law. He acknowledges that he should have seen to a better handling of this matter. He indicated that the practice of law has become much more of a business than it was when he started as an attorney and he will now have to comply with the Rules.

Mr. Chasanov's practice is primarily in the areas of criminal law, domestic relations, personal injury and general practice. He characterizes himself as a trial lawyer. He does not do much work in business law or real estate law. He understands the conditions of the Pre-Hearing Stipulation and Joint Recommendation of Sanction and agrees to the terms.

As to his future plans, Mr. Chasanov indicated he is not certain if he is going to resume practicing in August when his suspension ends. Upon questioning, he indicated he really does not have any plans and has not been able to make any plans because of his suspension. He believes that the conditions of his suspension are such that he cannot make any plans until he is reinstated.

### **VIOLATIONS**

The Panel finds that the Respondent violated Rule 5.1(c)(2). The Panel accepts the stipulated violation set forth in the Prehearing Stipulation.

### **RECOMMENDATIONS**

Upon consideration of the evidence presented, the stipulation of the parties, and the aggravating and mitigating factors set forth in the stipulation, the Panel accepts the recommendations of counsel and recommends that the respondent be publicly reprimanded for his violation of the aforesaid rule, subject to the following terms:

#### **Practice limitations**

(1) Pursuant to Rule 8(a)(9) of the Delaware Lawyers' Rules of Disciplinary Procedure, Chasanov shall have a limitation on the nature and/or extent of his practice. He will dissolve the Firm and the partnership currently known as Brown, Shiels, Chasanov & Beauregard as soon as practicable but no later than December 31, 2005.

(2) If Chasanov is a named partner and/or a principal in a firm that has more than one office, Chasanov must ensure that the conflict system in the firm is centralized in the main office and each office must be networked by computer with the main office in order to perform conflict checks. Within thirty days of such an occurrence, Chasanov shall file with the ODC a report by Richard Herrmann, Esquire, or an otherwise qualified individual, regarding the status of his new firm's conflicts screening mechanism, including a description of that system and whether or not it is, in fact, compliant with the above requirement.

(3) If Chasanov is a named partner and/or a principal in a firm that has more than one office, Chasanov must ensure that the books and records and bank accounts encompassed by Rule 1.15 and Rule 1.15A are maintained in the main office.

**Conditions**

(1) During the first year following the imposition of the public reprimand, on a quarterly basis (every three months), Chasanov shall have caused to be filed with the ODC an affidavit by a licensed certified public accountant that all of his new firm's law practice books, records and bank accounts have been maintained during the preceding quarter in full compliance with Rule 1.15. This condition shall be effective as long as Chasanov is a principal and/or named partner in a firm.

(2) During the second year following the imposition of the public reprimand, on a semi-annual

basis (every six months), Chasanov shall have caused to be filed with the ODC an affidavit by a licensed certified public accountant that all of his new firm's law practice books, records and bank accounts have been maintained during the preceding quarter in full compliance with Rule 1.15. This condition shall be effective as long as Chasanov is a principal and/or named partner in a firm.

(3) During the third year following the imposition of the public reprimand, Chasanov shall have caused to be filed with his Certificate of Compliance a pre-certification audit by a licensed certified public accountant with a copy to ODC. This condition shall be effective as long as Chasanov is a principal and/or named partner in a firm.

(4) Chasanov shall cooperate promptly and fully with the ODC in its efforts to monitor compliance with the conditions of the public reprimand, including, but not limited to, the following:

(a) Chasanov will fully cooperate with the performance of any audit of his new firm's law practice books and records by an auditor for the Lawyers' Fund for Client Protection; and

(b) Chasanov shall cooperate with the ODC's investigation of any allegations of unprofessional conduct which may come to the attention of the ODC. Upon request of the ODC, Chasanov shall provide authorization for release of information and documentation to verify compliance with the terms of his probation.

(5) If the ODC concludes, after giving Chasanov an opportunity to respond, that he has violated the conditions of the public reprimand, the ODC may file a petition directly with the Court to issue a Rule to Show Cause as to why additional sanctions should not be imposed for the additional violations, the violations of the conditions of the public reprimand, or both.

(6) Pursuant to Procedural Rule 27, Chasanov shall pay the ODC's costs in this disciplinary matter promptly upon the presentation of a statement of costs by the ODC.

(7) Chasanov shall file with the ODC a report by Richard Herrmann, Esquire regarding the status of his new firm's conflicts screening mechanism, including a description of that system and whether or not it is, in fact, used.

(8) In addition to the Joint Recommendation of Sanction presented by counsel for the ODC and the respondent, the Panel recommends that if Mr. Chasanov should practice as a partner or principal in any law firm, he should be required to satisfy the ODC that he has a proper conflicts system in place in his new firm.

Dated:

  
JAMES H. GEER

Dated:

\_\_\_\_\_  
ELIZABETH M. MCGEEVER

Dated:

\_\_\_\_\_  
DAVID J. FERRY, JR.

Dated:

\_\_\_\_\_  
JAMES H. GEER

Dated:

8/21/05

*Elizabeth M. McGeever*  
\_\_\_\_\_  
ELIZABETH M. MCGEEVER

Dated:

\_\_\_\_\_  
DAVID J. FERRY, JR.



Dated:

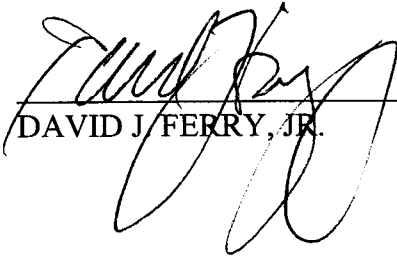
\_\_\_\_\_  
JAMES H. GEER

Dated:

\_\_\_\_\_  
ELIZABETH M. McGEEVER

Dated:

8.22.05

  
\_\_\_\_\_  
DAVID J. FERRY, JR.

**CERTIFICATE OF SERVICE**

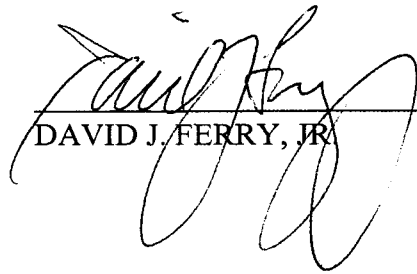
I hereby certify that a copy of the within Report of the Board on Professional Responsibility was served in the manner indicated on August 22 2005 upon the following:

**BY HAND**

Patricia Bartley Schwartz, Esquire  
Mary Susan Much, Esquire  
Office of Disciplinary Counsel  
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Wilmington, DE 19801

**BY FIRST CLASS MAIL**

Dennis L. Schrader, Esquire  
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P.O. Box 690  
Georgetown, DE 19947

  
\_\_\_\_\_  
DAVID J. FERRY, JR.