

CLIENTS' SECURITY FUND

**MEMO ATTACHED TO
FINAL DETERMINATIONS – DANNY BUTLER**

TO: CSF Trustees
Jane H. Herrick

FROM: Robbie O. Clements
Deputy Bar Counsel\Administrative Manager

RE: Danny Butler

MEETING DATE: May 1, 2018

ATTACHMENT: Supreme Court Rendition entered December 14, 2017

Attached in this volume of Final Determinations are claims against former attorney, Danny Butler, of Greensburg, Kentucky. All of the attached claims have essentially identical circumstances or *modus operandi*; only the names and dollar amounts change. For simplicity, this memo will serve as a general overview of Mr. Butler's background and role in the losses being claimed. This will allow each subsequent memo in this volume to focus solely on the breakdown and documentation of the specific claimed losses in each individual file.

Background and Disciplinary History

Danny Butler was admitted to the Bar on September 1, 1973. He practiced primarily in Taylor and surrounding counties until his criminal troubles began. Prior to that time, his discipline history consisted of four private admonitions and a private reprimand with conditions. On November 13, 2004, he received a private admonition for lack of diligence and failure to expedite litigation (SCR 3.130(1.3) and (1.2)). On March 21, 2013, he received a private reprimand with conditions for violation of SCR 3.130(1.3)[diligence] and (1.16)(d) [failure to refund unearned fee on termination of representation]. He received a private admonition on December 23, 2013 for violation of SCR 3.130(1.15)(e) [depositing unearned fees in his operating account], and another escrow account-related private admonition, with conditions, on September 17, 2015 for violating SCR 3.130(1.15)(a) [failure to maintain an escrow account in a bank that has agreed to notify the KBA in the event of an overdraft]. He received his last private admonition on June 8, 2016 for violation of SCR 3.130(1.3), again for lack of diligence. \

After the KBA became aware of his pending criminal charges, a Petition for Temporary Suspension was filed on December 12, 2016. The Court granted this motion on April 27, 2017. In the face of his then-pending criminal actions, and numerous pending disciplinary matters, Mr. Butler filed a motion to resign from the practice of law under terms of permanent disbarment on September 27, 2017. The Supreme Court granted that motion on December 14, 2017.

Criminal Proceedings

Mr. Butler was indicted in Hardin Circuit Court for two offenses, Theft by Unlawful Taking over \$10,000.00 and Theft by Failure to Make Required Disposition over \$10,000.00. As more specifically stated in the Petition for Temporary Suspension filed against him, in the course of the investigation, detectives reviewed Butler's financial records and determined he received settlement funds in 2012, which he treated as his own funds and did not disclose receipt of to the client. This investigation resulted in the indictment referenced in his Motion to Resign. The review of Butler's financial records indicated he had additional clients who never received settlements or estate proceeds, and that he treated other clients' money as his own. At the time the Petition for Temporary Suspension was filed, the FBI had received 115 complaints against Butler since his arrest which warranted further investigation. Butler was subsequently charged in Taylor County with two counts of theft by deception including cold checks \$10,000 or more, one count of theft by failure to make required disposition, \$10,000 or more, and one count of theft by unlawful taking, \$10,000 or more, Both of these cases were dismissed in December 2017 when Butler was indicted in federal court. He still has a pending criminal case in Larue County, however, where he is charged with two counts of theft by deception, under \$300.

Butler still has charges pending in the U.S. District Court, Eastern District of Kentucky. An indictment was entered on November 15, 2017 for five counts of Wire Fraud. The indictment, shown below, summarizes the allegations against Mr. Butler.

COUNTS 1 - 5
(Wire Fraud)

From in or about August 2009 through October 2016, in the Western District of Kentucky, Green County, Kentucky, and elsewhere, **DANNY P. BUTLER**, the defendant, devised a scheme to obtain money by means of false or fraudulent pretenses, representations, or promises from clients of his legal practice, and for the purpose of executing said scheme, did knowingly transmit and cause to be transmitted wire communications in interstate commerce, to wit:

The Scheme

1. At all times relevant, **DANNY P. BUTLER** was an attorney licensed with the Kentucky Bar Association who was authorized to practice law in the Commonwealth of Kentucky. He operated a general legal practice in Greensburg, Kentucky, and he provided clients with a broad range of legal services, including probate, general civil, and government benefits.
2. At all times relevant, **DANNY P. BUTLER** maintained the following seven bank accounts ("Bank Accounts") that he used for both personal and business purposes;

- A. PBI Bank account #XX506;
- B. PBI Bank account #XX211;
- C. PBI Bank account XX341
- D. Forcht Bank account #XX954;
- E. Forcht Bank account #XX729;
- F. United Citizen's Bank account #XX201; and
- G. United Citizen's Bank account #XX601.

3. At all times, relevant, **DANNY P. BUTLER** used the Bank Accounts for both his personal and business banking. He routinely used the Bank Accounts to commingle client funds. While commingling funds he would often misappropriate funds from one client to distribute funds to other, unrelated clients. He also used client funds from the Bank accounts to make cash withdrawals and pay personal expenses. In addition, he transferred client funds from business bank accounts to his personal bank accounts.

4. At all times relevant, **DANNY P. BUTLER** used client funds maintained in the Bank Accounts to pay for his gambling expenses. For the following years, he incurred personal gambling losses that he paid for, in large part, by the misappropriation of client funds:

- A. Gambling losses of \$102,323 in 2009;
- B. Gambling losses of \$199,057 in 2010;
- C. Gambling losses of \$512,562 in 2011;
- D. Gambling losses of \$438,947 in 2012;
- E. Gambling losses of \$342,211 in 2012;
- F. Gambling losses of \$53,513 in 2013;

G. Gambling losses of \$89,365 in 2014; and

H. Gambling losses of \$47,370 in 2015.

5. At all times relevant, DANNY P. BUTLER misappropriated client funds, including, but not limited to, from the following clients:

A. Approximately \$148,106 from the estate of L.A.;

B. Approximately \$29,987.07 from the estate of L.P.;

C. Approximately \$401,500 from the representation of B.M.;

D. Approximately \$50,000 from the representation of D.M.;

E. Approximately \$50,000 from the estate of D.B.;

F. Approximately \$90,000 from the representation of J.R.B.;

G. Approximately \$90,000 from the estate of E.U.;

H. Approximately \$25,000 from the estate of E.M.;

I. Approximately \$59,000 from the representation of J.W.S.;

J. Approximately \$25,000 for the representation of E.S.; and

K. Approximately \$125,000 from the estate of L.P.M.

Butler was arrested November 28, 2017. An Appearance Bond was entered November 28, 2017 which allowed Butler to be released on personal recognizance.

CSF History

Butler has 18 claims on the docket for final determination and one claim for reconsideration. Butler's misconduct involved claims from 11 counties in Kentucky.

The following memos will summarize the individual files, including the amount being claimed. In most cases, only the Claim Applications are attached. Butler was served all claims via Executive Director service on February 16, 2018.

A bankruptcy check was performed on all Claimants. Claimant [REDACTED] and his wife filed a Chapter 13 Bankruptcy Petition on November 17, 2017 which is currently pending in the United States Bankruptcy Court, Western District of Kentucky, [REDACTED].

**IN RE: CLAIMS AGAINST DANNY PERKINS BUTLER
FINAL JUDGMENT OF THE CLIENT SECURITY FUND TRUSTEES**

	CSF File	OBC File	Claimant	Amount Claimed	Exposure	OBC Recommendation	Agree with OBC Recommendation or other Amount Approved by Trustees	Pro-Rated Amount for Payment to Claimant
1	15-019			\$10,000.00	\$10,000.00	\$10,000.00	Agree	\$4,114.19
2	16-CSF-006			\$154,000.00	\$50,000.00	\$50,000.00	Agree	\$20,570.94
3	16-CSF-014			\$237,500.00	\$50,000.00	\$50,000.00	Agree	\$20,570.94
4	16-CSF-015			\$20,630.00	\$20,630.00	\$20,630.00	\$19,130.00	\$7,870.44
5	16-CSF-016			\$5,000.00	\$5,000.00	\$5,000.00	Agree	\$2,057.09
6	16-CSF-017			\$39,987.07	\$39,987.07	\$39,987.00	Agree	\$16,451.40
7	16-CSF-018			\$3,400.00	\$3,400.00	\$3,400.00	Agree	\$1,398.82
8	16-CSF-019			\$19,500.00	\$19,500.00	\$7,500.00	Agree	\$3,085.64
9	17-CSF-001			\$20,000.00	\$20,000.00	\$9,000.00	Agree	\$3,702.77
10	17-CSF-003			\$35,834.00	\$35,834.00	\$35,834.00	Agree	\$14,742.78
11	17-CSF-006			\$1,500.00	\$1,500.00	\$1,500.00	Agree	\$617.13
12	17-CSF-007	N/A		\$9,241.00	\$9,241.00	\$9,241.00	Agree	\$3,801.92
13	17-CSF-013			\$90,000.00	\$50,000.00	\$50,000.00	Agree	\$20,570.94
14	17-CSF-020	N/A		\$59,000.00	\$50,000.00	\$50,000.00	Agree	\$20,570.94

15	17-CSF-025	N/A		\$11,500.00	\$11,500.00	\$11,500.00	Agree	\$4,731.32
16	17-CSF-035	17-DIS-0200		\$5,000.00	\$5,000.00	\$5,000.00	Agree	\$2,057.09
17	17-CSF-085	16-DIS-0426		\$2,000.00	\$2,000.00	\$0.00	Agree	\$0.00
18	17-CSF-093	N/A		\$10,000.00	\$10,000.00	\$0.00	Agree	\$0.00
VS	17-CSF-008	17-DIS-0005		\$7,500.00	\$7,500.00	\$7,500.00	Agree	\$3,085.64
Totals				\$741,592.07	\$401,092.07			\$150,000.00

THIS 1ST DAY OF MAY, 2018

Approved by: 
 CHAIR, CLIENTS' SECURITY FUND

Final Award

CSF File	OBC File	Claimant	Amount Claimed	Exposure	OBC Record/Retardation
1	15-019	23966	\$10,000.00	\$10,000.00	\$10,000.00
2	16-CSF-006	16-DIS-0169	\$154,000.00	\$50,000.00	\$50,000.00
3	16-CSF-014	16-DIS-0394	\$237,500.00	\$50,000.00	\$50,000.00
4	16-CSF-015	16-DIS-0395	\$20,630.00	\$20,630.00	\$19,130.00
5	16-CSF-016	16-DIS-0422	\$5,000.00	\$5,000.00	\$5,000.00
6	16-CSF-017	16-DIS-0423	\$39,987.07	\$39,987.07	\$39,987.00
7	16-CSF-018	16-DIS-0403	\$3,400.00	\$3,400.00	\$3,400.00
8	16-CSF-019	16-DIS-16156	\$19,500.00	\$19,500.00	\$7,500.00
9	17-CSF-001	23471	\$20,000.00	\$20,000.00	\$9,000.00
10	17-CSF-003	17-DIS-0007	\$35,834.00	\$35,834.00	\$35,834.00
11	17-CSF-006	16-DIS-0261	\$1,500.00	\$1,500.00	\$1,500.00
12	17-CSF-007	N/A	\$9,241.00	\$9,241.00	\$9,241.00
13	17-CSF-013	17-DIS-0123	\$90,000.00	\$50,000.00	\$50,000.00
14	17-CSF-020	N/A	\$59,000.00	\$50,000.00	\$50,000.00
15	17-CSF-025	N/A	\$11,500.00	\$11,500.00	\$11,500.00
16	17-CSF-035	17-DIS-0200	\$5,000.00	\$5,000.00	\$5,000.00
17	17-CSF-085	16-DIS-0426	\$2,000.00	\$2,000.00	\$0.00
18	17-CSF-093	N/A	\$10,000.00	\$10,000.00	\$0.00

Award *% Decrease	Decreased Award
\$5,885.81	\$4,114.19
\$29,429.06	\$20,570.94
\$29,429.06	\$20,570.94
\$11,259.56	\$7,870.44
\$2,942.91	\$2,057.09
\$23,535.60	\$16,451.40
\$2,001.18	\$1,398.82
\$4,414.36	\$3,085.64
\$5,297.23	\$3,702.77
\$21,091.22	\$14,742.78
\$882.87	\$617.13
\$5,439.08	\$3,801.92
\$29,429.06	\$20,570.94
\$29,429.06	\$20,570.94
\$6,768.68	\$4,731.32
\$2,942.91	\$2,057.09
\$0.00	\$0.00
\$0.00	\$0.00

19	17-CSF-008	17-DIS-0005	\$7,500.00	\$7,500.00	\$7,500.00
Totals			\$741,592.07	\$401,092.07	\$364,592.00

\$4,414.36
\$214,592.00
\$3,085.64
\$150,000.00

\$364,592.00 Total Awarded Claims
 150,000.00 Max Allowed per Atty
 214,592.00 Overage
 214,592.00 Overage
 \$364,592.00
 0.588581209 Percentage of Decrease

514 S.W.3d 535
Supreme Court of Kentucky.

INQUIRY COMMISSION, Movant

v.

Danny Perkins BUTLER, KBA No. 09930, Respondent

2016-SC-000668-KB

April 27, 2017

Synopsis

Background: Inquiry Commission petitioned for the temporary suspension of attorney who was indicted for theft by unlawful taking and theft by failure to make required disposition.

The Supreme Court held that sufficient evidence that attorney misappropriated funds held for others or otherwise improperly dealt with said funds, and that he posed a substantial threat of harm to his clients or the public, warranted temporary suspension.

Temporary suspension ordered.

***536 OPINION AND ORDER**

The Inquiry Commission petitions this Court to temporarily suspend Danny Perkins Butler, a member of the Kentucky Bar Association, pursuant to Supreme Court Rules (SCR) 3.165(1)(a) and 3.165(1)(b), which permits temporary suspension if there is probable cause to believe that: Butler “has been misappropriating funds [he] holds for others to [his] own use or has been otherwise improperly dealing with said funds”; or Butler’s “conduct poses a substantial threat of harm to his clients or to the public.” The Commission claims that Butler was indicted in Hardin Circuit Court for Theft by Unlawful Taking over \$10,000, and Theft by Failure to Make Required Disposition over \$10,000.

In support of its petition, the Commission attached discovery received by Teresa Young, Office of the Commonwealth’s Attorney for the Ninth Judicial Circuit, in *Commonwealth v. Danny Butler*, Hardin Circuit Case No. 16-CR-0838. The

Commission also attached to its petition the affidavit of Detective Bramlett Burton, Kentucky State Police, Post 15. According to Detective Burton, in the course of investigating a complaint against Butler, Detective Burton reviewed Butler’s financial records and determined that Butler had received settlement funds in 2012, which he treated as his own funds and did not disclose to the client receipt thereof. Furthermore, Detective Burton’s review of Butler’s financial records indicates that Butler had additional clients who never received settlements or estate proceeds, and that he treated other clients’ money as his own. Detective Burton’s investigation resulted in the two indictments against Butler. We further note that, since Butler’s arrest, the Federal Bureau of Investigation has received 115 complaints against him that warrant further investigation into his conduct.

After reviewing the petition, the attached discovery, and Detective Burton’s affidavit, we believe the Commission has supplied us with a reasonable basis to believe that Butler misappropriated funds he held for others or has been otherwise improperly dealing with said funds, and poses a substantial threat of harm to his clients or to the public. SCR 3.165(1)(a); SCR 3.165(1)(b). Consequently, the Commission’s petition for temporary suspension is granted.

ACCORDINGLY, IT IS HEREBY ORDERED:

(1) Butler is temporarily suspended from the practice of law in the Commonwealth of Kentucky, effective upon the date of entry of this order, pending further order from this Court;

*537 (2) Disciplinary proceedings against Butler may be initiated by the Inquiry Commission pursuant to SCR 3.160, unless already begun or Butler resigns under terms of disbarment;

(3) Pursuant to SCR 3.165(5), Butler shall, within twenty (20) days from the date of the entry of this Opinion and Order, notify in writing all clients of his inability to provide further legal services and furnish the Office of Bar Counsel with copies of all such letters;

(4) Pursuant to SCR 3.165(6), Butler shall immediately, to the extent reasonably possible, cancel and cease any advertising activities in which he is engaged.

/s/ John D. Minton
CHIEF JUSTICE

All sitting. All concur.

All Citations

514 S.W.3d 535

End of Document

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533 S.W.3d 687
Supreme Court of Kentucky.

Danny Perkins BUTLER KBA
Member No. 09930, Movant

v.

KENTUCKY BAR ASSOCIATION, Respondent

2017-SC-000530-KB

ENTERED: December 14, 2017.

Synopsis

Background: Attorney filed motion to resign from practice of law under terms of permanent disbarment for his admitted violations of the rules of professional conduct.

The Supreme Court held that acceptance was warranted of attorney's motion to resign from practice of law under terms of permanent disbarment for admitted violations of rules of professional conduct.

Disbarment ordered.

Procedural Posture(s): Proceeding on Attorney Discipline.

OPINION AND ORDER

Pursuant to SCR 3.480(3), Movant, Danny Perkins Butler, moves this Court to permit him to resign from the practice of law under terms of permanent disbarment for his admitted violations of the Rules of Professional Conduct. The Kentucky Bar Association (KBA) has no objection to the negotiated discipline.

Finding this agreed upon disciplinary sanction to be appropriate under the facts of this case, we grant Movant's motion. Movant's KBA member number is 09930 and his bar roster address is 118 N. Main Street, P.O. Box 250, Greensburg, Kentucky 42743. Movant was admitted to the *688 practice of law in the Commonwealth of Kentucky on September 1, 1973.

Movant states in his motion that he has been indicted in the Hardin Circuit Court for two offenses, Theft by Unlawful Taking over \$10,000.00, and Theft by Failure to Make Required Disposition over \$10,000.00. These charges arose as a result of misappropriating a client's funds for his own use. As a result, Movant was temporarily suspended from the practice of law on April 27, 2017.

Movant has had an extensive disciplinary history including four private admonitions and a private reprimand with conditions. And as previously noted, the KBA has no objection to the proposed discipline. In support, the KBA cites two cases in which a voluntary disbarment was imposed. *Sexton v. Kentucky Bar Association*, 253 S.W.3d 54 (Ky. 2008); and *Doan v. Kentucky Bar Association*, 276 S.W.3d 826 (Ky. 2009). The movant in *Sexton* voluntarily resigned and was permanently disbarred after he pled guilty to federal indictments. The same sanction was granted in *Doan* after the movant had already resigned under terms of disbarment in Ohio as a result of allegations raised in an Ohio civil suit.

Accordingly, it is hereby ORDERED that:

1) Movant, Danny Perkins Butler, KBA Member No. 09930, is permanently disbarred from the practice of law in the Commonwealth of Kentucky, effective upon the date of entry of this order, pending further orders of this Court; and

2) Pursuant to SCR 3.450, Movant is directed to pay all costs associated with these disciplinary proceedings, effective upon the date of entry of this order, pending further orders of this Court.

/s/ John D. Minton, Jr.
CHIEF JUSTICE

All sitting.

All concur.

All Citations

533 S.W.3d 687



THE UNITED STATES ATTORNEY'S OFFICE
WESTERN DISTRICT *of* KENTUCKY

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Department of Justice

U.S. Attorney's Office

Western District of Kentucky

FOR IMMEDIATE RELEASE

Friday, March 22, 2019

Former Greensburg Attorney Sentenced To 8 Years, Ordered To Pay More Than \$1 Million In Restitution

Attorney embezzled from clients to pay gambling debts, live extravagant lifestyle

BOWLING GREEN, Ky. – United States District Court Chief Judge Greg N. Stivers sentenced, Campbellsville, Kentucky, attorney, Danny Butler, to 8 years in federal prison followed by 2 years of supervised release, and ordered to pay \$1,293,072.84 in restitution for a scheme to obtain money from clients of his legal practice, by means of misappropriating funds, in order to pay personal expenses including gambling losses, announced United States Attorney Russell M. Coleman. There is no parole in the federal system.

"Lawyers have a solemn duty to protect their clients' interests and at a minimum, be trustworthy," stated U.S. Attorney Russell Coleman. "Danny Butler abandoned these principles and will pay a steep price."

Butler was indicted on November 15, 2017. According to a sentencing memo before the Court, from August 2009 through October 2016, Butler used his position as an attorney to steal funds from his clients causing a loss of over \$1.2 million dollars to his client victims who were a combination of estate and general civil law practice clients.

During the period of the theft, Butler incurred approximately \$1.5 million in gambling losses. Butler used the stolen money to fund his gambling habits as well as to fund payments to other clients in a "Ponzi" type fashion. Butler used the theft from his clients to fund an extravagant lifestyle.

Butler misappropriated funds from the following clients:

- Approximately \$148,106 from the estate of L.A.;
- Approximately \$29,987.07 from the estate of L.P.;
- Approximately \$401,500 from the representation of B.M.;
- Approximately \$50,000 from the representation of D.M.;
- Approximately \$50,000 from the estate of D.B.;
- Approximately \$90,000 from the representation of J.R.B.;
- Approximately \$90,000 from the estate of E.U.;
- Approximately \$25,000 from the estate of E.M.;
- Approximately \$59,000 from the representation of J.W.S.;

- Approximately \$25,000 for the representation of E.S.; and
- Approximately \$125,000 from the estate of L.P.M.

This case was prosecuted by Assistant United States Attorneys Bryan Calhoun and Nicole Elver, and was investigated by the Federal Bureau of Investigation (FBI).

####

Component(s):

USAO - Kentucky, Western

Updated March 22, 2019

courier journal

CRIME / COURTS

Ex-Kentucky lawyer sentenced to 8 years in prison over stolen \$1.3 million



Matthew Glowicki

Courier Journal

Published 6:28 p.m. ET March 22, 2019 | Updated 6:28 p.m. ET March 22, 2019

A now-disbarred Kentucky attorney was sentenced to eight years in prison Thursday and ordered to pay back nearly \$1.3 million to former clients from whom he stole to pay gambling debts.

Danny Butler, 72, pleaded guilty to five counts of wire fraud in December 2018 in U.S. District Court in Bowling Green.

U.S. District Court Chief Judge Greg Stivers sentenced Butler to the prison term as well as two years of supervised release.

Butler admitted that between 2009 and 2016 he stole money from estates and took money for legal work he didn't do.

Butler practiced in Greensburg but had victims in several counties. The largest loss to a single client was \$401,000. There were 11 victims in total.

He used some of the stolen funds to pay for about \$1.5 million in gambling losses.

Six of Butler's victims, who are identified by their initials in federal court records, have received partial reimbursement from the Kentucky Bar Association's Clients' Security Fund.

More: Ripped-off legal clients say a Kentucky fund that was supposed to reimburse them only gave them pennies on the dollar

More news: You could lose these channels if Viacom and DirecTV can't reach a deal

Those reimbursements are capped at \$50,000 per claim, with a total cap per attorney of \$150,000.

Court records show the fund has paid out about \$113,000.

Butler, who began practicing in 1973, has a long disciplinary history including four private admonitions and a private reprimand, according to the Kentucky Supreme Court.

The Courier Journal previously reported that his scheme unraveled when two brothers awaiting proceeds of an estate contacted authorities about Butler's continued excuses for not giving them their money.

The case was prosecuted by Assistant U.S. States Attorneys Bryan Calhoun and Nicole Elver. The FBI, Internal Revenue Service and Kentucky State Police investigated.

Reporter Matthew Glowicki can be reached at 502-582-4989 or mglowicki@courier-journal.com. Support strong local journalism by subscribing today: courier-journal.com/mattg.

CLIENTS' SECURITY FUND

**MEMORANDUM IN SUPPORT OF MOTION TO ADOPT
RECOMMENDATIONS OF THE OFFICE OF BAR COUNSEL**

TO: CSF Trustees

FROM: Ashleigh N. Bailey
Deputy Bar Counsel

RE: James Grant King

MEETING DATE: May 1, 2018

ATTACHMENTS: Kentucky Supreme Court Opinion and Order entered September 28, 2017 in *2017-SC-000142-KB Kentucky Bar Association v. James Grant King*, and *2017-SC-000245 James Grant King v. Kentucky Bar Association*

Attached in this volume of Final Determinations are 16 claims against former attorney, James Grant King. All of the attached claims have substantially similar modus operandi, and the variations lie within the specific victims and the dollar amount each claims. For simplicity, this memo will serve as a general overview of Mr. King's background and role in the losses being claimed. This allows each subsequent memo to focus solely on their limited facts, documentation provided and specific claimed losses in each individual file.

BACKGROUND & DISCIPLINARY HISTORY

James Grant King was licensed to practice law in Kentucky on October 23, 2000. Until his recent incarceration and subsequent disbarment, he had served as a solo practitioner in Paducah, KY. With regard to prior public discipline, on August 23, 2012, King received a Public Reprimand with conditions of reporting to KYLAP for violation of SCR 3.130(8.4)(b) following his conviction of Driving Under the Influence, 3rd Offense and subsequent conviction for Driving on a Suspended License. On August 21, 2014, King was suspended for 181 days, with 61 days to serve for violating SCR 3.130(1.15)(a) by comingling funds, overdrawing his escrow account and using his escrow account to pay personal expenses. King's probationary period ended prior to being charged for the additional professional misconduct by the Inquiry Commission that led to his disbarment.

On May 26, 2017, in response to numerous pending disciplinary actions, King filed a Motion to Resign Under Terms of Permanent Disbarment, with the OBC filing its simultaneous response posing no objection.

On September 28, 2017, the Kentucky Supreme Court entered an order permanently disbarring King for violations included in six disciplinary files the Office of Bar Counsel had opened on King, which began on May 16, 2016 with a disciplinary complaint filed by CSF Claimant Duane Isbell.

CRIMINAL PROCEEDINGS

Following an investigation by the McCracken County Sheriff's Department based on the criminal complaints of, among others, numerous Bar Complainants and CSF Applicants, Detectives turned over findings to federal authorities due to the amount of money found to have been stolen, coupled with the large amount of victims, which totaled 34. On July 17, 2017, King was indicted in the Western District of the United States District Court for defrauding his former clients in cases that had been the subject of the above mentioned bar complaints. King was charged with two counts of Wire Fraud, a Class C Felony and one count of Aggravated Identity Theft, a Class E felony. On August 17, 2017, King entered a Guilty Plea to all charges listed in the indictment. This excerpt from the plea agreement signed by King succinctly demonstrates King's modus operandi when stealing funds from clients:

From March of 2007 until May of 2017, King, the defendant, was an attorney licensed by the Kentucky Bar Association and authorized to practice law within the Commonwealth of Kentucky. During this time, at least a portion of King's practice involved plaintiff's work and clients would seek his services when they believed that a tort had been committed against them, i.e. car accidents, etc. King's scheme to defraud involved meeting with clients and gathering information about their cases. However, King would then tell some clients that they had no viable case and that they would be unsuccessful in recovering any money. Overall, King's scheme was to devalue his clients' cases so he could keep more of the settlement money that the case eventually would receive. After deflating his clients' expectations, King would then send the information about their cases to the relevant insurance companies and demand a settlement. In turn, the insurance companies would agree to settle the cases and send King the settlement amounts. Depending on the case, King would then either keep the entire settlement amount for himself or tell clients that he was still awaiting resolution and settlement of the case with the insurance company, knowing that the insurance company had already settled the case and sent him the full settlement amount. King's clients would believe him because they trusted him.

The settlements that King received from the insurance companies often came in the form of a check. In order to cash or deposit the check, King would have to forge the signatures of his clients so that they would not know about the check. King would forge these signatures without any lawful authority. One example of King forging a client's signature was when King received

On November 29, 2017, Judge Russell imposed the Judgment against King, which sentenced him to 116 months in prison, with three years of supervised probation upon his release. King was adjudged to owe \$1,149,913.99 in restitution. However, due to the almost 10 year prison sentence imposed, it is unlikely his victims will receive restitution.

BAR COMPLAINTS & CSF CLAIMS RECEIVED

At the time of his disbarment, the Office of Bar Counsel closed 19 open disciplinary cases on King; six of the complaints were included in King's Order for Permanent Disbarment, while the remaining thirteen had been placed in abeyance awaiting the Kentucky Supreme Court's ruling. Five of the six complainants named in the Court's order disbaring King are being considered for awards from CSF, and the sixth victim was a non-client and therefore not eligible to recover. The remaining 13 complaints were closed prior to investigation due to the disbarment.

The Client Security Fund received 21 applications from former clients and victims of King. Of those, 16 fulfilled jurisdictional requirements and are being considered for awards. King's misconduct involved Claimants from four counties in Kentucky, and one in Indiana.

A bankruptcy search was performed on each Claimant. No pending bankruptcies were found.

SERVICE OF CLAIMS/RESPONSE:

All CSF claims were received after King became incarcerated on his underlying charges. Mark Bryant, King's former criminal attorney, accepted service on King's behalf in four accepted claims and delivered those to King in the McCracken County Jail; seven of the claims were served directly on King at the McCracken County Jail by the McCracken County Sheriff's Department; and the remaining five accepted claims were served via Executive Director as they were undeliverable at his last known address. King is currently incarcerated at Forest City Low, a federal prison in Forest City, Arkansas. King has failed to respond to any of the CSF Claims filed against him.

AWARDS:


Every award is capped at \$50,000.00 per claimant and will be subject to pro rata distribution based on the \$150,000.00 maximum allowed for payment of claims for an attorney.

**IN RE: CLAIMS AGAINST JAMES GRANT KING
FINAL JUDGMENT OF THE CLIENT SECURITY FUND TRUSTEES**

	CSF File	OBC File	Claimant	Amount Claimed	Exposure	OBC Recommendation	Agree with OBC Recommendation or other Amount Approved by Trustees	Pro-Rated Amount for Payment to Claimant
1	17-CSF-016	16-DIS-0012		\$13,694.92	\$13,694.92	\$13,694.92	Agree	\$4,989.70
2	17-CSF-017	N/A		\$125,000.00	\$50,000.00	\$35,750.00	Agree	\$13,025.41
3	17-CSF-018	17-DIS-0067		\$93,000.00	\$50,000.00	\$50,000.00	Agree	\$18,217.36
4	17-CSF-019	17-DIS-0166		\$1,250.00	\$1,250.00	\$1,250.00	Agree	\$455.43
5	17-CSF-022	17-DIS-0155		\$50,000.00	\$50,000.00	\$50,000.00	Agree	\$18,217.36
6	17-CSF-024	N/A		\$10,000.00	\$10,000.00	\$6,500.00	Agree	\$2,368.26
7	17-CSF-026	N/A		\$108,200.00	\$50,000.00	\$50,000.00	Agree	\$18,217.36
8	17-CSF-027	N/A		\$14,000.00	\$14,000.00	\$9,817.20	Agree	\$3,576.87
9	17-CSF-030	17-DIS-0188		\$47,443.29	\$47,443.29	\$44,650.63	Agree	\$16,268.33
10	17-CSF-033	17-DIS-0051		\$50,000.00	\$50,000.00	\$32,500.00	Agree	\$11,841.28
11	17-CSF-034	17-DIS-0201		\$50,000.00	\$50,000.00	\$22,000.00	Agree	\$8,015.64
12	17-CSF-039	17-DIS-0204		\$15,500.00	\$15,500.00	\$6,003.95	Agree	\$2,187.52
13	17-CSF-040	17-DIS-0206		\$28,228.51	\$28,228.51	\$28,228.59	Agree	\$10,285.01
14	17-CSF-046	17-DIS-0227		\$4,300.00	\$4,300.00	\$4,300.00	Agree	\$1,566.69

15	17-CSF-055	17-DIS-0205	\$22,000.00	\$22,000.00	\$24,000.00	Agree	\$8,744.33
16	18-CSF-016	17-DIS-0339	\$64,863.88	\$50,000.00	\$33,000.00	Agree	\$12,023.46
		Totals	\$697,480.60	\$506,416.72			\$150,000.00

THIS 1ST DAY OF MAY, 2018

Approved by: 
 CHAIR, CLIENTS' SECURITY FUND

CSF File	OBC File	Respondent	Claimant	Amount Claimed	Exposure	Award	Award * % Decrease	Decreased Award
1 17-CSF-016	16-DIS-0012	King, J. Grant		\$13,694.92	\$13,694.92	\$13,694.92	\$8,705.22	\$4,989.70
2 17-CSF-017	N/A	King, J. Grant		\$125,000.00	\$50,000.00	\$35,750.00	\$22,724.59	\$13,025.41
3 17-CSF-018	17-DIS-0067	King, J. Grant		\$93,000.00	\$50,000.00	\$50,000.00	\$31,782.64	\$18,217.36
4 17-CSF-019	17-DIS-0166	King, J. Grant		\$1,250.00	\$1,250.00	\$1,250.00	\$794.57	\$455.43
5 17-CSF-022	17-DIS-0155	King, J. Grant		\$50,000.00	\$50,000.00	\$50,000.00	\$31,782.64	\$18,217.36
6 17-CSF-024	N/A	King, J. Grant		\$10,000.00	\$10,000.00	\$6,500.00	\$4,131.74	\$2,368.26
7 17-CSF-026	N/A	King, J. Grant		\$108,200.00	\$50,000.00	\$50,000.00	\$17,782.64	\$18,217.36
8 17-CSF-027	N/A	King, J. Grant		\$14,000.00	\$14,000.00	\$9,817.20	\$6,240.33	\$3,576.87
9 17-CSF-030	17-DIS-0188	King, J. Grant		\$47,443.29	\$47,443.29	\$44,650.63	\$28,382.30	\$16,268.33
10 17-CSF-033	17-DIS-0051	King, J. Grant		\$50,000.00	\$50,000.00	\$32,500.00	\$20,658.72	\$11,841.28
11 17-CSF-034	17-DIS-0201	King, J. Grant		\$50,000.00	\$50,000.00	\$22,000.00	\$13,984.36	\$8,015.64
12 17-CSF-039	17-DIS-0204	King, J. Grant		\$15,500.00	\$15,500.00	\$6,003.95	\$3,816.43	\$2,187.52
13 17-CSF-040	17-DIS-0206	King, J. Grant		\$28,228.51	\$28,228.51	\$28,228.59	\$17,943.58	\$10,285.01
14 17-CSF-046	17-DIS-0227	King, J. Grant		\$4,300.00	\$4,300.00	\$4,300.00	\$2,733.31	\$1,566.69
15 17-CSF-055	17-DIS-0205	King, J. Grant		\$22,000.00	\$22,000.00	\$24,000.00	\$15,255.67	\$8,744.33
16 18-CSF-016	17-DIS-0339	King, J. Grant		\$64,863.88	\$50,000.00	\$33,000.00	\$20,976.54	\$12,023.46
Totals				\$697,480.60	\$506,416.72	\$411,695.29	\$261,695.29	\$150,000.00

\$411,695.29 Total Awarded Claims
 \$150,000.00 Max Allowed per Atty
 \$261,695.29 Overage
 \$261,695.29 Overage
 \$411,695.29
 0.635652864 Percentage of Decrease