

IN THE SUPREME COURT OF THE STATE OF NEVADA

IN RE: REINSTATEMENT OF
NORMAN REED.

No. 38924

FILED

MAY 13 2003

MANEVA M. GLOAN
CLERK OF SUPREME COURT
BY *[Signature]*
DEPUTY CLERK

ORDER GRANTING REINSTATEMENT

This is a petition for reinstatement to the practice of law. Petitioner Norman Reed was disbarred by consent in March 1997 following his federal convictions of conspiracy, mail fraud, aiding and abetting, and perjury. In September 2001, Reed filed with the Southern Nevada Disciplinary Board a petition for reinstatement. In November 2001, following a hearing, the disciplinary hearing panel entered its findings and its recommendation that Reed not be reinstated. Reed contests the panel's recommendation and has moved for oral argument. Because we conclude that Reed should be reinstated, we deny the motion for oral argument as moot.

Reed was licensed as a Nevada attorney in October 1989. From the time Reed began working for his father in 1989, first as a law clerk then as an attorney, he worked on a number of fraudulent personal injury claims that were brought to the firm by paid recruiters. Reed did not originally know that the accidents were staged in these cases and that the claims were fraudulent, but when he figured out the faked accident scheme he did not stop pursuing the phony claims. In 1991, however, the

Effective date: 5-13-03
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Reeds stopped handling fraudulent personal injury cases and largely phased out legitimate personal injury cases as well; Reed began practicing primarily criminal law while his father focused on business law. In 1992, Reed married and began raising a family.

In 1994, Reed received a letter from the United States Attorney's Office informing him that he was being investigated for insurance fraud. Reed testified later that year before a grand jury, and was indicted in October 1994, along with several dozen participants in the phony accident scheme. Reed was the only indicted attorney.

Following a trial in federal court, a jury convicted Reed of forty-one felony counts: forty counts of conspiracy, mail fraud and aiding and abetting, and one count of perjury for lying to the grand jury. In December 1996, U.S. District Court Judge Lloyd George sentenced Reed to serve 57 months in prison, 3 years of supervised release, and 200 hours of community service, and to pay \$200,000 in restitution. In January 1997, Reed stopped practicing law. On February 14, 1997, he began serving his prison sentence. In March 1997, this court disbarred Reed with his consent. In November 2000, Reed was released to a halfway house, and in April 2001, he was released from custody and placed under the supervision of the Federal Department of Parole and Probation. By November 2001, Reed had completed 170 hours of community service and anticipated completing the remaining 30 hours by the end of the year. Reed's father paid the \$200,000 restitution.

Under SCR 116, which governs reinstatement, a disbarred attorney must first wait at least three years from the effective date of disbarment before applying for reinstatement, and must then demonstrate by clear and convincing evidence (1) that he has the moral qualifications,

competency, and learning in law required for admission to practice law in this state, and (2) that his resumption of the practice of law will not be detrimental to the integrity and standing of the bar, to the administration of justice, or to the public interest.

On September 12, 2001, Reed filed his petition for reinstatement, with four exhibits. Exhibit A is comprised of forty-two supporting letters, from a variety of judges (including Judge Lloyd George), attorneys, friends, business associates, his wife and his wife's parents. Exhibit B documents Reed's volunteer work for the Clark County Bar Association. Exhibit C is a November 7, 2000 letter from attorney Randall Pike, who hired Reed when he was released to the halfway house. Judge Sally Loehrer hired Reed in April 2001 to serve as her law clerk. A letter from Judge Loehrer is included in exhibit A, and Judge Loehrer and Randall Pike both testified on Reed's behalf at his reinstatement hearing. Exhibit D documents Reed's continuing legal education efforts.

On November 9, 2001, Reed's reinstatement hearing began a half hour late. The designated chairman had not appeared, so it was agreed that the hearing would proceed with four members. Judge Loehrer, attorneys Randall Pike, Philip Dunleavy, Mitchell Cobeaga and John Ham, and former client Michael Tricoli all testified on Reed's behalf, as did Reed and his wife, Katherine Reed. At the end of the hearing, the panel split two in favor of reinstatement and two opposed to reinstatement. The panel entered its written findings and recommendation November 15, 2001.

The entire panel decided that Reed had met his burden of demonstrating that he has the moral qualifications, competency, and learning in law required for admission to practice law, but two panel

members decided that Reed had not met his burden of demonstrating that his resumption of the practice of law will not be detrimental to the integrity and standing of the bar, to the administration of justice, or to the public interest. Their specific concern was that Reed did not wait long enough before petitioning for reinstatement in September 2001, because his federal sentence and its consequences kept him from practicing law between March 1997, when he was disbarred, and April 2001, when he was released from custody. Thus, at the time Reed petitioned for reinstatement, it was difficult for the panel to determine whether he had satisfied his debt to the legal profession and to the public. Because the panel members did not reach a consensus, they did not recommend reinstatement.

Reed contends that the hearing panel improperly based its decision solely on SCR 116(2)'s three-year waiting period, and not on SCR 116(3)'s substantive criteria. As mentioned above, however, SCR 116(2) mandates a minimum three-year waiting period before a reinstatement petition can be filed. Given the rule's requirement of at least a three-year interlude between disbarment and any reinstatement petition, the timing of a petition can be an important factor in the panel's assessment. Here, the panel appropriately reflected on Reed's serious misconduct and relatively short period of supervised release in considering, under SCR 116(3), whether his reinstatement would be "detrimental to the integrity and standing of the bar, to the administration of justice, or to the public interest." Although the panel properly considered the length of time that elapsed between Reed's disbarment and his petition for reinstatement, we disagree with the two panel members who decided that Reed's reinstatement petition was premature.

confidence in the State Bar's ability to supervise its membership will suffer from Reed's reinstatement so soon after his conviction of forty-one felonies and his release from federal prison.

Agosti, C.J.
Agosti

We concur.

Rose, J.
Rose

Becker, J.
Becker

cc: Howard Miller, Chair, Southern Nevada Disciplinary Board
Rob W. Bare, Bar Counsel
Allen W. Kimbrough, Executive Director
Perry Thompson, Admissions Office,
Supreme Court of the United States,
Wolfson & Glass