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BEFORE THE PRESIDING DISCIPLINARY JUDGE

**IN THE MATTER OF A
SUSPENDED MEMBER OF THE
STATE BAR OF ARIZONA,**

**GIL C. NEGRETE,
Bar No. 026068,**

Respondent.

PDJ 2023-9087

COMPLAINT

State Bar No. 23-0700

For its Complaint against Respondent the State Bar of Arizona alleges:

COUNT ONE of ONE (File No. 23-0700/Zapata)

1. Respondent was a lawyer licensed to practice law in the state of Arizona having been first admitted to practice in Arizona on January 16, 2009.
2. On February 9, 2023, Respondent was suspended from the practice of law in Arizona for one year, effective 60 days hence. See State Bar of Arizona file no. 21-2792, PDJ 2022-9073.

3. The suspension was by consent after some formal proceedings and a settlement conference.

4. Respondent's suspension was known to be likely; the only real issue was for how long.

5. Respondent had plenty of time leading up to his suspension to plan for it.

6. The Final Judgment and Order in State Bar of Arizona file no. 21-2792, PDJ 2022-9073, included this customary term: "IT IS FURTHER ORDERED that Respondent comply with the requirements relating to notification of clients and others and provide and/or file all notices and affidavits required by Rule 72, Ariz. R. Sup. Ct."

7. Rule 72, Ariz.R.S.Ct.¹ requires a suspended lawyer to notify, by certified mail, return receipt requested, within ten days of the suspension order, all clients being represented in pending matters, any co-counsel in pending matters, any opposing counsel in pending matters (or adverse parties if unrepresented), and each court in which he has any pending matter, of his suspension.

¹ All references hereafter to rules are to the Arizona Rules of the Supreme Court unless stated otherwise.

8. Rule 72 requires a suspended lawyer to withdraw from all court cases, return all client property including case files, and notify the clients of a suitable time and place to obtain their property.

9. Rule 72 requires a suspended lawyer to file an affidavit with the disciplinary clerk and the Supreme Court showing, among other things, compliance with the suspension order and Rule 72.

10. Rule 72 requires a suspended lawyer to keep records of proof of compliance with Rule 72, including copies of the notices and signed return receipts, and provide such proof to chief bar counsel.

11. On February 24, 2023, Respondent submitted an affidavit swearing he furnished the notice required by Rule 72 to, among others, “any clients I was representing in any pending matter” and “any co-counsel in any pending matter.”

12. Respondent did not furnish proof of compliance to chief bar counsel, as required by Rule 72.

13. Before and as of the time of Respondent’s suspension, Complainant was associated as co-counsel with Respondent on many active personal injury cases.

14. Respondent's firm did not litigate all of its cases so Respondent associated with co-counsel for some litigated cases.

15. Respondent did not send the notice required by Rule 72 to his co-counsel, Complainant.

16. Respondent sold his law practice to Sweet James for \$2.4M.

17. The "Asset Purchase Agreement" documenting the sale of Respondent's law practice to Sweet James is dated April 1, 2023, but it refers to Sweet James's down payment of \$600,000 on March 6, 2023.

18. Negotiations between Respondent and Sweet James for the sale of Respondent's law practice to Sweet James preceded March 6, 2023.

19. Rule 42, ER 1.17 requires the seller of a law practice or firm to give written notice to the seller's clients regarding the proposed sale, the identity of the buyer, the clients' right to retain other counsel, the clients' right to take possession of the file, and that client consent to the transfer will be presumed if the client doesn't object within 90 days of receipt of the notice.

20. Rule 42, ER 1.17 provides that before the seller may give the buyer access to detailed information about clients' representation, including the clients' files, the seller must provide the above-described written notice to the clients.

21. Rule 42, ER 1.17 also provides that, in cases requiring court approval of the substitution of counsel, such approval must be obtained before the matter can be included in the sale.

22. Respondent complied with none of the above-described provisions of ER 1.17.

23. In his initial response dated April 17, 2023 to the State Bar's screening investigation, Respondent claimed it was Sweet James's responsibility to attend to the ER 1.17 requirements.

24. Later, Respondent conceded it was his responsibility to comply with ER 1.17.

25. Respondent claimed he could not comply with ER 1.17 due to time pressures created by his former associate counsel's and other employees' departure from Respondent's firm.

26. Although Respondent sold his practice to Sweet James by March 6, 2023, he did not notify some of his clients of the sale until May 10, 2023, after Complainant submitted this charge and after the State Bar initiated a screening investigation on March 27, 2023.

27. Respondent did not notify the clients whom he and Complainant co-counseled of the sale of Respondent's law practice to Sweet James until May 23, 2023.

28. By engaging in the above-referenced misconduct, Respondent violated Rule 42, ER 1.17; and Rule 72.

DATED this 14th day of November, 2023.

STATE BAR OF ARIZONA

/s/David L. Sandweiss
David L. Sandweiss
Senior Bar Counsel

Original filed with the Disciplinary Clerk of
the Office of the Presiding Disciplinary Judge
of the Supreme Court of Arizona
this 14th day of November, 2023.

by: /s/Odalys Leon Valdez
DLS:olv