AN OVERVIEW ON LEGAL LIABILITY IN PERFORMING REGULATED PROFESSIONS

FAMOUS LEGAL MALPRACTICE CLAIMS

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ABSTRACT: This paper presents an overview on the licit liability in performing regulated vocations. Licit malpractice law is mostly governed by state law, and in additament the laws vary from state to state. The attorney is going to be liable for proximately any loss the client sustains is caused from the attorney's lack of adeptness customarily possessed by simply similarly situated members with the licit vocation. It is however, important to note that according to the Judicial Council of California, 75 percent of family court litigants are self-represented because they cannot afford an attorney. Yet many courts cater to attorneys and the parties they are paid to represent, while gainsaying the indigent paramount and efficacious approach to family court accommodations. Further more the paperwork shows evidence of some of the most famous licit malpractice claims. An example would be the case of Sacramento Divorce Lawyer D. Thomas Woodruff and Woodruff, O’Hair, Posner and Salinger Sued by Former Client for Over One Million Dollars in Malpractice Case. Nationally apperceived licit malpractice attorney Edward Freidberg filled in 2014 a first amended complaint in a malpractice lawsuit alleging more than $1 million in damages against prominent Sacramento family law firm Woodruff, O’Hair & Posner, Inc., and firm partner D. Thomas Woodruff. The alleged malpractice occurred in 2001 and the firm is now kenned as Woodruff, O’Hair, Posner & Salinger. Partners Tom Woodruff, Bob O’Hair, Jeff Posner and Paula Salinger have been involved in a number of other controversies, including filling counterfeit court documents, endeavoring to obtain a final dissolution judgment while an appeal in the same case was pending, filling documents not in compliance with state law, and, according to family court watchdogs, collusion with family court judges. The paper withal mentions about arhitectural malpractice, toward an equitable rule for ascertaining when the statute of inhibitions commences to run, as well as licit liability of the financial institutions.

KEYWORDS: legal liability, famous malpractice claims, Thomas Woodruff One Million Dollars Malpractice Case, legal liability of the financial institutions

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1. LIBERAL PROFESSIONS

1.1 Overview

There is an incremented role of the liberal vocations in the legal system as well as in the economic system equally important, which compulsorily involves presenting in detail, the sundry licit perspectives that enveloped professions. In this respect there are four aspects to be taken into consideration, the competitive perspective, the one of bulwarking consumer rights, advertising and commercial one.

Liberal vocations meet ecumenical, tens of millions of members and in the international community there is a socioeconomic factor of great consequentiality. Another, significant factor is the fact that liberal professions give expression to the right of the free movement of persons and services. (Niculeasa, 2006, p. 14)

According to the definition, the liberal vocation is a perspicacious pursuit exercised by a person on his own part, indispensably, of a professional nature. It is important to note however, that it is expected that a person who practices a liberal vocation to act in the best interest of the client and the community. Moreover, the person practicing a liberal profession has to follow a code of ethics and categorical legislation regarding the vocation concerned. Henceforth, he is personally liable for the professional deeds.

Besides the classic examples of liberal professions as being a lawyer, notary public, bailiff, doctor, dentist, architect, real-estate agent, bookkeeper, accountant, tax consultant, there are certain situation when the person also engages in commercial activities. Under those circumstances, he will need to register the business. That would be the case for instance of a person who cumulates the activities of an interior designer with other activities such as providing the goods or if he does the embellishing himself (painting, papering).

1.2 History

A profession is a vocation founded upon specialised edifying training, the purport of which is to supply disinterested objective counsel and service to others, for a direct and definite emolument, wholly apart from prospect of other business gain. Accordingly, the term is a truncation of the term "liberal profession", which is, in turn, an anglicisation of the French term "profession libérale".

Pristinely borrowed by English users in the nineteenth century, it has been re-borrowed by international users from the tardy twentieth: “liberal professions” are, according to the Directive on Apperception of Professional Qualifications (2005/36/EC) “those practised on the substratum of germane professional qualifications in a personal, responsible and professionally independent capacity by those providing perspicacious and conceptual accommodations in the interest of the client and the public”. (Webb, 1917)

Thereupon, the term of liberal profession needed a definition with general characteristics but also to be divided into different categories. Such definition should be general, in order to include incipient vocations. In like manner, another description of this term often seen in the legal literature is the one describing liberal vocations as activities that requires designated edification in their direction.

The earliest meaning of the term “profession” was religious, and referred for the purpose of a proclamation of faith. A great “professor” was one whose religious devotion was unimpeachable. During the Salem witchcraft tribulations, Goody Nurse was termed an “old professor” in her defence, for she had long professed her devotion to God. Being that, by 1675, the term had acquired secular paramountcy, denoting “having claim to due
qualities”. Thenewer vocations drew sustenance from the old: medics and lawyers drew ascendance from the clergy, and both medical and licit practices were, until fairly recently, the province of clerics. (Brown, 2014)

Forthwith, the term had acquired incipient values with time to nowadays when considerable independence of professionals was established.

Before considering nowadays relevance, it is important to note that medieval and early modern tradition recognised only three vocations: divinity, medicine and law (Perks, n.d.) – the soi-disant "learned vocations".

Hence, professionals are now defined as workers whose qualities of detachment, autonomy, and group allegiance are more extensive than those found among other workers. “The difference is one of degree; vocations differ from other vocations in attributes that are mundane to all work. Among professionals, these attributes include a high degree of systematic erudition; vigorous community orientation and staunchness; self-regulation; and a system of rewards defined and administered by the community of workers". (Fischer, 1846)

If we were to consider the development of the liberal vocations, this can be visually perceived from both the national level, as well as the international level. There is withal an incrementation in the benefits of the economic terms.

There is also, however, a further point to be considered. With the elevate of technology and occupational specialization in the 19th century, other bodies commenced to claim professional status: pharmacy, veterinary medicine, psychology, nursing, edifying, librarianship, optometry and convivial work, each of which could claim, utilizing these milestones, to have become vocations by 1900. (Buckley, 1974)

Some of the liberal vocations may relish high status, public prestige and earn high salaries. To be able to understand, an example of this paramount inequality of emolument is a corporate bulwark lawyer working who can earn an abundance of times what a prosecutor or public advocator earns.

Just as some vocations elevate in status and power through sundry stages, others at the same time may decline. Disciplines formalized more recently, such as architecture, now have equippently long periods of study associated with them. (Oslo School of Architecture and Design, n.d.)

Over the years, with the engenderment of norms, these terms were defined precisely, dividing them in different categories with qualifications requisites. Moreover with the founding of international and national bodies, control over such activities will carry out.

Most compelling evidence is that a profession arises when any trade or occupation transforms itself through "the development of formal qualifications based upon education and examinations, the emergence of regulatory bodies with powers to admit and discipline members, and some degree of monopoly rights". (Trombley, 1999)

1.3 Principles

At the present time, the state sets the rules assigned to each free vocation. Given these points, the rules are referred bu not inhibited to the number of such professionals predicated in the region where they work, the desiderata for their accommodations, their fee structure, the organization structure of their work as well as the publicity for the activity they perform.

By the same token, Member States have set with their legislation, the principles for regulation of the liberal vocations. These main principles are:
The principle of professional ethics. It is important to emphasize that ethics in the exercise of the liberal vocations is a very paramount characteristic which makes these vocations differ from other vocations practiced in the private sector, since they are proximately cognate to the public interest.

The principle of professionalism. It is important to note, however, that as verbalizing about the aegis of some primary human rights bulwarked by the constitution of each member state and the rules of the European Amalgamation, or of availing these free professional accommodations, requires a professional posture.

The principle of independence. As far as independence is concerned, it is important to note that free professionals are independent in the exercise of their vocations, in determining the mode of operation and accommodation distribution. Henceforth, their independence is reflected not only in self-regulation of their work, but withal in terms of accountability to clients, which is a reflection of a free and democratic society.

The principle of bona fides and professional confidentiality. This betokens that in providing the accommodations of free vocation is required above all, to venerate the personality of the client or recipient of these accommodations, storage of personal data and privacy of their lives. Forthwith, in exercising these vocations must subsist mutual confidence between the givers and recipients of accommodations.

The principle for performing their accommodation personally. Free professionals perform accommodations personally. As a matter of fact, in terms of their work have the right to sanction other persons to perform their tasks, but always taking full responsibility for such actions.

The principle of transparency. Another important aspect with relevance on their work which should be efficient and transparent. In brief, to be aimed to their clients/patients with the purpose of benefiting the society.

Liberal vocations support an innovative Europe. Moreover, liberal vocations form a key sector of the European economy. As a driving force behind innovation they make a consequential contribution to the entelechy of the Europe 2020 goals. The medium-sized structure of the liberal vocations enables them to ascertain the futuhigh quality accommodations in Europe. (Ahmedi, n.d.)

1.4 Autonomy

It can be seen from the above analysis that vocations incline to be autonomous, which designates they have a high degree of control of their own affairs: "professionals are autonomous insofar as they can make independent judgments about their work". This conventionally betokens "the liberation to exercise their professional judgement". (Bayles, 1981)

In addition to, it also has other meanings. "Professional autonomy is often described as a claim of professionals that has to serve primarily their own interests...this professional autonomy can only be maintained if members of the profession subject their activities and decisions to a critical evaluation by other members of the profession"

In this manner, the concept of autonomy can ergo be optically discerned to embrace not only judgement, but withal self-interest and a perpetual process of critical evaluation of ethics and procedures from within the vocation itself.

Therefore, one major implicative insinuation of professional autonomy is the traditional veto on corporate practice of the vocations, especially accounting, architecture, medicine, and law. This betokens that in many jurisdictions, these professionals cannot do
business through conventional for-profit corporations and raise capital rapidly through initial public offerings or flotations. Instead, if they optate to practise collectively they must form special business entities such as partnerships or professional corporations.

1.5 Characteristics of a profession

There is considerable accedence about defining the characteristic features of a vocation. They have a "professional association, cognitive base, institutionalized training, licensing, work autonomy, colleague control... (and) code of ethics," to which Larson then also adds a further point to be considered, "high standards of professional and intellectual excellence," that "professions are occupations with special power and prestige," and that they comprise "an exclusive elite group", in all societies. (Larson, p. 1978)

The use of the term “vocation” has been further defined as: "...(possessing) corporate solidarity...prolonged specialized training in a body of abstract erudition, and a collectivity or accommodation orientation...a vocational sub-culture which comprises implicit codes of deportment, engenders an esprit de corps among members of the same vocation, and ascertains them certain occupational advantages...withal bureaucratic structures and monopolistic privileges to perform certain types of work...professional literature, legislation, etc". A professional should dote what they do and take it earnestly. (J.A, 2010, pp. 23-24)

The most paramount of these are the professionals in the field of equity who contribute to the development of a democratic state by bulwarking the rights of denizens and their obligations. Withal professionals from the field of health care have a consequential role as a freelance. With the same importance, architects and engineers forfend collectivity from the jeopardies cognate to the construction, develop and maintain public urbanism, promoting innovation concurrently.

1.6 Professional ethics

“The legal profession has existed for over two thousand years; from the Greek city-states and the Roman Empire to the present-day. Legal advocates have played a vital and active role in the formulation and administration of law. Because of their role in society and their close involvement in the administration of law, lawyers are subject to special standards, regulation, and liability”. (Namwambah, 2009)

To be able to understand, the rules of professional conduct have a long history that dates back to over two centuries. Many jurisdictions regulate the conduct of the licit vocation through statutes and codes of professional conduct and ethics. Therefore, these codes prescribe what is ethical and unethical in the practice of law.

It is important to note however, that regard must be had to the fact that what is unethical according to the standards of the licit vocation may not compulsorily be what is regarded as unethical in mundane standards. Customarily, ethics would refer to a system of moral principles or moral rules governing the appropriate conduct for a person or group. On the other hand, licit ethics involves regulation of licit professionals in a manner that conforms to minimum moral standards required by the licit vocation. This point is sustained by the work of Debora L. Rhodes and David Luban, in their book Licit Ethics (1992) indite in this regard that: “In one sense, the term ‘legal ethics’ refers narrowly to the system of professional regulation governing the conduct of lawyers. In a broader sense, however, legal ethics is simply a special case of ethics in general, as ethics in the central traditions of philosophy and religion. From this broader perspective, legal ethics
cuts more deeply than legal regulation: it concerns the fundamentals of our moral lives as lawyers.” (Rhodes, 1992)

As shown above, by all designates professional ethics encompass the personal, organizational and corporate standards of comportment expected of professionals. Professionals are capable of making judgements, applying their skills and reaching apprised decisions in situations that the general public cannot, because they have not received the pertinent training. One of the earliest examples of professional ethics is the Hippocratic oath to which medical medicos still adhere to this day.

2. RESPONSIBILITY AND LEGAL LIABILITY IN PERFORMING REGULATED PROFESSIONS

2.1 Professional responsibility

Broadly speaking, the rules to regulate the conduct of professionals and the prospect that professionals will conduct themselves in an acceptable, ethical manner, give elevate to professional responsibility.

It is expected that professionals exude confidence to the public by upholding the morals of the vocation and to uphold the high caliber of standards expected of them by the society. Consequently, professional responsibility refers to obligations and mandate relating to or belonging to a vocation. It revolves around taking responsibility for the acts and or omissions of members of a vocation. (2015, p. Ojienda)

2.2 Legal malpractice

It is important to point out that not every mistake made by an attorney is considered licit malpractice. Instead, licit malpractice transpires when an attorney handles a case infelicitously due to negligence or with intent to harm and causes damages to a client. All things considered, in many cases, an attorney calls a strategy in good faith, and at the time this strategy is culled it is plausible. However, if a plausibly prudent attorney with the adeptness and competence level indispensable to provide the same licit accommodation would not make the decision made by the attorney, there may have been a breach of obligation. It is additionally paramount to note that a simple ethics infringement is infrequently the substratum of a licit malpractice action, albeit it is a breach of obligation.

Evidently, an attorney will be deemed negligent if he or she fails to exercise that degree of erudition, adeptness, and care that customarily would be exercised by members of the vocation under the same or kindred circumstances. For these reasons, a lawyer must be habituated with well-settled principles of law and rules of practice that are of frequent application in the mundane business of the vocation. (Gibson, n.d.)

To enumerate some prevalent kinds of malpractice include failure to meet a filing or accommodation deadline, failure to sue within the statute of inhibitions, failure to perform a conflicts check, failure to apply the law correctly to a client’s situation, abuse of a client’s trust account, such as commingling trust account funds with an attorney’s personal mazuma, and failure to return telephone calls.

3. $1 MILLION LEGAL MALPRACTICE CASE

This most compelling evidence about a nationally apperceived licit malpractice attorney Edward Freidberg who filed in 2014 a first amended complaint in a malpractice lawsuit alleging more than $1 million in damages against prominent Sacramento family law firm Woodruff, O’Hair & Posner, Inc., and firm partner D. Thomas Woodruff.
With further evidence in this respect, this is an action for licit malpractice, in which the defendant lawyer’s errors caused a dispute about plaintiffs management and ascendency to sell or exchange authentic property, in plaintiffs capacity as a trustee of a family trust (the Harrison Children’s Trust) and as both the general and circumscribed partner of a inhibited partnership (Harrison Family Enterprises II), while the defendants represented the plaintiff as the respondent in a family law proceeding (In Re Espousment of Harrison, Sacramento Superior Court Case No. 99FL07719). Must be noted that this dispute is perpetual and is the subject of a pending licit action (the “underlying lawsuit”). Moreover, due to the skeptical application of CCP. § 340.6, “the statute of circumscriptions for suits against lawyers, plaintiff, in an abundance of caution, files this suit afore the underlying lawsuit has been determinately resolved and afore the family law proceedings has been determinately resolved”. By the same token, if attorney Woodruff had exercised the required adeptness, care, cognizance, competence and diligence possessed by plausible and competent professional attorney who specialize in family law, marital property divisions, and estate orchestrating, the plaintiff would not have entered into the binding contracts to sell and exchange property unless such contracts were conditioned upon the seller’s receipt of indited consent and approbation from the co-trustee (Alan) and beneficiaries (Kim and Lynn) of HCT. Consequently, “such contracts additionally provided that seller did not have to perform until seller obtained a Court Order sanctioning and approving such sale by Wei-Jen as co-trustee of HCT”. (News, n.d.)

4. ARCHITECTURAL NEGLIGENCE
   Before considering a few aspects in this regard, it is important to note that of all the vocations – Architecture limpidly takes into account the physical, emotional and even the spiritual desiderata of a man which no other vocation could congruously address in practical terms.
   Evidence for in support of this position, can be found in the fact that the line between tort and contract claims in architectural negligence cases has become blurred over the years. Both licit and architectural negligence claims were at one time stringently divided into tort and contract sides of the equation. Each had its own statute of constraints, and each was doctrinally different.
   Having considered the above facts, it is also reasonable to look in the past, when plaintiffs asserting architectural malpractice claims had to exercise care in pleading their claims, ascertaining to assert both contract and tort theories to ascertain that both contract and tort damages would be available to them. For these reasons, cases such as Brushton-Moira and 17 Vista denote that “plaintiffs no longer need to expressly define the theory under which their malpractice claims are brought, and if the claim is opportunely pled and proven, they will be able to instaurate both contract and tort damages for architectural malpractice”. (Bluestone, 2012)

5. BANKING MALPRACTICE
   It can be noticed from the above analysis that, doctors, lawyers and accountants can be sued for malpractice if their negligence harms their clients. As far as suits against corporate officers and directors are concerned, there are treated differently. In this manner, if corporate bellwethers make deplorable decisions, the “business judgment rule”
can shield them from liability to shareholders who claim the mistakes cost them mazuma. Moreover, that rule verbalizes that, even if an officer or director blunders, he or she will not be liable unless the challenged decision involved fraud, illicitness or self-dealing. In the face of such statement, the business judgment rule has worked for a long time to obviate suits against officers and directors for routine business misjudgments.

Given the above facts, in many states, the same rule applies to bank officers and directors. It is important to note however, that where it applies, the good-faith lending decisions made by bank officers and directors are bulwarked from liability, even if the imprests turn lamentable and cause the bank losses. Moreover, the skepticism circumventing the interpretation of the business judgment rule has authentic ramifications for community banks that are competing tooth and nail against more sizably voluminous banks, and each other, for quality loans. Therefore, community bank directors want the liberation to exercise their veracious business judgment when it comes to lending, but unlike other corporate directors, they run the authentic risk of being sued if the imprests default and the bank fails.

5.1 Measures to change banking for good

Undoubtedly, the threat of prison sentences would give bankers “pause for thought” in acting in a temerarious, irresponsible and unsustainable manner, according to a major report by the Parliamentary Commission (June, 2013) on banking standards.

In its fifth report, the Commission, which was set up in the wake of the Libor scandal in 2012, outlines measures to “change banking for good”. To be able to understand, these include more preponderant personal responsibility among bankers and more opportune remuneration policies, which the Commission verbally expresses “will avail recuperate confidence in the banking sector among the public”. Moreover the Commission additionally calls for an upheaval in the actions of regulators and regimes, which it verbally expresses have “contributed to the decline in banking standards”. Commission chair Andrew Tyrie MP, verbalized, “Taxpayers and customers have lost out. The economy has suffered. The reputation of the financial sector has been gravely damaged. Confide in banking has fallen to an incipient low.”

However, he integrated, “High standards will fortify Britain as an ecumenical financial centre. International co-ordination, while desirable, should not be sanctioned to delay reform. We must get on and do what is right for the UK. Bankers must be responsible for their actions, customers need more cull and liberation to switch when unhappy and the economy needs trustworthy regulators”. (Green, 2012)

Paul Ellis, chief executive of Ecology Building Society verbalized the banking commission’s report “represents a crucial shift in postures towards banking: temerity and impunity will no longer be the status quo.” But, he integrated, “Crucially it recognises that a fundamental change has to occur in the whole infrastructure of banking including support mechanisms such as regulation and audit. However, the challenge of overhauling the entire regime, while sanctioning a route through for incipient entrants will be the most immensely colossal challenge.”

This report was a quantification adopted to transmute the banking standards for good.

5.2 Swiss operation of keeping accounts secret from tax authorities

In the final analysis, it is important to take a look on the HSBC files, the most sizably voluminous banking leak in history. In one case that illustrates the bank’s conduct, an affluent British client, Stoke City football club director Keith Humphreys, frankly told his
HSBC manager that his father’s $430,000 Swiss account was “not declared” to the UK tax ascendant entities. In the first place, Humphreys, whose wealth originated from the sale of a local supermarket chain, expounded that one HSBC manager had already advised how to extract undeclared offshore mazuma via a credit card. As a matter of fact, the credit card is thus used to enable the Humphreys family to make withdrawals from ‘cash points’ when they are outside the UK. Furthermore, the banker, who even brought paperwork to Humphreys’ stately home in Cheshire because the client was uneasy about “walking around with a set of account-opening documents”, recorded how Humphreys was withal alarmed to aurally perceive a Swiss lawyer might realise he had a secret HSBC account. On clinching arrangements in London, the bank manager indited: “We subsequently rehabilitated to the Ritz, for a very delectable lunch.” Humphreys told his father eventually had to recompense about $224,000 for eschewing tax due to the UK. (Guardian, 2015)

Above all, this tax eschewer withal ended up recompensing UK ascendant entities, as a component of a $205m haul Britain has so far recuperated from HSBC’s tax-dodging customers. Provided that, Chris Meares, then overall head of HSBC private banking, assured the Treasury committee in 2008: “We preclude our bankers from emboldening or being involved in tax evasion.” Besides former tax inspector Richard Brooks, author of The Great Tax Larceny, who was interviewed about HSBC verbally expressed: “I cerebrate they were a tax avoidance and tax evasion accommodation. I cerebrate that’s what they were offering. They kenned full well that people come to them to doge their tax liabilities. There are very few reasons to have an offshore bank account, apart from just preserving tax.” (Guardian, 2015)

6. CONCLUSIONS

As shown above, we can conclude on saying that there is a growing concern over the subordination of accommodation and professionalism to profit, personal aims and ambitions. We require to remind ourselves of the honourable nature of the vocation otherwise there is minute point verbalizing about ethics. Given these points it is the substance and not the form that matters here. For the most part, it is to be borne in mind that all barristers are members of a vocation as distinct from being engaged in a trade. In fact, a trade or business is a vocation or calling in which the primary object is the pursuit of pecuniary gain. Veracity and honourable dealing are, of course, expected from every man, whether he be engaged in professional practice or in any other gainful vocation. But after all, in a vocation, pecuniary prosperity is not the only goal. All things considered, accommodation is the ideal, and the earning of remuneration must always be subservient to this main purport.

“In law a man is guilty when he violates the rights of others. In ethics he is guilty if he only thinks of doing so.” (Immanuel Kant)

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1 Immanuel Kant (22 April 1724- 12 February 1804) was a german language philosopher
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