

People v. James J. Standley. 15PDJo48. July 30, 2015.

The Presiding Disciplinary Judge approved the parties' conditional admission of misconduct and suspended James J. Standley (Attorney Registration Number 18427) from the practice of law for one year and one day. To be reinstated, Standley will bear the burden of proving by clear and convincing evidence that he has been rehabilitated, has complied with disciplinary orders and rules, and is fit to practice law. The suspension takes effect September 3, 2015.

Standley was the sole owner of a debt-collection firm, Standley & Associates, LLC ("S & A"). S & A had a client company that bought charged-off consumer debt from another company, which in turn had purchased the debt from a bank. When S & A's client purchased certain debt in 2009, it acquired false affidavits, which implied that bank officials had personal knowledge about the debt of specific debtors. S & A obtained these false affidavits from its client and then used the affidavits in a total of 594 separate debt-collection efforts, including by filing the affidavits with Colorado courts. Standley did not look at the affidavits before filing them or make any reasonable inquiry to determine if they were legitimate.

After the Colorado Attorney General filed a complaint under the Colorado Fair Debt Collection Practices Act, a consent judgment was entered. For each Colorado court case in which a false affidavit had been filed and a judgment obtained, the consent judgment required S & A and its client to move to vacate the judgment and dismiss the case with prejudice. The consent judgment held S & A and its client jointly and severally responsible for paying over \$500,000.00 in restitution.

In a separate matter, S & A attempted in 2013 to collect a credit card debt from an individual consumer. One of Standley's employees called the consumer, threatening to sue her and refusing to identify the holder of the account. Contrary to the consumer's directions, other S & A employees called her several more times. In one of these calls, Standley's employee threatened to "have her job" and garnish her wages. In fact, there was no judgment to which a garnishment could be attached. Moreover, the consumer lived in Oregon and Washington, and S & A is not authorized to file debt-collection lawsuits in those states. Even though these actions contravened S & A's policies, Standley was responsible for failing to supervise his employees. A Washington court later ordered S & A to pay a judgment of more than \$75,000.00 in a Fair Debt Collection Practices Act lawsuit filed by the consumer.

In addition to violating ethical rules in Washington, Standley violated Colo. RPC 3.1 (proscribing lawyers from asserting frivolous claims); Colo. RPC 5.3(a) (a partner or lawyer with comparable managerial authority shall make reasonable efforts to ensure that a firm implements measures to reasonably assure that nonlawyer employees' conduct is compatible with the lawyer's professional obligations); Colo. RPC 5.3(b) (a lawyer with direct supervisory authority over a nonlawyer employee shall make reasonable efforts to ensure that the employee's conduct is compatible with the lawyer's professional obligations); and Colo. RPC 8.4(d) (a lawyer shall not engage in conduct prejudicial to the administration of justice).