

FILED
FEB 26 2003
P. Powell
STATE BAR OF NEVADA

2 STATE BAR OF NEVADA

3 SOUTHERN NEVADA DISCIPLINARY BOARD

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5 STATE BAR OF NEVADA,)
6 Complainant,)
7 vs.)
8 KENNETH R. SHEEHAN, ESQ.,)
9 Respondent)

PUBLIC REPRIMAND

10 TO: Kenneth R. Sheehan, Esq.
11 2675 So. Jones Blvd., Suite 102
12 Las Vegas, NV 89146

13 On October 23, 2001, Page Villaluna (Villaluna) retained your law firm to file an
14 insurance claim against Villaluna's uninsured motorist policy to recover medical bills and
15 property damage (Villaluna's 1994 Acura was totaled) resulting from an auto accident
16 which occurred on or around October 4, 2001. The corresponding police report indicates
17 the other driver, who was not insured, was deemed at-fault.

18 At the October 23, 2001 consultation with your firm, Villaluna met solely with non-
19 lawyer Vanessa Balalong (Balalong), who accepted the representation, had Villaluna sign
20 the retainer agreement (which was never signed by the firm), and explained the scope of
21 representation and expected results to Villaluna.

22 By letter to Villaluna dated October 23, 2001, non-lawyer Balalong confirmed
23 representation and stated that she would, among other things, prepare and submit a
24 demand package. Balalong's letter also includes the following statements:
25

1 1. *The offer for settlement that I initially present to the insurance*
2 *company will greatly exceed the amount of your loss, typically three to four*
3 *times the total amount of your special damages... ; and*

4 2. *If your claim has not been, or cannot be, settled within two-years*
5 *(2) from the date of the accident, I will file a lawsuit on your behalf.*
6 *(emphasis added.)*

7 Balalong's signature block reads "Vanessa Balalong, Law Offices of Kenneth R.
8 Sheehan" and does not indicate her non-lawyer status.

9 Balalong advised Villaluna not to pay the towing company to release Villaluna's
10 vehicle, stating that the bill would be handled by his insurance company. Thereafter on
11 January 16, 2002, Villaluna's vehicle (1994 Acura Integra) and its contents (including a
12 new car stereo) were auctioned without notice to Villaluna, who received no
13 compensation for the vehicle.

14 During the next several months Villaluna asked to speak to you on at least five (5)
15 occasions. Those requests were denied by non-lawyer staff, including Vanessa
16 Balalong, who indicated contact with you was not necessary.

17 Villaluna treated with medical providers for approximately four months after the
18 accident, incurring \$2,653.91 in medical bills. Two of the providers informed Villaluna
19 upon completion of his treatments that your office was mailed the bills. However,
20 Villaluna began to receive collections notices from some of the health care providers who
21 apparently had not received liens from you.

22 When Villaluna called to speak to you about the notices, he was assisted instead
23 by non-lawyer staff member "Joy." Joy informed Villaluna that Balalong had moved to
24 California and no longer worked for Respondent. As a result, Villaluna's file had
25 apparently been overlooked. Joy counseled Villaluna not to worry about the collection
 notices because the personal injury liens would prevent the matters from affecting
 Villaluna's credit report.

1 Villaluna obtained his credit report and found his rating substantially lowered due
2 to two bills related to his accident, those of AMR and UMC. These two providers sent
3 Villaluna's bills to collections because neither AMR nor UMC received the personal injury
4 case liens. Villaluna attempted to negotiate with the collections company to no avail, and
5 interest accrued. When the case finally settled in October 2002, none of the interest was
6 included in the disbursement and remained due and owing.

7 In October 2002 Villaluna called you to check on his case and was referred to non-
8 lawyer Virginia Addison (Addison), who advised that a settlement offer of \$5,500 had
9 been received. This was the first notice Villaluna had received of the settlement offer.
10 He asked to speak to you and Addison refused, stating that it was unnecessary. Villaluna
11 asked why compensation for his car was not included in the settlement and Addison had
12 no explanation other than that was the way it worked out. Villaluna finally asked Addison
13 if she were a lawyer, because he initially thought she was. Only then did Addison relay
14 her status as a non-lawyer claims administrator, but assured Villaluna she had years of
15 experience in these matters.

16 Villaluna agreed to accept the settlement because he felt he had no other choice
17 since his medical bills had to be paid and his credit rating was in disrepair. He requested
18 of Addison that the firm reduce its fee because he felt his claim was improperly handled
19 and he never spoke to a lawyer. Addison refused.

20 Villaluna then stated he would be filing a Bar complaint and terminated the call.
21 Soon thereafter, you initiated the sole contact you had with Villaluna during this
22 representation and asked that he not file a Bar complaint. Villaluna reluctantly agreed
23 upon your promise that matters would be handled.

1 On October 23, 2002, Villaluna received his settlement check with the disbursal
2 accounting. One of the bills owing to Southern Nevada Medical (SNM) did not include
3 approximately \$151 in fees and \$110 in X-ray charges. You stated to the Bar that SNM
4 reduced its lien. SNM provided a letter stating it had not.

5 At the time Villaluna filed his grievance with the State Bar, he had received no
6 compensation for his vehicle, was being billed for interest on the AMR and UMC bills sent
7 to collections, and was being billed by SNM for the unpaid balance on that account.
8 Villaluna unsuccessfully attempted to contact you several times before filing a Bar
9 complaint.

10 Your initial and supplemental responses to the Bar stated that Balalong only
11 worked for you for several weeks and was not authorized to settle property damage,
12 because your firm only settles personal injury portions of auto accident claims. However,
13 this limitation on the scope of representation does not appear in the retainer agreement
14 Villaluna signed or Balalong's October 23, 2001 retainer letter. Villaluna was never told
15 the firm would not be addressing the property damage to his vehicle.

16 In mitigation, after the State Bar initiated disciplinary proceedings, you paid
17 restitution to Villaluna in the approximate amount of \$7,541.00 to cover all unpaid bills
18 and interest charges related to Villaluna's accident, as well as to compensate Villaluna for
19 the loss of his vehicle.

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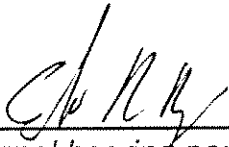
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1 Pursuant to your Conditional Guilty Plea tendered in accordance with SCR 113(1),
2 you are hereby PUBLICLY REPRIMANDED for violations of SCR 152 (Scope of
3 Representation), SCR 153(Diligence), SCR 154(Communication), SCR 155(Fees), SCR
4 187 (Supervision of non-lawyer assistants) and SCR 189 (Unauthorized practice of law).

5 DATED this 20th Day of Feb 2003.

6 **STATE BAR OF NEVADA**

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Formal hearing panel Chair
Southern Nevada Disciplinary Board

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