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DISCIPLINARY BOARD
OF THE
HAWAII SUPREME COURT

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**DISCIPLINARY BOARD
OF THE HAWAII SUPREME COURT**

OFFICE OF DISCIPLINARY COUNSEL,

Petitioner,

vs.

ARNOLD T. PHILLIPS, II,

Respondent.

ODC No.: ODC 16-O-93
SCAD-18-0000603

PUBLIC REPRIMAND, AND ORDER OF
THE DISCIPLINARY BOARD;
CERTIFICATE OF SERVICE

Hawai'i Supreme Court Order:

Date: February 28, 2019

PUBLIC REPRIMAND, AND ORDER OF THE DISCIPLINARY BOARD

Pursuant to the Order of the Hawai'i Supreme Court dated February 28, 2019, and Rule 27, Rules of the Disciplinary Board, and parties to the above entitled proceeding having consented, this Public Reprimand is hereby imposed:

PUBLIC REPRIMAND

This "Public Reprimand" is a form of discipline imposed by the Disciplinary Board of the Hawai'i Supreme Court based upon the Supreme Court's findings that Respondent Arnold Phillips violated the Hawai'i Rules of Professional Conduct. After consideration of the entire record of disciplinary proceedings, the Court concluded that Respondent Phillips failed to take action in a client matter,

failed to timely comply with a request to provide client files to successor counsel, knowingly deposited a retainer check into his business account rather than his client trust account, thereby briefly misappropriating \$247.50 in client funds, failed to provide the client an amended accounting for 20 months, and, from 2007 through 2015, held his business account as a joint account with an individual who was not a licensed attorney in this jurisdiction, in violation of Rules 1.1, 1.3, 1.4(a)(4), 1.5(b), 1.15(a), 1.15(c), 1.15(d), and 1.16(d) of the Hawai'i Rules of Professional Conduct and Rule 1.15(a)(2) of the Hawai'i Rules of Professional Conduct.

The Court also found that Respondent Phillips, when notified of the foregoing misconduct, admitted wrongdoing, expressed remorse, and took steps to address deficiencies in his practice underlying the misconduct.

In aggravation, the Court found that Respondent Phillips has received three previous Private Informal Admonitions, committed multiple violations in the present matter, and has substantial experience in the practice of law, while in mitigation, the Court found that the previous discipline was remote in time, and that Respondent Phillips fully and freely disclosed information to the Office of

Disciplinary Counsel, was cooperative during the disciplinary process, lacked a dishonest or selfish motive, has demonstrated sincere remorse, and has a good reputation in the community.

Pursuant to Rule 27, Rules of the Disciplinary Board, a Public Order of Discipline shall be issued and filed in the Record of Formal Disciplinary Proceeding, notice shall be furnished to the Complainant, as provided by the rule, and a press release regarding this matter shall be issued.

This completes the Public Reprimand.

FURTHER CONDITIONS ORDERED

The parties having consented, the following conditions are imposed upon Respondent Phillips, pursuant to Rule 2.3(d) of the Rules of the Supreme Court of the State of Hawai'i:

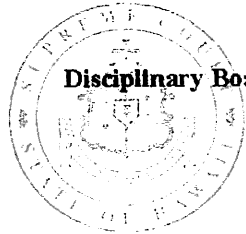
Respondent Phillips shall submit to the Disciplinary Board of the Hawai'i Supreme Court and the Office of Disciplinary Counsel, within 12 months after the entry date of this order, proof of his successful completion of the Multi-State Professional Responsibility Exam.

Respondent Phillips shall submit to an audit of his client trust and business accounts, conducted by the Practicing Attorneys' Liability Management

Society (PALMS) or an equivalent organization, within six months after the entry date of this order, and, within 30 days of the completion of the audit, provide the Disciplinary Board and the Office of Disciplinary Counsel an affidavit or a declaration attesting to its successful completion and, thereafter, provide reports every three months, to PALMS and the Office of Disciplinary Counsel, for 24 months, following completion of the audit.

Respondent Phillips shall, pursuant to Rule 2.3(c) of the Rules of the Supreme Court of the State of Hawai'i, bear the costs of the disciplinary proceedings, upon approval by the Hawai'i Supreme Court of a timely submitted verified bill of costs from the Office of Disciplinary Counsel.

The Office of Disciplinary Counsel shall monitor Phillips' compliance with the above conditions and shall submit to the Hawai'i Supreme Court, at the conclusion of the final quarterly reporting period, a declaration with pertinent information and any related documents regarding Respondent Phillips fulfillment of the above conditions of his discipline.

 **Dated:** March 28, 2019
Disciplinary Board of the Hawai'i Supreme Court
Clifford L. Nakea
Hon. Clifford L. Nakea (Ret.)
Chairperson
201 Merchant Street, Suite 1600, Honolulu, Hawai'i 96813
Telephone (808) 599-1909 (www.odchawaii.com)

CERTIFICATE OF SERVICE

I hereby certify that a copy of a PUBLIC REPRIMAND AND ORDER OF THE DISCIPLINARY BOARD has been filed with the Disciplinary Board of the Hawai'i Supreme Court on this date, and service was, as noted on the Service List below, by either 1) regular U.S. Mail, postage prepaid, or 2) hand delivery.

SERVICE LIST:

<i>Party</i>	<i>1) JEFS</i>	<i>2) by US mail</i>	<i>3) hand delivery</i>
RICHARD P. McCLELLAN, III 846 S HOTEL ST., #308 HONOLULU, HAWAII 96813-2583 Attorney for Respondent	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADLEY R. TAMM Chief Disciplinary Counsel REBECCA SALWIN Deputy Chief Disciplinary Counsel Office of Disciplinary Counsel 201 Merchant Street, Suite 1600 Honolulu, Hawai'i 96813 Attorneys for Petitioner	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

DATED: Honolulu, Hawai'i, March 28, 2019.



FAYE F. HEE
DISCIPLINARY BOARD FILING CLERK