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February 22, 2022

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James R. Hammerschmidt, Esquire

**Via email only at
jrh@paleyrothman.com**

In re James R. Hammerschmidt, Esquire
Disciplinary Docket No. 2021-D195
D.C. Bar Membership No. 448128

Dear Mr. Hammerschmidt:

This office has completed its investigation of the above-referenced matter. We find that your conduct reflected a disregard of certain ethical standards under the District of Columbia Rules of Professional Conduct (the "Rules"). We are therefore, issuing you this Informal Admonition pursuant to D. C. Bar Rule XI, §§ 3, 6, and 8.

This matter was docketed for investigation based on a complaint filed by your client, G.S. Based on our investigation of this matter, we find that your conduct violated Rules 1.3(a) and 1.4(a). We find as follows:

In September 2017, an International Monetary Fund ("IMF") internal investigation found that G.S. worked simultaneously for the IMF and World Bank for periods of time in 2015 and 2016 without properly disclosing his simultaneous employment to either institution. The investigation concluded that G.S.'s failure to disclose material information to IMF violated several rules and personnel policies, and G.S. was issued a monetary penalty for those violations. G.S. disputed the investigations findings and imposition of the penalty, and he sought relief from both through mediation with the IMF. He retained counsel to represent him in the mediation; however, in December 2019, G.S. fired his first attorney due to the lack of progress made in the matter. G.S. contacted you in late December 2019 and you agreed that you could represent him in his employment action against the IMF.

In early January 2020, you were retained by G.S and conducted a full review of the case file. At that point, you advised G.S. that it was unlikely he would prevail in a challenge to the disciplinary findings and the best course of action would be to seek recovery of some of the monetary penalty through mediation. On January 27, 2020, you reached out to the IMF mediator to discuss what had happened in the case to that point. During that call, it was made clear to you that the IMF had grown frustrated with G.S.'s previous attorney and the amount of time that the matter had already taken. In addition to other points,

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you communicated this to G.S. in an email recounting your conversation with the mediator and explained to G.S. that you did not want the case to linger because you believed it would hurt G.S.'s chances in the mediation. It was still your assessment that G.S.'s best chance for recovery was at mediation, rather than through the official grievance process.

On February 12, 2020, you had a phone call with IMF staff and the mediator during which all parties had an opportunity to clarify any issues of concern regarding the case. As a result of that phone call, you had agreed to produce additional documentation supporting G.S.'s position. You also agreed to prepare a memorandum for the IMF on behalf of G.S.; however, you failed to complete either of these tasks.

Your last direct communication with G.S. was a phone call on February 18, 2020. Following that call, you failed to respond to G.S.'s requests for updates. On March 25, 2020, G.S.'s wife emailed you asking for a draft of the memorandum you agreed to produce as soon as possible, and you simply responded with, "Will do." On April 8, 2020, you emailed the IMF apologizing for not producing the documentation you had promised and stated you would send something to them by the end of the next week; however, you never sent anything to either G.S., his wife, the mediator, or the IMF.

Both G.S. and the IMF repeatedly reached out to you between April and October 2020, asking for updates and when they could expect to receive the memorandum you had agreed to produce; however, you failed to respond or provide the requested information. On May 20, 2020, you told the IMF that you would "be providing our response soon;" however, nothing was ever sent. On July 15, 2020, the IMF emailed you and asked when they could expect a response, explaining that if the parties cannot continue with the mediation, then the matter should be closed so that G.S. could file his grievance. On July 28, 2020, the mediator explained to you that the IMF would withdraw from the mediation if they did not receive your response. In a follow-up phone call with the mediator, you agreed to produce the additional information during the first week of August; however, you never sent anything. G.S. was also asking for updates during this time, going so far as to send you a certified letter on August 14, 2020, to which you responded stating you would send him a draft memorandum no later than August 21, 2020. Despite your constant assurances that you would provide the requested information, you failed to produce either the additional documentation or the memorandum for G.S. Finally, on October 15, 2020, the mediator emailed you to explain that the IMF no longer believed G.S. was pursuing mediation in good faith and had formally closed the mediation. While G.S. was copied on the email from the mediator, you never made any attempt to reach out to G.S. following the closure of the mediation to discuss next steps. You also ignored his request that you contact the IMF to explain that the failure to pursue the mediation was due to your lack of due diligence and communication.

In February 2021, G.S. re-engaged in mediation with the IMF in which he represented himself. The parties entered into a memorandum of understanding on February 26, 2021, and G.S. was awarded some relief from the monetary penalties that had been imposed. There were no changes made to the disciplinary findings from the investigation.

Based on these facts, we find that you violated Rules 1.3(a) and 1.4(a). Rule 1.3(a) requires "[a] lawyer shall represent a client zealously and diligently within the bounds of the law." In your

response, you state that you intended to draft a letter to the IMF and the mediator on behalf of G.S., however, your employment law practice became consumed by issues surrounding the COVID-19 pandemic which precluded you from attending to G.S.'s matter. You acknowledge that the pandemic and associated issues do not excuse your failure to produce the letter to the IMF in a timely manner. Your failure to prepare and send the letter to G.S. or the IMF resulted in the IMF closing the mediation. Your lack of due diligence violates Rule 1.3(a).

Rule 1.4(a) which requires that "[a] lawyer shall keep a client reasonably informed about the status of a matter and promptly comply with reasonable requests for information." For over six months, from March 2020 through October 2020, G.S. sent you multiple requests for updates regarding the status of additional information you had agreed to provide. You failed to provide updates, advise him about the obstacles you faced due to the COVID-19 pandemic or refer him to new counsel. After August 2020, you failed to communicate completely, including failing to follow-up with G.S. after the IMF terminated the mediation. Your failure to keep your client reasonably informed and your failure to promptly comply with your client's reasonable requests for information violates 1.4(a).

In deciding to issue this letter of Informal Admonition rather than institute formal disciplinary charges against you, we have taken into consideration that you have no prior discipline, cooperated with our investigation, and that you have accepted responsibility for your misconduct including by accepting this Informal Admonition. We also considered that you have refunded all fees paid by G.S.

If you would like to have a formal hearing, you must submit a written request for a hearing within 14 days of the date of this letter to the Office of Disciplinary Counsel, with a copy to the Board on Professional Responsibility, unless Disciplinary Counsel grants an extension of time. If a hearing is requested, this Informal Admonition will be vacated and Disciplinary Counsel will institute formal charges pursuant to D.C. Bar R. XI, §§ 8(b) and (c). The case will then be assigned to a Hearing Committee and a hearing will be scheduled by the Executive Attorney for the Board on Professional Responsibility pursuant to D.C. Bar R. XI, § 8(c). Such a hearing could result in a recommendation to dismiss the charges against you or a recommendation for a finding of culpability, in which case the sanction recommended by the Hearing Committee is not limited to an Informal Admonition.

Sincerely,

Hamilton P. Fox, III

Hamilton P. Fox, III
Disciplinary Counsel

Enclosure: Attachment letter to Informal Admonition

cc: G.S. (w/o enclosure)

HPF:DF:eaf