

VIRGINIA:

BEFORE THE TENTH DISTRICT, SECTION II, SUBCOMMITTEE  
OF THE VIRGINIA STATE BAR

IN THE MATTER OF  
TRACI HALL STANLEY

VSB Docket No. 20-102-117985

SUBCOMMITTEE DETERMINATION  
(PUBLIC REPRIMAND WITH TERMS)

On October 27, 2020; January 4, 2021; and February 18, 2021, meetings were held in this matter before a duly convened Tenth District, Section II, Subcommittee consisting of Eric Wagaman Reecher, Esq.; Peggy Lee Riley; and Stacy Estep Munsey, Esq., chair presiding. During the February 18, 2021 meeting, the Subcommittee voted to approve an Agreed Disposition for a Public Reprimand with Terms pursuant to Part 6, § IV, ¶ 13-15.B.4 of the Rules of the Supreme Court of Virginia. The Agreed Disposition was entered into by the Virginia State Bar, by Edward James Dillon, Jr., Senior Assistant Bar Counsel, and Traci Hall Stanley, Respondent, *pro se*.

WHEREFORE, the Tenth District, Section II, Subcommittee of the Virginia State Bar hereby serves upon Respondent the following Public Reprimand with Terms:

I. FINDINGS OF FACT

1. At all relevant times, Respondent has been an attorney licensed to practice law in the Commonwealth of Virginia.
2. In or about December 2018, James Danny Stiltner retained Traci Hall Stanley ("Respondent") to represent him on a divorce for an initial fee of \$300. Respondent did not deposit the \$300 initial fee in her trust account.

3. Respondent stated that the initial fee covered an uncontested divorce and that, in February 2019, she drafted a Separation and Property Settlement Agreement.
4. On or about February 15, 2019, Mr. Stiltner's spouse filed a Bill of Complaint against him in Buchanan County Circuit Court seeking a divorce. Mr. Stiltner's spouse was represented by Charity Barger.
5. On or about March 22, 2019, Respondent texted Mr. Stiltner and stated: "[F]or the divorce it will be \$1500 since it is now contested. If you want me to represent you on the divorce I have to answer her bill of complaint in 21 days[.]"
6. On or about March 25, 2019, Mr. Stiltner texted Respondent and asked: "Does the 300 I already paid count toward the 1500 or do you need 1500 total?" Respondent replied: "I will let it count but normally I don't . . . [.]"
7. On or about April 1, 2019, Mr. Stiltner met Respondent at the courthouse in Lebanon, Virginia and paid Respondent the remaining \$1,200 for the divorce.
8. Respondent did not deposit the \$1,200 fee in her trust account. In response to a subpoena *duces tecum* issued in this matter seeking billing and trust account records pertaining to her representation of Mr. Stiltner, Respondent produced a copy of a ledger that made no reference to any fees received from Mr. Stiltner and copies of bank statements for her trust account that showed no deposit of either \$300 or \$1,200 received from Mr. Stiltner. Respondent also produced no copies of cash receipts or disbursements journals pertaining to any fees received from Mr. Stiltner.
9. On or about April 10, 2019, Respondent filed an Answer to the Bill of Complaint on behalf of Mr. Stiltner with the Buchanan County Circuit Court.
10. Later in 2019, the parties engaged in discovery in the matter.
11. By letter to Mr. Stiltner dated September 30, 2019, Respondent requested additional fees from Mr. Stiltner:

As you are aware, I currently represent you in regard to your Separation/Divorce. The initial fee that you rendered only covered the negotiation of your Divorce and the Proceedings involved to file your Divorce with the Court. As you know, Ms. Stiltner refused to come to an agreement regarding your Separation Agreement, therefore, further negotiations as well as paperwork and travel will be required. Due to this development, if you wish for me to continue to represent you, the fee will be \$2,000.00 to resolve this matter.

12. Mr. Stiltner did not pay the additional \$2,000 to Respondent.

13. On November 15, 2019, Ms. Barger served and filed a Notice of Deposition requiring Mr. Stiltner to appear for a deposition at Ms. Barger's office on December 5, 2019. Mr. Stiltner texted a screenshot of the Notice of Deposition to Respondent and asked if Respondent could change the location of the deposition to a neutral site.
14. On November 18, 2019, Respondent texted a response to Mr. Stiltner, advising him not to go forward with a contested divorce, indicating that Respondent may have difficulty finding available dates for the deposition, and stating that Mr. Stiltner owed her "a fee starting at \$3,000."
15. By letter to Mr. Stiltner dated November 20, 2019, Respondent again requested additional fees from Mr. Stiltner:

As you are aware, I currently represent you in regard to your Separation/Divorce. The initial fee that you rendered only covered the negotiation of your Divorce and the Proceedings involved to file your Divorce with the Court. As you know, Ms. Stiltner refused to come to an agreement regarding your Separation Agreement, therefore, further negotiations as well as paperwork and travel will be required. Due to this development, if you wish for me to continue to represent you, the fee will be \$3,000.00 to move forward with this matter since it is now highly contested.
16. Mr. Stiltner did not pay the additional \$3,000 to Respondent.
17. Neither Respondent nor Mr. Stiltner appeared for Mr. Stiltner's deposition on December 5, 2019.
18. On or about December 12, 2019, Ms. Barger noticed a hearing in the matter for December 17, 2019 in Buchanan County Circuit Court.
19. Neither Respondent nor Mr. Stiltner appeared for the December 17, 2019 hearing in the matter and, by Order entered December 18, 2019, the Buchanan County Circuit Court entered a Final Decree of Divorce and ordered that Mr. Stiltner pay half of his spouse's attorney's fees – an amount equal to \$2,558.28.
20. Mr. Stiltner subsequently received notice of the entry of the Final Decree of Divorce from the Buchanan County Circuit Court and contacted Respondent about moving for reconsideration.
21. By letter to Mr. Stiltner dated January 24, 2020, Respondent advised Mr. Stiltner that a motion for reconsideration could not be filed since more than a month had passed since entry of the Final Decree of Divorce and the Buchanan County Circuit Court, therefore, no longer had jurisdiction over the matter. Respondent also cited her September 30, 2019 and November 20, 2019 letters to Respondent and stated: "That

fee was never paid, therefore my representation of you terminated as explained in my letters.”

22. Despite her assertion that her representation of Mr. Stiltner had terminated, Respondent never filed any motion with the Buchanan County Circuit Court seeking leave to withdraw from her representation of Mr. Stiltner and the Buchanan County Circuit Court never granted Respondent leave to withdraw from her representation of Mr. Stiltner.

## II. NATURE OF MISCONDUCT

Such conduct by Respondent constitutes misconduct in violation of the following provisions of the Rules of Professional Conduct:

### **RULE 1.3 Diligence**

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(b) A lawyer shall not intentionally fail to carry out a contract of employment entered into with a client for professional services, but may withdraw as permitted under Rule 1.16.

### **RULE 1.4 Communication**

(a) A lawyer shall keep a client reasonably informed about the status of a matter and promptly comply with reasonable requests for information.

(b) A lawyer shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

### **RULE 1.5 Fees**

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(b) The lawyer's fee shall be adequately explained to the client. When the lawyer has not regularly represented the client, the amount, basis or rate of the fee shall be communicated to the client, preferably in writing, before or within a reasonable time after commencing the representation.

### **RULE 1.15 Safekeeping Property**

(a) Depositing Funds.

(1) All funds received or held by a lawyer or law firm on behalf of a client or a third party, or held by a lawyer as a fiduciary, other than reimbursement of advances for costs and expenses shall be deposited in one or more identifiable trust accounts; all other property held on behalf of a client should be placed in a safe deposit box or other place of safekeeping as soon as practicable.

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(c) Record-Keeping Requirements. A lawyer shall, at a minimum, maintain the following books and records demonstrating compliance with this Rule:

(1) Cash receipts and disbursements journals for each trust account, including entries for receipts, disbursements, and transfers, and also including, at a minimum: an identification of the client matter; the date of the transaction; the name of the payor or payee; and the manner in which trust funds were received, disbursed, or transferred from an account.

(2) A subsidiary ledger containing a separate entry for each client, other person, or entity from whom money has been received in trust.

The ledger should clearly identify:

(i) the client or matter, including the date of the transaction and the payor or payee and the means or methods by which trust funds were received, disbursed or transferred; and

(ii) any unexpended balance.

### III. PUBLIC REPRIMAND WITH TERMS

Accordingly, having approved the Agreed Disposition, it is the decision of the

Subcommittee to impose a Public Reprimand with Terms. The terms are:

1. Respondent will read Legal Ethics Opinion 1606 within 60 days following service of the Public Reprimand with Terms in this matter and, within the same time period, shall certify in writing to the undersigned Senior Assistant Bar Counsel that she has done so.
2. For a period of one (1) year following the service of the Public Reprimand with Terms in this matter, Respondent authorizes the Virginia State Bar to conduct unannounced personal inspections of her trust account books, records, and bank records to ensure her compliance with all of the provisions of the Rules of Professional Conduct. Respondent shall fully cooperate with the Virginia State Bar and its investigators during any such inspection.

If any of the terms are not met by the time specified, pursuant to Part 6, § IV, ¶ 13-15.F of the Rules of the Supreme Court of Virginia, the District Committee shall hold a hearing and Respondent shall be required to show cause why a Certification for Sanction Determination pursuant to Part 6, § IV, ¶ 13-15.F and ¶ 13-15.G of the Rules of the Supreme Court of Virginia

should not be imposed. Any proceeding initiated due to failure to comply with terms will be considered a new matter, and an administrative fee and costs will be assessed.

Pursuant to Part 6, § IV, ¶ 13-9.E. of the Rules of the Supreme Court of Virginia, the Clerk of the Disciplinary System shall assess costs.

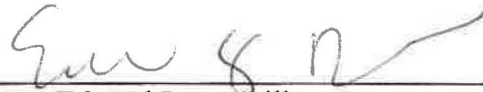
TENTH DISTRICT, SECTION II,  
SUBCOMMITTEE OF THE  
VIRGINIA STATE BAR



Stacy Estep Munsey  
Subcommittee Chair

CERTIFICATE OF MAILING

I certify that on March 3, 2021, a true and complete copy of the Subcommittee Determination (Public Reprimand With Terms) was sent by certified mail to Traci Hall Stanley, Respondent, at Traci Hall-Stanley, P.C., P. O. Box 2528, Lebanon, VA 24266, Respondent's last address of record with the Virginia State Bar.



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Edward James Dillon, Jr.  
Senior Assistant Bar Counsel