

VIRGINIA:

BEFORE THE VIRGINIA STATE BAR DISCIPLINARY BOARD

**IN THE MATTER OF
THOMAS MICHAEL WATSON**

VS. DOCKET NO. 25-000-133902

RECIPROCAL MEMORANDUM ORDER

THIS MATTER came to be heard on June 27, 2025, before a panel of the Virginia State Bar Disciplinary Board (“the Board”) consisting of Jennifer D. Royer, First Vice Chair (“Chair”); Joseph D. Platania; Melanie A. Friend; Stephanie G. Cox; and Theodore Smith, Lay Member. The Virginia State Bar (“VSB”) was represented by Seth T. Shelley, Assistant Bar Counsel (“the Bar”). Thomas Michael Watson (“Respondent”) appeared in person, *pro se*. The Chair polled the members of the Board Panel as to whether any of them had any personal or financial interest or bias which would preclude them from fairly hearing this matter and serving on the panel, to which each member responded in the negative. Lisa A. Wright, court reporter, Chandler and Halasz, P.O. Box 1975, Mechanicsville, Virginia 23116, (804) 730-1222, after being duly sworn, reported the hearing and transcribed the proceedings.

All legal notices of the date and place of the hearing were timely sent by the Clerk of the Disciplinary System (“Clerk”) in the manner prescribed by the Rules of the Supreme Court of Virginia (“the Rules”).

The matter came before the Board on the Rule to Show Cause and Notice of Hearing entered on May 28, 2025, to which was appended the Memorandum Opinion and Order issued April 7, 2025, by the United States Bankruptcy Court for the Eastern District of Virginia (“USBC Order”). The USBC Order disbarred the Respondent from practicing in the United States Bankruptcy Court for the Eastern District of Virginia.

In accordance with Part 6, Section IV, Paragraph 13-24 of the Rules, the purpose of the hearing was to provide the Respondent with an opportunity to show cause, if any, by clear and convincing evidence, as to why the same or equivalent discipline imposed upon Respondent by the United States Bankruptcy Court for the Eastern District of Virginia should not also be imposed by the Board. Pursuant to Paragraph 13-24(C), the Respondent was afforded an opportunity to submit a written response to the Board's Rule to Show Cause within fourteen (14) days of the date of mailing of the Board order, with any such written response confined to argument and exhibits supporting one or more of the following grounds for dismissal or imposition of lesser discipline:

(1) The record of the proceeding in the other Jurisdiction would clearly show that such proceeding was so lacking in notice or opportunity to be heard as to constitute a denial of due process;

(2) The imposition by the Board of the same or equivalent discipline upon the same proof would result in an injustice;

(3) The same conduct would not be grounds for disciplinary action or for the same or equivalent discipline in Virginia; or

(4) The misconduct found in the other Jurisdiction would warrant the imposition of substantially lesser discipline in the Commonwealth of Virginia.

The Respondent filed a written response to the Rule to Show Cause on June 13, 2025, two days after the fourteen-day deadline. Respondent's response did not address the factors identified in Paragraph 13-24(C) of the Rules. Pursuant to Paragraph 13-24(F) of the Rules, if a respondent does not timely file a written response but appears at the hearing and expresses intent to present evidence or argument supporting the existence of one or more of the grounds specified in Paragraph 13-24(C), the respondent must make a proffer to the Board.

The Board heard Respondent's proffer, which asserted that he would present evidence relevant to factors (2) and (4) of Paragraph 13-24(C). The Respondent proffered that his evidence would show that he had practiced bankruptcy law in other jurisdictions without issue, but he was unfamiliar with the judges and trustees in the Eastern District of Virginia. He further stated that he would testify that RLG, the firm from which he received the five cases underlying the Eastern District's disciplinary action against him, did not provide him with cases that were ready to file as promised. Instead, some were months old and others were not yet ready for filing. In the Respondent's words, "Essentially, the Recovery Law Group threw me under the bus, as it were."¹ The Respondent asserted that he had continual computer and software issues and difficulty getting technical assistance because of the time zone difference between him and RLG. Respondent emphasized that RLG "did such a poor job that now they are not representing clients in Virginia anymore, so they at least – I didn't talk to them, but it seems to me they are acknowledging that they should not be representing clients in Virginia, and that demonstrates the kind of support they gave me."²

Specifically with regard to factor (2), the Respondent proffered that his testimony would show that imposition of the same or equivalent discipline would result in an injustice to him in that it would negatively impact his self-image and self-esteem. The Respondent acknowledged that the issues in the underlying bankruptcy cases demonstrated to him that, "I should not be actively practicing law."³ The Respondent stated that he hoped to contribute to the profession by teaching classes if allowed to retire and seek inactive status for his law license.

¹ Transcript of the Disciplinary Board hearing on June 27, 2025, at page 3, lines 14-15.

² *Id.*, at 5:25-6:5.

³ *Id.*, at 6:19-21.

With regard to factor (4), the Respondent represented that he felt he did not at first understand that the discipline imposed by the Eastern District court could extend to his Virginia licensure and that he believed he was only being forbidden to practice in the Bankruptcy Court for the Eastern District of Virginia. The Respondent did not specify why his conduct would warrant substantially lesser discipline by Virginia.

The Respondent stipulated to the VSB's Exhibit 3, the USCB Order, for reference to the underlying facts found by the United States Bankruptcy Court for the Eastern District of Virginia.

Upon the conclusion of the Respondent's proffer, the Board recessed to deliberate as to whether to consider Respondent's proffer of evidence and argument as untimely. After deliberation, the Board reconvened in open session and advised the Respondent that he would be allowed to present evidence pertaining to the two factors cited in his proffer. The Bar did not seek a continuance as permitted by Part 6, Section IV, Paragraph 13-24(F) of the Rules.

The Board's Rule to Show Cause and Notice of Hearing were admitted into evidence as Board Exhibit 1.

Both the Bar and the Respondent waived opening statements. The Respondent's only evidence in addition to his sworn proffer, which was then received as Respondent's evidence by the Board, was his testimony that he had suffered a concussion in 2016 or 2018 and believes he has experienced some cognitive decline thereafter.

VSB Exhibits 1 through 3 were admitted into evidence without objection. The Respondent's Disciplinary Record, showing that the Respondent had no disciplinary history other than that which was contained within the USBC Order, was admitted into evidence as VSB Exhibit 4. The Board heard closing arguments from both parties during which the Respondent requested that the Board allow him to retire his license and go on inactive status so that he may have the

opportunity to teach. The Bar argued that the Respondent had failed to show cause as to why his license should not be revoked in Virginia as it had been revoked by the United States Bankruptcy Court for the Eastern District of Virginia and emphasized the harm created by the Respondent's misconduct, including the need to substitute counsel to finish the five bankruptcy cases, Respondent's numerous errors in pleadings and failures to appear, and the anxiety and financial harm caused to the clients by the mishandling of their cases.

Thereafter, the Board recessed to liberate and consider the evidence and argument presented.

FINDINGS OF FACT

The findings in the proceedings in the United States Bankruptcy Court for the Eastern District of Virginia are conclusive of all matters except to the extent that the Respondent proves one or more of the grounds under Paragraph 13-24(C) of the Rules by clear and convincing evidence. The Board makes the following findings of fact by clear and convincing evidence:

1. At all times relevant hereto, the Respondent has been an attorney licensed to practice law in the Commonwealth of Virginia. The Respondent's address of record is 3213 Duke Street, Suite 673, Alexandria, Virginia 22314. The Respondent received proper notice of this proceeding as required by Part 6, Section IV, Paragraph 13-12 and 13-24 of the Rules.

2. The Respondent was charged by the United States Bankruptcy Court for the Eastern District of Virginia with violations of the disciplinary rules in relation to five separate clients he represented in consumer bankruptcy cases before the United States Bankruptcy Court for the Eastern District of Virginia: Sorgho, Poulston, Lee, Russell, and Linderman. After receiving sworn testimony and evidence at a consolidated hearing on the bankruptcy trustees' motions for a hearing

pursuant to 11 U.S. Code § 329⁴, the Court issued the 89-page USBC Order, disbaring the Respondent from practicing law before the United States Bankruptcy Court for the Eastern District of Virginia. *See* VSB Ex. 3.

3. The USBC Order found the Respondent in violation of the following Virginia Rules of Professional Conduct: Rule 1.1 governing competence, Rule 1.3(a) governing diligence, and Rule 1.4(a) governing communication with clients. (VSB Ex. 3, pp. 66-71.)

4. The Respondent was licensed to practice law in the Commonwealth of Virginia on April 23, 1997. During his representation of the five consumer bankruptcy clients in question, the Respondent was employed by RLG a national law firm that recruits clients online and then seeks a locally barred attorney to become a local member of the firm for the purpose of representing clients in that jurisdiction. RLG has been sanctioned previously by multiple bankruptcy courts across the country for rule violations such as lack of diligence, unauthorized practice of law, making false representations, and lack of competence. (VSB Ex. 3, p.5.)

5. On October 11, 2023, the Respondent filed a Chapter 7 petition on behalf of client Sorgho. During that representation, the Office of the U.S. Trustee filed a motion pursuant to 11 U.S. Code § 329, seeking to examine Sorgho's financial transactions with counsel. The motion resulted in a consent order, signed by the Respondent, which provided that RLG return certain fees

⁴ 11 U.S. Code § 329 provides:

(a) Any attorney representing a debtor in a case under this title, or in connection with such a case, whether or not such attorney applies for compensation under this title, shall file with the court a statement of the compensation paid or agreed to be paid, if such payment or agreement was made after one year before the date of the filing of the petition, for services rendered or to be rendered in contemplation of or in such connection with the case by such attorney, and the source of compensation.

(b) If such compensation exceeds the reasonable value of any such services, the court may cancel any such agreement, or order the return of any such payment, to the extent excessive, to –

(1) the estate, if the property transferred –

(A) would have been the property of the estate; or

(B) was to be paid by or on behalf of the debtor under a plan under chapter 11, 12, or 13 of this title; or

(2) the entity that made such payment.

to Sorgho, pay a sanction to Sorgho, and that “Recovery Law Group shall not file any bankruptcy cases in [the] Bankruptcy Court for the Eastern District of Virginia until and unless Debtor’s Counsel complies with § 54.1-3902 of the Code of Virginia and Part Six, Section IV, Paragraph 14 of the Rules of the Supreme Court of Virginia and *actually receives* a Certificate of Registration from the Virginia State Bar.” (VSB Ex. 3, pp. 7-8.)

6. The Respondent represented the five subject bankruptcy clients after entry of the consent order, although RLG had not received a Certificate of Registration. (VSB Ex. 3, p. 8-9)

7. The Respondent’s filings on behalf of the clients contained numerous factual and procedural errors. The USBC Order detailed 16 errors in the *Poulston* matter, 13 errors in the *Lee* matter, 17 errors in the *Russell* matter, and 18 errors in the *Linderman* matter. (VSB Ex. 3, pp. 58-60.)

8. In the *Poulston* matter, the Respondent failed to file necessary amendments to the client’s petition and failed to provide the requested documents to the trustee. This led to the trustee filing a motion to examine the debtor’s transactions with counsel pursuant to 11 U.S. § 329. The Respondent failed to attend a meeting of creditors and as a result, was held in contempt and ordered to pay the client \$1,000.00 as a sanction. The Respondent did not make timely payment. A week after the payment was due, the Respondent failed to appear at a second meeting of creditors. This resulted in the Court entering an Order for Thomas Watson to Show Cause Why He Should Not Be Disciplined for Violating Order Holding Him in Contempt of Court and Imposing Sanctions. (VSB Ex. 3, pp. 29-30.)

9. In the *Russell* matter, the Respondent failed to provide necessary financial documents to the trustee, resulting in multiple delays of the meeting of creditors, and despite multiple reminders from the trustee, failed to file appropriate amendments to correct errors in the

client's filings. This resulted in the trustee filing a motion to examine the debtor's transactions with counsel pursuant to 11 U.S. Code § 329. (VSB Ex. 3, pp. 37-38.)

10. In the *Lee* matter, the Respondent improperly filed multiple pleadings, failed to file required notices of meetings of creditors, and failed to provide documents requested by the trustee, all of which caused months of delay in the client's case. The Respondent also failed to appear at a November 12, 2024, meeting of creditors until prompted by email from the trustee to join the meeting. This resulted in the trustee filing a motion to examine the debtor's transactions with counsel pursuant to 11 U.S. § 329. (VSB Ex. 3, pp. 47-49.)

11. In the *Poulston* matter, the Respondent failed to timely file the client's certificate of completion of the mandatory credit counseling course, failed to inform his client of a hearing required due to his failure to file the credit counseling certificate, failed to appear at the continued credit counseling hearing, and failed to inform the client of the continued hearing. The Court issued an Order to Show Cause against the Respondent for his failure to appear. As of the date of the hearing on the Order to Show Cause, more than two months after the original due date for filing the certificate, the Respondent still had not filed the credit counseling certificate. The Court sanctioned the Respondent with a \$100.00 fine.

12. On November 19, 2024, the Respondent appeared by Zoom nearly two hours late for a meeting of creditors, and only then because prompted by an email from the trustee. Worse, the Respondent failed to claim an exemption for the client's home on her bankruptcy petition, which placed the client in danger of losing her home as part of the bankruptcy estate. When the client explained to the trustee that the home had been titled to her husband, but he had passed away with no will and only she and their children in common surviving him, the trustee informed Ms. Poulston that the home would have to be included in the bankruptcy estate as an asset to repay the

creditors. The trustee invited the Respondent to explain options for avoiding that outcome to the client. Two days later, by email, the trustee requested additional documents and reminded the Respondent that he needed to file amendments to claim an exemption for Ms. Poulston's home. The Respondent failed to file the amendments or provide the documents, which resulted in the trustee filing a motion to examine the debtor's transactions with counsel pursuant to 11 U.S. § 329. (VSB Ex. 3, pp. 50-56.)

13. All five clients complained of difficulty communicating with the Respondent.

14. At a November 19, 2024, meeting of creditors, at which the Respondent did not appear until receiving an email and telephone call reminder from the trustee, Ms. Linderman testified, "I have left this man well over a dozen voicemails to call me back, and he's not calling me back. So, I cannot get ahold of him whatsoever. I've called the law firm. The law firm has reached out to him. He's not responding to [them] either." (VSB Ex. 3, pp. 19-20.)

15. At an October 23, 2024, hearing on the 329 Motion in the *Pauley* matter, at which the Respondent failed to appear, Ms. Pauley informed the Court that she had not spoken to the Respondent in quite some time. (VSB Ex. 3, p. 30.)

16. At a December 3, 2024, meeting of creditors, Ms. Russell stated that she had attempted to reach the Respondent by telephone and email multiple times to determine if her filings needed to be amended to reflect her move to California, but she was unable to reach him. She testified that she was told by RLG that the Respondent was "very busy" and "would get back to her." She received no response from Respondent. (VSB Ex. 3, p. 40.)

17. At a November 12, 2024, meeting of creditors, Mr. Lee testified that he tried multiple times to contact the Respondent by email and telephone prior to the filing of his petition, but did not receive a response until the date his petition was filed. That conversation lasted "three

to five minutes, if that.” After that one brief conversation, his calls went straight to voicemail. (VSB Ex. 3, p. 48.)

18. At a November 19, 2024, meeting of creditors, Ms. Poulston testified that she had not met the Respondent prior to that meeting and had only one five-to-ten-minute telephone conversation with him after the filing of her petition. She further testified that the Respondent had not reviewed her petition and accompanying documents with her prior to filing and that he had not informed her of various hearings or that her case may be dismissed due to the Respondent’s failure to file her credit counseling certificate.

19. Eventually, another attorney intervened in the five bankruptcy cases to represent the debtors and conclude their cases. The Respondent never requested leave to withdraw as counsel. (VSB Ex. 3, pp. 3-4.)

20. The Respondent had no disciplinary record other than the USBC Order.

RULING OF THE BOARD

The Board recessed to consider the testimony of the Respondent and the evidence introduced by the Bar. Upon conclusion of its deliberations, the Board reconvened and stated its findings that the Respondent had failed to prove by clear and convincing evidence either (1) the imposition by the Board of the same or equivalent discipline upon the same proof would result in an injustice or (2) that the misconduct found by the United States Bankruptcy Court for the Eastern District of Virginia, which was based upon violations of the Virginia Rules of Professional Conduct, would warrant the imposition of substantially lesser discipline in the Commonwealth of Virginia.

The Board also found that pursuant to Part 6, Section IV, Paragraph 13-27(C) of the Rules, “An attorney may not resign while the Attorney is the subject of a disciplinary complaint,

investigation, action, or proceeding involving allegations of Misconduct.” The Board, therefore, held that it is without authority to consider the Respondent’s request that the Board permit him to retire instead of imposing discipline.

Accordingly, it is hereby ORDERED that the Respondent’s license to practice law in the Commonwealth of Virginia is REVOKED effective June 27, 2025.

It is further ORDERED that the Respondent must comply with the requirements of Part 6, Section IV, Paragraph 13-29 of the Rules of the Supreme Court of Virginia. The Respondent must forthwith give notice, by certified mail, of his Revocation to all clients for whom he is currently handling matters and to all opposing Attorneys and the presiding Judges in pending litigation. The Respondent must also make appropriate arrangements for the disposition of matters then in his care in conformity with the wishes of his clients. The Respondent must give such notice immediately and in no event later than 14 days of the effective date of the Revocation, and make such arrangements as are required herein as soon as is practicable and in no event later than 45 days of the effective date of the Revocation. The Respondent must also furnish proof to the Clerk within 60 days of the effective date of the Revocation that such notices have been timely given and such arrangements have been made for the disposition of matters. The Board must decide all issues concerning the adequacy of the notice and arrangements required herein. The burden of proof is on the Respondent to show compliance.

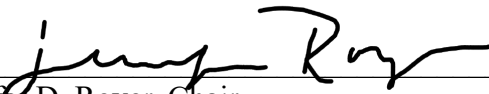
It is further ORDERED that if the Respondent is not handling any client matters on the effective date of revocation, he shall submit an affidavit to that effect to the Clerk within 60 days of the effective date of revocation. The Board must decide all issues concerning the adequacy of the notice and arrangements required herein. The burden of proof shall be on the Respondent to show compliance. If the Respondent fails to show compliance.

It is further ORDERED that pursuant to Part 6, Section IV, Paragraph 13-9.E, of the Rules of the Supreme Court of Virginia, the Clerk shall assess all costs against the Respondent.

It is further ORDERED that an attested copy of this Order be mailed by the Clerk to the Respondent by electronic, first-class, and certified mail, return receipt requested, to his address of record with the Virginia State Bar, being 3213 Duke Street, Suite 673, Alexandria, Virginia 22314, and a copy by electronic mail to Seth T. Shelley, Assistant Bar Counsel.

ENTERED THIS 25th DAY OF JULY, 2025.

VIRGINIA STATE BAR DISCIPLINARY BOARD



Jennifer D. Royer, Chair