PARTIES:

Petitioner: Graeme Hancock
Respondent Judge: Hon. William J. O’Neil
Real party in interest: State Bar of Arizona
Amici Curiae: J. Scott Rhodes
In support of Petitioner

FACTS:

Petitioner was an attorney representing a defendant company in a product liability case in federal district court. After the case settled, the plaintiffs moved for sanctions against the attorneys who represented the company. In granting the motion for sanctions, the district court judge found Petitioner, as one of the attorneys, acted in bad faith.

The State Bar of Arizona then initiated a disciplinary action against Petitioner and moved for partial summary judgment seeking to give issue preclusion/offensive collateral estoppel effect to the findings in the district judge’s sanctions order.

The Presiding Disciplinary Judge (“PDJ”) determined that nonmutual collateral estoppel was warranted and necessary. Specifically, the PDJ found as a matter of law, offensive nonmutual collateral estoppel preclusive effect should be given to the district judge’s findings supporting her conclusion that Petitioner, among the attorneys representing the defendant company, acted in bad faith. Therefore, the PDJ granted the State Bar’s motion for partial summary judgment. Petitioner filed a special action before the Supreme Court.

ISSUES:

The Supreme Court rephrased the issues as: Whether and to what extent issue preclusion applies in bar disciplinary proceedings.

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