

## BigLaw Attorney Suspended for Trading on Insider Information as Conflicts Counsel



William E. Gericke, a former attorney at Cozen O'Connor, has agreed to a one-year suspension of his law license in Pennsylvania for using information he learned as a conflicts attorney to buy stock before a merger. Gericke was suspended by the Pennsylvania Supreme Court on Monday.

Gericke, who is now 61 years old, earned a profit of \$10,000 by trading in the stock of firm client Liberty Property Trust. According to the joint petition for discipline, Gericke bought the stock in October 2019 after a tax partner asked Gericke to run a conflicts check on another company, Prologis, before a possible merger with Liberty Property Trust.

Gericke left Cozen O'Connor in August 2021. The law firm previously stated that Gericke's alleged conduct violated the law and the firm's policies and procedures. The firm told Law.com, "When we became aware of Mr. Gericke's activity, we took prompt and appropriate action, including cooperating with the SEC. We are glad that this matter has been resolved and that the former employee's behavior resulted in no harm to our client."

In an interview with representatives of the U.S. Securities and Exchange Commission (SEC), Gericke later acknowledged that his purchase violated SEC rules. As part of a settlement with the SEC in November 2021, Gericke paid a \$20,000 fine.

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Gericke's suspension will take effect on April 19, 2023. According to Law.com, Gericke joined Dugan, Brinkmann, Maginnis, and Pace after leaving Cozen O'Connor, but he is not currently listed as a lawyer on the new firm's website.

Gericke's lawyer, Josh J.T. Byrne, did not immediately respond to an email request for comment.

Conflicts of interest are a serious issue in the legal profession, and lawyers must avoid situations where their interests may conflict with their clients. It is common for lawyers to be asked to perform conflict checks, especially when a client is considering a merger or acquisition. These checks help ensure that the lawyer has no conflicts of interest that could potentially harm the client's interests.

In this case, Gericke's conduct violated legal and ethical rules and faced significant consequences. While Gericke's actions did not ultimately harm the client, the fact that he used confidential information to make a personal profit is a severe breach of trust.

Gericke's suspension reminds us that lawyers must always act in their client's best interests and avoid conflicts of interest at all costs. It also underscores the importance of transparency and accountability in the legal profession and the need for lawyers to uphold high ethical standards in their professional activities.