



Trust Accounting, Auditing and Financial Analysis

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Atlanta GA
October 4, 2018

Three Key Steps for Investigation

- I. Preparation: gathering your information
- II. Analysis: bank record “Rapid Review” method
- III. Conclusions: preparing a Rapid Review result letter to Respondent; preparing for your draft complaint

I. Preparation: Assessing the Charge/ Initial Letter to Respondent

- NSF's notices: examples of initial intake letters (*reference tab 1*)
- Where Respondent acknowledges failure to understand or comply with record-keeping requirements, send 1.15 letter (*see reference tab 2*)

The *Real* Red Flags



- Frequent delays in disbursing
- Lack of oversight in handling client funds
- Lies
- Third parties complaints
- Refusal of reasonable requests for partial disbursement
- Refusal to communicate with client or third parties
- Unpaid general business or personal financial obligations

Letters to Respondent: Initial letters-litigation *See reference tab 3*

- Request monthly statements for the entire period where Respondent should have been holding the funds, plus 2-3 months before receipt and 1-2 months after disbursement, and the lawyer's ledgers and records of activity in client fund account
- Re the complaining witness's matter, request fee agreement, settlement statement, communications with complainant, whether client or third party, and an explanation for delays for that particular client matter (asking for the entire client file might be best where initial signs of conversion are strong)
- Review response and assess



Gearing up for an Audit: Your Subpoena and Limiting Letter

*Reference tab 4: sample
subpoena rider and sample
limiting letter*

Sample Subpoena Rider Language

- 1) Signature card for all accounts at XX Bank where [Respondent] (d/o/b X/X/XX, last 4 digits Social Security # XXXX) was a signatory for the period of time from [minimum 2 years, or as wide a scope as can be justified], the date each account was opened, and, if closed, date the account was closed;
- 2) Any and all account agreements, monthly statements, front and rear of deposit slips, items deposited, credit memoranda, front and rear of checks and debit memoranda relating to any XX Bank account where [Respondent] is a signatory for the period of time from [same time period as #1];
- 3) Where cashier's checks were purchased from funds disbursed from the above accounts, the front and rear of those cashier's checks; and
- 4) A description of any and all loan accounts, including bank credit cards, by XX Bank to [Respondent], and all agreements, disbursement and payments records related thereto.

Limiting Letter to Bank

- Signature cards
- Monthly statements for 6 months to 2 years for IOLTA
- All records (deposit slips, items deposited, credit memoranda, checks and debit memoranda, and cashier's checks) for 3 months prior to deposit of funds and 2 months after disbursement of any funds related to suspected conversion

What to Look for Generally when Reviewing Solely Monthly Statements

- Who has signature authority?
- Personal bills being paid
- Debit card on IOLTA
- Frequent cash transactions of \$9K plus
- A consistently high balance
- Are Funds going to accounts at other financial institutions?
- Respondent's habits: does he disburse promptly?

Specific to PI, Worker's Comp and other litigation with contingency fees

- Frequent round sum disbursements or transfers
- Failure to correspond a deposit to your expectation for appropriate payout.
- Frequent transfers to and from other accounts

Specific to Real Estate, Estates
or Divorce
(where R is acting as escrow agent)

- Should typically be identical amounts matching between deposit and disbursement; occasionally Respondent's fee is held back from earnest money, or earnest money is divided between the buyer and seller
- In divorce or estates, there is likely a court order specifying who gets what, including fees



Expanding on Your Limiting Letter (remember: subpoena is still in effect)

- Where evidence of conversion, send letter requesting all records from client fund account for full period of time
- Where funds regularly transferred from client fund account to business account, which sums do not appear to be fees, also request records from business account
- Where funds regularly transferred from business account to personal account, also request records from personal account
- Where the statements have limited daily balances, ask the bank to produce statements with daily balances

When Fraud or Criminal Activity is Suspected, Consider Requesting...

- Teller notes
- CTR or currency transaction receipts, for frequent cash deposits or disbursements over \$10K or frequent \$9K plus cash deposits or disbursements (*see reference tab 5*)
- Where frequent cash transactions generally: look at the backs of checks to cash, are they negotiated at bars, racetracks, casinos, currency exchanges? Check addresses of ATMs used for same.

04/13- 2000 Euclid Ave, Arlington Hts, IL Non-NC ATM Cash Withdrawal 502.50



04/04 509.50 ATM Withdrawal 901 S Federal Hwy Hallandale Fl

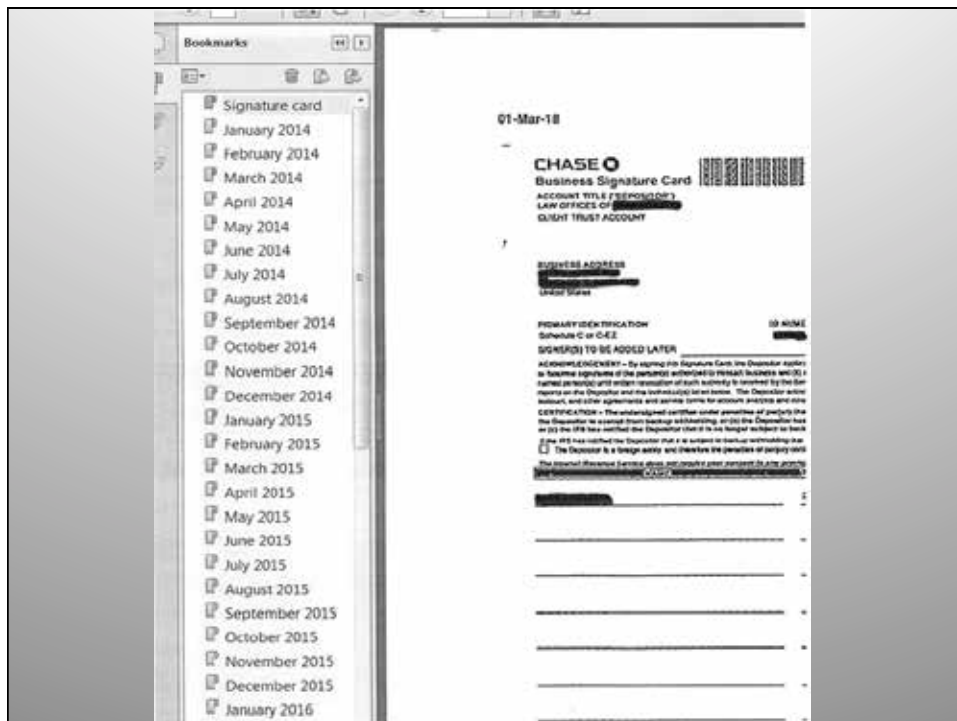


Next Steps

- Order Respondent's credit report
- Obtain court index to determine where Respondent is a defendant
- Obtain court index for a list of all cases where Respondent is an attorney of record

Steps to Take After Full Production

- Read all investigative files, including closed files
- Scan the records **AS RECEIVED** from the bank **FIRST**
- Reorganize the records by monthly statement, followed by deposit and credit info, followed by checks and debit info. Keep cashier's checks purchased with the check or debit info designating the purchase of the cashier's check
- Scan reorganized records and resave or designate them as privileged, **this is YOUR work product!**
- Bookmark by month if possible , see next slide



II. Analysis: Rapid Review

- Create a running client ledger where all information is organized by client
- If the lawyer designates a client name on a check to him/herself, list that under that client

Rapid Review Cont'd

- Enter the adjusted expected balance for each client after each disbursement
- Make a copy of monthly statements only for your reference, and compare the expected client balance with the monthly statement for each client
- Enter your observations, notes and task reminders on rapid review sheet

What to do with Unattributed Disbursements

- If Respondent writes a check to himself without attribution and/or it's unclear to which client it relates (if any), print and set aside in one pile (or save to an efile)
- Print unusual or large expenditures (*In re Kanuru*)
- Print and set aside in a separate pile all third party checks where no client designated
- Print and set aside checks to repeat payees, likely employees or creditors
- Review credit report/defendant index for clues

What to do with Unattributed Deposits

- Set aside a copy of all deposits that appear to be Respondent's earnings, like checks payable solely to Respondent from an insurance company or title company for follow-up
- Look for financial cash "infusions": just before a disbursement to client, does Respondent deposit funds from family member? Deposit a unrelated fee check? Transfer from a investment or savings account? Eventually, can be used to establish intent

Keep in mind a possible sworn statement in your review

(sample questions reference tab 6)

- Go through all of those unattributed deposits and disbursements which you set aside in your review
 - Make a list of questions you have as you go proceed in your review of bank records and go over them with your bar counsel
1. Identify people
 2. Identify source of funds
 3. Identify purpose of certain transactions
 4. Point out personal expenditures

Rapid Review in Practice

See reference tabs 7 and 8

Conversion Worksheet						
Bank, account title and account number here						
Date	Transaction Details (Deposit, payee/source/notes Check # and payee)	Amount IN	Amount OUT	Minimum Balance Needed	Staff analysis: notes and task list	Link To: #
Client A						
Client B						
Client C						

SAMPLE Conversion Worksheet Respondent's Harris IOLTA account number 1234567						
Date	Transaction Details Deposit: payee/source/note Check: # and payee	Amount IN	Amount OUT	Minimum Balance Needed	Staff analysis, notes and task list	Task Done ?
Client: Jane Doe						
1/1/15	State Farm check no. 101743199 payable to "Jane Doe, her attorney Respondent, Law Firm XYZ, Westside Chiropractic Clinic"	\$22,000			Respondent appears to sign the names of all parties on rear of State Farm check	
1/3/15	Check #1 to Jane Doe		\$12,000	\$14,720?	Balance ok	
4/28/15	Check #7 to Westside Chiropractic		\$2,700	\$2,700	Balance on 3/25/15 is - \$4.07 Conversion of Westside's S	
	XYZ Firm?				Note: nothing to Firm XYZ, call them to see if it was a referral fee, were they ever paid?	Yes

Common Task List Items

[wait before proceeding]

- To subpoena an insurance file, title company file, medical provider or court file
- To follow up on a transfer of client funds to another account
- To request contact information for a client, for a third party lienholder, ins. co. subrogee or referring attorney listed on a settlement check
- To contact opposing counsel, client or your complainant

In a Rapid Review, Excel may still be necessary...

1) where amount of money is huge and/or multiple clients' funds are being held at once

2) to keep track of large number of client names

Example: next slides...

	A	B	C
1	0		1
2	H		2
3	H		3
4	M		4
5	R		5
6	C		6
7	S		7
8	F		8
9	V		9
10	M		10
11	M		11
12	M		12
13	B		13
14	M		14
15	C		15
16	G		16
17	L		17
18	S		18
19	J		19
20	S		20
21	F		21
22	C		22
23	B		23
24	C		24
25	G		25
26	W		26
27	A		27
28	B		28
29	V		29
30	S		30
31	G		31
32	V		32
33	P		33
34	T		34

	A	B	C
1	Ad		273
2	Ad		159
3	Ad		116
4	Ad		263
5	Ag		243
6	Ak		137
7	Al		143
8	All		178
9	All		78
10	An		197
11	An		27
12	Ar		183
13	Ar		92
14	At		35
15	Ba		132
16	Ba		45
17	Ba		145
18	Ba		69
19	Ba		161
20	Ba		264
21	Ba		1
22	Ba		72
23	Ba		229
24	Be		236
25	Be		150
26	Be		280
27	Be		77
28	Bi		28
29	Bi		23
30	Bl		13
31	Bl		189
32	Bo		123
33	Br		248
34	Br		60

Key point: The lawyer's check is an **ADMISSION** from the lawyer that the payee is owed (at least) those funds

Work backwards from the check issued by Respondent. If your Respondent writes a check to a payee and the balance falls below that amount at any point between the date of the deposit and the day the payee negotiates the check, those funds have been converted, and the difference is (at least) the amount of the conversion

SOME EXAMPLES OF TYPICAL CONVERSION FINDINGS

Example: Outright Theft (client or third party or both not paid)

51	██████████ (First Chicago Insurance Co.)
In:	10/2/13 \$4544.50
52	██████████ (South Holland Medical Center)
In:	10/8/13 \$10392
Out:	12/10/13 \$4406
53	██████████ (South Holland Medical Center)
In:	10/8/13 \$12249
Out:	12/19/13 \$1474
	1/30/13 \$2000
54	██████████ and ██████████ (see also ██████████ 79 and 80)
In:	10/11/13 \$10000
	10/11/13 \$25000
Out:	12/12/13 (Davis) \$3334
	12/12/13 \$9886
	3/26/14 Healthcare & Family \$589.81
56	██████████ (South Holland Medical Clinic)
In:	10/25/13 \$11000
Out:	12/23/13 \$3244
In:	3/13/17 plus Dr. Ing 18,000

Another Example

2. [redacted] [conversion \$9,901.82] -- this doesn't account for his \$1,750 in attorney's fees**

In: 9/16/16 [redacted] \$10,000 (note: "eserow deposit")

Out: 3/2/17 [redacted] \$8,250 ("earnest money")

Note: this check bounced and Respondent did 2 electronic transfers 3/8 \$5000 and 3/9 \$3,262 to Ana Imports

*earliest low balance \$168.18 on 11/9/16, lowest balance \$98.18 on 2/7

3. [redacted] [conversion \$1,131.82]

In: 9/16/16 Porto \$2,000 (note: "earnest money [redacted] Legends Drive")

Out: 11/1/16 \$2,000 (" [redacted] Legends")

Note: this check bounced, paid with Autotech deposit below, low balance on 11/4 is \$868.18

11/8/16 \$2,000 (" [redacted] Legends")

* Respondent's check is dated 11/3 but is not negotiated until AFTER the above low balance

5. [redacted] [conversion \$831.82]

In: 10/21/16 Fnu \$1,000

Out: (per R) 12/9/16 Saturn Title LLC # [redacted] \$1,000 (" [redacted] Greenbay Drive")

*Low balance of \$168.18 on 11/9/16

Aggregate Conversion Example

25. [redacted] Products Corp. ([redacted])

In: 3/8/17 \$29,000

Out: 3/25/17 \$29,000

26. [redacted] and [redacted]

In: 3/8/17 \$10,000 cashier's check

Out: 4/24/17 \$10,000 Altima Title

27. [redacted] [redacted]

In: 3/14/17 \$17,545.30

Out: 5/25/17 \$17,545.30

28. [redacted]

In: 3/14/17 \$3,000 "earnest m 1888-3A"

3/14/17 \$3,000 "FM 1886-2D"

Out: 4/5/17 \$1,000 Altima Title "EM 1886 [redacted]"

4/5/17 \$3,000 Altima Title "EM 1888 [redacted]"

**aggregate balance on 3/20 is \$41,509.77, insufficient to total #25, #26, #27, #28 \$62,545.30

[in my opinion, this is the cleanest aggregate conversion around this period: \$21,035.53]

Example: Respondent takes a long time to pay a client

175		
In:	1/21/15	\$17500
Out:	4/29/15	\$500
	5/19/15	\$500
	8/3/15	\$500
	9/10/15	\$250
	11/4/15	\$250
	11/27/15	\$250
	12/17/15	\$500
	2/12/16	\$500
	3/28/16	\$500
	4/26/16	\$500
	6/8/16	\$500 ("replacement check")
	7/6/16	\$500
	8/16/16	\$500
	9/16/16	\$500
	10/24/16	\$500
	12/27/16	\$500
	2/6/17	\$500
	5/12/17	\$1000

III. Conclusions:
Putting your case
together



When you have the lawyer's cooperation...



The Letter

Intent: to lay out all your cards and make it clear to the Respondent that you have reviewed his records extensively, to detail what you know

The Letter

Examples (redacted) in reference tab 9

Attach to the letter a subpoena for Respondent's appearance, requesting the following:

- 1) entire client file where you are certain of conversion (unless client numbers too numerous)
- 2) settlement statements or similar documents for potential conversions or where you cannot attribute deposit or disbursement
- 3) other documents needed to address unattributed deposits and disbursements

The goal of The Letter?

Typically leads to discussion:

- *should I get a lawyer to respond and appear?
- *if disbarment is inevitable, use this as an opportunity to inform the lawyer about disbarment on consent
- *if disbarment not clear, to inform the lawyer the purpose of the sworn statement

But, when you have a truly bad actor, The Letter often leads to...



...radio silence

When there is a lack of cooperation





HOW to Fill in All of Those Holes
?????????



Talk. To. People.

Interview Memorandum

TO: file
FROM: AEM
DATE: 5/12/16
RE: Respondent: [REDACTED]
In relation to (CW): the Administrator
Matter Number: [REDACTED]

The following is a summary of the interview and not a verbatim statement.
The person interviewed has not had the opportunity to review this memorandum

Name of Person Interviewed	Type of Witness (Fact/Char)	Date Interviewed	Time Interviewed	Where/How Interviewed
[REDACTED]		5/12/16	3:30 pm	Telephone

I called [REDACTED] (708: [REDACTED]), explained that we have a confidential investigation of R. Said in reviewing his client fund account, I saw that she gave him \$28,000 via wire transfer on May 16, 2014, and asked if she could identify the purpose of that transfer? She said it was personal: Respondent has been a friend for 20 years and called her saying that he "was in a jam" and needed \$28,000 as short term loan (for a few weeks.) He did not tell her why he needed the money. She gave it to him and he paid it back.

I thanked her for her time.

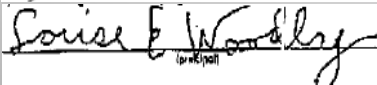
In re Irwin Leiter

CW, 85 year-old-niece of Louise Woodley, a woman who died at age 109, made a one paragraph complaint about her aunt's personal attorney, Mr. Leiter, saying she had suspicions about him because there should have been more left in Louise's estate.


Louise E. Woodley

13th day of April, 2007

Power of Attorney made this 15th day of April 2008


Louise E. Woodley

Date: April 15, 2008

BORROWER:

LOUISE E. WOODLEY, BY IRWIN E. JAFFE, POA
Individually

Go Back to Your Audit and Task List and Decide What is Needed Now


- Go back and review your efiles (or piles) of unattributed deposits and disbursements
- Obtain needed court files
- Proceed with subpoenas for insurance company file, title company file, medical providers

Using Search Engines

1) To help you track expenditures

In re Kanuru


	Posted Date: September 01, 2018 Posted Item Number: 14266661 Serial Number: 1041 Amount: 224,000.00
KANURU LAW GROUP, P.C. CLIENT FUND ACCOUNT 105 W ADAMS ST SUITE 2325 CHICAGO IL 60603-6256	
	



SOLD BY REDFIN 12/20/17

Redfin Estimate for 1828 W MELROSE St
Fill Home Facts to improve accuracy.
\$1,515,872

12/27/17	Sold	\$1,455,000
12/06/16	Sold	\$1,460,500



The image shows a Redfin listing for a house at 1828 W MELROSE St. The main image is a photograph of the exterior of a three-story house with light-colored siding and a dark front door. A red banner at the top left of the photo says "SOLD BY REDFIN 12/20/17". Below the photo, the text reads "Redfin Estimate for 1828 W MELROSE St", "Fill Home Facts to improve accuracy.", and a large price of "\$1,515,872". Below this is a table with two rows of sales history: "12/27/17 Sold \$1,455,000" and "12/06/16 Sold \$1,460,500". To the right of the main image are four smaller inset photos showing the interior of the house, including a living room, a kitchen, a dining area, and a staircase.

Using search engines, cont'd

2) To help you make connections between Respondent and entities on whose behalf Respondent received funds or to whom Respondent sent funds

In re Kathleen Niew

THE ZERO-TOLERANCE FACTOR

Money-Keeping For Modern



From the Author

"These ideas have helped people to hold on to and increase their fortunes, however large or small those fortunes are. I'm glad to share the things I've learned with anyone who cares to help themselves."



REQUEST FOR INVESTIGATION

SEP 12 2012

Use this form to request an investigation of:

- 1) an Illinois lawyer;
- 2) a non-Illinois lawyer who has provided legal services in Illinois; or
- 3) a non-lawyer who you are claiming has engaged in the unauthorized practice of law in Illinois.

ATTY. REG. & DISC. COMM.
CHICAGO

Return the completed form by mail or facsimile to:

ARDC
130 E. Randolph Dr., Ste. 1500
Chicago, IL 60601-6219
Phone: (312) 565-2600 or (800) 826-8625
Fax: (312) 565-2330

or

ARDC
One North Old Capitol Plaza, Ste. 333
Springfield, IL 62701-1625
Phone: (217) 522-6838 or (800) 252-8048
Fax: (217) 522-2417

1. Your name: JAMAL KHOURY & LEDA KHOURY

She convinced us as part of our estate planning to safeguard our liquid assets with her to protect against law suits, and she sent us an email, attached with this facsimile instructing us when to wire the funds. Beginning on October 6, 2011 and ending December 5, 2011, we wired M.C. Niew a total of \$ 2,340,000 (2.34 million) our entire savings. She was supposed to hold the funds shortly and then return them back in the name of HAYA LLC which she was supposed to establish in the state of Nevada, because she claimed that the state of Nevada protects LLC's better than Illinois, and the HAYA LLC was supposed to become our holding LLC that holds our entire


Niew Legal Partners	1,047.11
Wire Transfer to 79 Street Mining	400,000.00
Jason Dinkel	1,000.00
Wire Transfer to 79 Street Mining	600,000.00
DuPage County Clerk	11,402.85
Wire Transfer to 79 Street Mining	500,000.00
Bank of India	200,000.00
Wire Transfer to Falck Trust AG	58,500.00
Niew Legal Partners	356.25
Bank of India	550,000.00
Nosek and Associates	750.00
Sam Cooper	75,000.00
Affinity Law Corporation Trust	100,000.00
Frank Taylor	100,000.00
Third Capital - Matson Creek	25,000.00
Craig Musser	2,500.00
Global Cascade LLC - Johnny Williams	22,500.00

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Sam Cooper - Director, Mining & Mfg. - McCoy Gold Mines, LLC ...
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SECURITIES AND EXCHANGE COMMISSION - SEC.gov
<https://www.sec.gov/Archives/edgar/data/1110737/1110737.htm>
Mar 20, 2012 - Mining Company, LLC, a wholly-owned subsidiary of Unico, Incorporated, entered into an Asset Purchase Agreement with 79th Street Mines.

Asset Purchase Agreement

1. **Parties.** Effective this 20th day of March 2012, the parties to this Asset Purchase Agreement ("APA" or "Agreement") agree to the terms and conditions set forth herein. The parties to this agreement are the following:

Buyer: 79th Street Mines, LLC.
John Clinedinst, Managing Member
2510 Warren Street
Cheyenne, Wyoming 82001-3163

Mail Address: 232 Madison Avenue, Suite 204
New York, NY 10016

Seller: Deer Trail Mining Company, LLC, a Nevada limited liability company and wholly-owned subsidiary of Unico, Incorporated. ("DTM")
1000 West Deer Trail Road
Marysvale, Utah 84750

Mail Address: c/o Edward E. Winders,
1440 Saint Mary Street
New Orleans, LA 70130

Parent: Unico, Incorporated, an Arizona corporation which currently owns all of the outstanding equity interests in Seller and in Silver Bell Mining Company, Inc., a Utah corporation ("Silver Bell")

Mail Address: c/o Edward E. Winders,
1440 Saint Mary Street
New Orleans, LA 70130

2. **DTM Bridge Loan.** On or before March 30, 2012, Buyer shall lend Seller \$2,323,489 on a senior secured basis (the "DTM Bridge Loan"). The DTM Bridge Loan shall be secured by a first lien secured interest in all of Seller's Assets as defined in paragraph 3. Below and shall have a two (2) year maturity, at which point in time both principal and interest shall be paid

Seller's and Parent's Attorney:

Robert Wilkinson, Esq.
136 East South Temple
Suite 2400
Salt Lake City, UT 84111
Tel. (801) 533-9645

(ii) **If to Buyer:** 79th Street Mines, LLC.
John Clinedinst, Managing Member
232 Madison Ave. Suite 204
New York, New York, 10016

Buyer's Attorney: Kathleen Niew, Esq.
The Niew Group
1000 Jorie Blvd. Suite 206
Oak Park, IL 60523

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MAY 14, 2013 SPORTS | BREAKING | MOST POPULAR | OPINION | ENTERTAINMENT | BUSINESS | BEST REVIEWS | ADVERTISING

Ex-radio host given nearly 6 years in prison for fraud



Pamela Anderson, seen Tuesday last, has been given nearly 6 years in prison for the largest U.S. Ponzi scheme in history, she was sentenced to 57 months in prison for fraud. (AP Photo/Chris Wedel)



Google corporation wiki

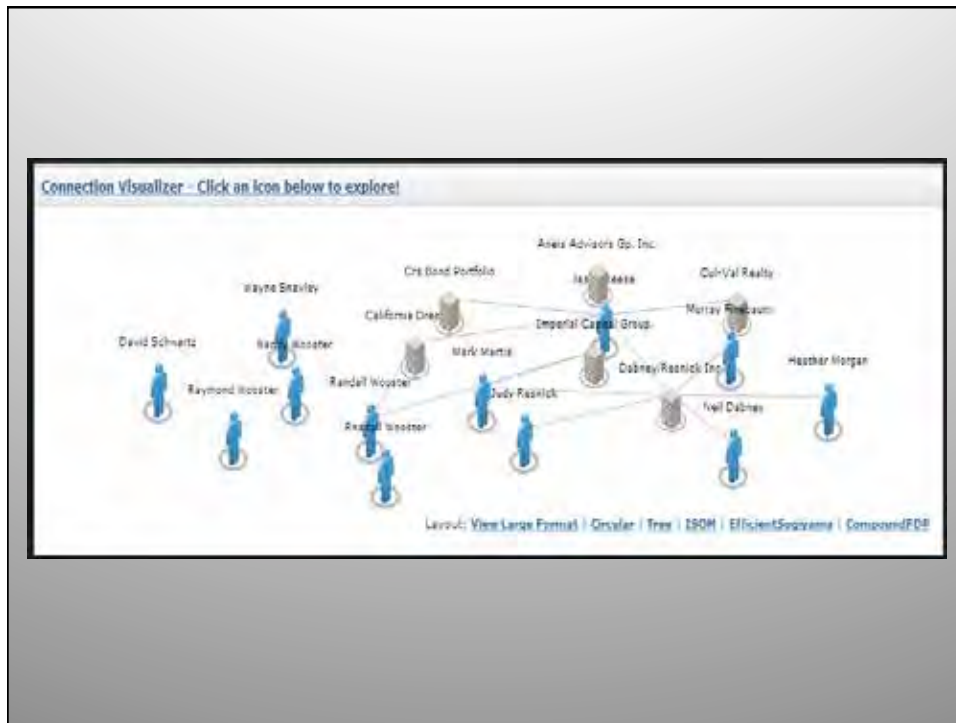
All News Books Shopping Maps More Settings Tools

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 The future of corporate history. Discover more about the companies and people that you do business with.

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<p>People Search over 40 million people and company executives in the...</p>	<p>Opt-Out Opt-out Request. We allow people, but not companies, to be...</p>



The Name Strike Discussion

- Again, they need to know what you know: that we are fully aware of the extent of the thefts
- Less costly process than a hearing
- Quieter (tends to draw less press coverage)
- Appeal to the lawyer's better nature: tell them you know they care about their clients and quick discipline allows the clients to apply for and receive their funds from the Client Protection Program (for some lawyers, a reminder of the existence of that fund is a relief)
- BUT: we will be seeking to quickly end your practice by way of interim suspension request anyway



Drafting Your Complaint

Elements required for an optimal conversion count

- Rapid review analysis
- Fee agreement
- Settlement or similar disbursement statement
- Court case record (if any)
- Contact with the client

BUT, you can still draft it with much less...!

Some Complaints (see tab reference tab 11)

- *In re Irwin Leiter* (Count I), collecting unreasonable fee
- *In re Leijuana Doss* (Count III), avoiding IRS cash reporting requirement
- *In re Michael Miller*, counts I-III had optimal elements BUT Count IV does not
- *In re Woerthwein*, low balance count

Converting Your Rapid Review Info to a Count

- Some logical leaps may have to be made; for example, the amount you credit Respondent in fees. Be generous.

54.	<u>Tina Platta</u>	
In:	10/23/17	\$72,500 State Farm
55.	<u>Jason Espinosa</u>	
In:	10/23/17	\$1,000 Geico, payable to Law Office of John Currie
In:	10/26/17	\$32,500 Country Financial

6. Loma France			
In:	8/6/12	\$2,847.11	
	8/6/12	\$5,438.30	
	11/26/12	\$35,000	
	11/26/12	\$35,000	
	5/7/14	\$60,000	
Out:	8/7/12	\$7,285.41	France
	5/20/14	\$20,000	France
	8/11/14	\$2,500	Ramirez Law



Don't get hung up on what you don't know. You DO know what checks the lawyer wrote out after the low balance, and remember: **each check out is an admission by the lawyer that he owes the client or third party that amount of money.** You DO know when a named party on the check has never been paid.

7. Leticia Contreras (aka Lopez)			
In:	8/6/12	\$10,000	
Out:	12/4/12	"Leticia Contreras"	\$3,500
	3/4/13	"Leticia Lopez"	\$1,245
	6/11/13	South Holland Med ("Lopez")	\$1,500
Low balance: 9/10/12 \$1,272.10			

c. On or about August 6, 2012, Respondent received and deposited into his IOLTA account, Gallagher Bassett for Sparta Insurance Company check number 94617925, payable to Respondent and Letitica Contreras in the amount of \$10,000. As of September 10, 2012, Respondent should have been holding at least \$6,245 on behalf of Contreras or third party medical providers or lienholders in his IOLTA account. On September 10, 2012, the balance of Respondent's IOLTA account fell to \$1,272.10 and, as a result, as of that date Respondent had converted at least \$4,972.90 of funds belonging to Contreras or third-parties for his own business and personal purposes.

14. John Dent			
In:			
Out:	9/17/12	\$28,000	Dent
	9/11/12	\$2,000	Midwest Chiro
	10/5/12	\$3,500	Dent
	10/17/12	\$2,000	Oasis Legal Funding
Low balance: 9/10/12 \$1,272.10			

g. Prior to June 1, 2012, Respondent received and deposited into his IOLTA account, client funds on behalf of John Dent. As of September 10, 2012, Respondent should have been holding at least \$35,500 on behalf of Dent or third party medical providers or lienholders. On September 10, 2012, the balance of Respondent's IOLTA account fell to \$1,272.10 and as a result, as of that date Respondent had converted at least \$34,227.90 of funds belonging to Dent or third-parties for his own business and personal purposes.

4. Max Flores

In:

Out: 6/15/12 \$33,515 (used to buy cashier's check to Flores)

7/30/12 (Dr. Jacob) \$5,000

3/1/13 Dr. Patel \$5,000

Low balance: 9/10/12 \$1,272.10

b. Prior to June 1, 2012, Respondent received and deposited into his IOLTA account client funds on behalf of Max Flores. As of September 10, 2012, Respondent should have been holding at least \$5,000 on behalf of Flores or third party medical providers or lienholders in his IOLTA account. On September 10, 2012, the balance of Respondent's IOLTA account fell to \$1,272.10 and, as a result, as of that date Respondent had converted at least \$3,727.90 of funds belonging to Flores or third-parties for his own business and personal purposes.

The Low Balance Complaint

- Best for higher volume practices where you have multiple aggregate conversions
- Choose one low balance for each count, and describe what client funds should be in the client fund account as of the date of each low balance (example: Woerthwein)

Some Final Notes



- Refer all clients and third parties to the Client Protection Program and give Client Protection staff a heads-up (and your Rapid Review)
- Keep your Rapid Review notes handy for future telephone inquiries from clients