

**Supreme Court of the State of New York**  
**Appellate Division: Second Judicial Department**

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A. GAIL PRUDENTI, P.J.  
WILLIAM F. MASTRO  
REINALDO E. RIVERA  
PETER B. SKELOS  
THOMAS A. DICKERSON, JJ.

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2008-09268

OPINION & ORDER

In the Matter of Ronald E. Stoute, admitted as Ronald Eton Stoute, an attorney and counselor-at-law.

Grievance Committee for the Second, Eleventh, and Thirteenth Judicial Districts, petitioner; Ronald E. Stoute, respondent.

(Attorney Registration No. 1988435)

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DISCIPLINARY proceeding instituted by the Grievance Committee for the Second, Eleventh, and Thirteenth Judicial Districts. The respondent was admitted to the Bar at a term of the Appellate Division of the Supreme Court in the Second Judicial Department on April 10, 1985, under the name Ronald Eton Stoute. By decision and order on application of this Court dated December 5, 2008, the Grievance Committee was authorized to institute and prosecute a disciplinary proceeding against the respondent and the issues raised were referred to the Honorable Stella Schindler, as Special Referee to hear and report.

Diana Maxfield Kearse, Brooklyn, N.Y., for petitioner.

PER CURIAM.

The Grievance Committee for the Second, Eleventh, and Thirteenth Judicial Districts (hereinafter the Grievance Committee) served the respondent with a petition dated October 2, 2008, containing one charge of professional misconduct. After a preliminary conference on March 19, 2009, and April 22, 2009, and a hearing on May 13, 2009, and June 10, 2009, the Special Referee sustained the charge. The Grievance Committee now moves to confirm the Special Referee's report and to impose such discipline as the Court deems just and proper. The respondent has neither cross-moved nor submitted any papers in response to the Grievance Committee's motion.

Charge one alleges that the respondent converted funds entrusted to him as a fiduciary, in connection with the practice of law, in violation of Code of Professional Responsibility DR 1-102(a)(4) and DR 9-102(a) (22 NYCRR 1200.3[a][4]; 1200.46[a]).

In or about March 2004, the respondent represented I.O. Njoku in the sale of real property at 665 St. Nicholas Avenue. Pursuant to the contract, the respondent deposited the \$100,000 down payment into his IOLA account, entitled "IOLA-Ronald E. Stoute PC," at Chase Bank on March 4, 2004. A dispute between the respondent's client and the purchaser resulted in a litigation. Louis A. Craco, Jr., represented the respondent's client in the litigation, during which the respondent continued to hold the down payment.

In or about March 2007, the respondent refused demands by Mr. Craco and the purchasers's attorney to transfer the funds to Mr. Craco's escrow account. On or about March 28, 2007, prior to the final settlement of the litigation, the respondent withdrew \$65,000 of the down payment and paid his business and/or personal expenses from those funds. This caused the balance in the respondent's IOLA account to fall to \$50,524 on March 30, 2007. The respondent did not have the permission of his client or the purchaser to withdraw any portion of the down payment from his IOLA account.

Based on the evidence adduced, the Special Referee properly sustained the charge, and the Grievance Committee's motion to confirm the Special Referee's report is granted.

In determining an appropriate measure of discipline to impose, the Grievance Committee notes that the respondent has no prior disciplinary history. Unauthorized withdrawals of escrow funds to satisfy claimed legal fees have consistently been sanctioned by this Court (*see Matter of Dash*, 64 AD3d 242; *Matter of Shuster*, 33 AD3d 257).

It was clearly improper to withdraw legal fees from escrow without attempting to execute a lien and without authorization. In view of the respondent's previously unblemished record and the isolated nature of his misconduct, effectively immediately, he is suspended from the practice of law for a period of two years.

PRUDENTI, P.J., MASTRO, RIVERA, SKELOS and DICKERSON, JJ., concur.

ORDERED that the motion of the Grievance Committee to confirm the Special Referee's report is granted; and it is further,

ORDERED that the respondent, Ronald E. Stoute, admitted as Ronald Eton Stoute, is suspended from the practice of law for a period of two years commencing July 8, 2010, and continuing until further order of this Court, with leave to apply for reinstatement no sooner than six months prior to the expiration of the said period of two years, upon furnishing satisfactory proof that during said period he, (1) refrained from practicing or attempting to practice law, (2) fully complied with this order and with the terms and provisions of the written rules governing the conduct of disbarred, suspended, and resigned attorneys (*see* 22 NYCRR 691.10), (3) complied with the applicable continuing legal education requirements of 22 NYCRR 691.11(c)(2), and (4) otherwise properly conducted himself; and it is further,

ORDERED that pursuant to Judiciary Law § 90, during the period of suspension and until the further order of this Court, the respondent, Ronald E. Stoute, admitted as Ronald Eton Stoute, shall desist and refrain from (1) practicing law in any form, either as principal or agent, clerk or employee of another, (2) appearing as an attorney or counselor-at-law before any court, Judge, Justice, board, commission, or other public authority, (3) giving to another an opinion as to the law or its application or any advice in relation thereto, and (4) holding himself out in any way as an attorney and counselor-at-law; and it is further,

ORDERED that if the respondent, Ronald E. Stoute, admitted as Ronald Eton Stoute, has been issued a secure pass by the Office of Court Administration, it shall be returned forthwith to the issuing agency and the respondent shall certify to the same in his affidavit of compliance pursuant to 22 NYCRR 691.10(f).

ENTER:



James Edward Pelzer  
Clerk of the Court