

ATTORNEY GRIEVANCE COMMITTEES
REPORT CONCERNING LETTERS OF CAUTION AND ADMONITION

FOURTH DEPARTMENT GRIEVANCE ISSUES

The following are digests of fact patterns that resulted in the issuance of Letters of Caution and Admonition from the Grievance Committees of the Fourth Judicial Department. Effective October 1, 2016, Letters of Caution will no longer be issued; non-disciplinary Letters of Advisement will be issued by the Committees, pursuant to 22 NYCRR 1240.2(i), and 1240.7(d)(2)(iv). The digests of previously issued Letters of Caution are written in generic terms, as these matters are confidential pursuant to §90(10) of the Judiciary Law. It is hoped this information will be beneficial to the legal community and will assist lawyers in recognizing particular conduct which may result in action by the Grievance Committees.

These digests of Letters of Caution and Admonition may be viewed at the webpage of the Attorney Grievance Committees, which may be accessed in a link through the Appellate Division, Fourth Department's website at www.courts.state.ny.us/ad4. Members of the bar may also wish to view the Attorney Grievance website for other useful information related to professional ethics and the attorney disciplinary system. These resources include the Rules of Professional Conduct at 22 NYCRR Part 1200, effective April 1, 2009, the Fourth Department's Rules Relating to Attorneys, a description of the Fourth Department Attorney Grievance Committees, office addresses and staff, attorney registration, recent attorney disciplinary decisions by the Fourth Department, and other professional ethics resources.

The following case samples are provided for review and education as to some common examples of conduct for which attorneys may be cautioned or disciplined. The Grievance Committees' offices receive a variety of complaints, and this list is merely illustrative of the types of inappropriate behavior and misconduct handled by the offices. The disposition of these samples should not be understood as definitive of the results expected to be obtained in other complaints filed with the Grievance Committees' offices. Many factors impact reaching an appropriate disposition of complaints.

The Rules of Professional Conduct (22 NYCRR Part 1200), effective April 1, 2009, are cited as "Rule" with a number following.

LETTERS OF CAUTION - *A Letter of Caution was issued by the Chief Counsel after consultation with the Chairperson of the Committee. A Letter of Caution is a non-disciplinary disposition of a complaint which informs the attorney that the attorney has engaged in inappropriate behavior which violated the spirit, if not the letter, of an ethical standard. It is meant to educate an attorney with reference to subsequent conduct. Accordingly, Letters of Caution are reserved for minor violations of ethical standards resulting in little or no detriment to the public. Effective October 1, 2016, Letters of Advisement will be issued by the Committees for conduct requiring comment that, under the facts of the case, does not warrant the imposition of discipline. See, Rule of Appellate Division, Fourth Department at 22 NYCRR §1240.2(i), and 1240.7 (d)(2)(iv).*

I. Neglect of Client Matters and Failure to Communicate

1. A number of attorneys were cautioned for neglecting to promptly advance or complete their clients' civil matters, including matrimonial cases, QDROs, custody, Article 81 guardianship (including failure to submit annual accountings), real estate, estates, bankruptcy matters (including reaffirmation agreements), personal injury, immigration, legal malpractice, Medicaid application, condemnation action, business corporations, contract actions, debt collections, landlord/tenant, patent application, and appeals. Rule 1.3.
2. A number of attorneys were cautioned for failing to return telephone calls or otherwise adequately communicate with their clients, opposing counsel, or the Courts. Rule 1.4.
3. Attorney failed to file client's finalized Judgment of Divorce with County Clerk's Office due to client's failure to pay outstanding legal fee.
4. Attorney neglected to advance client's property damage case, charged client excessive legal fee, used retainer agreements with several impermissible non-refundable fee clauses, and attempted to have client sign improper releases by which attorney would have been released from all claims.

II. Attorney Trust/Escrow Accounts and Client Funds

1. A number of attorneys were cautioned for minor attorney trust account violations, many of which resulted in dishonored checks on their trust accounts. *See generally*, trust account requirements at Rule 1.15; Dishonored Check Reporting Rule at 22 NYCRR Part 1300. Examples of violations included:
 - a) Depositing real estate proceeds, or other client funds, into the account without waiting for them to clear and be posted to the account, then issuing a check on those funds when there was an insufficient balance to pay the check (*see, e.g.* NYSBA Ethics Op. 737).

- b) Issuing checks drawn on deposits which were placed on “hold” by the banks, without waiting for “holds” to be released.
 - c) Transferring funds out of trust account via Internet or web-banking, which violates the requirement that all withdrawals from trust accounts be made in the form of *checks* payable to a named payee (except for and different from “*bank transfers*” [e.g. wire transfers] which may be made with *prior written* approval of party entitled to receive the proceeds). Rule 1.15(e).
 - d) Minor accounting errors, and in real estate closings, failures to properly compute closing proceeds and disbursements payable to third parties.
 - e) Minor failures to promptly and properly reconcile computerized bookkeeping records with the actual bank statements, and minor failures to maintain accurate and contemporaneous bookkeeping records. Failures to adequately supervise clerical staff and paralegals on trust accounting procedures. Rule 1.15(d).
 - f) Failure to properly title and label the accounts, checks and deposit slips as either “Attorney Escrow Account,” “Attorney Trust Account,” or “Attorney Special Account.” Rule 1.15(b)(2).
 - g) Isolated cash withdrawal from the account, rather than in the form of a check made payable to a named payee. Rule 1.15(e).
 - h) Minor inadvertent/mistaken withdrawals from or deposits into trust account rather than operating account.
 - i) Minor instances of improperly leaving legal fees in the trust account. Rule 1.15(a).
 - j) Maintaining “buffers” of personal funds in the trust accounts, which constitutes commingling. Rule 1.15(a).
 - k) Maintaining a trust account outside of New York State for New York client matters. Rule 1.15(b)(1).
 - l) Isolated instance of placing client funds in file or “hiding place” in law office, rather than properly depositing into trust account. Rule 1.15(b)(1).
2. Several attorneys failed to promptly remit proceeds of real estate sales to clients or other parties. Rule 1.15(c)(4).

3. In a real estate transaction, attorney breached fiduciary duty as escrow agent by forwarding escrowed funds to successor counsel rather than satisfying certain liens. In another real estate transaction, attorney failed to release entire escrowed funds to client related to pool repairs, and improperly paid a portion of escrow funds to self for legal fee.
4. Counsel for debt collection firm failed to properly account to that firm for funds collected, but funds were maintained in trust account. Rule 1.15(c)(3).
5. Attorney failed to promptly deliver settlement proceeds to client.

III. Legal Fees and Retainer Agreements

1. A number of attorneys were cautioned for failing to provide their clients with written letters of engagement or retainer agreements in matters where the legal fee exceeded \$3,000.00. 22 NYCRR Part 1215; Rule 1.5(b).
2. Several attorneys were cautioned for their failures to promptly refund unearned legal fees. Rule 1.16(e).
3. Several attorneys included non-refundable legal fee clauses in their retainer agreements. Rule 1.5(d)(4).
4. Attorney failed to participate in legal fee arbitration commenced by client. Rule 1.5(f).
5. In several bankruptcy cases, Court ordered attorney to disgorge legal fees, resulting from charging excessive fees, failing to file supplemental §2016(b) statements upon collecting additional fees, and threatening to cease representation if certain fees were not paid in advance, without making motions to withdraw. Attorney's retainer agreement also included an improper "delay in filing" fee clause. Rules 1.5(a), 1.16(d)&(e), 3.3(f)(3), 8.4(d).
6. Attorney improperly charged interest on delinquent legal fee, without giving prior notice to client that interest would be charged on delinquent accounts which are delinquent for more than a stated period of time, to which the client must consent. NYSBA Ethics Op. 399.
7. Attorney failed to file client's finalized Judgment of Divorce with County Clerk's Office due to client's failure to pay outstanding legal fee.
8. In contingent fee personal injury matter, upon client discharging attorney, attorney improperly attempted to charge hourly fee.

IV. Appellate Divisions' Procedure for Attorneys in Domestic Relations Matters, 22 NYCRR Part 1400; Rule 1.5

1. A number of attorneys were cautioned for failing to comply with the Appellate Divisions' Procedure for Attorneys in Domestic Relations Matters at 22 NYCRR Part 1400, including failures:
 - a) To provide clients with retainer agreements and Statements of Client's Rights and Responsibilities;
 - b) To provide retainer agreements which complied with all requirements of Rule 1400.3;
 - c) To provide itemized billing statements to clients at least every 60 days;
 - d) To provide notices to arbitrate fee disputes;
 - e) To obtain Court approval and to give notice to adversary upon taking security interest for legal fee.
2. Several attorneys used non-refundable fee provisions in retainer agreements. Rule 1.5(d)(4); 22 NYCRR §1400.4.
3. A number of attorneys failed to provide their clients with separate retainer agreements and Statements of Client's Rights and Responsibilities for QDRO matters.
4. Attorney used one retainer agreement and one undivided legal fee for both domestic relations matter and criminal charges for one client, and did not provide client with separate domestic relations retainer agreement or Statement of Client's Rights and Responsibilities. *See also*, Rule 1.5(b).

V. Conflicts of Interest

1. A number of attorneys were cautioned for engaging in conflicts of interest in real estate matters, contrary to Rule 1.7, by representing:
 - a) Both buyer and seller;
 - b) Both borrower and lender;
 - c) Both mortgagor and mortgagee;

- d) Both grantor and grantee of deeds;
 - e) Both owner of foreclosed properties and subsequent purchasers in foreclosure;
 - f) Purchaser, lender and title company;
 - g) Acting as both attorney and real estate broker.
2. Several attorneys were cautioned for engaging in conflicts of interest by entering into business transactions with their clients, including loans to or from the clients, investing in real estate transactions with clients, and investing in clients' businesses, without making the required written conflict disclosures and advice to obtain independent counsel, and without obtaining the clients' written consents. Rule 1.8.
 3. Attorney simultaneously represented both the driver and passenger of an automobile in a personal injury case. Rule 1.7.
 4. Attorney, representing the plaintiff, sued his own former client in a related matter.
 5. In divorce action, attorney represented both husband and wife. Rule 1.7.
 6. Attorney represented ex-wife in constructive trust action, when prior to divorce, attorney had counseled both ex-husband and ex-wife regarding their marital and financial affairs. Another attorney represented ex-wife in post-divorce proceedings, when attorney had previously given both ex-husband and ex-wife business, tax, and real estate advice prior to the divorce.
 7. Attorney engaged in conflict of interest and revealed confidential information by representing ex-wife in post-divorce matters against first ex-husband, then representing second ex-husband against ex-wife in that divorce. Attorney's matrimonial retainer agreement also did not comply with all provisions of Domestic Relations Rules at 22 NYCRR §1400.3.
 8. Attorney represented the Trustee of a bankruptcy estate and also represented the buyer of certain mineral rights from the estate.
 9. Attorney who acted as mediator for both parties in matrimonial matter subsequently represented wife in divorce action against husband.
 10. In a divorce proceeding, attorney advised both wife and husband on tax and financial matters. Attorney also made inappropriate sexual comment to wife.
 11. Partners in the same law firm represented both the ex-wife and ex-husband against

each other in custody and child support matters.

12. Attorney represented two sisters in a lawsuit against a credit union, then represented one of the sisters against the other in the lawsuit.
13. Attorney drafted client's Will, in which attorney and attorney's spouse were named as beneficiaries, named the attorney as co-executor, and which was witnessed by the attorney.
14. Attorney represented co-defendants in criminal matter.

VI. Criminal Defense Counsel and Prosecutors

1. Waived client's right to testify before Grand Jury and speedy trial rights without client's consent. Rule 1.2(a).
2. Conflict of interest by simultaneously representing co-defendants. Rule 1.7(a)(1).
3. Failures to provide clients with written letters of engagement or retainer agreement when fee exceeded \$3,000.00. 22 NYCRR Part 1215.
4. Failure to turn over files to clients upon request.
5. Failure to file Notice of Appeal. 22 NYCRR §1022.11(a).
6. As assigned counsel, failure to file poor person application for appeal.
7. Filed *coram nobis* motion with appellate court containing misleading statements. Rule 8.4(c).
8. Defense counsel made inappropriate remark directed to Assistant District Attorney following a Chambers conference.
9. Failure to use interpreter to adequately facilitate communications with client.
10. Failure to appear in Court for hearing on client's traffic tickets, then failure to return client's phone calls, then failure to promptly refund client's legal fee.
11. Entered into sexual relationship with client which adversely affected attorney's professional judgment in representation of client. Rule 1.7(a)(2).
12. Failures to perfect appeals of convictions.

13. Neglecting to promptly advance clients' cases. Rule 1.3.
14. In parole appeal, failure to provide client opportunity to review brief, or to correct numerous factual errors in the brief.
15. Failure to comply with Town Court's Order denying attorney's application to withdraw as counsel, and failure to appear at subsequent Court appearance on defendant/client's case.
16. Retainer agreement included non-refundable retainer clause. Rule 1.5(d)(4).
17. Inadequate communication with client. Rule 1.4.
18. A prosecutor was cautioned for failing to comply with a Court Order regarding certain discovery deadlines.

VII. Advertising and Solicitation

1. In multiple instances, two attorneys held themselves out publicly as partners, when in fact no partnership existed. Rule 7.5(c).
2. Several law firms' websites failed to include "attorney advertising" label, and listed firm members as "specializing" in certain areas of law. Rules 7.1(f), 7.4(a).
3. Several law firms and attorneys improperly advertised in telephone directories, newspapers and solicitation letters as "specializing" or as "specialists" in various areas of law. Rule 7.4(a).
4. Attorney's website advertisement that indicated attorney had been in mediation practice for nine years was misleading, as attorney had been admitted to practice for less than two years, and attorney's website did not include "Attorney Advertising" label or principal law office address, and improperly indicated "specialization" in describing law practice. Rules 7.1(a)(1), 7.1(f), 7.1(h), 7.4(a).
5. Law firm improperly solicited car accident victim, prior to waiting period required by Rule 7.3(e), and firm's pamphlet was not labeled with "Attorney Advertising" and solicitation was not filed with the Attorney Grievance Committee. Rule 7.3(c).
6. Attorney engaged in in-person solicitation of several employees of an organization regarding labor and employment matters, and in so doing, made various misrepresentations. Rules 7.3(a)(1), 8.4(c).
7. Attorney improperly solicited a victim's family by mail 15 days after an airplane crash, in violation of both the 30-day waiting period of Rule 7.3(e) and the Federal

45-day waiting period required by 49 U.S.C. §1136(g)(2).

VIII. Withdrawal or Discharge from Representation

1. Several attorneys who handled clients' civil matters were cautioned for failing to promptly return files and other property to clients, upon the clients' requests. Rule 1.15(c)(4).
2. Several attorneys withdrew from representation without taking reasonable steps to avoid foreseeable prejudice to clients' rights. Rule 1.16(e).
3. Attorney attempted to have client sign improper releases by which attorney would have been released from all claims.
4. In a personal injury matter, attorney continued to represent client by filing Court papers, after client previously discharged the attorney.
5. Criminal defense counsel failed to comply with Town Court's Order denying application to withdraw as counsel.

IX. Attorney Registration, Failure to Cooperate with Grievance Committee, Violate Confidentiality of Grievance Committee Investigation

1. A number of attorneys were cautioned for failing to timely comply with the attorney registration requirements. Judiciary Law §468-a, 22 NYCRR §118.1, Rule 8.4(d).
2. A number of attorneys were cautioned for their failures to promptly cooperate with the inquiries of the Attorney Grievance Committees. Rule 8.4(d).
3. Attorneys violated confidentiality of Attorney Grievance Committee investigation. Judiciary Law §90(10).
4. Attorney filed a lawsuit alleging libel and slander (which was dismissed) against persons based on complaints against attorney which the persons had filed with the Grievance Committee's office.

X. Direct Contact with Opposing Party; Advice to Unrepresented Opposing Party, Threatening Criminal Prosecution

1. Attorneys directly communicated with opposing parties who were represented by counsel. Rule 4.2(a).
2. Attorneys gave legal advice to unrepresented persons whose interests were in

conflict with those of the clients. Rule 4.3.

3. Attorney threatened criminal prosecution solely to obtain advantage in modification of custody and visitation proceeding. Another attorney threatened criminal prosecution to resolve a civil debt collection proceeding. Rule 3.4(e).

XI. Discourteous Conduct and Inappropriate Remarks

1. In an administrative hearing, attorney made false and malicious remark describing opposing party, without any legitimate reason or basis in truth.
2. In various domestic abuse cases, attorney made discourteous and harassing comments to certain government personnel, both in and out of courtroom.
3. In Article 81 guardianship case, attorney made inappropriate sexual remark to AIP's daughter.
4. In divorce proceeding, attorney made inappropriate sexual comment to wife.
5. In bankruptcy case, attorney was discourteous to client and other counsel.

XII. Attorneys Convicted of Crimes and Violations

1. A number of attorneys were cautioned for first-time misdemeanor Driving While Intoxicated convictions, without prior histories or other aggravating factors, and for first-time DWAI violations. Rules 8.4(b)&(h).
2. Attorney received an Adjournment in Contemplation of Dismissal on charge of Criminal Possession of Controlled Substance 7th Degree.
3. Attorney charged with Disorderly Conduct received an Adjournment in Contemplation of Dismissal.
4. New York attorneys were convicted in other states of reckless driving and Driving Under the Influence, and failure to report convictions to Appellate Division, as required by Judiciary Law §90(4)(c).
5. Disbarred attorney convicted of misdemeanor Falsely Reporting an Incident, Third Degree.
6. Attorney convicted of Harassment violation.
7. Convictions for misdemeanor Aggravated Unlicensed Operation and Operation While Privilege Suspended, failure to report these convictions to Appellate

Division, and failure to promptly comply with attorney registration requirements.

XIII. Other Inappropriate Behavior

1. Debt collection law firm engaged in minor violations of FDCPA. Another attorney failed to exercise adequate supervision over non-attorney debt collectors, resulting in minor violations of FDCPA and state consumer protection laws.
2. Attorney engaged in inadequate and incompetent representation of client in appeal of unemployment benefit matter, having no familiarity with this area of law. Rule 1.1(b).
3. In attorney's practice of taking deficiency judgments on automobile loans, attorney filed numerous sets of form papers with the Court which included inaccuracies and misstatements, which appeared to be inadvertent and did not affect the substantial rights of the parties.
4. Federal tax lien filed against attorney resulting from failure to pay employer's quarterly income tax and federal unemployment tax for a brief period.
5. Attorney sought to settle a prospective claim for legal malpractice with an unrepresented client without first advising client to seek independent legal advice. Rule 1.8(h)(2).
6. Court sanctioned attorney for filing a frivolous action.

LETTERS OF ADMONITION - *A Letter of Admonition is a form of non-public discipline issued by the Committee which declares the conduct of the lawyer improper, but does not limit the lawyer's right to practice. Admonition is the least serious of the formal disciplinary sanctions, and is the only private sanction. See, Rule of Appellate Division, Fourth Department at 22 NYCRR 1240 (2)(b), and 1240.7(d)(2)(v).*

1. Several attorneys were admonished for neglecting client matters, resulting in detriment to clients. Rules 1.3, 1.4.
2. Several attorneys were admonished for various improprieties in the maintenance and use of their attorney trust accounts. Rule 1.15.
3. Several attorneys were admonished for improper notarizations of affidavits. Rules 8.4(c),(d)&(h).
4. Several attorneys were admonished for collecting or attempting to collect excessive

legal fees. Rule 1.5(a).

5. Attorney entered into a sexual relationship with a divorce client, failed to provide retainer agreements in two other domestic relations matters or a letter of engagement in a criminal matter, committed various trust account violations, and failed to promptly produce bookkeeping records in response to Grievance Committee's request. Rules 1.5(b)&(d)(5), 1.8(j)(1)(iii), 1.15, 8.4(d); 22 NYCRR §1400.3; 22 NYCRR §1215.1.
6. Attorney sent letters to a judge which made disrespectful and sarcastic references, made loans to a client without making required conflict disclosures and obtaining consents or advising client to seek independent counsel, and violated confidentiality of disciplinary investigation by disclosing information about disciplinary investigation to a third party.
7. Attorney admonished for repeated failure to timely comply with attorney registration requirements and failure to cooperate with Grievance Committee's investigation.
8. Attorney neglected guardianship proceeding with detriment to client, and failed to timely comply with attorney registration requirements. Attorney has extensive prior grievance history.
9. In drafting wills and a deed for clients, attorney engaged in transactions which improperly benefitted attorney and attorney's spouse. Rule 1.8(c).
10. Attorney made unauthorized payments from a trust for attorney's legal fees and commission.
11. On attorney's federal and state tax returns, attorney misrepresented the value of a private mortgage.
12. In litigated matter, attorney submitted affidavit which contained a false signature of attorney's secretary, a dishonored check was issued from attorney's trust account, and attorney was convicted of a DWAI violation.
13. Attorney improperly was named agent for client's power of attorney, arranged a private loan from one client to another client, and failed to maintain proper bookkeeping records regarding a client matter.
14. In personal injury matter, plaintiff's attorney directly contacted opposing parties who were represented by counsel for purpose of making settlement offers, without prior knowledge or consent of defendants' counsel.
15. In client's criminal matter, attorney failed to abide by client's objectives by disregarding client's direction to seek to withdraw guilty plea. Attorney neglected

to promptly advance another client's matrimonial matter, and made misrepresentations to the Grievance Committee's staff during investigation of a complaint.

16. Attorney engaged in conflict of interest by representing both attorney's law partner and other party in a real estate transaction.
17. In representation of a criminal defendant, attorney submitted sworn allegations alleging misconduct by Assistant District Attorney, which the attorney knew or should have known were false.
18. Attorney, who has extensive grievance history, made misrepresentations to Grievance Committee staff during investigation related to attorney's website advertising.
19. In sale of church property, attorney represented both buyer and seller, and subsequently failed to file the deed, resulting in threat of foreclosure against church client. Attorney also neglected to complete the appeal of a criminal defendant, and failed to refund unearned portion of legal fee to that client. Attorney has extensive grievance history.
20. In representing several criminal defendants as assigned counsel, attorney failed to promptly forward restitution payments to victims, and failed to promptly cooperate with inquiries of Grievance Committee's staff concerning investigation.
21. Attorney seriously neglected client's matter, failed to properly maintain attorney trust account, and failed to cooperate with Grievance Committee's investigation. Attorney has extensive grievance history.