

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND



44th Annual Report

July 1, 2018 thru June 30, 2019

Our Mission

The Attorney Grievance Commission of Maryland is dedicated to protecting the public and maintaining the integrity of the legal profession. The Commission, through the Office of Bar Counsel, seeks to encourage and promote the ethical practice of law and the highest standards of professionalism by members of the Bar. In carrying out their functions of evaluating complaints and enforcing ethical standards for lawyers, the Commission and Bar Counsel strive for fairness and equity.

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ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
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At the end of this past fiscal year, Linda Bowler Pierson retired as a public member of the Attorney Grievance Commission after 18 years of service. The Commission recognizes Ms. Pierson's dedication, professionalism, and outstanding service to the organization. On July 1, 2019, the Court of Appeals of Maryland appointed LaNae S. Croxton to the Commission to fill the vacancy left by Ms. Pierson's retirement.

The Office of Bar Counsel welcomed Assistants Bar Counsel Christine M. Celeste and Nora A. Nichols and Investigator Daniel Weishaar to the staff.

The number of licensed attorneys in Maryland increased very slightly from 40,300 to 40,393. This year, the Office of Bar Counsel received 1,657 complaints, the lowest number of complaints received in ten years. Bar Counsel docketed 278 matters for further investigation, an increase from FY 2018 when 254 matters were docketed. The number of sanctioned attorneys also increased, from 65 to 77. The number of sanctioned attorneys is slightly lower than the ten-year average for all sanctions: approximately 83 per year. While suspensions, numbering 20, and reprimands, numbering 30, were consistent with the ten-year averages of 21 and 29 respectively, the numbers of disbarments, 26, was lower than the average.

Approximately 56% of the complaints docketed involved attorneys located in Montgomery County (23%), Baltimore City (17%), and Prince George's County (16%). The practice areas at issue with the most docketed complaints were civil litigation (55), family law (30) and immigration law (19). The largest category of conduct complained about included some combination of competence, diligence and communication failures, representing 19% of all docketed complaints.

One of the most important functions of the office is to establish and pursue conservatorships of the client files and accounts of deceased, disbarred and disappeared lawyers. This year, nine (9) new conservatorships were established, consistent with FY 2018 when ten (10) new conservatorships were established. Twelve conservatorships were closed in FY 2019 and thirty-one (31) remained open at the end of the fiscal year.

As in previous years, the staff of the Office of Bar Counsel and the Executive Secretary were involved in educational programs presented to lawyers, law students and paralegals in an effort to alert participants to their ethical and professional obligations. Additionally, staff members wrote articles published in a variety of publications.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
DISCIPLINARY SUMMARIES
Fiscal Year 2019

ADAMS, Scott Gregory– Reprimanded by Consent on May 28, 2019, in a reciprocal action with Maine, for engaging in conduct involving dishonesty, fraud, deceit or misrepresentation. Without authorization, Respondent took a confidential list of client names and information that was in the possession of the court-appointed receivers of a deceased attorney’s law practice.

BAILEY, Charles B. – Suspended by Consent for thirty (30) days, effective December 5, 2018, for failing to appropriately safeguard property and maintain complete records of his attorney trust account, and for making cash withdrawals from his attorney trust account. Respondent transferred funds from his attorney trust account to his political campaign account, made cash withdrawals from his attorney trust account, failed to remove earned fees from his attorney trust account, and failed to keep records and perform monthly reconciliations of his attorney trust account.

BENNETT, Brian Douglas – Commission Reprimand on January 22, 2019, for representing clients when the representation involved a conflict of interest and failing to maintain candor to the tribunal.

BENNETT, Paul Vivian – Commission Reprimand on January 23, 2019, committing a criminal act that that reflects adversely on his honesty, trustworthiness or fitness as an attorney, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice. Respondent consistently failed, over a number of years, to timely pay his Federal and State taxes.

BERGMAN, Ronald Bruce – Disbarred by Consent on December 14, 2018, effective December 31, 2018, for failing to safe-keep client funds in trust, failing to maintain adequate records for his attorney trust account, failing to timely respond to Bar Counsel, knowingly making false statements to Bar Counsel, committing a criminal act that that reflects adversely on his honesty, trustworthiness and fitness as an attorney and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation that is prejudicial to the administration of justice.

BLAIR, Walter Lloyd – Disbarred on July 13, 2018, for committing a criminal act that that reflects adversely on his honesty, trustworthiness or fitness as an attorney, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice. Respondent assisted a client in concealing money linked to a large marijuana distribution ring and was subsequently convicted of money laundering, witness tampering, making a false statement, and willful failure to file federal income tax returns.

BLATT, Stuart R. – Disbarred on May 22, 2019, effective immediately, for failing to represent his clients competently and diligently, failing to adequately communicate with his clients, failing to safekeep funds in an attorney trust account, failing to take steps to protect his client’s interest upon termination of his representation, failing to supervise attorneys and non-attorney support staff, and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation that is prejudicial to the administration of justice. In matters assigned to the collection practice of Respondent’s firm,

Respondent failed to supervise other attorneys and clerical staff to the detriment of his clients. In addition, Respondent mishandled and misappropriated funds collected on behalf of his clients.

BLEVINS, John Franklin – Indefinite Suspension by Consent on April 18, 2019, with the right to seek reinstatement after ninety (90) days, for failing to supervise a non-attorney assistant, sharing legal fees with a non-attorney, failing to take reasonable measures to assure that a person obtaining law-related services knows that the services are not legal services, and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and that is prejudicial to the administration of justice. Respondent contracted with a non-attorney to assist with debt collections in multiple jurisdictions when neither Respondent nor the non-attorney were licensed to collect debts in any jurisdiction.

BLYTHE, Angela M. – Disbarred by Consent on July 9, 2018, for committing a criminal act that that reflects adversely on her honesty, trustworthiness or fitness as an attorney, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice. Respondent was convicted of conspiracy to defraud financial institutions, bank fraud and making false statements to financial institutions.

BURKE, Lynn Marie – Commission Reprimand on September 27, 2018, for failing to diligently represent her client in an immigration matter and engaging in the unauthorized practice of law.

BURTON, William Franklin – Commission Reprimand on December 3, 2018, for settling a potential malpractice claim with an unrepresented former client without advising in writing of the desirability of seeking independent legal counsel and without allowing a reasonable opportunity to seek independent legal advice.

BUTLER Jr., Anthony Ignatius – Indefinite Suspension by Consent on June 25, 2019, effective August 1, 2019, with the right to seek reinstatement after one (1) year, for failing to represent clients competently and diligently, for failing to adequately communicate with clients, knowingly failing to respond to a request for information by Bar Counsel, and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and conduct prejudicial to the administration of justice. Respondent provided little to no services of value to his client in a wrongful termination and breach of contract claim, and, in a lawsuit against his client's employer and supervisor, Respondent failed to file any timely responses to opposing counsel's Motion to Dismiss and Motion for Summary Judgement, the case was dismissed, and Respondent failed to inform his client of the dismissal.

CONWELL, Scott A. – Disbarred on January 23, 2019, for failing to represent his clients competently and diligently, failing to adequately communicate with his client, collecting unreasonable fees, filing frivolous pleadings, failing to maintain candor to the tribunal and fairness to opposing parties and counsel, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice. In an equal opportunity matter, Respondent failed to diligently pursue his client's claim and failed to respond to his client's reasonable requests for information. In a custody matter, Respondent charged his client an unreasonable fee for pleadings that were improper, without legal purpose and prejudiced his client by not advancing the case in any meaningful way. In an attempt to collect

fees from a client, Respondent offered an inflated client invoice to the district court in order to meet the threshold for a jury trial, where the payment sought was wholly unearned.

COPPOCK, John Edward – Reprimanded by Consent on January 3, 2019, for failing to provide diligent representation and for engaging in conduct that is prejudicial to the administration of justice. Respondent failed to file a motion to withdraw and subsequently failed to appear for trial in a criminal matter.

DEL PIZZO, III, Nicholas J. – Commission Reprimand on June 28, 2019, for failing to hold property of clients or third persons separate from his own property and depositing personal funds into his attorney trust account. Respondent deposited funds into his attorney trust account for the purpose of advancing client costs and paying monthly advertising fees, and failed to maintain adequate records to account for those funds.

DOBBS, Michael David – Disbarred by Consent on October 26, 2018, for committing a criminal act that that reflects adversely on his honesty, trustworthiness or fitness as an attorney, and engaging in conduct that is prejudicial to the administration of justice. Respondent pleaded guilty to one count of sexual solicitation of a minor.

EDWARDS, Christal Elizabeth – Disbarred on February 26, 2019, for failing to represent her client competently and diligently, failing to abide by the scope of representation, failing to adequately communicate with her client, collecting unreasonable fees, failing to safekeep unearned fees in an attorney trust account, failing to properly withdraw from her clients' cases and failing to surrender client property upon termination of her representation, failing to maintain fairness to opposing parties and counsel, knowingly failing to respond to Bar Counsel, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice. Respondent repeatedly neglected her clients' cases, did not maintain client funds in trust, and made material representations to clients, opposing counsel, Bar Counsel and the courts.

FABAYO, Ifeolu Amaka – Disbarred by Consent on January 3, 2019, for failing to safekeep unearned fees in an attorney trust account, committing a criminal act that that reflects adversely on her honesty, trustworthiness or fitness as an attorney, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice. Respondent misappropriated client funds.

FALUSI, Olayemi I. – Indefinite Suspension on August 16, 2018, for establishing a law firm in Maryland with Stephen Anthony Lang and representing a client in a collections matter prior to his admission to the Maryland Bar. Respondent failed to disclose to the State Board of Law Examiners that he established a firm and was being investigated for unauthorized practice of law by Bar Counsel. Respondent also misrepresented facts regarding his unauthorized practice to Bar Counsel during its investigation.

FERNANDEZ, Alexander – Disbarred by Consent on November 26, 2018, in a reciprocal action with the District of Columbia, for failing to appropriately safeguard property and maintain complete records of his attorney trust account, and for engaging in conduct involving dishonesty, fraud, deceit or misrepresentation and that is prejudicial to the administration of justice. While

employed as an associate, Respondent failed to deliver attorneys' fees to the firm and instead misappropriated those funds for his personal use and benefit. Respondent also failed to deposit and maintain advance fees paid by a client into the firm's attorney trust account and used client funds for his personal use and benefit.

GALLAGHER, Michele Yvonne – Commission Reprimand by Consent on May 23, 2019, for failing to provide her client with an accurate settlement sheet at the conclusion of representation involving a contingency fee and for making a cash withdrawal from her attorney trust account.

GIANNETTI Jr., John Alexander – Indefinite Suspension by Consent on December 12, 2018, for knowingly failing to respond to Bar Counsel and engaging in conduct that is prejudicial to the administration of justice.

GORMAN, Matthew Peter – Disbarred by Consent on October 26, 2018, for committing a criminal act that that reflects adversely on his honesty, trustworthiness or fitness as an attorney, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice. Respondent pleaded guilty to one count of theft or bribery concerning programs receiving Federal funds.

GRIFFIN, Jawara Kibwe – Commission Reprimand on February 8, 2019, for failing to maintain fairness to opposing parties and counsel and engaging in conduct that is prejudicial to the administration of justice. Respondent failed to reimburse an ex-girlfriend for student loan debt she paid on his behalf and failed to abide by a court order requiring repayment.

HANOVER, Sean Regan – Disbarred by Consent on November 30, 2018, effective January 1, 2019, for committing a criminal act that that reflects adversely on his honesty, trustworthiness and fitness as an attorney, and for engaging in activity that is prejudicial to the administration of justice. Respondent pleaded guilty to one count of distributing child pornography.

HOLCOMB, Toni S. L. – Disbarred by Consent on March 11, 2019, for engaging in conduct involving dishonesty, fraud, deceit and misrepresentation that is prejudicial to the administration of justice. Respondent fabricated documents and made numerous knowing and intentional misrepresentations to conceal the fact that her clients' cases had been dismissed for several years.

IWUDIKE, Vincent Uwakwe – Commission Reprimand on January 22, 2019, for representing clients when the representation involved a conflict of interest, providing financial assistance to a client in connection with pending litigation, and failing to properly terminate representation. Respondent represented the passenger and the driver involved in an auto accident, failed to properly terminate representation after the driver was found to be at fault, and loaned the passenger \$1,500 unrelated to court costs or litigation expenses.

JALLOH (GHATT), Jeneba – Disbarred on August 29, 2018, for entering into two escrow agreements with clients, which effectively allowed the clients to misuse the attorney's trust account as part of an advanced fee scam. Respondent subsequently misrepresented the existence of the escrow agreements creating the scam, her involvement in the scam, and her disbursements of the money.

JOHNSON, Jerome P. – Disbarred on January 22, 2019, for failing to safekeep unearned fees in an attorney trust account, failing to maintain adequate records for his attorney trust account, failing to timely respond to Bar Counsel, and engaging in conduct that is prejudicial to the administration of justice. Respondent repeatedly and knowingly failed to respond to Bar Counsel’s requests for information during an inquiry regarding the overdraft of Respondent’s attorney trust account.

KEISLING, Bret – Indefinite Suspension on April 18, 2019, with the right to seek reinstatement after he is reinstated in Pennsylvania, in a reciprocal action from the Supreme Court of Pennsylvania, for failing to represent his client competently and diligently, failing to adequately communicate with his client, failing to safekeep funds in an attorney trust account, failing to take steps to protect his client’s interest upon termination of his representation, failing to make reasonable efforts to expedite litigation consistent with his client’s interests, failing to respond to Bar Counsel, and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and that is prejudicial to the administration of justice. Respondent repeatedly missed filing deadlines and failed to file an appeal on behalf of his client, released client funds held in trust without authorization from his client, and failed to timely turn over remaining client funds held in trust upon termination of his representation.

KNEPP, Timothy Paul - Commission Reprimand by Consent on May 28, 2019, for failing to adequately communicate with his clients, disclosing confidential client information, and representing a client involving a conflict of interest. Respondent drafted wills for two clients living in a nursing home without meeting with them individually and assessing their competency. When the validity of one of the wills was challenged, Respondent represented the personal representative until he withdrew due to a conflict of interest.

LANG, Steven Anthony – Indefinite Suspension on August 16, 2018, for assisting Olayemi I. Falusi in the unauthorized practice of law, failing to maintain an attorney trust account, and backdating a motion during representation of his client. Respondent was also dishonest to Bar Counsel during its investigation.

LEFKOWITZ, Jon A. – Disbarred on March 29, 2019, in a reciprocal action from New York, for committing a criminal act that that reflects adversely on his honesty, trustworthiness and fitness as an attorney and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation that is prejudicial to the administration of justice. Respondent was convicted of criminal facilitation in the fourth degree after issuing a fraudulent subpoena to a witness for the benefit of his cousin with the purpose of assisting his cousin evade extradition from Canada to New York.

LEIKUS, Alex Benedict – Indefinite Suspension by Consent on May 28, 2019, effective June 7, 2019, with the right to petition for reinstatement no sooner than sixty (60) days after the effective date of the suspension, for failing to deliver promptly funds that a third party was entitled to receive, and failing to comply with attorney trust account record-keeping and reconciliation requirements. After receiving settlement funds in personal injury cases, the Respondent timely distributed portions due to his clients, but withheld funds owed to medical providers for a period of 4-5 years.

MALDONADO, Melinda – Disbarred on March 6, 2019, for failing to represent her client competently, engaging in the unauthorized practice of law, knowingly making a false statement of

material fact to Bar Counsel and others, failing to respond to a demand for information by Bar Counsel, and engaging in conduct involving dishonesty, fraud, deceit, or other misrepresentation that is prejudicial to the administration of justice. While only barred in the District of Columbia and without a *pro hac vice* sponsor, Respondent drafted and submitted various pleadings on behalf of her client in Maryland, failed to obtain transcripts resulting in the dismissal of her client's appeal, and sought to alter her client's medical records by holding herself out as a medical doctor during a phone call with her client's doctor.

MARSHALL, Kimberly Lisa – Indefinite Suspension on September 28, 2018, in a reciprocal action from Virginia for failing to diligently represent and adequately communicate with her client, collecting an unreasonable fee, failing to safekeep unearned fees in an attorney trust account, failing to refund unearned fees upon termination of representation, and engaging in conduct that is prejudicial to the administration of justice. Despite collecting an advance legal fee for representation in a property settlement agreement and divorce matter, Respondent failed to provide any legal work, failed to provide any billing statements to her client, and failed to return unearned fees to her client or subsequent counsel.

MASLAN, Gary Richard – Commission Reprimand on December 6, 2018, for failing to submit an application for cancellation of removal in an immigration matter, despite the fact that his client timely provided the information and documentation necessary to complete the application. As a result, the Court ordered that Respondent's client be removed from the United States.

McDANIEL, Brian Keith – Commission Reprimand on December 4, 2018, for depositing unearned fees directly into his business account, rather than his attorney trust account, without his client's informed consent, confirmed in writing.

MERICLE, Linda – Commission Reprimand on July 23, 2018, for filing confessed judgment complaints with what appeared to be the actual signature of defense counsel. The complaints were signed with the permission and authorization of defense counsel, but the complaints did not state that they were signed for defense counsel with her permission. Cameron Mericle, a law firm at which Respondent was a partner, also filed notices with the court representing that the firm had hand-delivered a copy of the complaint to the attorney for the defendant when, in fact, this was not always the case.

MILTON, Gregory J. – Commission Reprimand on July 2, 2018, for failing to timely submit a postponement which resulted in the dismissal of his client's matter, failing to provide billing statements to his client, and failing to provide a client ledger upon Bar Counsel's request.

MURRAY, Richard – Disbarred on January 18, 2019, in a reciprocal action from Virginia, for collecting unreasonable fees, failing to maintain candor to the tribunal and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation that is prejudicial to the administration of justice. In an estate matter, Respondent distributed \$890,000.00 to himself, despite the fact that compensation guidelines published by the Fairfax County Commissioner of Accounts listed \$199,000.00 as the reasonable fee for that matter.

NAVE, Brandi Shanee – Indefinite Suspension on March 29, 2019, in a reciprocal action from the District of Columbia Court of Appeals, for failing to safekeep unearned fees in an attorney trust

account and failing to deliver promptly to a third person funds that the third person is entitled to receive. Respondent repeatedly withheld funds owed to third party medical providers in personal injury cases, using the delay in payment as post-settlement hard bargaining and leverage to resolve all outstanding matters.

NDJATOU, Edgar Fabrice Ngatcha – Indefinite Suspension by Consent on January 23, 2018, for failing to represent his client competently and diligently, failing to abide by the scope of representation, failing to adequately communicate with his client, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice. Respondent failed to appeal his client's loss of long-term disability benefits, despite repeated representations to the client that the appeal had been filed.

O'NEILL, Jonathan Kimbel – Indefinite Suspension by Consent on May 28, 2019, for failing to represent his clients competently and diligently, failing to safekeep funds in an attorney trust account, failing to take steps to protect his client's interest upon termination of his representation, and engaging in conduct that is prejudicial to the administration of justice. Respondent left the State of Maryland to attend in-patient treatment for alcohol dependence and left his non-attorney office manager to wind down his practice.

PETROS, George Zacharias – Commission Reprimand on December 3, 2018, for disbursing disputed funds to his client while the opposing party intended for those funds to be held in trust, and for engaging in the unauthorized practice of law during a period of suspension.

POPPLETON, Aubrey Paige – Indefinite Suspension by Consent on September 28, 2018, for committing a criminal act which reflects adversely on her fitness as an attorney and engaging in conduct that is prejudicial to the administration of justice.

ROBBINS, Jonathan David – Disbarred on April 3, 2019, for failing to represent his clients competently and diligently, failing to abide by the scope of representation, failing to adequately communicate with his clients, collecting unreasonable fees, failing to identify a conflict of interest, knowingly making false statements to Bar Counsel, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice. Respondent made misleading representations to clients that he had performed work that he, in fact, had not performed, failed to take action to advance client matters despite requests to do so, failed to timely file a Petition to Caveat, failed to provide clients with timely invoices for work performed over several years, executed a new retainer agreement without a client's authorization, and used a recently obtained Power of Attorney to retroactively increase his hourly rate from \$350 per hour to \$500 per hour.

ROBBINS, Seth Adam – Suspended by Consent for sixty (60) days on December 12, 2018, retroactively effective from September 28, 2018, in a reciprocal action from the District of Columbia Court of Appeals, for failing to adequately communicate with his clients and failing to recognize that his representation of one client would be directly adverse to and would materially limit his responsibilities to another client. Respondent represented a government contractor and construction company and invited a friend and client to serve as an indemnitor for surety bonds on future construction projects, resulting in a conflict of interest.

ROBINSON, Ginger R. – Commission Reprimand on January 29, 2019, for failing to provide diligent representation and failing to adequately communicate with her client. Respondent failed to pursue her client’s civil claim against the Baltimore City Police Department and did not respond to her client’s repeated requests for updates in the matter.

ROWLAND, Dale Edward – Indefinite Suspension by Consent on September 28, 2018, effective November 28, 2018, for failing to competently represent his client, failing to safekeep funds in an attorney trust account, depositing his own funds in his attorney trust account, and knowingly failing to respond to a request for information by Bar Counsel.

SADUR, Brian David – Indefinite Suspension by Consent on February 8, 2019, effective April 30, 2019, with the right to seek reinstatement after six (6) months, for failing to represent his client competently, failing to deposit and safekeep unearned fees in an attorney trust account, failing to create and maintain adequate client matter records, comingling client and law firm funds, making prohibited transactions in his attorney trust account, knowingly failing to respond to Bar Counsel, and engaging in conduct that is prejudicial to the administration of justice.

SALGADO, Louis F. – Indefinite Suspension by Consent on September 28, 2018, for failing to represent his client competently and diligently, failing to abide by the scope of representation, failing to adequately communicate with his client, collecting unreasonable fees, failing to safekeep unearned fees in an attorney trust account, failing to supervise non-attorney assistants, assisting another in engaging in the unauthorized practice of law, making false or misleading communications about his legal services, misusing a firm’s name or letterhead, committing a criminal act that reflects adversely on his honesty, trustworthiness, or fitness as an attorney, and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and that is prejudicial to the administration of justice.

SANDERSON, Garland Montgomery Jarrat – Disbarred on April 5, 2019, by Per Curiam Order, for failing to provide competent and diligent representation, failing to abide by the scope of representation, failing to adequately communicate with clients, collecting unreasonable fees, failing to safekeep unearned fees in an attorney trust account, failing to keep records for his attorney trust account, failing to maintain fairness to opposing parties and counsel, failing to respond to Bar Counsel, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice. Respondent failed to appear in court on behalf of several clients, failed to respond to requests by both Bar Counsel and clients, urged a former client to provide misinformation in an attempt to interfere with Bar Counsel’s investigation, failed to timely deliver settlement funds, and mismanaged funds held in his attorney trust account.

SCHAUB, Ruth Marguerite Marie – Commission Reprimand on December 4, 2018, for failing to adequately supervise her husband/ law partner after he was indefinitely suspended from the practice of law but continued to work in the firm as a compensated non-attorney assistant. Respondent failed to reasonably inform a client of the suspension, allowing the client to believe Respondent’s husband still represented her for a significant period of time after he was prohibited from practicing law.

SCHWABER, Jeffrey M. – Commission Reprimand on July 2, 2018, for failing to identify a conflict of interest between two firm clients and failing to supervise several junior attorneys who, over a period of months, exacerbated the conflict of interest by taking positions for the benefit of one client and to the detriment of another.

SHEDLICK, Christopher Broughton – Commission Reprimand on December 3, 2018, for failing to safe-keep client funds in trust and for failing to create and maintain adequate records for his attorney trust account.

SHEMENSKI, Steven Douglas – Disbarred by Consent on September 6, 2018, for failing to provide competent and diligent representation, failing to adequately communicate with clients, knowingly making a false statement of material fact to Bar Counsel, failing to respond to a demand for information by Bar Counsel, engaging in conduct involving dishonesty, fraud, deceit, or other misrepresentation, and engaging in conduct prejudicial to the administration of justice.

SHIN, John Douglas – Reprimand by Consent on January 23, 2018, for failing to represent his client competently and diligently and failing to properly supervise a non-attorney assistant. Respondent's paralegal filled out, submitted, and signed Respondent's name on immigration forms containing inaccurate information, and as a result, the clients' permanent legal residency applications were denied.

SILVERMAN, Leslie Dana – Disbarred by Consent on March 1, 2019, in a reciprocal action with the District of Columbia Court of Appeals, for failing to represent her client competently, failing to adequately communicate with her client, filing frivolous pleadings, failing to maintain candor to the tribunal, knowingly making a false statement of material fact to Bar Counsel, and engaging in conduct involving dishonesty, fraud, deceit, or other misrepresentation that is prejudicial to the administration of justice. Respondent failed to communicate with her client in a bankruptcy proceeding, failed to obtain her clients signature or an accurate power of attorney for bankruptcy filings, and made false representations to the Bankruptcy Court and Disciplinary Counsel in the District of Columbia.

SIMS, Jason Mark – Disbarred by Consent on May 3, 2019, for committing a criminal act that that reflects adversely on his honesty, trustworthiness and fitness as an attorney. The Respondent was convicted for distribution of child pornography in the United States District Court for the Eastern District of Virginia.

SPERLING, Samuel – Commission Reprimand on August 28, 2018, for representing a client in business transactions and filing suit against that same client. Respondent was disqualified by the Court based upon a conflict of interest. Respondent also failed to respond to Bar Counsel during its investigation.

STEIN, Paul Theodore – Commission Reprimand on July 2, 2018, for disclosing confidential client communications, failing to identify a conflict of interest between two firm clients, and failing to supervise several junior attorneys who, over a period of months, exacerbated the conflict of interest by taking positions for the benefit of one client and to the detriment of another.

STEINHORN, Neil Warren – Indefinite Suspension on December 20, 2018, effective January 19, 2018, with the right to seek reinstatement after six (6) months, for failing to maintain candor to the tribunal and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation that is prejudicial to the administration of justice. While collecting debt on behalf of a home owners' association, Respondent combined his attorney's fees with the amount of damages sought, listing one aggregate figure, even though the complaint form specifies that those amounts be itemized on separate lines. Respondent's actions prevented the Court from assessing the reasonableness of the attorney's fees.

TELL, Melinda Gale – Indefinite Suspension by Consent on September 28, 2018, for failing to represent her client competently and diligently, failing to abide by the scope of representation, failing to adequately communicate with her client, collecting unreasonable fees, failing to safekeep unearned fees in an attorney trust account, failing to properly withdraw from representation, knowingly failing to respond to a request for information by Bar Counsel, and engaging in conduct that is prejudicial to the administration of justice.

THOMPSON, Yolanda Massaabioseh – Suspended for sixty (60) days on December 14, 2018, for failing to provide competent and diligent representation to her client, failing to adequately communicate with her client, collecting unreasonable fees, failing to safe-keep client funds in trust, failing to take steps to protect her client's interest upon termination of her representation, engaging in the unauthorized practice of law, failing to timely respond to Bar Counsel, knowingly making false statements to Bar Counsel and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation that is prejudicial to the administration of justice. Respondent, who is not a Maryland attorney, mismanaged her attorney trust account, misappropriated client funds and comingled personal funds with client funds.

TOBIAS, Charles Lee – Disbarred by Consent on October 26, 2018, for committing a criminal act that that reflects adversely on his honesty, trustworthiness or fitness as an attorney, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice. Respondent pleaded guilty to filing a fraudulent individual tax return. Respondent claimed a charitable deduction of \$239, 282.00, the allowable portion for a noncash charitable contribution in the amount of \$516, 361.00, which was supported by an appraisal Respondent knew to be false.

UCHEOMUMU, Andrew N. – Disbarred on November 16, 2018, for failing to competently and diligently represent his client in an appeal in the Court of Special Appeals, failing to safekeep client funds, and making intentional misrepresentations to his client, the Court and to Bar Counsel.

WEBB, Sandy N. – Disbarred on October 26, 2018, in a reciprocal action from Oregon for failing to safekeep unearned fees and client funds in an attorney trust account, for using trust money for purposes other than the purpose for which the money is entrusted, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice. Respondent deposited client settlement checks into her trust account, used the settlement funds to pay her personal and firm expenses, and failed to disburse the total amount due to her client.

WOOLERY, Benjamin Jeremy – Commission Reprimand on July 5, 2018, for failing to provide competent representation to a client, failing to act with reasonable diligence and promptness in representing a client, and failing to create and maintain client matter records. Respondent, as the personal representative of an estate, routinely deposited and held certain estate funds in his law firm's attorney escrow account instead of a separate account established in the name of the estate and used personal funds to pay interest and penalty amounts which were a direct result of his failure to file fiduciary tax returns and pay tax owed by the estate over a fifteen-year period.

WOOLERY, Benjamin Jeremy – Disbarred on December 20, 2018, for incompetence, failing to abide by the scope of representation and the allocation of authority between client and attorney, failing to adequately communicate with his client, collecting unreasonable fees, failing to recognize that his representation of one client would be directly adverse to and would materially limit his responsibilities to another client, failing to adhere to his duties to a former client, failing to safe-keep client funds in trust, improperly withdrawing from his client's case and failing to surrender client property upon termination of his representation, filing frivolous pleadings, failure to maintain candor to the tribunal, directly soliciting employment from a prospective client for his own pecuniary gain, and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation that is prejudicial to the administration of justice. In an estate matter, Respondent misappropriated estate funds when he intentionally withheld and distributed estate funds to himself without client authorization and made misrepresentations to the Court in an attempt to secure legal fees from his former clients.

YACUB, Ivan – Reprimand by Consent on December 12, 2018, in a reciprocal action from the Supreme Court of Virginia, for failing to safe-keep client funds in trust. Respondent's attorney trust account was overdrawn after he failed to create and maintain adequate records of the account.

ZAJDEL, Cory Lev – Reprimand by Consent on March 22, 2019, for failing to obtain from his client a signed, written contingent fee agreement that outlined the terms of the agreement.

TARGETED MAIL SOLICITATIONS

The Business Occupations and Professions Article of the Annotated Code of Maryland §10-605.2 requires an attorney to file with Bar Counsel copies of letters of solicitation sent to prospective clients under certain circumstances. In FY 2019, there were 564 targeted mail solicitations, down slightly from 597 in FY 2018. Of the submissions to Bar Counsel this year, thirty (30) submissions required revisions. The revisions were necessary to address violations of the Maryland Attorneys' Rules of Professional Conduct, Rules 19-307.1-19-307.5, including failure to provide Bar Counsel with a copy of the communication together with a sample copy of the envelope and list of prospective clients, failure to include the required wording on the advertising envelope and on the advertisement itself, and attorneys making false or misleading communication.

ATTORNEY TRUST ACCOUNT OVERDRAFTS

Maryland Rule 19-411 permits approved financial institutions to maintain attorney trust accounts. Those approved institutions must agree promptly to report overdrafts on such accounts to Bar Counsel. Upon receipt of the bank's report, Bar Counsel seeks an explanation from the attorney. This year, there were one hundred and five (105) overdraft notifications, up from ninety-one (91) in FY2018. Twenty (20) were transferred to docketed status for further investigation, down from twenty-one (21) in FY 2018. The reasons for docketing were:

a)	Improper Retainer Agreement	1
b)	Comingling	4
c)	Failure to Respond to Bar Counsel	2
d)	Misappropriation of Client Funds	7
e)	Cash Withdrawals	3
f)	Improper Recordkeeping	2
g)	<u>Multiple Overdrafts Reported</u>	<u>1</u>
	Total	20

Fourteen (14) overdrafts were attributed to some form of bank error that included fees charged in error, bank reported in error, transfers from the wrong account, incorrect postings and incorrect dollar amounts, and failure to honor stop payments.

CONSERVATORSHIPS

When an attorney is deceased, disbarred or suspended, and there is no responsible attorney to take possession of the client files of that attorney, it becomes necessary for Bar Counsel to petition the local Circuit Court to establish a conservatorship. If no attorney is available in the community to take on the task, an attorney on Bar Counsel's staff is nominated to serve as conservator. Upon approval by the Circuit Court in the county where the attorney was licensed to practice, an appointment of a conservator is ordered, the files of the attorney are marshaled, and, with the aid of Staff Attorneys, notices are sent to clients to determine the appropriate disposition of active files. Pursuant to court order, the destruction of unclaimed client files is permitted.

In FY 2019, nine (9) conservatorships were established and members of Bar Counsel's staff were appointed as the conservator in five (5) cases. Private lawyers were appointed as conservators in the remaining four (4) cases. Twelve (12) conservatorships were closed during the fiscal year. There are thirty-one (31) pending conservatorship cases at the end of FY 2019, including the conservatorships which were opened, and remain open, this fiscal year. Bar Counsel staff members are appointed as conservators in sixteen (16) of the cases, and third parties are appointed as conservators in the remaining fifteen (15) cases.

<u>Opened</u>	<u>DATE</u>	<u>Third Party or AGC</u>
1. Beach, III, James G.	02/16/2019	3 rd Party
2. Bell, John T.	02/21/2019	AGC
3. Haeger, Robert J.	06/28/2019	3 rd Party
4. Mirsky, Steven E.	11/26/2018	AGC
5. O'Connor, Jr., Edward J.	02/27/2019	AGC
6. Pretl, Michael A.	06/26/2019	3 rd Party
7. Rogers, Jr., William C.	03/27/2019	3 rd Party
8. Stephenson, Marcia A.	01/11/2019	AGC
9. Ticer, Wilmer R.	02/25/2019	AGC

<u>Closed</u>	<u>DATE</u>	<u>Third Party or AGC</u>
1. Buettner, Robert W.	10/10/2018	AGC
2. Campbell, Elizabeth	07/19/2018	AGC (Originally 3 rd Party)
3. Grier, Wendell H.	04/01/2019	AGC
4. Hogg, Ronald	12/10/2018	3 rd Party
5. Kountz, Charles	07/17/2018	3 rd Party
6. Lowe, John	12/10/2018	3 rd Party
7. Montgomery, Bonnie J.	07/19/2018	AGC
8. Plum, Jeffery J.	08/29/2018	3 rd Party
9. Robaton, David M.	07/18/2018	AGC
10. Tayback, Matthew G.	10/01/2018	3 rd Party
11. Taylor, Douglas	08/01/2018	AGC
12. Zeve, Marc Allen	03/27/2019	3 rd Party

CONSERVATORSHIPS

<u>Pending:</u>	<u>DATE OPENED</u>	<u>Third Party or AGC</u>
1. Ashurst, Charles	05/20/2016	3 rd Party
2. Axel, John	06/05/2015	3 rd Party
3. Bell, Jimmy A.	05/10/2017	AGC
4. Briskin, Robert K.	03/09/2016	AGC
5. Giunta, Thomas J.	04/14/2016	AGC
6. Groton, Harry S. Jr.	04/29/2016	3 rd Party
7. Jenkins, Frank P.	09/29/2009	AGC
8. Judd, Robert J.	04/18/2017	AGC
9. Klein, Philip I.	10/16/2017	3 rd Party
10. Levitt, Bryan	08/02/2017	3 rd Party
11. Lewis, Neil	10/15/2014	AGC
12. Mollock, Shakaira Simone	06/22/2016	AGC
13. Norman, Jr., Howard Wayne	03/19/2018	3 rd Party
14. Ober, William	05/03/2018	AGC
15. Raine, John	03/13/2015	3 rd Party
16. Rhoads, Arthur	06/02/2014	AGC
17. Sacks, Stephen H.	06/01/2018	AGC
18. Saperro, Robert	04/02/2014	3 rd Party
19. Shoup, Jonathan	05/10/2016	3 rd Party
20. Snyder, Stuart J.	11/07/2017	3 rd Party
21. Tivvis, Joseph I.	11/02/2017	3 rd Party
22. Van Sweringen, Raymond A.	01/09/2017	AGC

PEER REVIEW COMMITTEE

This fiscal year 270 lawyers and 53 non-lawyers volunteered their time to participate in the peer review process. There were 49 statements of charges filed and 44 peer review meetings scheduled. In total, 50 complaints were subject to peer review. In fifty-six percent (56%) of the complaints addressed by peer review panels, public charges were recommended; twenty percent (20%) reprimand; twelve percent (12%) warning; eight percent (8%) dismissal with a warning; and four percent (4%) conditional diversion agreement. The peer review process was terminated in thirty percent (30%) of the matters referred to the Committee due to non-cooperation by the respondent attorney, waiver of peer review or settlement of the matter. Eighteen percent (18%) were pending at the end of the fiscal year. The Commission makes the final decision after receiving a recommendation from a Peer Review Panel. This fiscal year the Commission overturned three (3) recommendations, two of which resulted in greater disciplinary exposure for the attorney and one of which resulted in dismissal.

Montgomery County (12) and Baltimore County (9) had the highest number of Peer Review Panel meetings while sixteen (16) counties had none during the fiscal year.

PANEL BREAKDOWN BY COUNTY

Total of 44 Panels

Total of 50 Docketed complaints

County	Number of Panels
Anne Arundel County	5
Baltimore City	3
Baltimore County	9
Carroll County	1
Howard County	3
Kent County	1
Montgomery County	12
Out of State	3
Prince George's County	7

Note: The following counties had **0 Panels** in their jurisdiction:

Allegany, Calvert, Caroline, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Queen Anne's, Somerset, St. Mary, Talbot, Washington, Wicomico, Worcester

CONDITIONAL DIVERSION AGREEMENTS

When it is determined that misconduct by an attorney can be remediated without the need for a sanction, and the attorney and Bar Counsel agree, then a Conditional Diversion Agreement may be executed with the approval of the Commission. The agreement may have a variety of conditions, tailored to the needs of the attorney, recognizing any harm done to the complainant. Those conditions may include one or more of the following: an apology to a complainant, attendance at educational seminars, obtaining legal malpractice insurance, the appointment of a practice monitor for a specified period of time, hiring an accountant to instruct on proper bookkeeping practices, psychiatric and psychological treatment, among other conditions.

Such agreements usually conclude the disciplinary process. Ordinarily, the attorney has not been the subject of prior complaints. This fiscal year the Commission approved nine (9) conditional diversion agreements. Five (5) conditional diversion agreements were administratively closed, and no agreements were revoked. Seventeen (17) were pending at the end of the fiscal year.

ACTIVITIES OF PROFESSIONAL STAFF

Bar Counsel Lydia E. Lawless presented programs to the Maryland State Bar Association and numerous county and specialty bar associations including the Prince George's Bar Association, Frederick Bar Association, Maryland Hispanic Bar Association, the J. Franklyn Bourne Bar Association, the Monumental Bar Association, Maryland Criminal Defense Attorneys Association and the Maryland State's Attorney Association. Ms. Lawless served as a panelist on two programs at the 2019 MSBA Legal Summit and Annual Meeting and guest lectured at the University of Maryland Carey School of Law and the University of Baltimore School of Law. She published articles in The Maryland Bar Journal and The Baltimore Barrister and continued to serve on the MSBA Litigation Section Council and the Executive Committee of the Montgomery County Inn of Court. She chaired the Membership Committee of the Serjeants' Inn and served as a mock trial judge for the Montgomery County Bar Association's High School Mock Trial Competition. Ms. Lawless served on the MSBA's Strategic Vision Committee and was appointed to the National Organization of Bar Counsel's Communication Committee.

Deputy Bar Counsel Raymond A. Hein served as a panelist for a program on attorney-client privilege at the Cawood Inn of Court. He spoke to the Family Law Committees of the Prince George's County Bar Association and the Bar Association of Baltimore City about general ethical concerns for family law practitioners. He also served on the faculty for the Prince George's County Bar Association's annual Family Law Seminar. Mr. Hein continued to serve on the Professionalism Committee of the Baltimore County Bar Association and authored an article for that Bar Association's publication The Advocate. He also authored an article for Trial Reporter, the publication of the Maryland Association for Justice. Mr. Hein chaired and spoke at a program discussing sexual harassment and gender bias in the legal profession for the Baltimore County Bar Association. Along with Staff Attorney Brittany L. Strickland, he served on the faculty of the "Ethics for Magistrates" program presented by the Maryland Judiciary's Department of Judicial Education. Mr. Hein was the recipient of the Maryland Bar Foundation's 2019 J. Joseph Curran, Jr. Public Service Award.

Deputy Bar Counsel Erin A. Risch served as a panelist at the Montgomery County Bar Foundation's Advanced Litigation Strategies Symposium's program, "Communication With Your Clients Regarding ESI, Social Media, Digital Footprints, and Spoliation," the Maryland State Bar Association (MSBA) Immigration Law Section's program, "Immigration 911: Putting out the Fires," the MSBA Young Lawyers Section spring program entitled "Mastering Social Media," the HUB International Risk Management Seminar for Maryland Lawyers, and the District of Columbia Defense Lawyers Association's Annual Ethics CLE. Ms. Risch also presented a program to students at the University of Maryland Carey School of Law that focused on the Rules of Professional Conduct and sexual harassment in the legal profession. Ms. Risch and Assistant Bar Counsel, Christine M. Celeste co-chaired a program entitled "The 25th Anniversary of the Maryland Rules of Evidence: A Look at the Past, Present and Future of Title 5" at the MSBA's 2019 Legal Summit and Annual Meeting. Ms. Risch was appointed Chair of the MSBA Litigation Section.

Senior Assistant Bar Counsel Michael W. Blow, Jr., along with Bar Counsel, Lydia E. Lawless, led a training for the Hartford County Office of the Public Defender about ethical issues for public defenders. Mr. Blow also served as a panelist for a training presented by the Federal Public

Defender for the District of Maryland for attorneys serving as panel members for Criminal Justice Act assignments.

Assistant Bar Counsel Jennifer L. Thompson spoke at the Maryland State Bar Association, Young Lawyers Section's program presented at the University of Baltimore School of Law, "Legal Malpractice: Common Ethical Pitfalls & Trends."

Assistant Bar Counsel Christine M. Celeste served as a panelist at the James C. Cawood, Jr. American Inn of Court's program, "Proffers: Process, Pitfalls, and Judicial Proceedings." Ms. Celeste, along with Deputy Bar Counsel Erin A. Risch, co-chaired a program entitled "The 25th Anniversary of the Maryland Rules of Evidence: A Look at the Past, Present and Future of Title 5" at the MSBA's 2019 Legal Summit and Annual Meeting. Ms. Celeste continues to serve on the MSBA's Criminal Law & Practice Section Council and is a member of the Justice Reinvestment Advisory Board.

Staff Attorney Brittany L. Strickland, along with Deputy Bar Counsel Raymond A. Hein, served on the faculty of the "Ethics for Magistrates" program presented by the Maryland Judiciary's Department of Judicial Education. Additionally, Ms. Strickland served as a panelist at the Maryland State Bar Association, Bench Bar Section's program "Professional or Personal Life, Something Has to Give."

Executive Secretary Marianne J. Lee served as President-Elect of the National Council of Lawyer Disciplinary Boards (NCLDB). Ms. Lee also served on the Planning Committee of NCLDB and both chaired and presented a program at its annual meeting.

THE COMMISSION

(as of June 30, 2019)

Linda H. Lamone, Esq., Chair
J. Donald Braden, Esq., Vice-Chair
Betty Smith Adams, Esq.
Jeffrey P. Ayres, Esq.
Nicole Barmore, Esq.
John A. Bielec, Esq.
William M. Shipp, Esq.
Kerry D. Staton, Esq.
C. Mayda Tsaknis, Esq.
Barry P. Gossett, Public Member, Treasurer
Linda Bowler Pierson, Public Member, Secretary
Timothy Phelps, Public Member

Executive Secretary

Marianne J. Lee

Administrative Assistant to Executive Secretary

Sharon Gross

ATTORNEY STAFF MEMBERS

(as of June 30, 2019)

Bar Counsel

Lydia E. Lawless

Deputy Bar Counsel

Raymond A. Hein

Erin A. Risch

Sr. Assistant Bar Counsel

Michael W. Blow

Assistant Bar Counsel

C. Shea McSpaden

Jennifer L. Thompson

Christine M. Celeste

Kelsey L. Brown

Jessica M. Boltz

Nora A. Nichols

Staff Attorneys

Brittany L. Strickland

Lisa M. Piccinini

STAFF MEMBERS

Investigators

Jason P. Bogue, Lead Investigator

William M. Ramsey

Edwin P. Karr

Charles E. Miller, IV, CPA

Cheryl A. Trivelli

Daniel J. Weishaar

Operations Manager

Susan G. Townshend

Secretaries

Debora A. Goodrick

Nancy M. LaRocque

Daniela Valverde

Kelsey E. Rowe

Receptionist

Nancy I. Sale

TEN (10) YEAR COMPARISON CHART

July 1, 2009 through June 30, 2019

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Ten Year Totals
New Complaints Received	2,003	2,321	2,037	1,963	2,082	2,147	1,835	2,061	1,802	1,657	19,908

Cases Docketed

Docketed Complaints (Prima facie misconduct indicated)	406	429	382	320	332	331	339	243	212	232	3,226
Reinstatement Petitions Received	n/a	12	7	16	22	11	13	14	17	18	130
Attorney Trust Account Overdraft (*)	n/a	n/a	n/a	23	8	6	5	14	21	20	97
Resignation (**)	n/a	n/a	n/a	n/a	3	4	0	1	2	4	14
Child Support (***)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2	4	6
TOTALS	406	441	389	359	365	352	357	272	254	278	3,473

Docketed Cases Concluded	361	375	431	376	368	426	347	394	276	265	3,619
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Dispositions (by number of Attorneys)

Disbarred	15	11	23	16	18	20	16	14	14	14	161
Disbarred by Consent	13	13	22	21	8	24	13	19	12	12	157
Suspension	13	8	15	21	29	33	18	31	20	20	208
Interim Suspension	0	1	0	3	3	2	2	3	3	1	18
Public Reprimand by Court	4	6	7	5	9	8	3	4	4	5	55
Public Reprimand by Commission	31	27	26	23	19	24	26	22	12	25	235
Inactive Status	4	2	3	2	3	1	1	4	5	2	27
Dismissed by Court	11	5	5	10	6	5	8	4	4	3	61
Petitions for Reinstatement Granted	0	5	0	6	11	5	7	8	8	8	58
Petitions for Reinstatement Denied	7	7	3	5	7	4	4	7	7	7	58
Petitions for Reinstatement Withdrawn	0	0	0	1	6	3	2	1	4	3	20
Resignations	0	0	0	0	0	4	0	1	1	3	9
Resignation Denied	0	0	0	0	2	0	0	0	0	0	2
TOTALS	98	85	104	113	121	133	100	118	94	103	1,069

Number of active Attorneys admitted to practice law in Maryland	34,506	35,515	36,579	37,290	37,266	38,938	39,814	39,890	40,300	40,393
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(*) New Category beginning FY 2013

(**) New Category Beginning FY 2014

(***) New Category beginning FY 2018

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATISTICAL REPORT
Fiscal Year 2019

REASONS FOR DISCIPLINARY ACTION: (Excludes reinstatement, resignation, inactive status, dismissal by the court, or monitoring. Disciplinary action may have resulted from several rule violations, <u>only the primary rule violated is indicated below.</u>)	FY 2018	FY 2019
Candor to the Tribunal	2	3
Communication with Person Represented by Counsel	0	1
Competence, Diligence, Communication, Failure to Abide by Client's Decisions	3	13
Conflict of Interest	1	6
Disclosure of Confidential Client Information	2	1
Duties as a Candidate for Judicial Office	1	0
Duties Owed after Declining or Terminating Representation	0	1
Excessive Fee, Improper Division of Fee, or Illegal Fee	1	2
Failure to Maintain Complete Records, Account for Client or Third-Party Funds, Failure to Maintain Trust Account or Safeguard Funds, Commingling	5	11
Failure to Respond to Disciplinary Agency or Making a False Statement in Connection with Bar Application or Disciplinary Matter	6	3
Fairness to Opposing Party and Counsel	0	1
Meritorious Claims and Contentions	1	0
Misappropriation of Client Funds, Estate Funds, Fiduciary Funds or Law Firm Funds	3	6
Misconduct – Conduct Prejudicial to the Administration of Justice	10	4
Misconduct – Criminal Action or Conviction	15	8
Misconduct – Dishonesty, Fraud, Deceit, or Misrepresentation	12	8
Responsibility for Actions of Subordinate Lawyer or Non-Lawyer Personnel	3	4
Unauthorized Practice of Law	0	5
TOTAL:	65	77

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATISTICAL REPORT
 Fiscal Year 2019

NEW CASES RECEIVED	FY 2018	FY 2019
Complaint	1,690	1,531
Attorney Trust Account Overdraft Notice	91	105
Reinstatement Petition Received	19	17
Resignation	2	4
TOTAL:	1,802	1,657

NEW DOCKETED CASES	FY 2018	FY 2019
Complaint	212	232
Attorney Trust Account Overdraft Notice	21	20
Reinstatement Petition Received	17	18
Resignation	2	4
Child Support	2	4
TOTAL:	254	278

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATISTICAL REPORT
Fiscal Year 2019

DOCKETED CASES BY LAW PRACTICE CATEGORY	FY 2018	FY 2019
Attorney Trust Account	22	20
Bankruptcy	12	8
Civil Litigation	48	55
Contract	2	5
Criminal	24	13
Criminal – Prosecution	0	4
Criminal – Defense	0	14
Debt Collection	0	10
Employment Law	4	2
Family Law	31	30
Immigration	24	19
Injury to Persons, Property, etc.	18	15
Landlord – Tenant	0	2
Other Categories	41	30
Other – Criminal Conduct	0	9
Other – Personal Conduct	0	4
Probate	5	8
Real Estate	6	8
Reinstatement	17	20
Worker’s Compensation	0	2
TOTAL:	254	278

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATISTICAL REPORT
 Fiscal Year 2019

DOCKETED CASES BY LOCALE	FY 2018	FY 2019
Allegany County	0	0
Anne Arundel County	16	24
Baltimore City	26	48
Baltimore County	24	26
Calvert County	0	1
Caroline County	0	0
Carroll County	3	4
Cecil County	3	1
Charles County	1	2
Dorchester County	1	0
Frederick County	6	2
Garrett County	1	0
Harford County	9	4
Howard County	16	12
Kent County	1	0
Montgomery County	60	64
Prince George's County	41	43
Queen Anne's County	1	0
Somerset County	0	0
St Mary's County	1	4
Talbot County	2	3
Washington County	1	6
Wicomico County	0	2
Worcester County	1	2
Out of State	40	30
TOTAL:	254	278

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATISTICAL REPORT
Fiscal Year 2019

DOCKETED CASES BY PRIMARY RULE: (Primary rule violated may change during the course of the case <u>only</u> the primary rule alleged is indicated below.)	FY 2018	FY 2019
Competence (1.1)	29	16
Scope of representation/allocation of authority (1.2)	2	2
Diligence (1.3)	21	25
Communication (1.4)	16	11
Fees (1.5)	10	4
Confidentiality of Information (1.6)	3	3
Conflict of Interest: General Rule (1.7)	5	4
Conflict of Interest: Current Clients: Specific Rules (1.8)	8	3
Safekeeping Property (1.15)	20	41
Declining or Terminating Representation (1.16)	5	3
Duties to Prospective Client (1.18)	1	0
Meritorious Claims and Contentions (3.1)	2	4
Candor Toward the Tribunal (3.3)	4	3
Fairness to Opposing Party and Counsel (3.4)	3	4
Impartiality and Decorum of the Tribunal (3.5)	0	1
Trial Publicity (3.6)	0	1
Special Responsibilities of a Prosecutor (3.8)	0	2
Truthfulness in Statements to Others (4.1)	2	0
Communication with Person Represented by Counsel (4.2)	3	3
Respect for the Rights of Third Persons (4.4)	0	1
Responsibilities of Partners, Managers, and Supervisory Lawyers (5.1)	2	0
Responsibilities Regarding Nonlawyer Assistants (5.3)	3	4
Professional Independence of a Lawyer (5.4)	2	0
Unauthorized Practice of Law; Multijurisdictional Practice of Law (5.5)	6	13
Direct Contact with Prospective Clients (7.3)	0	1
Firm Names and Letterhead (7.5)	0	2
Bar Admission and Disciplinary Matters (8.1)	17	32
Judicial and Legal Officials (8.2)	0	1
Misconduct (8.4)	0	1
Misconduct - Violate or attempt to violate rules through another (8.4(a))	4	4
Misconduct - Commit a criminal act (8.4(b))	12	19
Misconduct - Dishonesty, fraud, deceit, misrepresentation (8.4(c))	19	11
Misconduct - Prejudicial to administration of justice (8.4(d))	13	16
Misconduct – Knowingly manifest bias or prejudice (8.4(e))	1	3
Misconduct – Imply ability to improperly influence agency or official	1	0
Other (Reinstatement, Reciprocal, Inactive, etc.)	40	40
TOTAL:	254	278

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATISTICAL REPORT
 Fiscal Year 2019

DISPOSITION OF CASES	FY 2018	FY 2019
Administratively Closed	81	36
Disbarment by COA	27	32
Disbarment by Consent	16	15
Dismissed by Commission	51	54
Dismissed by Court	4	3
Dismissed with Warning	22	47
Inactive by COA	2	0
Inactive by Consent	5	2
Indefinite Suspension	6	6
Indefinite Suspension by Consent	16	16
Reinstatement – Denied	7	7
Reinstatement – Granted	8	8
Reinstatement – Withdrawn	4	3
Reprimand by Commission	14	25
Reprimand by COA	1	0
Reprimand by COA by Consent	3	5
Resignation	1	3
Suspension 30 Days	5	0
Suspension 30 Days by Consent	1	1
Suspension 60 Days	0	1
Suspension 60 Days by Consent	0	1
Suspension 90 Days	1	0
Suspension 1 Year	1	0
TOTAL:	276	265

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATISTICAL REPORT
 Fiscal Year 2019

DISCIPLINARY ACTION (by number of attorneys)	FY 2018	FY 2019
Disbarment	14	14
Disbarment by Consent	12	12
Indefinite Suspension	5	6
Indefinite Suspension by Consent	9	11
Suspension	6	3
Dismissed by COA	4	3
Inactive	1	0
Inactive by Consent	4	2
Interim Suspension	3	1
Reinstatement – Denied	7	7
Reinstatement – Granted	8	8
Reinstatement – Withdrawn	4	3
Reprimand by Commission	12	25
Reprimand by COA	1	0
Reprimand by COA by Consent	3	5
Resignation	1	3
TOTAL:	94	103

ATTORNEY GRIEVANCE COMMISSION
OF MARYLAND
Annapolis, Maryland

AUDITED FINANCIAL STATEMENTS
June 30, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Commissioners
Attorney Grievance Commission of Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the Attorney Grievance Commission of Maryland, which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of budget, receipts, expenditures, and net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the Attorney Grievance Commission of Maryland as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.



Annapolis, Maryland
September 18, 2019

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 and 2018

ASSETS

	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	\$ 589,956	\$ 962,919
Investments - Other	3,500,000	3,750,000
Client Protection Fund Accounts Receivable	91,599	94,587
Prepaid expenses	10,504	9,068
TOTAL CURRENT ASSETS	4,192,059	4,816,574
Property and equipment, net	70,586	30,957
 NON-CURRENT ASSETS		
Investments - Other	1,250,000	-
Security deposits	20,020	20,020
TOTAL NON-CURRENT ASSETS	1,270,020	20,020
TOTAL ASSETS	\$ 5,532,665	\$ 4,867,551

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and other current liabilities	106,405	85,237
Pension payable	178,041	274,916
Accrued compensated absences	159,691	138,244
Current portion of deferred lease expense	5,859	5,859
TOTAL CURRENT LIABILITIES	449,996	504,256
Deferred lease expense	29,297	35,156
Retiree health insurance credit plan	859,014	864,167
TOTAL LIABILITIES	1,338,307	1,403,579
 NET ASSETS		
Restricted	1,541,158	342,969
Unrestricted	2,653,200	3,121,003
TOTAL NET ASSETS	4,194,358	3,463,972
TOTAL LIABILITIES AND NET ASSETS	\$ 5,532,665	\$ 4,867,551

The accompanying notes are an integral part of the financial statements.

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATEMENTS OF BUDGET, RECEIPTS, EXPENDITURES AND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018**

	<u>2019</u>			<u>2018</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
COMMISSION RECEIPTS				
Attorney Assessments	\$ 4,484,369	4,451,590	\$ 32,779	\$ 4,464,131
Investment Income	86,096	60,000	26,096	63,067
Court Recovered Costs	43,456	45,000	(1,544)	41,862
TOTAL RECEIPTS	<u>4,613,921</u>	<u>4,556,590</u>	<u>57,331</u>	<u>4,569,060</u>
COMMISSION EXPENSES				
Personnel Costs	2,522,606	3,144,637	(622,031)	2,620,315
Case Management Costs	172,793	305,000	(132,207)	291,714
Staff Support	98,834	109,700	(10,866)	85,908
Outside Services	101,774	109,500	(7,726)	118,548
Information Technology Support	146,295	228,200	(81,905)	164,339
Office Expense	330,413	373,445	(43,032)	320,004
Court Mandated Costs	167,851	180,000	(12,149)	160,127
TOTAL EXPENDITURES	<u>3,540,566</u>	<u>4,450,482</u>	<u>(909,916)</u>	<u>3,760,955</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 1,073,355</u>	<u>\$ 106,108</u>	<u>\$ 967,247</u>	<u>\$ 808,105</u>
NET ASSETS, BEGINNING OF YEAR	3,463,972			3,390,625
RESTRICTED NET ASSETS, PRIOR YEAR	(342,969)			(734,758)
RESTRICTED NET ASSETS, CURRENT YEAR	1,541,158			342,969
UNRESTRICTED NET ASSETS	<u>2,653,200</u>			<u>3,121,003</u>
NET ASSETS, END OF YEAR	<u>\$ 4,194,358</u>			<u>\$ 3,463,972</u>

The accompanying notes are an integral part of the financial statements.

THE ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018

CASH FLOWS FROM OPERATING ACTIVITIES	2019	2018
Increase in net assets:	\$ 1,073,355	\$ 808,105
Adjustments to reconcile increase in unrestricted net assets to cash provided by (used in) operating activities		
Depreciation	14,766	17,244
(Increase) decrease in:		
Client Protection Fund Accounts Receivable	2,988	(58,337)
Prepaid expenses	(1,436)	43,528
Increase (decrease) in:		
Accounts payable	21,168	4,403
Pension payable	(96,875)	122,509
Accrued compensated absences	21,447	(69,959)
Retiree health insurance credit plan	(5,152)	(33,223)
Deferred lease expense	(5,860)	(5,860)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,024,401	828,410
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments - net	(1,000,000)	(3,522)
Purchase of property & equipment	(54,395)	(2,837)
Restricted net assets	(342,969)	(734,758)
NET CASH USED IN INVESTING ACTIVITIES	(1,397,364)	(741,117)
NET INCREASE (DECREASE) IN CASH	(372,963)	87,293
CASH AT BEGINNING OF YEAR	962,919	875,626
CASH AT END OF YEAR	\$ 589,956	\$ 962,919

The accompanying notes are an integral part of the financial statements.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Nature of the Commission

The Attorney Grievance Commission of Maryland, (the Commission) was authorized and created by the Court of Appeals of Maryland on February 10, 1975 to oversee the conduct of both Maryland lawyers and nonmembers of the Maryland Bar who engage in the practice of law in the State. The Commission investigates and, where indicated, prosecutes attorneys whose conduct violates the Maryland Attorneys' Rules of Professional Conduct as well as those engaged in the unauthorized practice of law.

Basis of Accounting

As an instrumentality of the Maryland Court of Appeals, the Commission maintains its accounting records on a basis consistent with generally accepted accounting principles. The Commission's funds are used to account for the proceeds of revenue sources that are restricted to expenditures for specific purposes.

Revenue and Revenue Recognition

Attorney assessments are the Commission's primary source of revenue. Assessments are received through payments made by individual attorneys to the Client Protection Fund of the Bar of Maryland (CPF) on a billing which includes assessments for CPF and the Commission. These annual assessments are required by the Maryland court system for any individual admitted to practice before the Court of Appeals or issued a certificate of special authorization under Rule 15 of the Rules Governing Admission to the Bar of Maryland, or any individual who holds himself or herself out as being admitted to practice in Maryland by any means.

Since there is no requirement that an individual remain admitted to practice law in the State of Maryland, assessments are deemed to be revenue only when collected. When assessments are collected by the Client Protection Fund, but not yet remitted to the Commission, they appear as a receivable on these financial statements. Based on prior experience, management feels that all amounts will be collected; therefore, there is no allowance for doubtful accounts included in these financial statements. The assessment collected by the Commission for each attorney in practice was \$110 for the year ended June 30, 2019 and \$110 for the year ended June 30, 2018. The number of practicing attorneys assessed during the years ended June 30, 2019 and 2018 was 41,987 and 40,300, respectively.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Commission is an instrumentality of the Maryland Court of Appeals and as such is not subject to income taxes. Accordingly, no provision has been made. The Commission believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents represent cash held in checking and money market accounts with original maturities of less than ninety days.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 and 2018

Investments

The Commission invests solely in brokered certificates of deposit. These investments are identified as Investments – Other and are recorded at cost as of the balance sheet date.

Property and Equipment

Acquisitions of equipment and furniture and all expenditures for repairs, maintenance, and betterments costing \$1,000 or greater that materially prolong the useful lives of assets are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Equipment and furniture are stated at cost, less accumulated depreciation. Depreciation and amortization are computed using the straight-line method over estimated useful lives of three to thirty-nine years. Leasehold improvements are amortized on the straight-line method over the shorter of the lease term or estimated useful life of the asset.

Compensated Absences

The entity accrues a liability for certain sick leave, and all annual leave which has been earned but not taken by the employees. Employees can earn a maximum of 25 days for annual leave per year. Annual leave can be accumulated up to 35 days. There is no requirement that annual leave be taken in the year earned. Upon termination, employees are paid for any accumulated annual leave. Employees hired prior to January 1, 1989 are reimbursed one third of accumulated sick leave, up to sixty days upon termination. Employees hired after 1988 are not reimbursed for accumulated sick leave.

CPF Reimbursements – Change in Accounting Principle

The Commission provides office space, salary and benefits to four CPF employees. CPF reimburses the Commission for these expenses on a quarterly basis. Prior to FY 2019, the Commission accounted for these transactions as revenue and expense. In February 2018, the Maryland Courts directed the Commission to change its accounting principle to no longer report these transactions as revenue and expense. The Commission implemented this change on July 1, 2018. The FY 2018 financial statements are restated retrospectively – see Note 9 for detailed information.

NOTE 2 – INVESTMENTS - OTHER

The Commission invests only in negotiable certificates of deposit and accounts for these investments in accordance with FASB ASC 825, *Financial Instruments – Overall*, where they are classified as Held-to-Maturity and carried at amortized cost. Any certificates of deposit that mature within one year are classified as current assets and those with maturity dates greater than one year are classified as non-current assets. Because the Certificates of Deposit are purchased in increments of \$250,000 or less, they are insured by the FDIC. Accordingly, there is virtually no risk of gain or loss, as long as the investments are held to maturity. It is the Commission's intent to hold all investments to maturity.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 and 2018

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	2019	2018
Computer equipment	\$105,519	\$ 70,831
Furniture and fixtures	88,202	72,113
Leasehold improvements	17,390	17,390
Software	118,796	118,796
Total property and equipment	<u>329,907</u>	<u>279,130</u>
Less accumulated depreciation	<u>259,321</u>	<u>248,173</u>
Property and equipment, net	<u>\$ 70,586</u>	<u>\$ 30,957</u>

Depreciation expense for the periods ending June 30, 2019 and 2018 was \$14,766 and \$17,244 respectively.

NOTE 5 - PENSION PLAN

The Commission sponsors a trustee defined contribution pension plan covering substantially all employees meeting minimum age and service requirements. Contributions to the plan for the years ended June 30, 2019 and 2018 were \$178,041 and \$274,916, respectively. This amount is equal to 15% of the participant's compensation. For periods ending June 30, 2019 and 2018, the amount owed by the Commission to the plan was \$178,041 and \$274,916, respectively.

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS

On September 1, 2012 the Commission adopted an Other Postemployment Benefit Plan (OPEB) to provide health insurance reimbursement benefits to eligible retirees and their surviving spouses. The official name of the plan is “The Attorney Grievance Commission of Maryland Retiree Health Insurance Credit Plan.” Eligible retirees include employees with at least ten years of service and have attained age fifty-five, or persons who have become disabled and are receiving benefits under the terms of the Social Security Act. Surviving spouses must have been covered under this plan at the time of the retiree’s death and enroll in the Plan on the first day of the month following the death of the covered retiree. Plan benefits will be paid directly by the Commission to the retiree at a rate of the lesser of \$4,200 annually or their actual health insurance premiums.

In accordance with GASB 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*, the Commission recognizes the full OPEB liability on the balance sheet. The total contribution expense charged as an expenditure in the current year was \$28,927.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 and 2018

Key Actuarial Factors

Actuarial cost method	Entry age normal cost method
Discount rate	3.58%
Actuarial valuation date	June 30, 2018
Expected average remaining service years of all participants	10

The chart below shows the Change in Net OPEB Liability. The calculation includes a deferred inflow of resources in the amount of \$42,270 due to a change in assumptions, representing a decrease in liability. In accordance with GASB 75, this amount will be recognized in expense over the next 10 years.

Change in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance as of June 30, 2017 for FYE 2018	\$ 893,093	-	\$ 893,093
Changes for the Year			
Service Cost	39,422		39,422
Interest	31,258	-	31,258
Changes of Benefit Terms	-		-
Experience Losses (Gains)	(32,870)		(32,870)
Trust Contribution – Employer		28,927	(28,927)
Net Investment Income		-	-
Changes in Assumptions	(4,280)		(4,280)
Benefit Payments (net of retiree contributions)	(28,927)	(28,927)	-
Administrative Expense		-	-
Net Changes	4,603	-	4,603
Balance as of June 30, 2018 for FYE 2019	\$ 897,696	-	\$ 897,696

The Commission made payments of \$38,682 to current retirees. These payments were applied to the Net OPEB Liability, reducing the 2018 Net OPEB liability to \$859,014.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 and 2018

NOTE 7 – LEASE COMMITMENT

The Commission leases office space in Annapolis, MD. The lease calls for monthly rental payments beginning on July 1, 2016. The lease is an operating lease and the agreement expires in 2025, with an option to renew for up to five years. In the normal course of business, it is expected that available options to renew will be exercised.

In addition, at signing, the lease included a lease incentive of deferred lease expense for the first three months of the agreement. The total remaining amount of deferred lease expense provided by the lessor was \$29,297. This amount is reported on the Statement of Financial Position as deferred lease expense and is amortized over the life of the lease. The following is a schedule by year of future minimum rental payments required under the operating lease agreements:

June 30, 2019	240,236
June 30, 2020	240,236
June 30, 2021	240,236
June 30, 2022	240,236
June 30, 2023	<u>240,236</u>
Total	<u>\$ 1,201,180</u>

NOTE 8 - RELATED PARTY TRANSACTIONS

Revenue

The Commission has significant transactions with the Client Protection Fund of the Bar of Maryland (CPF), an instrumentality of the State of Maryland. All attorney assessments are collected by CPF and the Commission's portion is transferred monthly by check. At year end, CPF owed the Commission attorney assessments in the amount of \$3,125 and \$5,290 at June 30, 2019 and 2018, respectively.

Reimbursable Expenses

The Commission provided office space, salary and benefits to four CPF employees. CPF reimburses the Commission for these expenses on a quarterly basis. During the years ending June 30, 2019 and 2018, the Client Protection Fund of the Bar of Maryland was billed \$339,634 and \$393,829, respectively by the Commission for fees incurred for salaries, benefits and lease expenses. At June 30, 2019 and 2018, the Client Protection Fund of the Bar of Maryland owed these fees to the Commission in the amount of \$88,474 and \$89,297, respectively.

NOTE 9 – CPF REIMBURSABLE EXPENSES – CHANGE IN ACCOUNTING PRINCIPLE

As stated in Note 8, the Commission provided office space, salary and benefits to four CPF employees. CPF reimburses the Commission for these expenses on a quarterly basis. In February 2018, the Maryland Courts directed the Commission to change its accounting principle to no longer report these transactions as revenue and expense. The Commission implemented this change on July 1, 2018 going forward.

Method

For comparison purposes, the FY 2018 numbers are restated retrospectively as follows. The CPF salaries were listed individually on the financial statements and were easily identified and removed. The costs for Employee Benefits and Employer Taxes were co-mingled with AGC employee expenses and so were separated out individually using payroll files. The CPF reimbursement for Office Lease Expense was used to reduce the overall AGC office expense. Finally, the CPF expense and liability associated with Accrued Compensated Absences were removed. We also reclassified the two accounts receivable accounts (Attorney assessments receivable and Due

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 and 2018

from Client Protection Fund) into one account – Client Protection Fund Accounts Receivable. The details are shown in the following table.

<u>Statement of Financial Position</u>	<u>FY 2018</u>	<u>Change</u>	<u>Restated FY 2018</u>
Asset Accounts			
Due from Client Protection Fund	21,634	(21,634)	-
Liability Accounts			
Accrued Compensated Absences	159,878	(21,634)	138,244
<u>Statement of Budget, Receipts, Expenditures and Net Assets</u>			
Receipt Accounts			
CPF Executive Director	(170,330)	170,330	-
CPF Secretary	(65,512)	65,512	-
CPF Administrator	(83,412)	83,412	-
CPF Clerk	(52,756)	52,756	-
CPF Office Lease	(31,338)	31,338	-
Total Revenue		403,348	
Expenditure Accounts			
Salary - CPF Secretarial	40,900	(40,900)	-
Salary - Executive Director	107,453	(107,453)	-
Salary - CFP Administrator	55,870	(55,870)	-
Salary - CPF Clerk	36,550	(36,550)	-
Employee Benefits	680,034	(89,375)	590,659
Employer Taxes	175,715	(20,227)	155,488
Compensated Absences	44,643	(21,634)	23,009
Office Lease Expense	235,996	(31,338)	204,658
Total Expense		(403,348)	
<u>Statement Cash Flows</u>			
Client Protection Fund Accounts Receivable	(79,971)	21,634	(58,337)
Accrued Compensated Absences	(48,325)	(21,634)	(69,959)
	(128,296)	-	(128,296)
<u>Increase in Net Assets</u>			
Revenue	4,972,408	(403,348)	4,569,060
Expenditures	(4,164,303)	403,348	(3,760,955)
Increase in Net Assets	808,105	-	808,105

Direct Effects

The direct effect on the AGC financial statements is net zero.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 and 2018

Indirect Effects

There are two indirect effects to highlight. First, removing CPF expenses affected the excess fund balance calculation, described in Note 11, resulting in a larger return of dollars to CPF. There is no need to re-calculate the excess fund balance for 2018 since it is self-balancing each year.

Second, the Supplementary Schedules of Budget, Receipts, Expenditures and Net Assets show a comparison of the FY 2019 actuals to the approved budget. Because the budget was approved before the CPF changes were implemented, the AGC budget included CPF expenses. With the CPF expenses removed, the accounts below reflect significant negative variance.

	FY 2019 Actual	FY 2019 Budget	Budget Variance
Employee Benefits	486,099	705,280	(219,181)
Employer Taxes	150,701	169,286	(18,585)

The variance in Employee Benefits, is due to two-factors. First, as described above, the removal of CPF expenses reduced AGC expense. Second, AGC had 8 employees and CPF had 1 employee who did not meet the eligibility requirements to receive the employer paid pension contribution while the budgeted amount included contributions for all employees. The overall effect was a reduction of expenses associated with Employee Benefits.

The variance associated with Employer Taxes is due solely to the exclusion of CPF expenses.

NOTE 10 – BONDS

The Commission has a \$6,000,000 blanket crime protection insurance policy in effect for employee dishonesty.

NOTE 11 – CONTINGENCIES

Prior to the 2014 fiscal year, the Maryland Court of Appeals, at its discretion, was permitted to order a transfer of funds from the Commission to court related agencies. On March 13, 2014 an Administrative Order was issued by the Maryland Court of Appeals, requiring the Commission to maintain a net asset balance of 75% of the prior year's fiscal expenditures. Any excess net asset amount would be due to the Client Protection Fund, as of 30 days following the issuance of annual audited financial statements. As this amount cannot be determined by the Commission as of the fiscal year end, and it has not been declared or approved by the Courts, it is not a current liability of the Commission, but rather a restricted portion of net assets. Per this Order, at June 30, 2019 and 2018, the Commission owed \$1,541,158 and \$734,758 to the Client Protection Fund, respectively. This amount is set aside as "Restricted Net Assets" on the June 30, 2019 and 2018 Statements of Financial Position. The \$342,969 owed as of June 30, 2018 was paid to the Client Protection Fund by the Commission on December 21, 2018.

Beginning Net Assets	\$ 3,463,972
Plus Net Income	1,073,355
Less Balance paid prior year	(342,969)
Ending Net Assets	4,194,358
Total 2019 Expenditures	(3,540,566)
75% of Total Expenditures	(2,655,425)
Excess Fund Balance	\$ 1,541,158

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019 and 2018

NOTE 12 – RECLASSIFICATIONS

Certain amounts in the prior periods presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

NOTE 13 – MANAGEMENT’S SUBSEQUENT REVIEW

The Commission has evaluated subsequent events through September 17, 2019, the date which the financial statements were available to be issued, and no events were noted that would materially impact the financial statements.