

# ATTORNEY GRIEVANCE COMMISSION OF MARYLAND



## 41st Annual Report

July 1, 2015 thru June 30, 2016

### 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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## **41st Annual Report**

### **Attorney Grievance Commission of Maryland**

**July 1, 2015 through June 30, 2016**

During the past fiscal year, Kendall R. Ruffatto retired after a distinguished career as the Commission's first Executive Secretary and, prior to that service, as an Assistant Bar Counsel since 1981. Marianne Lee, Senior Assistant Bar Counsel, left the Office of Bar Counsel to become, on July 1, 2016, Executive Secretary to the Attorney Grievance Commission. Jess Boltz, who began with the Office of Bar Counsel as a law clerk, was promoted to Staff Attorney, replacing Jennifer Thompson, who became the newest Assistant Bar Counsel. The Office said farewell to Assistant Bar Counsel JaCina Stanton, who left to take a position with the Administrative Office of the Courts.

The number of licensed attorneys in Maryland increased from 38,938 to 39,814. This year saw a decline in the number of complaints made to the Commission from 2,147 in FY 2015 to 1,815 in FY 2016. The number of complaints docketed for further investigation, however, increased slightly from 330 to 339. The number of sanctioned attorneys fell from 111 to 78. The number of sanctioned attorneys is just below the ten year average for all sanctions: approximately 80. It should be noted that FY 2015 was an extraordinary year and that the number of sanctions as well as the total number of dispositions of all types was among the highest in history.

Disbarments, numbering 29, reflect the average number of disbarments annually for the past ten years and 18 suspensions were just below the average of 20. The total number of reprimands, 29, again, was very close to the ten year average, 28.4.

One of the 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, eleven new conservatorships were established and members of our staff were appointed as conservators in six of the cases. Thirty five conservatorships were pending at the end of the fiscal year.

Again this year, the staff of the Office of Bar Counsel was involved in lawyer and law student education in an effort to alert participants to their ethical and professional obligations. There were more than fifty appearances by the staff of the Office of Bar Counsel before members of the Bench and Bar, before law students and members of the public. Again this year, staff members wrote articles and their appearances before law firms, Bench and Bar groups, and law school classes were very well received.

**DISCIPLINARY SUMMARIES**  
**Fiscal Year 2016**  
**(July 1, 2015 — June 30, 2016)**

SANCTIONS AND ACTIONS AFFECTING LICENSURE (FY 2016)

ABRAHAM, Richard Kenneth – Commission Reprimand for failing to provide competent and diligent representation to a client in an estate matter, for failing to keep his client reasonably informed about the status of the matter and for failing to diligently pursue the distribution of the estate assets.

ARBAUGH, Eugene Arthur, Jr. – Commission Reprimand for his criminal conduct involving assault in the second degree, for which Respondent was placed on probation for three (3) years.

BABER, Gilbert – Disbarred on October 19, 2015, for having made a series of misrepresentations over a period of two (2) years in pleadings, verbal statements to his client and submissions to the District of Columbia Bar Counsel.

BARBER, Andre P. – Interim Suspension on May 19, 2016.

BENNETT, Brian Douglas – Commission Reprimand for challenging opposing counsel to a physical altercation during a court proceeding. Respondent has written letters of apology to the court, opposing counsel and the complainant.

BLYTHE, Angela M. – Interim Suspension by Consent on February 6, 2016, for her criminal conviction involving conspiracy to defraud financial institutions, bank fraud and making false statements to financial institutions. Respondent has appealed the conviction.

BRIGGS, Ronald L., Jr. – Disbarred by Consent on December 16, 2015, effective thirty (30) days from the date thereof, for failing to represent a client with reasonable diligence, for failing to communicate, for failing to maintain unearned fees in trust and for engaging in conduct involving dishonesty, fraud, deceit or misrepresentation.

BROWN, Takisha Vera – Disbarred on November 19, 2015 for intentionally misappropriating client trust funds and for making misrepresentations to Bar Counsel.

BROWN, Warren Anthony – Commission Reprimand for failing to provide competent, diligent and prompt representation to his client by failing timely to retain an expert to evaluate his client and by failing to adequately communicate with his client prior to the sentencing to garner evidence of mitigation to be presented to the court.

CHANTHUNYA, Alexander Manjanja – Indefinite Suspension on March 25, 2016, effective thirty (30) days from the date thereof (with the right to apply for reinstatement sixty (60) days after the effective date) for failing to represent two (2) separate clients with competence and diligence and for failing to adequately communicate with his clients in their immigration matters.

COHEN, Nancy A. – Reprimand by Consent on November 18, 2015, for representing a client in a lawsuit against a former client in the same or substantially related matter.

COLEMAN, Donna Mitchell – Commission Reprimand, for failing to act with reasonable diligence and promptness in representing her client in a criminal matter, for failing to file a pleading with the court, for negligently misrepresenting facts to Bar Counsel and for failing to timely disclose facts necessary to correct a misapprehension known by her.

CONTE, Anthony Stephen – Commission Reprimand for failing to timely respond to several requests for information from Bar Counsel.

COONEY, Bernard J. – Commission Reprimand for failing to maintain unearned fees in trust.

DJORDJEVICH, Alexander - Indefinite Suspension by Consent on September 17, 2015 (with the right to apply for reinstatement nine (9) months after the date thereof and conditioned upon his reinstatement in the District of Columbia) for failing to provide competent, diligent and prompt representation to his clients, for failing to communicate, for failing to timely return unearned fees and surrender papers after his representation was terminated and for having knowingly disobeyed an obligation under the rules of a tribunal.

EIDE, Peter Jerome – Reprimand by Consent on May 18, 2016, for performing legal work for a client while he was decertified for failing to file his *pro bono*/IOLTA report that resulted in his temporary suspension from the practice of law. Respondent was reinstated after satisfying his obligations.

FISHER, Jason Eric – Disbarred by Consent on May 18, 2016, for misappropriation of funds of clients of the law firm at which he was a partner and for the unauthorized use of a law firm credit card for personal expenses.

FLYNN, Maria Rebecca – Indefinite Suspension by Consent on August 14, 2015, for failing to provide competent, diligent and prompt representation to her clients, for failing to keep her clients informed, for failing to properly maintain an attorney trust account, for charging unreasonable fees, for failing to refund unearned fees, for failing to keep clients adequately informed and for making misrepresentations to Bar Counsel.

GALBRAITH, Mark R. – Disbarred on December 16, 2015, as a reciprocal action to his Virginia and District of Columbia discipline, for misappropriating clients' funds from his trust account and for failing to safe keep property of clients or third persons.

GIGOT, Matthew Randall – Disbarred by Consent on January 26, 2016, for his criminal conviction related to his possession or transmittal of depiction of a sexual performance by a minor.

GLESSNER, Stephen Anthony – Commission Reprimand for failing to provide competent, diligent and prompt representation to his client, for failing to obtain the client's informed consent, confirmed in writing, to deposit an unearned fee paid in advance into an account that was not a client trust account, for commingling client funds in his operating account and for failing to ensure that the firm had in effect measures giving reasonable assurance that all lawyers in the firm handled payments of legal fees in compliance with the rule.

GOLDSTEIN, Gary A. – Commission Reprimand for failing to disclose discovery information to which the opposing party was entitled.

GOOD, Tamara Renee – Disbarred on November, 6, 2015, by Per Curiam order for failing to perform legal services for her clients after accepting a retainer, for ignoring her clients' requests for information, for abandoning her representation of the clients without notice and for refusing to respond to Bar Counsel's requests for information. Opinion issued December 21, 2015.

GRACEY, Wayne Gordon – Disbarred on March 3, 2015, because he wrongfully withdrew money from his clients' accounts without authorization, made fraudulent transactions through his bank account, failed to return unearned fees, failed to deposit funds into an attorney trust account, knowingly allowed his employees to improperly solicit potential clients and because he knowingly made false statements to Bar Counsel in connection with a disciplinary matter.

GRAY, Melissa Donnelle – Disbarred July 27, 2015, for failing to deposit client funds in an attorney trust account, for failing to prepare for trial, for failing to keep her clients adequately informed, for charging an unreasonable fee and for failing to return unearned fees after she abandoned her clients.

GROSS, Ronald James – Indefinite Suspension on November 20, 2015 (with the right to apply for reinstatement conditioned upon being reinstated in the state of Pennsylvania) for misrepresenting the status of a contested will to a client and for making a false representation to the Pennsylvania Bar Counsel.

GUMMERE, Richard Morris – Disbarment by Consent on January 29, 2016, for misrepresenting to witnesses and his clients' co-defendants that he was an investigator and for engaging in conduct involving dishonesty, fraud, deceit or misrepresentation.

HALTER, Michael James – Commission Reprimand for making false and misleading statements with reckless disregard for the truth on his Facebook page concerning the qualifications and/or integrity of a State's Attorney.

HUNT, Larry – 60-day suspension for a non-Maryland attorney who represented a criminal defendant in a Maryland District Court without gaining *pro hac vice* admission to the court and for making a false statement to Bar Counsel.

JOHNSON, Marlene A. – Commission Reprimand for failing to provide competent and diligent representation to a client, for failing to communicate with her client, for failing to keep her client reasonably informed about the status of the matter and upon termination of the representation, for failing to surrender papers and property to which the client was entitled.

JONES, Antoini Martin – Commission Reprimand for failing timely to file a client's personal injury matter and for failing to cooperate with that client when a claim was made against the Respondent by that client.

KENT, Bruce August – Disbarred on April 25, 2016. While acting as a trustee, he knowingly misappropriated funds belonging to the trust, made loans of the trust's funds to other clients and family members, failed to maintain appropriate records of the trust's funds and he knowingly made a false statement to Bar Counsel.

KILLIAN, Walter H. – Disbarred by Consent on July 10, 2015, for failing to render a full accounting upon request by the client or third person and for engaging in conduct that is prejudicial to the administration of justice.

KLASS, Michelle E. – Commission Reprimand as a reciprocal action to her reprimand by the District of Columbia for commingling an advanced fee with her operating funds and for failing to maintain complete records of trust account funds.

KWASNY, Richard Joseph – Disbarred by Consent on April 25, 2016, as a reciprocal action to his Pennsylvania 5-year suspension and New Jersey disbarment for mismanaging his IOLTA/Escrow accounts on multiple occasions and for providing altered documents to impede the investigation.

LANDEO, Jennifer Vetter – Indefinite Suspension on February 19, 2016, effective thirty (30) days from the date thereof (with the right to apply for reinstatement ninety (90) days after the effective date) for failing to provide competent and diligent representation to her clients, for failing to keep clients reasonably informed about the status of their matters, for failing to deposit and maintain unearned fees in a trust account and for charging unreasonable fees.

LANDEO, Jennifer Vetter – Disbarred by Consent on May 19, 2016, for having seriously neglected two of her clients' immigration cases over a 6 year period. She failed to maintain her clients' fees in trust and failed to maintain appropriate records of clients' funds. Respondent was indefinitely suspended on February 19, 2016.

LANGE, Kathryn Anne – Disbarred by Consent on August 21, 2015, for failing to safe keep property of clients or third persons, for misappropriating funds from a deceased client's estate trust account, for making false statements of material fact to the Orphan's Court and for engaging in misconduct involving dishonesty, fraud, deceit or misrepresentation.

LEWIS, Alec Michael – Commission Reprimand for failing to maintain unearned fees in a client trust account, for failing to obtain the client's consent to deposit an unearned fee into an account that was not a client trust account and for failing to timely return unearned fees.

LINDNER, Don Franklin – Disbarred by Consent on September 24, 2015, for his criminal conviction related to filing false federal tax returns for tax years 2007 – 2011.

LYNAS, Richard V. – Commission Reprimand for failing to disclose the identity of the person who signed a Circuit Court pleading for a litigant and for failing to correct his initial position that he was unsure of the signer.

MEIER, Mike – Commission Reprimand, as a reciprocal action to his Virginia sanction, for lack of candor to a tribunal and for violating or attempting to violate the Maryland Lawyers' Rules of Professional Conduct.

MITCHELL, Michael B., Jr. – Disbarred on September 29, 2015 for failing to provide competent and diligent representation to a client in two matters and for engaging in conduct involving dishonesty, deceit and/or misrepresentation.

MOORE, Leland C., Jr. – Commission Reprimand for filing a complaint in a jurisdiction that was related to a case already filed in another jurisdiction, for raising issues that were frivolous and for using means that had no substantial purpose except to embarrass, delay or burden the opposing party.

MOORE, Richard Wells, Sr. – Commission Reprimand for failing to provide competent and diligent representation to a client, for failing to keep the client reasonably informed about the status of the matter, for failing to timely file a required pleading with the court and for failing to return an unearned fee.

MOORE, Richard Wells, Jr. – Indefinite Suspension on April 22, 2016, for failing to attend diligently to the immigration cases of two clients, resulting in significant delay in the resolution of those cases and for failing to respond in a timely manner to requests for information from Bar Counsel.

NGARURI, Melissa K. (aka Kenney, Melissa N.) 30-day suspension for holding herself out as being admitted to the Maryland Bar, while residing in Oregon, after she applied for and was granted “inactive status” with the Maryland Client Protection Fund of the Bar of Maryland.

NJOGU, Regina Wanjiru – Indefinite Suspension by Consent on October 27, 2015, for causing her client, who was not fluent in English, to sign an application for a title to a vehicle which Respondent intended to use as her own, for causing the client to add the vehicle to the client’s insurance policy, for the negative impact on the client’s vehicle registration due to accidents and traffic citations incurred by Respondent, which were attributed to the client.

NKWENTI, Theodore Nsoh – Indefinite Suspension by Consent on October 20, 2015, effective forty-five (45) days from the date thereof (with the right to apply for reinstatement six (6) months after the effective date) for hiring a former attorney who was not licensed to practice law in Maryland, for failing to enter into an employment agreement with the former attorney and filing notice of said employment with the Office of Bar Counsel, for failing to properly supervise the former attorney by allowing him to render legal advice to a client, for charging an unreasonable fee and for failing to deposit and maintain the client’s funds in trust until earned, without the client’s written informed consent.

OGILVIE, Claire L. K. Kennedy – Interim Suspension on May 18, 2016.

OH-Kang, Seung – Disbarred on October 19, 2015, as a reciprocal action to the revocation of her license to practice law in Virginia on June 25, 2013, for her criminal conviction involving money laundering and bank fraud and for conduct involving dishonesty, fraud, deceit or misrepresentation.

ONWUANIBE, Anthony C. – Commission Reprimand for failing to keep his client reasonably informed about the developments in the client’s case, for failing to adequately communicate and, after termination of the representation by the client, for asserting that he would have no malpractice liability.

PAVLICK, Richard Mark – Indefinite Suspension by Consent on August 31, 2015, effective September 30, 2015, for failing to safe keep property of clients or third persons, for failing to

maintain adequate trust account records, for commingling funds and for having a negative balance in his attorney trust account.

PETERS-HAMLIN, Kristan – Disbarred, in a reciprocal case, on March 25, 2016, for instructing a first-year associate to “mark-up” deposition transcripts and claim them as attorney work product, for having knowingly made false statements to mislead the court of these events and for having made copies and ordered additional copies of deposition transcripts for use in another matter, in contravention of court confidentiality orders.

RAND, Charles Stephen – Indefinite Suspension on December 22, 2015, for failing to keep his client informed, for asserting an invalid retaining lien and for failing to comply with requests for information from Bar Counsel.

RAND, Charles Stephen – Indefinite Suspension by Consent on February 4, 2016, for failing to promptly inform his client of any decision or circumstance with respect to which the client’s informed consent was required and for conduct prejudicial to the administration of justice.

RASNIC, Joseph Wheeler – Disbarred by Consent on February 16, 2016, as a reciprocal action to the revocation of his license to practice law in Virginia for his criminal conviction related to misprision of a felony.

RAY, Jeffrey G. – Commission Reprimand for failing to notify a third party medical provider, upon receipt of funds in which the medical provider had a potential interest, for failing to hold the funds in trust until the medical provider’s interests could be determined and for failing to pay all that was owed to the provider.

REID, Joseph D., II – Indefinite Suspension by Consent on March 30, 2016 (with the right to apply for reinstatement one (1) year after the effective date) for failing to provide competent and diligent representation to a client in an estate matter and for filing numerous documents with the Register of Wills purportedly signed by his client without his client’s authorization.

RENO, Sandra Lynn – Commission Reprimand for failing to deposit and maintain unearned fees in a client trust account, for depositing funds from her retirement account and college savings plan into her client trust account prior to refunding unearned fees to three (3) clients and for failing to maintain adequate trust account records. Respondent was previously suspended on November 19, 2014 for six (6) months.

REYES, Arcadio Jorge – Disbarred by Consent on July 10, 2015, for failing to safe keep property of clients or third persons and for failing to deposit unearned fees into an attorney trust account until earned.

ROLLISON, Mark Edward – Commission Reprimand for failing to provide competent and diligent representation to a client, for failing to keep his client reasonably informed about the status of the matter and upon termination of his representation, for failing to take steps reasonably practicable to protect the client’s interests.

SANDS, April Juanita – Indefinite Suspension by Consent on January 5, 2016, for violating the Hatch Act on numerous occasions while working for the Federal Election Commission by soliciting political contributions.

SCOTT, Lloyd Faulkner – Disbarred by Consent on August 10, 2015, for his conflict of interest relating to his representation of parties without informed consent, confirmed in writing, for failing to safe keep property of clients or third persons, for misuse of trust funds, for failing to pay medical care providers in a timely manner, for using an attorney trust account for personal expenses, for failing to maintain adequate trust account records and for failing to appear for one or more court dates.

SHAPIRO, Eugene A. – Disbarred by Consent on November 3, 2015, for failing to provide adequate representation to a client in three legal matters, for failing to keep the client reasonably informed, for repeatedly misleading and lying to her about the status of the matters and for knowingly making false statements of material fact to Bar Counsel.

SHEMENSKI, Steven Douglas – Commission Reprimand for failing to represent his clients with reasonable diligence, for failing to communicate with the clients, for failing to provide a client with a billing statement, for failing to properly communicate with an Assistant State’s Attorney and for failing to alert his client of his inadequate communication with the state.

SHEPHARD, Tawana D. – Disbarred on August 6, 2015, for engaging in the unauthorized practice of law, for her role as Managing Attorney of the law firm at which she was employed, for failing to provide competent and diligent representation to a client, for failing to communicate, for failing to earn attorney’s fees, for failing to safe keep property of clients or third persons and for failing to manage the firm’s trust account.

SINGER, Jeanne Forrester – Commission Reprimand for failing to communicate with the executor of her deceased client in winding up the deceased client’s estate and for failing to ensure that the conduct of her non-lawyer employee, over whom she had direct supervisory authority, was compatible with her professional obligations.

STORCH, Patricia DuVall – Indefinite Suspension on October 19, 2015, for her conduct as the Personal Representative of an estate. She failed to make timely filings, failed to attend hearings, and upon termination as the personal representative, she repeatedly failed to comply with court orders to turn over all estate property to the successor personal representative.

STRACHAN, Laura Hawkins – Indefinite Suspension by Consent on February 22, 2016, for engaging in the unauthorized practice of law while on inactive status, for testifying inaccurately at a deposition, for failing to report income on her tax return and for making a misrepresentation to Bar Counsel.

THOMAS, C. Trent – Disbarred on November 10, 2015, for abandoning his clients in two unrelated cases and for dishonestly refraining from informing Bar Counsel that he had violated his conditional diversion agreement.

TRYE, Shauntesse Curry – Disbarred on July 27, 2015, for making intentional material misrepresentations on a loan modification application, for making false representations to opposing

counsel, for fraudulently altering a negotiated draft settlement agreement and consent order before providing them to opposing party and counsel.

WETZEL, John Clarence – Commission Reprimand for conduct prejudicial to the administration of justice, because he may have negligently or accidentally downloaded inappropriate images on his office computer.

WHITE, Erica S. – Indefinite Suspension on May 23, 2016 (with the right to apply for reinstatement six (6) months after the effective date) for failing to remediate her misconduct or adhere to the protocols of Conditional Diversion Agreements with Bar Counsel, for prior misconduct concerning her trust account and for failing to implement safeguards during an illness or to otherwise protect her clients' interests.

WHITTLE, Arthur John – Reprimand by Consent for failing to keep his client reasonably informed about the status of the case and for failing to cooperate with Bar Counsel's investigation.

WILLIAMS, Garrett Vincent – Disbarred on December 3, 2015, for concealing his incompetence and lack of diligence and for his wrongful conduct during the discovery process during his client's case that resulted in the dismissal of the client's claim.

WILLIAMS, Stephen Jerome – Commission Reprimand for failing to accurately list all of his client's assets on Bankruptcy Schedules, for falsely representing to the court that he was in possession of supporting documents and, upon termination of his representation, for failing to timely surrender papers and property to which the client was entitled and for contacting the former client without consent, after the former client retained new counsel.

YOUNG, Matthew Richard – Disbarred on October 20, 2015, for entering into contracts to perform work on homes of individuals without a valid home improvement license, for misrepresenting to several parties that he had a valid license, or was operating under his brother's license and for filing frivolous lawsuits.

### **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 2016, there were 665 targeted mail solicitations, down from 1,171 in FY 2015. This continues a downward trend, as in FY 2014, there were 1,683 such submissions. Of the submissions to Bar Counsel this year, fifteen (15) letters required revisions. The reasons for the necessary revisions included failure to provide Bar Counsel with a copy of the communication, together with a sample copy of the envelope, the failure to include the required wording on the advertising envelope and on the advertisement itself, and attorneys making false or misleading communication pursuant to the Maryland Attorneys' Rules of Professional Conduct Rule 19-307.1.

## 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 eight (108) overdraft notifications, down from one hundred and forty three (143) in FY2015. Ten (10) were transferred to docketed status for further investigation, down from twelve (12) in FY 2015. The reasons for docketing were:

a) Improperly Using Escrow Account	1
b) Comingling	3
c) Failure to Respond to Bar Counsel	2
d) Misappropriation of Client Funds	2
e) Cash Withdrawals	1
f) Safekeeping Property	1
Total	10

Twenty (20) overdrafts were attributed to some form of bank error that included fees charged in error, transfers from the wrong account, incorrect postings and incorrect dollar amounts

## 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 marshalled and, with the aid of the paralegal staff, 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 2016, eleven (11) conservatorships were established and members of Bar Counsel's staff were appointed as the conservator in six (6) cases. Private lawyers were appointed as conservators in the remaining five (5) cases. Six (6) conservatorships were closed during the fiscal year. There are thirty five (35) pending conservatorship cases at the end of FY 2016, including the eleven (11), which were opened this fiscal year. Bar Counsel staff members were appointed as conservators in sixteen (16) of the cases, and third parties were appointed as conservators in the remaining nineteen (19) cases.

## CONSERVATORSHIPS FISCAL YEAR 2016

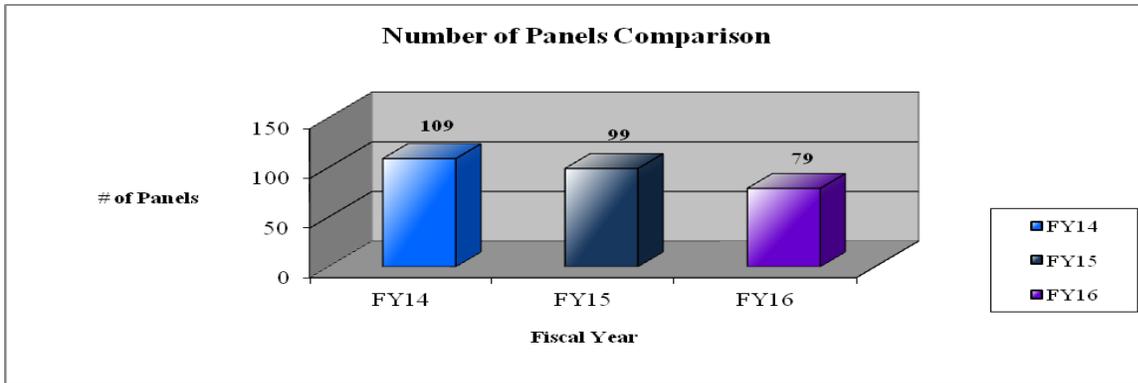
<u>Opened</u>	<u>July 1, 2015 – June 30, 2016</u>	<u>Third Party or AGC</u>
Ashurst, Charles R.	05/20/2016	3 <sup>rd</sup> Party
Briskin, Robert K.	03/09/2016	AGC
Fitzpatrick, Eugene J.	03/29/2016	3 <sup>rd</sup> Party
Guinta, Thomas J.	04/14/2016	AGC
Grier, Wendell H.	01/21/2016	AGC



## PEER REVIEW COMMITTEE

This fiscal year 376 lawyers and 66 non-lawyers agreed to volunteer their time to participate in the peer review process. There were 79 peer review meetings scheduled, compared to 99 last year, a decline of 20.20%. Twenty-one (21) panels heard more than one complaint against a respondent attorney. A total of 111 complaints were subject to peer review. In thirty-six percent (36%) of the complaints addressed by peer review panels, public charges were recommended; two percent (2%) conditional diversion; fifteen percent (15%) reprimand; five percent (5%) dismissal; and five percent (5%) dismissal with a warning. Seventeen percent (17%) were terminated prior to the meeting due to the non-cooperation of the respondent attorney. Eight percent (8%) 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 ten (10) recommendations, nine (9) of which resulted in greater disciplinary exposure for the attorneys.

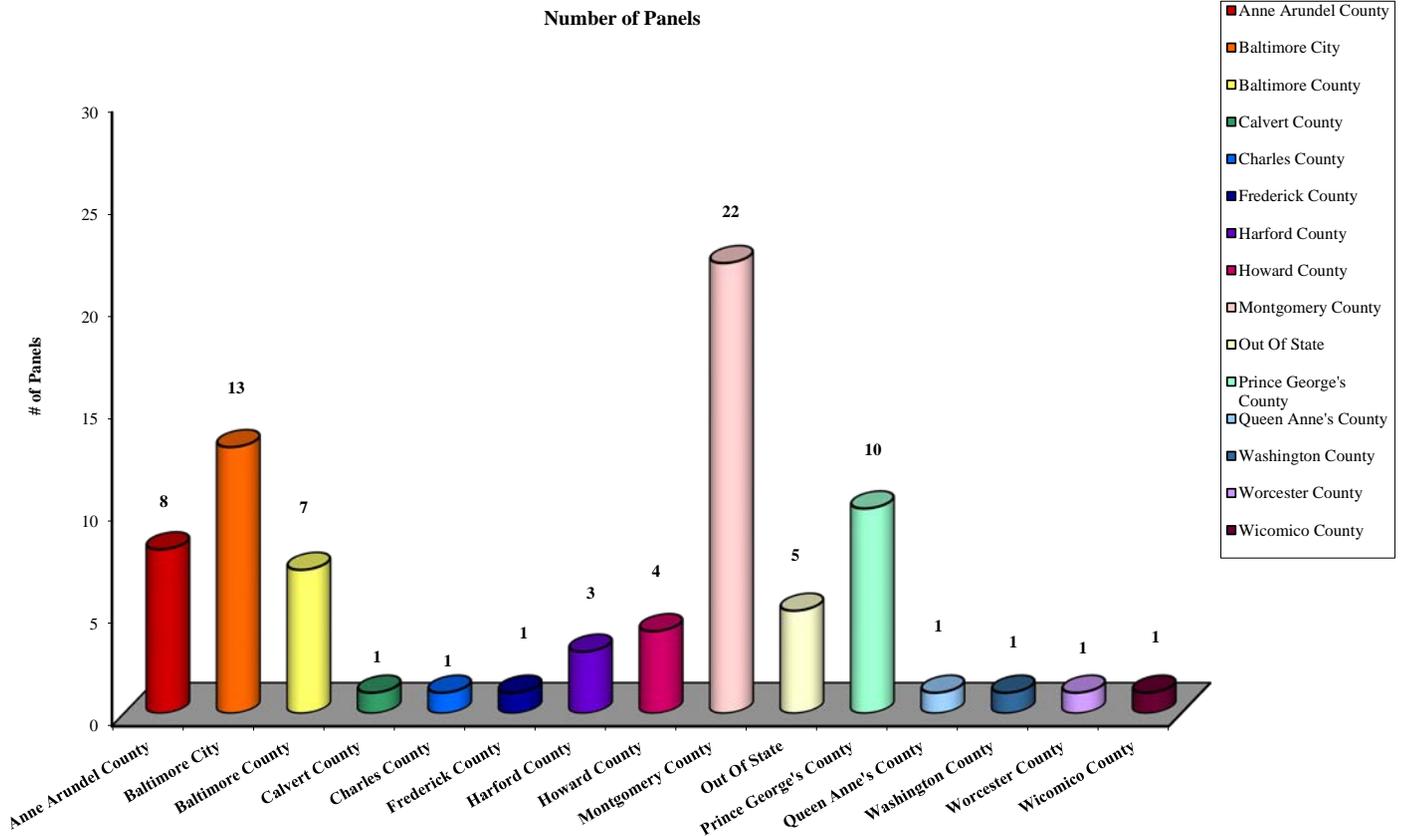
The average time to hold the panel meeting after the panel was constituted was fifty-one (51) days, and the average time for filing of the panel report was fifteen (15) days after the meeting.



Montgomery County (22) and Baltimore City (16) had the highest number of Peer Review Panel meetings while ten (10) counties had none during the fiscal year.

# Panel Breakdown by County

**Total of 79 Panels**  
**Total of 111 BC Dockets**



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

**Allegany, Caroline, Carroll, Cecil, Dorchester, Garrett, Kent, Somerset, St. Mary, and Talbot**

## **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, 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, and other conditions, as well.

Such agreements usually conclude the disciplinary process. Ordinarily, the attorney has not been the subject of prior complaints. This fiscal year, fifteen (15) conditional diversion agreements were commenced. Nineteen (19) conditional diversion agreements were administratively closed, and one (1) agreement was revoked. Twenty-three (23) were pending at the end of the fiscal year.

## **UNAUTHORIZED PRACTICE OF LAW INVESTIGATIONS**

There were thirty-one (31) unauthorized practice of law files in FY 2016. Of that number, twenty (20) files were newly opened in FY 2016, and eleven (11) remained opened from FY 2015. Investigations led to finding there was of no unauthorized practice of law in four (4) cases. Three (3) individuals voluntarily agreed to cease the unauthorized practice. Three (3) files were referred to out of state disciplinary authorities and five (5) were referred to Maryland State's Attorney's Offices for prosecution of the offending individual. One (1) was referred to the Office of the Attorney General for handling. One (1) file was docketed and fourteen (14) files remained open at the end of the FY 2016.

## **ACTIVITIES OF PROFESSIONAL STAFF**

Bar Counsel Glenn M. Grossman was an instructor at the mandatory professionalism course for new bar admittees and appeared at two risk management seminars sponsored by CNA Insurance Company and insurance broker Rossmann-Hurt-Hoffman. He guest lectured at the University of Baltimore School of Law and at the University of Maryland Francis King Carey School of Law. He joined with the District of Columbia and Virginia Bar Counsel in a program on the disciplinary year in review. Mr. Grossman spoke at the Judicial Institute and at a number of bar association-sponsored events. He was a moot court judge at the Frederick Douglass Moot Court Competition National Quarterfinals, sponsored by the National Black Law Students Association and he spoke to the University of Maryland School of Medicine Forensic Psychiatry Seminar.

Deputy Bar Counsel Raymond A. Hein spoke at a program presented by the Family Law Section of the Maryland Association for Justice (MAJ) on evidentiary issues and ethical boundaries associated with various investigative techniques. He also served as a panelist at the MAJ Family Law Section's seminar dealing with "high conflict" cases and was one of the speakers at the MAJ Ethics Seminar. Mr. Hein was a panelist for a Bench-to-Bar program dealing with ethics in criminal cases presented by the Prince George's County Bar Association and for a program on

succession planning at the Cawood Inn of Court in Annapolis. He spoke to state Administrative Law Judges at the Office of Administrative Hearings. He also authored a column for the Maryland Bar Journal. Mr. Hein and Assistant Bar Counsel Jennifer Thompson presented a program on succession planning and trust account management for the Harford County Bar Association. Mr. Hein and Ms. Thompson also spoke at a regional program for paralegals hosted by the Maryland Association of Paralegals.

Senior Assistant Bar Counsel Dolores Ridgell spoke to the Harford County Public Defenders on criminal law ethics questions.

Senior Assistant Bar Counsel Marianne Lee helped prepare and present the new mandatory course for new bar admittees.

Assistant Bar Counsel Lydia Lawless guest lectured on three occasions at the University of Baltimore School of Law. She was the principal participant and presenter at a number of programs sponsored by the Maryland State Bar Association, including two at the Annual Meeting in Ocean City. She also presented programs for the District of Columbia Defense Lawyers' Association, the Baltimore, Prince George's and Montgomery County Bar Associations, and the Montgomery and Dudley Diggs Inns of Court. Ms. Lawless was named to the Executive Committee of the Montgomery Inn of Court and continued her participation as a mock trial judge at her alma mater, the Washington College of Law of the American University. She also continued to write for The Maryland Litigator and remained on its editorial board and on the Section Council of the Litigation Section of the Maryland State Bar Association.

Assistant Bar Counsel JaCina Stanton was a moot court judge at the Frederick Douglass Moot Court Competition National Quarterfinals, sponsored by the National Black Law Students Association and participated as a presenter in the new mandatory course for new bar admittees.

Assistant Bar Counsel Amy Paulick spoke to an Immigration Law class at the University of Maryland Francis King Carey School of Law and was a panelist on an ethics program sponsored by the Immigration Section of the Maryland State Bar Association.

Assistant Bar Counsel C. Shea McSpaden served as a member of the Ethics Review Panel for the Baltimore County Public Schools.

Assistant Bar Counsel Ebtehaj "Eby" Kalantar served as the "Commissioner" for the Montgomery County Bar Association softball league. He was published in The Maryland Litigator and in the Montgomery County Bar Association Newsletter.

Assistant Bar Counsel Jennifer Thompson, with Mr. Hein, presented a program on succession planning and trust account management for the Harford County Bar Association. They also spoke at a regional program for paralegals hosted by the Maryland Association of Paralegals.

Staff Attorney Kelsey Brown represented the Office at the Regional Unauthorized Practice of Law quarterly meetings hosted by the Council for Court Excellence.

Staff Attorney Jess Boltz wrote a column for the Maryland Bar Journal and co-authored two articles for that publication.

**THE COMMISSION**

(As of June 30, 2016)

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

Executive Secretary

Kendall R. Ruffatto

Administrative Assistant to Executive Secretary

Jane F. Carr

**ATTORNEY STAFF MEMBERS**

(As of June 30, 2016)

**Bar Counsel**

Glenn M. Grossman

**Deputy Bar Counsel**

Raymond A. Hein

**Senior Assistant Bar Counsel**

Dolores O. Ridgell

Marianne J. Lee

**Assistant Bar Counsel**

Lydia E. Lawless

Amy S. Paulick

C. Shea McSpaden

Ebtehaj Kalantar

Jennifer L. Thompson

**Staff Attorneys**

Kelsey L. Brown

Jessica M. Boltz

**STAFF MEMBERS**

**Investigators**

Marc O. Fiedler, Lead Investigator

Michael H. Peregoy

William M. Ramsey

Edwin P. Karr

Charles E. Miller

Cheryl A. Trivelli

**Paralegals**

Kandace L. Harries

Samantha Robinson

**Office Manager**

Debra L. Zachry

**Secretaries**

Sharon D. Gross

Susan G. Townshend

Debora A. Goodrick

Nancy M. LaRocque

Theresa Gatewood

**Receptionist**

Nancy I. Sale

**File Clerk**

Tammy Vosbury

## TEN (10) YEAR COMPARISON CHART

July 1, 2006 through June 30, 2016

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	10 Year Totals
<b>New Cases Received</b>	1,940	2,053	1,885	2,003	2,321	2,037	1,963	2,082	2,147	1,835	20,266
<b>Cases not Docketed</b>	1,589	1,647	1,532	1,597	1,880	1,648	1,604	1,717	1,795	1,478	16,487

### Cases Docketed

Docketed Complaints (Prima facia misconduct indicated)	351	406	353	406	429	382	320	330	330	339	3,646
Reinstatement Petitions Received	n/a	n/a	n/a	n/a	12	7	16	22	11	13	81
Attorney Trust Account Overdraft (*)	n/a	n/a	n/a	n/a	n/a	n/a	23	8	6	5	42
Resignation (*)	n/a	3	4	0	7						
Unauthorized Practice of Law (*)	n/a	2	1	0	3						
<b>TOTALS</b>	<b>351</b>	<b>406</b>	<b>353</b>	<b>406</b>	<b>441</b>	<b>389</b>	<b>359</b>	<b>365</b>	<b>352</b>	<b>357</b>	<b>3,779</b>

<b>Docketed Cases Concluded</b>	368	414	375	361	375	431	376	368	426	347	3,841
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### Dispositions (by number of Attorneys)

Disbarred	9	11	5	15	11	23	16	18	20	16	144
Disbarred by Consent	8	10	13	13	13	22	21	8	24	13	145
Suspension	20	24	18	13	8	15	21	29	33	18	199
Interim Suspension	1	0	1	0	1	0	3	4	2	2	14
Public Reprimand by Court	3	9	6	4	6	7	5	9	8	3	60
Public Reprimand by Commission	16	12	20	31	27	26	23	19	24	26	224
Inactive Status	4	1	0	4	2	3	2	3	1	1	21
Dismissed by Court	4	7	8	11	5	5	10	6	5	8	69
Petitions for Reinstatement Granted	3	9	7	0	5	0	6	11	5	7	53
Petitions for Reinstatement Denied	5	7	7	7	7	3	5	7	4	4	56
Petitions for Reinstatement Withdrawn	0	0	0	0	0	0	1	6	3	2	12
Resignations	2	1	0	0	0	0	0	0	4	0	7
Resignation Denied	0	0	0	0	0	0	0	2	0	0	2
<b>TOTALS</b>	<b>75</b>	<b>91</b>	<b>85</b>	<b>98</b>	<b>85</b>	<b>104</b>	<b>113</b>	<b>122</b>	<b>133</b>	<b>100</b>	<b>1,006</b>

Number of active Attorneys admitted to practice law in Maryland	33,018	33,400	34,569	34,506	35,515	36,579	37,290	37,266	38,938	39,814
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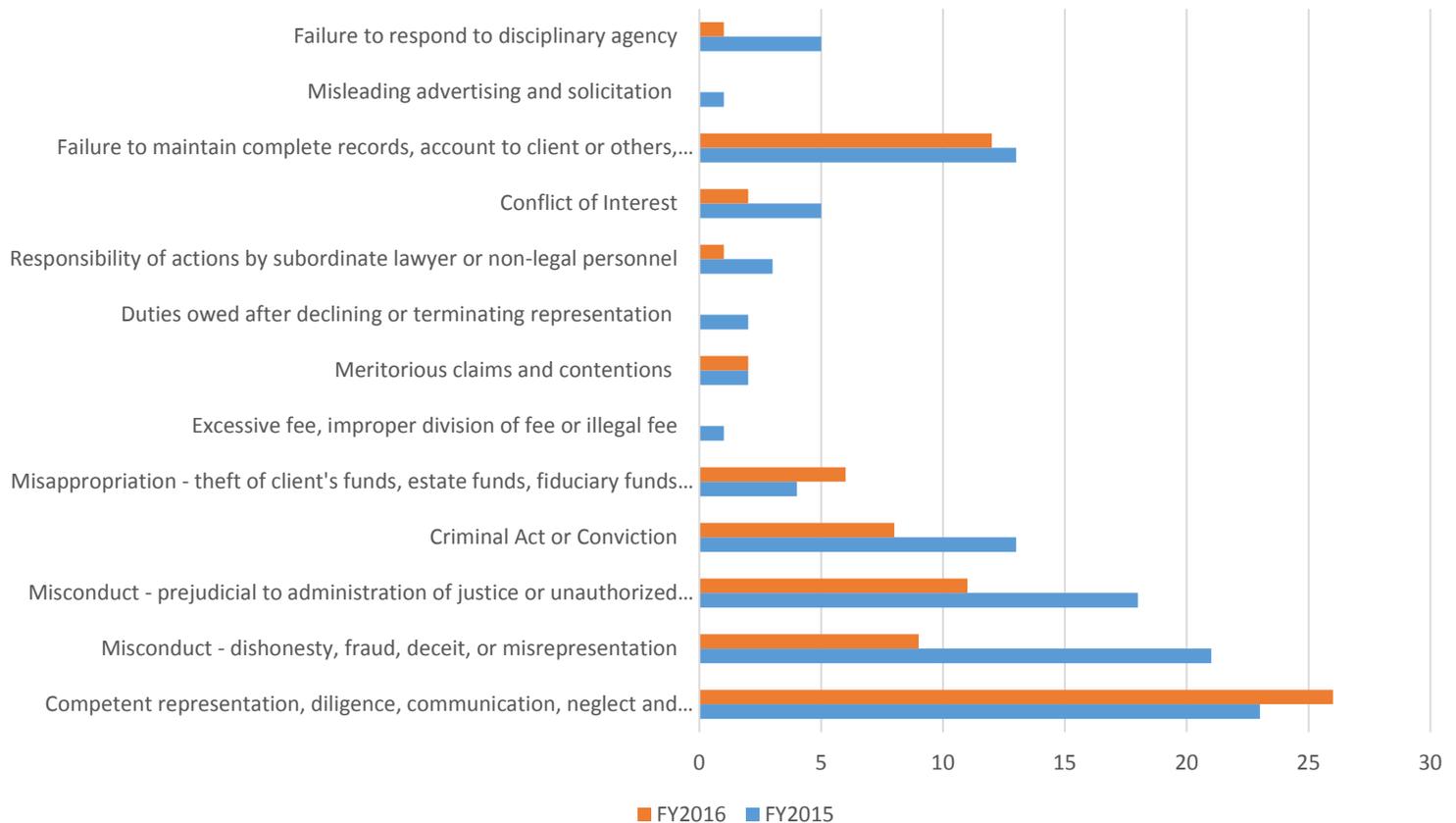
(\*) New Category beginning FY 2014

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND**  
**STATISTICAL REPORT**  
Fiscal Year 2016

<b>REASONS FOR DISCIPLINARY ACTION:</b>		
Represents number of cases resulting in sanctions - 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</u> is indicated below.	<b>2014-2015</b>	<b>2015-2016</b>
Competent representation, diligence, communication, neglect and abide by client's decisions	23	26
Misconduct - dishonesty, fraud, deceit, or misrepresentation	21	9
Misconduct - prejudicial to administration of justice or unauthorized practice of law	18	11
Criminal Act or Conviction	13	8
Misappropriation - theft of client's funds, estate funds, fiduciary funds or law firm funds	4	6
Excessive fee, improper division of fee or illegal fee	1	0
Incapacity (substance abuse, mental or physical illness)	0	0
Meritorious claims and contentions	2	2
Duties owed after declining or terminating representation	2	0
Responsibility of actions by subordinate lawyer or non-legal personnel	3	1
Conflict of Interest	5	2
Failure to maintain complete records, account to client or others, maintain trust account, or safeguard funds, commingling	13	12
Misleading advertising and solicitation	1	0
Failure to respond to disciplinary agency	5	1
<b>TOTAL:</b>	111	78

## Reasons for Disciplinary Action

FY2015 vs. FY2016 (# of Sanctions)



### NEW CASES RECEIVED

	FY 2015	FY 2016
Complaint	1969	1716
Attorney Trust Account Overdraft Notice	143	108
Resignation	4	0
Unauthorized Practice of Law	38	20
<b>TOTAL:</b>	2144	1835

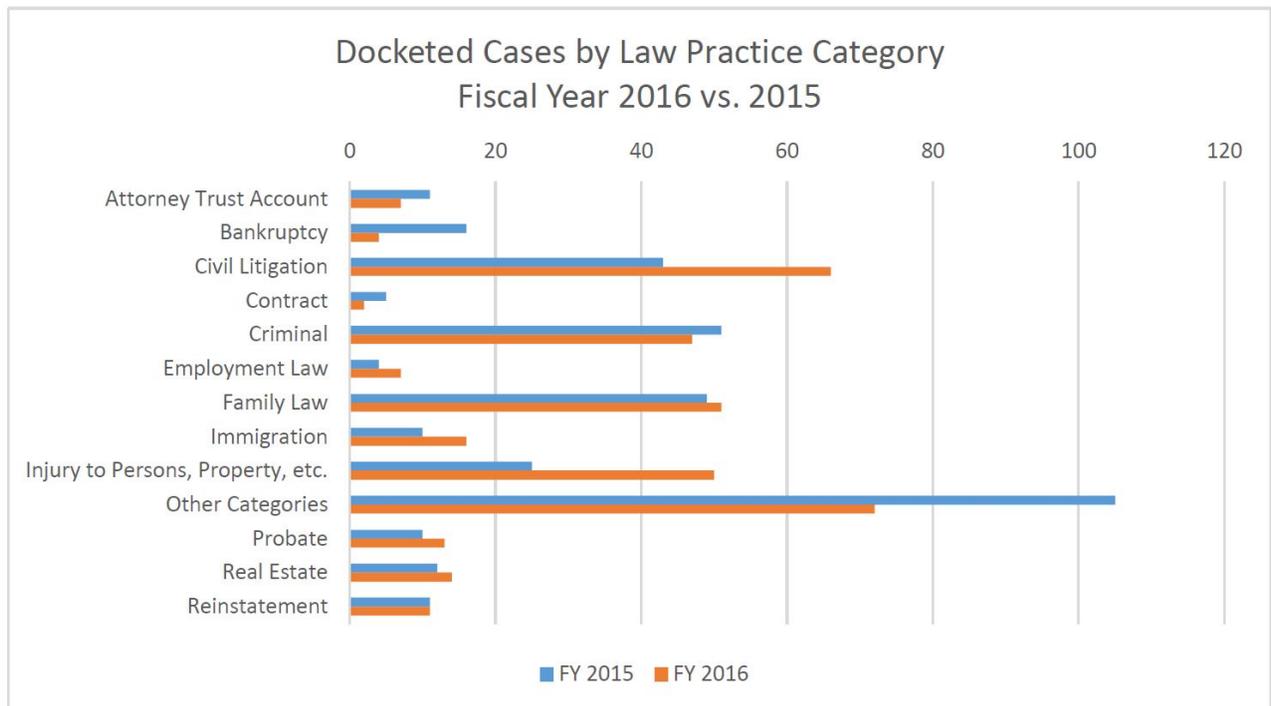
### NEW DOCKETED CASES

Complaint	330	339
Attorney Trust Account Overdraft Notice	12	10
Reinstatement Petitions Received	11	13
Resignation	4	0
Unauthorized Practice of Law	1	0
<b>TOTAL:</b>	352	357

# STATISTICAL REPORT

Fiscal Year 2016

LAW PRACTICE CATEGORY	FY 2015	FY 2016
Attorney Trust Account	11	7
Bankruptcy	16	4
Civil Litigation	43	66
Contract	5	2
Criminal	51	47
Employment Law	4	7
Family Law	49	51
Immigration	10	16
Injury to Persons, Property, etc.	25	50
Other Categories	105	72
Probate	10	13
Real Estate	12	14
Reinstatement	11	11
<b>TOTAL:</b>	<b>352</b>	<b>360</b>



**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND  
STATISTICAL REPORT  
Fiscal Year 2016**

<b>DOCKETED CASES BY LOCALE</b>	<b>FY 2015</b>	<b>FY 2016</b>
Allegany County	17	4
Anne Arundel County	25	36
Baltimore City	49	67
Baltimore County	57	51
Calvert County	1	0
Caroline County	0	0
Carroll County	3	1
Cecil County	6	1
Charles County	3	5
Dorchester County	3	1
Frederick County	12	8
Garrett County	1	1
Harford County	4	6
Howard County	27	17
Kent County	0	1
Montgomery County	69	73
Prince George's County	30	41
Queen Anne's County	3	0
Somerset County	0	0
St Mary's County	3	1
Talbot County	0	2
Washington County	3	4
Wicomico County	2	4
Worcester County	3	2
Out of State	31	31
<b>TOTAL:</b>	<b>352</b>	<b>357</b>

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND**  
**STATISTICAL REPORT**

Fiscal Year 2016

<b>PRIMARY MD RULES OF PROFESSIONAL CONDUCT VIOLATED</b> (Primary rule violated may change during the course of the case)		<b>FY 2015</b>	<b>FY 2016</b>
<b>1.01</b>	Competence	17	28
<b>1.02</b>	Scope of representation/allocation of authority	3	2
<b>1.03</b>	Diligence	61	49
<b>1.04</b>	Communication	31	42
<b>1.05</b>	Fees	11	30
<b>1.06</b>	Confidentiality of Information	2	4
<b>1.07</b>	Conflict of Interest: General Rule	7	5
<b>1.08</b>	Conflict of Interest: Current Clients: Specific Rules	1	4
<b>1.09</b>	Duties to Former Clients	1	2
<b>1.10</b>	Imputation of Conflicts of Interest: General Rule	1	0
<b>1.15</b>	Safekeeping Property	36	32
<b>1.16</b>	Declining or Terminating Representation	19	14
<b>1.18</b>	Duties to Prospective Client	1	1
<b>3.1</b>	Meritorious Claims and Contentions	1	5
<b>3.3</b>	Candor Toward the Tribunal	2	8
<b>3.4</b>	Fairness to Opposing Party and Counsel	3	5
<b>4.1</b>	Truthfulness in Statements to Others	0	2
<b>4.2</b>	Communication with Person Represented by Counsel	1	2
<b>4.4</b>	Respect for Rights of Third Persons	0	2
<b>5.3</b>	Responsibilities Regarding Nonlawyer Assistants	1	3
<b>5.4</b>	Professional Independence of a Lawyer	0	1
<b>5.5</b>	Unauthorized Practice of Law; Multijurisdictional Practice of Law	9	13
<b>7.2</b>	Advertising	0	1
<b>7.3</b>	Direct Contact with Prospective Clients	0	1
<b>8.1</b>	Bar Admission and Disciplinary Matters	26	17
<b>8.2</b>	Judicial and Legal Officials	1	2
<b>8.4</b>	Misconduct	4	2
<b>8.4 (a)</b>	Misconduct - Violate or attempt to violate rules through another	4	4
<b>8.4 (b)</b>	Misconduct - Commit a criminal act	14	12
<b>8.4 (c)</b>	Misconduct - Dishonesty, fraud, deceit, misrepresentation	37	29
<b>8.4 (d)</b>	Misconduct - Prejudicial to administration of justice	28	18
<b>8.4 (f)</b>	Misconduct - State/imply an ability to influence gov. agency/other	0	1
<b>Other</b>	Other (Reinstatement, Reciprocal, Inactive, etc.)	30	19
<b>TOTAL:</b>		<b>352</b>	<b>360</b>

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND**

**STATISTICAL REPORT**

Fiscal Year 2016

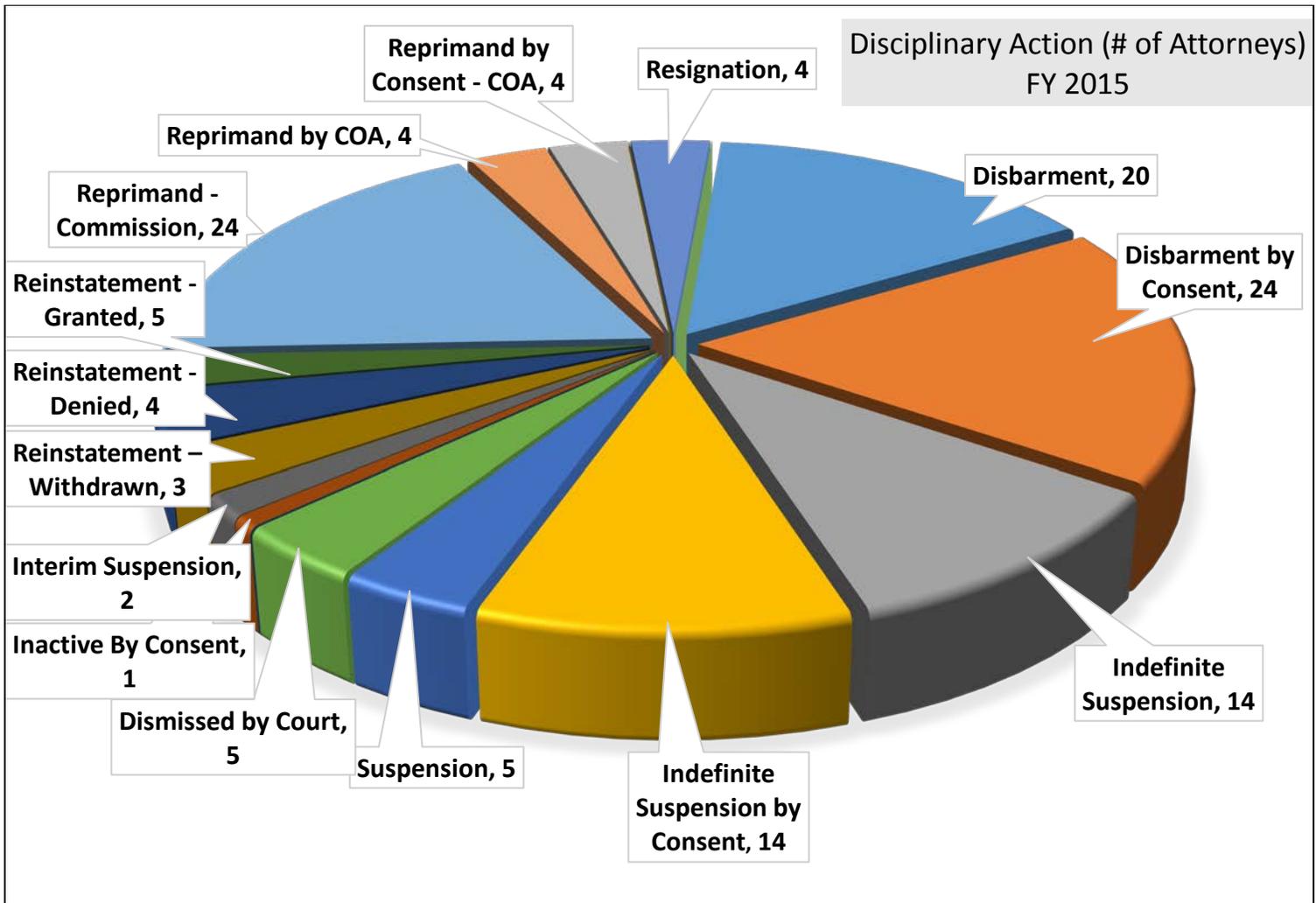
<b>DISPOSITIONS OF CASES DOCKETED</b>	<b>FY 2015</b>	<b>FY 2016</b>
Administratively Closed	83	61
CDA and Reprimand	0	0
Disbarment	41	28
Disbarment by COA	0	0
Disbarment by Consent	37	21
Dismissed	62	64
Dismissed by Court	6	16
Dismissed Peer Review	5	4
Dismissed with Warning	67	71
Dismissed with Warning - Peer Review	15	3
Inactive	0	1
Inactive By Consent	1	0
Indefinite Suspension	25	12
Indefinite Suspension by Consent	28	19
Reinstatement - Denied	4	4
Reinstatement - Granted	5	7
Reinstatement – Withdrawn	3	2
Reprimand	0	0
Reprimand - Commission	27	29
Reprimand by COA	4	0
Reprimand by Consent - COA	4	3
Reprimand by Consent - Commission	0	0
Resignation	4	0
Suspension	1	0
Suspension (Misc.)	1	0
Suspension 1 Year	0	0
Suspension 20 Days	0	0
Suspension 30 Days	1	1
Suspension 30 days by Consent	1	0
Suspension 6 Months	1	0
Suspension 60 Days	0	1
Suspension 90 Days	0	0
Suspension Indefinite (Stayed)	0	0
Warning - Peer Review	0	0
<b>TOTAL:</b>	426	347

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND  
STATISTICAL REPORT**

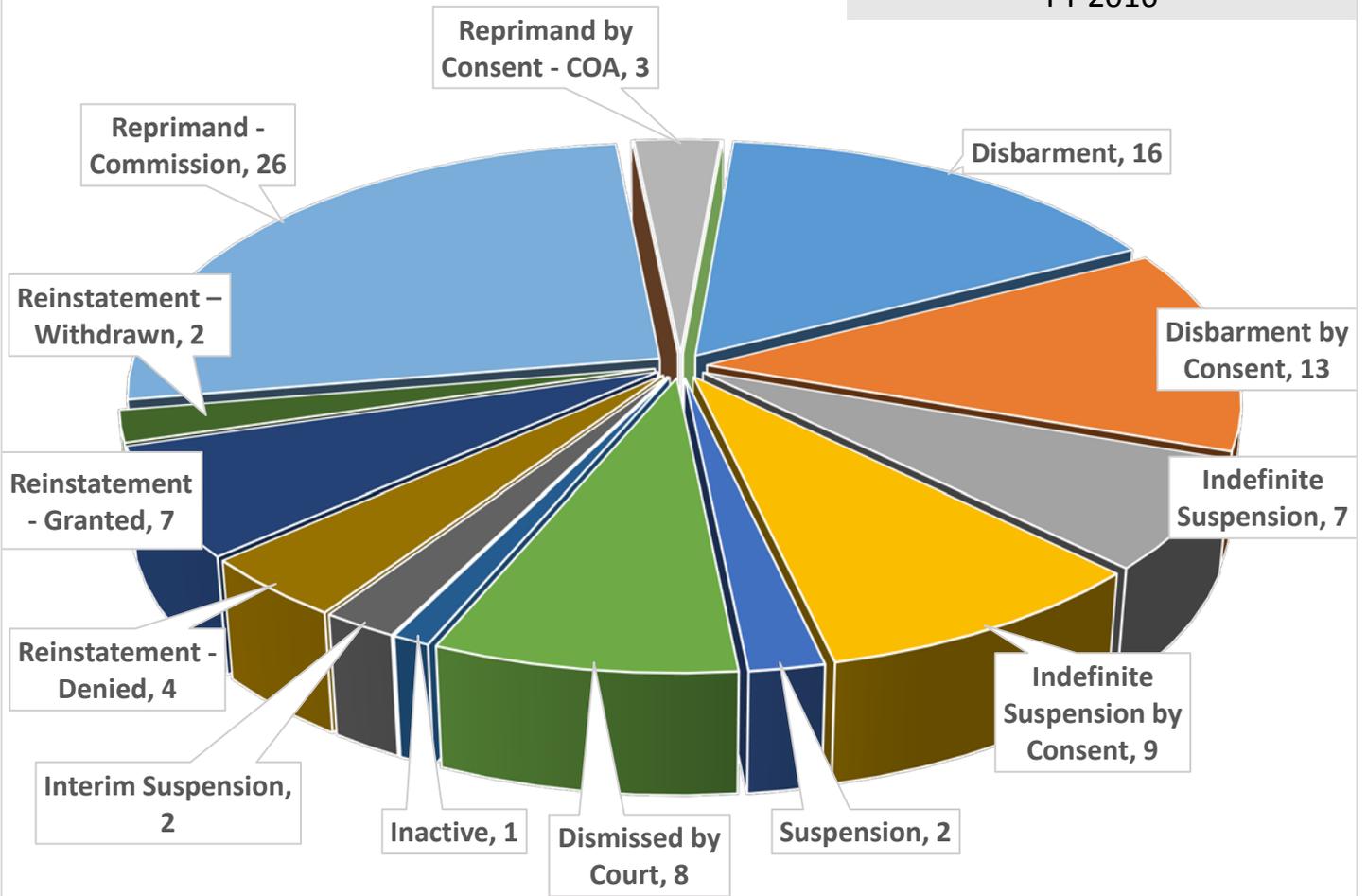
Fiscal Year 2016

<b>DISCIPLINARY ACTION (by Attorneys)</b>	<b>FY 2015</b>	<b>FY 2016</b>
Disbarment	20	16
Disbarment by Consent	24	13
Indefinite Suspension	14	7
Indefinite Suspension by Consent	14	9
Suspension	5	2
Dismissed by Court	5	8
Inactive	0	1
Inactive By Consent	1	0
Interim Suspension	2	2
Reinstatement - Denied	4	4
Reinstatement - Granted	5	7
Reinstatement – Withdrawn	3	2
Reprimand - Commission	24	26
Reprimand by COA	4	0
Reprimand by Consent - COA	4	3
Reprimand by Consent - Commission	0	0
Resignation	4	0
Resignation Denied	0	0
<b>TOTAL:</b>	133	100

**DISCIPLINARY ACTIONS CHART**  
**Fiscal Years 2015 and 2016**



Disciplinary Action (# of Attorneys)  
FY 2016



ATTORNEY GRIEVANCE COMMISSION  
OF MARYLAND  
Annapolis, Maryland

AUDITED FINANCIAL STATEMENTS  
June 30, 2016 and 2015

<b><u>TABLE OF CONTENTS</u></b>	<b><u>Page(s)</u></b>
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Statements of Budget, Receipts, Expenditures, and Fund Balance	6
Statements of Cash Flows	7
Notes to Financial Statements	8-13
Supplementary Schedules	14-15

## 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 balance sheets as of June 30, 2016 and 2015, and the related statements of budget, receipts, expenditures, and fund balance, 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.

#### ANNAPOLIS

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#### ALEXANDRIA

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Alexandria, VA 22314  
703.299.6565

## **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, 2016 and 2015, 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.

## **Other Matter**

In our report dated November 18, 2015, we expressed an opinion that the 2015 financial statements did not fairly present the financial position, changes in net assets, and cash flows of Attorney Grievance Commission of Maryland in accordance with accounting principles generally accepted in the United States of America because Attorney Grievance Commission of Maryland did not capitalize its property, plant, and equipment and did not account for depreciation expense. In the past, the Commission has expensed property and equipment at the date of purchase. As described in Note 10, the entity has changed its method of accounting for these items and restated its 2015 financial statements to conform to accounting principles generally accepted in the United States of America. Accordingly, our present opinion on the restated 2015 financial statements, as presented herein, is different from that expressed in our previous report.

## **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.

A handwritten signature in blue ink, appearing to read "Heim Hunt". The signature is stylized and cursive.

Annapolis, Maryland  
October 5, 2016

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND  
BALANCE SHEETS  
JUNE 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 113,880	\$ 352,734
Investments	3,849,238	3,649,824
Attorney assessments receivable	2,880	10,470
Due from Client Protection Fund - salary and benefits	117,340	121,168
Other receivables	-	5,641
Pension receivable	10,421	-
Prepaid expenses	23,454	35,054
<b>TOTAL CURRENT ASSETS</b>	4,117,213	4,174,891
<b>NON-CURRENT ASSETS</b>		
Property and equipment, net	92,740	149,875
Security deposits	20,020	20,020
<b>TOTAL NON-CURRENT ASSETS</b>	112,760	169,895
<b>TOTAL ASSETS</b>	\$ 4,229,973	\$ 4,344,786
<b>LIABILITIES AND FUND BALANCE</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and other current liabilities	\$ 174,881	\$ 77,779
Pension payable	-	19,222
Accrued compensated absences	272,369	310,415
Current portion of deferred lease expense	5,859	5,859
<b>TOTAL CURRENT LIABILITIES</b>	453,109	413,275
Deferred lease expense	46,875	52,735
Retiree health insurance credit plan	267,470	156,293
<b>TOTAL LIABILITIES</b>	767,454	622,303
<b>FUND BALANCE</b>		
Restricted	192,898	408,778
Unrestricted	3,269,621	3,313,705
<b>TOTAL FUND BALANCE</b>	3,462,519	3,722,483
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	\$ 4,229,973	\$ 4,344,786

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

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND**  
**STATEMENTS OF BUDGET, RECEIPTS, EXPENDITURES, AND FUND BALANCE**  
**FOR THE YEARS ENDED JUNE 30, 2016 and 2015**

	<u>2016</u>			<u>2015</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Positive (Negative)</u>
<b>COMMISSION RECEIPTS</b>						
Attorney Assessments	\$ 4,044,737	\$ 4,093,215	\$ (48,478)	\$ 4,151,923	\$ 4,010,055	\$ 141,868
Investment Income	27,788	30,000	(2,212)	24,440	30,000	(5,560)
Court Recovered Costs	54,976	25,000	29,976	58,627	25,000	33,627
CPF Reimbursements	<u>380,807</u>	<u>372,946</u>	<u>7,861</u>	<u>347,608</u>	<u>334,398</u>	<u>13,210</u>
<b>TOTAL RECEIPTS</b>	<u>4,508,308</u>	<u>4,521,161</u>	<u>(12,853)</u>	<u>4,582,599</u>	<u>4,399,453</u>	<u>183,146</u>
<b>COMMISSION EXPENSES</b>						
Personnel Costs	2,801,306	3,026,824	(225,518)	2,696,240	2,911,962	(215,722)
Case Management Costs	241,859	291,349	(49,490)	276,904	283,349	(6,445)
Staff Support	89,193	135,000	(45,807)	102,006	139,000	(36,994)
Outside Services	55,886	55,000	886	38,547	41,000	(2,453)
Information Technology Support	201,226	213,000	(11,774)	223,246	196,000	27,246
Office Expense	412,730	400,636	12,094	284,217	300,900	(16,683)
Court Mandated Costs	153,644	156,910	(3,266)	185,590	156,910	28,680
Office of Executive Secretary	173,165	181,372	(8,207)	169,204	184,883	(15,679)
Client Protection Fund - Payroll	<u>230,485</u>	<u>230,485</u>	<u>-</u>	<u>231,561</u>	<u>225,324</u>	<u>6,237</u>
<b>TOTAL EXPENDITURES</b>	<u>4,359,494</u>	<u>4,690,576</u>	<u>(331,082)</u>	<u>4,207,515</u>	<u>4,439,328</u>	<u>(231,813)</u>
<b>INCREASE (DECREASE) IN UNRESTRICTED FUND BALANCE</b>	<u>\$ 148,814</u>	<u>\$ (169,415)</u>	<u>\$ 318,229</u>	<u>\$ 375,084</u>	<u>\$ (39,875)</u>	<u>\$ 414,959</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	3,722,483			3,347,399		
<b>RESTRICTED FUND BALANCE, PRIOR YEAR</b>	(408,778)			-		
<b>RESTRICTED FUND BALANCE, CURRENT YEAR</b>	192,898			408,778		
<b>UNRESTRICTED FUND BALANCE</b>	<u>3,269,621</u>			<u>3,313,705</u>		
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 3,462,519</u>			<u>\$ 3,722,483</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, 2016 and 2015**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2016</b>	<b>2015</b>
Increase in unrestricted fund balance:	\$ 148,814	\$ 375,084
Adjustments to reconcile increase in unrestricted fund balance to cash provided (used) by operating activities		
Depreciation	68,053	57,029
(Increase) decrease in:		
Attorney assessments receivable	7,590	8,924
Due from Client Protection Fund	3,828	107,349
Other receivables	5,641	(5,641)
Prepaid expenses	11,600	(25,780)
Pension receivable	(10,421)	-
Security deposits	-	(20,020)
Increase (decrease) in:		
Accounts payable	97,102	(9,191)
Pension payable	(19,222)	(4,581)
Accrued compensated absences	(38,046)	5,352
Retiree health insurance credit plan	111,177	53,114
Deferred lease expense	(5,860)	58,594
Excess fund balance	(408,778)	(107,142)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(177,336)</b>	<b>118,007</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investments - net	(199,414)	(101,493)
Purchase of property & equipment	(10,919)	(67,953)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(210,333)</b>	<b>(169,446)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(238,855)</b>	<b>323,645</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>352,734</b>	<b>29,089</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 113,880</b>	<b>\$ 352,734</b>

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

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016 and 2015**

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**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 supervise and administer the discipline and inactive status of attorneys under Maryland rules. The Commission oversees 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 Lawyers 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 a governmental special revenue fund. These funds are used to account for the proceeds of revenue sources that are restricted to expenditures for specific purposes. These financial statements reflect only the activity of an unrestricted fund. There are no permanently or temporarily restricted funds.

*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 (the Fund) on a billing which includes assessments for the Fund, the Maryland Professionalism Center, and the Commission. These assessments are required by the Maryland court system on an annual basis by any individual who is admitted to practice before the Court of Appeals or is 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, the only receivable on these financial statements are assessments collected by the Client Protection Fund but not yet remitted to the Commission. 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 for the Commission was \$105 for the years ended June 30, 2016 and 2015, for each attorney in practice. The number of practicing attorneys assessed during the years ended June 30, 2016 and 2015 was 40,707 and 38,150, 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, savings and money market accounts with original maturities of less than ninety days.

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2016 and 2015**

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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.

Investments - other

The Commission invests in U.S. Government securities and certificates of deposit, including Treasury Bills and Treasury notes. Investments are recorded at market value as of the balance sheet date.

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 a 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.

**NOTE 2 – PROPERTY AND EQUIPMENT**

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

	2016	2015
Computer equipment	\$ 70,831	\$ 61,180
Furniture and fixtures	65,133	63,866
Leasehold improvements	17,390	17,390
Software	118,796	118,796
Total property and equipment	<u>272,150</u>	<u>261,231</u>
Less accumulated depreciation	179,409	111,356
Property and equipment, net	<u>\$ 92,740</u>	<u>\$ 149,875</u>

Depreciation expense for the periods ending June 30, 2016 and 2015 was \$68,053 and \$57,029, respectively.

**NOTE 3 – INVESTMENTS**

Investments are stated at their readily determinable fair value at June 30, 2016 and June 30, 2015 and are comprised of available-for-sale securities as follows:

	<u>June 30, 2016</u>			
	<u>Amortized cost</u>	<u>Gains in accumulated comprehensive income</u>	<u>Losses in accumulated comprehensive income</u>	<u>Estimated fair value</u>
Certificates of Deposit	\$ 3,845,000	\$ 4,238	\$ -0-	\$ 3,849,238
Total	<u>\$ 3,845,000</u>	<u>\$ 4,238</u>	<u>\$ -0-</u>	<u>\$ 3,849,238</u>

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2016 and 2015**

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	<u>June 30, 2015</u>			
	<u>Amortized cost</u>	<u>Gains in accumulated comprehensive income</u>	<u>Losses in accumulated comprehensive income</u>	<u>Estimated fair value</u>
Certificates of Deposit	\$ 3,646,222	\$ 3,602	\$ -0-	\$ 3,649,824
Total	<u>\$ 3,646,222</u>	<u>\$ 3,602</u>	<u>\$ -0-</u>	<u>\$ 3,649,824</u>

For the years ending June 30, 2016 and 2015, investment income consisted of the following:

<u>Year ended</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Interest Income	\$ 27,258	\$ 23,215
Unrealized Gain/(Loss)	<u>530</u>	<u>1,225</u>
Total Investment Income	<u>\$ 27,788</u>	<u>\$ 24,440</u>

For purposes of determining gross realized gain/loss, securities sold are based on specific identification.

**NOTE 4 – FAIR VALUE MEASUREMENTS**

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Association has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial instruments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are financial instruments where values are based on unadjusted quoted prices for an identical asset in an active market the Commission has the ability to access.

**Level 2.** These are financial instruments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full-term of the financial instruments.

**Level 3.** These are financial instruments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the financial instruments. These financial instruments include non-readily marketable securities that do not have an active market.

All of the Commissions' investments are stated at fair value on a recurring basis, using level 1 inputs. Unrealized gains and losses are included as a component of investment income.

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2016 and 2015**

<u>Year ending</u>	<u>June 30 2016,</u>	<u>June 30, 2015</u>
Certificates of Deposit	\$ 3,849,238	\$ 3,598,864
US Government Securities	-	50,960
Total Investments	<u>\$ 3,849,238</u>	<u>\$ 3,649,824</u>

**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 during the years ended June 30, 2016 and 2015 were \$286,734 and \$282,204, respectively. This amount is equal to 15% of the participant's compensation.

**NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS**

On September 1, 2012 the Commission adopted an Other Postemployment Benefit Plan (OPEB) in order to provide health insurance expense 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.” The Eligible retirees will 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. The total contribution expense charged as an expenditure in the current year was \$123,000. The actual and estimated schedules of employer contributions and funding progress are as follows through June 30, 2016, assuming a discount rate of 3.5%:

Schedule of Employer Contributions

Year Ended June 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
2014	\$57,000	\$6,996	12.3%	\$103,179
2015	\$59,000	\$5,886	9.98%	\$156,293
2016	\$123,000	\$11,823	9.61%	\$267,470

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio
7/1/2014	\$0	\$418,000	\$418,000	0.0%
7/1/2015	\$0	\$848,000	\$848,000	0.0%
7/1/2016	\$0	\$903,000	\$903,000	0.0%

**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.

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
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In addition, part of the new 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 \$52,735. This amount is reported on the Balance Sheet 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, 2017	\$ 240,236
June 30, 2018	240,236
June 30, 2019	240,236
June 30, 2020	240,236
June 30, 2021	<u>240,236</u>
Total	<u>\$ 1,201,180</u>

**NOTE 8 - RELATED PARTY TRANSACTIONS**

The Commission has significant transactions with the Client Protection Fund of the Bar of Maryland, an instrumentality of the State of Maryland. All assessments of the Client Protection Fund of the Bar of Maryland and the Attorney Grievance Commission of Maryland are billed and collected by the Client Protection Fund of the Bar of Maryland and the Commission's portion is transferred monthly by check.

During the years ending June 30, 2016 and 2015 the Client Protection Fund of the Bar of Maryland incurred fees for salaries and benefits used in the billing and collection process in the amount of \$342,187 and \$378,518, respectively. At June 30, 2016 and 2015, the Client Protection Fund of the Bar of Maryland owed these fees to the Commission in the amount of \$117,340 and \$121,168, respectively. In addition, the Client Protection Fund of the Bar of Maryland owed to the Commission attorney assessments in the amount of \$2,880 and \$10,470 at June 30, 2016 and 2015, respectively.

**NOTE 9 – BONDS**

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

**NOTE 10 – 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 Fund Balance of 75% of the prior year's fiscal expenditures. Any excess Fund Balance 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 the fund balance. Per this Order, at June 30, 2016 and 2015, the Commission owed \$192,898 and \$408,778 to the Client Protection Fund, respectively. This amount is set aside as "Restricted Fund Balance" on the June 30, 2016 and 2015 balance sheets.

**NOTE 11 – PRIOR PERIOD ADJUSTMENT**

Management has restated the balance of retained earnings as previously reported in its financial statements as of June 30, 2015. After the 2015 financial statements were issued, management decided to adopt a new accounting policy to capitalize acquisitions of equipment and furniture and all expenditures for repairs, maintenance and betterments costing \$1,000 or more, which, in addition to being applied to the year ended June 30, 2016, was also

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND**  
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applied retroactively to all prior years. Previously, the Commission had expensed the costs mentioned above as they were incurred. The effect of this change on the financial statements is detailed below:

	<u>Previously Reported</u>	<u>Increase (Decrease)</u>	<u>Restated</u>
Property and Equipment, net	-	149,875	149,875
Depreciation Expense	-	57,029	57,029
Operating Expenses	4,218,438	(10,923)	4,207,515
Net income	364,161	10,923	375,084
Retained Earnings at June 30, 2015	3,163,831	149,874	3,313,705

**NOTE 12 – MANAGEMENT’S SUBSEQUENT REVIEW**

The Commission has evaluated subsequent events through October 5, 2016, the date which the financial statements were available to be issued, and no events were noted that would materially impact the financial statements.