

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND



43rd Annual Report

July 1, 2017 thru June 30, 2018

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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During the past fiscal year, Dolores O. Ridgell, Senior Assistant Bar Counsel, and Marc O. Fiedler, Lead Investigator, both retired following decades of service to the Commission. Ms. Ridgell joined the Commission as an Assistant Bar Counsel in August 1995 and was promoted to Senior Assistant in 2014. Mr. Fiedler began his career with the Commission in June 1988 following his retirement from the Baltimore County Police Department. In 2008, Mr. Fiedler was appointed Lead Investigator and served in that role until his retirement in June 2018. Jason P. Bogue was promoted to Lead Investigator effective June 18, 2018.

In March 2018, Harry K. Wolpoff, the Chair of the Peer Review Committee, passed away. Mr. Wolpoff served as Chair of the Peer Review Committee since its inception in 2001. Prior to 2001, Mr. Wolpoff served as Chair of the Inquiry Committee for over 16 years. The Commission recognizes his dedication, professionalism, and outstanding service spanning more than 30 years to the organization. He is succeeded by Deborah L. Potter, Esquire, who was appointed by the Commission to serve as Chair of the Peer Review Committee, effective July 1, 2018.

The Office of Bar Counsel welcomed Deputy Bar Counsel Erin A. Risch, Assistant Bar Counsel Michael W. Blow, Jr. and Staff Attorneys Brittany L. Strickland and Lisa M. Piccinini to the staff.

The number of licensed attorneys in Maryland increased slightly from 39,890 to 40,300. This year, the Office of Bar Counsel received 1,802 complaints, the lowest number of complaints received in ten years. Bar Counsel docketed 254 matters for further investigation, a slight decrease from FY 2017 when 272 matters were docketed. The number of sanctioned attorneys fell from 93 to 65. The number of sanctioned attorneys is significantly lower than the ten-year average for all sanctions: approximately 82 per year.

While suspensions, numbering 20, were consistent with the ten-year average of 20.6, the numbers of disbarments, 26, and reprimands, 16, were significantly lower than the ten-year averages.

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, 10 new conservatorships were established, a substantial increase from five (5) in FY 2017. Ten conservatorships were closed and thirty-four (34) remained open at the end of the fiscal year.

As in previous years, the staff of the Office of Bar Counsel was 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 2018

ABDULLAH, Raouf Muhammad – Reprimand by Consent on September 22, 2017, for failing to make reasonable efforts to ensure that his firm had in effect measures giving reasonable assurances that all attorneys in the firm conformed with the Maryland Attorneys’ Rules of Professional Conduct and ratifying the conduct and/or failing to take remedial action to mitigate the misconduct.

AITA, Anna G. – Disbarred on March 27, 2018, for failing to provide competent and diligent representation to two immigration clients, failing to communicate about, or ascertain, the status of their cases, failing to safeguard their funds, charging unreasonable fees, failing to refund unused immigration filing fees, and misrepresenting material facts to a tribunal.

BERGMAN, Ronald Bruce – Commission Reprimand on November 22, 2017, for repeatedly failing to respond to lawful requests for information from a disciplinary authority.

BROWN, Alex Jonathan – Reprimand by Consent on September 27, 2017, for engaging in a course of unduly aggressive, uncivil and obstructionist litigation conduct that was both prejudicial to the administration of justice and brought the legal profession into disrepute.

BROWN, Jibril Abdussaboor – Reprimand by Consent on September 11, 2017, for failing to disclose a fact necessary to correct a misapprehension and engaging in conduct that is prejudicial to the administration of justice.

BROWN, Martin Bernard – Disbarred by Consent on March 13, 2018, for failing to safekeep client and third-party funds and failing to respond to lawful requests for information from a disciplinary authority.

BURCH Jr., John Thomas – Disbarred by Consent on October 12, 2017, in a reciprocal action from his disbarment in Virginia based upon breach of fiduciary duties to a charitable foundation over a period of several years. In connection with his misuse of foundation funds, the Respondent also pleaded guilty in June 2017 to one count of wire fraud in the United States District Court for the District of Columbia.

BUTLER, Lance, III – Disbarred on September 7, 2017, for falsifying and failing to file tax returns for multiple tax years, intentionally misrepresenting to his government employer the existence of, and earnings from, his private law practice and job as a personal trainer, misrepresenting his employment status to obtain a loan deferral, and lying under oath at a deposition and hearing in a prior attorney discipline proceeding.

CHUN, Sung Kook – Suspended by Consent for thirty (30) days, effective May 3, 2018, for charging unreasonable fees in connection with his representation of a client in an insurance claim, and failure to respond to lawful demands for information from a disciplinary authority.

COHEN, Maxwell Clifford – Indefinite Suspension by Consent on June 12, 2018, with the right to seek reinstatement no sooner than sixty (60) days, for failing to adequately communicate with clients, collecting unreasonable fees, failing to maintain client funds in trust until earned, sharing legal fees with a non-attorney, and engaging in conduct that is prejudicial to the administration of justice.

DOBBS, Michael David – Interim Suspension by Consent on January 3, 2018, pending further Order of the Court, following conviction in the Circuit Court for Montgomery County of Sexual Solicitation of a Minor.

DANTES, Phillip G. – Inactive Status by Consent on December 6, 2017.

DENRICH, Diana Beth – Disbarred by Consent on December 11, 2017, for committing a criminal act that that reflects adversely on her honesty, trustworthiness and fitness as an attorney. Respondent plead *nolo contendere* to conspiracy to commit theft of less than \$1,000.00 in connection with her role as a getaway driver in a robbery and plead guilty to obtaining prescription by fraud and possession of morphine following the execution of a search and seizure warrant on her home.

DONNELLY, Vernon Charles – Suspended for thirty (30) days on February 15, 2018, effective March 15, 2018, for identifying himself as a trustee of a limited liability company for which he was a member and served as counsel, for filing a complaint for partition of property against one of the company’s members and assigning a client’s property rights to trust, for failing to provide the complaint and assignment of contract rights to members who owned majority of company, for failing to communicate changes to a fee agreement, for failing to have the contingent fee agreement signed by members who owned majority of company, and failing to move to dismiss the case and promptly surrender papers upon termination of his representation.

DINOVITZ, Shoshana – Commission Reprimand on July 24, 2017, for charging legal fees against her former client’s credit card after authorization had been revoked, communicating with the former client when she knew that the former client was a represented party and disclosing confidential information.

DYMOWSKI, Leo – Commission Reprimand on August 18, 2017, for making statements concerning the integrity of the sitting judges and judicial appointment process with reckless disregard as to the truth or falsity of the statements.

ESTY, JoAnna M. – Commission Reprimand on July 28, 2017, in her capacity as personal representative of an estate, for failing to recognize that her representation of one or more clients would be materially limited by her responsibilities to another client and failing to obtain the Orphans’ Court’s approval in advance of making periodic distributions of Estate funds that created a conflict of interest.

FISCHER, Elizabeth Margaret – Disbarred on March 22, 2018, as reciprocal discipline following revocation of Virginia law license for falsifying information in her personal bankruptcy case.

FURRER, David Eugene – Indefinite Suspension by Consent on January 18, 2018, for failure to provide competent representation, failure to consult with his client, failure to act with reasonable diligence, failure to promptly comply with reasonable requests for information, and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation.

GADHIA, Lalit Harilal – Commission Reprimand on April 9, 2018, for failing to represent his client competently and diligently, failing to adequately communicate with his client, collecting unreasonable fees, and failing to safekeep property of his client or third persons in an attorney trust account during his representation in an immigration matter.

GIANNETTI Jr., John Alexander – Indefinite Suspension on December 15, 2017, with the right to apply for reinstatement no sooner than one year, for continually failing to file or pay both his federal and state taxes for a period of seven years.

GODFREY, Jeff A. – Disbarred on April 19, 2018, in a reciprocal action from the Supreme Court of Appeals of West Virginia. Respondent was convicted by a military tribunal of crimes including larceny of U.S. Government property, knowingly making a false official statement and signing false records with intent to deceive.

GORMAN, Matthew Peter – Interim Suspension on October 31, 2017, following his criminal conviction in the United States District Court of Maryland of Bribery Involving an Agent of a Program Receiving Federal Funds.

GRACIE, Kevin Barry – Commission Reprimand on October 2, 2017, for assisting an attorney in the unauthorized practice of law in Maryland.

HECHT, Ross D. – Indefinite Suspension on May 10, 2018, with the right to petition for reinstatement after twelve (12) months, for engaging in a deliberate and persistent pattern of dishonest and deceitful conduct and knowingly engaging in the unauthorized practice of law.

HOPKINS, John Allen – Commission Reprimand on September 26, 2017, for engaging in conduct prejudicial to the administration of justice when he delivered an envelope containing contraband to his incarcerated client.

HULTHAGE, Suzanne Nicole – Indefinite Suspension by Consent, effective May 21, 2018, for failing to provide competent representation to her client, revealing confidential client information, failing to properly terminate representation, filing frivolous pleadings, and engaging in conduct that is prejudicial to the administration of justice.

JACOBS, William Michael – Disbarred on May 21, 2018, effective June 20, 2018, for failing to provide competent and diligent representation to his clients, failing to properly terminate representation resulting in an abandonment of client matters, knowingly making misrepresentations of material fact to Bar Counsel and to his client, and knowingly failing to respond to Bar Counsel's inquiries.

JARRELL, Ann O. – Inactive Status by Consent on March 27, 2018.

JOHNSON, Laurence Fleming – Indefinite Suspension by Consent with the right to apply for reinstatement ninety (90) days, effective August 12, 2017, for failing to represent his client competently and diligently, failing to safe-keep client funds in trust, failing to deposit the client's fees, paid in advance, into his attorney trust account and failing to ensure that his firm had in effect measures giving reasonable assurance that the conduct of his non-attorney assistant was compatible with his professional obligations.

KARGBO, Mariatu – Inactive Status on November 7, 2017, by Per Curiam Order.

KILCHENSTEIN, Grace Badolato – Indefinite Suspension by Consent on March 14, 2018 for failing to safekeep client and third party funds, failing to make reasonable efforts to ensure effective measures giving reasonable assurance that a non-attorney assistant's conduct was within the professional obligations of the attorney, and engaging in conduct that is prejudicial to the administration of justice.

KLEINSMITH, Philip M. – Disbarred on May 22, 2018, in a reciprocal action from his disbarment in Colorado for conversion of funds received from a bank client. Respondent placed the funds in his firm’s operating account and used them to pay his firm’s expenses, instead of remitting them to a third party title company that was entitled to payment.

LAUMANN, Joseph Robert – Indefinite Suspension by Consent on May 14, 2018, effective June 1, 2018, for failing to provide competent and diligent representation to clients, failing to abide by his client’s decisions concerning the objectives of the representation, failing to adequately communicate with his clients, collecting unreasonable fees, failing to safekeep the property of clients or third persons in an attorney trust account, filing frivolous pleadings, failing to maintain candor to the tribunal, failing to exhibit fairness to opposing party and attorney, seeking influence over the impartiality and decorum of a tribunal, knowingly making false statements to Bar Counsel, and engaging in conduct that is prejudicial to the administration of justice.

LEE, Bo – Disbarred by Consent on May 18, 2018, for failing to safekeep the property of clients or third persons in an attorney trust account when providing law-related services to clients, failing to respond to Bar Counsel, engaging in criminal conduct that adversely reflects on his honesty, trustworthiness and/or fitness as an attorney in other respects, and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation and that is prejudicial to the administration of justice.

LEVY, Jayme Lynn – Disbarred by Consent on April 26, 2018, effective June 25, 2018, for failing to provide competent and diligent representation to clients, failing to adequately communicate with her clients regarding the status of their matters, and making knowing and intentional misrepresentations or omissions of material facts to clients, Bar Counsel, and third parties.

MAX, Harry Stanley – Commission Reprimand on January 24, 2018, for the unauthorized practice of law.

McGILL, David Leslie – Inactive Status by Consent on December 20, 2017.

McLAIN, William Gordon – Disbarred by Consent on October 25, 2017, for misappropriating trust funds and failing to disburse funds to his client in connection with a settlement. Respondent also made false and misleading statements to his client and to Bar Counsel.

McLAUGHLIN, Louisa Content – Disbarred on September 11, 2017, for failing to act in her client’s best interest in her capacity as representative in an estate planning matter. Respondent failed to communicate with her client about essential matters concerning the representation, failed to explain the basis for her fees or provide invoices, failed to obtain appropriate consent before disbursing client funds, failed to fully, timely and honestly respond to Bar Counsel’s lawful demands for information.

MEIER, Mike – Suspended for thirty (30) days on March 23, 2018, effective immediately, following his November 29, 2016 suspension for thirty (30) days by the Virginia State Bar Disciplinary Board for failing to provide competent representation, bringing a frivolous proceeding, knowingly making a false statement of fact or law to a tribunal, knowingly making a false statement of fact or law in the course of representation, failing to engage in fairness to opposing an party and counsel, failing to respect the rights of third persons, knowingly making a false statement of material fact in connection with a bar admission application or disciplinary matter, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice.

MOMODU, Lawal – Indefinite Suspension on August 29, 2017, with the right to apply for reinstatement no sooner than December 14, 2017, in a reciprocal action from the United States District Court for the District of Maryland for failing to disclose prior discipline on his bar application and, following disclosure, providing incomplete and inaccurate information to the Admission Committee. Respondent previously was suspended on an interim basis on July 28, 2017 pending further Order of the Court of Appeals.

MOODY, Maurice Marnea – Disbarred on September 12, 2017, for failure to maintain an accurate accounting of client funds, engaging in a pattern of negligent and deceitful accounting practices, knowingly making a false statement to Bar Counsel in connection with a disciplinary matter, submitting false client ledgers and settlement sheets to Bar Counsel.

MOORE Sr., Richard Wells – Disbarred by Consent on May 17, 2018, effective May 31, 2018, for failing to provide competent and diligent representation to clients, failing to adequately communicate with clients, charging unreasonable fees, failing to safekeep property of clients or third persons in an attorney trust account, failing to ensure that the conduct of his non-attorney assistant was compatible with his professional obligations, engaging in criminal conduct that adversely reflects on his honesty, trustworthiness and/or fitness as an attorney in other respects, and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation and that is prejudicial to the administration of justice.

MORIN, Michael Gregg – Commission Reprimand on November 15, 2017, for failing to render competent representation, failing to act with reasonable diligence and promptness in representing his client, failing to promptly inform his client of decisions, and failing to take steps to protect his client’s interest upon termination of his representation.

MORRIS, Marianne Elizabeth – Indefinite Suspension by Consent on September 7, 2017, effective thirty (30) days from the date of the Order, for engaging in criminal conduct that adversely reflects on her honesty, trustworthiness and/or fitness as an attorney in other respects and engaging in conduct involving dishonesty, fraud, deceit or misrepresentation.

MOSES, Joshua Ovbieruan Agun – Commission Reprimand on May 26, 2018, for periodically failing to file and pay taxes from 2010 to 2014.

NDI, Benjamin N. – Disbarred on April 10, 2018, by Per Curiam Order, for failing to provide competent and diligent representation to clients, failing to adequately communicate with clients regarding their cases, failing to inform potential clients of the jurisdictional limitations of his law practice, engaging in the unauthorized practice of personal injury law in Maryland and mishandling the proceeds of that action, failing to timely respond to Bar Counsel, and making various dishonest and false statements to Bar Counsel.

OGILVIE, Claire L.K.K. – Disbarred on March 6, 2018, following her January 23, 2015, felony criminal convictions in the Circuit Court for the City of Charlottesville, Virginia, for breaking and entering while armed with a deadly weapon, malicious wounding, and abduction.

PALEOS, William Stephen – Inactive Status by Consent on August 15, 2017.

PAUL, Dana Andrew – Thirty (30) Day Suspension, effective June 22, 2018, for engaging in a “road rage” incident which reflected adversely on his fitness as an attorney.

PEKLO, Gary Stewart – Disbarred by Consent on October 2, 2017, for conduct involving dishonesty, fraud, deceit or misrepresentation, and for conduct that is prejudicial to the administration of justice, based on his failure to report income on his tax return. Respondent was previously suspended indefinitely by consent on June 9, 2015.

POMMETT, Francis A. – Indefinite Suspension by Consent on December 14, 2017, with the right to apply for reinstatement after one year, for failure to abide by his client's decisions concerning the objectives of the representation, failure to keep the client reasonably informed about the status of the matter, failure to promptly comply with reasonable requests for information and explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation, failure to appropriately safeguard property and maintain complete records, charging unreasonable fees, and engaging in conduct that is prejudicial to the administration of justice.

POWELL, Roger Norman – Disbarred on June 1, 2018, by Per Curium Order, for failing to submit timely, complete, and accurate inventories and accountings in an estate matter, disbursing estate assets to himself and the personal representative of the estate without approval from the Orphans' Court, failing to return estate funds despite an Order from the Orphans' Court directing him to do so, filing a lawsuit without substantial justification, and mismanaging his attorney trust account.

POWERS, James Aloysius – Indefinite Suspension on July 10, 2017, for failing to abide by his client's decisions concerning the objectives of the representation, failing to keep the client reasonably informed of the status of his case, failing to surrender papers and property to which the client was entitled upon termination of the representation, and during litigation against his former client, revealing information subject to the attorney-client privilege to the detriment of the former client.

SACKS, Stephen Howard – Disbarred on March 6, 2018, for taking unauthorized actions on behalf of clients, refusing to withdraw his appearances after clients terminated his representation, failing to timely respond to requests for copies of client files, charging and collecting unreasonable fees, failing to provide an account of retained funds, failing to deposit and maintain unearned and disputed funds in trust until earned, misappropriating funds, fabricating documents, failing to timely file documents, failing to appear for scheduled court appearances, asserting frivolous litigation, knowingly disobeying the discovery rules, failing to timely respond to lawful demands for information from a disciplinary authority, committing a criminal act of trespassing, making misrepresentations to courts, clients, and opposing counsel, and engaging in misconduct that would negatively impact the perception of the legal profession of a reasonable member of the public.

SCHELTEMA, James Robert Jordan – Disbarred by Consent on July 18, 2017, for engaging in criminal conduct that reflected adversely on his honesty, trustworthiness or fitness as an attorney in other respects based upon his conviction, in federal court, for filing a false tax return and tax evasion.

SIEGEL, Stacy Enid Lebow – Disbarred by Consent on January 3, 2018 (effective March 4, 2018), for failure to safeguard property of clients or third persons, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and engaging in conduct that is prejudicial to the administration of justice, based on her misappropriation of client funds from an attorney trust account.

SIMS, Jason Mark – Interim Suspension on March 23, 2018, pending further Order of the Court of Appeals.

SLATE, Gregory Allen – Disbarred on March 2, 2018, for knowingly failing to disclose to bar admissions authorities that a trial court had found that he engaged in dishonesty and misconduct in litigation, and for falsely stating to Bar Counsel that he had disclosed all required information during bar application process.

SMIGIEL, Michael Dwayne, Sr. – Commission Reprimand on July 7, 2017, for failing to safekeep property of clients or third persons in an attorney trust account, failing to maintain proper trust account records and failing to ensure that the conduct of his non-attorney assistant was compatible with his professional obligations.

SMITH Jr., Edward – Disbarred on January 19, 2018, effective February 20, 2018, for incompetence, lack of diligence in handling client matters, failure to communicate with clients, failure to keep client funds in his trust account before they were earned, failure to create and maintain records of received and disbursed client funds, failure to properly terminate representation, commingling of funds, prohibited use of his trust account, and misrepresentations to Bar Counsel and clients.

SMITH, Rachel A. – Indefinite Suspension by Consent on May 15, 2018, effective June 14, 2018, for failing to provide competent and diligent representation to clients, failing to adequately communicate with clients, charging and collecting unreasonable fees, failing to safekeep property of clients or third persons in an attorney trust account, failing to properly terminate representation, failing to respond to Bar Counsel, and engaging in conduct that is prejudicial to the administration of justice.

SPERLING, Johnathan Daniel – Indefinite Suspension on May 21, 2018, for failing to comply with his obligations as a suspended lawyer working in a law firm, and for making misrepresentations during his suspension and in his efforts to gain readmission to the Bar.

SPERLING, Samuel – Ninety (90) Day Suspension on May 21, 2018, for failing to review statements and reconcile his firm’s attorney trust account, which was subsequently overdrawn. Respondent also failed to adequately supervise his brother, Johnathan D. Sperling, an attorney that was suspended from the practice of law but was hired by the firm as a paralegal and continued to write checks on the firm’s trust account.

STUART, Pamela Bruce – One-year Suspension on August 29, 2017, effective *nunc pro tunc* to February 6, 2017, in a reciprocal action from Florida for breaching fiduciary obligations by making loans of trust monies to herself. Respondent previously was suspended on an interim basis on March 2, 2017 pending further Order of the Court of Appeals.

SUD, Anuj – Disbarred by Consent on February 8, 2018, following conviction in the United States District Court for the District of Maryland of traveling from Washington, D.C. to Maryland with the intent to carry on an unlawful activity.

SUSSMAN, Jerry – Resignation on December 13, 2017.

TOLAR, Jane – Commission Reprimand on July 5, 2017, related to representation of two (2) separate clients for failing to keep the clients reasonably informed about the status of their matters and failing to promptly comply with reasonable requests for information.

WERTKIN, Jeffrey Adam – Disbarred by Consent on January 16, 2018, following his criminal conviction in the United States District Court for the Northern District of California of Obstruction of Justice and Interstate Transportation of Stolen Goods.

WOOLERY, Benjamin Jeremy – Reprimand on December 15, 2017, for failing to provide competent representation to a client, failing to act with reasonable diligence and promptness in representing a client, and engaging in conduct that is prejudicial to the administration of justice. Respondent, as the personal representative of an estate, sold a tractor stored by one of the beneficiaries of the estate on property owned by the estate without first ascertaining the ownership or approximate value of the tractor and, even though promptly informed of the tractor's ownership and value, failed to rectify his error because of the attorney's antipathy to the tractor's owner.

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 2018, there were 597 targeted mail solicitations, down from 817 in FY 2017. Of the submissions to Bar Counsel this year, twenty-five (25) 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, 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.

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 ninety-one (91) overdraft notifications, down from one hundred and ten (110) in FY2017. Twenty-one (21) were transferred to docketed status for further investigation, up from fourteen (14) in FY 2017. The reasons for docketing were:

a) Safekeeping Property	1
b) Comingling	2
c) Failure to Respond to Bar Counsel	5
d) Misappropriation of Client Funds	5
e) Cash Withdrawals	7
f) <u>Multiple Overdrafts Reported</u>	<u>1</u>
Total	21

Nine (9) 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 2018, ten (10) conservatorships were established and members of Bar Counsel's staff were appointed as the conservator in two (2) cases. Private lawyers were appointed as conservators in the remaining eight (8) cases. Ten (10) conservatorships were closed during the fiscal year. There are thirty-four (34) pending conservatorship cases at the end of FY 2018, including the conservatorships which were opened, and remain open, this fiscal year. Bar Counsel staff members are appointed as conservators in seventeen (17) of the cases, and third parties are appointed as conservators in the remaining seventeen (17) cases.

<u>Opened</u>	<u>DATE</u>	<u>Third Party or AGC</u>
1. Klein, Philip I.	10/16/17	3 rd Party
2. Levitt, Bryan	08/02/17	3 rd Party
3. Lowe, John	05/17/18	3 rd Party
4. Morstein, Stanley I.	12/01/17	3 rd Party
5. Norman, Howard Wayne Jr.	03/19/18	3 rd Party
6. Ober, William	05/03/18	AGC
7. Sacks, Stephen H.	06/01/18	AGC
8. Snyder, Stuart J.	11/07/17	3 rd Party
9. Tivvis, Joseph I.	11/02/17	3 rd Party
10. Zeve, Marc Allen	05/31/18	3 rd Party

<u>Closed</u>	<u>DATE</u>	<u>Third Party or AGC</u>
1. Cammack, Olivia D.	08/08/17	AGC
2. Conrad, John W. III	04/20/18	3 rd Party
3. Gray, Melissa	07/11/17	AGC
4. McIntosh, Robert K.	08/03/17	3 rd Party
5. Morstein, Stanley I.	01/25/18	3 rd Party
6. Nitkin, Rebecca A.	06/21/18	3 rd Party
7. Thomas, C. Trent	06/04/18	AGC
8. Vogelhut, Steven	08/17/17	3 rd Party
9. Widrick, Jon	09/29/17	3 rd Party
10. Zarbin, Robert	12/13/17	3 rd Party

CONSERVATORSHIPS

Pending:	DATE OPENED	Third Party or AGC
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. Buettner, Robert W.	12/03/2012	AGC
6. Campbell, Elizabeth	07/15/2013	AGC (Originally 3 rd Party)
7. Giunta, Thomas J.	04/14/2016	AGC
8. Grier, Wendell H.	01/21/2016	AGC
9. Groton, Harry S. Jr.	04/29/2016	3 rd Party
10. Hogg, Ronald	10/17/2013	3 rd Party
11. Jenkins, Frank P.	09/29/2009	AGC
12. Judd, Robert J.	04/18/2017	AGC
13. Kountz, Charles	02/07/2014	3 rd Party
14. Lewis, Neil	10/15/2014	AGC
15. Mollock, Shakaira Simone	06/22/2016	AGC
16. Montgomery, Bonnie J.	06/25/2015	AGC
17. Plum, Jeffery J.	09/12/2011	3 rd Party
18. Raine, John	03/13/2015	3 rd Party
19. Rhoads, Arthur	06/02/2014	AGC
20. Robaton, David M.	06/21/2010	AGC
21. Saperro, Robert	04/02/2014	3 rd Party
22. Shoup, Jonathan	05/10/2016	3 rd Party
23. Tayback, Matthew G.	05/21/2013	3 rd Party
24. Taylor, Douglas	10/02/2013	AGC
25. Van Sweringen, Raymond A.	01/09/2017	AGC

PEER REVIEW COMMITTEE

This fiscal year 270 lawyers and 53 non-lawyers agreed to volunteer 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. Sixteen (16) conditional diversion agreements were administratively closed, and one (1) agreement was revoked. Thirteen (13) were pending at the end of the fiscal year.

UNAUTHORIZED PRACTICE OF LAW INVESTIGATIONS

There were twenty (20) unauthorized practice of law files open in FY 2018. Of that number, eighteen (18) files were newly opened in FY 2018, and two (2) remained open from FY 2017. Investigations led to findings of no unauthorized practice of law in ten (10) cases. Four (4) individuals voluntarily agreed to cease the unauthorized practice. Five (5) files were referred to other disciplinary authorities. One (1) file remained open at the end of the FY 2018.

ACTIVITIES OF PROFESSIONAL STAFF

Bar Counsel Lydia E. Lawless presented programs to the Maryland State Bar Association and numerous county and specialty bar associations and guest lectured at the University of Maryland Carey School of Law, the University of Baltimore School of Law, The Catholic University School of Law, and the Naval Academy. She published an article in The Maryland Bar Journal, 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 High School Mock Trial Competition. Ms. Lawless was appointed to the American University Washington College of Law Public Interest Alumni Advisory Board, named a Bar Leader by the Montgomery County Bar Foundation, and was recognized as one of the "2018 Influential Marylanders" by the Daily Record.

Deputy Bar Counsel Raymond A. Hein spoke about trust account requirements at the Maryland State Bar Association's "Starting Your Law Practice" program. Mr. Hein and Assistant Bar Counsel Jessica Boltz were guest speakers for a class at the University of Baltimore Law School. Mr. Hein continued his membership on the Professionalism Committee of the Baltimore County Bar Association and authored an article for that Bar Association's publication The Advocate.

Deputy Bar Counsel Erin A. Risch, along with Bar Counsel Lydia E. Lawless, presented a program entitled "Ethics and Risk Management for the Family Law Practitioner" to the Bar Association of Montgomery County. Ms. Risch served as a panelist at The Maryland State Bar Association Elder Law and Disability Rights Section's program, "Hot Topics in Elder Law," the HUB International Risk Management Seminar for Maryland Lawyers, and at the MSBA's Annual Meeting program, "Sexual Harassment and the Maryland Attorneys' Rules of Professional Conduct." She also published an article in The Maryland Litigator. Ms. Risch currently serves as the Chair-Elect on the MSBA Litigation Section Council, and she was recently elected to membership in the Serjeants' Inn.

Assistant Bar Counsel Amy S. Paulick published an article in the Maryland Litigator, the official publication of the Maryland State Bar Association's Section on Litigation. Additionally, Ms. Paulick served as a panel member for a program presented at the National Organization of Bar Counsel's Mid-Year Meeting.

Assistant Bar Counsel Jennifer L. Thompson presented a program at the University of Baltimore School of Law entitled "Ethics and the Law: Common Ethical Issues Faced by New Attorneys."

Assistant Bar Counsel Amanda A. McCarthy completed her term as a Fellow of the Maryland State Bar Association Leadership Academy. As part of her term, Ms. McCarthy, along with her co-Fellows, developed and presented a program entitled "Being Smarter with Your Smartphone: Understanding Cyberbullying and Its Impact" to hundreds of high school students across Maryland.

Assistant Bar Counsel Jessica M. Boltz, along with Deputy Bar Counsel Raymond A. Hein, spoke at the University of Baltimore School of Law regarding ethical issues facing law student and new lawyers.

THE COMMISSION

(as of June 30, 2018)

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, 2018)

Bar Counsel

Lydia E. Lawless

Deputy Bar Counsel

Raymond A. Hein

Erin A. Risch

Assistant Bar Counsel

Amy S. Paulick

C. Shea McSpaden

Ebtehaj Kalantar

Jennifer L. Thompson

Amanda A. McCarthy

Michael W. Blow

Kelsey L. Brown

Jessica M. Boltz

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

Cheryl A. Trivelli

Office Manager

Susan G. Townshend

Secretaries

Debora A. Goodrick

Nancy M. LaRocque

Theresa Gatewood

Pearl LaPlaca

Kelsey E. Rowe

Receptionist

Nancy I. Sale

TEN (10) YEAR COMPARISON CHART

July 1, 2008 through June 30, 2018

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Ten Year Totals
New Complaints Received	1,885	2,003	2,321	2,037	1,963	2,082	2,147	1,835	2,061	1,802	20,136
Cases not Docketed	1,532	1,597	1,880	1,648	1,604	1,717	1,795	1,478	1,789	1,548	16,588

Cases Docketed

Docketed Complaints (Prima facie misconduct indicated)	353	406	429	382	320	332	331	339	243	212	3,347
Reinstatement Petitions Received	n/a	n/a	12	7	16	22	11	13	14	17	112
Attorney Trust Account Overdraft (*)	n/a	n/a	n/a	n/a	23	8	6	5	14	21	77
Resignation (**)	n/a	n/a	n/a	n/a	n/a	3	4	0	1	2	10
Child Support (***)	n/a	2	2								
TOTALS	353	406	441	389	359	365	352	357	272	254	3,548

Docketed Cases Concluded	375	361	375	431	376	368	426	347	394	276	3,729
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Dispositions (by number of Attorneys)

Disbarred	5	15	11	23	16	18	20	16	14	14	152
Disbarred by Consent	13	13	13	22	21	8	24	13	19	12	158
Suspension	18	13	8	15	21	29	33	18	31	20	206
Interim Suspension	1	0	1	0	3	3	2	2	3	3	18
Public Reprimand by Court	6	4	6	7	5	9	8	3	4	4	56
Public Reprimand by Commission	20	31	27	26	23	19	24	26	22	12	230
Inactive Status	0	4	2	3	2	3	1	1	4	5	25
Dismissed by Court	8	11	5	5	10	6	5	8	4	4	66
Petitions for Reinstatement Granted	7	0	5	0	6	11	5	7	8	8	57
Petitions for Reinstatement Denied	7	7	7	3	5	7	4	4	7	7	58
Petitions for Reinstatement Withdrawn	0	0	0	0	1	6	3	2	1	4	17
Resignations	0	0	0	0	0	0	4	0	1	1	6
Resignation Denied	0	0	0	0	0	2	0	0	0	0	2
TOTALS	85	98	85	104	113	121	133	100	118	94	1,051

Number of active Attorneys admitted to practice law in Maryland	34,569	34,506	35,515	36,579	37,290	37,266	38,938	39,814	39,890	40,300
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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 2018

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 2017	FY 2018
Competent representation, diligence, communication, failure to abide by client's decisions	18	3
Disclosure of Confidential Client Information	0	2
Conflict of Interest	1	1
Candor to the Tribunal	0	2
Misconduct – dishonesty, fraud, deceit, or misrepresentation	16	12
Misconduct – conduct prejudicial to the administration of justice or unauthorized practice	18	10
Misconduct – criminal action or conviction	9	15
Misappropriation of client funds, estate funds, fiduciary funds or law firm funds	2	3
Excessive fee, improper division of fee or illegal fee	0	1
Incapacity	0	0
Meritorious claims and contentions	0	1
Duties owed after declining or terminating representation	5	0
Responsibility for actions of subordinate lawyer or non-lawyer personnel	2	3
Duties as a candidate for judicial office	0	1
Failure to maintain complete records, account for client or third-party funds, failure to maintain trust account or safeguard funds, commingling	20	5
Failure to respond to disciplinary agency or making a false statement in connection with bar application or disciplinary matter	2	6
TOTAL:	93	65

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATISTICAL REPORT
 Fiscal Year 2018

NEW CASES RECEIVED	FY 2017	FY 2018
Complaint	1,908	1,672
Attorney Trust Account Overdraft Notice	110	91
Reinstatement Petitions Received	21	19
Resignation	1	2
Unauthorized Practice of Law	21	18
TOTAL:	2,061	1,802

NEW DOCKETED CASES	FY 2017	FY 2018
Complaint	240	212
Attorney Trust Account Overdraft Notice	14	21
Reinstatement Petition Received	14	17
Resignation	1	2
Child Support	n/a	2
TOTAL:	269	254

DOCKETED CASES BY LAW PRACTICE CATEGORY	FY 2017	FY 2018
Attorney Trust Account	13	22
Bankruptcy	10	12
Civil Litigation	40	48
Contract	1	2
Criminal	47	24
Employment Law	1	4
Family Law	22	31
Immigration	14	24
Injury to Persons, Property, etc.	42	18
Other Categories	51	41
Probate	13	5
Real Estate	4	6
Reinstatement	14	17
TOTAL:	272	254

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATISTICAL REPORT
Fiscal Year 2018

DOCKETED CASES BY LOCALE	FY 2017	FY 2018
Allegany County	0	0
Anne Arundel County	18	16
Baltimore City	55	26
Baltimore County	44	24
Calvert County	1	0
Caroline County	0	0
Carroll County	3	3
Cecil County	2	3
Charles County	3	1
Dorchester County	0	1
Frederick County	5	6
Garrett County	0	1
Harford County	7	9
Howard County	11	16
Kent County	0	1
Montgomery County	55	60
Prince George's County	25	41
Queen Anne's County	3	1
Somerset County	0	0
St Mary's County	0	1
Talbot County	4	2
Washington County	2	1
Wicomico County	4	0
Worcester County	2	1
Out of State	28	40
TOTAL:	272	254

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATISTICAL REPORT
Fiscal Year 2018

DOCKETED CASES BY PRIMARY RULE: (Primary rule violated may change during the course of the case <u>only the primary rule alleged is indicated below.</u>)	FY 2017	FY 2018
Competence (1.1)	22	29
Scope of representation/allocation of authority (1.2)	3	2
Diligence (1.3)	27	21
Communication (1.4)	21	16
Fees (1.5)	11	10
Confidentiality of Information (1.6)	5	3
Conflict of Interest: General Rule (1.7)	5	5
Conflict of Interest: Current Clients: Specific Rules (1.8)	2	8
Duties to Former Clients (1.9)	1	0
Safekeeping Property (1.15)	30	20
Declining or Terminating Representation (1.16)	7	5
Duties to Prospective Client (1.18)	1	1
Meritorious Claims and Contentions (3.1)	0	2
Candor Toward the Tribunal (3.3)	2	4
Fairness to Opposing Party and Counsel (3.4)	2	3
Trial Publicity (3.6)	2	0
Truthfulness in Statements to Others (4.1)	0	2
Communication with Person Represented by Counsel (4.2)	4	3
Responsibilities of Partners, Managers, and Supervisory Lawyers (5.1)	0	2
Responsibilities Regarding Nonlawyer Assistants (5.3)	5	3
Professional Independence of a Lawyer (5.4)	1	2
Unauthorized Practice of Law; Multijurisdictional Practice of Law (5.5)	11	6
Communication Concerning a Lawyer's Services (7.1)	1	0
Direct Contact with Prospective Clients (7.3)	1	0
Bar Admission and Disciplinary Matters (8.1)	11	17
Judicial and Legal Officials (8.2)	1	0
Misconduct - Violate or attempt to violate rules through another (8.4(a))	10	4
Misconduct - Commit a criminal act (8.4(b))	12	12
Misconduct - Dishonesty, fraud, deceit, misrepresentation (8.4(c))	25	19
Misconduct - Prejudicial to administration of justice (8.4(d))	25	13
Misconduct – Knowingly manifest bias or prejudice (8.4(e))	0	1
Misconduct – Imply ability to improperly influence agency or official	0	1
Other (Reinstatement, Reciprocal, Inactive, etc.)	24	40
TOTAL:	272	254

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATISTICAL REPORT
Fiscal Year 2018

DISPOSITION OF CASES	FY 2017	FY 2018
Administratively Closed	87	81
Disbarment by COA	28	27
Disbarment by Consent	47	16
Dismissed by Commission	66	51
Dismissed by Court	4	4
Dismissed with Warning	54	22
Inactive by COA	0	2
Inactive by Consent	7	5
Indefinite Suspension	5	6
Indefinite Suspension by Consent	39	16
Reinstatement - Denied	7	7
Reinstatement - Granted	8	8
Reinstatement – Withdrawn	1	4
Reprimand by Commission	25	14
Reprimand by COA	1	1
Reprimand by COA by Consent	3	3
Resignation	1	1
Suspension 30 Days	0	5
Suspension 30 Days by Consent	4	1
Suspension 60 Days	0	0
Suspension 60 Days by Consent	1	0
Suspension 90 Days	0	1
Suspension 90 Days by Consent	1	0
Suspension 120 Days	2	0
Suspension 6 Months	1	0
Suspension 1 Year	1	1
Suspension 1 Year by Consent	1	0
TOTAL:	394	276

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATISTICAL REPORT
Fiscal Year 2018

DISCIPLINARY ACTION (by number of Attorneys)	FY 2017	FY 2018
Disbarment	14	14
Disbarment by Consent	19	12
Indefinite Suspension	5	5
Indefinite Suspension by Consent	18	9
Suspension	8	6
Dismissed by COA	4	4
Inactive	0	1
Inactive by Consent	4	4
Interim Suspension	3	3
Reinstatement – Denied	7	7
Reinstatement – Granted	8	8
Reinstatement – Withdrawn	1	4
Reprimand by Commission	22	12
Reprimand by COA	1	1
Reprimand by COA by Consent	3	3
Resignation	1	1
TOTAL:	118	94

ATTORNEY GRIEVANCE COMMISSION
OF MARYLAND
Annapolis, Maryland

AUDITED FINANCIAL STATEMENTS
June 30, 2018 and 2017

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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 balance sheets as of June 30, 2018 and 2017, 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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HeimLantz.com

ALEXANDRIA

1900 Duke Street, Suite 110
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, 2018 and 2017, 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
October 19, 2018

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND

BALANCE SHEETS

JUNE 30, 2018 and 2017

2018

2017

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 962,919	\$ 875,626
Investments - Other	3,750,000	2,746,042
Attorney assessments receivable	94,587	2,865
Due from Client Protection Fund - salary and benefits	21,634	33,385
Prepaid expenses	9,068	52,596
TOTAL CURRENT ASSETS	4,838,208	3,710,514

Property and equipment, net	30,957	45,364
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NON-CURRENT ASSETS

Investments -Other	-	1,000,436
Security deposits	20,020	20,020
TOTAL NON-CURRENT ASSETS	20,020	1,020,456

TOTAL ASSETS	\$ 4,889,185	\$ 4,776,334
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LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Accounts payable and other current liabilities	85,237	80,834
Pension payable	274,916	152,407
Accrued compensated absences	159,878	208,203
Current portion of deferred lease expense	5,859	5,859
TOTAL CURRENT LIABILITIES	525,890	447,303

Deferred lease expense	35,156	41,016
Retiree health insurance credit plan	864,167	897,390

TOTAL LIABILITIES	1,425,213	1,385,709
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FUND BALANCE

Restricted	342,969	734,758
Unrestricted	3,121,003	2,655,867
TOTAL FUND BALANCE	3,463,972	3,390,625

TOTAL LIABILITIES AND FUND BALANCE	\$ 4,889,185	\$ 4,776,334
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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, 2018 and 2017**

	<u>2018</u>			<u>2017</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
COMMISSION RECEIPTS				
Attorney Assessments	\$ 4,464,131	4,432,900	\$ 31,231	\$ 4,428,111
Investment Income	63,067	28,500	34,567	20,422
Court Recovered Costs	41,862	45,400	(3,538)	53,151
Other Income	-	-	-	22,310
CPF Reimbursements	403,348	375,100	28,248	368,675
TOTAL RECEIPTS	<u>4,972,408</u>	<u>4,881,900</u>	<u>90,508</u>	<u>4,892,669</u>
COMMISSION EXPENSES				
Personnel Costs	2,751,551	3,277,600	(526,049)	2,786,055
Case Management Costs	291,714	295,300	(3,586)	258,664
Staff Support	85,908	105,900	(19,992)	101,724
Outside Services	118,548	115,100	3,448	108,158
Information Technology Support	164,339	252,500	(88,161)	226,095
Office Expense	351,343	406,400	(55,057)	381,526
Court Mandated Costs	160,127	175,200	(15,073)	145,516
Client Protection Fund - Payroll	240,773	236,650	4,122.84	236,564
TOTAL EXPENDITURES	<u>4,164,303</u>	<u>4,864,650</u>	<u>(700,347)</u>	<u>4,244,303</u>
INCREASE (DECREASE) IN FUND BALANCE	<u>\$ 808,105</u>	<u>\$ 17,250</u>	<u>\$ 790,855</u>	<u>\$ 648,365</u>
FUND BALANCE, BEGINNING OF YEAR	3,390,625			2,935,158
RESTRICTED FUND BALANCE, PRIOR YEAR	(734,758)			(192,898)
RESTRICTED FUND BALANCE, CURRENT YEAR	342,969			734,758
UNRESTRICTED FUND BALANCE	<u>3,121,003</u>			<u>2,655,867</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,463,972</u>			<u>\$ 3,390,625</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, 2018 and 2017

CASH FLOWS FROM OPERATING ACTIVITIES	2018	2017
Increase in fund balance:	\$ 808,105	\$ 648,365
Adjustments to reconcile increase in unrestricted fund balance to cash provided (used) by operating activities		
Depreciation	17,244	51,519
(Increase) decrease in:		
Attorney assessments receivable	(91,722)	16
Due from Client Protection Fund	11,751	83,955
Other receivables	-	-
Prepaid expenses	43,528	(29,142)
Pension receivable	-	10,421
Increase (decrease) in:		
Accounts payable	4,403	(94,047)
Pension payable	122,509	152,407
Accrued compensated absences	(48,325)	(64,166)
Retiree health insurance credit plan	(33,223)	102,559
Deferred lease expense	(5,860)	(5,859)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	828,410	856,028
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (purchase) of investments - net	(3,522)	102,759
Purchase of property & equipment	(2,837)	(4,143)
Excess fund balance	(734,758)	(192,898)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(741,117)	(94,282)
NET INCREASE (DECREASE) IN CASH	87,293	761,746
CASH AT BEGINNING OF YEAR	875,626	113,880
CASH AT END OF YEAR	\$ 962,919	\$ 875,626

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

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

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 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. These financial statements reflect only the activity of an unrestricted fund.

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 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, 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 collected by the Commission for each attorney in practice was \$110 for the year ended June 30, 2018 and \$110 for the year ended June 30, 2017. The number of practicing attorneys assessed during the years ended June 30, 2018 and 2017 was 40,300 and 39,890, 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.

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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 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 – INVESTMENTS - OTHER

Investments were previously accounted for in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*. Because all investments have been consolidated and include only negotiable certificates of deposit, the Commission revised its policy to account 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. Currently, all certificates of deposit mature within one year and are classified as 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. To transition to the new method, an unrealized gain of \$3,522 is included in investment income.

NOTE 4 – PROPERTY AND EQUIPMENT

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

	2018	2017
Computer equipment	\$ 70,831	\$ 70,831
Furniture and fixtures	72,113	69,277
Leasehold improvements	17,390	17,390
Software	118,796	118,796
Total property and equipment	279,130	276,293
Less accumulated depreciation	248,173	230,929
Property and equipment, net	\$ 30,957	\$ 45,364

Depreciation expense for the periods ending June 30, 2018 and 2017 was \$17,244 and \$51,519, respectively.

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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, 2018 and 2017 were \$274,916 and \$237,064, respectively. This amount is equal to 15% of the participant's compensation. For periods ending June 30, 2018 and 2017, the amount owed by the Commission to the plan was \$274,916 and \$152,407, respectively.

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 \$29,309.

GASB 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* replaced the prior guidance GASB 45. According to prior rules, OPEB liability equaled the cumulative amount of unpaid annual required contributions. GASB 75 requires organizations to record the net OPEB liability (the unfunded actuarial liability) on the balance sheet. To recognize the net OPEB liability, the Commission recorded a prior period change to increase the liability and reduce the fund balance as follows:

Summary of Prior Period Change

	<u>Ending Balance</u> <u>FY 2017</u>	<u>Change</u>	<u>Revised Ending</u> <u>Balance FY 2017</u>
Retiree Health Credit Liability	\$370,029	(+ \$527,361	\$897,390
Unrestricted Fund Balance	\$3,183,228	(-) \$527,361	\$2,655,867

Key actuarial factors used to the measure the Net OPEB liability include:

Key Actuarial Factors

Actuarial cost method	Entry age normal cost method
Discount rate	3.50%
Number of Employees	32
Number of Retirees	8
Average age	47.22
Average years of service	7.97
Actuarial valuation date	July 1, 2016
Expected Average Remaining Service Years of All Participants	10

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The chart below shows the Change in Net OPEB Liability. The calculation includes a deferred inflow of resources in the amount of \$48,022 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.

	<u>Change in Net OPEB Liability</u>		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance as of June 30, 2016 for FYE 2017	\$897,390	-	\$897,390
Changes for the Year			
Service Cost	42,932		42,932
Interest	25,234	-	25,234
Changes of Benefit Terms	-		-
Experience Losses	-		-
ER Trust Contribution		24,441	(24,441)
Net Investment Income		-	-
Changes in Assumptions	(48,022)		(48,022)
Benefit Payments	(24,441)	(24,441)	-
Administrative Expense		-	-
Net Changes	(4,297)	-	(4,297)
Balance as of June 30, 2017 for FYE 2018	\$893,093	-	\$893,093
Funded status		0.00%	

The Commission made payments of \$28,926 to current retirees. These payments were applied to the Net OPEB Liability, reducing the 2018 Net OPEB liability to \$864,167.

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, 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 \$41,016. 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, 2018	240,236
June 30, 2019	240,236
June 30, 2020	240,236
June 30, 2021	240,236
June 30, 2022	<u>240,236</u>
Total	<u>\$ 1,201,180</u>

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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, 2018 and 2017 the Client Protection Fund of the Bar of Maryland was billed \$393,829 and \$369,773, respectively by the Commission for fees incurred for salaries, benefits and lease expenses. At June 30, 2018 and 2017, the Client Protection Fund of the Bar of Maryland owed these fees to the Commission in the amount of \$89,297 and \$2,865, respectively. In addition, the Client Protection Fund of the Bar of Maryland owed to the Commission attorney assessments in the amount of \$5,290 and \$2,880 at June 30, 2018 and 2017, 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, 2018 and 2017, the Commission owed \$143,326 and \$734,758 to the Client Protection Fund, respectively. This amount is set aside as "Restricted Fund Balance" on the June 30, 2018 and 2017 balance sheets. The \$734,758 owed as of June 30, 2017 was paid to the Client Protection Fund by the Commission on November 13, 2017.

NOTE 11 – 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 12 – MANAGEMENT'S SUBSEQUENT REVIEW

The Commission has evaluated subsequent events through October 19, 2018, the date which the financial statements were available to be issued, and no events were noted that would materially impact the financial statements.