

**IN RE: PETER A. KACHAJIAN, JR.**  
**NO. BD- 2017-007**

**S.J.C. Order of Term Suspension entered by Justice Budd on January 20, 2017, with an effective date of February 19, 2017.<sup>1</sup>**

**SUMMARY<sup>2</sup>**

The respondent was admitted to the bar of the Commonwealth on October 22, 1986. On January 20, 2017, the Supreme Judicial Court for Suffolk County entered an order suspending the respondent for six months, effective thirty days after the date of the entry of the order, for negligent misuse of client funds without the intent to deprive, and for IOLTA record keeping violations.

On July 3, 2012, a client of the respondent purchased a condominium unit at public auction for \$101,500.00. The respondent acted as settlement agent and as attorney for the client in the transaction. The property was owned by a bank.

The closing on the property took place on August 15, 2013. According to the settlement statement (HUD-1), \$99,095.84 was due from the respondent's client, and \$96,500.00 was due to the bank. On August 15, 2013, the respondent's client provided him with a check \$99,095.84 and the respondent deposited the funds into his IOLTA account.

During this period, the respondent was only minimally aware of the balance in his IOLTA account because of numerous health problems and resulting depression. The respondent had failed to perform a three-way reconciliation of his IOLTA account within the proceeding sixty days. As a result of the inadequate record keeping, between August 2013 and April 2015, the respondent negligently used funds from the transaction to pay unrelated clients expenses and did not pay off the prior mortgage.

The mortgage on the transaction had been sold to another bank, and it was not until October of 2014 that the new bank realized that the payoff had not been received. In early 2015, after being contacted by the new bank's attorney, the respondent fully refunded the \$96,500 payoff after depositing personal funds into his IOLTA account to make up the amount he had negligently misused.

The respondent's failure to promptly pay to the seller the closing proceeds for transaction violated Mass. R. Prof. C. 1.15(c). The respondent's negligent misuse of client funds violated Mass. R. Prof. C. 1.15 (b)(1) and (3), as in effect prior to July 1, 2015. The respondent's failure to prepare and retain a reconciliation report of his IOLTA account no less frequently than every sixty days violated Mass R. Prof. C. 1.15(f)(1)(E).

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<sup>1</sup> The complete order of the Court is available by contacting the Clerk of the Supreme Judicial Court for Suffolk County.

<sup>2</sup> Compiled by the Board of Bar Overseers based on the record filed with the Supreme Judicial Court.

In mitigation, the respondent suffered from a range of serious medical issues resulting in surgeries between 2009 and 2012 that distracted him from running his practice and keeping track of client funds.

This matter came before the Board of Bar Overseers on a stipulation of facts and rule violations and a joint recommendation for a six-month suspension from the practice of law. On December 30, 2016, the board voted to accept the stipulation and recommend the agreed-upon disposition to the Supreme Judicial Court for Suffolk County. On January 20, 2017, the county court entered an order suspending the respondent for six months, effective February 19, 2017.

