

JULIA A. FULLWOOD

Order (public reprimand) entered by the Board August 18, 2006.

SUMMARY¹

The respondent was the managing partner and owner of the Fullwood Law Offices (law firm). The law firm used two IOLTA accounts for deposits and withdrawals of client or other trust firms. From at least November 2003 to November 2005, the respondent did not make reasonable efforts to ensure that the firm had in effect measures giving reasonable assurance that the firm maintained complete records of the receipt, maintenance, and disposition of trust account funds.

In the fall of 2003, the respondent took a leave of absence and delegated to her associate, Attorney Joel Soforenko, the responsibility for managing the firm's client funds accounts. Soforenko's duties included overseeing all checks, deposits, wire transfers, and record keeping in connection with real estate closings handled by the firm. As managing partner and owner of the law firm, the respondent had direct supervisory authority over Soforenko.

Commencing at least as of November 2003 and continuing until Soforenko left the law firm in November 2005, the respondent and Soforenko failed to maintain complete records of the receipt, maintenance, and disposition of clients' funds in the IOLTA accounts. Between July 1, 2004 and November 2005, the respondent and Soforenko failed to prepare and maintain for each account records required by Mass. R. Prof. C. 1.15 after specific record-keeping requirements went into effect on July 1, 2004.

On January 26, 2004, the law firm's bank notified the respondent that it had dishonored a check in the amount of \$312,000 drawn on one of the IOLTA accounts. This check was resubmitted and paid. On July 30, 2004, the bank notified the respondent that it had dishonored two additional checks in the amounts of \$550 and \$78 drawn on the same IOLTA account. Both checks were resubmitted and paid. Due to the high volume of transactions in the account and the respondent's and Soforenko's poor record keeping, the respondent and Soforenko were not able to identify the cause of the problems.

By no later than January 2004, the respondent became aware that Soforenko's record keeping for the IOLTA accounts was not in conformance with the Massachusetts Rules of Professional Conduct. The respondent did not take steps to reconcile the IOLTA accounts, and she did not put in place procedures to assure that proper record-keeping procedures would be followed by the firm in the future. The respondent continued to delegate to Soforenko responsibility for managing record keeping for the firm's IOLTA accounts. The respondent was therefore responsible for Soforenko's ongoing violations of the record-keeping requirements of Mass. R. Prof. C. 1.15.

In April 2006, both IOLTA accounts were closed. The respondent addressed her record-keeping problems and began maintaining her trust account in accordance with Mass. R. Prof. C. 1.15.

The respondent's failure to make reasonable efforts to ensure that the law firm had in effect procedures for maintaining proper records regarding its IOLTA accounts violated Mass. R. Prof. C. 5.1(a) and (b). The respondent's failure to take reasonable remedial action once she knew that her associate was not keeping adequate records regarding the receipt, maintenance, and distribution of client funds rendered her responsible for her associate's violations of the Massachusetts Rules of Professional Conduct pursuant to Mass. R. Prof. C. 5.1(c) and in violation of 8.4(a).

The respondent's failure to maintain complete records of the receipt, maintenance, and disposition of trust account funds between November 2003 and June 30, 2004 violated Mass. R. Prof. C. 1.15(a), as in effect prior to July 1, 2004. The respondent's failure to maintain complete records of the receipt, maintenance, and disposition of trust account funds between July 1, 2004, and November 2005 violated Mass. R. Prof. C. 1.15(f) as follows:

- a. The respondent's failure to prepare and maintain check registers that showed the current balance in each IOLTA account after each deposit or withdrawal and that specified for each deposit and withdrawal the associated client matter violated Mass. R. Prof. C. 1.15(f)(1)(B);
- b. The respondent's failure to prepare and maintain a chronological ledger for each client or third person for whom the law firm received trust funds documenting each receipt and disbursement of the funds of the client or third person, the identity of the client matter for which funds were deposited or disbursed, and the balance held for the client or third person violated Mass. R. Prof. C. 1.15(f)(1)(C);
- c. The respondent's failure to prepare and maintain a chronological ledger for funds of the law firm deposited in each IOLTA account for bank fees and charges, documenting each deposit and expenditure of the law firm's funds in each account and the balance remaining, violated Mass. R. Prof. C. 1.15(f)(1)(D); and
- d. The respondent's failure to prepare and maintain reconciliation reports at least every sixty days showing the required reconciliation of check registers, individual ledgers, and bank statements for the IOLTA accounts violated Mass. R. Prof. C. 1.15(f)(1)(E).

The respondent was admitted to the Bar of the Commonwealth on July 30, 1998. She had no prior discipline.

The matter came before the Board of Bar Overseers on a stipulation of facts and a joint recommendation for discipline. On August 15, 2006, the Board voted to accept the parties' stipulation and to impose a public reprimand. While it accepted the stipulation in these circumstances, the Board indicated that, in the absence of a fully litigated proceeding, it would not treat this particular case as precedent regarding the appropriate sanction for violation of the revised record-keeping rule, Mass. R. Prof. C.1.15, which became effective on July 1, 2004.

¹ Compiled by the Board of Bar Overseers based on the record of proceedings before the Board.