

LEWDORSEY WILLIAMS

Order (public reprimand) entered by the Board June 21, 2007.

SUMMARY¹

The respondent represented the sellers of real estate pursuant to a purchase and sale agreement dated January 17, 2006. On March 29, 2006, the sale of the property closed. At the closing, the respondent, the sellers and the buyers executed an escrow agreement. The agreement named the respondent as escrow agent and provided that the sellers were to deposit with the respondent the sum of \$54,500 from their net sale proceeds to be held subject to certain terms and conditions as detailed in the agreement. The agreement did not specify the type of account in which the escrow funds were to be held. The respondent was unaware that the escrow funds were trust property within the meaning of Mass. R. Prof. C. 1.15(a)(1) and were required to be held in a trust account.

On March 31, 2006, the respondent deposited a check from the settlement agent representing the escrow proceeds, in the amount of \$54,500, into his then existing IOLTA account. At this time, the respondent believed that the proceeds would be held short-term. Shortly after March 31, 2006, the respondent caused an authorized payment to be made to the buyers in the amount of \$2,400, leaving \$52,100 in escrow.

Beginning on or before April 21, 2006, disputes arose between the sellers and the buyers over entitlement to the remaining \$52,100. of escrow funds. In April 2006, without the knowledge or permission of the buyers, the respondent transferred the escrow funds to an interest-bearing business money market account in the name of a corporation (the "business account") that the respondent and others controlled. The sellers assented to the transaction and preferred that the funds be held in an interest-bearing account.

On July 20, 2006, the respondent transferred \$52,100 from the business account into his then existing IOLTA account. At all times during the escrow contract, at least \$52,100 was held intact in an account.

On July 21, 2006, the buyers filed a civil complaint against the sellers and the respondent in the Essex County Superior Court. On July 27, 2006, the Court entered a restraining order against the respondent prohibiting the alienation of the escrow funds until further order of the Court. The funds remained intact and in April 2007, the issue of entitlement to the funds and interest was resolved, the litigation was dismissed and the respondent disbursed the funds as agreed.

The respondent's conduct of commingling trust property in a business account that he and others controlled, without the knowledge and permission of the buyers to the escrow agreement, was in violation of Mass. R. Prof. C. 1.15(b)

In aggravation, the respondent had a prior public reprimand for neglect and other misconduct in violation of Mass. R. Prof. C. 1.3 and 1.4. PR 2003-12, 19 Mass. Att'y Disc. R. 492 (2003),

and an admonition in two unrelated files for mismanagement of his IOLTA account when he was new to solo practice. AD No. 99-57, 15 Mass. Att'y Disc. R. 757 (1999).

This matter came before the Board on a stipulation of facts and disciplinary violations and a joint recommendation for discipline by public reprimand. On June 11, 2007, the Board of Bar Overseers voted to adopt the parties' stipulation and proposed sanction and the respondent received a public reprimand.

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

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