

**PETER CHARLES LACY**

**Public Reprimand No. 2011-15**

**Order (public reprimand) entered by the Board on June 30, 2011.**

**SUMMARY<sup>1</sup>**

Since 2001 the respondent had his own firm specializing in real estate and domestic relations. The respondent maintained an IOLTA account to handle the receipt and distribution of client funds.

In March 2009 the respondent deposited a \$3,000 retainer check into his IOLTA account. During the next six weeks the respondent withdrew the \$3,000 as earned fees from his IOLTA account. During this time period the respondent's bookkeeper wrote a check payable to the respondent for \$3,600 to withdraw his earned fees for this same client matter. The respondent unintentionally drew on funds belonging to other clients in making these withdrawals and thereby created a negative balance in these other clients' ledgers. No client was deprived of funds as the respondent restored the funds to the IOLTA account.

Between January 2009 and June 2010, the respondent's IOLTA account was not properly reconciled every sixty days and the check register lacked client identifiers. The respondent did not calculate a running balance after each transaction. The respondent also did not maintain individual ledgers for each client matter, and there was no ledger for the respondent's personal funds in the account to cover bank charges. By June 2010, the respondent had brought his IOLTA account record keeping into compliance with Mass. R. Prof. Conduct 1.15.

The respondent's conduct in failing to perform a three-way reconciliation of the account violated Mass. R. Prof. C. 1.15(f)(1)(E). His conduct in failing to keep an account ledger with a client identifier after every transaction and list of every transaction and running balance violated Mass. R. Prof. C. 1.15(f)(1)(B). The respondent's conduct in failing to keep individual client ledgers with a list of every transaction and running balance and failing to keep a ledger of his personal funds for bank fees and expenses violated Mass. R. Prof. C. 1.15(f)(1)(C), and (D). The respondent's negligent misuse of client funds and his conduct in issuing checks that created a negative balance in the amounts held in the IOLTA account for individual clients violated Mass. R. Prof. C. 1.15(b) and (f)(1)(C).

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<sup>1</sup> Compiled by the Board of Bar Overseers based on the record of proceedings before the Board.

On May 18, 2011, bar counsel filed a petition for discipline, and the parties filed the respondent's answer and a stipulation in which the parties agreed that the appropriate sanction was public reprimand. On June 13, 2011, the Board of Bar Overseers voted to sanction the respondent by public reprimand.