IN RE: CHRISTINE M. CEDRONE

NO. BD-2014-075

S.J.C. Order of Term Suspension entered by Justice Gants on July 31, 2014, with an effective date of August 30, 2014.[1]

SUMMARY[2]

This matter came before the Supreme Judicial Court for Suffolk County on a stipulation of the parties and a recommendation of the Board of Bar Overseers that the stipulation be accepted. In the stipulation, the respondent admitted that she intentionally misused client funds without deprivation in one matter, negligently misused client funds in three other cases, and failed to maintain IOLTA account records in compliance with Mass. R. Prof. C. 1.15. The respondent made restitution in full in all matters.

In the first matter, the respondent was retained in August 2011 to manage funds and pay expenses on behalf of a friend. The respondent did not open a trust account for this purpose and instead deposited a total of $25,949.07 of the client's funds into her operating account. Immediately upon deposit, $314.19 was applied to clear a deficit in the account and bring the balance back to zero. Between August 25, 2011, and September 15, 2011, the respondent paid out $11,887.62 on behalf of her client but intentionally spent the balance of the funds on matters unrelated to the client. The respondent had personal funds in her operating account at various times while holding her client's funds in the account. Between September 27, 2011, and March 1, 2013, consistent with the agreement to pay the client's expenses, the respondent made periodic payments directly to or on behalf of her client until she had repaid all of the funds. At no time did the respondent fail to remit funds to her client or pay expenses on her behalf in a timely manner.

In the remaining three matters, the respondent was hired to represent a client as creditor in collection cases. The fee agreement stipulated that the respondent was entitled to 20% of the amount collected, which included expenses. The respondent and her client had an agreement that the respondent would remit the funds due to her client at the end of each month in which the respondent received funds from debtors. The respondent would usually, but not always, withdraw her fee at the end of each month. As listed below, the respondent negligently misused funds due this client but made restitution in full:

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[1] The complete Order of the Court is available by contacting the Clerk of the Supreme Judicial Court for Suffolk County.

[2] Compiled by the Board of Bar Overseers based on the record filed with the Supreme Judicial Court.

1. Due to her poor record keeping, the respondent paid herself more than she was entitled to on sixteen occasions between January 1, 2011, and July 31, 2012. In other months, the respondent overpaid the client. The result is that the client received restitution for misused funds during the months the respondent overpaid.

2. In January, 2011, the respondent inadvertently deposited $7,000 received for the client into her operating account. The balance in the respondent's operating account went below the amount she should have remitted to the client without any payment to the client. The respondent audited her operating account and then transferred funds into her IOLTA account, credited the debtor, and remitted funds to the client.

3. On May 4, 2011, the respondent received funds from a debtor for the former collections client. The respondent deposited the funds into her IOLTA account but misidentified the debtor and amount in her records. The respondent then negligently misspent a portion of the funds. The respondent later deposited funds into her IOLTA account and made full restitution.

From and after January 1, 2011, the respondent failed to keep records of funds for her IOLTA account as required by Mass. R. Prof. C. 1.15. Among other things, the respondent did not keep a chronological check register showing each deposit and disbursement with client identifiers and a running balance after each transaction, she did not maintain records of deposits with client identifiers, she did not maintain a ledger for each individual client matter, she did not keep a ledger of her personal funds in the account, and she did not reconcile the account at least every sixty days.

In the first matter, the respondent's conduct in intentionally misusing trust funds violated Mass. R. Prof. C. 1.15(b) and 8.4(c) and (h). Her conduct in failing to open a separate interest bearing trust account for her client violated Mass. R. Prof. C. 1.15(e)(5). Her conduct in depositing trust funds into her operating account, failing to maintain complete records of the receipt, maintenance, and disposition of those funds, including her failure to maintain an individual ledger, violated Mass. R. Prof. C. 1.15(b)(1), and her failure to maintain trust funds separate from her own funds in her operating account, violated Mass. R. Prof. C. 1.15(b) and (f) and (f)(1)(C). In the remaining three collection matters, the respondent's negligent misuse of client funds, failure to keep client funds in a trust account, authorization of transactions that created a negative balance for individual client matters in the IOLTA account, and failure to promptly distribute funds to clients upon receipt violated Mass. R. Prof. C. 8.4(h), 1.3, and 1.15(b) and (f)(1)(C).

In addition, the respondent's conduct in failing to maintain trust funds separate from the her own funds violated Mass. R. Prof. C. 1.15(b). The respondent's conduct in failing to keep a chronological check register showing all transactions in the IOLTA account with client identifiers, failing to keep an individual ledger for each client matter, failing to keep a ledger of his personal funds, failing to prepare reconciliation reports, and failing to keep deposit records with client identifiers violated Mass. R. Prof. C. 1.15(f)(1)(B), (C), (D), (E), (F)(ii) and (iii).

The matter came before Court, Gants, J., on a stipulation of facts and a joint recommendation that the respondent be suspended for a term of one year and one day and the vote and recommendation of the Board of Bar Overseers dated July 21, 2014. On July 31, 2014, the Court entered an order suspending the respondent for a term of one year and one day.