

ADMONITION NO. 00-13

CLASSIFICATION:

Trust Account Requirements [Mass. R. Prof. C. 1.15(d)]

SUMMARY:

This matter came to Bar Counsel's attention pursuant to Mass. R. Prof. C. 1.15(f) as the result of receipt from a bank of a notice of dishonored check drawn on the respondent's IOLTA account. The account in question was opened as a so-called "client group account," meaning a master account with sub-accounts that earn interest for individual clients on funds that are not held short-term and are not nominal in amount. In an account of this type, the master account is supposed to serve merely as a conduit for the transfer of funds into and out of client sub-accounts.

In the instant matter, there were no open sub-accounts and the master account was instead being used by the respondent as an operating account into which he deposited earned fees and other personal funds and from which he paid personal and business expenses. The respondent apparently intended this account to be an operating account and the checks in fact were labeled "general operating account." The respondent did not attach any significance to the fact that the bank statements designated the account as a client account. The respondent's mislabeling of a business account as a trust account nonetheless violated Mass. R. Prof. C. 1.15(d).

The respondent received an admonition for the above violation, conditioned upon his attendance at a CLE program designated by Bar Counsel.