



The State Bar *of California*

OFFICE OF CHIEF TRIAL COUNSEL

845 S. Figueroa Street, Los Angeles, CA 90017

213-765-1230

reportable.actions@calbar.ca.gov

June 10, 2021

PERSONAL AND CONFIDENTIAL

Via Email

Name

Email Address

Re:	Reportable Action Number:	XX-O-XXXXX
	Financial Institution:	Wells Fargo Bank
	Trust Account Ending in:	XXXX

Dear Mr. XXXXXXXXXXXX:

Thank you for your response concerning the insufficient funds activity in your client trust account as reported by your bank pursuant to Business and Professions Code section 6091.1.

Based on the information provided, we are closing our file at this time without prejudice.

Attorneys are fiduciaries of client funds, and they must manage those funds appropriately. When a bank reports insufficient funds activity on a client trust account, it is a red flag that the public may be at risk due to an attorney's negligent oversight or misappropriation of entrusted funds. Failure to adhere to basic principles of client trust fund accounting can lead to serious consequences, including suspension or disbarment. Even minor transgressions may create a track record warranting closer scrutiny and possible State Bar investigation for subsequent offenses. Failure to address client trust fund accounting problems could result in additional reports from your banking institution to the State Bar and possible complaints related to your law office management.

Although the present matter does not place you at risk of severe discipline, nevertheless, we are concerned that you may need to pay greater attention to the management of your client trust account. To reduce the likelihood of future actionable matters with the State Bar, we strongly recommend you take advantage of the following resources.

June 10, 2021

- **State Bar Client Trust Account School:** a three-hour course offered by the State Bar regarding Client Trust Accounts, which addresses the common pitfalls attorneys encounter and how to avoid them. The cost of the course is \$100, and the course is approved for three (3) units of MCLE credit in ethics. You may enroll in this course by contacting Norma Murray at (213) 765-1712 for scheduling information. The course is also offered remotely.
 - o <https://www.calbar.ca.gov/Attorneys/Conduct-Discipline/Ethics/Ethics-Schools>
- **Handbook on Client Trust Accounting:** a handbook on client trust accounting for attorneys which is available to download from the State Bar's website at www.calbar.ca.gov or may be purchased for \$10 by sending a check to the State Bar of California, Attention: Trust Accounting Handbook, 180 Howard Street, San Francisco, California 94105-1639. The handbook is also provided with enrollment in the Client Trust Account School.
 - o <https://www.calbar.ca.gov/Attorneys/Conduct-Discipline/Client-Trust-Accounting-IOLTA/Client-Trust-Accounting-Handbook>
- **Other Client Trust Account Resources:**
 - o <http://www.calbar.ca.gov/Attorneys/Conduct-Discipline/Client-Trust-Accounting-IOLTA/Client-Trust-Accounting-Resources>
- **State Bar Ethics Hotline:** The Hotline staff can direct you to applicable rules, cases, and ethics opinions regarding various ethical issues attorneys face. The Hotline number is 1-800-2-ETHICS.
- **State Bar Ethics School:** a six-hour course providing insight into the common issues faced by attorneys in practice. The course is approved for six hours of MCLE credit. The cost of the course is \$150.000. Scheduling information is available by contacting Norma Murray at 213-765-1712. The course is also offered remotely.

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June 10, 2021

- <https://www.calbar.ca.gov/Attorneys/Conduct-Discipline/Ethics/Ethics-Schools>

Sincerely,

Ann J. Kim
Deputy Trial Counsel