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August 14, 2019

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BY FIRST CLASS AND CERTIFIED
MAIL NO. 9414-7266-9904-2144-5089-73

Cheryl D. Stein, Esquire
1201 4th Street N.W.
Washington, D.C. 20001

Re: *In re Cheryl D. Stein, Esquire*
D.C. Bar No. 256693
Disciplinary Docket No. 2018-D263

Dear Ms. Stein:

This office has completed its investigation of the above-referenced matter. We find that your conduct reflected a disregard of certain ethical standards under the District of Columbia Rules of Professional Conduct (the Rules). We are, therefore, issuing you this Informal Admonition pursuant to D.C. Bar R. XI, §§ 3, 6, and 8.

This investigation was docketed based on an overdraft notification from your bank. The bank notification, received on or about August 1, 2018, indicated that your IOLTA was overdrawn on June 25, 2018, when a check for the amount of \$2,500 was presented for payment. The total balance on your account was \$2,025.74 and due to the withdrawal, the balance fell to -\$473.43. The funds were returned to the account the next day, restoring the balance to \$2,025.74.

You explain that you went to the bank intending to withdraw \$1,500. When you arrived at the bank, you mistakenly believed that you were to withdraw \$2,500 and you wrote a check for that amount, causing the overdraft. We have conducted an accounting of your IOLTA account and have found no evidence of misappropriation.

In our investigation of this matter, we asked that you produce complete financial records for your IOLTA, including a check register or journal for the account, subsidiary client ledgers for each client, and records showing the reconciliation of the account with Respondent's records. You were unable to produce such records for the period during which the overdraft occurred.

You have acknowledged that you did not maintain sufficient records for your IOLTA and explained that you were undergoing medical issues and had suffered a recent death in the family that caused your recordkeeping to suffer.

Rule 1.15(a) requires lawyers to keep “complete records” of entrusted funds and preserve such records for five years after the termination of the representation. In *In re Clower*, 831 A.2d 1030 (D.C. 2003), the Court explained that:

The purpose of maintaining "complete records" is so that the documentary record itself tells the full story of how the attorney handled client or third-party funds and whether the attorney complied with his [or her] fiduciary obligation that client or third-party funds not be misappropriated or commingled. Financial records are complete only when documents sufficient to demonstrate an attorney's compliance with his ethical duties are maintained. The reason for requiring complete records is so that an audit of the attorney's handling of client funds by [Disciplinary] Counsel can be completed even if the attorney or the client, or both, are not available.

831 A.2d at 1034. Comment [5] of Rule 1.15 further provides that lawyers are to “maintain records such that ownership or any other question about client funds can be answered without assistance from the lawyer or the lawyer's clients.” We find that by failing to keep complete records of your IOLTA, you have violated Rule 1.15(a).

In deciding to issue this letter of Informal Admonition rather than institute formal disciplinary charges against you, we have taken into consideration that you had medical issues and had suffered a recent death in the family, took this matter seriously, cooperated with our investigation, have no public record of prior disciplinary actions, and have accepted responsibility for your misconduct, including by accepting this Informal Admonition. You also have agreed to undertake the Practice Management Advisory Service’s course on trust account management as a condition of this informal admonition.

This letter constitutes an Informal Admonition pursuant to D.C. Bar Rule XI, §§ 3, 6, and 8, and is public when issued. An Informal Admonition is the most lenient form of public discipline available. Please refer to the attachment to this letter of Informal Admonition for a statement of its effect and your right to have it vacated and have a formal hearing before a hearing committee.

If you would like to have a formal hearing, you must submit a written request for a hearing within 14 days of the date of this letter to the Office of Disciplinary Counsel, with a copy to the Board on Professional Responsibility, unless Disciplinary Counsel grants an extension of time. If you request a hearing, this Informal Admonition will be vacated, and Disciplinary Counsel will institute formal charges pursuant to D.C. Bar R. XI, § 8 (b). The case will then be assigned to a

In re Cheryl D. Stein, Esquire
Disciplinary Docket No. 2018-D263
Stein/Disciplinary Counsel
Page 3

Hearing Committee and a hearing will be scheduled by the Executive Attorney for the Board on Professional Responsibility pursuant to D.C. Bar R. XI, § 8 (c). Such a hearing could result in a recommendation to dismiss the charges against you or a recommendation for a finding of culpability, in which case the sanction recommended by the Hearing Committee is not limited to an Informal Admonition.

Sincerely,

Hamilton P. Fox, III
Disciplinary Counsel

Encl.: Attachment to Letter of Informal Admonition