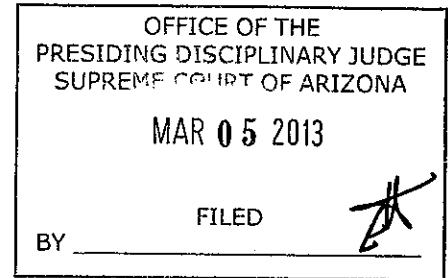


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Respondent's Counsel

**BEFORE THE PRESIDING DISCIPLINARY JUDGE
OF THE SUPREME COURT OF ARIZONA**

IN THE MATTER OF A MEMBER OF THE
STATE BAR OF ARIZONA,

LAURA JANE EDWARDS,
Bar No. 025983,

Respondent.

PDJ-2013-9020

[State Bar File No. 11-4048]

**AGREEMENT FOR DISCIPLINE BY
CONSENT**

The State Bar of Arizona, through undersigned bar counsel, and Respondent Laura Jane Edwards, who is represented in this matter by her attorney, Karen Clark, hereby submit their Tender of Admissions and Agreement for Discipline by Consent, pursuant to Rule 57(a), Ariz.R.Sup.Ct. Respondent voluntarily waives the right to an adjudicatory hearing on the complaint, unless otherwise ordered, and waives all motions, defenses, objections or requests which have been made or raised, or could be asserted thereafter, if the conditional admission and proposed form of discipline is approved.

Respondent conditionally admits that her conduct, as set forth below, violated Rule 42, Ariz.R.Sup.Ct., ER 1.15(a); and Rules 43(a), 43(b)(1)(A), 43(b)(1)(C), 43(b)(2)(A), 43(b)(2)(B), 43(b)(2)(C), 43(b)(4), and 43(d)(3), Ariz.

43(b)(2)(A),(B), and (C), 43(b)(4), and 43(d)(3), Ariz.R.Sup.Ct. Upon acceptance of this agreement, Respondent agrees to accept imposition of the following discipline: Reprimand with two years probation. Respondent also agrees to pay the costs and expenses of the disciplinary proceeding.¹ The State Bar's Statement of Costs and Expenses is attached hereto as Exhibit A.

FACTS

GENERAL ALLEGATIONS

1. At all times relevant, Respondent was a lawyer licensed to practice law in the state of Arizona, having been first admitted to practice here on November 4, 2008.

COUNT ONE (State Bar File No. 11-4048)

2. On December 27, 2011, the State Bar received an insufficient funds notice on Respondent's client trust account. On December 19, 2011, check number 1325 for \$925.91 attempted to pay against the account when the balance was \$293.90. The bank returned the check and did not charge an overdraft fee, thereby leaving the account with a balance of \$293.90.

3. On December 28, 2011, the State Bar's Staff Examiner sent Respondent a copy of the overdraft notice with the State Bar's initial screening letter and requested an explanation regarding the apparent overdraft on her client trust account and copies of the mandatory trust account records.

4. If this matter were to proceed to hearing, Respondent would acknowledge that during the period at issue, she was not in full compliance with Rule 43, Ariz. R. Sup. Ct. Respondent's office procedures did not fully comply with

¹Respondent understands that the costs and expenses of the disciplinary proceeding include the costs and expenses of the State Bar of Arizona, the Disciplinary Clerk, the Probable Cause Committee, the Presiding Disciplinary Judge and the Supreme Court of Arizona.

the rules regarding proper trust account maintenance and she did not keep adequate records. Errors occurred as a result, which lead to the screening investigation in this matter. For these reasons, Respondent cannot at this time fully explain what caused the overdraft to occur. Respondent accepts full responsibility for these errors and offers her apology. In follow-up letter dated October 23, 2012, Respondent says that "[i]n spite of the best efforts of all involved, [Respondent] is not able to more precisely identify the exact cause of the overdraft in question."

5. Respondent would further testify that she has undertaken great efforts to account for the errors, correct the errors and implement procedures that will ensure the errors will not recur. These efforts included hiring a bookkeeper to compile past records and resolve her QuickBooks and TimeSlips entries; hiring a CPA firm to perform a forensic review of her IOLTA to ensure the appropriate funds are present in the account; and engaging a bookkeeper and/or CPA to perform ongoing bookkeeping and accounting services to ensure that no errors occur in the future.

6. Nine individual client ledgers indicate a negative balance during the period of review. Respondent remedied the negative balances with bookkeeping adjustments to "force balance" each client's ledger to \$0.00. Respondent credited each client's sub-account; however, no corresponding offset debits were made.

7. If this matter were to proceed to hearing, Respondent would testify that in rectifying the errors that occurred, no client funds were used to remedy the shortages in any of the accounts. There were no client funds at risk for six of the nine clients.

8. With respect to two of the other clients, Respondent would testify that she and her bookkeeper did their best to determine the amount that should have been in each of the client's accounts and made an adjustment to the file the bookkeeper named as the "adjustment file." The "adjustment file" is the offsetting account for all of the December 31, 2011, adjustments. One client should have had \$1,444.48 in trust at the end of 2011, and the other client, should not have had any funds.

9. The following table identifies individual client ledgers with a negative balance during the period of review. The negative balances were remedied with a subsequent deposit of client funds to bring each client's balance to \$0.00:

Client Name	Date Negative	Amount	Duration of Negative Balance
Cag.	12/27/2011	\$50.00	1 day
Coo.	12/05/2011	\$100.00	1 day
Flo.	11/23/2011	\$53.00	11 days
	12/05/2011	\$53.00	6 days
	12/15/2011	\$53.00	3 days
	12/27/2011	\$53.00	1 day

10. The following table identifies two client ledgers with a negative balance during the period of review. The negative balances were not remedied as of December 31, 2011:

Client Name	Date Negative	Amount	Duration of Negative Balance
Nov.	12/08/2011	\$438.51	22 days
Unknown	12/09/2011	\$25.00	21 days

11. If this matter were to proceed to hearing, Respondent would testify that two adjustment entries on the general ledger dated December 31, 2011, in the amounts of (\$63.38), and (\$25.00), were balance adjustments made by the bookkeeper to unknown clients for whom the bookkeeper could not locate supporting documentation. Neither of these adjustments was posted properly to a client ledger.

12. Respondent would further testify that on December 16, 2011, a deposit in the amount of \$1,500.00 was made to the client trust account that was a flat-fee and as such, all monies received from this client were earned upon receipt. The fee was mistakenly run through the trust account, but then was appropriately transferred to the general account.

13. Respondent would also testify about two un-cleared deposits reflected on the monthly reconciliation for December 2011; (a) \$2,500.00, dated November 12, 2010, and; (b) \$1,500.00, dated December 16, 2010; that Respondent's bookkeeper entered as part of her beginning entries. Respondent was able to account for the two deposits by letter dated October 23, 2012, and make the appropriate entries into her ledgers.

CONDITIONAL ADMISSIONS

Respondent's admissions are being tendered in exchange for the form of discipline stated below and are submitted freely and voluntarily and not as a result of coercion or intimidation.

Respondent conditionally admits that her conduct violated Rule 42, Ariz. R. Sup. Ct., ER 1.15(a); and Rules 43(a), 43(b)(1)(A), 43(b)(1)(C), 43(b)(2)(A), 43(b)(2)(B), 43(b)(2)(C), 43(b)(4), and 43(d)(3), Ariz. R. Sup. Ct.

RESTITUTION

Restitution is not an issue in this matter.

SANCTION

Respondent and the State Bar of Arizona agree that based on the facts and circumstances of this matter, as set forth herein, the following sanction is appropriate:

Reprimand with two years probation to include participation in the Law Office Management Assistance program (LOMAP) and the Trust Account Ethics Enhancement Program (TAEED).

LOMAP

Respondent shall contact the director of the State Bar's Law Office Management Assistance Program (LOMAP), at 602-340-7332, within 30 days of the date of the final judgment and order. Respondent shall submit to a LOMAP examination of her trust account for compliance with ER 1.15, and Rule 43, Ariz.R.Sup.Ct. The director of LOMAP shall develop "Terms and Conditions of Probation," and those terms shall be incorporated herein by reference. The probation period will commence at the time of the entry of the judgment and order and will conclude two years from that date. Respondent shall be responsible for any costs associated with LOMAP.

TAEED

Respondent shall attend a half-day Trust Account Ethics Enhancement Program (TAEED). Respondent must contact the TAEED Program Coordinator, State Bar of Arizona, at (602) 340-7278, within 20 days from the date of the final judgment and order. Respondent shall be responsible for the cost of attending the program.

NON-COMPLIANCE

In the event that Respondent fails to comply with any of the foregoing probation terms, and information thereof is received by the State Bar of Arizona, Bar Counsel shall file a notice of noncompliance with the Presiding Disciplinary Judge pursuant to Rule 60(a)(5), Ariz.R.Sup.Ct. The Presiding Disciplinary Judge may conduct a hearing within 30 days to determine whether a term of probation has been breached and, if so, to recommend an appropriate sanction. If there is an allegation

that Respondent failed to comply with any of the foregoing terms, the burden of proof shall be on the State Bar of Arizona to prove noncompliance by a preponderance of the evidence.

LEGAL GROUNDS IN SUPPORT OF SANCTION

In determining an appropriate sanction, the parties consulted the American Bar Association's *Standards for Imposing Lawyer Sanctions (Standards)* pursuant to Rule 57(a)(2)(E). The *Standards* are designed to promote consistency in the imposition of sanctions by identifying relevant factors that courts should consider and then applying those factors to situations where lawyers have engaged in various types of misconduct. *Standards* 1.3, Commentary. The *Standards* provide guidance with respect to an appropriate sanction in this matter. *In re Peasley*, 208 Ariz. 27, 33, 35, 90 P.3d 764, 770 (2004); *In re Rivkind*, 162 Ariz. 154, 157, 791 P.2d 1037, 1040 (1990).

In determining an appropriate sanction consideration is given to the duty violated, the lawyer's mental state, the actual or potential injury caused by the misconduct and the existence of aggravating and mitigating factors. *Peasley*, 208 Ariz. at 35, 90 P.3d at 772; *Standard* 3.0.

The parties agree that *Standard* 4.13 is the appropriate *Standard* given the facts and circumstances of this matter. *Standard* 4.13 provides that reprimand is generally appropriate when a lawyer is negligent in dealing with client property and causes injury or potential injury to a client. Respondent failed to keep funds belonging in whole or in part to a client separate and apart from the lawyer's personal and business accounts. Respondent failed to exercise due professional care regarding the safe-guarding of client funds by failing to maintain adequate

internal controls and complete records of the handling, maintenance, and disposition of client property in connection with a representation.

The duty violated

As described above, Respondent's conduct violated her duty to her clients.

The lawyer's mental state

For purposes of this agreement the parties agree that Respondent negligently failed to keep funds belonging in whole or in part to a client separate and apart from the lawyer's personal and business accounts. Respondent negligently failed to exercise due professional care regarding the safe guarding of client funds by failing to maintain adequate internal controls and complete records of the handling, maintenance, and disposition of client property in connection with a representation. Respondent's conduct was in violation of the Rules of Professional Conduct.

The extent of the actual or potential injury

For purposes of this agreement, the parties agree that there was potential harm to her clients.

Aggravating and mitigating circumstances

The presumptive sanction in this matter is reprimand. The parties conditionally agree that the following aggravating and mitigating factors should be considered.

In aggravation:

Standard 9.22(c) a pattern of misconduct; Respondent mismanagement of her trust account involved several clients over a sustained period of time.

In mitigation:

Standard 9.3(a) absence of a prior disciplinary record.

Standard 9.3(d) timely good faith effort to make restitution or to rectify consequences of misconduct. Respondent has also undertaken great efforts to account for the errors, correct the errors and implement procedures that will ensure the errors will not recur. These efforts include hiring a bookkeeper to compile past records and resolve her QuickBooks and TimeSlips entries; hiring a CPA firm to perform a forensic review of her IOLTA to ensure the appropriate funds are present in the account; and engaging a bookkeeper and/or CPA to perform ongoing bookkeeping and accounting services to ensure that no errors occur in the future.

Standard 9.3(e) full and free disclosure to disciplinary board or cooperative attitude toward proceedings.

Standard 9.3(l) remorse.

Discussion

The parties have conditionally agreed that a greater or lesser sanction would not be appropriate under the facts and circumstances of this matter. This agreement for reprimand is based on Respondent's timely and great efforts to account for the errors, correct the errors, and implement procedures to ensure the errors will not recur. In addition, the State Bar is convinced that Respondent is truly remorseful for her misconduct. Based on the *Standards* and in light of the facts and circumstances of this matter, the parties conditionally agree that the sanction set forth above is within the range of appropriate sanction and will serve the purposes of lawyer discipline.

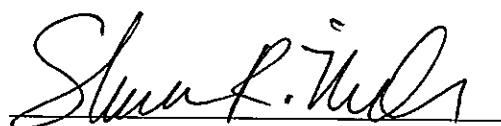
CONCLUSION

The object of lawyer discipline is not to punish the lawyer, but to protect the public, the profession and the administration of justice. *Peasley, supra* at ¶ 64, 90

P.3d at 778. Recognizing that determination of the appropriate sanction is the prerogative of the Presiding Disciplinary Judge, the State Bar and Respondent believe that the objectives of discipline will be met by the imposition of the proposed sanction of reprimand with two years probation to include participation in LOMAP and TAEPP, and the imposition of costs and expenses.

DATED this 5th day of March, 2013.

STATE BAR OF ARIZONA


Shauna R. Miller
Senior Bar Counsel

This agreement, with conditional admissions, is submitted freely and voluntarily and not under coercion or intimidation.

DATED this _____ day of _____, 2013.

Laura Jane Edwards
Respondent

DATED this _____ day of _____, 2013.

Karen Clark
Counsel for Respondent

Approved as to form and content


Maret Vessella
Chief Bar Counsel

P.3d at 778. Recognizing that determination of the appropriate sanction is the prerogative of the Presiding Disciplinary Judge, the State Bar and Respondent believe that the objectives of discipline will be met by the imposition of the proposed sanction of reprimand with two years probation to include participation in LOMAP and TAEPP, and the imposition of costs and expenses.

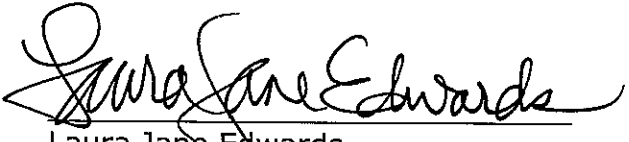
DATED this _____ day of _____, 2013.

STATE BAR OF ARIZONA

Shauna R. Miller
Senior Bar Counsel

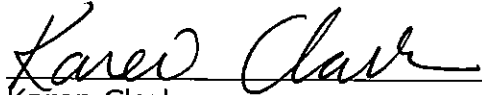
This agreement, with conditional admissions, is submitted freely and voluntarily and not under coercion or intimidation.

DATED this 4th day of March, 2013.



Laura Jane Edwards
Respondent

DATED this 4th day of March, 2013.



Karen Clark
Counsel for Respondent

Approved as to form and content

Maret Vessella
Chief Bar Counsel

Original filed with the Disciplinary Clerk
of the Office of the Presiding Disciplinary Judge
this 5th day of March, 2013.

Copies of the foregoing mailed and emailed
this 5th day of March, 2013, to:

Karen Clark
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Email: karen@adamsclark.com
Respondent's Counsel

Copy of the foregoing emailed
this 5th day of March, 2013, to:

William J. O'Neil
Presiding Disciplinary Judge
Supreme Court of Arizona
Email: officepdj@courts.az.gov
lhopkins@courts.az.gov

Copy of the foregoing hand-delivered
this 5th day of March, 2013, to:

Lawyer Regulation Records Manager
State Bar of Arizona
4201 North 24th Street, Suite 100
Phoenix, Arizona 85016-6266

By: Ariana Quiroz
SRM: aq