

BEFORE THE PRESIDING DISCIPLINARY JUDGE

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

MATTHEW JASON HUM,
Bar No. 028959

Respondent.

PDJ 2017-9001

**DECISION AND FINAL
JUDGMENT**

State Bar File Nos. 15-3136 and
16-1568

FILED MARCH 10, 2017

The complaint was filed on January 5, 2017. The Presiding Disciplinary Judge having reviewed the Agreement for Discipline by Consent filed on February 7, 2017, pursuant to Rule 57(a), Ariz. R. Sup. Ct., accepts the parties' proposed agreement incorporated by this reference.

Accordingly:

IT IS ORDERED Respondent, **Matthew Jason Hum**, is admonished for his conduct in violation of the Arizona Rules of Professional Conduct, as outlined in the consent documents, effective immediately.

IT IS FURTHER ORDERED Mr. Hum shall be placed on probation for two (2) years.

IT IS FURTHER ORDERED Mr. Hum shall complete the following programs:

1. Mr. Hum shall attend a half-day Trust Account Ethics Enhancement Program (TAEEP). Mr. Hum shall contact the State Bar Compliance Monitor at (602) 340-7258, within ten (10) days from this order, to schedule attendance at the next available class. Mr. Hum shall be responsible for the cost of attending the program.

2. Mr. Hum shall participate in and successfully complete the State Bar's Law Office Management Assistance Program (LOMAP). Mr. Hum shall contact the State Bar Compliance Monitor at (602) 340-7258, within ten (10) days from this order. Mr. Hum shall submit to a LOMAP examination and assessment of their office procedures. Mr. Hum shall sign terms and conditions of participation, which are incorporated herein. Mr. Hum shall be responsible for the cost of participating in the program.

3. Besides his annual M.C.L.E. requirements, Mr. Hum shall complete the State Bar's seminar entitled "Ten Deadly Sins of Conflict" as a term of probation. Mr. Hum shall provide the State Bar Compliance Monitor with evidence of completion of the program by providing a copy of handwritten notes. Mr. Hum shall contact the Compliance Monitor at (602) 340-7258 to

arrange to submit this evidence. Mr. Hum shall be responsible for the costs of the CLE.

NON-COMPLIANCE LANGUAGE

If Mr. Hum fails to comply with any of the foregoing probation terms, and information thereof, is received by the State Bar of Arizona, Bar Counsel has discretion to 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 issue a 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.

IT IS FURTHER ORDERED Mr. Hum shall pay the costs and expenses of the State Bar of Arizona for \$2,356.83 within thirty (30) days from this order. There are no costs or expenses incurred by the disciplinary clerk and/or Presiding Disciplinary Judge's Office with these disciplinary proceedings.

DATED this 10th day of March, 2017.

William J. O'Neil

William J. O'Neil, Presiding Disciplinary Judge

///

Copies of the foregoing mailed & emailed
this 10th day of March, 2017, to:

Matthew Jason Hum
Cronus Law PLLC
2601 E. Thomas Road, Suite 235
Phoenix, Arizona 85016-8236
Email: mhum@cronuslaw.com
Respondent

Craig D. Henley
Senior Bar Counsel
State Bar of Arizona
4201 N 24th Street, Suite 100
Phoenix, Arizona 85016-6266
Email: LRO@staff.azbar.org

by: AMcQueen

Craig D. Henley, Bar No. 018801
Senior Bar Counsel
State Bar of Arizona
4201 N. 24th Street, Suite 100
Phoenix, Arizona 85016-6266
Telephone (602) 340-7272
Email: LRO@staff.azbar.org

OFFICE OF THE
PRESIDING DISCIPLINARY JUDGE
SUPREME COURT OF ARIZONA

FEB 7 2017

FILED
BY 

Matthew Jason Hum, Bar No. 028959
Cronus Law PLLC
2601 E. Thomas Road, Suite 235
Phoenix, Arizona 85016-8236
Telephone (480) 467-3188
Email: mhum@cronuslaw.com
Respondent

BEFORE THE PRESIDING DISCIPLINARY JUDGE

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

**MATTHEW JASON HUM
Bar No. 028959**

Respondent.

PDJ 2017-9001

**AGREEMENT FOR DISCIPLINE
BY CONSENT**

State Bar File Nos. 15-3136 and
16-1568

The State Bar of Arizona, through undersigned Bar Counsel, and Respondent, Matthew Jason Hum, who has chosen not to seek the assistance of counsel, hereby submit their Agreement for Discipline by Consent, pursuant to Rule 57(a), Ariz. R. Sup. Ct. A probable cause order was entered on December 28, 2016 and a formal complaint was filed in this matter on January 5, 2017.

Respondent voluntarily waives the right to an adjudicatory hearing, 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.

The State Bar is the complainant in this matter, therefore no notice of this agreement is required pursuant to Rule 53(b)(3), Ariz. R. Sup. Ct.

Upon acceptance of this agreement, Respondent agrees to accept imposition of the following discipline: Admonition with Probation.

Respondent also agrees to pay the costs and expenses of the disciplinary proceeding, within 30 days from the date of this order, and if costs are not paid within the 30 days, interest will begin to accrue at the legal rate.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 originally licensed to practice law in the State of Arizona on November 14, 2011.

¹ Respondent 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.

2. At all times relevant, Respondent contemporaneously maintained a Bank of America trust account ending in -7450 (hereinafter referred to as "BOA") and a BBVA Compass Bank trust account ending in -4450 (hereinafter referred to as "Compass").

COUNT ONE (File No. 15-3136/State Bar)

First Overdraft [BOA]:

2. On November 16, 2015, check number 1233 in the amount of \$6,750.00 was disbursed from the BOA trust account on behalf of client Hum Trust, when the client balance was \$5,004.00, resulting in a negative balance in the amount of (\$1,746.00).

3. The deficit was maintained until November 24, 2015, when Respondent deposited earned funds by way of 2 checks from payor Euler Hermes, in the amounts of \$300.00 and \$1,000.00, and a transfer of funds from the administrative funds balance in the amount of \$446.00.

4. As part of the State Bar investigation of Respondent's compliance with Rule 43, Ariz. R. Sup. Ct. (hereinafter "Trust Account Rules"), the examiner discovered that earned funds deposited from payor Euler Hermes in the amount of \$1,300.00 were later disbursed to Euler Hermes.

5. When asked why funds were deposited and disbursed from the trust account on behalf of the same entity, Respondent stated that Euler Hermes acts in the capacity of a “third party intermediary” in the collection of debts.

6. Respondent also stated that in addition to Euler Hermes, other clients such as Williams & Fudge, Eservice and AGA all act as intermediary companies and obtain an assignment of rights to the subject debt(s) before sending the debt to Respondent for collection efforts.

7. Respondent provided the agreements for Euler Hermes and Williams & Fudge, however, the agreements for Eservice and AGA were not provided.

8. Respondent stated that the intermediary companies pay “suit fees” which are earned upon receipt but placed in the trust account as well as earned fees and/or reimbursement of costs from money collected but not deposited in the trust account.

Second Overdraft [BOA]:

9. On November 23, 2015, check number 1232 in the amount of \$1,132.21 attempted to pay against the account when the balance was \$133.58. The bank paid the check, and did not charge an overdraft fee leaving the account with a negative balance of (\$998.63).

10. In his response to the State Bar, Respondent stated that the occurrence of overdraft was the result of an incorrectly written check and calculation/bookkeeping error.

11. Respondent explained that “this was probably because there was a previous check for the same client going out for \$3,000.00.”

12. Respondent further explained that, when he became aware of his error, he deposited earned fees of \$1,300.00 into the trust account.

Additional Trust Account Errors:

13. The general ledger and individual client ledgers demonstrate a pattern of incorrect entries reflecting disbursements on the date the funds cleared the trust account rather than the actual date the checks were issued.

14. As a result, Respondent issued checks on behalf of six clients when the clients held insufficient funds on deposit in the trust account.

15. In one occurrence, check number 1236 in the amount of \$300.00 was issued on November 25, 2015, when the client had a balance in the amount of \$0.00.

16. The funds did not clear the account until February 10, 2016, when the client held a balance in the amount of \$300.00.

17. In all six instances the checks were not presented for payment until sufficient funds were available in the client accounts, therefore no client funds were converted.

18. Respondent also issued checks from the trust account when there were insufficient funds on deposit in the trust account to cover the disbursement.

19. On November 25, 2015, check numbers 1236 and 1237 both in the amount of \$300.00 were issued, however, they did not post to the trust account until February 10, 2016.

20. While the trust account should have held a minimum balance of \$600.00 between November 25, 2015, and February 10, 2016, bank records indicate that the balance in the trust account fell below that amount between January 19, 2016, and February 3, 2016.

21. Respondent explained that he used a practice of dating the checks on the date of creation and withholding the checks until he confirmed that debtor payments were received and/or cleared the bank before disbursing the previously written disbursement checks to the intermediary company clients.

22. A review of Respondent's records also revealed the following deficiencies:

- a. The Payor and Payee are not clearly identifiable on the general ledger and individual client ledger entries;

- b. The general ledger contains three instances of entries that are not in chronological order;
- c. The general ledger entry for check number 1234 incorrectly reflects check number 1235;
- d. The individual client ledger for Arizona Culinary Institute reflects check number 1247 as check number 1239; and
- e. Inconsistency in the client name was seen in the documents provided for four of the clients during the period of review.

23. In addition to the foregoing, Respondent's three-way reconciliations for November, December, January and February were dated as of December 1, 2015, January 1, 2016, February 1, 2016, and March 1, 2016, respectively instead of the end of the month.

24. Respondent's reconciliations for January 2016 inaccurately reflects the total amount of the individual client ledgers and administrative funds ledger as \$146.84 instead of the actual amount of \$143.84.

25. While the three-way reconciliations provided for March 2016 was dated March 1, 2016, the reconciliation included entries from the general ledger through March 31, 2016.

26. Several of Respondent's deposit records failed to reflect the name of the client.

Hum Trust:

27. The administrative funds ledger provided for the period of review reflects that on November 1, 2015, the trust account held an administrative funds balance of \$747.37.

28. The trust account bank statements reflect that no bank fees were incurred during the period of review.

29. The administrative funds ledger also revealed that the disbursement of check number 1245 in the amount of \$187.50, payable to Progressive Insurance Company, decreased the administrative funds balance by said amount.

30. Respondent initially stated that Progressive is a client and the disbursement in question was a reimbursement for an overpayment of fees for legal services.

31. A review of the trust account bank records revealed several additional disbursements were made to Progressive on behalf of client Hum Trust.

32. On September 30, 2016, the State Bar filed a request for subpoena duces tecum and deposition requesting, among other things:

a. Any and all files, documents, information and records including, but not limited to:

i. A copy of the trust account bank statements for the period of June 2016 to date;

- ii. A copy of the general ledger, client ledgers and administrative funds ledger for the period of June 2016 to date;
 - iii. A copy of the monthly reconciliation for the month of June 2016 to date; and
 - iv. A copy of any and all checks deposited or disbursed for the month of June 2016 to date.
- b. Any and all files, documents, information and records regarding his representation of the Hum Trust including, but not limited to:
- i. Any and all fee agreements; and
 - ii. Any and all documents identifying any and all individuals/entities related to the Hum Trust and their relationship, if any, to Respondent.
- c. Any and all files, documents, information and records regarding his representation of the any and all collection agencies and related individuals entities including, but not limited to:
- i. Any and all fee agreements; and
 - ii. Any and all documents identifying any and all individuals/entities related to the collection agency clients and their relationship, if any, to Respondent.

33. On October 14, 2016, Respondent was deposed by the State Bar and provided some of the subpoenaed documented.

34. Respondent testified that the Hum Trust is a family trust comprised of relatives, primarily aunts and uncles. Respondent is not a member of the Hum Trust.

35. When asked during his deposition about a certain \$3,000.00 debit from the BOA trust account and the related records reflecting Euler Hermes as both the payor and payee, Respondent admitted that he contemporaneously represented the Hum Trust and its individual members along with the collection company Euler Hermes between October and November 2015 regarding a certain debt.

36. Upon later review of an additional invoice to Dennis Hum (one of the Trust Members) dated October 23, 2015, Respondent confirmed that the invoice refers to a debt owed by Dennis Hum to Euler Hermes which was paid through Respondent's trust account.

37. Respondent testified that the only services that he has recently provided to the Hum Trust or his relatives are related to a Pima County Superior Court title action involving a certain parcel of land that was transferred from the Hum Trust to a third party. Respondent claims that the representation is *pro bono* and his services primarily involves the receipt and payment of tax and property expenses.

38. Respondent indicates that he received no training or education about trust accounts.

39. During the deposition, Respondent indicated that he had additional information which would explain certain specific transactions reflected in the law firm's invoices and bank records and asked if he could provide the information on Wednesday, October 19, 2016.

40. On Wednesday, October 19, 2016, Respondent requested and received an extension to produce the documents and information no later than close of business October 24, 2016.

41. On October 25, 2016, Respondent provided the State Bar with some of the requested documents and information.

COUNT TWO (File No. 16-1568/State Bar)

42. The State Bar of Arizona received an insufficient funds notice on Respondent's Compass trust account ending in -4450.

43. On May 3, 2016, an electronic item in the amount of \$19.95 attempted to pay against the Compass account when the balance was \$13.74. The bank did not honor the electronic item and did not charge an overdraft fee, leaving the account with a balance of \$13.74.

44. On May 9, 2016, the State Bar of Arizona received a second notice of insufficient funds on Respondent's client trust account indicating that an electronic

item in the amount of \$19.95 attempted to pay against the Compass account when the balance was \$13.74. The bank did not honor the electronic item and did not charge an overdraft fee, leaving the account with a balance of \$13.74.

45. On May 9, 2016, the State Bar of Arizona received a third notice of insufficient funds on Respondent's client trust account. An electronic item in the amount of \$50.00 attempted to pay against the Compass account when the balance was \$13.74. The bank did not honor the electronic item and did not charge an overdraft fee, leaving the account with a balance of \$13.74.

46. On June 3, 2016, the State Bar of Arizona received a fourth notice of insufficient funds on Respondent's client trust account. An electronic item in the amount of \$19.95 attempted to pay against the Compass account when the balance was \$13.74. The bank did not honor the electronic item and did not charge an overdraft fee, leaving the account with a balance of \$13.74.

47. While Respondent stated that he contacted the bank on June 6, 2016, but that the bank had no record of the charges, Respondent stated that on that same day he deposited \$150.00 into the trust account to cover any future charges.

48. A review of the trust account bank statements reflect a recurring monthly charge for merchant service fees in the amount of \$19.95.

49. The general ledger and the administrative funds ledger provided for the period of review do not reflect that an electronic item in the amount of \$19.95 was

disbursed and returned unpaid on May 3, 2016, and again on June 3, 2016. In addition, the general ledger and administrative funds ledger reflect the disbursements on May 9, 2016, in the amounts of \$19.95 and \$50.00, however, the ledgers do not reflect that those items were returned unpaid. This resulted in an inaccurate unexpended balance on the general ledger and the administrative funds ledger.

50. The three-way reconciliation provided for the months of April, May, June and July were dated as of May 1, 2016, June 6, 2016, July 1, 2016 and August 1, 2016 respectively. This is not a violation, however, the reconciliation should be for the period reflected on the statement, which ends on the last day of the previous month.

51. On September 22, 2016, the Trust Account Examiner requested that Respondent provide the State Bar with the following additional documents and information no later than September 27, 2016:

- a. An explanation of as to the purpose of the BBVA Compass trust account;
- b. A copy of the BBVA Compass trust account for June 2016;
- c. A copy of the general ledger and administrative funds ledgers for June 2016; and
- d. A copy of the monthly reconciliation for June 2016.

52. Respondent failed to provide the requested documents or contact the State Bar.

53. On September 30, 2016, the State Bar filed a request for subpoena duces tecum and deposition requesting, among other things:

a. Any and all files, documents, information and records related to the State Bar investigation SB 16-1568 regarding your BBVA Compass trust account ending in -4450 including, but not limited to:

- i. A copy of the trust account bank statements for the period of June 2016 to date;
- ii. A copy of the general ledger, client ledgers and administrative funds ledger for the period of June 2016 to date;
- iii. A copy of the monthly reconciliation for the month of June 2016 to date; and
- iv. A copy of any and all checks deposited or disbursed for the month of June 2016 to date.

b. Any and all files, documents, information and records related to the State Bar investigation SB 15-3136 regarding your representation of the Hum Trust including, but not limited to:

- i. Any and all fee agreements; and

ii. Any and all documents identifying any and all individuals/entities related to the Hum Trust and their relationship, if any, to Respondent.

c. Any and all files, documents, information and records related to the State Bar investigation SB 15-3136 regarding your representation of the any and all collection agencies and related individuals entities including, but not limited to:

i. Any and all fee agreements; and

ii. Any and all documents identifying any and all individuals/entities related to the collection agency clients and their relationship, if any, to Respondent.

40. On October 14, 2016, Respondent was deposed and provided copies of the requested fee agreements but none of the other documents.

41. Respondent testified as follows:

- Upon being admitted to practice in November 2011, Respondent was a solo practitioner pursuing debt collections as Hum Law Firm;
- In 2015, Respondent formed Cronus Law and Hum Law began shutting down as Cronus was getting out of debt collection;

- The BBVA Compass account does and always has been solely owned and operated by the Hum Law Firm for residual payments in any remaining debt collection cases but has only maintained administrative funds for approximately one year;
- The BBVA Compass account became overdrawn as a result of the bank charging a fee for a merchant service terminal; and
- He would close the BBVA Compass account immediately and provide the State Bar with proof of closure by October 19, 2016.

42. On Wednesday, October 19, 2016, Respondent requested and received an extension until close of business October 24, 2016 to produce the documents and verification that the Compass account was closed.

43. On November 17, 2016, Respondent provided the State Bar with a letter from Compass dated November 17, 2016 confirming that the Compass trust account was closed as of November 17, 2016.

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 his conduct violated:

Count One:

1. Rule 42, Ariz. R. Sup. Ct., ER 1.7 by concurrently representing one client with a directly adverse interest to another client or there is a significant risk that the representation of one or more clients will be materially limited by the lawyer's responsibilities to another client, a former client or a third party or by a personal interest of the lawyer;
2. Rule 42, Ariz. R. Sup. Ct., ER 8.1 by knowingly failing to respond to the State Bar's lawful demand for information;
3. Rule 42, ER 1.15(a), Ariz. R. Sup. Ct. by converting client funds and commingling personal funds;
4. Rule 42, ER 1.15(b)(1), Ariz. R. Sup. Ct. by failing to deposit lawyer's own funds in a client trust account only in an amount reasonably estimated to be necessary to pay service or other charges or fees imposed by the financial institution that are related to the operation of the trust account;
5. Rule 43(a)(1), Ariz. R. Sup. Ct. by failing to deposit funds to pay service or other charges or fees imposed by the financial institution that are related to operation of the trust account, but only in an amount reasonably estimated to be necessary for that purpose may be deposited therein;
6. Rule 43(b)(1)(A), Ariz. R. Sup. Ct. by failing to exercise due professional care in the performance of the lawyer's duties;
7. Rule 43(b)(1)(C), Ariz. R. Sup. Ct. by failing to maintain adequate internal controls under the circumstances to safeguard funds or other property held in trust;
8. Rule 43(b)(2)(D), Ariz. R. Sup. Ct. by failing to retain, in accordance with this rule, all account trust statements, cancelled pre-numbered checks (unless recorded on microfilm or stored electronically by a bank or other financial institution that maintains such records for the length of time required by this rule), duplicate deposit slips or the equivalent (which shall be sufficiently detailed to identify each item); and
9. Rule 54(d), Ariz. R. Sup. Ct. by failing to furnish information or respond

promptly to a request from the State Bar.

Count Two:

10. Rule 42, Ariz. R. Sup. Ct., ER 8.1 by knowingly failing to respond to the State Bar's lawful demand for information;
11. Rule 42, ER 1.15(b)(2), Ariz. R. Sup. Ct. by failing to deposit lawyer's own funds in a client trust account only in an amount reasonably estimated to be necessary to pay any merchant fees or credit card transaction fees or to offset debits for credit card chargebacks;
12. Rule 43(a)(2), Ariz. R. Sup. Ct. by failing to deposit funds to pay merchant fees or credit card transactions or to offset debits for credit card chargebacks, but only in an amount reasonably estimated to be necessary for those purposes may be deposited therein;
13. Rule 43(b)(1)(A), Ariz. R. Sup. Ct. by failing to exercise due professional care in the performance of the lawyer's duties;
14. Rule 43(b)(3)(C), Ariz. R. Sup. Ct. by failing to maintain a sufficient amount of funds of the lawyer or law firm at the time of the transaction to pay all merchant and credit card transaction fees, except to the extent such fees were paid by the client as part of the transaction;
15. Rule 43(b)(1)(C), Ariz. R. Sup. Ct. by failing to maintain adequate internal controls under the circumstances to safeguard funds or other property held in trust;
16. Rule 43(b)(2)(D), Ariz. R. Sup. Ct. by failing to retain, in accordance with this rule, all account trust statements, cancelled pre-numbered checks (unless recorded on microfilm or stored electronically by a bank or other financial institution that maintains such records for the length of time required by this rule), duplicate deposit slips or the equivalent (which shall be sufficiently detailed to identify each item); and
17. Rule 54(d), Ariz. R. Sup. Ct. Respondent failed to furnish information or respond promptly to a request from the State Bar.

CONDITIONAL DISMISSALS

None.

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 above, the following sanctions are appropriate:

Admonition with two years of probation.

If Respondent violates any of the terms of this agreement, further discipline proceedings may be brought.

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 the following *Standards* are the appropriate *Standard* given the facts and circumstances of this matter:

Rule 42, Ariz. R. Sup. Ct., ER 1.7:

Standard 4.33

Admonition is generally appropriate when a lawyer engages in an isolated instance of negligence in determining whether the representation of a client may be materially affected by the lawyer's own interests, or whether the representation will adversely affect another client, and causes little or no actual or potential injury to a client.

Rule 42, Ariz. R. Sup. Ct., ER 1.15:

Standard 4.14

Admonition is generally appropriate when a lawyer is negligent in dealing with client property and causes little or no actual or potential injury to a client.

Rule 42, Ariz. R. Sup. Ct., ER 8.1, Rule 43(a)(2), Ariz. R. Sup. Ct. and Rule 54(d), Ariz. R. Sup. Ct.:

Standard 7.3

Reprimand is generally appropriate when a lawyer negligently engages in conduct that is a violation of a duty owed as a professional, and causes injury or potential injury to a client, the public or the legal system.

The duty violated

As described above, Respondent's conduct violated his duty to his client and the profession.

The lawyer's mental state

For purposes of this agreement the parties agree that Respondent negligently failed to identify a conflict of interest, maintain his trust account and failed to timely reply to the State Bar requests. The parties further agree that 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 no harm to Respondent's clients and while there was minimal harm to the profession for his failure to timely respond to the State Bar, Respondent has accepted responsibility for the costs and expenses caused by his failure.

Aggravating and mitigating circumstances

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

In aggravation:

None.

In mitigation:

Standard 9.32(a) absence of prior disciplinary offense;

Standard 9.32(c) personal or emotional problems (the parties are contemporaneously filing a Request for Protective Order and certain mitigation evidence in support of this Standard); and

Standard 9.32(f) inexperience in the practice of law.

Discussion

The parties have conditionally agreed that, upon application of the aggravating and mitigating factors to the facts of this case, the presumptive sanction is appropriate.

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 was based on the following:

While Respondent failed to identify the possibility of a conflict of interest in representing his family members, there was no actual or potential harm caused to the clients. Similarly, while Respondent failed to properly maintain his trust account and failed to timely respond to requests by the State Bar, Respondent has provided the State Bar with mitigating evidence which contributed to Respondent's failures.

Finally, Respondent will be responsible for paying for any costs and expenses in this matter that are associated with his failure to timely respond to requests by the State Bar.

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.

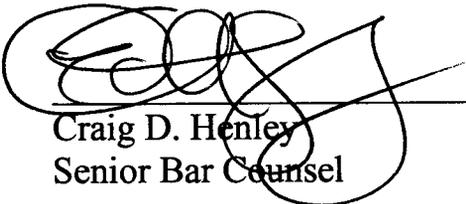
CONCLUSION

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 Admonition with two years of Probation and the imposition of costs and expenses.

A proposed form order is attached hereto as Exhibit B.

DATED this 7th day of February 2017.

STATE BAR OF ARIZONA



Craig D. Henley
Senior Bar Counsel

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

DATED this 7th day of February, 2017.



Matthew Jason Hum
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
of the Supreme Court of Arizona
this 7th day of February, 2017.

Copy of the foregoing emailed
this 7th day of February, 2017, to:

The Honorable William J. O'Neil
Presiding Disciplinary Judge
Supreme Court of Arizona
1501 West Washington Street, Suite 102
Phoenix, Arizona 85007
E-mail: officepdj@courts.az.gov

Copy of the foregoing mailed/mailed
this 7th day of February, 2017, to:

Matthew Jason Hum
Cronus Law PLLC
2601 E. Thomas Road, Suite 235
Phoenix, Arizona 85016-8236
Email: mhum@cronuslaw.com
Respondent

Copy of the foregoing hand-delivered
this 7th day of February, 2017, to:

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

by: 
CDH:ab

EXHIBIT A

Statement of Costs and Expenses

In the Matter of a Member of the State Bar of Arizona,
Matthew Jason Hum, Bar No. 028959, Respondent

File Nos. 15-3136 & 16-1568

Administrative Expenses

The Supreme Court of Arizona has adopted a schedule of administrative expenses to be assessed in lawyer discipline. If the number of charges/complainants exceeds five, the assessment for the general administrative expenses shall increase by 20% for each additional charge/complainant where a violation is admitted or proven.

Factors considered in the administrative expense are time expended by staff bar counsel, paralegal, secretaries, typists, file clerks and messenger; and normal postage charges, telephone costs, office supplies and all similar factors generally attributed to office overhead. As a matter of course, administrative costs will increase based on the length of time it takes a matter to proceed through the adjudication process.

General Administrative Expenses
for above-numbered proceedings **\$ 1,200.00**

Additional costs incurred by the State Bar of Arizona in the processing of this disciplinary matter, and not included in administrative expenses, are itemized below.

Staff Investigator/Miscellaneous Charges

10/14/16	Alliance Reporting Solutions: Deposition of Matthey Hum	\$ 136.13
10/05/16	LexisNexis Invoice	\$ 17.46
10/05/16	Investigator Mileage to Serve Subpoena	\$ 1.62
10/03/16	Investigator Mileage to Serve Subpoena	\$ 1.62
Total for staff investigator charges		\$ 156.83
TOTAL COSTS AND EXPENSES INCURRED		\$ 1,156.83

EXHIBIT B

BEFORE THE PRESIDING DISCIPLINARY JUDGE

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

MATTHEW JASON HUM,
Bar No. 028959,

Respondent.

PDJ 2017-9001

**FINAL JUDGMENT AND
ORDER**

State Bar File Nos. 15-3136 and
16-1568

The undersigned Presiding Disciplinary Judge of the Supreme Court of Arizona, having reviewed the Agreement for Discipline by Consent filed on _____, pursuant to Rule 57(a), Ariz. R. Sup. Ct., hereby accepts the parties' proposed agreement.

Accordingly:

IT IS HEREBY ORDERED that Respondent, **Matthew Jason Hum**, is hereby Admonished for his conduct in violation of the Arizona Rules of Professional Conduct, as outlined in the consent documents, effective immediately.

IT IS FURTHER ORDERED that Respondent shall be placed on probation for a period of two years.

IT IS FURTHER ORDERED that Respondent shall enroll, participate and complete the following programs:

1. Respondent shall attend a half-day Trust Account Ethics Enhancement Program (TAEEP). Respondent shall contact the State Bar Compliance Monitor at (602) 340-7258, within 10 days from the date of service of this Order/Agreement, to schedule attendance at the next available class. Respondent will be responsible for the cost of attending the program.
2. Respondent shall participate in and successfully complete the State Bar's Law Office Management Assistance Program (LOMAP). Respondent shall contact the State Bar Compliance Monitor at (602) 340-7258, within 10 days from the date of service of this Order/Agreement. Respondent shall submit to a LOMAP examination and assessment of their office procedures. Respondent shall sign terms and conditions of participation, which shall be incorporated herein. Respondent will be responsible for the cost of participating in the program.
3. In addition to his annual MCLE requirements, Respondent shall complete the State Bar's Ten Deadly Sins of Conflict as a term of probation. Respondent shall provide the State Bar Compliance Monitor with evidence of completion of the program by providing a copy of handwritten notes. Respondent should contact the Compliance Monitor at (602) 340-7258 to make arrangements to submit this evidence. Respondent will be responsible for the costs of the CLE.

IT IS FURTHER ORDERED that Respondent shall be subject to any additional terms imposed by the Presiding Disciplinary Judge as a result of reinstatement hearings held.

NON-COMPLIANCE LANGUAGE

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.

IT IS FURTHER ORDERED that, pursuant to Rule 72 Ariz. R. Sup. Ct., Respondent shall immediately comply with the requirements relating to notification of clients and others.

IT IS FURTHER ORDERED that Respondent pay the costs and expenses of the State Bar of Arizona in the amount of \$ _____, within 30 days from the date of service of this Order.

IT IS FURTHER ORDERED that Respondent shall pay the costs and expenses incurred by the disciplinary clerk and/or Presiding Disciplinary Judge's Office in connection with these disciplinary proceedings in the amount of _____, within 30 days from the date of service of this Order.

DATED this _____ day of February, 2017.

William J. O'Neil, Presiding Disciplinary Judge

Original filed with the Disciplinary Clerk of
the Office of the Presiding Disciplinary Judge
of the Supreme Court of Arizona
this _____ day of February, 2017.

Copies of the foregoing mailed/mailed
this _____ day of February, 2017, to:

Matthew Jason Hum
Cronus Law PLLC
2601 E. Thomas Road, Suite 235
Phoenix, Arizona 85016-8236
Email: mhum@cronuslaw.com
Respondent

Copy of the foregoing emailed/hand-delivered
this ____ day of February, 2017, to:

Craig D. Henley
Senior Bar Counsel
State Bar of Arizona
4201 N 24th Street, Suite 100
Phoenix, Arizona 85016-6266
Email: LRO@staff.azbar.org

Copy of the foregoing hand-delivered
this ____ day of February, 2017 to:

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

by: _____