

**BEFORE THE PRESIDING DISCIPLINARY  
JUDGE**

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

**MARK M. VENETOS,  
Bar No. 010737**

Respondent.

**No. PDJ-2016-9078**

**FINAL JUDGMENT AND ORDER  
OF DISBARMENT**

[State Bar No. 14-0412]

**FILED JANUARY 3, 2017**

This matter was heard by the Hearing Panel, which rendered its Decision and Order on December 2, 2016. No appeal has been filed and the time to appeal has expired, accordingly:

**IT IS ORDERED** Respondent, **MARK M. VENETOS, Bar No. 010737**, is disbarred from the State Bar of Arizona and his name is stricken from the roll of lawyers effective December 2, 2016, as set forth in the Decision and Order Imposing Sanctions of the Hearing Panel. Mr. Venetos is no longer entitled to the rights and privileges of a lawyer but remains subject to the jurisdiction of the Court.

**IT IS FURTHER ORDERED** Mr. Venetos shall immediately comply with the requirements relating to notification of clients and others, and provide and/or file all notices and affidavits required by Rule 72, Ariz. R. Sup. Ct.

**IT IS FURTHER ORDERED** upon reinstatement, Mr. Venetos shall be placed on probation for a period of two (2) years with terms and conditions to be determined at the time of reinstatement.

**IT IS FURTHER ORDERED** Mr. Venetos shall pay \$6,649.29 to Donna Palomo.

**IT IS FURTHER ORDERED** Mr. Venetos shall disgorge one-third of his fees totaling \$11,275.24 to be paid to Donna Palomo.

**IT IS FURTHER ORDERED** Mr. Venetos shall pay the costs and expenses of the State Bar of Arizona in the amount of \$4,000.00. There are no costs or expenses incurred by the disciplinary clerk and/or Presiding Disciplinary Judge's Office in connection with these disciplinary proceedings.

**DATED** this 3<sup>rd</sup> day of January, 2017.

*William J. O'Neil*  
\_\_\_\_\_  
**Presiding Disciplinary Judge**

COPY of the foregoing e-mailed/mailed  
this 3<sup>rd</sup> day of January, 2017, to:

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**BEFORE THE PRESIDING DISCIPLINARY  
JUDGE**

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

**MARK M. VENETOS,  
Bar No. 010737**

Respondent.

**PDJ-2016-9078**

**DECISION AND ORDER  
IMPOSING SANCTIONS**

[State Bar No. 14-0412]

**FILED DECEMBER 2, 2016**

Under Rule 58(j), Ariz. R. Sup. Ct, the hearing was conducted on Friday, November 18, 2016, by the Hearing Panel comprising of John N. Nelson, Attorney Member, Edward J. Luterbach, Public Member and the Presiding Disciplinary Judge, William J. O'Neil. Staff Bar counsel, Bradley F. Perry represented the State Bar. Mark M. Venetos did not appear. The parties stipulated to the admission of all exhibits listed in the joint prehearing statement. The exhibits were admitted by the PDJ and Exhibits 4, 5, 37, 38, 39, 47, 48, 50, 51, 54 and 56 are sealed.

**I. SANCTION IMPOSED**

**DISBARMENT, RESTITUTION AND COSTS OF THE DISCIPLINARY  
PROCEEDINGS. UPON REINSTATEMENT, TWO YEARS OF PROBATION.**

**II. PROCEDURAL HISTORY**

The State Bar of Arizona filed an amended complaint on August 15, 2014. It was timely served on Mr. Hughes pursuant to 58(a) (2), Ariz. R. Sup. Ct.<sup>1</sup> The Presiding Disciplinary Judge ("PDJ") was assigned to the matter. Mr. Venetos timely filed his answer on September 6, 2016. An initial case management conference was held on September 13, 2016, and written case management orders were issued that same day. The parties timely filed a Joint Pre-Hearing Statement on October 24,

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<sup>1</sup>All references to rules are to the Arizona Rules of the Supreme Court unless otherwise specifically stated.

2016. A final case management conference was held on November 8, 2016. Mr. Venetos did not appear. The hearing was delayed until 10:10 a.m. The assistant clerk left telephonic and email messages for Mr. Venetos, but he did not respond.

Mr. Venetos was directed to file with the disciplinary clerk an explanation for his absence not later than November 14, 2016. He was informed his failure to file a written explanation may cause sanctions. Mr. Venetos was given formal written notification that his failure to appear without adequate explanation may cause a Supreme Court Rule 54(c) violation being added to the charges against him. No explanation was filed. On November 17, 2016, the State Bar filed an amended prehearing memorandum.

### **III. FINDINGS OF FACT**

1. Mark M. Venetos is a lawyer licensed to practice law in the State of Arizona having been first admitted to practice on May 10, 1986. Complainant Donna Palomo and her husband hired Mr. Venetos in late 2011 or early 2012 to represent them in a personal injury suit arising from an automobile accident. [Joint Prehearing Statement, stipulated facts 1 and 2, pages 1-2.]

2. On July 19, 2012, Mr. Venetos received a settlement check from Allstate for \$15,500.00. Mr. Venetos disbursed \$500.00 to John Palomo and kept the remainder of the money for himself, despite only being entitled to 33.33% of the settlement.

3. On or about May 20, 2013, Mr. Venetos received a settlement check from SafeCo for \$19,015.00. Mr. Venetos disbursed \$5,000.00 to Donna Palomo and kept the remainder of the money for himself, despite only being entitled to 33.33% of the settlement. [Joint Prehearing Statement, stipulated fact 3, page 2, Exhibit 4, SBA000039 and Exhibit 36.]

4. Between 2012 and 2013, Mrs. Palomo's contact with Mr. Venetos was sporadic and became increasingly more difficult as time passed. Mr. Venetos stopped communicating with Mrs. Palomo during the last half of 2013. On February 4, 2014, Mrs. Palomo contacted the State Bar to report Mr. Venetos' lack of communication. The State Bar left messages for Mr. Venetos who then contacted Mrs. Palomo and set up a time to meet. Mr. Venetos failed to inform Mrs. Palomo of the May 20, 2013, settlement until he was contacted by the State Bar. [Exhibit 1, SBA000001 and Testimony of Mrs. Palomo.]

5. Mrs. Palomo met with Mr. Venetos on February 20, 2014, and was provided a settlement statement showing the amount Mr. Venetos received from Allstate and SafeCo. The settlement statement did not inform Mrs. Palomo when the settlements were received. They agreed Mr. Venetos would disburse checks to satisfy the outstanding liens of Zenith Administrators for \$5319.41 and Foothills Physical Therapy for \$690.82. [Joint Prehearing Statement, stipulated fact 4, page 2, and Exhibit 4. SBA000037.]

6. That same day, Mr. Venetos transferred \$12,000.00 from his personal or operating account into his trust account and issued a check to Mrs. Palomo for \$11,667.00. The check was represented to be the full disbursement Mrs. Palomo was owed from the settlements. [Joint Prehearing Statement, stipulated fact 5, page 2, Exhibit 4, SBA000040.]

7. On April 10, 2014, Mrs. Palomo was contacted by Foothills and informed that payment was not received. [Exhibit 4, SBA000035.] On April 15, 2014, Mr. Venetos informed Mrs. Palomo he located the checks for Foothills and Zenith in the file and would send them immediately. Respondent agreed to provide Mrs. Palomo

copies of the checks, but provided two copies of the Foothills check and no copy of the Zenith check. [Exhibit 4, SBA000036.]

8. Mr. Venetos failed to send payment to both Foothills and Zenith. Because Mr. Venetos did not send payment, both outstanding balances were forwarded to collections and the lienholders demanded full repayment of the outstanding bills instead of the lower amount originally negotiated by Mr. Venetos. [Exhibits 2-4, and Joint Prehearing Statement, stipulated fact 7, page 3.] We find Mr. Venetos intentionally and repeatedly misled his clients into believing he would pay the lien holders. Mr. Venetos never intended to pay the lienholders but rather intentionally intended to profit himself with those funds. He has never returned the monies to his clients or paid the lienholders.

9. On July 28, 2015, Mrs. Palomo filed a formal complaint with the State Bar alleging Mr. Venetos failed to pay both Foothills and Zenith. The State Bar sent Mr. Venetos a screening letter on August 7, 2015, requesting a response and IOLTA records. The State Bar granted various requests for extensions of time, setting the final deadline to respond on October 16, 2015. Mr. Venetos failed to respond and on October 20, 2015, the State Bar granted a final 10-day courtesy extension. Mr. Venetos failed to provide the requested information by the extended deadline. On November 10, 2015, Bar Counsel emailed Mr. Venetos and informed him that subpoenas would be issued if his response and the IOLTA documents were not received by November 13, 2015. [Exhibits 5-15.]

10. On November 16, 2015, Mr. Venetos responded: a review of the Palomo file "indicates that while checks were written to the noted medical providers, they were not submitted to the medical providers. Each medical debt will be satisfied in the near future. I am winding down my practice on or before the end of this year

and will submit proof of payment to you and Mrs. Palomo.” The response contained an incomplete set of IOLTA documents. [Exhibit 16.]

11. Bar Counsel sent Mr. Venetos emails on January 4 and 21, 2016, requesting proof he satisfied the outstanding debts. Mr. Venetos failed to provide the requested information. [Exhibits 21 and 24.] The information he submitted was not responsive and is detailed in the investigative report of the State Bar. [Exhibit 35.]

12. On May 5, 2016, Bar Counsel made a final demand for the IOLTA records of Mr. Venetos. Mr. Venetos did not respond. On May 19, 2016, Bar Counsel notified Mr. Venetos of the intent to submit the investigative report regarding him to the Attorney Discipline Probable Cause Committee. [Exhibits 27 and 28.] On June 6, 2016, the State Bar filed a Motion For Interim Suspension, requesting Mr. Venetos be suspended pending formal disciplinary proceedings.

13. Mr. Venetos filed a response to the Motion For Interim Suspension on June 27, 2016, in which he admitted to stealing the money meant for lienholders Foothills and Zenith. Mr. Venetos attached checks he certified paid the lienholder’s debts in full on June 27, 2016. The checks he remitted to Foothills and Zenith reflected the lesser negotiated amounts, not the full debts.

14. Mr. Venetos only wrote checks because the State Bar filed the Motion For Interim Suspension. Prior to the motion for interim suspension being filed, Mr. Venetos was indifferent to making restitution and wrote the checks to avoid imminent discipline.

15. On July 5, 2016, Zenith received the check sent by Mr. Venetos for \$5,314.19. Zenith did not accept the check and returned it to Mr. Venetos on July 5, 2016. A hearing on the interim suspension motion was conducted on July 11, 2016, during which Mr. Venetos avowed to the Court he repaid the lienholders. [Exhibit 57,

SBA000348.] Mr. Venetos did not inform the State Bar or the Court that the check had been returned to him to mislead the court and permit his continued partial practice. Mr. Venetos testified at the interim suspension hearing that the debts had been satisfied by him, but knew this was untrue. Mr. Venetos did not determine if any other entity has a claim to the money. The State Bar only learned that the check was returned because Mrs. Palomo contacted Zenith to ensure the lien was satisfied and then contacted the State Bar. Under the circumstances, we decline to assume the check had sufficient funds. [Exhibit 34.] We find Mr. Venetos intended to keep the \$5,314.19 for himself instead of determining who the money belonged to or providing the money to Mrs. Palomo.

16. A State Bar trust account examiner reviewed the few IOLTA documents provided by Respondent and found numerous discrepancies. The Palomo settlement breakdown identifies settlements of \$15,500.00 received 7/19/2012 and \$19,015.88 received 5/20/2013 and lists Respondent's fees as \$5,000.00 from the \$15,500.00 settlement and \$6,275.24 from the \$19,015.88 settlement. The settlement statement shows \$690.82 owed to Foothills Physical Therapy (negotiated from \$5,700.00) and \$5,319.41 owed to Zenith/Maricopa Community (negotiated from \$6,649.29). [Exhibit 44, SBA000297.] The client ledger indicates that by 08/21/2012, Respondent disbursed the full \$5,000.00 owed to him by way of eleven (11) separate transactions: eight (8) electronic fund transfers, and three (3) check disbursements. [Exhibit 45, SBA000300).

17. The IOLTA should have held an unexpended balance of \$10,000.00 on behalf of Mrs. Palomo as of 08/21/2012. [Exhibit 45, Bates 300.] According to the client ledger created by Respondent, no disbursements were made between

8/21/2012 and 5/20/2013, when the second settlement was deposited. [Exhibit 45, SBA000300.]

18. The IOLTA account statement provided by Mr. Venetos shows activity between 03/30/2013 to 04/30/2013. [Exhibit 47, SBA000304.] The administrative funds ledger shows that \$4.66 should have been held on deposit. [Exhibit 46, SBA000302.] Not less than \$10,004.66 should have been held on deposit on 03/30/2013 comprising the \$10,000.00 unexpended settlement balance and the \$4.66 in administrative funds. However, the IOLTA bank statement reflects the actual balance held on deposit on that date as only \$28.84, for a difference of \$9,975.82. [Exhibit 47, SBA000304.] The missing \$9,975.82 is from the \$15,500.00 Palomo settlement received on July 19, 2012.

19. On May 1, 2013, the beginning balance in Respondent's IOLTA account was \$4.66. [Exhibit 48, SBA000306] The beginning balance should have been at least \$10,000.00 from the unexpended settlement. [Exhibit 45, SBA000300.] On May 22, 2013, a settlement on behalf of Mrs. Palomo of \$19,015.88 was deposited into Respondent's IOLTA account. [Exhibit 48, SBA000306].] According to the settlement statement, Respondent should have taken \$6,275.24 in earned fees from that settlement. [Exhibit 44, SBA000297.] Instead, bank records show \$11,045.54 was disbursed to Respondent personally by way of online transfers to his accounts ending in 6598 or 6782<sup>2</sup> between 05/20/2013 and 07/31/2013. [Exhibit 48, SBA000306-309; and Exhibit 50, SBA314-15.]

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<sup>2</sup> During the period of review multiple attorney's fee disbursements were made by way of online transfers to accounts ending in 6598 and 6782. In addition, on a few occasions deposits were also made into the IOLTA from those same accounts. Thus, indicating the accounts are personal accounts managed by the Respondent.

20. The bank records show no deposits other than Mrs. Palomo's \$19,015.88 settlement between 05/20/2013 and 07/31/2013 proving all money withdrawn from the account originated from the Palomo settlement. [Exhibit 48; and 50, Bates 306-309; 314.] On 05/22/2013, Respondent issued check 4324 for \$820.00 to John Zafiropolus. [Exhibit 49, SBA000311.] On 07/02/2013, check number 4323 written to John C. Lincoln Hospital for medical expenses for client Berman cleared for \$2,150.00. [Exhibit 50, SBA000313; and 315). Both checks were drawn from the Palomo settlement and made payable to individuals or entities not associated with the Palomo's matter. Between 05/20/2013 and 07/31/2013, Mr. Venetos misappropriated \$4,770.30 in settlement money as earned fees and \$2,970.00 in settlement money paid to other clients and lienholders.

21. On or about 2/20/2014, when Mr. Venetos provided Mrs. Palomo a settlement breakdown stating a balance \$17,677.26 (comprising \$6,010.23 for the lienholders and \$11,667.03 for Mrs. Palomo) should have been on deposit for Palomo. [Exhibit 44, SBA000297-989). However, the actual balance held on deposit on 2/18/14 was \$43.00, for a difference of -\$17,634.26. [Exhibit 51, SBA000317.] We find Mr. Venetos knew there was \$17,634.26 missing from his account on 2/18/2014 which belonged to Mrs. Palomo and the lienholders and he intentionally deceived them.

22. On 2/19/2014, Respondent remitted check number 4332 to Mrs. Palomo, drafted for \$11,667.03. [Exhibit 52, SBA000320.] The same day an online deposit for \$12,000.00 was received from the account of Mr. Venetos ending 6598. [Exhibit 51, SBA000317.] The deposit from the personal account of Mr. Venetos was intended to cover the disbursement of check number 4332. Such transfers between personal accounts and an attorney's IOLTA account are not permitted by Rule 43,

Ariz. R. Sup. Ct. Despite the settlement breakdown identifying an unexpended balance of \$17,634.26 on 02/19/2014, there is no indication of any attempt to make the account whole again by depositing the outstanding \$6,010.23 throughout the remainder of the period of review. We find Mr. Venetos intentionally misappropriated client/third-party funds.

#### **IV. CONCLUSIONS OF LAW**

The Hearing Panel finds clear and convincing evidence Mr. Venetos violated Rule 42, Ariz. R. Sup. Ct., ERs 1.2, (scope of representation), 1.3 (diligence), 1.4 (communication), 1.15 (safekeeping property), 8.1 (bar admission and disciplinary matters, 8.4(b) (criminal conduct) and (c) (conduct involving dishonesty, deceit, fraud or misrepresentation) and (d) (conduct prejudicial to the administration of justice), and Rules 43 Ariz. R. Sup. Ct., (duty to deposit client funds in trust) and Rule 54(grounds for discipline).

#### **ABA STANDARDS ANALYSIS**

The American Bar Association's *Standards for Imposing Lawyer Sanctions* ("*Standards*") are a "useful tool in determining the proper sanction." *In re Cardenas*, 164 Ariz. 149, 152, 791 P.2d 1032, 1035 (1990). In imposing a sanction, the following factors should be considered: (1) the duty violated; (2) the lawyer's mental state; (3) the actual or potential injury caused by the lawyer's misconduct; and (4) the existence of aggravating or mitigating factors. We find Mr. Venetos intentionally violated his duty owed to his client, the public, the legal system and the profession causing actual and serious injury to his client, the lienholders, the legal system and the profession.

Under *Standard* 4.11, (Failure to Preserve the Client's Property), Disbarment is appropriate as Mr. Venetos intentionally converted client property and caused actual and serious injury to his client.

Under *Standard* 4.41, (Lack of Diligence), Disbarment is appropriate as Mr. Venetos failed to perform services for his client and caused serious injury to his client.

Under *Standard* 4.61, (Lack of Candor), Disbarment is appropriate as Mr. Venetos intentionally deceived his client intending to benefit himself and caused serious injury to his client.

Under *Standard* 5.11, (Failure to Maintain Personal Integrity), Disbarment is appropriate as Mr. Venetos engaged in intentional conduct involving dishonesty, fraud, deceit and misrepresentation that seriously reflects on his fitness to practice.

Under *Standard* 6.1, (False Statements, Fraud, and Misrepresentation), Disbarment is appropriate as Mr. Venetos appeared before the court during his interim suspension hearing and intentionally deceived the court by making a false statement and submitting false documents regarding his paying off the debts owed to the lienholders. He withheld material information from the court that the checks had been returned. His actions caused significant adverse effect on the legal proceeding.

Under *Standard* 7.1, (Violations of Duties Owed as a Professional), Disbarment is appropriate as Mr. Venetos knowingly engaged in conduct that violated his duty owed as a professional intending to obtain a benefit for himself and cause serious injury to his client, the public and the legal system.

The Panel finds the presumptive sanction is disbarment.

#### **AGGRAVATING AND MITIGATING FACTORS**

The Hearing Panel finds the following aggravating factors are present:

- *Standard 9.22(a)* – Prior disciplinary offenses
- *Standard 9.22(b)* – Dishonest or selfish motive.
- *Standard 9.22(c)* – A pattern of misconduct.
- *Standard 9.22(e)* – Bad faith obstruction of the disciplinary process by intentionally failing to comply with the rules of the disciplinary agency.
- *Standard 9.22(f)* – Deceptive practices during the disciplinary process.
- *Standard 9.22(h)* – Vulnerability of the victim.
- *Standard 9.22(i)* – Substantial experience in the practice of law.
- *Standard 9.22(j)* – Indifference to making restitution.
- *Standard 9.22(k)* – Illegal conduct.

The Hearing Panel finds no mitigation factors present.

## **V. CONCLUSION**

The Supreme Court “has long held that ‘the objective of disciplinary proceedings is to protect the public, the profession and the administration of justice and not to punish the offender.’” *Alcorn*, 202 Ariz. 62, 74, 41 P.3d 600, 612 (2002) (quoting *In re Kastensmith*, 101 Ariz. 291, 294, 419 P.2d 75, 78 (1966)). It is also the purpose of lawyer discipline to deter future misconduct. *In re Fioramonti*, 176 Ariz. 182, 859 P.2d 1315 (1993). A goal of lawyer regulation to protect and instill public confidence in the integrity of individual members of the SBA. *Matter of Horwitz*, 180 Ariz. 20, 881 P.2d 352 (1994). Based on the above mentioned findings of facts, conclusions of law, application of the *Standards* including the aggravating and lack of mitigating factors, and the goals of the attorney discipline system, the Hearing Panel Orders:

1. Mr. Venetos is disbarred from the practice of law effective immediately.

2. Upon reinstatement, Mr. Venetos shall be placed on probation for two (2) years with terms and conditions to be determined at the time of reinstatement proceedings.

3. Mr. Venetos shall pay \$6,649.29 to Donna Palomo.

4. Mr. Venetos shall disgorge one-third of his fees totaling \$11,275.24 to be paid to Donna Palomo.

5. Mr. Venetos shall pay all costs and expenses incurred by the State Bar in these proceedings. There are no costs or expenses incurred by the disciplinary clerk and/or Presiding Disciplinary Judge's Office with these disciplinary proceedings.

**DATED** this December 2, 2016.

*William J. O'Neil*

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**William J. O'Neil, Presiding Disciplinary Judge**

*Edward J. Luterbach*

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**Edward J. Luterbach, Volunteer Public Member**

*John N. Nelson*

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**John N. Nelson, Volunteer Attorney Member**

COPY of the foregoing e-mailed/mailed on December 2, 2016, to:

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**BEFORE THE PRESIDING DISCIPLINARY  
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THE STATE BAR OF ARIZONA,**

**MARK M. VENETOS,  
Bar No. 010737,**

Respondent.

**PDJ 2016-9078**

**AMENDED COMPLAINT  
(Pursuant to Rule 47(b)(2))**

[State Bar No. 14-0412]

Complaint is made against Respondent as follows:

**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 in Arizona on May 10, 1986.

**COUNT ONE (File No. 14-0412/Palomo)**

2. Complainant Donna Palomo and her husband hired Respondent in late 2011 or early 2012 to represent them in a personal injury suit arising from an automobile accident.

3. On July 19, 2012, Respondent received a settlement check from Allstate in the amount of \$15,500.00. Respondent disbursed \$500.00 to John Palomo and

kept the remainder of the money for himself, despite only being entitled to 33.33% of the settlement.

4. On May 20, 2013, Respondent received a settlement check from SafeCo in the amount of \$19,015.00. Respondent disbursed \$5,000.00 to Donna Palomo and kept the remainder of the money for himself, despite only being entitled to 33.33% of the settlement.

5. Between 2012 and 2013, Ms. Palomo's contact with Respondent was sporadic and became increasingly more difficult as time passed. Respondent stopped communicating with Ms. Palomo during the last half of 2013.

6. On February 4, 2014, Ms. Palomo contacted the State Bar to report Respondent's lack of communication. The State Bar left messages for Respondent who, in turn, contacted Ms. Palomo and set up a time to meet.

7. Ms. Palomo met with Respondent on February 20, 2014, and was provided a settlement statement showing the full amount Respondent received from Allstate and SafeCo. The settlement statement did not inform Ms. Palomo when the settlements were received. Ms. Palomo and Respondent agreed that Respondent would disburse checks to satisfy the outstanding liens of Zenith Administrators in the amount of \$5319.41 and Foothills Physical Therapy in the amount of \$690.82.

8. That same day, Respondent transferred \$12,000.00 from his personal or operating account into his trust account and issued a check to Ms. Palomo in the amount of \$11,667.00. The check was intended to be the disbursement Ms. Palomo was owed from the settlements.

9. Respondent failed to send payment to both Foothills and Zenith. Because Respondent did not send payment, both outstanding balances were

forwarded to collections and the lienholders demanded full repayment of the outstanding bills instead of the lower amount originally negotiated by Respondent.

10. On July 28, 2015, Ms. Palomo filed a formal complaint with the State Bar alleging Respondent failed to pay both Foothills and Zenith. The State Bar sent Respondent a screening letter on August 7, 2015, requesting a response and IOLTA records. The State Bar granted various requests for extensions of time, setting the final deadline to respond on October 16, 2015. Respondent failed to respond and on October 20, 2015, the State Bar granted a final 10-day courtesy extension. Respondent failed to provide the requested information by the extended deadline. On November 10, 2015, Bar Counsel emailed Respondent and informed him that subpoenas would be issued if his response and the IOLTA documents were not received by November 13, 2015.

11. On November 16, 2015, Respondent provided the following response: a review of the Palomo file "indicates that while checks were written to the noted medical providers, they were not submitted to the medical providers. Each medical debt will be satisfied in the near future. I am winding down my practice on or before the end of this year and will submit proof of payment to you and Mrs. Palomo." The response contained an incomplete set of IOLTA documents.

12. Bar Counsel sent Respondent emails on January 4 and 21, 2016, requesting proof that he satisfied the outstanding debts. Respondent failed to provide the requested information.

13. On June 6, 2016, the State Bar filed a Motion For Interim Suspension, requesting Respondent be suspended pending formal disciplinary proceedings.

14. Respondent filed his response to the Motion For Interim Suspension on June 27, 2016, in which he admitted to stealing the money meant for lienholders Foothills and Zenith. Respondent also provided proof that he satisfied the lienholder's debts on June 27, 2016. The checks remitted to Foothills and Zenith reflected the lesser negotiated amounts, not the full amount of the debts.

15. Respondent only satisfied the debts because the State Bar filed the Motion For Interim Suspension. Prior to the motion for interim suspension being filed, Respondent was indifferent to making restitution and would not have paid the debts if he was not facing imminent discipline.

16. On July 5, 2016, Zenith received the check sent by Respondent in the amount of \$5,314.19.

17. Zenith did not accept the check and returned it to Respondent on July 5, 2016.

18. Respondent did not inform the State Bar or Ms. Palomo that the check was returned. Respondent did not attempt to determine if any other entity has a claim to the money.

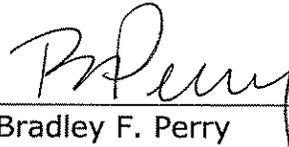
19. The State Bar only learned that the check was returned because Ms. Palomo contacted Zenith to ensure the lien was satisfied and then contacted the State Bar.

20. Respondent intended to keep the \$5,314.19 for himself instead of determining who the money belonged to or providing the money to Ms. Palomo.

21. Respondent's conduct in this matter violated Rule 42 Ariz. R. Sup. Ct. ERs 1.2, 1.3, 1.4, 1.15, 8.1, 8.4(b) and (c) and (d), Rule 43 Ariz. R. Sup. Ct., and Rule 54 Ariz. R. Sup. Ct.

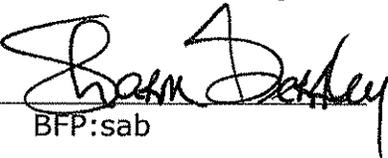
DATED this 15<sup>th</sup> day of August, 2016.

STATE BAR OF ARIZONA



Bradley F. Perry  
Staff Bar Counsel

Original filed with the Disciplinary Clerk of  
the Office of the Presiding Disciplinary Judge  
of the Supreme Court of Arizona  
this 15<sup>th</sup> day of August, 2016.

by:   
BFP:sab