

**BEFORE THE PRESIDING DISCIPLINARY  
JUDGE**

---

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

**KARL R. LAUTZ ,  
Bar No. 014211**

Respondent.

**PDJ 2015-9076**

**JUDGMENT OF DISBARMENT**

[State Bar File Nos. 14-1620, 14-2166,  
14-3377, 14-3556, 15-0667, 15-0783,  
15-1891]

**FILED JANUARY 8, 2016**

Pursuant to Rule 57, Ariz. R. Sup. Ct., the Presiding Disciplinary Judge of the Supreme Court of Arizona has considered Respondent's Consent to Disbarment dated January 7, 2016, and filed herein. Accordingly:

**IT IS ORDERED** accepting the Consent to Disbarment. By the agreement of the parties, Karl R. Lautz is disbarred from the State Bar of Arizona and his name is hereby stricken from the roll of lawyers effective February 8, 2016. Mr. Lautz remains suspended from the practice of law until that date.

Mr. Lautz is no longer entitled to the rights and privileges of a lawyer but remains subject to the jurisdiction of the court. Mr. Lautz shall immediately comply with the requirements relating to notification of clients and others, and provide or file all notices and affidavits required by Rule 72, Ariz. R. Sup. Ct., if he has not already done so.

**IT IS FURTHER ORDERED** no further disciplinary action shall be taken in reference to the matters that are the subject of the charges upon which the consent to disbarment and this judgment of disbarment are based.

**IT IS FURTHER ORDERED** Mr. Lautz shall pay the costs and expenses of the State Bar of Arizona in the amount of \$1,680.00.

**DATED** this 8<sup>th</sup> day of January, 2016.

*William J. O'Neil*

---

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

Copies of the foregoing mailed/emailed  
this 8th day of January, 2016, to:

Karl R. Lautz  
3414 Turkey Track Road,  
Pinetop, Arizona 85935  
Email: Karl@lautzlawgroup.com  
Respondent

Shauna R. Miller  
Senior Bar Counsel  
State Bar of Arizona  
4201 N. 24<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85016-6266  
Email: LRO@staff.azbar.org

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

by: Amanda McQueen

Shauna R. Miller, Bar No. 015197  
Senior Bar Counsel  
State Bar of Arizona  
4201 N. 24<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85016-6266  
Telephone (602)340-7278  
Email: LRO@staff.azbar.org

OFFICE OF THE  
PRESIDING DISCIPLINARY JUDGE  
SUPREME COURT OF ARIZONA  
JAN 7 2016  
FILED  
BY Jan

**BEFORE THE PRESIDING DISCIPLINARY  
JUDGE**

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

**KARL R. LAUTZ**  
**Bar No. 014211**

Respondent.

**PDJ 2015-9076**

**CONSENT TO DISBARMENT**

[State Bar File Nos. 14-1620, 14-2166, 14-3377, 14-3556, 15-0667, 15-0783, 15-1891<sup>1</sup>]

I, Karl R. Lautz, residing at 3414 Turkey Track Road, Pinetop, Arizona, 85935, voluntarily consent to disbarment as a member of the State Bar of Arizona and consent to the removal of my name from the roster of those permitted to practice before this court, and from the roster of the State Bar of Arizona.

I acknowledge that charges have been filed against me. I have read the charges made against me. I further acknowledge that I do not desire to contest or defend the charges, but wish to consent to disbarment. I have been advised of and have had an opportunity to exercise my right to be represented in this matter by a lawyer. I consent to disbarment freely and voluntarily and not under coercion or intimidation. I am aware of the rules of the Supreme Court with respect to discipline, disability, resignation and reinstatement, and I understand that any future

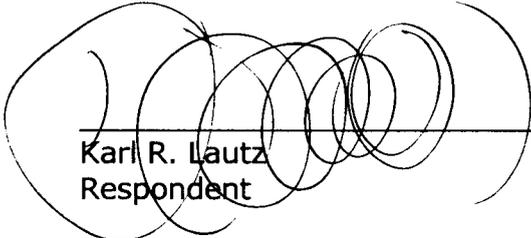
<sup>1</sup> File no. 15-1891 is not included in the formal Complaint, however, a Probable Cause Order has been entered in that file and the Report of Investigation and the Probable Cause Order are attached. Respondent wants this file to be included with the other files in his consent to disbarment.

application by me for admission or reinstatement as a member of the State Bar of Arizona will be treated as an application by a member who has been disbarred for professional misconduct, as set forth in the charges filed against me. The misconduct of which I am accused is described in the formal Complaint and the Report of Investigation attached as **Exhibit A**.

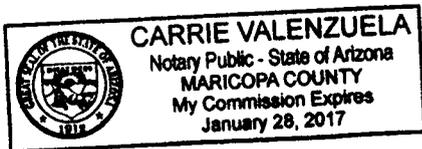
The State Bar's Statement of Costs and Expenses is attached as **Exhibit B**.

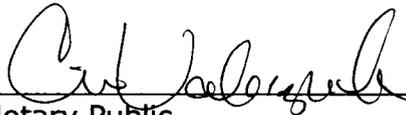
A proposed form of Judgment of Disbarment is attached hereto as **Exhibit C**.

**DONE AT** Phoenix, Arizona, on January 7, 2016.

  
\_\_\_\_\_  
Karl R. Lautz  
Respondent

**SUBSCRIBED AND SWORN TO** before me this 7<sup>th</sup> day of January, 2016, by Karl R. Lautz, who satisfactorily proved his identity to me.



  
\_\_\_\_\_  
Notary Public

My Commission expires:

1/28/2017

Original filed with the Disciplinary Clerk of  
the Office of the Presiding Disciplinary Judge  
of the Supreme Court of Arizona  
this 7th day of January, 2016.

Copy of the foregoing emailed  
this 7th day of January, 2016, to:

William J. O'Neil  
Presiding Disciplinary Judge  
Supreme Court of Arizona  
Email: [officepdj@courts.az.gov](mailto:officepdj@courts.az.gov)

Copies of the foregoing mailed and emailed  
this 7th day of January, 2016, to:

Karl R. Lautz  
3414 Turkey Track Road  
Pinetop, Arizona 85935  
Email: [karl@lautzlawgroup.com](mailto:karl@lautzlawgroup.com)

Copy of the foregoing hand-delivered/emailed  
this 7th day of January, 2016, to:

Shauna R. Miller  
Senior Bar Counsel  
State Bar of Arizona  
4201 N. 24<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85016-6266  
Email: [LRO@staff.azbar.org](mailto:LRO@staff.azbar.org)

Copy of the foregoing hand-delivered  
this 7th day of January, 2016, to:

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

by:

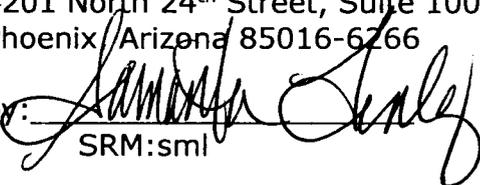
  
SRM:sml

EXHIBIT A

OFFICE OF THE  
PRESIDING DISCIPLINARY JUDGE  
SUPREME COURT OF ARIZONA  
AUG 20 2015  
BY SA FILED

Shauna R. Miller, Bar No. 015197  
Bar Counsel - Litigation  
State Bar of Arizona  
4201 N. 24<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85016-6266  
Telephone (602)340-7278  
Email: LRO@staff.azbar.org

**BEFORE THE PRESIDING DISCIPLINARY  
JUDGE**

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

**KARL R. LAUTZ,  
Bar No. 014211,**

Respondent.

**PDJ 2015-9076**

**COMPLAINT**

[State Bar File Nos. 14-1620, 14-2166, 14-3377, 14-3556, 15-0667, 15-0783]

Complaint is made against Respondent as follows:

**GENERAL ALLEGATIONS**

1. At all times relevant, Respondent was licensed to practice law in Arizona, having been admitted on May 23, 1992.
2. Respondent failed to timely respond in many of the files referenced in the caption, so bar counsel set Respondent's deposition for May 4, 2015. A subpoena was also issued to obtain his trust account records from his bank, and the State Bar has received those records.
3. On May 1, 2015, Respondent retained counsel to represent him. After discussing the matter with counsel, Respondent agreed to voluntarily go on interim suspension until these matters are resolved. The May 4, 2015, deposition was canceled and a stipulation for Respondent to transfer to interim suspension was

filed on May 14, 2015, which included a statement from Respondent that he has failed to comply with the trust account rules for over two years and has used client funds at times to cover operating expenses.

4. The stipulation was accepted by the Presiding Disciplinary Judge (PDJ) on May 18, 2015. Respondent was ordered to: stop accepting new clients, stop accepting any funds, relinquish access to his trust account to another attorney, and comply with Rule 72, Ariz. R. Sup. Ct.

**COUNT ONE (File no. 14-1620/Weigand)**

5. Linda Weigand (Ms. Weigand) hired Respondent in August 2011 to represent her in a medical malpractice case. The case was against a hospital and Ms. Weigand's doctor.

6. The case against the hospital was settled in February 2013 for \$250,000, but Ms. Weigand lost the case against her doctor in January 2014.

7. Ms. Weigand called the State Bar on May 21, 2014, because the last time she spoke to Respondent was April 2014, and she was having problems getting the settlement funds from Respondent.

8. On June 3, 2014, Ms. Weigand called the State Bar again and told intake bar counsel that she had received a letter advising her she needed to appear in court on June 9, 2014, for a debtor's exam. Ms. Weigand had no idea why she had to appear.

9. On June 3, 2014, intake bar counsel called Respondent three times and sent three emails, asking him to contact intake bar counsel.

10. At 2:07 p.m., on June 3, 2014, intake bar counsel finally talked to Respondent. Respondent told intake bar counsel he still had to resolve an AHCCCS lien relating to Ms. Weigand's case. He also said that there was a cost judgment of approximately \$20,000 against Ms. Weigand from losing the case against the doctor. Respondent told intake bar counsel he would talk to Ms. Weigand.

11. On November 19, 2014, Ms. Weigand called intake bar counsel again and said that to date, Respondent had only given her approximately \$23,000 from the settlement.

12. On November 20, 2014, intake bar counsel talked to Respondent and advised him to write to Ms. Weigand and tell her what was happening with the settlement money. Respondent said he would get in touch with her.

13. On November 26, 2014, Ms. Weigand called the State Bar again and told intake bar counsel that she had sent text messages to Respondent, but he did not respond. He did not send her anything in writing about the status of her case.

14. On January 30, 2015, Respondent was asked to provide the State Bar with the following information:

- a. Provide monthly reconciliations, the client ledger, and the trust account bank statements for the time period from receipt of the settlement funds to the disbursement of the settlement funds to Ms. Weigand.
- b. Provide an explanation of what efforts Respondent made to resolve the liens and any documentation verifying such efforts.
- c. Explain why Respondent did not keep Ms. Weigand up-to-date on the status of her case.
- d. Explain what needs to be done to finalize the representation?

15. On April 10, 2015, the State Bar subpoenaed Respondent's bank records for his client trust account. A review of the records shows that on March 18, 2013, \$275,000 was deposited into Respondent's client trust account on behalf of Ms. Weigand. A check dated July 2, 2013, for \$10,000, and another one dated August 20, 2013, for \$2,500 were made payable to Ms. Weigand. On October 29, 2014, Respondent paid \$10,817 on Ms. Weigand's behalf for the cost judgment filed against her. The records do not show any other payment to or on behalf of Ms. Weigand.

16. On April 23, 2015, Respondent emailed bar counsel after receiving a *subpoena duces tecum* requesting production of certain trust account records, and a notice of deposition from the State Bar. Bar counsel responded the same day and reminded Respondent that he had failed to respond to the allegations against him in file nos. 14-1620, 14-2166, 14-3377, 14-3556, and 15-0667.

17. Respondent failed to respond to the State Bar until May 1, 2015, when his newly retained counsel communicated with bar counsel.

18. On May 14, 2015, a stipulation for Respondent to transfer to interim suspension was filed; the stipulation included a statement from Respondent that he failed to comply with the trust account rules for over two years and used client funds at times to cover operating expenses.

19. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. Rule 42, Ariz. R. Sup. Ct., **ER 1.4** – Respondent failed to reasonably communicate with the client or provide reasonable updates regarding the status of the lawsuit(s);

- b. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(d)** – Respondent failed to promptly notify his client that he had received funds in which she had an interest and he failed to promptly deliver funds to his client that she was entitled to receive.
- c. Rule 42, Ariz. R. Sup. Ct., **ER 8.1(b)** – Respondent failed to respond to a lawful demand for information by the disciplinary authority;
- d. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(b)** – Respondent engaged in a criminal act that reflects adversely on his honesty, trustworthiness, and fitness as a lawyer;
- e. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;
- f. Rule **54(d)** Ariz. R. Sup. Ct. – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

**COUNT TWO (File no. 14-2166/McCawley)**

20. Ms. McCawley hired Respondent in 2007, to represent her in a medical malpractice case involving eye surgery.

21. The case settled in late 2012, for \$35,000, but the insurance company held back \$1,000 pending verification that Medicare did not have any liens. On June 5, 2013, Medicare informed Respondent that it did not have a lien.

22. Respondent received the \$1000 check from the insurance company and deposited it into his trust account on July 23, 2013. Respondent did not advise Ms. McCawley that he had received the funds.

23. On August 21, 2013, Respondent transferred \$900 from the trust account to his operating account. The notation on the check falsely identified the money as a cost reimbursement.

24. On November 21, 2013, Respondent transferred \$100 from the trust account to his operating account. The notation on the check falsely identified the money as a cost reimbursement.

25. Ms. McCawley did not receive her \$1,000 until August 2014, after the State Bar contacted Respondent.

26. On January 30, 2015, Respondent was asked to provide the State Bar with the following information:

- a. Provide monthly reconciliations, the client ledger, and the trust account bank statements for the time period from receipt of the settlement funds to the disbursement of the settlement funds to Ms. McCawley.
- b. Please explain why it took you so long after you received the letter from Medicare to release the \$1000 to Ms. McCawley.

27. On April 10, 2015, the State Bar subpoenaed Respondent's bank records for his client trust account. A review of the records shows that on November 23, 2011, \$34,000 was deposited into Respondent's client trust account on behalf of Ms. McCawley. Two checks dated December 16, 2011, one for \$10,000 and one for \$7,733.25, were made out to Ms. McCawley. The trust account records do not show any other payment to or on behalf of Ms. McCawley.

28. On April 23, 2015, Respondent emailed bar counsel after receiving a *subpoena duces tecum* requesting production of certain trust account records, and a notice of deposition from the State Bar. Bar counsel responded the same day and reminded Respondent that he had failed to respond to the allegations against him in file nos. 14-1620, 14-2166, 14-3377, 14-3556, and 15-0667

29. Respondent failed to timely respond.

30. In a May 12, 2015, letter to the State Bar, Respondent, through counsel, admitted that he inappropriately used Ms. McCawley's funds to pay bills.

31. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. Rule 42, Ariz. R. Sup. Ct., **ER 1.4** – Respondent failed to reasonably communicate with the client or provide reasonable updates regarding the status of the lawsuit(s);
- b. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(d)** – Respondent failed to promptly notify his client that he had received funds in which she had an interest and he failed to promptly deliver funds to his client that she was entitled to receive.
- c. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(b)** – Respondent engaged in a criminal act that reflects adversely on his honesty, trustworthiness, and fitness as a lawyer;
- d. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;
- e. **Rule 54(d)**, Ariz. R. Sup. Ct. – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

**COUNT THREE (File no. 14-3377/Denton)**

32. Ms. Denton hired Respondent in January 2010 to represent her in a medical malpractice case related to unnecessary surgery.

33. The doctor was judgment proof, so Respondent sued the hospital. Respondent filed the complaint in Maricopa County, which was ineffective because the hospital was in Navajo County. On June 19, 2012, the defendant filed a motion for transfer of venue, which was granted on July 12, 2012.

34. During the representation there was little communication from Respondent to Ms. Denton. Respondent failed to keep Ms. Denton informed on the

status of her case, he failed to inform her when he moved his office, and he failed to tell her that her case had been dismissed.

35. Ms. Denton received a form of judgment dated September 16, 2014, informing her that her case was dismissed and \$2,713.15 in fees and costs had been awarded against her.

36. On November 20, 2014, Respondent talked to intake bar counsel and told intake bar counsel that he would contact Ms. Denton.

37. Respondent failed to communicate with Ms. Denton, even after he told intake bar counsel he would contact her.

38. On January 30, 2015, Respondent was asked to provide the State Bar with the following information:

- a. Please explain what action you took in the case and why it was dismissed.
- b. Please explain why you have not communicated with Ms. Denton, even after [intake bar counsel] contacted you about the matter.

39. On February 12, 2015, Respondent sent the following email to intake bar counsel:

Dear Tom & Jen:

What I explained to Ms. Denton was there are provisions, under the savings statute and the discovery rule which would allow the case to be refiled if we could find a standard of care expert. In many Med/Mal cases the claim is filed years after the underlying medical procedure based on the discovery rule alone. It is always a question of fact for the jury.

40. Respondent's claim that the case could be refiled in the future if he found a standard of care expert is unsupported by any case law, statute, or treatises, and was intended to mislead Ms. Denton and the State Bar.

41. Respondent failed to respond to the specific questions intake bar counsel asked him to answer.

42. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. Rule 42, Ariz. R. Sup. Ct., **ER 1.1** – Respondent failed to provide competent representation, which includes, the legal knowledge, skill, thoroughness, and preparation necessary for the representation;
- b. Rule 42, Ariz. R. Sup. Ct., **ER 1.2** – Respondent failed to abide by the client's wishes concerning the objective of the representation.
- c. Rule 42, Ariz. R. Sup. Ct., **ER 1.3** – Respondent failed to act diligently during his representation of the client;
- d. Rule 42, Ariz. R. Sup. Ct., **ER 1.4** – Respondent failed to reasonably communicate with the client or provide reasonable updates regarding the status of the lawsuit(s);
- e. Rule 42, Ariz. R. Sup. Ct., **ER 8.1(b)** – Respondent failed to respond to a lawful demand for information by the disciplinary authority;
- f. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;
- g. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(d)** – Respondent engaged in conduct which was prejudicial to the administration of justice;
- h. **Rule 54(d)**, Ariz. R. Sup. Ct., – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

**COUNT FOUR (File no. 14-3556 / Bauman)**

43. On April 1, 2010, Mr. Bauman hired Respondent to represent him in a medical malpractice case. The case settled for \$300,000.

44. On August 28, 2012, Respondent deposited \$275,000 into his client trust account. There was a medical lien on the case for approximately \$16,000, so Respondent told Mr. Bauman that the insurance company was holding \$25,000 to cover medical liens. Respondent also held back \$2,000 for future costs.

45. On September 18, 2012, Respondent wrote a check for \$135,570.50 to Mr. Bauman.

46. On February 4, 2014, Respondent received the \$25,000 that the insurance company had retained and deposited it into the client trust account, but Respondent did not notify Mr. Bauman that he had received the funds.

47. When Mr. Bauman asked about the liens, Respondent told him he was working on it.

48. Respondent failed to give the money to Mr. Bauman until after Mr. Bauman contacted the State Bar. On December 16, 2014, Respondent wrote a check for \$27,000 to Mr. Bauman.

49. On January 30, 2015, the State Bar sent Respondent a screening letter indicating that his response was due on February 23, 2015. Respondent was asked to provide the following:

- a. Provide monthly reconciliations, the client ledger, and the trust account bank statements for the time period from receipt of the settlement funds to the disbursement of the settlement funds to Complainant.
- b. Explain what efforts Respondent made to resolve the medical lien.
- c. Explain the delay in sending Mr. Bauman his money.
- d. Explain why Respondent did not communicate with Mr. Bauman about the settlement funds.

50. On February 23, 2015, Respondent asked for a twenty-day extension to file his response. Respondent was given until March 16, 2015, to respond.

51. On March 16, 2015, Respondent asked for an additional twenty-day extension due to a family emergency. Respondent was given until April 6, 2015, to respond.

52. On April 2, 2015, Respondent asked for an additional ten-day extension. This request was denied and Respondent was reminded to file his response no later than April 6, 2015.

53. Respondent failed to respond to the State Bar until May 1, 2015, when his newly retained counsel communicated with bar counsel.

54. On May 14, 2015, a stipulation for Respondent to transfer to interim suspension was filed; the stipulation included a statement from Respondent that he failed to comply with the trust account rules for over two years and used client funds at times to cover operating expenses.

55. Respondent failed to timely respond.

56. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. Rule 42, Ariz. R. Sup. Ct., **ER 1.4** – Respondent failed to reasonably communicate with the client or provide reasonable updates regarding the status of the lawsuit(s);
- b. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(d)** – Respondent failed to promptly notify his client that he had received funds in which she had an interest and he failed to promptly deliver funds to his client that she was entitled to receive.
- c. Rule 42, Ariz. R. Sup. Ct., **ER 8.1(b)** – Respondent failed to respond to a lawful demand for information by the disciplinary authority;

- d. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;
- e. **Rule 54(d)**, Ariz. R. Sup. Ct., – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

**COUNT FIVE (File no. 15-0667/Brady)**

57. On February 6, 2014, Mrs. Brady was hit by a drunk driver and on March 6, 2014, Mr. and Mrs. Brady [the Bradys] hired Respondent to represent Mrs. Brady in the matter.

58. The driver's insurance company offered the Bradys the \$25,000 policy limits and issued the settlement check on October 29, 2014. Respondent endorsed the settlement check for the Bradys as their attorney-in-fact, without their permission.

59. There was one lien for approximately \$3,612 that has never been paid.

60. Mr. Brady would call Respondent and ask him what the problem was with receiving the check and Respondent would tell him he would contact the company to find out. Mr. Brady realized that Respondent was lying to them so he called the insurance company and they sent him copies of the front and back of the settlement check, showing that it had been cashed.

61. Respondent's fee of 33 and 1/3 percent is excessive because all he did was write one demand letter. The Bradys did all the legwork and gathered all the documents. They also had a very hard time communicating with Respondent.

62. On March 13, 2015, Mr. Brady stopped by Respondent's office in Show Low, but his office was empty. A lady at the front desk told Mr. Brady that

Respondent had vacated his office a few days earlier. Respondent did not tell the Bradys how to reach him.

63. Respondent was sent a screening letter on April 1, 2015, but he failed to timely respond.

64. On April 10, 2015, the State Bar subpoenaed Respondent's bank records for his client trust account. A review of the records shows that no funds were ever deposited into the client trust account by Respondent on behalf of the Bradys.

65. Respondent eventually retained counsel, and on May 3, 2015, his counsel provided the State Bar with copies of a cashier's check made out to the Bradys for \$16,675. The cashier's check does not appear to be drawn on Respondent's client trust account. There was no explanation as to whether the medical lien for \$3,612 was ever paid.

66. On May 14, 2015, a stipulation for Respondent to transfer to interim suspension was filed; the stipulation included a statement from Respondent that he failed to comply with the trust account rules for over two years and used client funds at times to cover operating expenses.

67. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. Rule 42, Ariz. R. Sup. Ct., **ER 1.4** – Respondent failed to reasonably communicate with the clients or provide reasonable updates regarding the status of the lawsuit(s);
- b. Rule 42, Ariz. R. Sup. Ct., **ER 1.5(a)** – Respondent charged an unreasonable fee for the representation of the clients;

- c. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(a)** – Respondent failed to safe guard client funds;
- d. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(d)** – Respondent failed to promptly notify his client that he had received funds in which they had an interest and he failed to promptly deliver funds to his client that they were entitled to receive;
- e. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(b)** – Respondent engaged in a criminal act that reflects adversely on his honesty, trust worthiness, and fitness as a lawyer;
- f. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;
- g. **Rule 43**, Ariz. R. Sup. Ct., Respondent failed to safe guard client funds because he did not deposit the funds into a client trust account;
- h. **Rule 54(d)**, Ariz. R. Sup. Ct., – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

**COUNT SIX (File no. 15-0783/Goalby)**

68. Ms. Goalby hired Respondent on April 13, 2012, to represent her in a premises liability claim against the Aquatic Center and the City of Show Low, AZ.

69. There were three lien holders awaiting payment from Ms. Goalby:

- a. Summit Healthcare Regional Live, lien amount \$31,592.12
- b. White Mountain Physical Therapy, lien amount \$3,075.
- c. Northeastern Anesthesia, PLL., lien amount \$2,400.

70. On June 26, 2014, a mediation/settlement conference was held and Ms. Goalby agreed to settle for \$90,000.

71. Ms. Goalby had trouble communicating with Respondent throughout the case, but from the date of the settlement through March 31, 2015, there was virtually no contact from him.

72. In March 2015, Ms. Goalby emailed Respondent and asked for the status of the settlement. She waited two weeks and then followed up with a phone call, leaving Respondent a phone message. The third week of March 2015, Ms. Goalby called and left another message. She did not receive any replies to the emails or phone calls.

73. On April 10, 2015, the State Bar subpoenaed Respondent's bank records for his client trust account. A review of the records shows that no funds were ever deposited into the client trust account by Respondent on behalf of Ms. Goalby.

74. A screening letter was sent to Respondent on April 15, 2015, but he failed to timely respond.

75. On May 14, 2015, a stipulation for Respondent to transfer to interim suspension was filed; the stipulation included a statement from Respondent that he failed to comply with the trust account rules for over two years and used client funds at times to cover operating expenses.

76. On July 20, 2015, Respondent gave Ms. Goalby a cashier's check for \$18,357.87. Respondent had previously paid himself \$29,997. The liens have not been paid.

77. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. Rule 42, Ariz. R. Sup. Ct., **ER 1.4** – Respondent failed to reasonably communicate with the client or provide reasonable updates regarding the status of the lawsuit(s);
- b. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(a)** – Respondent failed to safe guard client funds;

- c. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(d)** – Respondent failed to promptly deliver funds to his client that she was entitled to receive.
- d. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(b)** – Respondent engaged in a criminal act that reflects adversely on his honesty, trust worthiness, and fitness as a lawyer;
- e. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;
- f. **Rule 43**, Ariz. R. Sup. Ct., Respondent failed to safe guard client funds because he did not deposit the funds into a client trust account;
- g. **Rule 54(d)**, – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

#### **COUNT SEVEN – TRUST ACCOUNT**

78. The General Allegations and Counts One through Six are incorporated herein.

79. Respondent was asked to provide monthly reconciliations, client ledgers, and the trust account bank statements for the time period from receipt of the settlement funds to the disbursement of the settlement funds in Counts One, Two and Four. Respondent failed to produce the records.

80. On April 10, 2015, the State Bar subpoenaed trust account records from the Bank of Tucson, a division of GrandPoint Bank, account 2505030, titled as Lautz Law Group, P.C., Attorney Trust Account.

81. On July 14, 2015, the State Bar's trust account examiner completed her review and reconstruction of Respondent's client trust account records for the period of April 1, 2010 through June 30, 2015.

82. Respondent disbursed 132 checks from his client trust account between September 16, 2010 and January 13, 2015, that were made payable to Karl R. Lautz or Lautz Law Group PC, totaling \$1,656,122.78. The clients on whose behalf these funds were paid are unknown because the State Bar did not receive all of the trust account records.

83. Between April 1, 2010 and June 30, 2015, a total of \$2,864,034.30 was deposited to the client trust account. This total is broken down as follows:

- a. \$2,746,823.85 was deposited from the largest number of payors that were insurance companies, banks, or government.
- b. \$16,313.21 was deposited by Respondent on May 23, 2013.
- c. \$60,000.00 was deposited by Respondent on May 6, 2015 from Wells Fargo checking account 7165 registered to Lisa Lautz, and payable to Karl R. Lautz.
- d. \$1,056.24 was deposited as interest payments.
- e. \$39,817.00 was deposited as wires originating from Lautz Law Group PC, P O Box 3824, Pinetop, AZ, 85935-3824, unknown bank name, unknown account number.
  - i. \$10,817.00 on October 15, 2014;
  - ii. \$28,000.00 on December 12, 2014; and
  - iii. \$1,000.00 on April 13, 2015.

84. Between April 1, 2010 and June 30, 2015, a total of \$3,039,772.44 was disbursed from the client trust account. This total is broken down as follows:

- a. 206 checks for \$3,038,692.20 were disbursed from the account.

- b. \$1,056.24 was transferred to the AZ Foundation for interest payments.
- c. \$24.00 represents three wire fees of \$8.00 each.

85. There are 160 check disbursements that are categorized as "unknown" in that the corresponding client could not be identified. The breakdown of these transactions is as follows:

- a. 132 checks were disbursed between September 16, 2010 and January 13, 2015, payable to Karl R. Lautz or Lautz Law Group PC, totaling \$1,656,122.78.
- b. Out of the 132 checks, all but seven checks were deposited into Respondent's operating account number 4038279.
- c. 28 checks were disbursed between April 27, 2010 and April 12, 2013, payable to third-parties, totaling \$42,582.73.

86. During the period of review, no transactions were identified as being related specifically to Ms. Denton, file no. 14-3377, the Bradys file no. 15-0667, or to Ms. Goalby file no. 15-0783.

87. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

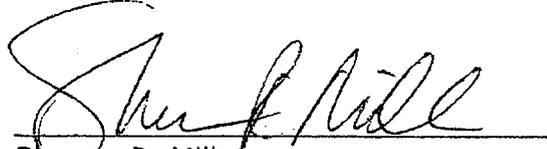
- a. **Rule 43(b)(1)(A)**, Ariz. R. Sup. Ct., Respondent failed to exercise due professional care in the performance of the lawyer's duties.
- b. **Rule 43(b)(2)(A)**, Ariz. R. Sup. Ct., Respondent failed to maintain on a current basis, complete records of the handling, maintenance, and disposition of all funds, securities, and other property belonging in whole or in part to a client/third person in connection with a representation. Respondent failed to preserve these records for a period of 5 years after termination of the representation.

- c. **Rule 43(b)(2)(B)**, Ariz. R. Sup. Ct., Respondent failed to maintain an account ledger or the equivalent for each client, person, or entity for which funds have been received in trust, showing; (i) the date, amount, and payor of each receipt of funds; (ii) the date, amount, and payee of each disbursement; and (iii) any unexpended balance.
- d. **Rule 43(b)(2)(C)**, Ariz. R. Sup. Ct., Respondent failed to make a monthly three-way reconciliation of the client ledgers, trust account general ledger or register, and the trust account bank statement.
- e. **Rule 43(b)(2)(D)**, Ariz. R. Sup. Ct., Respondent failed to retain, in accordance with this rule, all account trust statements, cancelled pre-numbered checks, other evidence of disbursements, duplicate deposit slips or the equivalent, client ledgers, trust account general ledger, and reports to clients.
- f. **Rule 43(b)(4)**, Ariz. R. Sup. Ct., Respondent used, endangered, or encumbered money held in trust for a client/third person without the permission of the owner.
- g. **Rule 43(d)(3)**, Ariz. R. Sup. Ct. Rebuttable Presumption. If a lawyer fails to maintain trust account records required by this rule and ER 1.15, or fails to provide trust account records to the state bar upon request or as ordered by a panelist, a hearing officer, the commission or the court, there is a rebuttable presumption that the lawyer failed to properly safeguard client/third person's funds or property, as required by this rule and ER 1.15.
- h. **Rule 54(d)**, - Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.
- i. **Rule 54(d)(2)(C)**, Ariz. R. Sup. Ct. Respondent failed to furnish copies of requested records, files, and accounts.

. . .  
. . .  
. . .

DATED this 20<sup>th</sup> day of August, 2015.

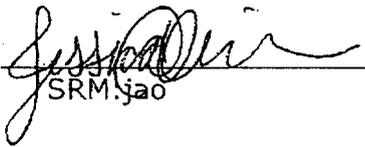
STATE BAR OF ARIZONA



Shauna R. Miller  
Senior Bar Counsel - Litigation

Original filed with the Disciplinary Clerk of  
the Office of the Presiding Disciplinary Judge  
of the Supreme Court of Arizona  
this 20<sup>th</sup> day of August, 2015.

by:

  
SRM:jao



**LAWYER REGULATION  
REPORT OF INVESTIGATION**

**File 15-1891**

Date: September 11, 2015

Respondent:  
Karl R. Lautz  
Pinetop

Complainant:  
Patricia and Don Cassidy  
Clients

**Summary of Investigation:**

1. On May 27, 2012, Complainant's husband (Don), was in a jeep-tour accident at Canyon de Chelly, Arizona. On June 20, 2012, Complainants hired Respondent to represent Don in his personal injury action and signed a contingency fee agreement.
2. On June 3, 2013, Don signed a release of all claims in exchange for an \$89,250 settlement. Complainant says that Respondent advised her that Don would be receiving approximately \$60,000 of the settlement.
3. On July 30, 2013, they asked Respondent for an update on the distribution of the funds. Respondent failed to respond.
4. On August 28, 2103, they again asked Respondent about the settlement funds. On September 23, 2013, Respondent emailed them and said he was following up on a few things, including underinsured claim.
5. On October 10, 2013, they asked Respondent what the status was, but he failed to respond.
6. On November 1, 2013, they emailed again and Respondent replied that there were delays because of one of the defendants and he hoped to have the underinsured issued resolved that month.
7. From November 2013, through May 2015, Complainants received one excuse after another from Respondent about the delay in getting their case finished and their money to them.
8. On May 1, 2015, Respondent retained counsel to represent him in six pending State Bar matters; several Complainants in those matters accused Respondent of failing to pay them their settlement funds. At that time, Respondent was scheduled to appear at a deposition scheduled by the State Bar and he was required to produce his trust account documents.
9. On May 3, 2015, in an email to the State Bar, Respondent's attorney said that it was her "understanding that there is only money due in one of the complainants' cases-- which is the Weigand matter."
10. On May 14, 2015, Respondent stipulated to being transferred to interim suspension status "in 60 days. [Respondent] needs time to transition existing cases, and he has upcoming court appearances, discovery deadlines, and a deposition."
11. On May 22, 2015, Complainants met Respondent in Show Low Arizona and they established deadlines for him to follow in order to resolve their matter.

12. Unbeknownst to Complainants, the stipulation Respondent entered into included a statement from Respondent that he failed to comply with the trust account rules for over two years and used client funds at times to cover operating expenses.
13. From May 22, 2015, through July 13, 2015, Respondent went back to giving the Complainants excuses as to why he could not bring their matter to a close and give them their money.
14. On July 13, 2015, Complainants told Respondent that they have been contacted by a debt collector and they demanded that Respondent give them a day and time when he would give them their settlement money.
15. On June 28, 2015, Respondent wrote Complainants a letter informing them he had been suspended as of June 15, 2015, and advising them he had made arrangements for his brother to "take over this case and bring it to a conclusion."
16. On July 27, 2015, Don met with Respondent, and Respondent told Don that he had received the settlement funds within 60 days of Don signing the June 3, 2013 release and that Respondent the money was no longer in his trust account.
17. On August 10, 2015, a screening letter was sent to Respondent's address of record asking him to respond to the charges no later than August 31, 2015. Respondent failed to respond.
18. On August 24, 2015, a seven-count complaint was filed with the office of the PDJ. A copy was mailed to the Respondent's address of record, certified, return receipt requested. On September 3, 2015, Respondent signed the certified card and the return receipt was sent back to the State Bar.

**Summary of Rule Violations:**

By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

**ER 1.4** – Respondent failed to reasonably communicate with the clients or provide reasonable updates regarding the status of their matter;

**ER 1.15(d)** – Respondent failed to promptly notify his clients that he had received funds in which they had an interest and he failed to promptly deliver funds to his client that she was entitled to receive.

**ER 8.1(b)** – Respondent knowingly failed to respond to a lawful demand for information by the disciplinary authority;

**ER 8.4(b)** – Respondent engaged in a criminal act that reflects adversely on his honesty, trust worthiness, and fitness as a lawyer;

**ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;

Rule **54(d)** Ariz. R. Sup. Ct. – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

**FILED**

JUL 27 2015

STATE BAR OF ARIZONA

BY *[Signature]*

**BEFORE THE ATTORNEY DISCIPLINE  
PROBABLE CAUSE COMMITTEE  
OF THE SUPREME COURT OF ARIZONA**

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

**KARL R. LAUTZ  
Bar No. 014211**

Respondent.

Nos. 14-1620, 14-2166, 14-3377,  
14-3556, 15-0667, and 15-0783

**PROBABLE CAUSE ORDER**

The Attorney Discipline Probable Cause Committee of the Supreme Court of Arizona ("Committee") reviewed this matter on July 10, 2015, pursuant to Rules 50 and 55, Ariz. R. Sup. Ct., for consideration of the State Bar's Report of Investigation and Recommendation.

By a vote of 8-0-1<sup>1</sup>, the Committee finds probable cause exists to file a complaint against Respondent in File Nos. 14-1620, 14-2166, 14-3377, 14-3556, 15-0667, and 15-0783.

**IT IS THEREFORE ORDERED** pursuant to Rules 55(c) and 58(a), Ariz. R. Sup. Ct., authorizing the State Bar Counsel to prepare and file a complaint with the Disciplinary Clerk.

Parties may not file motions for reconsideration of this Order.

**DATED** this 27 day of July, 2015.

*Jamena F. Winthrop*

Judge Lawrence F. Winthrop, Chair  
Attorney Discipline Probable Cause Committee  
of the Supreme Court of Arizona

<sup>1</sup> Committee member Ben Harrison did not participate in this matter.

Original filed this 27<sup>th</sup> day  
of July, 2015, with:

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

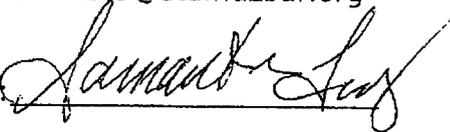
Copy mailed this 28<sup>th</sup> day  
of July, 2015, to:

Denise M. Quinterri  
The Law Office of Denise M. Quinterri PLLC  
5401 Fm 1626, Suite 170-423  
Kyle, Texas 78640-6043  
Respondent's Counsel

Copy emailed this 28<sup>th</sup> day  
of July, 2015, to:

Attorney Discipline Probable Cause Committee  
of the Supreme Court of Arizona  
1501 West Washington Street, Suite 104  
Phoenix, Arizona 85007  
E-mail: [ProbableCauseComm@courts.az.gov](mailto:ProbableCauseComm@courts.az.gov)

Lawyer Regulation Records Manager  
State Bar of Arizona  
4201 N. 24<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85016-6266  
E-mail: [LRO@staff.azbar.org](mailto:LRO@staff.azbar.org)

by 

**FILED**

NOV 19 2015

STATE BAR OF ARIZONA

BY

**BEFORE THE ATTORNEY DISCIPLINE  
PROBABLE CAUSE COMMITTEE  
OF THE SUPREME COURT OF ARIZONA**

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

**KARL R. LAUTZ  
Bar No. 014211**

Respondent.

No. 15-1891

**PROBABLE CAUSE ORDER**

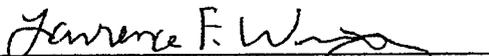
The Attorney Discipline Probable Cause Committee of the Supreme Court of Arizona ("Committee") reviewed this matter on November 13, 2015, pursuant to Rules 50 and 55, Ariz. R. Sup. Ct., for consideration of the State Bar's Report of Investigation and Recommendation.

By a vote of 9-0-0, the Committee finds probable cause exists to file a complaint against Respondent in File No. 15-1891.

**IT IS THEREFORE ORDERED** pursuant to Rules 55(c) and 58(a), Ariz. R. Sup. Ct., authorizing the State Bar Counsel to prepare and file a complaint with the Disciplinary Clerk.

Parties may not file motions for reconsideration of this Order.

**DATED** this 19 day of November, 2015.



Judge Lawrence F. Winthrop, Chair  
Attorney Discipline Probable Cause Committee  
of the Supreme Court of Arizona

Original filed this 19 day  
of November, 2015, with:

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

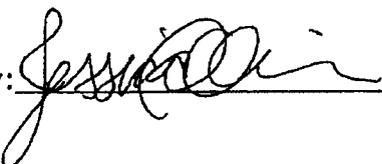
Copy mailed this 20 day  
of November, 2015, to:

Karl R. Lautz  
Post Office Box 3824  
Pinetop, Arizona 85935-3824  
Respondent

Copy emailed this 20 day  
of November, 2015, to:

Attorney Discipline Probable Cause Committee  
of the Supreme Court of Arizona  
1501 West Washington Street, Suite 104  
Phoenix, Arizona 85007  
E-mail: [ProbableCauseComm@courts.az.gov](mailto:ProbableCauseComm@courts.az.gov)

Lawyer Regulation Records Manager  
State Bar of Arizona  
4201 North 24<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85016-6266  
E-mail: [LRO@staff.azbar.org](mailto:LRO@staff.azbar.org)

by: 

**EXHIBIT B**

**Statement of Costs and Expenses**

In the Matter of a Suspended Member of the State Bar of Arizona,  
Karl R. Lautz, Bar No. 014211, Respondent

File No(s). 14-1620, 14-2166, 14-3377, 14-3556, 15-0667,  
15-0783, and 15-1891

**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**

Total for staff investigator charges \$ 0.00

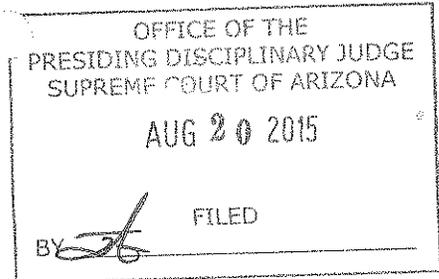
Total Costs and Expenses for each matter over  
5 cases where a violation is admitted or proven.  
(2 over 5 x (240.00)): \$ 480.00

**TOTAL COSTS AND EXPENSES INCURRED \$1,680.00**

  
**Sandra E. Montoya**  
**Lawyer Regulation Records Manager**

8-6-15  
**Date**

EXHIBIT C



Shauna R. Miller, Bar No. 015197  
Bar Counsel - Litigation  
State Bar of Arizona  
4201 N. 24<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85016-6266  
Telephone (602)340-7278  
Email: LRO@staff.azbar.org

**BEFORE THE PRESIDING DISCIPLINARY  
JUDGE**

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

**KARL R. LAUTZ,  
Bar No. 014211,**

Respondent.

**PDJ 2015- 9076**

**COMPLAINT**

[State Bar File Nos. 14-1620, 14-2166, 14-3377, 14-3556, 15-0667, 15-0783]

Complaint is made against Respondent as follows:

**GENERAL ALLEGATIONS**

1. At all times relevant, Respondent was licensed to practice law in Arizona, having been admitted on May 23, 1992.
2. Respondent failed to timely respond in many of the files referenced in the caption, so bar counsel set Respondent's deposition for May 4, 2015. A subpoena was also issued to obtain his trust account records from his bank, and the State Bar has received those records.
3. On May 1, 2015, Respondent retained counsel to represent him. After discussing the matter with counsel, Respondent agreed to voluntarily go on interim suspension until these matters are resolved. The May 4, 2015, deposition was canceled and a stipulation for Respondent to transfer to interim suspension was

filed on May 14, 2015, which included a statement from Respondent that he has failed to comply with the trust account rules for over two years and has used client funds at times to cover operating expenses.

4. The stipulation was accepted by the Presiding Disciplinary Judge (PDJ) on May 18, 2015. Respondent was ordered to: stop accepting new clients, stop accepting any funds, relinquish access to his trust account to another attorney, and comply with Rule 72, Ariz. R. Sup. Ct.

**COUNT ONE (File no. 14-1620/Weigand)**

5. Linda Weigand (Ms. Weigand) hired Respondent in August 2011 to represent her in a medical malpractice case. The case was against a hospital and Ms. Weigand's doctor.

6. The case against the hospital was settled in February 2013 for \$250,000, but Ms. Weigand lost the case against her doctor in January 2014.

7. Ms. Weigand called the State Bar on May 21, 2014, because the last time she spoke to Respondent was April 2014, and she was having problems getting the settlement funds from Respondent.

8. On June 3, 2014, Ms. Weigand called the State Bar again and told intake bar counsel that she had received a letter advising her she needed to appear in court on June 9, 2014, for a debtor's exam. Ms. Weigand had no idea why she had to appear.

9. On June 3, 2014, intake bar counsel called Respondent three times and sent three emails, asking him to contact intake bar counsel.

10. At 2:07 p.m., on June 3, 2014, intake bar counsel finally talked to Respondent. Respondent told intake bar counsel he still had to resolve an AHCCCS lien relating to Ms. Weigand's case. He also said that there was a cost judgment of approximately \$20,000 against Ms. Weigand from losing the case against the doctor. Respondent told intake bar counsel he would talk to Ms. Weigand.

11. On November 19, 2014, Ms. Weigand called intake bar counsel again and said that to date, Respondent had only given her approximately \$23,000 from the settlement.

12. On November 20, 2014, intake bar counsel talked to Respondent and advised him to write to Ms. Weigand and tell her what was happening with the settlement money. Respondent said he would get in touch with her.

13. On November 26, 2014, Ms. Weigand called the State Bar again and told intake bar counsel that she had sent text messages to Respondent, but he did not respond. He did not send her anything in writing about the status of her case.

14. On January 30, 2015, Respondent was asked to provide the State Bar with the following information:

- a. Provide monthly reconciliations, the client ledger, and the trust account bank statements for the time period from receipt of the settlement funds to the disbursement of the settlement funds to Ms. Weigand.
- b. Provide an explanation of what efforts Respondent made to resolve the liens and any documentation verifying such efforts.
- c. Explain why Respondent did not keep Ms. Weigand up-to-date on the status of her case.
- d. Explain what needs to be done to finalize the representation?

15. On April 10, 2015, the State Bar subpoenaed Respondent's bank records for his client trust account. A review of the records shows that on March 18, 2013, \$275,000 was deposited into Respondent's client trust account on behalf of Ms. Weigand. A check dated July 2, 2013, for \$10,000, and another one dated August 20, 2013, for \$2,500 were made payable to Ms. Weigand. On October 29, 2014, Respondent paid \$10,817 on Ms. Weigand's behalf for the cost judgment filed against her. The records do not show any other payment to or on behalf of Ms. Weigand.

16. On April 23, 2015, Respondent emailed bar counsel after receiving a *subpoena duces tecum* requesting production of certain trust account records, and a notice of deposition from the State Bar. Bar counsel responded the same day and reminded Respondent that he had failed to respond to the allegations against him in file nos. 14-1620, 14-2166, 14-3377, 14-3556, and 15-0667.

17. Respondent failed to respond to the State Bar until May 1, 2015, when his newly retained counsel communicated with bar counsel.

18. On May 14, 2015, a stipulation for Respondent to transfer to interim suspension was filed; the stipulation included a statement from Respondent that he failed to comply with the trust account rules for over two years and used client funds at times to cover operating expenses.

19. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. Rule 42, Ariz. R. Sup. Ct., **ER 1.4** – Respondent failed to reasonably communicate with the client or provide reasonable updates regarding the status of the lawsuit(s);

- b. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(d)** – Respondent failed to promptly notify his client that he had received funds in which she had an interest and he failed to promptly deliver funds to his client that she was entitled to receive.
- c. Rule 42, Ariz. R. Sup. Ct., **ER 8.1(b)** – Respondent failed to respond to a lawful demand for information by the disciplinary authority;
- d. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(b)** – Respondent engaged in a criminal act that reflects adversely on his honesty, trustworthiness, and fitness as a lawyer;
- e. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;
- f. Rule **54(d)** Ariz. R. Sup. Ct. – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

**COUNT TWO (File no. 14-2166/McCawley)**

20. Ms. McCawley hired Respondent in 2007, to represent her in a medical malpractice case involving eye surgery.

21. The case settled in late 2012, for \$35,000, but the insurance company held back \$1,000 pending verification that Medicare did not have any liens. On June 5, 2013, Medicare informed Respondent that it did not have a lien.

22. Respondent received the \$1000 check from the insurance company and deposited it into his trust account on July 23, 2013. Respondent did not advise Ms. McCawley that he had received the funds.

23. On August 21, 2013, Respondent transferred \$900 from the trust account to his operating account. The notation on the check falsely identified the money as a cost reimbursement.

24. On November 21, 2013, Respondent transferred \$100 from the trust account to his operating account. The notation on the check falsely identified the money as a cost reimbursement.

25. Ms. McCawley did not receive her \$1,000 until August 2014, after the State Bar contacted Respondent.

26. On January 30, 2015, Respondent was asked to provide the State Bar with the following information:

- a. Provide monthly reconciliations, the client ledger, and the trust account bank statements for the time period from receipt of the settlement funds to the disbursement of the settlement funds to Ms. McCawley.
- b. Please explain why it took you so long after you received the letter from Medicare to release the \$1000 to Ms. McCawley.

27. On April 10, 2015, the State Bar subpoenaed Respondent's bank records for his client trust account. A review of the records shows that on November 23, 2011, \$34,000 was deposited into Respondent's client trust account on behalf of Ms. McCawley. Two checks dated December 16, 2011, one for \$10,000 and one for \$7,733.25, were made out to Ms. McCawley. The trust account records do not show any other payment to or on behalf of Ms. McCawley.

28. On April 23, 2015, Respondent emailed bar counsel after receiving a *subpoena duces tecum* requesting production of certain trust account records, and a notice of deposition from the State Bar. Bar counsel responded the same day and reminded Respondent that he had failed to respond to the allegations against him in file nos. 14-1620, 14-2166, 14-3377, 14-3556, and 15-0667

29. Respondent failed to timely respond.

30. In a May 12, 2015, letter to the State Bar, Respondent, through counsel, admitted that he inappropriately used Ms. McCawley's funds to pay bills.

31. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. Rule 42, Ariz. R. Sup. Ct., **ER 1.4** – Respondent failed to reasonably communicate with the client or provide reasonable updates regarding the status of the lawsuit(s);
- b. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(d)** – Respondent failed to promptly notify his client that he had received funds in which she had an interest and he failed to promptly deliver funds to his client that she was entitled to receive.
- c. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(b)** – Respondent engaged in a criminal act that reflects adversely on his honesty, trustworthiness, and fitness as a lawyer;
- d. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;
- e. **Rule 54(d)**, Ariz. R. Sup. Ct. – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

**COUNT THREE (File no. 14-3377/Denton)**

32. Ms. Denton hired Respondent in January 2010 to represent her in a medical malpractice case related to unnecessary surgery.

33. The doctor was judgment proof, so Respondent sued the hospital. Respondent filed the complaint in Maricopa County, which was ineffective because the hospital was in Navajo County. On June 19, 2012, the defendant filed a motion for transfer of venue, which was granted on July 12, 2012.

34. During the representation there was little communication from Respondent to Ms. Denton. Respondent failed to keep Ms. Denton informed on the

status of her case, he failed to inform her when he moved his office, and he failed to tell her that her case had been dismissed.

35. Ms. Denton received a form of judgment dated September 16, 2014, informing her that her case was dismissed and \$2,713.15 in fees and costs had been awarded against her.

36. On November 20, 2014, Respondent talked to intake bar counsel and told intake bar counsel that he would contact Ms. Denton.

37. Respondent failed to communicate with Ms. Denton, even after he told intake bar counsel he would contact her.

38. On January 30, 2015, Respondent was asked to provide the State Bar with the following information:

- a. Please explain what action you took in the case and why it was dismissed.
- b. Please explain why you have not communicated with Ms. Denton, even after [intake bar counsel] contacted you about the matter.

39. On February 12, 2015, Respondent sent the following email to intake bar counsel:

Dear Tom & Jen:

What I explained to Ms. Denton was there are provisions, under the savings statute and the discovery rule which would allow the case to be refiled if we could find a standard of care expert. In many Med/Mal cases the claim is filed years after the underlying medical procedure based on the discovery rule alone. It is always a question of fact for the jury.

40. Respondent's claim that the case could be refiled in the future if he found a standard of care expert is unsupported by any case law, statute, or treatises, and was intended to mislead Ms. Denton and the State Bar.

41. Respondent failed to respond to the specific questions intake bar counsel asked him to answer.

42. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. Rule 42, Ariz. R. Sup. Ct., **ER 1.1** – Respondent failed to provide competent representation, which includes, the legal knowledge, skill, thoroughness, and preparation necessary for the representation;
- b. Rule 42, Ariz. R. Sup. Ct., **ER 1.2** – Respondent failed to abide by the client's wishes concerning the objective of the representation.
- c. Rule 42, Ariz. R. Sup. Ct., **ER 1.3** – Respondent failed to act diligently during his representation of the client;
- d. Rule 42, Ariz. R. Sup. Ct., **ER 1.4** – Respondent failed to reasonably communicate with the client or provide reasonable updates regarding the status of the lawsuit(s);
- e. Rule 42, Ariz. R. Sup. Ct., **ER 8.1(b)** – Respondent failed to respond to a lawful demand for information by the disciplinary authority;
- f. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;
- g. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(d)** – Respondent engaged in conduct which was prejudicial to the administration of justice;
- h. **Rule 54(d)**, Ariz. R. Sup. Ct., – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

**COUNT FOUR (File no. 14-3556 / Bauman)**

43. On April 1, 2010, Mr. Bauman hired Respondent to represent him in a medical malpractice case. The case settled for \$300,000.

44. On August 28, 2012, Respondent deposited \$275,000 into his client trust account. There was a medical lien on the case for approximately \$16,000, so Respondent told Mr. Bauman that the insurance company was holding \$25,000 to cover medical liens. Respondent also held back \$2,000 for future costs.

45. On September 18, 2012, Respondent wrote a check for \$135,570.50 to Mr. Bauman.

46. On February 4, 2014, Respondent received the \$25,000 that the insurance company had retained and deposited it into the client trust account, but Respondent did not notify Mr. Bauman that he had received the funds.

47. When Mr. Bauman asked about the liens, Respondent told him he was working on it.

48. Respondent failed to give the money to Mr. Bauman until after Mr. Bauman contacted the State Bar. On December 16, 2014, Respondent wrote a check for \$27,000 to Mr. Bauman.

49. On January 30, 2015, the State Bar sent Respondent a screening letter indicating that his response was due on February 23, 2015. Respondent was asked to provide the following:

- a. Provide monthly reconciliations, the client ledger, and the trust account bank statements for the time period from receipt of the settlement funds to the disbursement of the settlement funds to Complainant.
- b. Explain what efforts Respondent made to resolve the medical lien.
- c. Explain the delay in sending Mr. Bauman his money.
- d. Explain why Respondent did not communicate with Mr. Bauman about the settlement funds.

50. On February 23, 2015, Respondent asked for a twenty-day extension to file his response. Respondent was given until March 16, 2015, to respond.

51. On March 16, 2015, Respondent asked for an additional twenty-day extension due to a family emergency. Respondent was given until April 6, 2015, to respond.

52. On April 2, 2015, Respondent asked for an additional ten-day extension. This request was denied and Respondent was reminded to file his response no later than April 6, 2015.

53. Respondent failed to respond to the State Bar until May 1, 2015, when his newly retained counsel communicated with bar counsel.

54. On May 14, 2015, a stipulation for Respondent to transfer to interim suspension was filed; the stipulation included a statement from Respondent that he failed to comply with the trust account rules for over two years and used client funds at times to cover operating expenses.

55. Respondent failed to timely respond.

56. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. Rule 42, Ariz. R. Sup. Ct., **ER 1.4** – Respondent failed to reasonably communicate with the client or provide reasonable updates regarding the status of the lawsuit(s);
- b. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(d)** – Respondent failed to promptly notify his client that he had received funds in which she had an interest and he failed to promptly deliver funds to his client that she was entitled to receive.
- c. Rule 42, Ariz. R. Sup. Ct., **ER 8.1(b)** – Respondent failed to respond to a lawful demand for information by the disciplinary authority;

- d. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;
- e. **Rule 54(d)**, Ariz. R. Sup. Ct., – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

**COUNT FIVE (File no. 15-0667/Brady)**

57. On February 6, 2014, Mrs. Brady was hit by a drunk driver and on March 6, 2014, Mr. and Mrs. Brady [the Bradys] hired Respondent to represent Mrs. Brady in the matter.

58. The driver's insurance company offered the Bradys the \$25,000 policy limits and issued the settlement check on October 29, 2014. Respondent endorsed the settlement check for the Bradys as their attorney-in-fact, without their permission.

59. There was one lien for approximately \$3,612 that has never been paid.

60. Mr. Brady would call Respondent and ask him what the problem was with receiving the check and Respondent would tell him he would contact the company to find out. Mr. Brady realized that Respondent was lying to them so he called the insurance company and they sent him copies of the front and back of the settlement check, showing that it had been cashed.

61. Respondent's fee of 33 and 1/3 percent is excessive because all he did was write one demand letter. The Bradys did all the legwork and gathered all the documents. They also had a very hard time communicating with Respondent.

62. On March 13, 2015, Mr. Brady stopped by Respondent's office in Show Low, but his office was empty. A lady at the front desk told Mr. Brady that

Respondent had vacated his office a few days earlier. Respondent did not tell the Bradys how to reach him.

63. Respondent was sent a screening letter on April 1, 2015, but he failed to timely respond.

64. On April 10, 2015, the State Bar subpoenaed Respondent's bank records for his client trust account. A review of the records shows that no funds were ever deposited into the client trust account by Respondent on behalf of the Bradys.

65. Respondent eventually retained counsel, and on May 3, 2015, his counsel provided the State Bar with copies of a cashier's check made out to the Bradys for \$16,675. The cashier's check does not appear to be drawn on Respondent's client trust account. There was no explanation as to whether the medical lien for \$3,612 was ever paid.

66. On May 14, 2015, a stipulation for Respondent to transfer to interim suspension was filed; the stipulation included a statement from Respondent that he failed to comply with the trust account rules for over two years and used client funds at times to cover operating expenses.

67. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. Rule 42, Ariz. R. Sup. Ct., **ER 1.4** – Respondent failed to reasonably communicate with the clients or provide reasonable updates regarding the status of the lawsuit(s);
- b. Rule 42, Ariz. R. Sup. Ct., **ER 1.5(a)** – Respondent charged an unreasonable fee for the representation of the clients;

- c. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(a)** – Respondent failed to safe guard client funds;
- d. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(d)** – Respondent failed to promptly notify his client that he had received funds in which they had an interest and he failed to promptly deliver funds to his client that they were entitled to receive;
- e. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(b)** – Respondent engaged in a criminal act that reflects adversely on his honesty, trust worthiness, and fitness as a lawyer;
- f. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;
- g. **Rule 43**, Ariz. R. Sup. Ct., Respondent failed to safe guard client funds because he did not deposit the funds into a client trust account;
- h. **Rule 54(d)**, Ariz. R. Sup. Ct., – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

**COUNT SIX (File no. 15-0783/Goalby)**

68. Ms. Goalby hired Respondent on April 13, 2012, to represent her in a premises liability claim against the Aquatic Center and the City of Show Low, AZ.

69. There were three lien holders awaiting payment from Ms. Goalby:

- a. Summit Healthcare Regional Live, lien amount \$31,592.12
- b. White Mountain Physical Therapy, lien amount \$3,075.
- c. Northeastern Anesthesia, PLL., lien amount \$2,400.

70. On June 26, 2014, a mediation/settlement conference was held and Ms. Goalby agreed to settle for \$90,000.

71. Ms. Goalby had trouble communicating with Respondent throughout the case, but from the date of the settlement through March 31, 2015, there was virtually no contact from him.

72. In March 2015, Ms. Goalby emailed Respondent and asked for the status of the settlement. She waited two weeks and then followed up with a phone call, leaving Respondent a phone message. The third week of March 2015, Ms. Goalby called and left another message. She did not receive any replies to the emails or phone calls.

73. On April 10, 2015, the State Bar subpoenaed Respondents bank records for his client trust account. A review of the records shows that no funds were ever deposited into the client trust account by Respondent on behalf of Ms. Goalby.

74. A screening letter was sent to Respondent on April 15, 2015, but he failed to timely respond.

75. On May 14, 2015, a stipulation for Respondent to transfer to interim suspension was filed; the stipulation included a statement from Respondent that he failed to comply with the trust account rules for over two years and used client funds at times to cover operating expenses.

76. On July 20, 2015, Respondent gave Ms. Goably a cashier's check for \$18,357.87. Respondent had previously paid himself \$29,997. The liens have not been paid.

77. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. Rule 42, Ariz. R. Sup. Ct., **ER 1.4** – Respondent failed to reasonably communicate with the client or provide reasonable updates regarding the status of the lawsuit(s);
- b. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(a)** – Respondent failed to safe guard client funds;

- c. Rule 42, Ariz. R. Sup. Ct., **ER 1.15(d)** – Respondent failed to promptly deliver funds to his client that she was entitled to receive.
- d. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(b)** – Respondent engaged in a criminal act that reflects adversely on his honesty, trust worthiness, and fitness as a lawyer;
- e. Rule 42, Ariz. R. Sup. Ct., **ER 8.4(c)** – Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation;
- f. **Rule 43**, Ariz. R. Sup. Ct., Respondent failed to safe guard client funds because he did not deposit the funds into a client trust account;
- g. **Rule 54(d)**, – Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.

#### **COUNT SEVEN – TRUST ACCOUNT**

78. The General Allegations and Counts One through Six are incorporated herein.

79. Respondent was asked to provide monthly reconciliations, client ledgers, and the trust account bank statements for the time period from receipt of the settlement funds to the disbursement of the settlement funds in Counts One, Two and Four. Respondent failed to produce the records.

80. On April 10, 2015, the State Bar subpoenaed trust account records from the Bank of Tucson, a division of GrandPoint Bank, account 2505030, titled as Lautz Law Group, P.C., Attorney Trust Account.

81. On July 14, 2015, the State Bar's trust account examiner completed her review and reconstruction of Respondent's client trust account records for the period of April 1, 2010 through June 30, 2015.

82. Respondent disbursed 132 checks from his client trust account between September 16, 2010 and January 13, 2015, that were made payable to Karl R. Lautz or Lautz Law Group PC, totaling \$1,656,122.78. The clients on whose behalf these funds were paid are unknown because the State Bar did not receive all of the trust account records.

83. Between April 1, 2010 and June 30, 2015, a total of \$2,864,034.30 was deposited to the client trust account. This total is broken down as follows:

- a. \$2,746,823.85 was deposited from the largest number of payors that were insurance companies, banks, or government.
- b. \$16,313.21 was deposited by Respondent on May 23, 2013.
- c. \$60,000.00 was deposited by Respondent on May 6, 2015 from Wells Fargo checking account 7165 registered to Lisa Lautz, and payable to Karl R. Lautz.
- d. \$1,056.24 was deposited as interest payments.
- e. \$39,817.00 was deposited as wires originating from Lautz Law Group PC, P O Box 3824, Pinetop, AZ, 85935-3824, unknown bank name, unknown account number.
  - i. \$10,817.00 on October 15, 2014;
  - ii. \$28,000.00 on December 12, 2014; and
  - iii. \$1,000.00 on April 13, 2015.

84. Between April 1, 2010 and June 30, 2015, a total of \$3,039,772.44 was disbursed from the client trust account. This total is broken down as follows:

- a. 206 checks for \$3,038,692.20 were disbursed from the account.

- b. \$1,056.24 was transferred to the AZ Foundation for interest payments.
- c. \$24.00 represents three wire fees of \$8.00 each.

85. There are 160 check disbursements that are categorized as "unknown" in that the corresponding client could not be identified. The breakdown of these transactions is as follows:

- a. 132 checks were disbursed between September 16, 2010 and January 13, 2015, payable to Karl R. Lautz or Lautz Law Group PC, totaling \$1,656,122.78.
- b. Out of the 132 checks, all but seven checks were deposited into Respondent's operating account number 4038279.
- c. 28 checks were disbursed between April 27, 2010 and April 12, 2013, payable to third-parties, totaling \$42,582.73.

86. During the period of review, no transactions were identified as being related specifically to Ms. Denton, file no. 14-3377, the Bradys file no. 15-0667, or to Ms. Goalby file no. 15-0783.

87. By engaging in the above-referenced misconduct, Respondent violated the following ethical rules:

- a. **Rule 43(b)(1)(A)**, Ariz. R. Sup. Ct., Respondent failed to exercise due professional care in the performance of the lawyer's duties.
- b. **Rule 43(b)(2)(A)**, Ariz. R. Sup. Ct., Respondent failed to maintain on a current basis, complete records of the handling, maintenance, and disposition of all funds, securities, and other property belonging in whole or in part to a client/third person in connection with a representation. Respondent failed to preserve these records for a period of 5 years after termination of the representation.

- c. **Rule 43(b)(2)(B)**, Ariz. R. Sup. Ct., Respondent failed to maintain an account ledger or the equivalent for each client, person, or entity for which funds have been received in trust, showing; (i) the date, amount, and payor of each receipt of funds; (ii) the date, amount, and payee of each disbursement; and (iii) any unexpended balance.
- d. **Rule 43(b)(2)(C)**, Ariz. R. Sup. Ct., Respondent failed to make a monthly three-way reconciliation of the client ledgers, trust account general ledger or register, and the trust account bank statement.
- e. **Rule 43(b)(2)(D)**, Ariz. R. Sup. Ct., Respondent failed to retain, in accordance with this rule, all account trust statements, cancelled pre-numbered checks, other evidence of disbursements, duplicate deposit slips or the equivalent, client ledgers, trust account general ledger, and reports to clients.
- f. **Rule 43(b)(4)**, Ariz. R. Sup. Ct., Respondent used, endangered, or encumbered money held in trust for a client/third person without the permission of the owner.
- g. **Rule 43(d)(3)**, Ariz. R. Sup. Ct. Rebuttable Presumption. If a lawyer fails to maintain trust account records required by this rule and ER 1.15, or fails to provide trust account records to the state bar upon request or as ordered by a panelist, a hearing officer, the commission or the court, there is a rebuttable presumption that the lawyer failed to properly safeguard client/third person's funds or property, as required by this rule and ER 1.15.
- h. **Rule 54(d)**, - Respondent failed to furnish information or promptly respond to an inquiry by the State Bar.
- i. **Rule 54(d)(2)(C)**, Ariz. R. Sup. Ct. Respondent failed to furnish copies of requested records, files, and accounts.

. . .  
. . .  
. . .

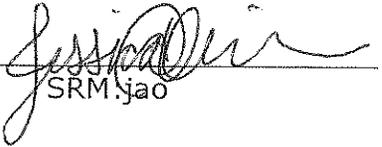
DATED this 20<sup>th</sup> day of August, 2015.

**STATE BAR OF ARIZONA**



Shauna R. Miller  
Senior Bar Counsel - Litigation

Original filed with the Disciplinary Clerk of  
the Office of the Presiding Disciplinary Judge  
of the Supreme Court of Arizona  
this 20<sup>th</sup> day of August, 2015.

by:   
SRM:jao

FILED

JUL 27 2015

STATE BAR OF ARIZONA

BY

*Radu C. Montoya*

**BEFORE THE ATTORNEY DISCIPLINE  
PROBABLE CAUSE COMMITTEE  
OF THE SUPREME COURT OF ARIZONA**

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

**KARL R. LAUTZ  
Bar No. 014211**

Respondent.

Nos. 14-1620, 14-2166, 14-3377,  
14-3556, 15-0667, and 15-0783

**PROBABLE CAUSE ORDER**

The Attorney Discipline Probable Cause Committee of the Supreme Court of Arizona ("Committee") reviewed this matter on July 10, 2015, pursuant to Rules 50 and 55, Ariz. R. Sup. Ct., for consideration of the State Bar's Report of Investigation and Recommendation.

By a vote of 8-0-1<sup>1</sup>, the Committee finds probable cause exists to file a complaint against Respondent in File Nos. 14-1620, 14-2166, 14-3377, 14-3556, 15-0667, and 15-0783.

**IT IS THEREFORE ORDERED** pursuant to Rules 55(c) and 58(a), Ariz. R. Sup. Ct., authorizing the State Bar Counsel to prepare and file a complaint with the Disciplinary Clerk.

Parties may not file motions for reconsideration of this Order.

**DATED** this 27 day of July, 2015.

*Lawrence F. Winthrop*  
Judge Lawrence F. Winthrop, Chair  
Attorney Discipline Probable Cause Committee  
of the Supreme Court of Arizona

<sup>1</sup> Committee member Ben Harrison did not participate in this matter.

Original filed this 27<sup>th</sup> day  
of July, 2015, with:

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

Copy mailed this 28<sup>th</sup> day  
of July, 2015, to:

Denise M. Quinterri  
The Law Office of Denise M. Quinterri PLLC  
5401 Fm 1626, Suite 170-423  
Kyle, Texas 78640-6043  
Respondent's Counsel

Copy emailed this 28<sup>th</sup> day  
of July, 2015, to:

Attorney Discipline Probable Cause Committee  
of the Supreme Court of Arizona  
1501 West Washington Street, Suite 104  
Phoenix, Arizona 85007  
E-mail: [ProbableCauseComm@courts.az.gov](mailto:ProbableCauseComm@courts.az.gov)

Lawyer Regulation Records Manager  
State Bar of Arizona  
4201 N. 24<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85016-6266  
E-mail: [LRO@staff.azbar.org](mailto:LRO@staff.azbar.org)

by: 