

VIRGINIA:

BEFORE THE SEVENTH DISTRICT COMMITTEE
OF THE VIRGINIA STATE BAR

IN THE MATTER OF
STEVEN KENT BALDRIDGE

VS B Docket No. 24-070-132146

CONSENT ORDER OF PUBLIC REPRIMAND

On July 8, 2024, the Virginia State Bar (“VSB”) issued to Respondent Steven Kent Baldridge a Notice of Hearing requiring Respondent to appear before the Seventh District Committee (“District Committee”) on September 12, 2024 at 9 a.m., pursuant to the Petition for Rule to Show Cause for Sanctions Determination (“Show Cause”) filed by the VSB on July 3, 2024, to show cause why the alternative disposition of a Public Reprimand without Terms contained in the Subcommittee Determination (Private Reprimand with Terms) issued on November 1, 2022 in VSB Docket No. 22-070-123404 (“Private Reprimand with Terms”) should not be imposed based on Respondent’s failure to comply with terms therein as alleged in the Show Cause.

Respondent agrees that he failed to comply with terms of the Private Reprimand with Terms as stipulated herein, that the alternative disposition of a Public Reprimand without Terms must be imposed, and that he waives his right to a show cause hearing. Respondent specifically stipulates and agrees as follows:

1. This matter is before the District Committee on the Show Cause filed by the VSB on July 3, 2024 as set forth above. Respondent received true and correct copies of the Show Cause,

with the attached Private Reprimand with Terms, and the Amended Petition for Rule to Show Cause.¹

2. Section III, Paragraphs (4) through (6) of the Private Reprimand with Terms required Respondent to comply as follows:

- Within 30 days of the date of the Subcommittee’s Disposition, Respondent shall retain the services of a certified public accountant licensed in the Commonwealth of Virginia (“CPA”), at his own cost and expense, to conduct periodic audits of the trust, IOLTA, real estate, and any other fiduciary accounts where the Firm holds client funds (collectively “Accounts”) for the purposes of certifying compliance with Rule 1.15 of the Virginia Rules of Professional Conduct.
- On or before April 1, 2023, the CPA shall review the Accounts to ensure compliance with all provisions of Rule 1.15 of the Virginia Rules of Professional Conduct.
- On or before May 1, 2023, the CPA shall provide to Respondent and to the Office of Bar Counsel its written report either certifying compliance with Rule 1.15 of the Rules of Professional Conduct or identifying the measures that Respondent and/or the Firm must take to bring themselves into compliance. The CPA shall thereafter provide such reports every six months from May 1, 2023 through May 1, 2025.

See **Exhibit A** – Private Reprimand with Terms.

3. The Private Reprimand with Terms provides that if any of the terms are not met by the time specified, pursuant to Part Six, Section IV, Paragraph 13-15.F of the Rules of the Supreme Court of Virginia, the District Committee shall hold a hearing and Respondent shall be required to show cause why the alternative disposition of a Public Reprimand without Terms should not be imposed. Paragraph 13-15.F further provides, in part, that if the District Committee determines that Respondent failed to comply with the terms or failed to certify compliance within the stated time period, the alternative disposition must be imposed.

¹ On August 22, 2024, the VSB filed an Amended Petition for Rule to Show Cause for Sanctions Determination. The only change to the Amended Petition was the removal of an erroneously attached unrelated document in the exhibits.

4. On December 1, 2022, Respondent, by counsel, advised the VSB that Susan Johnson, CPA, agreed “to engagement pursuant to Paragraph III(4)-(8) of the Private Reprimand with Terms.”

5. The VSB did not receive a written report from Respondent or Ms. Johnson either certifying that Respondent’s Accounts were in compliance with Rule 1.15 or, in the alternative, identifying the measures Respondent and/or the Firm must take to bring Respondent’s Accounts into compliance, by the required deadline of May 1, 2023. The VSB did not receive any periodic reports from Respondent or Ms. Johnson certifying that Respondent’s Accounts were in compliance with Rule 1.15 or, in the alternative, identifying the measures Respondent and/or the Firm must take to bring Respondent’s Accounts into compliance by the November 1, 2023 and May 1, 2024 deadlines.

6. On July 3, 2024, Respondent, by counsel, provided the VSB with Ms. Johnson’s May 29, 2024 Agreed-Upon Procedures Report (“Report”) regarding her audit of Respondent’s Accounts for compliance with Rule 1.15 for the period of October 1, 2022 through March 31, 2023.² The Report only partially complied with the terms of the Private Reprimand with Terms. The Report identified multiple instances where Respondent’s Accounts and records were not in compliance with Rule 1.15 and Respondent has not certified to the VSB that he has brought his Accounts and records into compliance based on the findings in the Report.

7. Respondent agrees that (i) he is in violation of the terms of the Private Reprimand with Terms as referenced herein and that he cannot show compliance with those terms by clear and convincing evidence; (ii) that he waives his right to the September 12, 2024 Show Cause hearing;

² Respondent, by counsel, initially sent the Report by email dated June 6, 2024. For reasons beyond Respondent’s control, the VSB did not receive the Report until July 3, 2023. Although the title page of the Report listed a date of March 31, 2023, each page of the report was dated May 29, 2024.

and (iii) that the alternative sanction of a Public Reprimand without Terms must be imposed pursuant to the Private Reprimand with Terms and Part 6, § IV, ¶ 13-15.F of the Rules of the Supreme Court of Virginia.

Based on the stipulations set forth herein and with the consent of Respondent as evidenced by his endorsement below, and pursuant to Part 6, § IV, ¶ 13-15.F of the Rules of the Supreme Court of Virginia, it is **ORDERED** that the alternative disposition set out in the Private Reprimand with Terms of a **PUBLIC REPRIMAND WITHOUT TERMS** shall be and is hereby imposed.

It is further **ORDERED** that the Virginia State Bar shall mail a true and correct copy of this Consent Order by certified mail and email to Steven Kent Baldridge, Respondent, at Baldridge & Associates, PLLC, 221 W. 21st Street, Buena Vista, Virginia 24416 and at steve@baldridgelawassoc.com; by first-class mail and email to Gregory T. St. Ours, Respondent's Counsel, at Wharton, Aldhizer & Weaver PLC, 100 South Mason Street, P. O. Box 20028, Harrisonburg, Virginia 22801-7528 and at gstours@wawlaw.com; and by email to Tenley Carroll Seli, Assistant Bar Counsel, at tseli@vsb.org.

ENTERED: 9/6/24

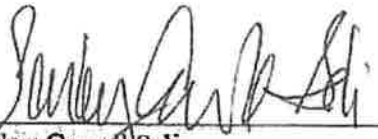
SEVENTH DISTRICT COMMITTEE

By: _____



Seth J. Ragosta
Chair

SEEN AND AGREED:



Tenley Carroll Seli
Assistant Bar Counsel



Steven K. Baldrige
Respondent

Gregory T. St. Ours /s/

Gregory T. St. Ours
Counsel for Respondent



VIRGINIA :

BEFORE THE SEVENTH DISTRICT SUBCOMMITTEE OF THE VIRGINIA STATE BAR

IN THE MATTER OF Steven Kent Baldrige

VSB Docket No. 22-070-123404

SUBCOMMITTEE DETERMINATION (PRIVATE REPRIMAND WITH TERMS)

On August 03, 2022 a meeting was held in this matter before a duly convened Seventh District Subcommittee consisting of Ryan D. Ruzic, Esquire, Chair; Dillina W. Stickley, Esquire; and Caroline G. Polk, Lay Person. During the meeting, the Subcommittee voted to approve an agreed disposition for a PRIVATE REPRIMAND with TERMS pursuant to Part 6, § IV, ¶ 13-15.B.4. of the Rules of the Supreme Court of Virginia. The agreed disposition was entered into by the Virginia State Bar, by Paulo E. Franco, Jr., Assistant Bar Counsel, and Steven Kent Baldrige, Respondent, and Gregory Thomas St. Ours, Esquire, counsel for Respondent.

WHEREFORE, the Seventh District Subcommittee of the Virginia State Bar hereby serves upon Respondent the following PUBLIC REPRIMAND with TERMS:

I FINDINGS OF FACT

- 1. Respondent was at all times relevant licensed to practice law in the Commonwealth of Virginia, having been admitted to the Virginia State Bar ("VSB") on December 6, 2005.
2. In 1998, Respondent accepted a full-time faculty position at Southern Virginia University ("SVU") and moved from Miami Shores, Florida, where he had a full-time faculty position from 1996 to 1998 at Barry University, to Buena Vista, Virginia. Notwithstanding his VSB admission in 2005, Respondent continued as full-time faculty for SVU through 2012.
3. In 2012, J. Todd Jones dba "J. Todd Jones, Attorney at Law", hired Respondent as an employee attorney. Jones maintained the James Todd Jones trust account (the "Jones Trust Account") which he had opened some time before 2012. Within a year, Jones changed his dba to "Jones and Baldrige Attorneys at Law" but continued to maintain the Jones Trust Account.



4. Respondent never had signatory authority over the Jones Trust Account.

5. On July 14, 2015, Respondent acquired Jones' law practice and incorporated Jones & Baldrige, PLLC ("Respondent's PLLC") with Respondent as sole member and Jones as an employee attorney. On July 20, 2015, Respondent's PLLC opened the Jones & Baldrige trust account (the "PLLC Trust Account") and an operating account (the "PLLC Operating Account"). Respondent's PLLC terminated Jones' employment in August 2018 and changed its name from Jones & Baldrige, PLLC to Baldrige & Associates, PLLC on October 23, 2018.

6. Respondent and Jones had signatory authority over the PLLC Trust Account until January 2, 2018 after which Respondent had sole signatory authority. Respondent's PLLC did not acquire and had no signatory authority over the Jones Trust Account.

7. Complainant, Deborah Weaver, is the daughter of Colleen Carr. Ms. Weaver and Ms. Carr retained Respondent to represent Ms. Carr's interest in Ms. Carr's breach of contract suit.

~~8. Based on the Bar's investigation and analysis, from 2016 through 2020, Ms. Weaver paid Respondent \$27,000 in fees in Ms. Carr's breach of contract suit. In addition, Respondent wrote Ms. Weaver a letter on April 7, 2022 acknowledging receipt of \$27,000.00 throughout the representation.~~

9. In 2020, Ms. Weaver grew dissatisfied with the representation in Ms. Carr's breach of contract suit and terminated Respondent. She likewise demanded an accounting of the funds she had paid.

10. When she did not receive a response from Respondent that she deemed satisfactory, Ms. Weaver filed the instant complaint on August 5, 2021.

11. In the instant complaint, Ms. Weaver alleged having paid Respondent \$20,000 for representation of Ms. Carr in Ms. Carr's breach of contract suit.

12. In his answer to the complaint, Respondent stated that Respondent's PLLC records did not show having received \$20,000. Respondent subsequently determined, pursuant to review noted in Paragraph 14 below, that he erred in his answer, and based on Respondent's determination, Respondent's PLLC received \$27,000 for representation in Ms. Carr's breach of contract suit from October 15, 2015 through June 29, 2020. The records also show that Ms. Weaver paid an additional \$970.00 from July to October 2016 to Respondent for other matters not related to Ms. Carr's breach of contract suit.

13. During the investigation of this matter, it became apparent, and Respondent admitted, that he had not been keeping the PLLC Trust Account in accordance with the requirements of Rule 1.15 of the Virginia Rules of Professional Conduct. He further admitted that he did not keep adequate billing records to document the time he spent on Ms. Carr's breach of contract suit.

14. By way of example, and not limitation, Respondent failed to keep proper cash receipts and disbursement journals, and client subsidiary ledgers, for the PLLC Trust Account, and he failed to properly reconcile the PLLC Trust Account in accordance with the requirements of Rule 1.15 of the Virginia Rules of Professional Conduct.

15. Respondent and his retained counsel undertook the task of reviewing the books and records, including a review of PLLC Trust Account records:

16. Before this matter was submitted to the Subcommittee, Respondent paid Ms. Weaver a refund of some of the fees that he had been paid.

17. The documentary evidence that Respondent provided during the investigation demonstrates that he spent substantial time on the matters for which he was retained, and that he kept Ms. Weaver and Ms. Carr reasonably informed.

18. Respondent was cooperative and candid with the VSB during the investigation.

~~19. Respondent has taken considerable steps by himself and through the assistance of his retained counsel to correct the problems he had with his trust accounting procedures.~~

20. Respondent has no disciplinary history with the VSB.

21. The mitigating factors summarized herein are sufficient to overcome the presumption that the discipline in matters involving trust accounts should be public.

II. NATURE OF MISCONDUCT

Such conduct by Respondent constitutes misconduct in violation of the following provisions of the Rules of Professional Conduct:

Effective Prior to March 2020

RULE 1.15 Safekeeping Property

(a) Depositing Funds.

(1) All funds received or held by a lawyer or law firm on behalf of a client or a third party, or held by a lawyer as a fiduciary, other than reimbursement of advances for costs and expenses shall be deposited in one or more identifiable trust accounts; all other property held on behalf of a client should be placed in a safe deposit box or other place of safekeeping as soon as practicable.

(b) Specific Duties. A lawyer shall:

(3) maintain complete records of all funds, securities, and other properties of a client coming into the possession of the lawyer and render appropriate accountings to the client regarding them;

(c) Record-Keeping Requirements. A lawyer shall, at a minimum, maintain the following books and records demonstrating compliance with this Rule:

(1) Cash receipts and disbursements journals for each trust account, including entries for receipts, disbursements, and transfers, and also including, at a minimum: an identification of the client matter; the date of the transaction; the name of the payor or payee; and the manner in which trust funds were received, disbursed, or transferred from an account.

(2) A subsidiary ledger containing a separate entry for each client, other person, or entity from whom money has been received in trust.

The ledger should clearly identify:

(i) the client or matter, including the date of the transaction and the payor or payee and the means or methods by which trust funds were received, disbursed or transferred; and

(ii) any unexpended balance.

(4) All records subject to this Rule shall be preserved for at least five calendar years after termination of the representation or fiduciary responsibility.

(d) Required Trust Accounting Procedures. In addition to the requirements set forth in Rule 1.15 (a) through (c), the following minimum trust accounting procedures are applicable to all trust accounts.

(3) Reconciliations.

(i) At least quarterly a reconciliation shall be made that reflects the trust account balance for each client, person or other entity.

(ii) A monthly reconciliation shall be made of the cash balance that is derived from the cash receipts journal, cash disbursements journal, the trust account checkbook balance and the trust account bank statement balance.

(iii) At least quarterly, a reconciliation shall be made that reconciles the cash balance from (d)(3)(ii) above and the subsidiary ledger balance from (d)(3)(i).

(iv) Reconciliations must be approved by a lawyer in the law firm.

(4) The purpose of all receipts and disbursements of trust funds reported in the trust journals and ledgers shall be fully explained and supported by adequate records.

* * * *

Effective March 2020

RULE 1.15 Safekeeping Property

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* * * *

(c) Record-Keeping Requirements. A lawyer shall, at a minimum, maintain the following books and records demonstrating compliance with this Rule:

(1) Receipts and disbursements journals for each trust account. These journals shall include, at a minimum: identification of the client or matter; date and amount of the transaction; name of the payor or payee; manner in which the funds were received, disbursed, or transferred; and current balance. A checkbook or transaction register may be used in lieu of separate receipts and disbursements journals as long as the above information is included.

(2) A client ledger with a separate record for each client, other person, or entity from whom money has been received in trust. Each entry shall include, at a minimum: identification of the client or matter; date and amount of the transaction; name of the payor or payee; source of funds received or purpose of the disbursement; and current balance.

(4) All records subject to this Rule shall be preserved for at least five calendar years after termination of the representation or fiduciary responsibility.

(d) Required Trust Accounting Procedures. In addition to the requirements set forth in Rule 1.15 (a) through (c), the following minimum trust accounting procedures are applicable to all trust accounts.

law firm: (3) The following reconciliations must be made monthly and approved by a lawyer in the

(i) reconciliation of the client ledger balance for each client, other person, or entity on whose behalf money is held in trust;

(ii) reconciliation of the trust account balance, adjusting the ending bank statement balance by adding any deposits not shown on the statement and subtracting any checks or disbursements not shown on the statement. This adjusted balance must equal the balance in the checkbook or transaction register; and

(iii) reconciliation of the trust account balance ((d)(3)(ii)) and the client ledger balance ((d)(3)(i)). The trust account balance must equal the client ledger balance.

(4) The purpose of all receipts and disbursements of trust funds reported in the trust journals and ledgers shall be fully explained and supported by adequate records.

III. PRIVATE REPRIMAND WITH TERMS

Accordingly, having approved the agreed disposition, it is the decision of the

Subcommittee to impose a **PRIVATE REPRIMAND with TERMS**. The terms are:

1. On or before November 30, 2022, Respondent shall take the online course available through Virginia CLE Online, Basics of Trust Accounting. The one-hour course is available online at www.vacle.com.
2. Respondent shall provide the Office of Bar Counsel with a copy of the Certificate of Attendance within 30 days of having taken the course and shall provide a copy of the certificate to the MCLE Department of the Virginia State Bar.
3. The one-hour credit shall not count towards Respondent's CLE requirements, and Respondent shall so advise the MCLE Department when reporting completion of the course.
4. Within 30 days of the date of the Subcommittee's Disposition, Respondent shall retain the services of a certified public accountant licensed in the Commonwealth of Virginia (the "CPA"), at his own cost and expense, to conduct periodic audits of the trust, IOLTA, real estate, and any other fiduciary accounts where the Firm holds client funds (collectively "Accounts") for the purposes of certifying compliance with Rule 1.15 of the Virginia Rules of Professional Conduct.
5. On or before April 1, 2023, the CPA shall review the Accounts to ensure compliance with all provisions of 1.15 of the Virginia Rules of Professional Conduct.
6. On or before May 1, 2023, the CPA shall provide to Respondent and to the Office of Bar Counsel its written report either certifying compliance with Rule 1.15 of

the Rules of Professional Conduct or identifying the measures that Respondent and/or the Firm must take to bring themselves into compliance. The CPA shall thereafter provide such reports every six months from May 1, 2023 through May 1, 2025.

7. In the event Respondent or his firm are determined by the CPA to be not in compliance, he shall have thirty (30) days following the date the CPA issues its written report to bring himself into compliance. The CPA shall be granted access to the Firm's office, books, records, and files following the passage of the thirty (30) day period to determine whether Respondent and his firm have brought themselves into compliance. The CPA shall thereafter certify in writing to the Virginia State Bar and to Respondent either that Respondent and/or his firm have brought themselves into compliance within the thirty-day (30) period, or that he/they have failed to do so. Respondent's or the Firm's failure to bring themselves into compliance with the said Rules as of the conclusion of the aforesaid thirty (30) day period shall be considered a violation of the Terms set forth herein.

- ~~8. Respondent shall at all times provide his complete cooperation in providing the CPA access to the books, accounts and other financial records as may be necessary. The CPA shall notify the Virginia State Bar in writing if Respondent fails to provide full and complete cooperation.~~

If any of the terms are not met by the time specified, pursuant to Part 6, § IV, ¶ 13-15.F of the Rules of the Supreme Court of Virginia, the District Committee shall hold a hearing and Respondent shall be required to show cause why a **PUBLIC REPRIMAND without TERMS** should not be imposed. Any proceeding initiated due to failure to comply with terms will be considered a new matter, and an administrative fee and costs will be assessed.

Pursuant to Part 6, § IV, ¶ 13-9.E. of the Rules of the Supreme Court of Virginia, the Clerk of the Disciplinary System shall assess costs.

**SEVENTH DISTRICT SUBCOMMITTEE
OF THE VIRGINIA STATE BAR**



Ryan D. Ruzic
Subcommittee Chair

CERTIFICATE OF MAILING

I certify that on November 1, 2022, a true and complete copy of the Subcommittee Determination (**PRIVATE REPRIMAND With TERMS**) was sent by email (steve@baldridgelawassoc.com) and certified mail to Steven Kent Baldrige, Respondent, at Baldrige & Associates, PLLC, 221 W 21st Street, Buena Vista, VA 24416, Respondent's last address of record with the Virginia State Bar, and by email (gstours@wawlaw.com) and first class mail, postage prepaid to Gregory Thomas St. Ours, counsel for Respondent, at Wharton, Aldhizer & Weaver, P.L.C., 100 South Mason Street, P.O. Box 20028, Harrisonburg, VA 22801-7528.



Paulo E. Franco, Jr.
Assistant Bar Counsel

VIRGINIA:

**BEFORE THE SEVENTH DISTRICT SUBCOMMITTEE
OF THE VIRGINIA STATE BAR**

**IN THE MATTER OF
STEVEN KENT BALDRIDGE**

VS B Docket No. 22-070-123404

**AGREED DISPOSITION
PRIVATE REPRIMAND WITH TERMS**

Pursuant to the Rules of the Supreme Court of Virginia, Part 6, § IV, ¶ 13-15.B.4, the Virginia State Bar, by Paulo E. Franco, Jr., Assistant Bar Counsel, and Steven Kent Baldrige, Respondent, and Gregory T. St. Ours, Esquire, counsel for Respondent, hereby enter into the following agreed disposition arising out of the referenced matter.

I. STIPULATIONS OF FACT

1. Respondent was at all times relevant licensed to practice law in the Commonwealth of Virginia, having been admitted to the Virginia State Bar ("VSB") on December 6, 2005.
2. In 1998, Respondent accepted a full-time faculty position at Southern Virginia University ("SVU") and moved from Miami Shores, Florida, where he had a full-time faculty position from 1996 to 1998 at Barry University, to Buena Vista, Virginia. Notwithstanding his VSB admission in 2005, Respondent continued as full-time faculty for SVU through 2012.
3. In 2012, J. Todd Jones dba "J. Todd Jones, Attorney at Law", hired Respondent as an employee attorney. Jones maintained the James Todd Jones trust account (the "Jones Trust Account") which he had opened some time before 2012. Within a year, Jones changed his dba to "Jones and Baldrige Attorneys at Law" but continued to maintain the Jones Trust Account.
4. Respondent never had signatory authority over the Jones Trust Account.
5. On July 14, 2015, Respondent acquired Jones' law practice and incorporated Jones & Baldrige, PLLC ("Respondent's PLLC") with Respondent as sole member and Jones as an employee attorney. On July 20, 2015, Respondent's PLLC opened the Jones & Baldrige trust account (the "PLLC Trust Account") and an operating account (the "PLLC Operating Account"). Respondent's PLLC terminated Jones' employment in August 2018 and changed its name from Jones & Baldrige, PLLC to Baldrige & Associates, PLLC on October 23, 2018.

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8. Based on the Bar's investigation and analysis, from 2016 through 2020, Ms. Weaver paid Respondent \$27,000 in fees in Ms. Carr's breach of contract suit. In addition, Respondent wrote Ms. Weaver a letter on April 7, 2022 acknowledging receipt of \$27,000.00 throughout the representation.

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16. Before this matter was submitted to the Subcommittee, Respondent paid Ms. Weaver a refund of some of the fees that he had been paid.

17. The documentary evidence that Respondent provided during the investigation demonstrates that he spent substantial time on the matters for which he was retained, and that he kept Ms. Weaver and Ms. Carr reasonably informed.

18. Respondent was cooperative and candid with the VSB during the investigation.

19. Respondent has taken considerable steps by himself and through the assistance of his retained counsel to correct the problems he had with his trust accounting procedures.

20. Respondent has no disciplinary history with the VSB.

21. The mitigating factors summarized herein are sufficient to overcome the presumption that the discipline in matters involving trust accounts should be public.

II. NATURE OF MISCONDUCT

Such conduct by Respondent constitutes misconduct in violation of the following provisions of the Rules of Professional Conduct:

Effective Prior to March 2020

RULE 1.15 Safekeeping Property

(a) Depositing Funds.

(1) All funds received or held by a lawyer or law firm on behalf of a client or a third party, or held by a lawyer as a fiduciary, other than reimbursement of advances for costs and expenses shall be deposited in one or more identifiable trust accounts; all other property held on behalf of a client should be placed in a safe deposit box or other place of safekeeping as soon as practicable.

(b) Specific Duties. A lawyer shall:

(3) maintain complete records of all funds, securities, and other properties of a client coming into the possession of the lawyer and render appropriate accountings to the client regarding them;

(c) Record-Keeping Requirements. A lawyer shall, at a minimum, maintain the following books and records demonstrating compliance with this Rule:

(1) Cash receipts and disbursements journals for each trust account, including entries for receipts, disbursements, and transfers, and also including, at a minimum: an identification of the client matter; the date of the transaction; the name of the payor or payee; and the manner in which trust funds were received, disbursed, or transferred from an account.

(2) A subsidiary ledger containing a separate entry for each client, other person, or entity from whom money has been received in trust.

The ledger should clearly identify:

(i) the client or matter, including the date of the transaction and the payor or payee and the means or methods by which trust funds were received, disbursed or transferred; and

(ii) any unexpended balance.

(4) All records subject to this Rule shall be preserved for at least five calendar years after termination of the representation or fiduciary responsibility.

(d) Required Trust Accounting Procedures. In addition to the requirements set forth in Rule 1.15 (a) through (c), the following minimum trust accounting procedures are applicable to all trust accounts.

(3) Reconciliations.

(i) At least quarterly a reconciliation shall be made that reflects the trust account balance for each client, person or other entity.

(ii) A monthly reconciliation shall be made of the cash balance that is derived from the cash receipts journal, cash disbursements journal, the trust account checkbook balance and the trust account bank statement balance.

(iii) At least quarterly, a reconciliation shall be made that reconciles the cash balance from (d)(3)(ii) above and the subsidiary ledger balance from (d)(3)(i).

(iv) Reconciliations must be approved by a lawyer in the law firm.

(4) The purpose of all receipts and disbursements of trust funds reported in the trust journals and ledgers shall be fully explained and supported by adequate records.

* * * *

Effective March 2020

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(b) Specific Duties. A lawyer shall:

(3) maintain complete records of all funds, securities, and other properties of a client coming into the possession of the lawyer and render appropriate accountings to the client regarding them;

* * *

(c) Record-Keeping Requirements. A lawyer shall, at a minimum, maintain the following books and records demonstrating compliance with this Rule:

(1) Receipts and disbursements journals for each trust account. These journals shall include, at a minimum: identification of the client or matter; date and amount of the transaction; name of the payor or payee; manner in which the funds were received, disbursed, or transferred; and current balance. A checkbook or transaction register may be used in lieu of separate receipts and disbursements journals as long as the above information is included.

(2) A client ledger with a separate record for each client, other person, or entity from whom money has been received in trust. Each entry shall include, at a minimum: identification of the client or matter; date and amount of the transaction; name of the payor or payee; source of funds received or purpose of the disbursement; and current balance.

(4) All records subject to this Rule shall be preserved for at least five calendar years after termination of the representation or fiduciary responsibility.

(d) Required Trust Accounting Procedures. In addition to the requirements set forth in Rule 1.15 (a) through (c), the following minimum trust accounting procedures are applicable to all trust accounts.***

(3) The following reconciliations must be made monthly and approved by a lawyer in the law firm:

(i) reconciliation of the client ledger balance for each client, other person, or entity on whose behalf money is held in trust;

(ii) reconciliation of the trust account balance, adjusting the ending bank statement balance by adding any deposits not shown on the statement and subtracting any checks or disbursements not shown on the statement. This adjusted balance must equal the balance in the checkbook or transaction register; and

(iii) reconciliation of the trust account balance ((d)(3)(ii)) and the client ledger balance ((d)(3)(i)). The trust account balance must equal the client ledger balance.

(4) The purpose of all receipts and disbursements of trust funds reported in the trust journals and ledgers shall be fully explained and supported by adequate records.

III. PROPOSED DISPOSITION

Accordingly, Assistant Bar Counsel and Respondent tender to a subcommittee of the Seventh District Committee for its approval the agreed disposition of a **PRIVATE REPRIMAND with TERMS** as representing an appropriate sanction if this matter were to be heard through an evidentiary hearing by the Seventh District Committee. The terms shall be met as set forth herein and are as follows:

1. On or before November 30, 2022, Respondent shall take the online course available through Virginia CLE Online, Basics of Trust Accounting. The one-hour course is available online at www.vacle.com.
2. Respondent shall provide the Office of Bar Counsel with a copy of the Certificate of Attendance within 30 days of having taken the course and shall provide a copy of the certificate to the MCLE Department of the Virginia State Bar.
3. The one-hour credit shall not count towards Respondent's CLE requirements, and Respondent shall so advise the MCLE Department when reporting completion of the course.
4. Within 30 days of the date of the Subcommittee's Disposition, Respondent shall retain the services of a certified public accountant licensed in the Commonwealth of Virginia (the "CPA"), at his own cost and expense, to conduct periodic audits of the trust, IOLTA, real estate, and any other fiduciary accounts where the Firm holds client funds (collectively "Accounts") for the purposes of certifying compliance with Rule 1.15 of the Virginia Rules of Professional Conduct.
5. On or before April 1, 2023, the CPA shall review the Accounts to ensure compliance with all provisions of 1.15 of the Virginia Rules of Professional Conduct.
6. On or before May 1, 2023, the CPA shall provide to Respondent and to the Office of Bar Counsel its written report either certifying compliance with Rule 1.15 of the Rules of Professional Conduct or identifying the measures that Respondent and/or the Firm must take to bring themselves into compliance. The CPA shall thereafter provide such reports every six months from May 1, 2023 through May 1, 2025.

7. In the event Respondent or his firm are determined by the CPA to be not in compliance, he shall have thirty (30) days following the date the CPA issues its written report to bring himself into compliance. The CPA shall be granted access to the Firm's office, books, records, and files following the passage of the thirty (30) day period to determine whether Respondent and his firm have brought themselves into compliance. The CPA shall thereafter certify in writing to the Virginia State Bar and to Respondent either that Respondent and/or his firm have brought themselves into compliance within the thirty-day (30) period, or that he/they have failed to do so. Respondent's or the Firm's failure to bring themselves into compliance with the said Rules as of the conclusion of the aforesaid thirty (30) day period shall be considered a violation of the Terms set forth herein.
8. Respondent shall at all times provide his complete cooperation in providing the CPA access to the books, accounts and other financial records as may be necessary. The CPA shall notify the Virginia State Bar in writing if Respondent fails to provide full and complete cooperation.

If any of the terms are not met by the dates set forth herein, Respondent agrees that the District Committee shall impose a **PUBLIC REPRIMAND without Terms** pursuant to Part 6, § IV, ¶ 13-15.F of the Rules of the Supreme Court of Virginia. Any proceeding initiated due to failure to comply with terms will be considered a new matter, and an administrative fee and costs will be assessed pursuant to ¶ 13-9.E of the Rules of the Supreme Court of Virginia.

If the agreed disposition is approved, the Clerk of the Disciplinary System shall assess costs.

Pursuant to Part 6, § IV, ¶ 13-30.B of the Rules of the Supreme Court of Virginia,
Respondent's prior disciplinary record shall be furnished to the subcommittee considering this
agreed disposition.

THE VIRGINIA STATE BAR



Paulo E. Franco, Jr.
Assistant Bar Counsel



Prof. Steven Kent Baldrige
Respondent



Gregory Thomas St. Ours
Counsel for Respondent