V I R G I N I A:

IN THE CIRCUIT COURT FOR THE COUNTY OF HENRICO

VIRGINIA STATE BAR EX REL
THIRD DISTRICT, SECTION II, COMMITTEE
VSB Docket No. 25-032-134259

Complainant,

v. **Case No. CL26-131**

ANNE HOLLAND HARRIS
Suite 200 B 3108 North Parham Road
Richmond, Virginia 23294-4415

Respondent.

FINAL JUDGMENT MEMORANDUM ORDER

THIS MATTER was heard on February 4, 2026, and April 13, 2026, before a Three-Judge Circuit Court duly impaneled pursuant to Section 54.1-3935 of the Code of Virginia (1950) as amended, consisting of the Honorable Manuel A. Capsalis of the Nineteenth Judicial Circuit as Chief Judge Designate ("Chief Judge"), the Honorable Tasha D. Scott of the Fourth Judicial Circuit as Judge, and the Honorable Linda L. Bryant of the First Judicial Circuit as Judge (collectively, "the Court").

Assistant Bar Counsel Jessica C. Beatty represented the Virginia State Bar ("VSB"). Anne Holland Harris ("Respondent") appeared in person at all times throughout the proceedings and was represented by counsel, Julie S. Palmer.

The Chief Judge swore the court reporter, and each member of the Court verified that he or she had no personal or financial interest that might affect or reasonably be perceived to affect his or her ability to be impartial in this matter.

WHEREUPON a hearing was conducted upon the Rule to Show Cause issued on January 6, 2026, against Respondent.

MISCONDUCT PHASE

On January 28, 2026, Respondent filed a Motion to Dismiss and Objections to the VSB's Exhibits and Witnesses. On January 30, 2028, the VSB filed a response to Respondent's Motion to Dismiss. During a Prehearing Conference Call held on February 2, 2026, the Chief Judge presided and denied Respondent's Motion to Dismiss for the reasons stated in the Pre-Hearing Order entered on January 25, 2026. The Chief Judge also overruled the Respondent's objections to the Bar's witnesses and exhibits for the reasons stated in the Pre-Hearing Order entered on January 25, 2026.

At the February 4, 2026, hearing, Bar Exhibits 1-40 and Respondent's Exhibits 1-46 were admitted into evidence.

The parties gave opening statements.

The VSB presented evidence and testimony from VSB Investigator O. Michael Powell ("Investigator Powell"), who was sworn under oath. The VSB rested.

Respondent moved to strike all of the alleged rule violations. The Court heard and overruled Respondent's Motion to Strike.

Respondent presented evidence and testified on her own behalf after having been sworn under oath. Respondent rested.

The Court requested that the parties reconvene on a second day to hear closing arguments, motions, deliberations, and proceedings relating to sanctions, as necessary.

On February 7, 2026, the Court directed the parties to submit post-evidentiary hearing briefs to assist the Court in its deliberations. On March 27, 2026, both parties filed post-

evidentiary briefs, and Respondent's brief included a renewed Motion to Strike.

On April 13, 2026, the Court and the parties reconvened.

Both parties presented closing arguments, and Respondent's closing argument incorporated her Motion to Strike. At the conclusion of argument, the Court retired to deliberate regarding Misconduct and Respondent's Motion to Strike.

Upon deliberation and consideration of the parties' exhibits, witness testimony, the arguments of counsel, and Respondent's renewed Motion to Strike, the Court found the following facts were proven by clear and convincing evidence.

FINDINGS OF FACT

The Court reviewed all pleadings in this case, each party's post-trial briefs and exhibits introduced into evidence at the hearing and fully considered the testimony of witnesses and the arguments of each party. During the hearing, the Court observed the witnesses and their demeanor and made determinations as to their respective credibility. To the extent the Court's discussion of the facts of the case differs from a party's view of the facts, the recitation of factual matters herein constitutes the Court's findings of fact. The Court makes the following findings of fact:

1. Respondent was admitted to the Virginia State Bar in 1993. At all relevant times, Respondent was a member of the Virginia State Bar.

2. On or about May 1, 2023, Complainant Daniel Stevens ("Complainant") hired Respondent to represent him on his estranged wife Amber Stevens's petition for spousal support. On the same day, Complainant paid an advanced fee of $5,000.00 to Respondent. There was no written fee agreement.

3. The scope of representation later expanded to include Complainant's divorce.

Again, there was no written fee agreement.

4. During the course of the divorce litigation, Complainant and Amber Stevens accepted an offer to purchase their marital residence. At the time they accepted the offer, they had not yet reached an agreement on the disposition of the proceeds from sale. The parties and counsel agreed that the proceeds from sale would be held in escrow by Respondent.

5. The sale of the marital residence closed in March of 2024. On April 2, 2024, Respondent deposited a check for the proceeds from sale totaling $84,448.47, into a Truist escrow account ending in -9058 ("the escrow account"), that Respondent opened to hold the proceeds from the sale of the Stevens's marital residence.

6. On or about April 10, 2024, Complainant texted Respondent "Did you see what I asked about, if the money was being held by you still?"

7. The Court had ordered that a court reporter cost of $2,057.50 be paid from the escrow account, leaving $82,390.97 in the escrow account.

8. The parties appeared for an equitable distribution hearing on April 29, 2024. After the hearing, Respondent and Complainant engaged in text message communications, and on June 20, 2024, Respondent sent a text message to Complainant stating "I cannot disburse any funds until counsel agrees on the disbursement or until a final decree is entered by Judge Martin."

9. On June 10, 2024, the Court issued an opinion letter determining the disposition of the proceeds from the sale of the marital residence and several other financial issues. Complainant was awarded a 55 percent share of the proceeds from the sale of the marital residence plus a $4,410.64 credit for post-separation mortgage payments that were $47,300.00.

10. Complainant sent text messages to Respondent on June 2, June 24, June 27, June 28, and June 29, 2024, inquiring as to the status of the disbursement of his share of the funds

from the escrow account. Respondent did not substantively reply to Complainant's inquiries about the disbursement but forwarded Complainant an email regarding settlement of the divorce issues.

11. On June 21, 2024, Complainant texted Respondent, "I have a question. You said that you had to close out the account and stuff to disburse the funds. Would they be able to transfer it electronically? I feel that would be safer than a check being mailed. People steal mail all the time. What are your thoughts?"

12. Though he was billed $24 for this text, Complainant did not receive a reply.

13. On June 24, 2024, Complainant texted Respondent "Good afternoon ma'am. Were you able to get to the bank? Progressive just called. They're totaling my truck. I need a car ma'am."

14. Respondent's invoice reflects that she billed four minutes for reading his text, totaling $33.33, and billed at $500.00 an hour.

15. On June 27, 2024, Complainant texted Respondent, "good evening ma'am. When do you think you'll be able to get to the bank?"

16. On June 28, 2024, Complainant texted Respondent, "Good evening and happy Friday. Any updates?"

17. On June 28, 2024, Complainant's estranged wife's attorney sent a letter to Respondent requesting that Respondent distribute $35,081.97 to the wife.

18. On June 29, 2024, Complainant and Respondent had further conversation regarding the status of Complainant's share of the marital funds.

19. Again on June 29, 2024, Respondent closed the Truist escrow account ending in -9058, which had held the proceeds from the sale of the marital residence. Respondent directed

the Truist representative to issue two checks to close out the account, one made payable to Amber Stevens, in the amount of $25,081.97, and the other made payable to the Law Office of Anne H. Harris in the amount of $47,309.00. That same day, Respondent transferred the funds made payable to her law firm from the escrow account to her firm's trust account.

20. On July 15, 2024, Respondent gave a check payable to Amber Stevens to her attorney.

21. On July 17, 2024, Complainant sent to Respondent a picture of a check showing his routing number and account number with the message, "Anne, here is my bank account info when you've gotten everything figured out."

22. On July 19, 2024, Complainant texted Respondent, "I need an update today on the withdrawal of the equity money. I need the total today. I am out of a vehicle. I need to make a purchase this weekend. This is imperative."

23. On July 22, 2024, Complainant texted Respondent, "I need you to go to the bank today. I texted you T and F. I don't have a vehicle. I need to know my total bill, need to follow up on decree."

24. After receiving multiple text messages through the latter part of July, Respondent replied on July 24, 2024, "I will reach out to you by telephone this afternoon."

25. On July 24, 2024, Respondent and Complainant spoke by telephone. During the phone call, Complainant requested a statement of accounting showing the amount of fees Respondent had charged him.

26. On July 26, 2024, by text message to Complainant, Respondent stated, "I have not completed an Interim Statement and will not be able to complete a Final Statement until the matter is concluded with the entry of the Final Decree."

27. Complainant replied, "Okay. So pay me and bill me when you do it then. This is getting absurd."

28. Respondent did not respond further.

29. On August 23, 2024, Complainant texted Respondent asking, "Any update? You never called." Respondent replied that she had sent Complainant an email on August 14, 2024, asking for substantive information to finalize the divorce, stating that "There had been nothing new to report, no update to provide until now," and provide an update regarding the final decree of divorce.

30. Complainant replied, "Okay. So what about my bill and the money?"

31. Respondent did not respond further.

32. Unbeknownst to Complainant, from July 16, 2024, to September 16, 2024, Respondent incrementally transferred $44,000.00 of Complainant's funds from his share of the proceeds from the sale of the marital residence out of her firm's trust account into her operating account ending in -8235, considering them earned.

33. On July 16, 2024, Respondent transferred $4,000.00 from escrow to her operating account.

34. On July 17, 2024, Respondent transferred $6,000.00.

35. On July 29, 2024, Respondent transferred $3,000.00.

36. On August 1, 2024, Respondent transferred $6,000.00 and then transferred $5,000.00.

37. On August 8, 2024, Respondent transferred $2,500.00.

38. On September 3, 2024, Respondent transferred $3,000.00 and then transferred $7,500.00.

39. On September 4, 2024, Respondent transferred $2,000.00.

40. On September 16, 2024, Respondent transferred $5,000.00, totaling $44,000.00.

41. On October 3, 2024, and again on October 10, 2024, Complainant emailed Respondent to ask that she distribute to him his share of the proceeds from the sale of the marital residence. Respondent did not reply.

42. On October 22, 2024, Complainant learned from the Court that the final decree of divorce had been entered on September 19, 2024. That same day, Complainant again emailed Respondent to ask that she distribute to him the balance owed to him from the proceeds from the sale of the marital residence. Respondent replied by asking for a phone call. During the phone call, Respondent told Complainant that her fees exceeded the amount owed to him and that she would not be making a distribution to him. Complainant asked that Respondent send him the escrow account statements and a statement of account for her fees. Respondent agreed.

43. On October 25, 2024, Respondent sent what she described as a "final statement" to Complainant outlining $62,431.00 in attorney's fees incurred based on an hourly rate of $500.00 per hour.

44. The final statement was the first and only bill that Respondent provided to Complainant, notwithstanding Complainant's repeated requests for updates on the balance of his trust account.

45. Respondent's "final statement" credited $47,309.00 toward the outstanding balance for the "DCS escrow proceeds" and showed a net remaining balance owed to her of $15,122.

46. On October 28, 2024, Complainant emailed Respondent, stating that he disputed the amount owed and stated that he had not been aware of her hourly rate.

47. Complainant stated, "You are reminded that you do not have the right to disburse funds from my escrow account to pay for your services without my signed consent, which I do not provide due to our disagreement on the billed amount."

48. Respondent then sent Complainant a copy of the hearing transcript from April 29, 2024, and an attorney fee affidavit submitted to the Court that day, nearly a year after the representation had commenced. Respondent stated that Complainant was present at the hearing and should have understood from her representation to the Court that ten hours of her time would cost her client $5,000.00 that her hourly rate was $500.00 an hour.

49. On October 29, 2024, Respondent contacted the Virginia State Bar ethics department. Respondent represented that she had represented Complainant in a divorce "with the understanding that her fees would be paid from proceeds of property then sold."

50. Respondent was advised by ethics counsel to hold the funds in trust and take steps to resolve the fee dispute. However, at that time Respondent had already transferred all the funds from the sale of the marital residence into her operating account.

51. On October 30, 2024, Respondent emailed Complainant stating, "As it has always been my understanding that counsel may hold disputed escrow funds in trust when there is a fee dispute, I contacted the Virginia State Bar yesterday, October 29, 2024, to confirm the same … [They] advised that I may hold the disputed funds in escrow/trust until an agreement is reached as to the funds disbursement or otherwise resolved."

52. On December 11, 2024, Complainant filed a bar complaint.

53. On February 10, 2025, in response to the bar complaint, Respondent stated, "[referring to ethics counsel] I asked whether or not I was obliged to accede to his demand for the funds in my trust account. She went on to advise me that I could retain the funds pending

resolution of said dispute."

54. On February 24, 2025, by subpoena *duces tecum* issued and served on Respondent, the Virginia State Bar requested, *inter alia*, Respondent's receipts and disbursements journals and client ledger for Complainant. Respondent did not provide the required documents. In her interview with the Virginia State Bar investigator on August 25, 2025, Respondent represented that she would produce the requested documents.

55. On October 6, 2025, Respondent produced only handwritten notes showing her billed hours and a list of transfers from her trust account to her operating account relating to Complainant's matter.

56. Respondent did not produce a compliant client ledger and failed to produce any corresponding evidence reflecting that these transfers were record in compliant receipts and disbursements journals. Respondent confirmed that she had produce all documents in her possession and responsive to the Virginia State Bar's subpoena *duces tecum*.

57. Respondent transferred all the aforementioned funds from her trust account to her operating account before sending Complainant an invoice.

58. Respondent's transfers of Complainant's funds from trust to her operating account were not contemporaneous with the charges listed on Respondent's "final statement."

59. For example, Respondent made a transfer of $3,000.00 on July 29, 2024, and two transfers of $6,000.00 and then $5,000.00 on August 1, 2024. Respondent's invoice reflected that she billed 42 minutes on July 29, 2024, and 11 minutes on July 30, 2024, and 12 minutes on August 1, 2024, for a total of $541.45 if billed at $500.00 per hour.

60. When asked during the February 4, 2026, hearing in this matter how she decided what amount to transfer to her operating account and on what date to take them, Respondent

testified under oath, "I just decided I would go in and transfer what I felt like I should transfer."

61. When asked further if there was any method behind the transfers, Respondent testified, "There is not a method. I would go in and take what I felt like I should pay."

62. Respondent further testified "So you're asking me why I didn't take it all after the 15th, $47,309.00? It's just how – it's just how I've done it."

63. It was not until January 2026 that Respondent opened a new trust account and moved $47,309.00 into that account.

64. During the pendency of this disciplinary proceeding, Complainant passed away.

65. The dispute of Respondent's final invoice has not been resolved and Respondent has not returned any of the funds to the estate of Complainant.

CONCLUSIONS OF LAW AND FINDINGS OF MISCONDUCT

Having made the foregoing findings of fact, the Court reaches the following conclusions of law as to the allegations brought forth by the Virginia State Bar, incorporating in its findings Respondent's renewed Motion to Strike made at the conclusion of the evidence:[1]

Rule 1.15(a)(3)(ii) Safekeeping of Property

1. By failing to maintain in trust the funds in which Complainant and Respondent claimed an interest and by transferring such funds from her trust account to her operating account without resolution of the fee dispute, the Court finds by clear and convincing evidence that Respondent violated Rule 1.15(a)(3)(ii) of the Rules of Professional Conduct.[2]

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[1] While the Court will discuss and apply its findings of fact as to each of the Rules of Professional Conduct that Respondent is alleged to have violated, note that the Court's findings of fact may have applicability to more than one alleged violation and therefore are not necessarily limited only to a particular alleged violation.

[2] **Rule 1.15. Safekeeping Property**

(a) Depositing Funds

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3) No funds belonging to the lawyer or law firm shall be deposited or maintained therein except as follows:

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2. The Court emphasizes that the fee arrangement itself was ethically problematic. For decades, Virginia's legal ethics opinions and case law have made clear that an attorney representing a spouse in a divorce proceeding may not secure or receive payment of fees directly from the proceeds of the marital property that is the subject of equitable distribution. Legal Ethics Opinions 1390 and 1653 reaffirm this principle, explaining that such arrangements impermissibly create a proprietary interest in the subject matter of litigation and jeopardize the lawyer's judgment. These opinions underscore both the ethical and public policy sensitivity of attorney-client fee arrangements in domestic cases.

3. Against that background, Respondent's conduct falls well outside acceptable practice. By agreeing to be paid "from the sale of the marital home," Respondent effectively acquired a contingent proprietary interest in marital property, which is precisely what LEO 1390 forbids, absent a very narrow exception that did not occur in this matter.

4. Even setting aside such problematic conduct, Respondent's duties upon receipt of those funds are governed by Rule 1.15(a)(3)(ii). That rule obligates an attorney to hold in trust "funds in which two or more persons claim an interest" until the dispute is resolved and there has been both an accounting and severance of those interests. This safeguard ensures that a lawyer may not unilaterally appropriate money that in whole or in part belongs to the client or another party.

5. Respondent's insistence that no dispute or reasonable dispute or good faith dispute existed because Complainant never expressly "contested" his entitlement distorts both the

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(ii) funds in which two or more persons (one of whom may be the lawyer) claim an interest shall be held in the trust account until the dispute is resolved and there is an accounting and severance of their interests. Any portion finally determined to belong to the lawyer or law firm shall be withdrawn promptly from the trust account.

language and the intent of the rule. The term "dispute" cannot be confined to an adversarial quarrel or formal objection.

6. Interpreting in light of the rules a fiduciary purpose, a dispute arises whenever entitlement remains unresolved, whenever the attorney and client each have an unsevered interest in client property. To construe a dispute narrowly would nullify the rules of protection, permitting attorneys to seize funds whenever a client, unaware of a pending transfer, fails to object in time. The prophylactic objective of Rule 1.15 is to prevent that very abuse.

7. The facts of this case illustrate the danger of adopting a narrow interpretation of the words "dispute," "reasonable dispute," or "good faith dispute," as urged by Respondent.

8. From April 2024, Complainant consistently and repeatedly asserted his ongoing claim to the funds derived from the sale of the marital residence and held by Respondent. On or about April 10, 2024, he texted, "Did you see what I asked about, if the money was being held by your still," a clear assertion of his belief that the funds remained in Respondent's custody and of his interest in them.

9. On April 28, 2024, Complainant again inquired about disbursement, to which Respondent herself confirmed that the funds were being held pending entry of the final decree of divorce by Judge Martin.

10. After the decree was entered on June 10, 2024, Complainant continued to request disbursement.

11. On June 21, 2024, Complainant asked about the electronic transfer method. On June 21, Complainant explained that his truck had been totaled and that he urgently needed the funds to replace it. And on June 27, 2024, and June 28, 2024, again Complainant inquired when Respondent would "be able to get to the bank."

12. Rather than respond or provide an accounting, Respondent quietly transferred the funds from the escrow account to her own trust account and, on June 29, 2024, without notice to the client, and later from her trust account into her operating account beginning July 16, 2024, again without disclosure. She did so while the client continued to request updates and ask for accounting.

13. On July 14, 19, 22, and 24, 2024, Complainant explicitly asked for the amount of his billing, for a statement showing the status of funds. When he followed up in frustration on July 26, 2024, suggesting that she disburse the funds and "bill later," it was only because many of his repeated inquiries had gone unanswered. Even then, Respondent declined to provide a statement and concealed her handling of the funds.

14. On August 23, Complainant again texted Respondent asking for an update. Respondent replied "there's nothing new to report, no update to provide until now.' Complainant replied "Ok, so what about my bill and the money?" Respondent did not reply to that text either.

15. With each text message inquiring abut the funds, Complainant repeatedly and clearly claimed over and over again his continued interest in those funds.

16. Under *Roberts v. Virginia State Bar*,[3] a large unilateral withdrawal of client funds from a trust account before providing an accounting or achieving clear resolution of entitlement constitutes a violation of Rule 1.15.

17. In *Roberts*, the Court emphasized that an attorney's own belief in their entitlement does not justify treating disputed or unsegregated funds as her own. The same principle governs here. Complainant's written communications are plain evidence that he both claimed and interest in the funds and understood them to be under the client's control pending disbursement. Those

[3] 296 Va. 105, 818 S.E.2d 45 (2018)

facts create a dispute within the meaning of Rule 1.15(a)(3)(ii), an unresolved state of entitlement requiring the attorney to hold the funds in trust until accounting and severance occurred.

18. Accordingly, the Court finds that Respondent violated Rule 1.15(a)(3)(ii) by transferring $44,000.00 in client funds from her trust account into her operating account prior to resolution or accounting of interest.

19. The dispute contemplated by this Rule is not constrained to instances of open conflict between lawyer and client but extends to any unresolved fiduciary circumstance in which both lawyer and client hold claims to the same property. Respondent's conduct undertaken and despite the client's continuous and documented inquiries exemplifies the very risk Rule 1.15(a)(3)(ii) is designed to prevent, the erosion of client trust through unilateral self-help by the lawyer.

Rule 1.15(b)(3) Safekeeping of Property

20. The Court finds by clear and convincing evidence that by failing to maintain a complete record of all of Complainant's funds being held by her and to provide appropriate accountings to Complainant, Respondent violated Rule 1.15(b)(3) of the Rules of Professional Conduct.[4]

21. This subsection requires that "a lawyer shall maintain complete records of all funds, securities, and other property of a client coming into the possession of a lawyer and render appropriate accountings to the client regarding them."

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[4] **Rule 1.15. Safekeeping Property**

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(b) Specific Duties. A lawyer shall:

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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;

22. On July 26, 2024, by text message to Complainant, Respondent stated, "I have not completed an interim statement and will not be able to complete a final statement until the matter is concluded with entry of the final decree."

23. Complainant stated, "Okay. So pay me and bill me when you do it then. This is getting absurd." As I indicated before, Respondent did not respond further.

24. On August 23, 2024, Complainant texted Respondent asking "Any update? You never called." Respondent replied that she had sent Complainant an email on August 14, 2024, asking for substantive information to finalize the divorce, stating "there had been nothing new to report, no update to provide until now" and provided an update regarding the final decree of divorce. Complainant replied "Okay. So what about my bill and the money?" Respondent did not respond further.

25. As the Court indicated in its findings of facts, unbeknownst to the Complainant, from July 16 to September 16, 2024, Respondent incrementally transferred $44,000.00 of Complainant's funds from his share of the proceeds from the sale of the marital residence out of her firm's trust account into her operating account, unilaterally deciding them to be earned.

26. On July 16, 2024, Respondent transferred $4,000.00 from escrow to her operating account.

27. On July 17, 2024, Respondent transferred $6,000.00.

28. On July 29, 2024, Respondent transferred $3,000.00.

29. On August 1, 2024, Respondent transferred $6,000.00 and then transferred $5,000.00.

30. On August 8, 2024, Respondent transferred $2,500.00.

31. On September 3, 2024, Respondent transferred $3,000.00 and then transferred

$7,500.00.

32. On September 4, 2024, Respondent transferred $2,000.00.

33. On September 16, 2024, Respondent transferred $5,000.00, totaling $44,000.00.

34. On October 3, 2024, and again on October 10, 2024, Complainant emailed Respondent to ask that she distribute to him his share of the proceeds from the sale of the marital residence. Respondent did not reply.

35. On October 22, 2024, Complainant learned from the Court that the final decree of divorce had been entered on September 19, 2024. That same day, Complainant again emailed Respondent to ask that she distribute to him the balance owed to him from the proceeds from the sale of the marital residence. Respondent replied by asking for a phone call. During the phone call, Respondent told Complainant that her fees exceeded the amount owe to him and that she would not be making a distribution to him. Complainant asked that Respondent send him the escrow account statements and a statement of account for her fees. Respondent agreed.

36. On October 25, 2024, Respondent sent Complainant a "final statement" outlining $62,431.00 in attorney's fees incurred based on the hourly rate of $500.00 an hour. That "final statement" was the first and only bill that Respondent provided to Complainant, notwithstanding Complainant's repeated requests for update on the balance of his trust account.

37. Respondent's "final statement" credited $47,309.00 toward the outstanding balance for "DCS proceeds" and showed a net remaining balance owed to her of $15,122.00.

38. On October 28, 2024, Complainant emailed Respondent, stating that he disputed the amount owed and stated that he had not been aware of her hourly rate. Complainant then stated, "You are reminded that you do not have the right to disburse funds from my escrow account to pay for your services without my signed consent, which I do not provide due to our

disagreement on the billed amount."

39. Respondent then sent Complainant a copy of the hearing transcript from April 29, 2024, and an attorney fee affidavit submitted to the Court that day, nearly a year after the representation had commenced. Respondent stated that Complainant was present at the hearing and should have understood from her representation to the Court that ten hours of her time would cost her client $5,000.00 that her hourly rate was $500.00 an hour.

40. On October 29, 2024, Respondent contacted the Virginia State Bar ethics department. Respondent represented that she had represented Complainant in a divorce "with the understanding that her fees would be paid from proceeds of property then sold."

41. Respondent was advised by ethics counsel to hold the funds in trust and take steps to resolve the fee dispute. However, at that time Respondent had already transferred all the funds from the sale of the marital residence into her operating account.

42. As a result, the Court finds by clear and convincing evidence that Respondent violated Rule 1.15(b)(3).

Rules 1.15(c)(1)-(2) Safekeeping of Property

43. The Court finds by clear and convincing evidence that by failing to maintain receipts and disbursements journals and client ledgers and other required records during the representation, Respondent violated Rules 1.15(c)(1) and 1.15(c)(2).[5]

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[5]**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;

44. Subsection (1) of this rule requires that a lawyer shall at a minimum maintain the following books and records demonstrating compliance with this Rule: "receipts and disbursement 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."

45. Subsection 2 of this Rule requires that the lawyer shall at a minimum maintain the following books and records demonstrating compliance with this Rule: "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."

46. The Court finds that Respondent systematically failed to comply with these mandatory recordkeeping requirements.

47. On February 24, 2025, the subpoena duces tecum issued and served on Respondent by the Virginia State Bar requested, amongst other things, Respondent's receipts and disbursements journals and client ledger for the Complainant. Respondent did not provide the required documents.

48. In her interview with the Virginia State Bar Investigator on August 25, 2025, Respondent represented that she would produce the requested documents.

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date and amount of the transaction; name of the payor or payee; source of funds received or purpose of the disbursement; and current balance.

49. On October 6, 2025, Respondent produced only handwritten notes showing her billed hours and a list of transfers from her trust account to her operating account relating to Complainant's matter.

50. Respondent did not produce a compliant client ledger and failed to produce any corresponding evidence reflecting that these transfers were record in compliant receipts and disbursements journals. Respondent confirmed that she had produce all documents in her possession and responsive to the Virginia State Bar's subpoena *duces tecum*.

51. Accordingly, the Court finds by clear and convincing evidence that Respondent violated Rules 1.15(c)(1) and 1.15(c)(2).

RULE 1.15(b)(5) Safekeeping of Property

52. The Court finds by clear and convincing evidence that by disbursing the client's funds to herself without the Complainant's knowledge or consent before she had even generated a single invoice or billing statement to Complainant, Respondent violated Rule 1.15(b)(5) of the Rules of Professional Conduct.[6]

53. This Rule requires that a lawyer shall not disburse funds or use property of a client or of a third party with a valid lien or assignment without their consent or convert funds or property of a client or third party, except as directed by a tribunal.

54. Respondent piecemeal disbursed to her operating account $44,000.00 of Complainant's funds systematically over a period from July 16, 2024, to September 16, 2024, without Complainant's knowledge or consent, and before she had generated an invoice or billing

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[6] **Rule 1.15. Safekeeping Property**

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(b) Specific Duties. A lawyer shall:

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5) not disburse funds or use property of a client or of a third party with a valid lien or assignment without their consent or convert funds or property of a client or third party, except as directed by a tribunal.

statement. There was no fee agreement and no benchmarks permitting or setting out how Respondent would be entitled to transfer the funds into an operating account.

55. Complainant received no written information or notice as to the status of the funds or the intent or method of Respondent in transferring the funds into her operating account.

56. When asked during the February 4, 2026, hearing in this matter how she decided what amount to transfer to her operating account and on what date to take them, Respondent testified under oath, "I just decided I would go in and transfer what I felt like I should transfer."

57. When asked further if there was any method behind the transfers, Respondent testified, "There is not a method. I would go in and take what I felt like I should pay."

58. Respondent further testified "So you're asking me why I didn't take it all after the 15th, $47,309.00? It's just how – it's just how I've done it."

59. It was not until October 2024, well after Respondent had transferred the $44,000.00 in its entirety, that Complainant was informed of Respondent's unilateral actions. This occurred after repeated communications from Complainant inquiring both as to the status of the funds and when he would receive the funds. Complainant clearly expressed an expectation that he would be receiving these funds. His request, his inquiries, and his overtures to Respondent went largely unanswered or ignored. By proceeding in such a manner, Respondent disbursed the funds without Complainant's consent and converted the funds to her financial benefit in violation of this Rule.

Rule 8.4 Misconduct

60. The Court cannot find by clear and convincing evidence that Respondent violated Rule 8.4(b) of the Rules of Professional Conduct. It is alleged that Respondent violated this Rule, which states that it is professional misconduct for a lawyer to commit a criminal or deliberately

wrongful act that reflects adversely on the lawyer's honesty, trustworthiness, or fitness to practice law.

61. Under the precursor to the present Rules of Professional Conduct, the Supreme Court of Virginia noted in *Pickus v. Virginia State Bar*[7] that scienter is an essential element in the establishment of a case of misrepresentation.

62. The principle articulated in *Pickus* makes clear that a violation of Rule 8.4(b) requires proof of intentional or criminal misconduct, conduct undertaken with a culpable mental state demonstrating deliberate wrongdoing.

63. Although the Court has found that the Respondent violated multiple provisions of Rule 1.15 regarding the safekeeping of client property, those violations concern the handing and accounting of funds entrusted to her and not conduct rising to the level of criminality or deliberate dishonesty contemplated by Rule 8.4(b).

64. The Court finds that, as the requirement of scienter is an essential element, the Virginia State Bar has not met its burden as to 8.4(b).

Rule 1.15(b)(2) Safekeeping of Property

65. The Court dismissed the Bar's assertion of a violation of Rule 1.15(b)(2), finding that such violation was not properly pleaded and, thus, was not properly before the Court.

SANCTIONS PHASE

The Court then convened the sanctions phase of the proceeding. The parties presented opening statements. The VSB incorporated by reference all of the exhibits introduced and the testimony elicited during the Misconduct phase of the hearing. The VSB moved into evidence VSB Ex. 41, a Certification of Respondent's prior disciplinary record in Virginia reflecting that

[7] 232 Va. 5, 348 S.E.2d 202 (1986)

Respondent received a Public Admonition with Terms in 2009 for violations of Rules of Professional Conduct 1.8(a) and (j) (Prohibited Transactions) and 8.4(b) (Misconduct), without objection.

Respondent testified on her own behalf during the sanctions phase of the proceeding.

Both parties presented argument regarding the sanction to be imposed on Respondent for the misconduct found. At the conclusion of argument, the Court thereafter retired to deliberate.

DETERMINATION

In making a determination as to the appropriate sanction to be imposed on Respondent for the misconduct found, the Court considered the ABA Standards for Imposing Lawyer Discipline, including aggravating and mitigating factors. The Court specifically found the following factors in aggravation to be compelling: Respondent's prior disciplinary offenses, a pattern of misconduct, multiple offenses, Respondent's refusal to acknowledge the wrongful nature of her conduct, vulnerability of the victim, and Respondent's substantial experience in the practice of law.

After consideration of the evidence as to mitigation and aggravation, and the arguments of counsel, the Court reconvened to announce its sanction of the **SUSPENSION** of Respondent's license to practice law in the Commonwealth of Virginia for a period of **SIX MONTHS**, with terms, effective **April 13, 2026**.

Accordingly, it is hereby **ORDERED** that Respondent's license to practice law in the Commonwealth of Virginia be, and the same hereby is, **SUSPENDED** for a period of **SIX MONTHS**, with terms, effective **April 13, 2026**.

It is further **ORDERED** that Respondent must comply with the following terms:

1) On or before December 31, 2026, Respondent will complete six (6) hours of continuing legal education credits by attending courses approved by the

Virginia State Bar in the subject matter of legal ethics. Respondent's Continuing Legal Education attendance obligation set forth in this paragraph will not be applied toward her Mandatory Continuing Legal Education requirement in Virginia or any other jurisdictions in which Respondent may be licensed to practice law. Respondent will certify her compliance with the terms set forth in this paragraph by delivering a fully and properly executed Virginia MCLE Board Certification of Attendance form (Form 2) to Bar Counsel, promptly following her attendance of each such CLE program(s).

2) Respondent will read in its entirety Lawyers and Other People's Money, 5th Edition, and Legal Ethics Opinion 1606 and will certify her compliance in writing to Bar Counsel not later than ninety (90) days from the date of the entry of the Summary Order in this matter, i.e. on or before July 14, 2026.

3) Within thirty (30) days from the date of the entry of the Summary Order in this matter, i.e. on or before May 15, 2026, Respondent must engage the services of an accountant agreeable to the Virginia State Bar who is familiar with the requirements of Rule 1.15 of the Rules of Professional Conduct to review Respondent's attorney trust account record-keeping, accounting, and reconciliation methods and procedures to ensure compliance with Rule 1.15 of the Rules of Professional Conduct.

   Respondent is obligated to pay when due the accountant's fees and costs for services. Upon completion of the accountant's review of Respondent's trust account record-keeping, accounting, and reconciliation methods and procedures, but not later than ninety (90) days from the date of the entry of the

Summary Order in this matter, i.e. on or before July 14, 2026, Respondent shall certify to Bar Counsel that she has engaged an accountant and has revised her trust accounting methods and procedures based on the accountant's recommendations and the requirements of Rule 1.15 of the Rules of Professional Conduct.

If, however, any of the terms and conditions is not met by the deadlines imposed above, it is **ORDERED** that the alternative sanction of a Certification for Sanction Determination must be imposed for Respondent's failure to comply, and such a Certification for Sanction Determination will proceed pursuant to Part Six, Section IV, Paragraph 13-20. In the event of alleged noncompliance, a hearing will be convened upon an order for the Respondent to show cause why the alternative disposition should not be imposed. At such hearing, Respondent shall have the burden of providing compliance or good cause for the alleged noncompliance by clear and convincing evidence.

It is further **ORDERED** that Respondent must comply with the requirements of Part Six, Section IV, Paragraph 13-29 of the Rules of the Supreme Court of Virginia. Respondent must forthwith give notice by certified mail, return receipt requested, of the Suspension of her license to practice law in the Commonwealth of Virginia, to all clients for whom Respondent is currently handling matters and to all opposing attorneys and presiding judges in pending litigation. Respondent must also make appropriate arrangements for the disposition of matters then in Respondent's care in conformity with the wishes of her clients. Respondent must give such notice immediately and in no event later than 14 days from the effective date of the Suspension, and make such arrangements as are required herein as soon as practicable and in no event later than 45 days from the effective date of the Suspension. Respondent must also furnish proof to the VSB within

60 days of the effective date of the Suspension that such notices have been timely given and such arrangements made for the disposition of matters.

It is further **ORDERED** that, if Respondent is not handling any client matters on the effective date of the Suspension, Respondent must submit an affidavit to that effect to the Clerk of the Disciplinary System of the VSB. Issues concerning the adequacy of the notice and arrangement required by Paragraph 13-29 must be determined by the VSB Disciplinary Board, or, if demanded pursuant to Paragraph 13-29, another three-judge Circuit Court, which may impose a sanction of Suspension or Revocation for failure to comply with these requirements.

It is further **ORDERED** that pursuant to Part 6, Section IV, Paragraph 13-19 (E) of the Rules, the Clerk shall assess all costs against the Respondent.

It is further **ORDERED** that the Clerk must send a copy *teste* of this order to Anne Holland Harris, Respondent, by counsel, to Julie Smith Palmer at Harman Claytor Corrigan & Wellman P.O. Box 70280, Richmond, Virginia 23255, and by email to jpalmer@hccw.com; and to Jessica C. Beatty, Assistant Bar Counsel, Virginia State Bar, 1111 E. Main St., Suite 700, Richmond, Virginia 23219; and to Joanne Fronfelter, Clerk of the Disciplinary System, Virginia State Bar, 1111 E. Main St., Suite 700, Richmond, Virginia 23219.

The proceedings were transcribed by Jennifer Thomas, Chandler and Halasz, phone number (804) 730-1222.

This Order is the final judgment of this Court as provided by Rule 5:21(b)(2)(ii) of the Rules of the Supreme Court of Virginia.

ENTERED this _____ day of _____ 2026.

Manuel A. Capsalis
2026.05.07 15:12:29-04'00'

Judge Manuel A. Capsalis, Chief Judge for the Court

SEEN AND OBJECTED TO as to the Court's failure to consider and rule on the Bar's allegation that Respondent violated Rule 1.15(b)(2); and as to the Court's failure to find that Respondent violated Rule 8.4(b).

Jessica C. Beatty, VSB #84507
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SEEN AND AGREED as to the Court's dismissal of the alleged violations of Rule 8.4(b) and Rule 1.15(b)(2); SEEN AND OBJECTED TO as to all other rulings, for the reasons stated on brief and in oral argument:

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