



VIRGINIA:

BEFORE THE FIRST DISTRICT SUBCOMMITTEE
OF THE VIRGINIA STATE BAR

IN THE MATTER OF
BRITNEY HOPE MADDUX

VS B Docket No. 20-010-118508
20-010-118818
20-010-118919

SUBCOMMITTEE DETERMINATION
PUBLIC REPRIMAND WITH TERMS

On April 26, 2021, a meeting was held in this matter before a duly convened First District Subcommittee consisting of Robert C. Barclay, IV, Chair, Nosuk P. Kim, Member, and Walter P. Nullet, Lay Member. During the meeting, the Subcommittee voted to approve an agreed disposition for a Public 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 subsequently entered into by the Virginia State Bar, by M. Brent Saunders, Senior Assistant Bar Counsel, and Britney Hope Maddux, Respondent, pro se.

WHEREFORE, the First District Subcommittee of the Virginia State Bar hereby serves upon Respondent the following Public Reprimand with Terms:

I. FINDINGS OF FACT

1. Respondent was licensed to practice law in the Commonwealth of Virginia on October 12, 2012 and was so licensed at all times relevant hereto.

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2. The complainant, Jason Bartnicki (“Mr. Bartnicki”), was the purchaser of a property located at 1325 W. Ocean View, Norfolk, VA 23503 (“Property”). Respondent acted as the settlement agent for the transaction, and personally handled the closing on behalf of her title company, Regent Title & Escrow LLC. Closing took place on January 6, 2020.

3. As settlement agent, Respondent was required by Va. Code §55.1-903 to record the deed transferring ownership of the Property to Mr. Bartnicki within two business days of the January 6, 2020 closing and prior to disbursing any settlement proceeds¹.

¹ §55.1-903 - Duty of Settlement Agent

4. Although a deed conveying ownership of the Property to Mr. Bartnicki was executed at the closing, it was not recorded until almost six months later, on June 26, 2020².

5. Respondent disbursed all of the proceeds for the sale on or about January 8, 2020 notwithstanding the deed had not been recorded.

6. After Mr. Bartnicki learned the deed had not been recorded, he tried to contact Respondent multiple times by various means beginning in early April 2020 and continuing through May 2020, including leaving a message on her cell phone, and never received a response from her.

7. By letter dated April 7, 2020, the bar sent a copy of this complaint to Respondent at her address of record with the bar demanding that she file a written answer within 21 days. She did not file a response by the April 28, 2020 deadline. On May 4, 2020, the bar sent an email to Respondent to her email address of record with the bar (bmaddux87@gmail.com) notifying her no response had been received. She did not file an answer until September 8, 2020.

8. As part of the investigation of this complaint, on June 10, 2020, the First District Committee issued a subpoena *duces tecum* to Respondent demanding she produce, by July 1, 2020, all documents related to the closing of the sale of the Property and the trust and bank records for all accounts utilized for that closing, from January 1, 2019 to the present. The subpoena *duces tecum* was served on Respondent by certified mailing sent to her address of record with the bar. She produced no documents and did not otherwise respond to the subpoena *duces tecum*. On July 8, 2020, the bar wrote Respondent a letter urging her to comply with the subpoena *duces tecum* and notifying her that a request for an interim suspension of her law license would be made for her failure to comply if she did not provide the subpoenaed documents by July 20, 2020. That letter was sent to Respondent at her address of record with the bar, email address of record with the bar, and another street address and email address she had provided to the bar investigator assigned to investigate this complaint³. She failed to respond by

The settlement agent shall cause recordation of the deed, the deed of trust, or the mortgage or other documents required to be recorded and shall cause disbursement of settlement proceeds within two business days of settlement. A settlement agent may not disburse any or all loan funds or other funds coming into its possession prior to the recordation of any instrument except (i) funds received that are overpayments to be returned to the provider of such funds, (ii) funds necessary to effect the recordation of instruments, or (iii) funds that the provider has by separate written instrument directed to be disbursed prior to recordation of any instrument. Additionally, in any transaction involving the purchase or sale of an interest in residential real property, the settlement agent shall provide notification to the purchaser of the availability of owner's title insurance as required under § 38.2-4616.

² Respondent made two prior attempts to record it, but it was returned both times by the Norfolk Circuit Court Clerk due to errors, on January 10, 2020 and February 11, 2020.

³ Respondent's address of record at the time was for her law firm, Maddux-Mullen Law Group, PLLC, Suite 334, 4410 East Claiborne Street, Hampton, VA 23666. Shortly after the referral of this complaint for formal investigation, the bar's investigator learned Respondent had closed her law firm, ceased practicing law, and was no longer receiving mail at that address. In approximately mid-to-late June 2020, he was able to make contact with Respondent who provided him with the alternate street address and email address. He instructed her to update her address of record with the bar. She had not done so as of July 8, 2020, so the letter sent to her on that date included

the July 20, 2020 deadline, and so on July 24, 2020, the bar filed with the Clerk of the Disciplinary System a Notice of Noncompliance and Request for Suspension of Respondent's License to Practice Law for Failure to Comply with Subpoena. On August 3, 2020, Respondent requested a hearing before the Disciplinary Board, which was scheduled for September 25, 2020. After filing her hearing request, she began producing documents responsive to the subpoena *duces tecum* and provided all existing documents on September 17, 2020. By letter dated September 18, 2020, the bar notified the Clerk of the Disciplinary System Respondent had complied with the subpoena *duces tecum* and requested the noncompliance proceeding be terminated which occurred shortly thereafter.

9. As the owner and operator of Regent Title & Escrow LLC, Respondent was obligated to maintain certain records for and periodically reconcile all escrow accounts utilized for real estate closings she conducted under that entity.

10. During the course of this investigation, the bar discovered Respondent failed to maintain the required records for or reconcile the Regent Title & Escrow LLC Escrow Account (Towne Bank Account No. *****0943) she utilized for real estate closings ("Escrow Account"). Specifically, Respondent did not maintain all required cash receipts or disbursements journals or subsidiary ledgers for transactions in which she utilized the Escrow Account or perform monthly or quarterly reconciliations of the Escrow Account. Her failure to maintain proper records and perform reconciliations resulted in the accumulation of a balance in the Escrow Account of \$17,559.34⁴ in funds of which she cannot identify the source or ownership.

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11. On May 15, 2020, the bar received from TowneBank a "Report of Attorney Trust Account Overdraft or Dishonor" reporting that on January 31, 2020, TowneBank Account No. *****0935 titled "Regent Title & Escrow Operating Account" ("Account") was overdrawn in the amount of \$224.21.

12. At the time of the overdraft, Respondent was the owner and operator of Regent Title & Escrow LLC, which was the holder of the Account.

13. On May 20, 2020, the bar's Intake Department sent a copy of the overdraft notice to Respondent at her address of record with the bar, along with a letter demanding she provide, by May 27, 2020, an explanation for the overdraft and what steps she had taken to avoid a recurrence. Respondent did not respond.

14. As a result, a complaint was opened, and by letter dated June 10, 2020, the bar sent a copy of the complaint to Respondent at her address of record with the bar demanding she file a written answer within 21 days. She did not file a response by the July 1, 2020 deadline and would not do so until September 11, 2020.

a notice of her obligation to maintain a current address of record with the bar and a request that she update it immediately. She did not do so until July 29, 2020.

⁴ As of October 12, 2020, the ending date of the most recent statement the bar obtained during this investigation.

15. As part of the investigation of this complaint, on June 10, 2020, the First District Committee issued a subpoena *duces tecum* to Respondent demanding she produce, by July 1, 2020, all documents related to the overdraft and all bank and trust account records for all accounts held in the name of Regent Title & Escrow LLC from January 1, 2019 to the present. The subpoena *duces tecum* was served on Respondent by certified mailing sent to her address of record with the bar. She produced no documents and did not otherwise respond to the subpoena *duces tecum*. On July 8, 2020, the bar wrote Respondent a letter urging her to comply with the subpoena *duces tecum* and notifying her that a request for an interim suspension of her law license would be made for her failure to comply if she did not provide the subpoenaed documents by July 20, 2020. That letter was sent to her address of record with the bar, email address of record with the bar, and another street address and email address we had obtained for her⁵. She failed to respond by the July 20, 2020 deadline, and so on July 24, 2020, the bar filed with the Clerk of the Disciplinary System a Notice of Noncompliance and Request for Suspension of Respondent's License to Practice Law for Failure to Comply with Subpoena. On August 3, 2020, Respondent requested a hearing before the Disciplinary Board, which was scheduled for September 25, 2020. After filing her hearing request, she began producing documents responsive to the subpoena *duces tecum* and provided the final documents on September 17, 2020. By letter dated September 18, 2020, the bar notified the Clerk of the Disciplinary System Respondent had complied with the subpoena *duces tecum* and requested the noncompliance proceeding be terminated which occurred shortly thereafter.

16. After Respondent responded to the complaint and subpoena *duces tecum*, the bar was able to complete its investigation. According to Respondent, the overdraft resulted from the continued pre-authorized debiting of the Account by vendors of Regent Title & Escrow LLC after it had essentially become insolvent and she had closed down the business. The investigation further revealed the Account was the operating account for Regent Title & Escrow LLC, not an escrow account⁶.

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17. This complaint arises from a residential real estate transaction involving the sale of a property located in Yorktown, Virginia, in which Respondent represented the seller through Regent Title & Escrow LLC, the title company Respondent owned and operated at the time. Closing took place on December 27, 2019.

18. The property being sold was part of the Glen Laurel Homeowners Association ("HOA"). As part of the sale, Andleton Management ("Andleton"), which manages the HOA, provided Regent Title & Escrow LLC a dues statement setting out the amount to be paid to it on behalf of the HOA from the escrowed settlement proceeds. A representative of Andleton filed this complaint alleging the sale closed without any disbursement being made to Andleton, for which

⁵ See footnote 3.

⁶ In reporting the overdraft to the bar, TowneBank apparently mistakenly identified the Account as an escrow account due to the term "Escrow" in the name of the account, which is actually part of the name of the account holder and not the account itself which is identified as an operating account.

she faulted Respondent whom she believed was the settlement agent since Regent Title & Escrow LLC had requested the dues statement.

19. By letter dated June 10, 2020, the bar sent a copy of this complaint to Respondent at her address of record with the bar demanding she file a written answer within 21 days. She did not file a response by the July 1, 2020 deadline and would not do so until September 17, 2020.

20. As part of the investigation of this complaint, on June 10, 2020, the First District Committee issued a subpoena *duces tecum* to Respondent demanding she produce, by July 1, 2020, all documents related to the closing underlying this complaint, including all trust and bank records for the accounts utilized in the closing. The subpoena *duces tecum* was served on Respondent by certified mailing sent to her address of record with the bar. She produced no documents and did not otherwise respond to the subpoena *duces tecum*. On July 8, 2020, the bar wrote Respondent a letter urging her to comply with the subpoena *duces tecum* and notifying her that a request for an interim suspension of her law license would be made for her failure to comply if she did not provide the subpoenaed documents by July 20, 2020. That letter was sent to her address of record with the bar, email address of record with the bar, and another street address and email address we had obtained for her⁷. She failed to respond by the July 20, 2020 deadline, and so on July 24, 2020, the bar filed with the Clerk of the Disciplinary System a Notice of Noncompliance and Request for Suspension of Respondent's License to Practice Law for Failure to Comply with Subpoena. On August 3, 2020, Respondent requested a hearing before the Disciplinary Board, which was scheduled for September 25, 2020. After filing her hearing request, she began producing documents responsive to the subpoena *duces tecum* and provided the final documents on September 17, 2020. By letter dated September 18, 2020, the bar notified the Clerk of the Disciplinary System Respondent had complied with the subpoena *duces tecum* and requested the noncompliance proceeding be terminated which occurred shortly thereafter.

21. After Respondent responded to the complaint and subpoena *duces tecum*, the bar was able to complete its investigation, during the course of which it discovered that prior to closing, Andleton provided a Dues Request – Escrow Instructions package to Regent Title & Escrow LLC requesting payment of the following amounts from the settlement proceeds:

- \$322.69 to Andleton; and
- \$57.00 to the HOA

The settlement statement scheduled the above amounts to be paid from the settlement proceeds⁸. Notwithstanding, those amounts were not received by Andleton or the HOA following the closing, which prompted the filing of this complaint. The bar's investigation revealed Regent Title & Escrow LLC represented only the seller and Virginia Property Title & Escrow, LLC, represented the buyer and acted as settlement agent and was thus responsible for making all disbursements for the transaction including to Andleton and the HOA. By checks

⁷ See footnote 3.

⁸ With \$115.69 to be paid by the buyer and \$264.00 to be paid by the seller.

dated June 9, 2020, Virginia Property Title & Escrow, LLC issued the above respective amounts to Andleton and the HOA⁹.

II. NATURE OF MISCONDUCT

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

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RULE 1.3 Diligence

(a) A lawyer shall act with reasonable diligence and promptness in representing a client.

RULE 1.4 Communication

(a) A lawyer shall keep a client reasonably informed about the status of a matter and promptly comply with reasonable requests for information.

RULE 1.15 Safekeeping Property

(a) Depositing Funds.

...

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

- (i) funds reasonably sufficient to pay service or other charges or fees imposed by the financial institution or to maintain a required minimum balance to avoid the imposition of service fees, provided the funds deposited are no more than necessary to do so; or
- (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.

(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;

(4) promptly pay or deliver to the client or another as requested by such person the funds, securities, or other properties in the possession of the lawyer that such person is entitled to receive;

RULE 1.15 Safekeeping Property (Effective 1/1/19 through 3/14/20)

...

⁹ According to a representative of Virginia Property Title & Escrow, LLC, checks had been issued to Andleton and the HOA at closing and apparently lost in the mail.

(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.

(3) In the case of funds or property held by a lawyer as a fiduciary, the required books and records shall include an annual summary of all receipts and disbursements and changes in assets comparable in detail to an accounting that would be required of a court supervised fiduciary in the same or similar capacity; including all source documents sufficient to substantiate the annual summary.

(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.

RULE 1.15 Safekeeping Property (Effective 3/15/20)

...

(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.

(3) In the case of funds or property held by a lawyer as a fiduciary, the required books and records shall include an annual summary of all receipts and disbursements and changes in assets comparable in detail to an accounting that would be required of a court supervised fiduciary in the same or similar capacity; including all source documents sufficient to substantiate the annual summary.

(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.

RULE 8.1 Bar Admission And Disciplinary Matters

An applicant for admission to the bar, or a lawyer already admitted to the bar, in connection with a bar admission application, any certification required to be filed as a condition of maintaining or renewing a license to practice law, or in connection with a disciplinary matter, shall not:

...

(c) fail to respond to a lawful demand for information from an admissions or disciplinary authority, except that this Rule does not require disclosure of information otherwise protected by Rule 1.6;

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RULE 8.1 Bar Admission And Disciplinary Matters

An applicant for admission to the bar, or a lawyer already admitted to the bar, in connection with a bar admission application, any certification required to be filed as a condition of maintaining or renewing a license to practice law, or in connection with a disciplinary matter, shall not:

...

(c) fail to respond to a lawful demand for information from an admissions or disciplinary authority, except that this Rule does not require disclosure of information otherwise protected by Rule 1.6;

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RULE 8.1 Bar Admission And Disciplinary Matters

An applicant for admission to the bar, or a lawyer already admitted to the bar, in connection with a bar admission application, any certification required to be filed as a condition of maintaining or renewing a license to practice law, or in connection with a disciplinary matter, shall not:

...

(c) fail to respond to a lawful demand for information from an admissions or disciplinary authority, except that this Rule does not require disclosure of information otherwise protected by Rule 1.6;

III. PUBLIC REPRIMAND WITH TERMS

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

Subcommittee to impose a Public Reprimand with Terms. The terms are:

1. Within thirty (30) days of the issuance of this determination, Respondent shall engage at her own cost a Virginia Certified Public Accountant ("Accountant") for the purposes of assisting Respondent in fully identifying the source and ownership of all remaining funds in the Escrow Account and properly disbursing all such remaining funds and thereafter closing out the Escrow Account. The engagement of the Accountant shall be subject to the pre-approval of Bar Counsel which shall not be unreasonably withheld.
2. Respondent will fully cooperate with the Accountant in assisting in the Accountant's efforts to identify the source and ownership of all remaining funds in the Escrow Account.

3. To the extent any funds from the Escrow Account have been disbursed since October 12, 2020, the Accountant shall identify and report the amounts of all such disbursements and to whom they were made.
4. As the Accountant identifies the source and ownership of funds in the Escrow Account, Respondent shall promptly and properly disburse those funds. Respondent shall report to Bar Counsel in writing the dates and amounts of such disbursements and to whom they were made, within ten (10) days from the date of each such disbursement.
5. Within three (3) months following the engagement of the Accountant, Respondent shall cause the Accountant to provide a preliminary written report to Bar Counsel setting out the progress on the identification of the source and ownership of all remaining funds in the Escrow Account and disbursement of all such funds with supporting documentation.
6. Within six (6) months following the engagement of the Accountant, Respondent shall cause the Accountant to provide a final written report to Bar Counsel fully summarizing the identification of the source and ownership of the funds in the Escrow Account and disbursement of all such funds with supporting documentation (“Final Report”). The Accountant may request additional time to complete the Final Report as circumstances warrant, which may be granted by Bar Counsel for good cause shown.
7. To the extent the Escrow Account is not able to be closed by the deadline for the filing of the Final Report, based either upon a dispute or specific claim related to an amount believed to be owed to a client, a third-party or Respondent, or an inability to determine the source and ownership of funds remaining in the Escrow Account, Respondent shall interplead the funds into the appropriate court within thirty days of the earlier of either the issuance of the Final Report or the deadline for the filing of the Final Report. Respondent shall provide written notice to Bar Counsel of the filing of the interpleader action within ten (10) days of such filing, and shall thereafter promptly provide to Bar Counsel copies of all pleadings and orders filed and issued in that action. Respondent shall, with the court’s approval, if necessary, provide the requisite notice or notices to properly adjudicate the interpleader action. Respondent shall cooperate fully in the interpleader action. Upon resolution of any such interpleader action, Respondent shall, within thirty (30) days of entry of the final order of such interpleader action, certify to Bar Counsel that she has closed out the Escrow Account.

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 Certification for Sanction Determination

should not be issued. 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.

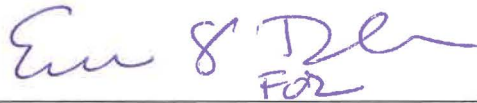
FIRST DISTRICT SUBCOMMITTEE
OF THE VIRGINIA STATE BAR



Robert C. Barclay, IV
Subcommittee Chair

CERTIFICATE OF MAILING

I certify that on the 25th day of May, 2021, a true and complete copy of the Subcommittee Determination (Public Reprimand With Terms) was sent by certified mail to Britney Hope Maddux, Respondent, at 259 Lou-Mac Court, Newport News, VA 23602, Respondent's last address of record with the Virginia State Bar.

The image shows a handwritten signature in blue ink. The signature is cursive and appears to read "M. Brent Saunders". Below the signature, the word "FOR" is written in a smaller, simpler font.

M. Brent Saunders
Senior Assistant Bar Counsel