

IN THE SUPREME COURT OF THE STATE OF MONTANA

PR 16-0437

IN THE MATTER OF LORRAINE SCHNEIDER,)
an Attorney at Law,)
Respondent.)

Ed Smith
CLERK OF THE SUPREME COURT
STATE OF MONTANA
ORDER
OF
DISCIPLINE

On July 20, 2016, a formal disciplinary complaint was filed against Montana attorney Lorraine Schneider, based on her self-reported attorney misconduct. The disciplinary complaint may be reviewed by any interested persons in the office of the Clerk of this Court.

The Commission on Practice held a hearing on the complaint on January 12, 2017, at which hearing Schneider was present and testified on her own behalf. On April 11, 2017, the Commission submitted to this Court its Findings of Fact, Conclusions of Law, and Recommendation for discipline. Schneider did not file any objections within the time allowed.

The Commission has concluded, based on the allegations of the complaint and the evidence produced at the hearing, that Lorraine Schneider violated multiple provisions of the Montana Rules of Professional Conduct (MRPC) through her mismanagement of her law firm's IOLTA account. The Commission concluded Schneider violated her duty under Rule 1.15(a), MRPC, to keep proper records concerning her clients' retainers, and Rule 1.15(b), MRPC, by failing to promptly deliver funds to which clients and third parties were entitled. It concluded she violated Rule 1.16(d), MRPC, by failing to take steps reasonably practicable to protect her clients' interests by returning unearned fees, and Rule 1.18(e)(2), MRPC, by failing to maintain an IOLTA account in accordance with the trust account management and audit requirements. However, the Commission noted that no former client has come forward claiming entitlement to a retainer refund and that Schneider's law firm is now closed.

The Commission recommends that, as a result of her violations of the Montana Rules of Professional Conduct, Schneider be disciplined by receipt of a written admonition; that, if she enters private practice again, she be assigned a mentor agreeable to the Office of Disciplinary Counsel for a period of 5 years; and that, if Schneider is unable to find addresses for two former clients to whom she has concluded refunds are due, those funds should be paid to the Montana Justice Foundation, along with funds she determined were due to two clients who did not cash the checks she sent them. The Commission recommends that the balance of the funds remaining in Schneider's IOLTA account should be paid to her or her designee and the account closed. Finally, the Commission recommends that Schneider be ordered to pay the costs of these proceedings.

Based upon the foregoing,

IT IS HEREBY ORDERED:

1. The Commission's Findings of Fact, Conclusions of Law, and Recommendation are ACCEPTED and ADOPTED.

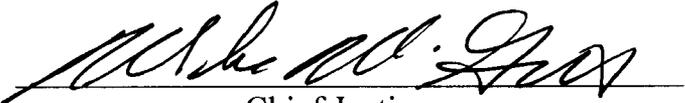
2. The Commission on Practice is directed to deliver a written admonition to Lorraine Schneider.

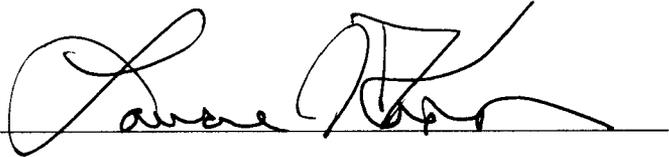
3. If, by May 31, 2017, Schneider is unable to find addresses for the two remaining former clients whom she has determined are due refunds, those funds, along with the funds reserved for the two clients who did not cash the checks, shall be paid to the Montana Justice Foundation no later than June 15, 2017. The balance of the funds remaining in Schneider's IOLTA account shall be paid to her or her designee, and Schneider shall close the account.

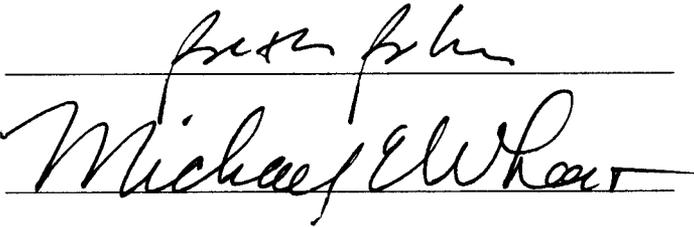
4. Schneider shall pay the costs of these proceedings subject to the provisions of Rule 9(A)(8), MRLDE, allowing objections to be filed to the statement of costs.

The Clerk of this Court is directed to serve a copy of this Order of Discipline upon Lorraine Schneider and to provide copies to Disciplinary Counsel, the Office Administrator for the Commission on Practice, and the Executive Director of the State Bar of Montana.

DATED this 23rd day of May, 2017.


Chief Justice







Justices