

SUPREME COURT OF WISCONSIN
OFFICE OF LAWYER REGULATION

Public Reprimand With Consent

2023 -OLR- 6

Ronald E. Langford
Attorney at Law

The Supreme Court of Iowa ordered a public reprimand against Attorney Ronald E. Langford on November 8, 2023. That order, which is incorporated into this reprimand as pages 2 through 10, forms a basis upon which reciprocal discipline could be sought and imposed pursuant to Supreme Court Rule 22.22. Rather than go through the complaint process, Attorney Langford has consented to the imposition of a public reprimand.

The Supreme Court of Iowa found that Attorney Langford violated that following Iowa Rules of Professional Conduct, outlined in Chapter 32 of the Iowa Court Rules: 1.15 (safekeeping property); 5.3 (responsibilities regarding nonlawyer assistants); 8.4(c) (engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation); 45.1 (requirement for client trust account); 45.2(2) (accounting and returning funds or property); 45.2(3) (maintaining trust account records); 45.7(3)&(4) (deposit and withdrawal of advanced fees and expenses in trust account and notification upon withdrawal of fee or expense).

Attorney Ronald E. Langford received a prior public reprimand in 2015.

In accordance with SCR 22.09(3), Attorney Ronald E. Langford is hereby publicly reprimanded.

Dated this 21st day of December, 2023.

SUPREME COURT OF WISCONSIN



Joseph Jacobson
Referee

IN THE SUPREME COURT OF IOWA

No. 23-1677

Grievance Commission No. 2022-212

ORDER OF PUBLIC REPRIMAND

RECEIVED

NOV 16 2023

OFFICE OF LAWYER REGULATION

**IOWA SUPREME COURT
ATTORNEY DISCIPLINARY BOARD,
Complainant,**

vs.

**RONALD E. LANGFORD,
Respondent.**

Pursuant to Iowa Court Rule 35.12, the Iowa Supreme Court Attorney Disciplinary Board reprimand of attorney Ronald E. Langford, Des Moines, Iowa, has been filed with the clerk of this court with proof of service and a statement that Langford has not filed an exception within the time prescribed.

The court orders that the reprimand of Ronald E. Langford be included in the records of this court as a public document.

Copies to:

Justices of the Iowa Supreme Court
Judges of the Iowa Court of Appeals
Chief Judges
District Court Administrators
Clerks of Court
Office of Professional Regulation
Attorney Disciplinary Board
The Iowa State Bar Association
State Public Defender

I hereby certify that the foregoing is a full, true and complete copy of the order made by said Court in the above entitled cause, as full, true and complete as the same remains on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Court, at Des Moines, this 9 day of November, A.D. 2023

By

CLERK

DEPUTY

1 of 3

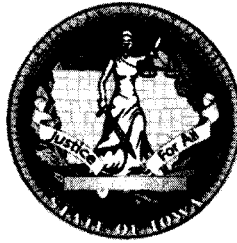
Tara van Brederode
Attorney Disciplinary Board
1111 East Court Ave.
Des Moines, IA 50319

Jessica Jo Taylor
Office of Professional Regulation
1111 East Court Ave.
Des Moines, IA 50319

Jerry R. Foxhoven
3839 Merle Hay Road, Suite 282
Des Moines, IA 50310

Ronald Langford (regular and restricted certified mail)
309 Court Ave., Suite 213
Des Moines, IA 50309

Ronald Langford (regular and restricted certified mail)
2690 E. Railroad Ave.
Des Moines, IA 50317



IOWA APPellate COURTS

State of Iowa Courts

Case Number
23-1677

Case Title
Board v. Ronald E. Langford

So Ordered

A handwritten signature in black ink, appearing to read "Tom Waterman", is written over a horizontal line.

Thomas D. Waterman, Justice

Electronically signed on 2023-11-08 17:50:21



Attorney Disciplinary Board

OF THE SUPREME COURT OF IOWA

Judicial Branch Building • 1111 East Court Avenue • Des Moines, IA 50319
515-348-4680 • Fax: 515-348-4699 • www.iowacourts.gov

August 31, 2023

Jerry Ray Foxhoven
3839 Merle Hay Road, Suite 282
Des Moines, IA 50310

Re: Our File No.: 2022-212
Complainant: Client Security Commission
Respondent: Ronald E. Langford

Dear Mr. Foxhoven:

The above complaint was considered by the Board at a recent hearing meeting. This complaint was opened upon the receipt of a referral from the Client Security Commission after an audit of respondent's trust account revealed noncompliance with the trust account rules. The referral contained the following specific findings from the audit:

Failure to comply with the Court Rules Governing Trust Accounts [rule 32:1.15(f)]

- Accountability for client funds was lost as a result of the attorney's failure to comply with chapter 45 of the Iowa Court Rules. This loss of accountability resulted in a significant overall trust account shortage, which existed for an extended period until it was discovered during the present audit.

Failure to Maintain or Retain Required Records [rules 32:1.15(a) and (f), 45.2(3)]

- The undersigned specifically and in writing advised the attorney of the need to triple reconcile the trust account monthly (see attached email of 03/13/2017).¹

¹ The email to respondent from Ms. Braun-Arana was in response to an answer he provided on his Annual Client Security report wherein he indicated he does not always do the required monthly three-way reconciliation of his trust account. Her email stated:

Monthly reconciliations of the client subaccounts, main account balance, and adjusted bank balance are required by the rules. This is critical to maintaining accountability for client funds and to prevent theft.

At the next regular audit of the firm, the auditor will expect to see that triple reconciliations have been performed monthly...

- Auditor Loughran again specifically advised at the end of the prior audit of the need to triple reconcile the trust account to the penny each month (see attached 2018 audit report).
- The 2021 audit disclosed that monthly triple reconciliations had not been performed.
- The 2021 audit also disclosed that the following records were not being maintained: a contemporaneous check register, accurate client sub-account ledgers, copies of check and deposit images, and records of electronic transfers.

Improper Handling of Retainer and Fee Payments [rules 32:1.5, 32:1.15(c), and 45.7(3)]

- Audit disclosed a very significant net shortage in the trust account (\$5,091.90 as of June 30, 2020), comprised of eight negative client balances. The attorney had not detected the shortage and there was not sufficient firm money in the trust account to cover the negative client balances. The firm had thereby misappropriated funds of other clients, withdrawing funds from their sub-accounts before those fees had been earned.

Commingling of Attorney and Client Funds [rules 32:1.15(a) and (b), 45.1]

- Earned fees for five client matters were allowed to remain in the trust account for more than one year after the close of the matter.
- The attorney maintained funds related to his mother's estate in the trust account. He was serving in that action as an Executor and not as attorney for the estate.

Failure to Provide Contemporaneous Notice and Accounting [rules 32:1.15(d) and 45.7(4)]

- Attorney's 2/27/2021 letter to client D[.] I[.] acknowledges failure to provide notice and accounting.

The audit referral also noted that respondent's answers were untruthful to question number 14 on his annual Client Security Questionnaires for the years 2019-2020, copies of which were attached to the referral. Question 14 asks, "[a]re reconciliations of your trust account balances with bank statement balances and individual client ledger balances performed monthly?" Although the audit found respondent was not performing the triple reconciliations each month, respondent repeatedly answered "yes" to this question.

On respondent's 2021 Annual Client Security Questionnaire, respondent answered "no" to Question 14, and provided the following explanation, "I relied on my CPA to keep my books in order and while reconciliations were done, I neglected to keep tighter control over my reviews..." Respondent also answered "yes" to Question 15 that asks, "[d]o you or at least one lawyer of your law firm review monthly trust account reconciliations prepared by nonlawyer staff?" His explanation stated, "I failed to be consistent in the regard trusting in my accountant's oversight which was a failing on my part..."

The communication portion of the audit file contained voluminous emails between the auditor and respondent. Over time, respondent's communications increasingly showed tension as he became frustrated by the audit process and questioned the auditor's findings. After months of back-and-forth discussion of the auditor's mathematical calculation of the shortfall in respondent's trust account, the auditor stated to respondent:

The only way for you to determine the exact status of your trust account is to go back to the last audit and input each month's activity and prepare the required monthly triple reconciliation for each month. Your check register balance must be reconciled each month to the bank statement balance and the client balance amount (Balance Sheet) must be reconciled to the check register balance. If they don't reconcile, you need to determine why, before moving to the next month. You also must make sure there is never a negative client balance at any time. If there is a negative balance, it must be reimbursed immediately.

Respondent eventually deposited sufficient funds in his client trust account to cover the deficiencies identified by the auditor.

In responding to the Board, Respondent stated he "generally [had] no dispute with the language of the violation." He went on to state that during the time period covered by the audit, "there was always MORE THAN ENOUGH money in the combination of my Operating and Trust accounts to more than adequately cover ALL client accounts." (Emphasis in original). Respondent acknowledged he made two transfers to cover the shortage found by the auditor, but also claimed that "it is still not clear today if I was short given the CPA records. Again, I always had money in my business accounts to cover *any* of the shortages at that time." (Emphasis in original). Respondent also argued that his clients' demands take so much of his focus that he does not have the time to steal from them. The Board found these statements troubling. Despite his busy and demanding practice, respondent needs to make time to accurately account for client funds to prevent inaccuracies. Clients cannot reach into Respondent's operating account to locate funds he has improperly removed from trust. That an attorney's personal funds might be sufficient to reimburse clients whose funds he has negligently misappropriated is not the point of the trust accounting rules.

With respect to the requirements that he maintain trust account records and perform triple reconciliations, Respondent agreed, "some of what was may be true." However, he also "dispute[d] the language giving the impression that I never did triple reconciliations. Sometimes I did, and sometimes there was no need to." This statement indicates respondent still does not appreciate or understand that the reconciliation template form provided by the auditors or similar method needs to be used to perform the three-way reconciliation every month, even when the activity matches what is shown on the bank statement. The completed template or similar form is then retained as required by the rules to show compliance.

Regarding his mother's estate matter, respondent defended his decision to keep estate money in his trust account in his role as executor of the estate. However, the only reason estate funds should be in an attorney trust account is when the lawyer is the estate's lawyer. Respondent did not represent the estate; therefore, the estate is not a client. As executor for the estate, he should have opened a separate estate checking account to deposit the funds for administration. Respondent asserted:

[I]t never dawned on me that putting money in an existing trust account was commingling personal money. It was not personal money. It was money that belonged to an estate, overseen by a court (probate) and [a law firm]. Every single penny of the money that flowed into the account was accounted for to the court, and the estate was allowed to close with the court's approval. My mother had passed, she named me executor, and never in a million years would I have considered that I was commingling funds. I have nothing further to offer on this matter.

However, despite respondent's statement above, his mother's estate was one of the eight sub-accounts found to have a shortage in the amount of \$857.25.

Respondent noted the audit referral only found one client account for whom he failed to provide a contemporaneous notice and accounting upon withdrawal of earned fees.

Though respondent admitted in his Board answer that he was not always performing the required three-way reconciliations every month, he denied his answers on the annual questionnaires were false, despite the following notation on the bottom of the first page of each report: "[b]y electronically filing this Annual Report pursuant to Court Rule 39.8 I am certifying to the Iowa Supreme Court that the information provided is true and correct." Respondent stated:

I did not give false answers. The answer in 14 was in the context that I stated above. There were times that I didn't get to the three-step reconciliation, but I always looked to see that my bank statement and client disbursements were recorded. That was my reconciliation. Was it perfect, no. That as in 2019 and I thought I was on top of my accounting requirements. Apparently, that was unintentionally not the case given the audit results.

The Board considered several aggravating factors. First, according to Ms. Braun-Arana, an audit of a solo practitioner with no problems found typically takes less than three months to complete with less than three hours itemized. In contrast, the auditor itemized 26 hours on this audit during the course of 15 months. Second, respondent has been practicing for thirty years and, despite documentation in the audit referral of having been told of the requirement to triple reconcile each month, he has failed to do so. Throughout the audit and in his Board response, it is clear that respondent still failed to appreciate and understand the rules relating to trust accounts and how he was in violation of those rules.

Respondent's failure to perform the triple reconciliations each month as required by the rules led to a loss of accountability for client funds. Respondent's ongoing misunderstanding of bookkeeping led him to question the auditor's findings. His failure to ensure that the CPA he was employing to handle his bookkeeping was accurately accounting for all client funds to the penny was also a violation of Iowa R. Prof'l Conduct 32:5.3.²

It was the determination of the Board that respondent should be, and hereby is, publicly reprimanded for the above conduct in violation of Iowa Rs. Prof'l Conduct 32:1.15,³ 32:5.3, 32:8.4,⁴ and Iowa Court Rules 45.1,⁵ 45.2(2),⁶ 45.2(3),⁷ and 45.7.⁸

² 32:5.3 Responsibilities Regarding Nonlawyer Assistants

With respect to a nonlawyer employed or retained by or associated with a lawyer:

(a) A ... lawyer who individually ... possesses comparable managerial authority in a law firm shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that the person's conduct is compatible with the professional obligations of the lawyer;

(b) A lawyer having direct supervisory authority over the nonlawyer shall make reasonable efforts to ensure that the person's conduct is compatible with the professional obligations of the lawyer; and

(c) A lawyer shall be responsible for the conduct of such a person that would be a violation of the Iowa Rules of Professional Conduct if engaged in by a lawyer if:

(1) The lawyer orders or, with the knowledge of the specific conduct, ratifies the conduct involved; or

(2) The lawyer is a partner or has comparable managerial authority in the law firm in which the person is employed, or has direct supervisory authority over the person, and knows of the conduct at a time when its consequences can be avoided or mitigated but fails to take remedial action.

³ 32:1.15 Safekeeping Property

(a) A lawyer shall hold property of clients or third person that is in a lawyer's possession in connection with a representation separate from the lawyer's own property. Funds shall be kept in a separate account. Other property shall be identified and appropriately safeguarded. Complete records of such account funds and other property shall be kept by the lawyer and shall be preserved for a period of six years after termination of the representation. ... (c) A lawyer shall deposit into a client trust account legal fees and expenses that have been paid in advance, to be withdrawn by the lawyer only as fees are earned or expenses incurred. (d) Upon receiving funds or other property in which a client or third person has an interest, a lawyer shall promptly notify the client or third person. Except as stated in this rule or otherwise permitted by law or agreement with the client, a lawyer shall promptly deliver to the client or third person any funds or other property that the client or third person is entitled to receive and, upon request by the client or third person, shall promptly render a full accounting regarding such property. ... (f) All client trust accounts shall be governed by chapter 45 of the Iowa Court Rules.

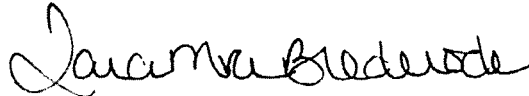
⁴ 32:8.4 Misconduct It is professional misconduct for a lawyer to: ... (c) engage in conduct involving dishonesty, fraud, deceit, or misrepresentation.

⁵ 45.1 Requirement for client trust account. Funds a lawyer receives from clients or third person for matters arising out of the practice of law in Iowa must be deposited into one or more identifiable interest-bearing trust accounts at a financial institution with a branch geographically located in Iowa. The trust account must be clearly designated as "Trust Account." No funds belonging to the lawyer or law firm may be deposited in this account except: ... 2. Funds belonging in part to a client and in part currently or potentially to the lawyer or law firm must be deposited in this account, but the portion belonging to the lawyer or law firm may be withdrawn when due unless the right of the lawyer or law firm to receive it is disputed by the client, in which event the disputed portion must not be withdrawn until the dispute is finally resolved ...

⁶ 45.2(2) Accounting and returning funds or property. Except as stated in this chapter or otherwise permitted by law or by agreement with the client, a lawyer must promptly deliver to the client or third person any funds or other property that the client or third person is entitled to receive and must promptly render a full accounting regarding such property.

In accordance with Iowa Court Rule 35.12, you are notified that Respondent has 30 days from the date of completed service of this reprimand to file an exception hereto with the Grievance Commission clerk. Under Court Rule 35.12(1), failure to file such an exception "constitutes a waiver of any further proceedings and a consent that the reprimand be made final and public."

FOR THE IOWA SUPREME COURT
ATTORNEY DISCIPLINARY BOARD



Tara M. van Brederode
Director of Attorney Discipline

TMvB/tmvp

⁷ **45.2(3) Maintaining records.** a. A lawyer who practices in this jurisdiction must maintain current financial records as provided in these rules and required by Iowa Rule of Professional Conduct 32:1.15 and must retain the following records for a period of six years after termination of the representation:

(1) Receipt and disbursement journals containing a record of deposits to and withdrawals from client trust accounts, specifically identifying the date, source, and description of each item deposited, as well as the date, payee, and purpose of each disbursement.

(2) Ledger records for all client trust accounts showing, for each separate trust client or beneficiary, the source of all funds deposited, the names of all persons for whom the funds are or were held, the amount of such funds, the descriptions and amounts of charges or withdrawals, and the names of all persons or entities to whom such funds were disbursed.

(7) The physical or electronic equivalent of all checkbook registers, bank statements, records of deposit, prenumbered canceled checks, and substitute checks provided by a financial institution.

(8) Records of all electronic transfers from client trust accounts, including the name of the person authorizing the transfer, the date of the transfer, the name of the recipient, and the trust account name or number from which money was withdrawn.

(9) Copies of monthly lists of individual client ledger balances and monthly triple reconciliations of bank statement balance to check register balance to sum of individual client ledger balances of the client trust accounts maintained by the lawyer.

⁸ **45.7 Advance fee; expense payments.**

(3) *Deposit and withdrawal.* A lawyer must deposit advance fee and expense payments from a client into the trust account and may withdraw such payments only as the fee is earned or the expense is incurred.

(4) *Notification upon withdrawal of fee or expense.* A lawyer accepting advance fee or expense payments must notify the client in writing of the time, amount, and purpose of any withdrawal of the fee or expense, together with a complete accounting. The attorney must transmit such notice no later than the date of the withdrawal.