

VIRGINIA:

BEFORE THE VIRGINIA STATE BAR DISCIPLINARY BOARD

IN THE MATTER OF
RICHARD WOLFE ARNOLD, JR.

VSB DOCKET NO. 07-000-1134

AGREED ORDER

This matter came on June 23, 2009, to be heard on the Agreed Disposition of the Virginia State Bar and the Respondent, based upon the Notice of CRESPA Violations and Request for CRESPA hearing of the Virginia Consumer Real Estate Settlement Protection Act ("CRESPA") and Virginia State Bar Regulations promulgated thereunder. The Agreed Disposition was considered by a duly convened panel of the Virginia State Bar Disciplinary Board consisting of Jody D. Katz, Lay Member, Robert E. Eicher, Peter A. Dingman, J. Casey Forrester, and Thomas R. Scott, Jr., Acting Chair presiding.

Alfred L. Carr, Assistant Bar Counsel, representing the Virginia State Bar, and the Respondent, Richard Wolfe Arnold, Jr., *pro se*, presented an endorsed Agreed Disposition dated June 15, 2009, reflecting the terms of the Agreed Disposition. The court reporter for the proceeding was Terry S. Griffith, Chandler and Halasz, P.O. Box 9349, Richmond, Virginia, 23227, telephone (804) 730-1222.

Having considered the Agreed Disposition, it is the decision of the Board that the Agreed Disposition be accepted, and the Virginia State Bar Disciplinary Board finds by clear and convincing evidence as follows:

1. At all times relevant hereto, the Respondent, Richard Wolfe Arnold, Jr., has been an attorney licensed to practice law in the Commonwealth of Virginia and a duly registered settlement attorney under the CRESPA.

2. In July of 2004, the Respondent opened a business savings account for the sole purpose of receiving wire transfers of clients' funds for residential real estate settlements.

3. The business savings account was an interest bearing account without any means or method to allocate interest earned to each client. The Respondent did not distribute the interest to the clients.

4. The business savings account did not conform to the Regulations under CRESPA.

The Board finds by clear and convincing evidence that Respondent's aforesaid conduct constitutes violations of the following Virginia Code Sections and Regulations issued by the Virginia State Bar pursuant to CRESPA.

Title 6.1 Banking and Finance, Chapter 1.3 Consumer Real Estate Settlement Protection Act, Section 6.1-2.23.C

A settlement agent may not retain any interest received on funds deposited in connection with any escrow, settlement, or closing; provided, however, that an attorney settlement agent shall maintain escrow accounts in accordance with applicable rules of the Virginia State Bar and the Supreme Court of Virginia.

**15 VAC 5-80-50.B Attorney Settlement Agent Compliance
Separate Fiduciary Trust Account**

Each attorney settlement agent shall maintain one or more separate and distinct fiduciary trust account(s) used only for the purpose of handling funds received in connection with escrow, closing or settlement services. Funds received in connection with real estate transactions not covered by CRESPA may also be deposited in and disbursed from such account(s). All funds received by an attorney settlement agent in connection with escrow, closing or settlement services shall be deposited in and disbursed from the separate fiduciary account(s) in conformity with both the Bar's disciplinary rules and CRESPA. These separate fiduciary trust accounts shall be maintained in the same manner and subject to the same rules as those promulgated by the Bar for other lawyer trust accounts, as well as in conformity with CRESPA. One separate fiduciary trust account may be maintained and used by all attorney settlement agents practicing in the same firm or legal entity.

Upon consideration whereof, it is **ORDERED** that:

1. The Respondent shall by check made payable to the order of the "Virginia State Bar" pay a penalty for the violations of CRESPA and the Regulations promulgated thereunder in the sum of Five-Hundred Dollars (\$500.00), due in full on or before June 30, 2009.

2. The payment shall be mailed or delivered on or before the due date to Alfred L. Carr, Assistant Bar Counsel, 707 East Main Street, Suite 1500, Richmond, Virginia 23219-2800.

3. If the Respondent does not pay the penalty as required herein, the Respondent shall be administratively suspended, automatically, until such time as the penalty is paid in full, without the requirement of additional proceedings before the Disciplinary Board; and it is further

ORDERED that pursuant to Virginia State Bar Regulation 15 VAC 5-80-50.D.6 Attorney Settlement Agent Compliance and Part Six, Section IV, Paragraph 13-9 E.6 of the Rules of the Virginia Supreme Court, the Clerk of Disciplinary System shall assess costs against the Respondent; and it is further

ORDERED that an attested copy of this Order shall be mailed by Certified Mail, Return Receipt Requested, to Richard Wolfe Arnold, Jr., Respondent, at Suite 1 & 2, 115 West Main Street, P.O. Box 1456, Louisa, VA 23093, the Respondent's last address of record with the Virginia State Bar, and hand-delivered to Alfred L. Carr, Assistant Bar Counsel, 707 E. Main Street, Suite 1500, Richmond, VA 23219.

ENTERED this 25th day of June, 2009.



Thomas R. Scott, Jr., Acting Chair
Virginia State Bar Disciplinary Board