

VIRGINIA:

BEFORE THE THIRD DISTRICT COMMITTEE  
OF THE VIRGINIA STATE BAR

IN THE MATTER OF  
SARA ELIZABETH CHASE

SEP 9 2013

VSB Docket No. 13-032-095922

DISTRICT COMMITTEE DETERMINATION  
(PUBLIC REPRIMAND WITHOUT TERMS)

On May 24, 2012, a subcommittee of the Third District Committee, Section II issued a Private Reprimand with Terms upon the Respondent Sara Elizabeth Chase (Respondent) in VSB Docket Nos. 12-032-088947 and 12-032-089307. Respondent, however, failed to comply with the Terms. In September 2013, Respondent, represented by counsel Charlotte Hodges, Esq., endorsed a Consent Order acknowledging that Respondent had failed to comply with the Terms and that the Third District Committee, Section II would issue the alternate sanction, a Public Reprimand. On September 5, 2013, the Third District Committee, Section II, by its Chair, entered the Consent Order endorsed by the Bar, Respondent, and Respondent's counsel acknowledging that Respondent failed to comply with the Terms of the May 24, 2012 Private Reprimand and ordering that the Third District Committee, Section II would therefore issue the alternate sanction of a Public Reprimand.

Accordingly, pursuant to Part 6, Section IV, Paragraphs 13-15.F. and 13-16.Z of the Rules of the Virginia Supreme Court, the Third District Committee, Section II of the Virginia State Bar hereby serves upon the Respondent the following Alternate Sanction of Public Reprimand without Terms, to which imposition Respondent and Respondent's counsel have agreed:

A. VSB Docket No. 12-032-088947 Complainant: Wanda Denise Ridley-Farrar

I. FINDINGS OF FACT

1. At all times referenced herein, Respondent Sara Elizabeth Chase (Respondent) has been an attorney licensed to practice law in the Commonwealth of Virginia.
2. In November 2010, Respondent opened her law practice and established trust and operating accounts.

3. From November 2010 through February 2012, Respondent did not deposit what she described as "flat" fees received from clients into her trust account, even where all or a portion of the fee was then unearned. Respondent deposited the "flat" fees into her operating account.
4. Respondent only deposited fees billed on an hourly basis into her trust account. As of March 2012, Respondent had only deposited fees for three clients into her trust account.
5. While Respondent maintained that the "flat" fees she deposited into her operating account were earned as of the date of deposit, an audit performed by the bar's investigator revealed that several of the "flat" fees deposited in Respondent's operating account were unearned as of the date of the deposits. Specifically, in the course of the investigation of this complaint, the bar asked Respondent to provide the data and documentation from November 2010 to March 7, 2012, which supported Respondent's contention that all fees deposited in her operating account were earned when deposited. In response, Respondent produced a copy of her calendar from January 14, 2011, through March 1, 2012; a register of her operating account from November 1, 2010 through March 17, 2012; her standard fee agreement; and a one-page register of her trust account, which reflected only three deposits. An audit of the information provided reflects that in at least twenty-one cases, Respondent had not earned the fees at the time she deposited them in her operating account.
6. From November 2010 to August 2011, Respondent maintained her cash receipt and disbursement journals for her operating account in her checkbook. Respondent did not maintain client subsidiary ledgers. Respondent did not provide any evidence of any reconciliations.
7. In August 2011, Respondent hired an accountant as her bookkeeper.
8. As of March 2012, Respondent's bookkeeper has automated her operating account records including her cash receipt, disbursement, and client subsidiary ledgers on QuickBooks, and he has prepared a check register for her trust account.

## **II. NATURE OF MISCONDUCT**

Such conduct by Sara Elizabeth Chase constitutes misconduct in violation of the following provisions of the Rules of Professional Conduct:

### **RULE 1.15 Safekeeping Property**

- (a) Depositing Funds.

(1) All funds received or held by a lawyer or law firm on behalf of a client or a third party, or held by a lawyer as a fiduciary, other than reimbursement of advances for costs and expenses shall be deposited in one or more identifiable trust accounts or placed in a safe deposit box or other place of safekeeping as soon as practicable.

(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.

(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.

**B. YSB Docket No. 12-032-089307 Complainants: Kenneth and Ana Hamlett**

**I. FINDINGS OF FACT**

1. At all times referenced herein, Respondent Sara Elizabeth Chase (Respondent) has been an attorney licensed to practice law in the Commonwealth of Virginia.
2. On February 8, 2011, Respondent agreed to represent Complainants Kenneth and Ana Hamlett (the Hamletts) in a construction litigation case pending in the Circuit Court for the County of Chesterfield. Respondent and the Hamletts agreed to a \$10,000 "flat" fee.
3. On February 8, 2011, the Hamletts paid Respondent the sum of \$2,500.00.
4. Respondent did not deposit the \$2,500.00 from the Hamletts into her trust account. Instead, on February 9, 2011, Respondent deposited the \$2,500.00 into her operating account. As of that date, Respondent had done no work on the case, other than her initial meeting and preparing and filing a substitution of counsel.
5. In June 2011, the Hamletts tendered a 2004 Odyssey van to Respondent as further payment of her fee. The parties agree that the blue book value of the van was \$6,500.00.
6. Respondent did not deposit the agreed value of the car, \$6,500.00, into her trust account.
7. On August 4, 2011, Respondent represented the Hamletts in their bench trial in the Circuit Court of the County of Chesterfield. Judgment was entered against the Hamletts.
8. By e-mail dated August 31, 2011, the Hamletts fired Respondent. In their August 31, 2011, e-mail to Respondent, the Hamletts requested a complete accounting.
9. Despite their request, Respondent did not provide the Hamletts with an accounting of their fee. Rather, by letter dated September 1, 2011, Respondent advised the Hamletts, "As to an accounting of my fee, the fee agreement we entered was a flat fee, (not hourly) and I did prepare for your case, present your case, and while the outcome was not what you wanted, I never made any guarantee as to the outcome, and the fee agreement states that." Respondent subsequently advised the bar, in her response to the Hamletts' bar complaint that the Hamletts "chose to pay the \$10000 flat fee for the case, rather than an hourly accounting."

10. By motion dated August 31, 2011, Respondent moved to withdraw as the Hamletts' counsel. On September 1, 2011, the Circuit Court of Chesterfield County granted Respondent leave to withdraw as the Hamletts' counsel.

## II. NATURE OF MISCONDUCT

Such conduct by Sara Elizabeth Chase constitutes misconduct in violation of the following provisions of the Rules of Professional Conduct:

### RULE 1.15 Safekeeping Property

#### (a) Depositing Funds.

(1) All funds received or held by a lawyer or law firm on behalf of a client or a third party, or held by a lawyer as a fiduciary, other than reimbursement of advances for costs and expenses shall be deposited in one or more identifiable trust accounts or placed in a safe deposit box or other place of safekeeping as soon as practicable.

#### (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;

## III. PUBLIC REPRIMAND WITHOUT TERMS

Accordingly, it is the decision of the district committee, with which Respondent and her counsel agree, to impose a Public Reprimand Without Terms, and the Respondent is hereby so reprimanded.

Pursuant to Paragraph 13-9.E of the Rules of Court, the Clerk of the Disciplinary System shall assess costs.

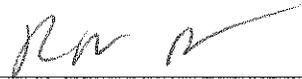
### THIRD DISTRICT COMMITTEE OF THE VIRGINIA STATE BAR

By

  
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Devika E. Davis, Esq.  
Chair

CERTIFICATE OF SERVICE

I certify that on September 9, 2013 a true copy of the District Committee Determination (Public Reprimand) was sent by certified mail to Sara Elizabeth Chase, Respondent, at Law Office of Sara E. Chase, Attorney at Law, PC, Suite A, 4100 East Parham Road, Henrico, VA 23228, Respondent's last address of record with the Virginia State Bar, and to Charlotte Hodges, Esq., Respondent's counsel, at B.I.G. Legal Services, PLLC, P.O. Box 4302, Midlothian, Virginia 23112.



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Renu M. Brennan, Assistant Bar Counsel