

VIRGINIA:

BEFORE THE VIRGINIA STATE BAR DISCIPLINARY BOARD

IN THE MATTER OF  
KHALIL WALI LATIF

DOCKET NO. 05-000-2308

**ORDER OF SUSPENSION**

THIS MATTER came before the Virginia State Bar Disciplinary Board on a Motion to Show Cause why the alternative sanction of licensure suspension of two years should not be entered for failure of Khalil Wali Latif to comply with the terms of the Agreed Disposition Order entered May 23, 2003. This matter was heard on January 28, 2005, by a duly convened panel of the Disciplinary Board consisting of Karen A. Gould, Chair, H. Taylor Williams, IV, Glenn M. Hodge, Nancy Dickenson and Dr. Theodore Smith, Lay Member.

The Respondent, Khalil Wali Latif and his counsel, Andrew W. Wood, appeared and participated in the hearing. Barbara Williams, Bar Counsel, appeared as counsel for the Virginia State Bar (hereafter "VSB"). The proceedings were transcribed by Ms. Victoria V. Halasz, a Registered Professional Reporter of Chandler & Halasz, P.O. Box 9349, Richmond, Virginia, 23227, (804)730-1222.

All required notices were properly sent by the Clerk of the Disciplinary System.

The Chair polled the panel members to determine whether any member had a personal or financial interest in this matter that might affect or reasonably be perceived to affect his or her ability to be impartial in this proceeding. Each member, including the Chair, responded in the negative.

VSB Exhibits 1 through 18, although never offered by either party, were used extensively without objection throughout the hearing and shall be deemed to have been admitted without objection.

### **I. The Terms of the Agreed Disposition Order**

In response to charges that were brought against him in eight different matters, Mr. Latif agreed in May 2003 to a four-month suspension of his license to practice law and terms that he had to follow. These matters involved embezzlement of monies from Mr. Latif's practice by his secretary, Latrice Maddox, as well as other issues. Along with other disciplinary charges levied against Mr. Latif in those matters were allegations that he had failed to properly maintain his trust account records in that there were no client subsidiary ledgers and that he did not reconcile his trust account records. Mr. Latif agreed that these charges were true in the Agreed Disposition.

As part of the Agreed Disposition Order, entered by the Disciplinary Board on May 23, 2003, Mr. Latif agreed to the following terms:

1. Mr. Latif shall obtain an agreement in writing from an attorney acceptable to Bar Counsel whereby that attorney shall agree to serve as a practice mentor for Mr. Latif for a period of two-years. The practice mentor shall assist Mr. Latif in organizing his law practice and managing it in accordance with the Rules of Professional Conduct, and regularly consult with Mr. Latif about any problems that may arise in his law practice, including supervision of non-lawyer personnel, communications with clients and case management.

2. Mr. Latif shall employ a part-time bookkeeper approved by his practice mentor, certify in writing to Bar Counsel that he has done so before the end of his four month suspension and provide Bar Counsel the part-time bookkeeper's name and home address. If the part-time bookkeeper should leave Mr. Latif's employ before the end of Mr. Latif's two year consultation with his practice mentor, Mr. Latif shall promptly inform the bar in writing when and why the bookkeeper left his employ, employ another part-time bookkeeper approved by his practice mentor, certify in writing to the bar that he has complied with this term within thirty days of the date the original bookkeeper left his employ and provide Bar Counsel the new bookkeeper's name and home address.

3. Mr. Latif shall retain, before his four month suspension ends, a certified public accountant approved by his practice mentor to review his trust and operating account records no less than every three months to ensure that Mr. Latif's handling of client funds complies with the Rules of Professional Conduct; Mr. Latif shall certify in writing to Bar Counsel that he has retained a certified public accountant and provide Bar Counsel the accountant's name and address.

4. If the certified public accountant ends his engagement with Mr. Latif before the end of Mr. Latif's two year consultation with his practice mentor, Mr. Latif shall promptly inform the bar in writing when and why the engagement ended, retain another certified public accountant approved by his practice mentor, certify in writing to the bar that he has retained another accountant within thirty days of termination of the original accountant's services and provide Bar Counsel the name and address of the new accountant.

5. It shall be Mr. Latif's responsibility to provide the bookkeeper and certified public accountant all the financial information they need, including original trust account records and supporting documentation, including, but not limited to, original receipts, checks, ledgers and bank statements. Mr. Latif's failure to provide complete financial information will constitute a breach of the terms of the agreed disposition.

6. Mr. Latif shall not accept any new clients or client matters of any nature between May 21, 2003, and September 1, 2003, when the four month suspension takes effect.

Mr. Latif further agreed that, if he did not comply with any one or more of the agreed terms and conditions, then the alternate sanction of a two-year suspension would be imposed.

## **II. The Evidence Relative to Mr. Latif's Compliance with the Order**

Pursuant to Part Six, § IV, Paragraph 13.I.2.g. of the Rules of the Supreme Court, the burden was placed on Mr. Latif to show that he had complied with the terms of the May 23, 2003 Order. The evidence presented at the hearing proved that Mr. Latif had failed to comply with certain terms of the May 23, 2003 Order.<sup>1</sup>

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<sup>1</sup> One of the terms of the May 23, 2003 Order at issue was whether Mr. Latif had worked with his practice mentor to assist him in organizing his law practice and managing it in accordance with the Rules of Professional Conduct and to regularly consult with the practice mentor for a period of two years. Because the Board granted the bar's motion to strike the evidence of the Respondent, the practice mentor, Joe Teefey, did not testify. Therefore, whether Mr. Latif complied with that term was not an issue on which the Board based its decision. Hence, a discussion of the facts as revealed by Mr. Latif during his testimony on this issue will not be discussed.

One of the terms of the May 23, 2003 Order was that Mr. Latif was to employ a part-time bookkeeper approved by his practice mentor. After his four-month suspension, Mr. Latif started practicing again in January 2004. The evidence showed that Mr. Latif talked in November and December 2003 with Angela Morton, a bookkeeper, about reconciling his bank statements and subsidiary ledgers one time per month. Mr. Latif testified that he hired Ms. Morton to perform the bookkeeping services in March 2004. Ms. Morton testified that she got some information from Mr. Latif in February 2004 and April 2004. She was delayed in working on Mr. Latif's books until May 2004 because of tax season. She then requested additional information in May 2004 that she needed to reconcile the bank statements. She had several discussions with Mr. and Mrs. Latif regarding what information was needed. Mrs. Latif was serving as Mr. Latif's office manager at this time. It was her perception that Mr. and Mrs. Latif failed to understand what was needed to reconcile the bank accounts. She never received the trust account's client subsidiary ledgers or disbursement journal from Mr. Latif. She was unable to complete a reconciliation of the bank statements. VSB Exhibit 12. Due to a conflict between the Latif's and Ms. Morton, Ms. Morton was terminated from the bookkeeping position in June 2004. VSB Exhibit 14. Mr. Latif did not notify the bar that he had terminated the services of Ms. Morton, as required by the terms of the Agreed Disposition Order.

Mr. Latif testified that he hired Ralph Puccinelli, a CPA, and his son, Matt, an accountant, to perform the bookkeeping function in lieu of Ms. Morton.<sup>2</sup> Ralph and Matt

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<sup>2</sup> Ralph and Matt Puccinelli are both employees of Financial Accounting Services, Ltd./Farmville t/a R.A. Wilmoth, Inc. Matt Puccinelli works in Farmville as an accountant helping businesses with bookkeeping issues. Ralph Puccinelli works in a different office than Matt as a CPA. He oversees Matt Puccinelli's work.

Puccinelli testified, however, that they were not performing the bookkeeping function on a monthly or quarterly basis throughout 2004 for Mr. Latif. Matt Puccinelli testified that Mr. Latif provided him with some accounting records in October and November 2004, but that the client subsidiary ledgers were not provided until January 2005. As of the time of the hearing, January 28, 2005, the Puccinelli's had only completed a review of the first quarter of 2004. Ralph Puccinelli, CPA, testified that there was no evidence of any impropriety in Mr. Latif's handling of the trust account during that first quarter.

Mr. Latif further testified that he put into place the Safeguard system of bookkeeping in his office in order to have the necessary accounting records. Mr. Maher, manager of the Safeguard office in Richmond, testified that Mr. Latif did purchase the complete Safeguard system in early December 2004, but that it apparently had not been implemented until after Mr. Latif came to Mr. Maher's office for instruction in how to use the system on December 23, 2004.

Based upon the evidence presented at the hearing, the Disciplinary Board finds that Mr. Latif failed to comply with the term of the Agreed Disposition Order requiring him to employ a part-time bookkeeper, to hire a CPA to review his trust and operating account records no less than every three months, and to provide the bookkeeper and CPA all information they needed, including original trust account records and supporting documentation. The May 23, 2003 Order required that these terms be implemented once Mr. Latif resumed practice. While the evidence showed that Mr. Latif did make some effort to comply with the terms of the Order, those efforts were inadequate and, for the most part, untimely. One of the primary concerns manifested by the May 23, 2003 Order was that Mr. Latif put into place appropriate bookkeeping measures in order to prevent

the kind of defalcation that had occurred in his office with the embezzlement of money by Ms. Maddox. While there was no evidence of any impropriety in that regard by Mr. Latif or any member of his staff at the hearing,<sup>3</sup> the evidence was clear that Mr. Latif had failed to comply not only with the strict terms of the Order, but that he had not come close to complying with its intent.

Accordingly, pursuant to the terms of the Agreed Disposition Order entered on May 23, 2003, it is ORDERED that the license of the Respondent, Khalil Wali Latif, to practice law in the Commonwealth of Virginia, be, and the same hereby is, suspended, effective January 28, 2005, for a period of two (2) years.

It is further ORDERED that, as directed in the Board's January 28, 2005, Summary Order in this matter, Respondent must comply with the requirements of Part Six, § IV, Paragraph 13.M. of the Rules of the Supreme Court of Virginia. The Respondent shall forthwith give notice by certified mail, return receipt requested, of the suspension of his license to practice law in the Commonwealth of Virginia, to all clients for whom he is currently handling matters and to all opposing attorneys and presiding judges in pending litigation. The Respondent shall also make appropriate arrangements for the disposition of matters then in his care in conformity with the wishes of his client. Respondent shall give such notice within 14 days of the effective date of the suspension, and make such arrangements for the disposition of matters.

It is further ORDERED that if the Respondent is not handling any client matters on the effective date of suspension, he shall submit an affidavit to that effect to the Clerk of the Disciplinary System at the Virginia State Bar. All issues concerning the adequacy

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<sup>3</sup> Bar Counsel had requested copies of Mr. Latif's trust account records for 2004, and some of those records were not forthcoming until they were produced at the hearing. Therefore, it would not have been possible for the bar to evaluate the trust account records and raise any such allegations at the hearing.

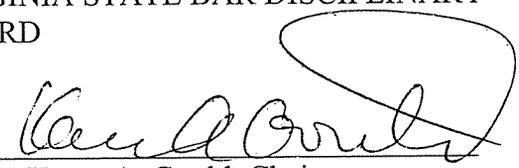
of the notice and arrangements required by Paragraph 13.M. shall be determined by the Virginia State Bar Disciplinary Board, unless the respondent makes a timely request for hearing before a three-judge court.

It is further ORDERED that pursuant to Part Six, § IV, Paragraph 13.B.8.c. of the Rules of the Supreme Court of Virginia, the Clerk of the Disciplinary System shall assess all costs against the Respondent.

It is further ORDERED that the Clerk of the Disciplinary System shall mail an attested copy of this order to respondent at his address of record with the Virginia State Bar, being 110 North Main Street, P.O. Box 593, Farmville, Virginia 23901, by certified mail, return receipt requested, and by regular mail to Andrew W. Wood, Respondent's Counsel, P.O. Box 8265, Richmond, Virginia 23226, and to Barbara Williams, Assistant Bar Counsel, Virginia State Bar, 707 East Main Street, Suite 1500, Richmond, Virginia 23219.

ENTERED this 28th day of February, 2005.

VIRGINIA STATE BAR DISCIPLINARY  
BOARD

BY:   
Karen A. Gould, Chair