

VIRGINIA:

**BEFORE THE SIXTH DISTRICT SUBCOMMITTEE  
OF THE VIRGINIA STATE BAR**

**IN THE MATTER OF  
H. GLENN GOODPASTURE**

**VS B Docket No. 17-060-108217**

**SUBCOMMITTEE DETERMINATION  
(Public Admonition Without Terms)**

On 3 April 2017, a duly convened subcommittee of the Sixth District Committee, consisting of Lisa Ashworth Seward, Chair, James H. Hudson, III, Member, and James G. Bruce, III, Lay Member met to consider an agreed disposition of the above referenced matter.

During the meeting, the Subcommittee voted to approve an Agreed Disposition for a Public Admonition without Terms pursuant to Part 6, § IV, ¶ 13-15.B.4 of the Rules of the Supreme Court of Virginia. The Agreed Disposition was entered into by the Virginia State Bar, by Prescott L. Prince, Assistant Bar Counsel, and H. Glenn Goodpasture, *pro se*.

WHEREFORE, the Sixth District Subcommittee of the Virginia State Bar hereby serves upon Respondent the following Public Admonition without Terms:

**I. FINDINGS OF FACT**

1. At all times relevant to the conduct set forth herein, H. Glenn Goodpasture was an attorney licensed to practice law in the Commonwealth of Virginia.
2. On 24 January 2017, the Virginia State Bar was notified by PNC Bank that a check drawn on a Trust Account of the law firm Goodpasture, Purvis & Frackelton had been

dishonored due to insufficient funds. Respondent learned of the overdraft on or about the same date and self-reported the overdraft to the Virginia State Bar.

3. The amount of the check was \$823,559.97 with the amount of the overdraft being \$140,702.84.

4. Upon receiving a report of the overdraft, the Virginia State Bar opened an investigation into the matter. Respondent was contacted and he cooperated fully in the investigation.

5. The check in question was issued on 2 August 2016 in connection with the sale of real estate in Fairfax County, VA. The owners were in litigation with each other and the agreed solution was to deposit the proceeds into the Circuit Court. The Court held the check until the litigation was resolved, which occurred in January 2017. The overdraft occurred at that time.

6. Immediately upon learning of the overdraft, Respondent contacted PNC Bank to determine the cause of the overdraft and discovered that it was the result of employee theft. Respondent discovered that an employee (J\*\*\*\*\* C\*\*\*\*\*) was diverting funds from the trust account with such diversion of funds continuing for a period of more than 13 months.

7. The employee who committed the theft was responsible for producing Respondent's real estate settlements and was an authorized user of the trust account. When Respondent learned of the employee's apparent culpability, he promptly fired her and notified the police of the theft. Respondent along with the other members of the firm cooperated with the police investigation. The now former employee was subsequently indicted on 13 counts of embezzlement totaling well over \$200,000.

8. When Respondent discovered the extent of the loss of funds from the trust account, he promptly used funds from his personal savings to cover the loss. As the extent of the theft was discovered, Respondent continued to make deposits and deposited a total of over \$227,000 of his personal funds into the account.

9. Respondent acknowledged that he was the primary user of the trust account from which the funds were stolen and that he was responsible for oversight of the trust account. Respondent stated that, until he discovered the theft, he had considered J\*\*\*\* C\*\*\*\* to be an honest and trustworthy employee and that he had delegated responsibility for the completion of the periodic accountings required under Virginia Rule of Professional Responsibility 1.15.

10. There is no evidence whatsoever to suggest that Respondent was in any way involved in theft of funds. Respondent is accountable, however, in that he failed to maintain any reasonable oversight over the trust account and he failed to ensure that required accountings were performed. His failure to provide such oversight contributed to the fact that the funds were diverted for over a year without discovery. Sufficient therefore evidence exists to support a finding of ethical misconduct.

11. It is noteworthy that, after discovery of the loss, Respondent took prompt and appropriate action to prevent additional harm to any clients of the Firm. He not only accepted responsibility, but also took prompt and responsible action to cooperate with the police investigation and VSB investigation and took appropriate action to close the loopholes that allowed the theft to continue unnoticed.

## II. NATURE OF MISCONDUCT

Such conduct by H. Glenn Goodpasture constitutes misconduct in violation of the following provisions of the Rules of Professional Conduct:

**RULE 1.15 Safekeeping Property**

\* \* \* \* \*

(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.

**Rule 5.3 Responsibilities Regarding Nonlawyer Assistants**

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

**III. PUBLIC ADMONITION WITHOUT TERMS**

Accordingly, it is the decision of the Sixth District Subcommittee to impose a Public Admonition Without Terms and H. Glenn Goodpasture is hereby so admonished.

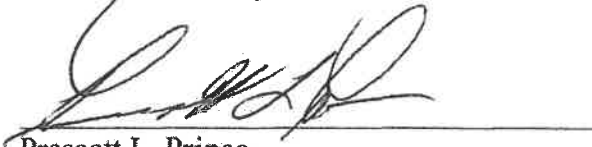
Pursuant to Part 6, § IV, ¶ 13-9.E of the Rules of the Supreme Court of Virginia,  
the Clerk of the Disciplinary System shall assess costs.

SIXTH DISTRICT SUBCOMMITTEE  
OF THE VIRGINIA STATE BAR

By: Lisa Ashworth Seward  
Lisa Ashworth Seward  
Subcommittee Chair

**CERTIFICATE OF MAILING**

I certify that on 18 April 2017, a true and complete copy of the Subcommittee Determination (Public Admonition Without Terms) was sent by certified mail to H. Glenn Goodpasture, Respondent, at 1 River Downs Dr, Fredericksburg, VA 22407, Respondent's last address of record with the Virginia State Bar.



Prescott L. Prince  
Assistant Bar Counsel