

Trust Accounting Quiz – With Prizes

March 2025

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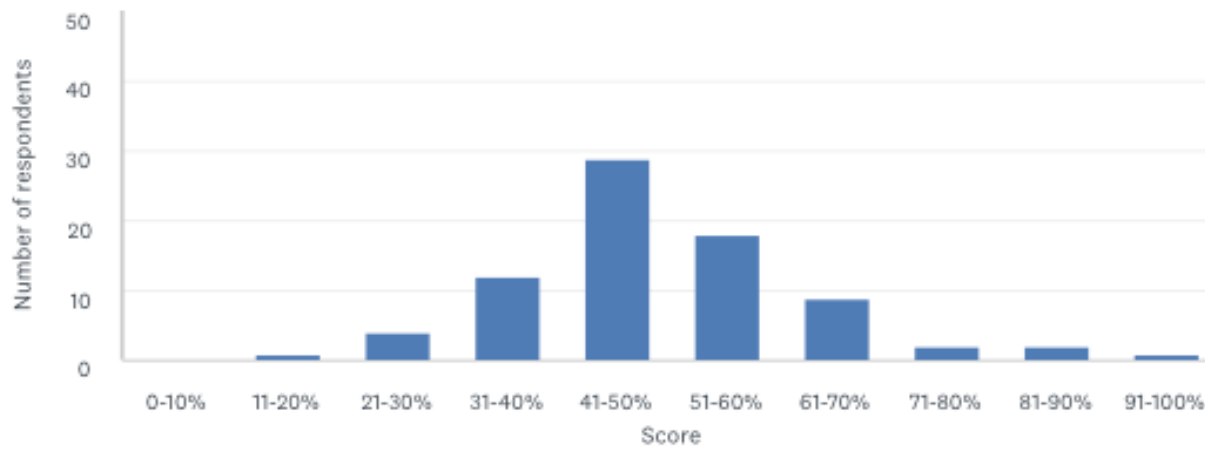
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AVERAGE SCORE
50% • 6.0/12 PTS



Question Ranking

QUESTIONS (12)	DIFFICULTY	AVERAGE SCORE
Q9 Lawyer fails to regularly reconcile Lawyer's trust account. Lawyer hires an accountant to reconcile the account, but the reconciliation process will take several months. Which of the following is MOST ACCURATE?	1	15%
Q6 After Lawyer deposits \$1200 for Client C into Lawyer's trust account, which is the BEST answer for how long Lawyer needs to wait before disbursing the \$1200 to Client C?	2	27%
Q5 Which of the following statements is MOST ACCURATE?	3	37%
Q7 After Lawyer deposits \$350 for a third party into Lawyer's trust account, which is the BEST answer for how long Lawyer needs to wait before disbursing the \$350 to the third party?	4	38%
Q12 Which of the following statements is MOST ACCURATE?	4	38%
Q10 Lawyer receives a \$100,000 check for Client D. The \$100,000 may need to be held for six months or more. Which is the BEST answer for what Lawyer should do with the \$100,000?	6	42%
Q13 Lawyer wants to receive credit card payments for advances on client matters. Which of the following is MOST ACCURATE?	7	45%
Q8 Lawyer fails to regularly reconcile Lawyer's trust account. Disciplinary Counsel audits the account and finds that, although Lawyer is supposed to be holding \$15,000 for Lawyer's clients and third parties, Lawyer's trust account only holds \$14,500. Which of the following is MOST ACCURATE?	8	53%
Q3 Lawyer's firm receives a check for \$250. Lawyer is not sure why Lawyer's firm received the check. Which of the following is the BEST choice for what Lawyer should do with the \$250?	9	65%
Q11 Lawyer receives a \$20,000 settlement for Client E. Lawyer has received a notice that Doctor is owed \$3,000 for medical care provided to Client E. Which of the following is the MOST APPROPRIATE in Missouri?	10	76%
Q2 Lawyer is holding \$500 in Lawyer's trust account for Client A. Lawyer cannot locate Client A. Which of the following is the BEST choice for what Lawyer should do with Client A's \$500?	11	83%
Q4 Lawyer agrees to represent Client B for a fixed fee of \$2500. Client B sends Lawyer \$625 of the fixed fee before Lawyer starts on the matter. Which of the following is the BEST choice for what Lawyer should do with the \$625?	12	86%

2. Lawyer is holding \$500 in Lawyer's trust account for Client A. Lawyer cannot locate Client A. Which of the following is the BEST choice for what Lawyer should do with Client A's \$500?

- A. Hold the money – forever if necessary – until Client A can be found.
- B. Treat the funds as earned because it is only \$500.
- C. Search for Client A until the \$500 would be considered unclaimed funds, then turn the \$500 over to the State if Client A is still missing.
- D. Send the \$500 back to its source.

C. Search for Client A until the \$500 would be considered unclaimed funds, then turn the \$500 over to the State if Client A is still missing.

CORRECT

Informal Opinion 2020-17

QUESTION: Attorney is holding in the trust account funds to distribute to Client, but Client cannot be located for distribution. What should Attorney do with Client's funds?

ANSWER: Attorney should continue to make reasonable efforts to locate Client so the funds can be distributed. If the efforts are unsuccessful after a reasonable period of time, Attorney should hold the funds in an IOLTA or non-IOLTA trust account per Rules 4-1.15 and 4-1.155 and follow the requirements of Missouri's Uniform Disposition of Unclaimed Property Act. Formal Opinion 118; Informal Opinion 20000129.

A. Hold the money – forever if necessary – until Client A can be found.

INCORRECT

B. Treat the funds as earned because it is only \$500.

INCORRECT

D. Send the \$500 back to its source.

INCORRECT

3. Lawyer's firm receives a check for \$250. Lawyer is not sure why Lawyer's firm received the check. Which of the following is the BEST choice for what Lawyer should do with the \$250?

- A. Hold the money – forever if necessary – until the reason the check was received is determined.
- B. Treat the funds as earned, because it is only \$250.
- C. Deposit the \$250 in the firm's trust account, because any unknown funds should be held in the lawyer's trust account.
- D. Send the \$250 back to the sender.

D. Send the \$250 back to the sender.

BEST ANSWER

Because the other answers are all bad.

A. Hold the money [in trust] – forever if necessary – until the reason the check was received is determined.

INCORRECT

B. Treat the funds as earned, because
it is only \$250.

INCORRECT

C. Deposit the \$250 in the firm's trust account, because any unknown funds should be held in the lawyer's trust account.

INCORRECT

4. Lawyer agrees to represent Client B for a fixed fee of \$2500. Client B sends Lawyer \$625 of the fixed fee before Lawyer starts on the matter. Which of the following is the BEST choice for what Lawyer should do with the \$625?

- A. Place the \$625 in Lawyer's operating account, because the \$625 is less than \$2000 and it is an advance on a fixed fee.
- B. Put the \$625 in Lawyer's trust account, because it is an advance on a fixed fee that exceeds \$2,000.
- C. Put the \$625 in Lawyer's desk until lawyer has done at least 25% of the work on Client B's matter, then deposit the \$625 in Lawyer's operating account as earned.
- D. Send the \$625 back to Client B and ask Client B to only send payment once Lawyer has completed the legal services for Client B.

B. Put the \$625 in Lawyer's trust account, because it is an advance on a fixed fee that exceeds \$2,000.

CORRECT.

Rule 4-1.15(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, except that an advanced flat fee which does not exceed \$2,000 is exempted from this requirement and may be deposited into another account.

A. Place the \$625 in Lawyer's operating account, because the \$625 is less than \$2000 and it is an advance on a fixed fee.

INCORRECT

The total flat fee is more than \$2000, so the Rule 4-1.15(c) exception for flat/fixed fees does not apply. *See* Informal Opinion 2018-15. The funds should therefore be deposited into the trust account.

C. Put the \$625 in Lawyer's desk until lawyer has done at least 25% of the work on Client B's matter, then deposit the \$625 in Lawyer's operating account as earned.

INCORRECT

D. Send the \$625 back to Client B and ask Client B to only send payment once Lawyer has completed the legal services for Client B

INCORRECT

5. Which of the following statements is MOST ACCURATE?

- A. Once fees have been earned, they may be disbursed from the lawyer's trust account to pay any business expenses of the lawyer's firm.
- B. A lawyer must keep careful records of – and regularly reconcile – all deposits to and disbursements from the lawyer's trust account. As long as the lawyer does this, Disciplinary Counsel should be satisfied with Lawyer's record-keeping.
- C. A criminal defense attorney may treat a client's payment for representation in a felony case as earned upon receipt, because the attorney is now committed to the matter and precluded from doing other work.
- D. Calling an advance payment of attorney fees "nonrefundable" is considered a violation of Rule 4-8.4(c) as conduct involving dishonesty, fraud, deceit, and/or misrepresentation.

D. Calling an advance payment of attorney fees "nonrefundable" is considered a violation of Rule 4-8.4(c) as conduct involving dishonesty, fraud, deceit, and/or misrepresentation.

CORRECT.

Formal Opinion 128

Formal Opinion 128

Two types of cases provide good examples of situations in which supposedly nonrefundable fees are involved. The first example is the domestic relations case where the client pays a flat fee or makes an advance deposit on fees against which the attorney will bill on an hourly basis. Sometimes the attorney will describe all or part of the flat fee or initial payment as a "nonrefundable" or "minimum" fee. The second example is the criminal case in which the attorney charges a flat fee and describes the entire fee as nonrefundable.

[In these situations, and others, the description of the fee as "nonrefundable" is misleading.](#) Rule 4-1.16(d) requires any fee that has not been earned to be refunded at the end of the representation:

- Upon termination of representation, a lawyer shall take steps to the extent reasonably practicable: to protect a client's interests, such as giving reasonable notice to the client, allowing time for employment of other counsel, surrendering papers and property to which the client is entitled and **refunding any advance payment of fee or expense that has not been earned or incurred**. The lawyer may retain papers relating to the client to the extent permitted by other law.

A. Once fees have been earned, they may be disbursed from the lawyer's trust account to pay any business expenses of the lawyer's firm.

INCORRECT

Informal Opinion 2020-14

QUESTION: Once Attorney has earned a fee or paid an expense such that funds in the trust account belong to Attorney, may Attorney pay personal or firm expenses directly from the trust account?

ANSWER: No. A trust account is not to be used to pay a lawyer's personal or business expenses. *See In re Coleman*, 295 S.W.3d 857, 866 (Mo. banc 2009); . . . Once funds are "good funds" per Rule 4-1.15(a)(6) and Comment [5], any funds belonging to Attorney should be transferred reasonably promptly from the trust account to Attorney's personal or business account. Rule 4-1.15(a) and (c) and Comment [6]. Only then may Attorney use the funds for personal or business expenses. *In re Coleman*, 295 S.W.3d at 866.

B. A lawyer must keep careful records of – and regularly reconcile – all deposits to and disbursements from the lawyer's trust account. As long as the lawyer does this, Disciplinary Counsel should be satisfied with Lawyer's record-keeping.

INCORRECT

Required Trust Account Documentation (Missouri)

- (1) Receipt and disbursement journals
- (2) Client-specific ledgers
- (3) Fee agreements and similar documents
- (4) Accounting statements showing disbursements made
- (5) Bills and expenses sent to clients
- (6) Disbursement records
- (7) Check-book registers and bank statements or the equivalents
- (8) Electronic transfer records
- (9) Account reconciliations
- (10) Credit-card transaction information

C. A criminal defense attorney may treat a client's payment for representation in a felony case as earned upon receipt, because the attorney is now committed to the matter and precluded from doing other work.

INCORRECT

See Formal Opinion 128 *supra*.

6. After Lawyer deposits \$1200 for Client C into Lawyer's trust account, which is the BEST answer for how long Lawyer needs to wait before disbursing the \$1200 to Client C?

- A. Lawyer must promptly disburse the \$1200 to Client C
- B. Lawyer should hold the \$1200 until Client C requests the funds.
- C. Lawyer only needs to disburse to Client C any funds that remain after Lawyer deducts all amounts that Client C owes to Lawyer.
- D. Lawyer must wait a reasonable time – generally 10 days – and then disburse the \$1200.
- E. Lawyer must wait until the funds are available and then disburse the \$1200.

D. Lawyer must wait a reasonable time – generally 10 days – and then disburse the \$1200.

CORRECT.

Rule 4-1.15(a)(6) No disbursement shall be made based upon a deposit:

- (A) if the lawyer has reasonable cause to believe the funds have not actually been collected by the financial institution in which the trust account is held; and
- (B) until a **reasonable period of time** has passed for the funds to be **actually collected** by the financial institution in which the trust account is held.

Rule 4-1.15 cmt [5]

It is not sufficient to wait only until the deposit is "cleared" or "available" according to financial institution records. In either of those situations, the transaction may be reversed by the financial institution if a problem arises. The amount of time that is reasonable to wait may vary from one financial institution to another, depending on the financial institution's processing method. **Waiting 10 days after the date the bank records the deposit is presumed to be a reasonable period, unless a lawyer has actual notice of a reason to wait longer on a specific deposit. A shorter period may be reasonable, in some circumstances.**

A. Lawyer must promptly disburse the
\$1200 to Client C

INCORRECT

B. Lawyer should hold the \$1200 until
Client C requests the funds.

INCORRECT

C. Lawyer only needs to disburse to Client C any funds that remain after Lawyer deducts all amounts that Client C owes to Lawyer.

INCORRECT

E. Lawyer must wait until the funds are available and then disburse the \$1200.

INCORRECT

It is not sufficient to wait only until the deposit is "cleared" or "available" according to financial institution records. . . .The amount of time that is reasonable to wait may vary from one financial institution to another, depending on the financial institution's processing method. [Waiting 10 days after the date the bank records the deposit is presumed to be a reasonable period](#), unless a lawyer has actual notice of a reason to wait longer on a specific deposit. A shorter period may be reasonable, in some circumstances.

7. After Lawyer deposits \$350 for a third party into Lawyer's trust account, which is the BEST answer for how long Lawyer needs to wait before disbursing the \$350 to the third party?

- A. Lawyer may promptly disburse the \$350 because it is less than \$2000.
- B. Lawyer may promptly disburse the \$350 as long as the source of the funds is reliable.
- C. Lawyer must promptly disburse the funds because they are third-party funds.
- D. Lawyer may disburse the \$350 as soon as Lawyer's bank says the \$350 is available.
- E. Lawyer should wait a reasonable time – generally 10 days – and then disburse the \$350 to the third party.

E. Lawyer should wait a reasonable time – generally 10 days – and then disburse the \$350 to the third party.

CORRECT.

Rule 4-1.15(a)(6) No disbursement shall be made based upon a deposit:

- (A) if the lawyer has reasonable cause to believe the funds have not actually been collected by the financial institution in which the trust account is held; and
- (B) until a **reasonable period of time** has passed for the funds to be **actually collected** by the financial institution in which the trust account is held.

A. Lawyer may promptly disburse the \$350 because it is less than \$2000.

INCORRECT

B. Lawyer may promptly disburse the \$350
as long as the source of the funds is
reliable.

INCORRECT

C. Lawyer must promptly disburse the funds because they are third-party funds.

INCORRECT

D. Lawyer may disburse the \$350 as soon as Lawyer's bank says the \$350 is available.

INCORRECT

It is not sufficient to wait only until the deposit is "cleared" or "available" according to financial institution records. . . .The amount of time that is reasonable to wait may vary from one financial institution to another, depending on the financial institution's processing method. [Waiting 10 days after the date the bank records the deposit is presumed to be a reasonable period](#), unless a lawyer has actual notice of a reason to wait longer on a specific deposit. A shorter period may be reasonable, in some circumstances.

8. Lawyer fails to regularly reconcile Lawyer's trust account. Disciplinary Counsel audits the account and finds that, although Lawyer is supposed to be holding \$15,000 for Lawyer's clients and third parties, Lawyer's trust account only holds \$14,500. Which of the following is MOST ACCURATE?

- A. Lawyer may face serious sanctions because the \$500 shortfall indicates a misappropriation of funds.
- B. Lawyer may face sanctions, but they should not be too serious, because Lawyer only failed to reconcile the trust account.
- C. Lawyer will face serious sanctions if Disciplinary Counsel can prove Lawyer used the missing \$500 for Lawyer's personal benefit.
- D. Lawyer will avoid serious sanctions if Lawyer now attempts to reconcile Lawyer's trust account.

A. Lawyer may face serious sanctions because the \$500 shortfall indicates a misappropriation of funds.

CORRECT.

The DHP determined mishandling of a probate estate was only a small part of [Respondent's] ethics violations. *The DHP also found he repeatedly mishandled and misappropriated the funds of 28 clients by engaging in a roughly five-year pattern of depleting one client's funds to pay other clients.* [Respondent's] expressly admits he used some of these clients' funds to pay personal and firm expenses. . . . He also failed to keep accurate—or, in many instances, *any*—records of client receipts and disbursements and of transfers between his trust and operating accounts.

In re Kayira, 614 S.W.3d 530, 536 (Mo. 2021)

B. Lawyer may face sanctions, but they should not be too serious, because Lawyer only failed to reconcile the trust account.

INCORRECT

C. Lawyer will face serious sanctions if Disciplinary Counsel can prove Lawyer used the missing \$500 for Lawyer's personal benefit.

INCORRECT

D. Lawyer will avoid serious sanctions if Lawyer now attempts to reconcile Lawyer's trust account.

INCORRECT

9. Lawyer fails to regularly reconcile Lawyer's trust account. Lawyer hires an accountant to reconcile the account, but the reconciliation process will take several months. Which of the following is MOST ACCURATE?

- A. Lawyer should not make any deposits into or disbursements from the trust account while the account is being reconciled.
- B. Lawyer should open a new trust account and stop using the old trust account.
- C. Lawyer should self-report the trust account problems to Disciplinary Counsel.
- D. Lawyer should continue to operate normally using the original trust account during the reconciliation process. In fact, it would probably be best to continue using that account, even if the account cannot be reconciled, because Disciplinary Counsel may become suspicious if Lawyer opens a new trust account.

B. Lawyer should open a new trust account
and stop using the old trust account.

CORRECT.

A. Lawyer should not make any deposits into or disbursements from the trust account while the account is being reconciled.

INCORRECT

C. Lawyer should self-report the trust account problems to Disciplinary Counsel.

INCORRECT

A lawyer only has a duty to self-report if disciplined in another jurisdiction under Rule 5.20(a) or pleads guilty or nolo contendere or found guilty of a crime under Rule 5.21(a)

D. Lawyer should continue to operate normally using the original trust account during the reconciliation process. In fact, it would probably be best to continue using that account, even if the account cannot be reconciled, because Disciplinary Counsel may become suspicious if Lawyer opens a new trust account.

INCORRECT

10. Lawyer receives a \$100,000 check for Client D. The \$100,000 may need to be held for six months or more. Which is the BEST answer for what Lawyer should do with the \$100,000?

- A. Lawyer should deposit the \$100,000 into an interest-bearing trust account.
- B. Lawyer should deposit the \$100,000 into Lawyer's IOLTA account.
- C. Lawyer should immediately give the \$100,000 check directly to Client D and ask Client D to hold the funds.
- D. Lawyer should pay the \$100,000 into the registry of a court for safekeeping.

A. Lawyer should deposit the \$100,000 into an interest-bearing trust account.

CORRECT.

Rule 4-1.15(h)(2) a lawyer or law firm shall deposit in an IOLTA account all funds of clients and third persons from which no income could be earned for the client or third person in excess of the costs incurred to secure such income, and all other client or third person funds shall be deposited into a non-IOLTA trust account;

B. Lawyer should deposit the \$100,000
into Lawyer's IOLTA account.

INCORRECT

Not as good as the prior answer – but not
wrong, either.

C. Lawyer should immediately give the \$100,000 check directly to Client D and ask Client D to hold the funds.

INCORRECT

D. Lawyer should pay the \$100,000 into the registry of a court for safekeeping.

INCORRECT

11. Lawyer receives a \$20,000 settlement for Client E. Lawyer has received a notice that Doctor is owed \$3,000 for medical care provided to Client E. Which of the following is the MOST APPROPRIATE in Missouri?

- A. Lawyer must send the \$3,000 to Doctor even if Client E objects.
- B. Lawyer should send the \$3,000 to Client E if Lawyer believes Doctor's lien is not perfected.
- C. Lawyer should send the \$3,000 to Client E if Lawyer believes Doctor's lien is unreasonable.
- D. Lawyer must send the \$3,000 to Doctor unless Client E objects. If Client E does object, Lawyer should follow Client E's instructions regarding the handling of the \$3,000.
- E. Lawyer must send the \$3,000 to Doctor unless Client E objects. If Client E does object, Lawyer should must hold the \$3,000 until Doctor and Client E's dispute over the \$3000 is resolved.

E. Lawyer must send the \$3,000 to Doctor unless Client E objects. If Client E does object, Lawyer should must hold the \$3,000 until Doctor and Client E's dispute over the \$3000 is resolved.

CORRECT.

Rule 4-1.15(g) When in the course of representation a lawyer is in possession of property in which two or more persons (one of whom may be the lawyer) claim interests, **the lawyer shall keep the property separate until the dispute is resolved**. The lawyer shall promptly distribute all portions of the property as to which the interests are not in dispute.

A. Lawyer must send the \$3,000 to Doctor even if Client E objects.

INCORRECT

B. Lawyer should send the \$3,000 to Client E if Lawyer believes Doctor's lien is not perfected.

INCORRECT

Rule 4-1.15 cmt [4] Rule 4-1.15(g) also recognizes that third parties may have lawful claims against specific funds or other property in a lawyer's custody, such as a client's creditor who has a lien on funds recovered in a personal injury action. A lawyer may have a duty under applicable law to protect such third-party claims against wrongful interference by the client. In such cases, when the third-party claim is not frivolous under applicable law, the lawyer must refuse to surrender the property to the client until the claims are resolved. **A lawyer should not unilaterally assume to arbitrate a dispute between the client and the third party,** but when there are substantial grounds for dispute as to the person entitled to the funds, the lawyer may file an action to have a court resolve the dispute.

C. Lawyer should send the \$3,000 to Client E if Lawyer believes Doctor's lien is unreasonable.

INCORRECT

Rule 4-1.15 cmt [4] Rule 4-1.15(g) also recognizes that third parties may have lawful claims against specific funds or other property in a lawyer's custody, such as a client's creditor who has a lien on funds recovered in a personal injury action. A lawyer may have a duty under applicable law to protect such third-party claims against wrongful interference by the client. In such cases, when the third-party claim is not frivolous under applicable law, the lawyer must refuse to surrender the property to the client until the claims are resolved. **A lawyer should not unilaterally assume to arbitrate a dispute between the client and the third party,** but when there are substantial grounds for dispute as to the person entitled to the funds, the lawyer may file an action to have a court resolve the dispute.

D. Lawyer must send the \$3,000 to Doctor unless Client E objects. If Client E does object, Lawyer should follow Client E's instructions regarding the handling of the \$3,000.

INCORRECT

12. Which of the following statements is MOST ACCURATE?

- A. A lawyer may deposit cash, including foreign currency, into the lawyer's trust account.
- B. A lawyer may leave a small amount of lawyer's funds – ordinarily less than \$300 – in the lawyer's trust account as a cushion in case there is an overdraft or some other problem with lawyer's trust account.
- C. A lawyer may use a cashier's check to make a disbursement from the lawyer's trust account as long as the client gives informed consent.
- D. A lawyer may use a debit card connected to the lawyer's trust account to pay court filing fees and similar expenses from that account.
- E. If a lawyer receives a request for trust account records from Disciplinary Counsel, the lawyer generally will be able to get copies of all responsive documents from the lawyer's bank (as long as the records sought relate to transactions in the last six years).

A. A lawyer may deposit cash, including foreign currency, into the lawyer's trust account.

BEST ANSWER

Because the other answers are all bad answers.

B. A lawyer may leave a small amount of lawyer's funds – ordinarily less than \$300 – in the lawyer's trust account as a cushion in case there is an overdraft or some other problem with lawyer's trust account.

INCORRECT

Informal Opinion 2020-13

QUESTION: May Attorney maintain in the trust account funds belonging to Attorney or Attorney's law firm to be used as a "cushion" to protect client funds in the event of a mistake or fraudulent transaction regarding the trust account?

ANSWER: No. Rule 4-1.15(b) allows a lawyer to "deposit the lawyer's own funds in a client trust account for the sole purpose of paying financial institution service charges on that account, but only in an amount necessary for that purpose." Comment [6] to Rule 4-4.15 provides guidance that accurate records must be kept as to which part of the funds belong to Attorney. Attorney would be engaging in prohibited commingling of funds if Attorney were to allow funds belonging to the law firm or to Attorney to be maintained in the trust account for any other purpose. . . . Funds in the trust account belonging to Attorney must be disbursed to Attorney reasonably promptly after the fee is earned or the expense paid, in accordance with the guidance in Rule 4-1.15, Comment [6].

C. A lawyer may use a cashier's check to make a disbursement from the lawyer's trust account as long as the client gives informed consent.

INCORRECT

Rule 4-1.15(a)(5) Withdrawals shall be made only by check payable to a named payee, and not to cash, or by authorized electronic transfer

D. A lawyer may use a debit card connected to the lawyer's trust account to pay court filing fees and similar expenses from that account.

INCORRECT

E. If a lawyer receives a request for trust account records from Disciplinary Counsel, the lawyer generally will be able to get copies of all responsive documents from the lawyer's bank (as long as the records sought relate to transactions in the last six years).

INCORRECT

13. Lawyer wants to receive credit card payments for advances on client matters. Which of the following is MOST ACCURATE?

- A. Lawyer may receive advanced fee payments into Lawyer's operating account on hourly and flat fee matters, as long as the total amount of funds advanced does not exceed \$2,000.
- B. Lawyer may receive all credit card payments – for earned and advanced fees – into Lawyer's operating account, as long as Lawyer transfers any advanced fees to the Lawyer's trust account within 30 days.
- C. When a client uses a credit card to pay advanced fees into Lawyer's trust account, Lawyer must adjust the amount of the deposit to reflect any credit card fees deducted from the deposit so that Lawyer knows the amount of funds the client actually has in Lawyer's trust account.
- D. Lawyers are required to use lawyer-specific credit card processing companies. These companies will withdraw fees for a credit card deposit to Lawyer's trust account from Lawyer's operating account, so the trust account actually receives the full amount that the client deposited.

C. When a client uses a credit card to pay advanced fees into Lawyer's trust account, Lawyer must adjust the amount of the deposit to reflect any credit card fees deducted from the deposit so that Lawyer knows the amount of funds the client actually has in Lawyer's trust account.

CORRECT.

This flows from the obligation to record all deposits to and withdrawals from the trust account on a client and account basis.

A. Lawyer may receive advanced fee payments into Lawyer's operating account on **hourly** and flat fee matters, as long as the total amount of funds advanced does not exceed \$2,000.

INCORRECT

Rule 4-1.15(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, except that an **advanced flat fee** which does not exceed \$2,000 is exempted from this requirement and may be deposited into another account.

B. Lawyer may receive all credit card payments – for earned and advanced fees – into Lawyer's operating account, as long as Lawyer transfers any advanced fees to the Lawyer's trust account within 30 days.

INCORRECT

Missouri Informal Opinion 2014-05

Question 1: If a credit card processing company will allow deposits and debits out of only one account, is it ethically permissible to allow credit card payments of advanced funds for fees and expenses to be deposited into the operating account and immediately transferred into the trust account?

Answer 1: No. Pursuant to Rule 4-1.15(a) and (c), a client's advance payment of fees and expenses must be deposited in the trust account, and those funds may not be held, even temporarily, in Attorney's operating account. Funds should be withdrawn promptly from the trust account as fees are earned or expenses incurred, pursuant to Rule 4-1.15(c) and Formal Opinion 128.

D. Lawyers are required to use lawyer-specific credit card processing companies. These companies will withdraw fees for a credit card deposit to Lawyer's trust account from Lawyer's operating account, so the trust account actually receives the full amount that the client deposited.

INCORRECT

A very good idea, but not “required.” Informal Opinion 2014-05 expressly allows:

Question 2: Is it permissible for Attorney to allow the credit card company to take debits from Attorney’s operating account only and make deposits in either Attorney’s trust account or operating account, as designated by Attorney as either earned fees or advance payment of fees and expenses?

Answer 2: Yes. This method complies with Rule 4-1.15(a) and (c). And in accordance with Rule 4-1.15(a)(3), it is not permissible for chargebacks to come from the trust account.

Thank you



Downey Law Group LLC

(314) 961-6644

(844) 961-6644 toll free

Info@DowneyLawGroup.com

Conclusory Matters

- **Questions** – If you have questions after the program, please email them to Paige Tungate at ptungate@downeylawgroup.com
- **Post-Program Survey** – A survey will be emailed to you about 30 minutes after this program. Also, here is the survey link:

<https://www.surveymonkey.com/r/quiz0325>

- **Certificate of Completion** – Available through the Post-Program Survey
- **Kansas Credit** – If you are seeking Kansas credit, you need to enter the **two Attendance Verification Words** and your Kansas information into the Post-Program Survey. *Please complete this information in the survey **this week**, so we can ensure you receive proper credit*



<https://www.surveymonkey.com/r/quiz0325>

Timed Agenda

12:00-12:05 Introduction

12:05-12:55 Ask questions and provide answers related to proper operation of a lawyer trust account

Future Programs

April 10 - Thursday at 12:00 Noon CT - *Legal Ethics and Client Development*

April 23 - Wednesday at 12:00 Noon CT - *Addressing Bias - Ableism and Disability Discrimination*

May 8 - Thursday at 12:00 Noon CT - *Legal Ethics and Speaking to the Media*

May 20 - Tuesday at 3:00 PM CT - *Legal Ethics When Dealing with Non-Clients*

June 4 - Wednesday at 12:00 Noon CT - *Addressing Bias - Ableism and Disability Discrimination*

June 12 - Thursday at 12:00 Noon CT - *Legal Ethics Update 2025 - Part 2*

June 17 - Tuesday at 3:00 PM CT - *Addressing Bias - Ableism and Disability Discrimination*

June 27 - Friday at 12:00 Noon CT - *Legal Ethics and Artificial Intelligence*

June 30 - Monday at 12:00 Noon CT - *Addressing Bias - Ableism and Disability Discrimination*

June 30 - Monday at 3:00 PM CT - *Legal Ethics Update - Part 2*

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