

Trust Accounting Quiz – With Prizes

March 2025

Connectivity/Technical Issues

Audio Issues – If you have audio issues on computer, please try accessing by phone at

(701) 801-6121

****No Access Code Required****

If problems persist, contact Paige Tungate at ptungate@DowneyLawGroup.com

Watch the slides at <https://join.freeconferencecall.com/downeycle>

Download the slides at <http://www.downeyethicscle.com/>

Questions – Please submit questions during the program by chat or during/after the program by email to Paige Tungate at ptungate@downeylawgroup.com

CLE Information

- *Kansas Credit* – If you are seeking Kansas credit, you will need to enter the two Attendance Verification Words and your Kansas Bar information into the Program Survey
 - Please complete the Survey *within this week*, so we can ensure you receive proper credit
- *Certificate of Completion* – Available through the Program Survey
- Three ways to access Program Survey:
 1. Link available in the *CHAT*
 2. Link available in *the slides* (here or at www.DowneyEthicsCLE.com)
 3. Link sent to you in an *email within 30 minutes* of program ending



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

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.

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.

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?

- Place the \$625 in Lawyer's operating account, because the \$625 is less than \$2000 and it is an advance on a fixed fee.
- Put the \$625 in Lawyer's trust account, because it is an advance on a fixed fee that exceeds \$2,000.
- 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.
- 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.

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.

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.

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.

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?

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

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.

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.

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?

- Lawyer must send the \$3,000 to Doctor even if Client E objects.
- Lawyer should send the \$3,000 to Client E if Lawyer believes Doctor's lien is not perfected.
- Lawyer should send the \$3,000 to Client E if Lawyer believes Doctor's lien is unreasonable.
- 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.
- 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.

12. Which of the following statements is MOST ACCURATE?

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

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

- 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.
- 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.
- 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.
- 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.

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***

www.DowneyEthicsCLE.com