

People v. Marc H. Schtul. 13PDJ025, consolidated with 13PDJ043. November 1, 2013.

The Presiding Disciplinary Judge approved the parties' conditional admission of misconduct and suspended Marc H. Schtul (Attorney Registration Number 21411) for six months, with sixty days to be served and the remainder stayed pending successful completion of a two-year period of probation, with conditions. The suspension is effective November 1, 2013.

After a large judgment was awarded against his client, Schtul knowingly permitted the client to deposit over \$120,000.00 of company funds into his law firm's trust account, which resulted in those funds being hidden from the judgment creditor. Schtul then signed checks that were issued from the trust account to the client. After Schtul's firm filed for Chapter 7 bankruptcy for the client, the client revealed to opposing counsel that his company's funds had been deposited in the law firm's trust account and then had been withdrawn to pay wages and taxes and to distribute profits. Schtul's actions led to the evasion and delay of collection efforts and also prompted the bankruptcy trustee to investigate the matter and lodge fraudulent transfer charges against Schtul, which were resolved in a confidential settlement. In this matter, Schtul violated Colo. RPC 1.15(c) (a lawyer shall keep disputed property interests separate until there is an accounting and severance) and 8.4(d) (conduct prejudicial to the administration of justice).

In a second matter, Schtul neglected to adequately designate exhibits, failed to prosecute his client's appeal, and filed a frivolous claim. That conduct violated Colo. RPC 8.4(d) as well as Colo. RPC 1.1 (competency), 1.3 (diligence and promptness), 1.4 (communication with clients), and 3.1 (frivolous claims). Schtul also failed to adequately communicate with clients in two additional representations, and in one of those matters he did not exercise reasonable diligence and promptness.