

In the Matter of Matthew Steven Schultz; Bar No. 022017; No. 10-0037.

02/2/2011. *Attorney Suspended For Ninety Days.*

The PDJ approved a Conditional Agreement for Discipline by Consent submitted by the parties and suspended Matthew Steven Schultz, Bar No. 022017, from the practice of law for ninety days.

Beginning in approximately 2007, Respondent represented a client in a divorce case in Superior Court. The parties filed a property settlement agreement which was entered by the court. That agreement if his client did not pay \$300,000 by a date certain a judgment would enter against his client in the amount of \$500,000. The payment was not made by his client. Judgment was entered and recorded. Multiple collection hearings followed. Respondent was owed attorney fees. Despite the recorded judgment, Respondent purchased the condo of his client for \$75,000 taking the excess equity in satisfaction of his legal bill. Respondent delivered to the Title Company the consent decree informing the company the property was his sole and separate property. He paid to his client \$66,250 out of escrow without informing the ex-wife or her attorney. When a referral was made to the State Bar, Respondent in response to its screening letter stated his recollection of the events was "somewhat unclear...as I do not have the file." He stated he was unaware of the judgment. His later responses were inconsistent and misleading.

Respondent in November 2008 loaned to the same client \$29,000. They agreed he would be re-paid out of a condo sale. Respondent did not disclose the transaction and terms in writing in a manner that could be reasonably understood by his client nor did not advise his client or give him a reasonable opportunity to obtain independent counsel. He failed to advise his client's ex-wife of his receiving the funds from the condo sale. He knowingly made false statements of material fact to the State Bar.

Respondent had two prior disciplinary offenses resulting in an informal reprimands on October, 22, 2008 and November 19, 2004.

Respondent's misconduct constituted grounds for the imposition of discipline pursuant to the Rules of the Supreme Court of Arizona, and violated Rule 42, ER 1.8, 1.15(d), 8.1(a) and (b) and (d) and 8.4(d), and Rule 53(c), (d) and (f), Ariz.R.Sup.Ct.