

**THE STATE OF NEW HAMPSHIRE**

**SUPREME COURT**

**ORDER**

**LD-2005-0006, In the Matter of Douglas C. Gray**

On September 13, 2005, the Professional Conduct Committee (PCC) filed a petition for disbarment of the respondent, Douglas C. Gray. Shortly thereafter, the court issued an order requiring that the petition be sent to Attorney Gray by certified mail and requiring Attorney Gray to file an answer to the petition within 30 days of service. Attorney Gray signed for the petition and order on September 23, 2005. No answer to the petition has been filed.

Rule 37(16)(c) provides that if a respondent attorney fails to answer a petition filed by the Professional Conduct Committee, the allegations of the petition "shall be deemed to be admitted and no further hearing shall be required." In this case, the petition alleged violations of the following Rules of Professional Conduct:

- (1) Rules 1.15(a)(1). Rule 1.15(a)(1) requires a lawyer who is holding the property of a client or third person in connection with representation to keep the property separate from the lawyer's own property and to deposit funds in clearly designated trust accounts maintained in accordance with the Supreme Court Rules. The PCC alleged that Attorney Gray violated this rule when he misappropriated funds by failing to deposit client retainers into trust and by withdrawing funds for his own use without authorization and prior to earning the funds. It also alleged that Attorney Gray commingled earned legal fees with client property in his trust accounts.
- (2) Rule 1.15(a)(2) and Supreme Court Rule 50(2) A, C and F. These rules require a lawyer to maintain records regarding the handling and disposition of all client funds and property in the lawyer's possession. The PCC alleged that Attorney Gray's accounting records were unorganized and inadequate to identify the transactions involved. The PCC alleged that Attorney Gray's accounting records did not comply with the requirements of the Supreme Court Rules.
- (3) Rule 1.15(b). Rule 1.15(b) requires a lawyer to promptly deliver to a client any funds or other property that the client is entitled to receive. The PCC alleged that, in two instances, Attorney Gray failed to deliver funds promptly to clients entitled to receive them.
- (4) Rules 3.3(a)(1), 3.3(a)(3) and 8.4(c). Rules 3.3(a)(1) and 3.3(a)(3) prohibit a lawyer from knowingly making false statements of material

fact or law to a tribunal or offering evidence that the lawyer knows to be false. Rule 8.4(c) makes it professional misconduct for a lawyer to engage in conduct involving dishonesty, fraud, deceit or misrepresentation. The PCC alleged that Attorney Gray made material misrepresentations on his annual trust accounting compliance certificates submitted to the Supreme Court in violation of these rules.

- (5) Rule 8.4(c). This rule makes it professional misconduct for a lawyer to engage in conduct involving dishonesty, fraud, deceit or misrepresentation. The PCC alleged that Attorney Gray misappropriated client funds and furnished a misleading and false accounting to a client about monies held in trust.
- (6) Rule 8.4(a). This rule makes it professional misconduct to violate the Rules of Professional Conduct.

In accordance with Rule 37(16)(c), the committee's allegations are deemed admitted. Because of the number and seriousness of the violations, the court concludes that the respondent's violations of the Rules of Professional Conduct justify disbarment.

THEREFORE, Douglas C. Gray is hereby disbarred from the practice of law in New Hampshire. He is ordered to notify the attorney discipline authority of any other jurisdictions in which he is licensed to practice law of the issuance of the court's order.

Douglas C. Gray is hereby assessed all expenses incurred by the Professional Conduct Committee in the investigation and prosecution of this matter.

Broderick, C.J., and Dalianis, Duggan and Galway, JJ., concurred.

DATE: November 16, 2005

ATTEST:

  
**Eileen Fox, Clerk**

Distribution:

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