

New Hampshire Supreme Court  
**Professional Conduct Committee**  
*a committee of the attorney discipline system*

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Heather E. Krans, Vice Chair  
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*Coravos, Anastasia advs. Attorney Discipline Office – 09-015*

**PUBLIC CENSURE AND ORDER ON COSTS**

On September 20, 2016, the Professional Conduct Committee (the “Committee”) deliberated the Stipulation as to Facts and Rule Violation (the “Stipulation”), and the Agreement to Pay Costs of Disciplinary Matter (collectively, the “Record”). Members present included David M. Rothstein, Chair, Heather E. Krans, Vice Chair, Peter G. Beeson, Richard H. Darling, Mona T. Movafaghi, Georges J. Roy, Richard D. Sager and Martha Van Oot. Elaine Holden, Susan R. Chollet, and Margaret R. Kerouac were absent. David W. McGrath was recused.

Having reviewed the Record, the Committee approved the facts as stipulated by clear and convincing evidence. The Committee then approved the findings of violations of the Rules of Professional Conduct (the “Rules”) as stipulated, and voted to approve the agreement to reimburse the Committee for all costs of investigation and prosecution of this matter. Finally, the Committee agreed that the Stipulation’s recommendation of a public censure was an appropriate sanction.

**I. FINDINGS OF FACT**

The Committee determined that the Record supports the following factual findings by clear and convincing evidence:

## **A. Facts**

### **Ms. Coravos's Background**

1. Anastasia Coravos graduated from St. Thomas University School of Law in Miami, Florida in May 2005. She was admitted to the practice of law in the Commonwealth of Massachusetts on November 28, 2005. She was admitted to the New Hampshire Bar in November 2007.
2. Ms. Coravos does not have a previous disciplinary history.
3. On March 11, 2007, Ms. Coravos became the sole attorney employee of Noble Trust Company ("Noble"). Ms. Coravos was employed by Noble for less than one year, from approximately March 11, 2007, to February 2008. This was Ms. Coravos's first job as an attorney.

### **The Noble Trust Company and the Marino Policies**

4. Noble was a non-depository financial institution chartered under the laws of the State of New Hampshire in September 2003. Noble maintained its operational headquarters at 900 Elm Street, Suite 701, Manchester. It provided investment advice and executed investment decisions on behalf of its customers.
5. Colin P. Lindsey was the founder, owner, and president, and chairman of the board of directors of Noble. Noble also had a vice-president, chief operating officer, and a board of directors. Ms. Coravos was not a member of the board of directors, never attended a board meeting, and was not an officer.
6. Mr. Lindsey was also the owner of Balcarres Group, LLC, ("Balcarres"), a limited liability insurance agency incorporated in Nevada. He registered Balcarres to do business in New Hampshire in September of 2006. Mr. Lindsey was also the Balcarres registered agent and the New Hampshire address for Balcarres was the same as the Noble address.
7. Through Balcarres, Mr. Lindsey life insurance policies with a face value of \$2 million or more. To qualify, an applicant had to be at least 70 years old and have a net worth that was at least equal to the value of the policy. The applicant was also required to pay annual premiums to the insurance company of at least several hundred thousand dollars. Often, Noble arranged for financing to assist applicants in paying the premiums.

8. When a Balcarres customer purchased a high value policy, the insurance company paid an up-front commission to Balcarres that was approximately 80% to 112% of the first year premium.
9. Mr. Lindsey was involved in procuring high value insurance policies before Ms. Coravos was hired by Noble in March 2007.
10. Jerry Marino, a Florida real estate broker, was one of Mr. Lindsey's referral sources for Balcarres/Noble clients.
11. Mr. Marino was also the trustee for a Florida real estate investment trust, the 450 4th Avenue North Revocable Trust ("450 4th Trust").
12. Beginning in approximately July 2006, Mr. Lindsey agreed to pay a fee to Mr. Marino for each high value premium insurance policy sold to a person who was referred to Mr. Lindsey by Mr. Marino. To earn a referral fee, Mr. Marino had to provide information to Mr. Lindsey to verify that the applicant had the requisite net worth. Verification of the applicant's financial situation was confirmed through letters or affidavits from financial advisors, attorneys, and accountants.
13. From July of 2006 through October of 2007, Mr. Marino submitted to Mr. Lindsey forty-one applicants for high value insurance policies knowing that the accompanying financial information was false, and knowing that Noble would forward the information to prospective insurance companies.
14. The applicants were induced through upfront cash payments to participate in the insurance application process. The fraudulent net worth assessments were largely based on alleged interests that the applicants held in the 450 4<sup>th</sup> Trust.
15. As a result, between July 2006 and November 2007, fourteen fraudulent high value policies were issued. Mr. Lindsey received commissions totaling more \$6.5 million, and Mr. Marino received referral fees totaling approximately \$2.4 million.

**The New Hampshire Banking Department's Investigation  
into Noble Trust Company**

16. In early 2008, the New Hampshire Banking Department conducted an examination of Noble and discovered irregularities in Noble's operations. On February 11, 2008, the Banking Commissioner commenced a liquidation proceeding in the Merrimack County Superior Court. (*In the Matter of the Liquidation of Noble Trust Company*, Docket No. 08-E-0053.)

After a liquidation order issued, the Liquidator began marshaling Noble's assets for the benefit of its creditors.

17. On April 24, 2009, a petition in equity was filed with the Merrimack County Superior Court. (*Peter Hildreth, Bank Commissioner et. al. v. Colin Lindsey et. al.*, Docket No. 09-E-184) ("civil matter").

**Referral to Attorney Discipline Office,  
Procedural Background and Resolution of Civil and Criminal Matters**

18. The Banking Commissioner's outside counsel, Bruce A. Harwood, referred the matter to the Attorney Discipline Office ("ADO") on April 27, 2009, because Ms. Coravos was a named defendant in the civil matter. Mr. Harwood's referral consisted of a full copy of the pending civil complaint, alleging, *inter alia*, breach of fiduciary duty by Ms. Coravos.
19. Due to the pending criminal and civil matters, Ms. Coravos, through her counsel, Kevin Sharkey, asserted that Ms. Coravos was the subject of a federal criminal investigation and requested that Disciplinary Counsel not proceed until there was a resolution of these matters. Ms. Coravos, like all other former Noble employees, was considered a "subject" but not a target of the investigation. As per the United States Department of Justice Criminal Manual, Sec. 9-11.151, a "target" is a person against whom the grand jury has substantial evidence while a "subject" is a person whose conduct is "within the scope of the grand jury's investigation."
20. Ms. Coravos submitted an Affidavit in July 2009 attesting that she had not practiced law since her discharge from Noble Trust and had no intention to do so. Ms. Coravos has submitted updated affidavits to the ADO verifying the same. She was administratively suspended in June of 2010 for her failure to pay bar dues.
21. In October 2009, Mr. Lindsey pled guilty to two counts of mail fraud in the United States District Court in Concord, and was sentenced to 51 months in prison and ordered to pay restitution. The charges related to the Marino scheme and to his failure to disclose to that he had lost millions of dollars of investors' money to a Ponzi scheme in Colorado.
22. In January 2013, settlement agreements for both the liquidation action and the civil matter were submitted to the court for approval. The civil matter settlement agreement was approved by the court and became effective on March 28, 2013. In the civil matter, Ms. Coravos, an accountant, nine former officers and/or directors of Noble, an insurance company, and an insurance brokerage firm, collectively agreed to a one

million dollar settlement. As a condition of the settlement agreement, none of the settling defendants, including Ms. Coravos, admitted to having engaged in wrongdoing. The settlement was funded by an errors and omissions policy for the officers and directors, a similar insurance policy for an individual accountant defendant, and personal contributions from a number of the individual defendants.

23. Mr. Marino pled guilty to mail and wire fraud charges in 2014, and was sentenced in June 2015 to 46 months in federal prison.
24. No other Noble employees were charged criminally.
25. Ms. Coravos agreed to meet with the ADO in the fall of 2014, after Mr. Marino pled guilty to wire and fraud charges. ADO counsel has also met with Ms. Abigail Shaine, Special Counsel to the Liquidator, has interviewed Mr. Lindsey, and has spoken with U.S. Attorney Robert Kinsella regarding the issues raised in Mr. Harwood's referral. The ADO has reviewed Noble Trust documents, including emails written by Ms. Coravos, and portions of the transcripts of several days of deposition testimony that Mr. Lindsey provided to the liquidator and its counsel in August and September 2009, after he had pled guilty to mail fraud.

#### **Ms. Coravos's Employment with Noble Trust Company**

26. Ms. Coravos was employed by Noble from March 11, 2007 to February 2008. Her starting salary was \$50,000 per year. Within a few weeks, Mr. Lindsey told Ms. Coravos that her salary would be increased to \$60,000 after her first 90 days of employment. In late 2007, Ms. Coravos sought a raise because she was working 50-60 hours per week and by then she had also passed the New Hampshire bar. In January 2008, Ms. Coravos's salary was raised to \$100,000 a year. Ms. Coravos received one paycheck based on that salary before the New Hampshire Banking Commissioner assumed control of Noble.
27. During the course of her employment, Mr. Lindsey identified Ms. Coravos's job title as legal counsel, general counsel, and corporate counsel. However, Ms. Coravos was never given a written job description of her duties.
28. Despite the various job titles used, many of Ms. Coravos's responsibilities were similar to those performed by non-attorneys at Noble.
29. Ms. Coravos primarily worked to obtain financing for premiums for the high value insurance policies. In some cases, Ms. Coravos would prepare the application cover letters and humanize the applicants by telling their

life stories to insurance companies. Mr. Lindsey signed the applications.

30. Because Ms. Coravos did not have prior experience in handling insurance matters, Mr. Lindsey provided her with training as needed. Eventually, Mr. Lindsey considered Ms. Coravos to be a trouble-shooter for him, particularly when he was traveling out of state or overseas.
31. Ms. Coravos also became the point person with Credit Suisse representatives, with whom she began to have daily contact in order to obtain financing for the policy premiums.

### **Ownership Spreadsheet for the 450 4<sup>th</sup> Trust**

32. By September 2007, Ms. Coravos had worked on several types of insurance applications involving approximately 200 Noble cases. At least four of the applicants were referred by Mr. Marino. All four applicants forwarded documents indicating that they had a percentage interest in Mr. Marino's 450 4<sup>th</sup> Avenue Trust.
33. On or about September 19, 2007, Ms. Coravos became suspicious of the financial information regarding the 450 4<sup>th</sup> Trust that had been presented to her in the Marino-referred cases. Ms. Coravos pulled, from other files, financial information relating to the 450 4<sup>th</sup> Trust. Ms. Coravos then prepared a spreadsheet noting the names of those who purportedly had an interest in the 450 4<sup>th</sup> Trust and the percentage of each individual's interest in the trust. The percentages added up to 162.6896%.
34. On September 19, 2007, Ms. Coravos sent an email to Mr. Lindsey stating, "I thought you might like to see this." Attached to the email was the spreadsheet with the list of names and their percent ownership in the 450 4<sup>th</sup> Trust.
35. Shortly after Ms. Coravos sent the email, Mr. Lindsey asked her to go outside with him while he took a cigarette break.
36. Mr. Lindsey explained to Ms. Coravos why the ownership spreadsheet she had created was not a reason for concern. He explained that revocable trusts were involved, and that such trust shares were often transferred between family members. Mr. Lindsey further explained that Mr. Marino's trust often involved transferring interests between family members so as to find a family member that was insurable medically and to create the necessary liquidity to pay the estate taxes that would be triggered when the owner died. Often the transfer of shares was between spouses or siblings. As such, he explained there was no problem with

the percentages adding up to more than 100%.

37. Ms. Coravos told Mr. Lindsey that she had looked in various files that day for a copy of the 450 4th Trust but could not locate it. Mr. Lindsey told her not to worry since he and the Noble trust committee had reviewed a copy of the 450 4th Trust and all was in order. He stated that he would follow up on this matter with Mr. Marino.
38. At the time, Ms. Coravos recognized that even though she had neither specific training nor experience with trusts, all of the financial data had been independently verified by accountants, lawyers, and/or other financial professionals. She did not have a reason to distrust Mr. Lindsey.
39. The next day, September 20, 2007, Mr. Lindsey sent an email to Mr. Marino, stating:

Please see the attached spreadsheet. You have submitted cases totally [sic] 160% of the 450 trust value. Since this is so, we can no longer accept any 450 trust applications. I request that you switch your marketing efforts to traditional means.
40. Mr. Lindsey later admitted that upon being presented with the spreadsheet prepared by Ms. Coravos, he realized the Marino applications involving the 450 4th Trust were fraudulent. However, Mr. Lindsey hoped to create enough income over the ensuing months so that he could repay the insurance companies for the fraudulent policies. So as not to raise alarm, Mr. Lindsey allowed at least two Marino applications already in the “pipeline” to close while pulling others out.
41. Ms. Coravos was satisfied with Mr. Lindsey’s explanation, and with the financial verification that she received from her discussions with the potential insureds, their CPAs, and lawyers.
42. Accordingly, Ms. Coravos arranged for premium financing for two more Marino policies, which were eventually issued.
43. Ms. Coravos sent letters to five underwriting organizations detailing one Marino applicant’s alleged net worth of \$34,742,535, largely based on his ownership interest in the 450 4th Trust.
44. In relevant part, Ms. Coravos wrote:

[The applicant] has an illiquid estate heavily tilted towards

real estate, with approximately \$34,304,000 in property. [The applicant] has an actual gross worth as of June 30, 2007 of \$36,885,535 but he also is carrying liabilities of \$1,657,500 and estimated taxes of \$485,500. Therefore, he has a net worth of \$34,742,535 as demonstrated in his CPA compiled personal financial statement (attached). Given the magnitude of [the applicant's] debt and his real estate holdings, liquidity issues are a serious concern with his estate plan.

45. After detailing the applicant's work history and investments, Ms. Coravos wrote in relevant part:

In addition to these businesses, [the applicant] has been very active in the Florida Real Estate Market participating in over 15 projects from 1969 to the present (see attached resume.) One of these real estate endeavors that [the applicant] invested in is the 450 Fourth Avenue N. Revocable Trust[,] [the applicant] owns a 6.144% interest in the trust and his share as beneficiary is valued at \$32,359,000 (please see attached CPA compilation and financials for the Trust.)

46. After Ms. Coravos's September 19<sup>th</sup> conversation with Mr. Lindsey, she did she ask him whether further investigation into the Marino policies should occur. She also did not investigate to determine if the other Marino-based policies, which had already issued, were fraudulent.
47. Ms. Coravos did not attempt to consult with outside counsel about the Marino-based policies, nor did she recommend to Mr. Lindsey that a consultation with outside counsel should occur. Yet, Ms. Coravos knew that Mr. Lindsey often consulted with outside counsel.

## **II. RULINGS OF LAW**

The parties stipulated that Ms. Coravos knowingly violated New Hampshire Rules of Professional Conduct 1.1 and 8.4(a).

48. Ms. Coravos had a duty as legal counsel to Noble to develop specific knowledge about the area of law in which she practiced; to perform her practice with technique and skill; to identify those areas beyond her competence; and to bring those areas to the client's attention.
49. Ms. Coravos breached her duties of competence.

50. Ms. Coravos, an inexperienced lawyer, became concerned enough with Mr. Marino's referrals that she developed a spreadsheet which set forth the total value that had been submitted to the insurance companies as equating to over 162% of the 450 4<sup>th</sup> Trust. She also brought the issue to the attention of Mr. Lindsey, her direct supervisor, who was also the President of Noble and the Chairman of the Board. See Rule 1.13. However, having heard Mr. Lindsey's explanation, Ms. Coravos took no further steps to verify it.
51. Ms. Coravos failed to reach out to more experienced counsel, who might have helped her understand whether Mr. Lindsey's explanation was plausible. She also failed to recommend to Mr. Lindsey that he seek further advice. Instead, Ms. Coravos continued to process Marino applicants.
52. The parties agree that Ms. Coravos's failures constitute a violation of Rule of Professional Conduct 1.1.

Rule 8.4(a) provides that it is professional misconduct for a lawyer to violate the Rules of Professional Conduct.

The Committee concludes that there is clear and convincing evidence that Ms. Coravos violated Rules of Professional Conduct 1.1 and 8.4(a).

### **III. ANALYSIS**

Both case law and the American Bar Association's *Standards for Imposing Lawyer Sanctions* (2005) ("*Standards*") support the sanction of a six-month suspension.

The purpose of the Court's disciplinary power is "protecting the public, maintaining public confidence in the bar, preserving the integrity of the legal profession, and preventing similar conduct in the future." *Conner's Case*, 158 N.H. 299, 303 (2009). "The sanction . . . must take into account the severity of the misconduct." *Coffey's Case*, 152 N.H. 503, 513 (2005).

Although the Court has not adopted the *Standards*, it looks to them for guidance. *Conner's Case*, 158 N.H. at 303. The *Standards* set forth a four-part analysis for courts to consider in imposing sanctions: "(a) the duty violated; (b) the lawyer's mental state; (c) the potential or actual injury caused by the lawyer's misconduct; and (d) the existence of aggravating or mitigating factors." *Id.* (quoting *Douglas' Case*, 156 N.H. 613, 621 (2007)); *Standards* § 3.0.

The first three parts of the analysis create the framework for characterizing the misconduct and determining a baseline sanction. *See Conner's Case*, 158 N.H. at 303. Once the baseline sanction is determined, the Court then looks to the fourth and final part of the analysis: the existence of any aggravating or mitigating factors and whether they affect the baseline sanction. *See id.*

### **Prong I: Duty Violated**

Ms. Coravos violated duties owed to her client, Noble, to provide competent legal advice.

### **Prong II: Mental State: Intent/ Knowing or Negligent**

The parties agree that Ms. Coravos was negligent.

### **Prong III: Injury or Potential Injury**

The third prong of the sanction analysis requires an assessment of the actual or potential injury caused by Ms. Coravos's misconduct.

Ms. Coravos's conduct contributed to the injury to Noble Trust. In part, her lack of competence resulted in the submission and financing of fraudulent insurance policies.

## **IV. SANCTION**

In determining a baseline sanction, *Standards* § 6.2 addresses the failure to obey any obligation under the rules of a tribunal except for an open refusal based on the assertion that no valid obligation exists. *Standards* § 6.22 states that “[s]uspension is generally appropriate when a lawyer knows that he or she is violating a court order or rule, and causes injury or potential injury to a client or party. . . .” The baseline sanction is a public censure.

Having determined the baseline sanction, the Committee must consider aggravating and mitigating factors. There are no aggravating factors. *See Standards* § 9.22.

The Committee finds as mitigating factors the absence of a prior disciplinary record, full and free disclosure to the ADO, a cooperative attitude toward proceedings, and inexperience in the practice of law. *See Standards* §

9.32. Other mitigating factors include the fact that Ms. Coravos brought the Marino issue to Mr. Lindsey's attention, and that she voluntarily refrained from practicing law until the criminal and civil issues could be resolved.

Despite the mitigating factors, however, the parties agree that a downward departure is not warranted and a public censure remains the appropriate sanction. The Committee agrees.

This sanction is in accord with the purposes of attorney discipline. See *e.g.*, *Conner's Case* 158 N.H. at 303; *Richmond's Case*, 152 N.H. 155, 159-60 (2005). The purpose of the Court's disciplinary power "is not to inflict punishment but rather to protect the public, maintain public confidence in the bar, preserve the integrity of the legal profession, and prevent similar conduct in the future." *Grew's Case*, 156 N.H. 361, 365 (2007) (quotation and citation omitted). The sanction is also in accord with the *Standards*.

## V. COSTS

Ms. Coravos has signed an agreement to pay costs of the investigation and prosecution of this disciplinary matter. The Committee approves this agreement. Ms. Coravos shall be responsible for all costs associated with the investigation and prosecution of this matter.

## VI. CONCLUSION

For all of the above reasons, the Professional Conduct Committee issues this Public Censure for violating Rules of Professional Conduct 1.1 and 8.4(a).

October 7, 2016

  
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David M. Rothstein  
Chair

cc: Elizabeth M. Murphy, Assistant Disciplinary Counsel  
Kevin E. Sharkey, Esquire  
File