

BEFORE THE HEARING BOARD
OF THE
ILLINOIS ATTORNEY REGISTRATION
AND
DISCIPLINARY COMMISSION

In the Matter of:

MICHAEL ANTHONY MANGES,

Attorney-Respondent,

No. 6280536.

Commission No. 2022PR00027

COMPLAINT

Jerome Larkin, Administrator of the Attorney Registration and Disciplinary Commission, by his attorney, Scott Renfroe, pursuant to Supreme Court Rule 753(b), complains of Respondent, Michael Anthony Manges, who was licensed to practice law in the State of Illinois on November 6, 2003, and alleges that Respondent has engaged in the following conduct which subject her to discipline pursuant to Supreme Court Rule 770:

(Conversion of Funds Belonging to Employer)

1. In 2005, Respondent was hired by Joseph A. LaZara & Associates (“the LaZara firm”) as an associate attorney. The LaZara firm is located in Chicago, and it concentrates its practice in real estate transactions, estate planning and probate, and business formations.

2. As an associate, Respondent understood and agreed to a LaZara firm policy that required all firm lawyers to follow certain procedures when opening and closing client files and handling client payments, including assigning an internal firm file number for each matter and creating and maintaining a physical paper file and an electronic file relating to all client matters. The firm required that all payments for fees and costs be presented directly to Mr. LaZara, in order

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to record their receipt in a ledger and to appropriately deposit client funds into either the law firm's business or IOLTA accounts.

3. In September 2021, the law firm rebilled a client that Mr. LaZara erroneously believed had not paid attorney fees in connection with a canceled real estate transaction. The client sent the LaZara firm a copy of the canceled check showing payment of those fees, the rear of which showed that it had been deposited into Respondent's Parkway Bank personal account ending in the four digits 4077. The LaZara firm then commenced an internal investigation to determine the extent to which Respondent may have bypassed the firm's procedures for creating and maintaining client files and records or taken checks that were intended to pay for the firm's services.

4. On October 4, 2021, following the conclusion of that investigation, the LaZara firm terminated Respondent's employment at the firm.

5. Between at least November 20, 2014 and September 7, 2021, Respondent accepted from clients, title companies and others at least 575 checks intended for the LaZara firm, most of which had been made payable to Joseph LaZara, in the total amount of \$165,338.83. Respondent affixed Mr. LaZara's purported signature to the rear of those checks and deposited them into his personal bank account at Parkway Bank and Trust ending in the four digits 4077. Respondent then used the proceeds of those checks for his own business and personal purposes.

6. When he received the checks referred to in paragraph five, above, Respondent knew that the proceeds of those checks belonged to the law firm and not to him personally. At no time did Mr. LaZara authorize Respondent to add Mr. LaZara's purported signature the back of any check which had been made payable to Mr. LaZara or to the law firm, nor did he or anyone else at the firm authorize Respondent to use the checks' proceeds for his own business or personal purposes. Respondent's use of those funds constitutes conversion.

7. Respondent's actions in bypassing the LaZara firm's procedures requiring lawyers to open and maintain physical and electronic client files, and to deliver to Mr. LaZara client payments for legal services provided by the firm, were deliberate and intended to deceive the firm by concealing that Respondent had received payments of fees and taken those payments and used them for his own purposes.

8. As a result of the conduct described above, Respondent has engaged in the following misconduct:

- a. conduct involving dishonesty, fraud, deceit or misrepresentation, by conduct including adding the purported signature of Joseph LaZara to checks he knew should have been paid to the firm, and the unauthorized taking and use of the proceeds of those checks from the LaZara firm, in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010).

WHEREFORE, the Administrator requests that this matter be assigned to a panel of the Hearing Board, that a hearing be held, and that the panel make findings of fact, conclusions of fact and law, and a recommendation for such discipline as is warranted.

Respectfully submitted,

Jerome Larkin, Administrator
Attorney Registration and
Disciplinary Commission

By: /s/ Scott Renfroe
Scott Renfroe

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