

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

FILED
5/9/2024 9:15 AM
ARDC Clerk

In the Matter of:

FRANK JOHN ZANGARA,

Attorney No. 6190246,

Respondent

Commission No. 2024PR00028

COMPLAINT

Lea S. Gutierrez, Administrator of the Attorney Registration and Disciplinary Commission, by her attorneys, Matthew D. Lango and M. Katherine Boychuk, pursuant to Supreme Court Rule 753(b), complains of Respondent, Frank John Zangara, who was licensed to practice law in the State of Illinois on November 7, 1985, and alleges that Respondent has engaged in the following conduct which subjects him to discipline pursuant to Supreme Court Rule 770:

COUNT I

(Conversion of Escrow Funds – Multiple Client Matters)

1. At all times alleged in this complaint, Respondent was a sole practitioner with a practice located in Crystal Lake, Illinois, handling commercial and residential real estate and business asset transactions. Respondent was the sole signatory on a JPMorgan Chase Bank IOLTA trust account with an account number ending in 6312 (the “IOLTA account”), which was entitled “Frank J. Zangara Ltd. Attorney, Escrow Account Lawyers Trustee Fund of Illinois,” and which Respondent used as a depository of funds belonging, presently or potentially, to the firm’s clients, third parties, or to the firm.

2. As of July 1, 2020, Respondent had drawn the balance in the IOLTA account to \$56,929.32, by drawing checks or making withdrawals in payment of his personal or business obligations.

3. As set forth in more detail below, between June 11, 2019 and July 1, 2020, Respondent received the following funds on behalf of the following clients and deposited those funds into the IOLTA account. As of July 1, 2020, based on the amounts Respondent received and the payments, if any, he made to or on behalf of his clients, Respondent should have been holding at least the following amounts (totaling \$95,204.24 in aggregate) on behalf of the following clients:

- On behalf of his client, CJR Group, Inc., Respondent received and deposited into the IOLTA account the following bulk sales escrow funds: Jibit Joy check number 552, dated June 11, 2019, payable to Frank Zangara as Escrowee, in the amount of \$10,000, deposited on June 18, 2019; and Citywide Title Corporation check number 70446527, dated January 30, 2020, payable to Frank Zangara in the amount of \$23,047.24, deposited on January 31, 2020. As of July 1, 2020, Respondent made no disbursements to or on behalf of CJR Group, Inc. and should have been holding at least \$33,047.24 on behalf of CJR Group.
- On behalf of his client, Joseph R. Musso, as independent executor of the Estate of Antoinette Musso, Respondent received and deposited into the IOLTA account the following tax escrow funds: First American Title Insurance Company check number 141124936, dated August 9, 2019, payable to the Law Office of Frank J. Zangara, Ltd., in the amount of \$2,500.00, deposited on August 9, 2019. As of July 1, 2020, Respondent made no disbursements to or on behalf of Joseph R. Musso and should have been holding at least \$2,500.00 on behalf of Joseph R. Musso.
- On behalf of his client, Pellicano, Inc., Respondent received and deposited the following bulk sales escrow funds into the IOLTA account: Union Restaurant Group, LLC check number 7685, dated August 22, 2019, payable to Frank Zangara as Escrowee, in the amount of \$10,000.00, deposited on August 23, 2019. As of July 1, 2020, Respondent made one disbursement in the amount of \$7,986.10 and should have been holding at least \$2,013.90 on behalf of Pellicano, Inc.

- On behalf of his client, Geneva's Best Pizza, Respondent received and deposited into the IOLTA account the following bulk sales escrow funds: TCF National Bank check number 306040373, dated February 5, 2020, payable to the Law Office of Frank Zangara, in the amount of \$9,000.00, deposited on February 10, 2020; and TCF National Bank check number 306040372, dated February 5, 2020, payable to Frank Zangara in the amount of \$7,834.30, deposited on February 10, 2020. As of July 1, 2020, Respondent made no disbursements to or on behalf of Geneva's Best Pizza and should have been holding at least \$16,834.30 on behalf of Geneva's Best Pizza.
- On behalf of his client, Elena Panza, Respondent received and deposited into the IOLTA account the following tax escrow funds: Attorneys' Title Guaranty Fund, Inc. check number 51286893, dated May 7, 2020, payable to Frank Zangara Escrowee, in the amount of \$2,500.00, deposited on May 8, 2020. As of July 1, 2020, Respondent made no disbursements to or on behalf of Elena Panza and should have been holding at least \$2,500.00 on behalf of Elena Panza.
- On behalf of his client, 23961 Corporation, Respondent received and deposited into the IOLTA account the following bulk sales escrow funds: PNC Bank cashier's check number 1943030, dated June 16, 2020, payable to Frank Zangara, as Escrowee, in the amount of \$5,500, deposited on June 22, 2020; and PNC Bank cashier's check number 1943029, dated June 16, 2020, payable to Frank Zangara, as Escrowee, in the amount of \$27,413.80, deposited on June 22, 2010. As of July 1, 2020, Respondent made no disbursements to or on behalf of 23961 Corporation and should have been holding at least \$32,913.80 on behalf of 23961 Corporation.
- On behalf of his client, Joseph Miller, Respondent received and deposited into the IOLTA account the following special assessment escrow funds: Chase cashier's check number 9518223029, dated June 30, 2020, payable to Frank Zangara Escrowee in the amount of \$5,395.00 and deposited on July 1, 2020. As of July 1, 2020, Respondent made no disbursements to or on behalf of Joseph Miller and should have been holding at least \$5,395.00 on behalf of Joseph Miller.

4. As of July 1, 2020, Respondent had used at least \$38,274.92 of the above clients' funds, which he should have been holding for the benefit of the clients or third parties, for Respondent's own business or personal purposes.

5. At no time did Respondent have authority from the clients listed in paragraph three, above, to use for his own business or personal purposes any portion of the escrow funds due to those clients or to third parties.

6. Respondent's use of the \$38,274.92 as set forth in paragraph three, above constitutes conversion of the funds due to the clients or to third parties.

7. By reason of the conduct described above, Respondent has engaged in the following misconduct:

- a. failure to hold property of clients or third persons that is in a lawyer's possession in connection with a representation separate from the lawyer's own property, by conduct including: (1) failing to hold funds belonging to the clients listed in paragraph three, above, or to third parties, separate from Respondent's own property, and (2) converting at least \$38,274.92 of escrow funds relating to the clients listed in paragraph three, above, to Respondent's own use and causing the balance in the IOLTA account to fall below the amount then belonging to the clients or to third parties, in violation of Rule 1.15(a) of the Illinois Rules of Professional Conduct (2010); and
- b. failure to promptly deliver to the client or third person any funds that the client or third person is entitled to receive, by conduct including failing to promptly deliver the \$38,274.92 of escrow funds that the clients listed in paragraph three, above, or third parties, were entitled to receive, in violation of Rule 1.15(d) of the Illinois Rules of Professional Conduct (2010).

COUNT II
(Conversion of Escrow Funds – Additional Client Matters)

8. The Administrator realleges the facts set forth in paragraphs one through seven of Count I, above.

9. As of October 29, 2021, Respondent had drawn the balance in the IOLTA account to \$41,810.38, by drawing checks or making withdrawals in payment of his personal or business obligations.

10. As set forth in more detail below, between September 4, 2020 and October 29, 2021, Respondent received the following funds on behalf of the following clients and deposited those funds into the IOLTA account. As of October 29, 2021, based on the amounts Respondent received and the payments, if any, he made to or on behalf of his clients, Respondent should have been holding at least the following outstanding amounts (totaling \$77,585.50 in aggregate) on behalf of the following clients:

- On behalf of his client, JC Wise Investment, Inc., Respondent received and deposited the following bulk sales escrow funds into the IOLTA account: St. Marys Petroleum Inc. check number 1021, dated September 1, 2020, payable to Frank J. Zangara, in the amount of \$20,000.00, deposited on September 4, 2020; and Chicago Title and Trust check number 5160138094, dated August 24, 2021, payable to Frank J. Zangara, in the amount of \$26,987.00, deposited on August 24, 2021. As of October 29, 2021, Respondent made no disbursements to or on behalf of JC Wise Investment and should have been holding at least \$46,987.00 on behalf of JC Wise Investment.
- On behalf of his client, JB Restaurant Group, Inc., Respondent received and deposited the following bulk sales escrow funds into the IOLTA account: Busey Bank check number 701106562, dated September 10, 2020, payable to Frank Zangara, in the amount of \$10,964.18, deposited on September 14, 2020. As of October 29, 2021, Respondent made no disbursements to or on behalf of JB Restaurant Group and should have been holding at least \$10,964.18 on behalf of JB Restaurant Group.
- On behalf of his client, Jennifer Vigon, Respondent received and deposited the following tax escrow funds into the IOLTA account: First American Title Insurance Company check number 1806280969, dated March 8, 2021, payable to the Law Office of Frank J. Zangara, Ltd. in the amount of \$4,000.00, deposited on March 8, 2021. As of October 29, 2021, Respondent made no disbursements to or on behalf of Jennifer Vigon and should have been holding at least \$4,000.00 on behalf of Jennifer Vigon.
- On behalf of his client, Bonnie Gold, Respondent received and deposited the following tax escrow funds into the IOLTA account: Attorneys' Title Guaranty Fund, Inc., dated June 3, 2021, payable to Frank Zangara as Escrowee, in the amount of \$1,200.00, deposited on June 4, 2021. As of October 29, 2021, Respondent made no

disbursements to or on behalf of Bonnie Gold and should have been holding \$1,200.00 on behalf of Bonnie Gold.

- On behalf of his client, Crystal Food Group Inc., Respondent received and deposited the following bulk sales escrow funds into the IOLTA account: Bank of America cashier's check number 1590007767, dated August 4, 2021, payable to Frank Zangara in the amount of \$9,434.32, deposited on August 5, 2021. As of October 29, 2021, Respondent made no disbursements to or on behalf of Crystal Food Group and should have been holding at least \$9,434.32 on behalf of Crystal Food Group.
- On behalf of his client, ARJ Gasmart Inc., Respondent received and deposited the following escrow funds into the IOLTA account: Johnson Thomas/Jinju John check number 569, dated September 23, 2021, payable to Frank J. Zangara in the amount of \$5,000.00, deposited on September 27, 2021. As of October 29, 2021, Respondent made no disbursements to or on behalf of ARJ Gasmart and should have been holding at least \$5,000.00 on behalf of ARJ Gasmart.

11. As of October 29, 2021, Respondent had used at least \$35,775.12 of the above clients' funds, which he should have been holding for the benefit of the clients or third parties, for Respondent's own business or personal purposes.

12. At no time did Respondent have authority from the clients listed in paragraph ten, above, to use for his own business or personal purposes any portion of the escrow funds due to those clients or to third parties.

13. Respondent's use of the \$35,775.12 as set forth in paragraph ten, above, constitutes conversion of the funds due to those clients or to third parties.

14. By reason of the conduct described above, Respondent has engaged in the following misconduct:

- a. failure to hold property of clients or third persons that is in a lawyer's possession in connection with a representation separate from the lawyer's own property, by conduct including: (1) failing to hold funds belonging to the clients listed in paragraph ten, above, or to third parties, separate from Respondent's own property, and (2) converting at least \$35,775.12 of escrow funds relating to the clients

listed in paragraph ten, above, to Respondent's own use and causing the balance in the IOLTA account to fall below the amount then belonging to the clients or to third parties, in violation of Rule 1.15(a) of the Illinois Rules of Professional Conduct (2010); and

- b. failure to promptly deliver to the client or third person any funds that the client or third person is entitled to receive, by conduct including failing to promptly deliver the \$35,775.12 of escrow funds that the clients listed in paragraph ten, above, or third parties, were entitled to receive, in violation of Rule 1.15(d) 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,

Lea S. Gutierrez, Administrator
Attorney Registration and
Disciplinary Commission

By: /s/ M. Katherine Boychuk
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