

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

In the Matter of:

STEPHEN JOSEPH LINK,
Attorney-Respondent,
No. 6229721.

Commission No. **2024PR00058**

COMPLAINT

Lea S. Gutierrez, Administrator of the Attorney Registration and Disciplinary Commission (“ARDC”), by her attorney, Kate E. Levine, pursuant to Supreme Court Rule 753(b), complains of Respondent, Stephen Joseph Link, who was licensed to practice law in the State of Illinois on November 9, 1995, and alleges that Respondent has engaged in the following conduct that subjects him to discipline pursuant to Supreme Court Rule 770:

COUNT I

(Conversion of Earnest Funds – Rex Boulevard Property)

1. At all times alleged in this complaint, Respondent was a sole practitioner with a practice located in Addison or Bloomingdale, handling residential real estate transactions. Respondent was the sole signatory on an Itasca Bank & Trust Co. (“Itasca Bank”) IOLTA trust account with an account number ending in 5101 (“IOLTA account”), which was titled “Stephen J. Link Lawyers Trust 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. Additionally, Respondent was the sole signatory on an Itasca Bank business account with an account number ending in 4201 (“business account”), which was titled “Stephen J. Link DBA Stephen J. Link, Attorney at Law,” and which Respondent used for business and personal purposes.

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ARDC Clerk

2. Prior to November 22, 2022, Respondent agreed to represent Perfection Custom Homes LLC (“PCH LLC”) in the sale of the property located at 397 S. Rex Boulevard, Elmhurst (“Rex Blvd. property”), to Anthony Joseph and Erin Masters (“Joseph and Masters”).

3. On November 22, 2022, PCH LLC, Joseph, and Masters entered a real estate contract relating to the proposed sale of the Rex Blvd. property in which they agreed that Joseph and Masters would make an earnest payment of \$30,000. The parties agreed that Respondent would hold the earnest money in trust for the benefit of the parties.

4. On November 29, 2022, Joseph and Masters caused \$30,000 to be wire-transferred into Respondent’s IOLTA account at Itasca Bank. That \$30,000 represented the earnest money for the Rex Blvd. property transaction with PCH LLC, and Respondent learned of the earnest money deposit at the time it was made, or shortly thereafter.

5. As of February 21, 2023, prior to any closing on the Rex Blvd. property, any authorized disbursement, or any action relating to the intended sale of the property, the balance of Respondent’s IOLTA account fell to \$109.98, as Respondent drew checks on the account or made other withdrawals in payment of his business or personal obligations.

6. As of February 21, 2023, Respondent had used at least \$29,890.02 of the earnest money, which he should have been holding in connection with the proposed sale of the Rex Blvd. property, for Respondent’s own business or personal purposes.

7. At no time did PCH LLC, Joseph, or Masters authorize Respondent to use any portion of the \$30,000 in earnest money funds he had received in connection with the proposed sale of the Rex Blvd. property for his own business or personal purposes.

8. By using at least \$29,890.02 of the earnest money given to him by Joseph and Masters without authority, Respondent engaged in conversion of those funds.

9. By knowingly using at least \$29,890.02 of the earnest money given to him by Joseph and Masters, without authority, for his own business and personal purposes, Respondent engaged in dishonest conduct.

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

- a. failure to hold property of clients or third parties 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 or third parties listed in paragraph three, above, separate from Respondent's own property, and (2) converting at least \$29,890.02 of earnest funds relating to the clients or third parties 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. conduct involving dishonesty, fraud, deceit, or misrepresentation, by knowingly converting at least \$29,890.02 of earnest funds relating to the clients or third parties listed in paragraph three, above, to Respondent's own use without authority, in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010).

COUNT II

(Conversion of at least \$9,131.24 in Client Funds – Multiple Real Estate Transactions)

11. The Administrator realleges paragraphs one through 10, above.

12. As set forth in more detail below, between November 2, 2021, and December 22, 2021, Respondent had received funds on behalf of the following clients or third parties and had deposited those funds into his IOLTA account. As of January 6, 2022, based on the amounts Respondent received, Respondent should have been holding at least the following outstanding amounts (totaling \$15,300 in aggregate) on behalf of the following clients or third parties:

- a. On or about November 2, 2021, Respondent received and deposited into the IOLTA account \$10,000 in escrow holdback funds on behalf of clients Charles and Gerolyn Baren in relation to the sale of

their property at 2420 Williamstown Court, Naperville. The funds were to be held in escrow pending a dissolution of marriage settlement agreement. As of January 6, 2022, no agreement had yet been entered in the dissolution matter, and accordingly, Respondent should have been holding \$10,000 for the Barens, pending a distribution agreement.

- b. On or about November 2, 2021, Respondent received and deposited into the IOLTA account \$800 in “senior freeze exemption escrow” funds on behalf of clients Carl and Margaret Ulrich in relation to the sale of their property at 3N650 Central Court, Addison. As of January 6, 2022, Respondent had not received instructions from any of the parties involved in the sale of 3N650 Central Court regarding distribution of the \$800 in “senior freeze exemption escrow” funds he had received, and therefore he should still have been holding \$800 on behalf of his clients or their trust.
- c. On or about December 22, 2021, Respondent received and deposited into the IOLTA account \$4,500 in earnest funds on behalf of clients James and Judith Jaskoske in relation to the sale of their property at 268 N. Haddon Place, Addison. As of January 6, 2022, the closing relating to the sale of 268 N. Haddon Place had not yet taken place, and Respondent should have been holding at least \$4,500 on behalf of the Jaskoskes.

13. On January 6, 2022, prior to any authorized disbursement of the funds Respondent had received and deposited as described in paragraph 12, above, the balance of Respondent’s IOLTA account fell to \$6,168.76, as he drew checks on the account or made other withdrawals in payment of his business or personal obligations.

14. As of January 6, 2022, Respondent had used at least \$9,131.24 of the escrow funds he had received as described in paragraph 12, above, for his own business or personal purposes.

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

16. Respondent's use of at least \$9,131.24 of the escrow funds he had received as described in paragraph 12, above, constitutes conversion of the funds due to his clients or third parties.

17. At the time Respondent used the funds due to the clients set forth in paragraph 12, above, or to third parties, Respondent acted dishonestly, as he knew that he was using those funds for his own business or personal purposes.

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

- a. failure to hold property of clients or third parties 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 clients or to third parties listed in paragraph 12, above, separate from Respondent's own property, and (2) converting at least \$9,131.24 of earnest or escrow funds relating to the clients or third parties listed in paragraph 12, 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. conduct involving dishonesty, fraud, deceit, or misrepresentation, by knowingly converting at least \$9,131.24 of earnest or escrow funds relating to the clients or third parties listed in paragraph 12, above, to Respondent's own use without authority, in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010).

COUNT III

(Conversion of Escrow Funds – Pavilion Way Property)

19. The Administrator realleges paragraphs one through 18, above.

20. Prior to April 4, 2023, Respondent agreed to represent Lord and Franzina Espedido ("the Espedidos") in the sale of their property located at 1745 Pavilion Way, Park Ridge ("Pavilion Way property"), to Katrina Bianca Dy Tee ("Dy Tee").

21. On April 4, 2023, the parties entered a real estate contract whereby the Espedidos agreed to deliver possession of the Pavilion Way property to Dy Tee after the closing. The parties also agreed that Respondent was to hold post-closing possession escrow funds, the balance of which would be refunded to the Espedidos after delivery of possession to Dy Tee.

22. On May 8, 2023, at the closing relating to the sale of the Pavilion Way property, Respondent received \$2,101.70 in post-closing possession escrow funds from Fidelity National Title Company, which Respondent deposited into his Itasca Bank IOLTA account the same day.

23. As of May 31, 2023, prior to any authorized disbursement of the post-possession escrow relating to the sale of the Pavilion Way property, Respondent's IOLTA account was overdrawn and had a negative balance of -\$4,812.12, as he drew checks on the account or made other withdrawals in payment of his business or personal obligations.

24. As of May 31, 2023, Respondent had used all \$2,101.70 of the post-closing escrow funds, which he should have been holding for the parties' benefit, for Respondent's own business or personal purposes.

25. At no time did Respondent have authority from the Espedidos or Dy Tee to use for his own business or personal purposes any portion of the post-possession escrow funds due to them.

26. Respondent's use of \$2,101.70 as set forth in paragraph 24, above, constitutes conversion of the funds due to the Espedidos or Dy Tee.

27. By knowingly using the post-possession escrow funds, without authority, for his own business and personal purposes, Respondent engaged in dishonest conduct.

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

- a. failure to hold property of clients or third parties 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 20, above, or third parties separate from Respondent's own property, and (2) converting \$2,101.70 of funds relating to the clients listed in paragraph 20, above, or third parties to Respondent's own use and causing the balance in the IOLTA account to fall below the amount then belonging to the clients or third parties, in violation of Rule 1.15(a) of the Illinois Rules of Professional Conduct (2010);
- b. failure to promptly deliver to the clients or third parties any funds that the clients or third parties are entitled to receive, by conduct including failing to promptly deliver \$2,101.70 of escrow funds that the clients listed in paragraph 20, above, or third parties were entitled to receive, in violation of Rule 1.15(d) of the Illinois Rules of Professional Conduct (2010); and
- c. conduct involving dishonesty, fraud, deceit, or misrepresentation, by knowingly converting \$2,101.70 of escrow funds relating to the clients listed in paragraph 20, above, or third parties to Respondent's own use without authority, in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010).

COUNT IV

(Misrepresentations to ARDC in Response to Request for Information & Failure to Prepare and Maintain Client Trust Account Records)

29. The Administrator realleges paragraphs one through 28, above.
30. On or about June 16, 2023, the Administrator received a notice of insufficient funds from Itasca Bank relating to Respondent's IOLTA account.
31. On or about June 16, 2023, as a result of receiving Itasca Bank's notice relating to the shortage in Respondent's IOLTA account, the Administrator docketed investigation number 2023IN01998.
32. By letter dated June 23, 2023, counsel for the Administrator sent Respondent a request for information and documentation regarding the circumstances of the IOLTA account shortage.

33. By letter dated July 7, 2023, Respondent stated as follows:

The overdraft arose on May 30th when I received a settlement wire for \$7,000.00 on behalf of a client. The client requested that I transmit funds to her as soon as possible as she had payments to make. I initiated the \$5,000.00 transfer via PayPal but found out that her bank, PNC[,] would put a hold of several days on those funds. Therefore, I attempted to stop the transfer through PayPal but they were uncooperative. In order to accommodate my client and in consultation with Itasca Bank, I put a stop payment on the PayPal transaction with the bank, transferred the \$7,000.00 to my business account and sent a wire transfer of \$4,000.00 and a Western Union transfer of \$500.00 from the business account and \$500.00 via Cash App to ensure she would have access to her funds. In the process of making the transfers, while the stop payment was in process, the IOLTA account became overdrawn.

34. Respondent's statements as set forth in his July 7, 2023, letter were false because Respondent received the \$7,000 deposit from a friend as a result of Respondent's request for the funds in relation to a personal matter. Additionally, the wire, PayPal, and Western Union transfers were not in service of a client and instead were related to Respondent's personal use of the IOLTA account.

35. Respondent knew that the statements set forth in his July 7, 2023, letter were false at the time he made them.

36. By letter dated July 12, 2023, counsel for the Administrator sent Respondent a request for additional information and documentation regarding his IOLTA account.

37. By letter dated August 18, 2023, Respondent again stated that the \$7,000 wire transfer deposit was for a "settlement" and further stated that a "\$2,101" check that he had received from Chicago Title and Trust Company was a "closing fee."

38. Respondent's statements as set forth in his August 18, 2023, letter were false because Respondent received the \$7,000 deposit from a friend and not as a settlement on behalf of

a client. Additionally, Respondent received \$2,101.70 in post-closing escrow funds as set forth in Count III and not as a closing fee.

39. Respondent knew that the statements set forth in his August 18, 2023, letter were false when he made them.

40. Additionally, between the periods of time referenced in Counts I, II, and III, above, Respondent failed to prepare and maintain the required records for his IOLTA account.

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

- a. conduct involving dishonesty, fraud, deceit, or misrepresentation, by conduct including knowingly making false statements to the ARDC in response to lawful demands for information, in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010); and
- b. failure to prepare and maintain complete records of a client trust account, in violation of Rules 1.15A(b)(1) through 1.15A(b)(8) 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/ Kate E. Levine
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