In re Michael Jeffrey Gunderson
Attorney-Respondent

Commission No. 2025PR00051

Synopsis of Hearing Board Report and Recommendation
(September 2026)

The Administrator filed a complaint charging respondent with failing to safeguard and dishonestly converting investment funds he held in connection with one representation, failing to safeguard and dishonestly converting earnest monies he held in connection with eighteen real estate transactions, commingling funds belonging to clients and third persons with his own funds, and failing to keep client trust account records. The Hearing Board found that the Administrator proved the charges of misconduct by clear and convincing evidence. After considering the extensive misconduct, the mitigating and aggravating factors, and the applicable case law, the Hearing Board recommended that respondent be suspended for two years and required to complete the ARDC Professionalism Seminar before his term of suspension ends.

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

In the Matter of: MICHAEL JEFFREY GUNDERSON, Attorney-Respondent, No. 6289644.	Commission No. 2025PR00051

REPORT AND RECOMMENDATION OF THE HEARING BOARD

SUMMARY OF THE REPORT

The Administrator charged respondent with failing to safeguard and dishonestly converting client or third party funds he held in connection with 19 representations, commingling funds belonging to clients or third parties with his own funds, and failing to keep required records for his client trust account. The hearing panel finds that the Administrator proved all of the charges by clear and convincing evidence. After considering the extensive proven misconduct and the factors in mitigation and aggravation, the hearing panel recommends that respondent be suspended for two years and required to complete the ARDC Professionalism Seminar before his term of suspension ends.

INTRODUCTION

The hearing in this matter was held on May 28 and 29, 2026, before a panel of the Hearing Board consisting of Rhonda Sallée, chair, Cristin K. M. Duffy, and Michael Silver. Evette L. Ocasio and Richard C. Gleason, II represented the Administrator. Respondent was present and was represented by James A. Doppke.

FILED

September 11, 2026

ARDC CLERK

PLEADINGS AND MISCONDUCT ALLEGED

The Administrator filed a 21-count complaint against respondent on August 28, 2025. Counts I-XIX charged respondent with knowingly and dishonestly converting funds belonging to clients and third persons, in violation of Rules 1.15(a) and 8.4(c) of the Illinois Rules of Professional Conduct (2010). Count XX charged him with commingling funds belonging to clients or third persons with his own funds in violation of Rules 1.15(a) (prior to July 1, 2023) and 1.15(b) (on or after July 1, 2023).[1] Count XXI charged him with failing to keep required records for his client trust account, in violation of Rule 1.15(a) (prior to July 1, 2023) and Rule 1.15A(b) (on or after July 1, 2023). Respondent filed an answer on October 31, 2025, in which he admitted many of the factual allegations and denied the allegations of misconduct.

EVIDENCE

The Administrator presented testimony from two fact witnesses and respondent as an adverse witness. The Administrator's Exhibits 1-8 and 12-29 were admitted into evidence. (Tr. 8-9.) Respondent testified on his own behalf and presented three character witnesses. He did not offer any exhibits.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Administrator bears the burden of proving the charges of misconduct by clear and convincing evidence. *In re Thomas*, 2012 IL 113035, ¶ 56. Clear and convincing evidence constitutes a high level of certainty, which is greater than a preponderance of the evidence but less

[1] Before the hearing began, the chair granted the Administrator's oral motion to (1) strike allegations pertaining to wire transfers occurring after January 2023 from paragraph 133 of the complaint, (2) amend the date of the January 2023 wire transfer referred to in paragraph 133 to January 13, 2023, and (3) amend charging paragraph 147(a) in part to read: "failing to hold funds or property of clients or third persons that is in the lawyer's possession in connection with a representation separate from the lawyer's own funds or property by conduct including: (1) causing funds on behalf of clients and/or third parties to be wired to Respondent's Real View checking account in January 2023 as described in paragraph 133 …"

stringent than proof beyond a reasonable doubt. *People v. Williams*, 143 Ill. 2d 477, 484-85 (1991). The Hearing Board assesses witness credibility, resolves conflicting testimony, makes factual findings, and determines whether the Administrator met the burden of proof. *In re Winthrop*, 219 Ill. 2d 526, 542-43 (2006).

Facts Common to All Counts

Respondent was licensed to practice law in Illinois in 2006 and became a licensed real estate broker in 2008. (Tr. 72.) Since 2008, he has practiced as a sole proprietor or in a partnership, focusing on real estate and bankruptcy matters. During the time relevant to the charges before us, he was the sole attorney of Gunderson Law Firm, LLC. (Answer ¶ 1.) He was responsible for the firm's client management, financial management, recordkeeping, and payroll. (Tr. 78.)

Respondent was the sole signatory on the following bank accounts related to the alleged misconduct: (1) a JPMorgan Chase Bank checking account, entitled "MICHAEL JEFFREY GUNDERSON" and ending with the digits 7919 (personal account); (2) a checking account at First Eagle Bank, entitled "GUNDYLAW PC" and ending with the digits 9101 (Real View account); (3) an IOLTA client trust account at First Eagle Bank, entitled "GUNDYLAW PC IOLTA CLIENT TRUST ACCOUNT" and ending with the digits 6301 (IOLTA account); and (4) a Chase Bank checking account, entitled "VILLAGE LEGAL SERVICES LLC" and ending with the digits 3766 (operating account). (Answer ¶¶ 2-5.)

I. The Administrator charged respondent in Count I with failing to hold $175,000 belonging to a client or third party separate from respondent's own property and using those funds for his own personal or business purposes without authorization, in violation of Rules 1.15(a) and 8.4(c).

A. Summary

Respondent's admissions and the evidence presented at hearing established by clear and convincing evidence that respondent failed to properly hold and dishonestly converted $175,000 of investment funds he received on behalf of his client, Real View.

B. Admitted Allegations and Evidence Considered

In 2016, Respondent agreed to represent Real View Design and Development (Real View), a company that builds single family homes. (Tr. 21-24, 26.) Real View has two principals, P.M. and F.L. Respondent communicated primarily with P.M. about the representation. (Tr. 66.) P.M. trusted respondent and felt they communicated more like friends than an attorney and client. (Tr. 37.)

Real View retained respondent primarily to handle the sales of homes it constructed. (Tr. 26.) Until approximately two years ago, respondent held earnest money for Real View's transactions. (Tr. 28, 31.) P.M. was led to believe that respondent's Real View account at First Eagle Bank was an IOLTA account specifically for Real View projects. (Tr. 29.) P.M. did not have access to the Real View account, nor does he recall respondent ever showing him the bank records for that account. (Tr. 33-34.) The Real View account was not an IOLTA account. (Tr. 83-84.) Respondent testified that he initially used the Real View account to hold funds he received on behalf of Real View but over time began using it as a general operating account. (Tr. 29, 83-84.)

Respondent did not have a written fee agreement with Real View. He was paid for his work on Real View's real estate transactions at the closings for those transactions. His legal fees were a line item on the closing statements. (Tr. 34.)

Real View set up the ownership of each construction project as its own entity with its own bank account at First Eagle Bank. Respondent did not have access to the First Eagle accounts that were designated for the single-use entities. (Tr. 25, 30.)

Real View had investors who either contributed funds for a specific rate of return or became partners in the individual LLCs. The investors received returns on their investments when projects closed. (Tr. 39-40.) Respondent's responsibilities included creating operating agreements and making sure investors were properly assigned to LLCs and accounted for in operating agreements. (Tr. 246-47.) As part of his representation of Real View, he occasionally received funds from investors and disbursed those funds at Real View's direction. (Answer ¶ 8.)

Over time, respondent became general counsel for Real View. He represented Real View in all matters related to their property development and also represented F.L. and P.M. in matters unrelated to Real View. (Tr. 62.) Respondent represented F.L. in a lawsuit involving F.L.'s former employer and represented P.M. when he and his architecture firm were third-party defendants in a lawsuit. Respondent never asked P.M. or F.L. to pay him for those representations. (Tr. 62-63, 67-70.) Respondent had no agreement with Real View, P.M., or F.L. as to an hourly rate or a flat fee for the litigation matters. (Tr. 34-35.)

Respondent rarely provided Real View with an invoice. Occasionally, he asked Real View to reimburse him for certain expenses. For example, if Real View received a ticket on one of its construction sites, respondent would appear in court, negotiate the fine, and pay the fine on Real View's behalf. In those instances, he would request reimbursement from Real View. P.M. did not recall paying respondent any large amounts in legal fees. (Tr. 36-37.)

P.M. testified that he and respondent met once or twice a year to discuss records of escrows, funds that respondent held, the outcome of matters in which respondent was representing Real View or its principals, and the financial ramifications of those matters. (Tr. 37-38.) In those meetings, respondent showed P.M. spreadsheets with escrow balances, results of property tax appeals, and information related to ongoing matters. (Tr. 42.) P.M. testified that he and respondent had an understanding that, as long as things happened as they were supposed to, P.M. did not ask questions or ask respondent to explain anything. (Tr. 62.)

P.M. "vaguely" recalled meeting with respondent in January 2023 and discussing holding funds from a Real View investor, U.V. (Tr. 38.) Because U.V. was going to be out of the country and Real View did not have a definite date for the transaction in which he was investing, P.M. recommended that U.V. transfer his investment funds of $175,000 to respondent before he left the country. P.M. asked respondent to hold U.V.'s funds and expected that respondent would hold them in escrow until P.M. directed how to disburse them. (Tr. 43-44.) U.V. transferred $175,000 to respondent's Real View account on January 13, 2023. (Adm. Ex. 1 at 1.) According to respondent, before the wire transfer occurred he was unaware that U.V. would be transferring funds to him. He usually was informed about investment funds coming into his account after they had been transferred. (Tr. 248.)

When Respondent received U.V.'s wire transfer, he believed those funds belonged to Real View. Respondent testified that, in January 2023, P.M. authorized him to use a portion of U.V.'s investment funds to settle outstanding fees for litigation as well proceeds owed from an investment respondent made in Real View. Respondent believes the amount he was owed was "close to $100,000." (Tr. 86-87.) According to respondent, P.M. gave this authorization during a conversation, which was not documented. Respondent did not recall the substance of the conversation except that it involved general discussions about reconciliation and funds. (Tr. 88-89.)

With respect to documentation of his personal investment in Real View, respondent was sure there were records but he did not produce them. (Tr. 90-91.) P.M. initially testified that respondent did not invest in Real View but, on cross-examination, testified that respondent did invest $50,000 in a project at the end of 2022 or beginning of 2023. The closing for that project took place in late 2023. (Tr. 273.) Respondent acknowledged that the return on his investment was due to him at closing. (Tr. 89, 274.)

On January 11, 2023, before U.V's wire transfer, the balance of respondent's Real View account was $258.65. (Adm. Ex. 1 at 2.) Between January 17, 2023, and February 14, 2023, respondent made transfers or payments from the Real View account that included: a $15,000 transfer to his IOLTA account; multiple payments to Stretch Piece, a lender from whom respondent received capital financing; a $10,000 payment to American Express; a $17,500 and a $37,000 transfer to accounts for Real View single-use entities in which U.V. was not involved; a $24,000 payment to Blitt & Gaines, which constituted a settlement for a matter unrelated to Real View; and a $70,000 transfer to respondent's personal checking account, which was overdrawn by $1,995.65 at the time. (Tr. 91-96; Adm. Ex. 1 at 1, 2, 12; Adm. Ex. 3 at 403-04.) On February 14, 2023, respondent's Real View account was overdrawn by $563.46. (Tr. 94; Adm. Ex. 1 at 13.)

P.M. was not aware of and did not authorize respondent to use U.V.'s funds for any of the transactions identified above. (Tr. 45-47.) He did not ask or authorize respondent to transfer U.V.'s funds to single-use entity accounts in which U.V. was not involved. He did ask respondent to transfer funds to those accounts but thought respondent transferred escrowed funds or other funds that were owed to Real View. (Tr. 49, 50, 52.) He did not recall Real View owing respondent large amounts of legal fees, reimbursement of advanced costs, or a return on an investment in January or February of 2023. (Tr. 43-44, 47-48.)

On March 27, 2023, in a text message to respondent and U.V., P.M. advised that the deal for which U.V. provided funds fell through and asked respondent to wire $175,000 back to U.V. On March 28 and 29, 2023, U.V. inquired when his funds would be returned. (Tr. 53; Adm. Ex.

8.) On March 29, 2023, Respondent transferred $75,000 from his Real View account to his IOLTA account. (Tr. 97; Adm. Ex. 1 at 35; Adm. Ex. 2 at 36.) On March 30, 2023, Respondent wired $87,500 to U.V. from his IOLTA account. (Tr. 98; Adm. Ex. 2 at 36; Adm. Ex. 8.) On April 4, 2023, U.V. asked for an update on the remaining $87,500. Respondent wired the remaining $87,500 to U.V. on April 7, 2023, from a Byline Bank checking account. (Tr. 99; Adm. Exs. 7, 8.) Those funds came from a business loan respondent obtained from Byline Bank on March 20, 2023. (Tr. 98-99.) When asked why he returned U.V.'s funds in two installments, respondent stated, "especially with a large amount, you want to confirm receipt, confirm the instructions, make sure everything comes through. And the reason it was split up is because I was going to have to defer compensation, again, in order to return his funds." (Tr. 253.)

P.M. testified that Respondent occasionally delayed disbursing funds for a few days up to a few weeks, "but the money always came through." (Tr. 56.)

C. Analysis and Conclusions

Rule 1.15(a)

Count I alleges misconduct predating the amendments to Rule 1.15 that took effect on July 1, 2023. Thus, we apply the prior version of Rule 1.15(a), which states that "[a] lawyer shall 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." Ill. Rs. Pro. Conduct R. 1.15(a) (eff. July 1, 2015). A violation of Rule 1.15(a) occurs when the attorney uses client or third party funds without authorization and causes the balance in the account into which the funds were deposited to fall below the amount the attorney should be holding. *In re Fakhouri*, 2021PR00056, M.R. 032112 (May 23, 2024) (Hearing Bd. at 10-11).

We find that the funds U.V. transferred into respondent's Real View account were client or third party funds that respondent held in connection with his representation of Real View.

Respondent believed the funds belonged to Real View, and his representation of Real View included holding investor funds and disbursing them at Real View's direction.

Respondent admits he did not hold the investment funds separately from his own property. The Real View account was not an IOLTA account. Respondent admittedly used it as a general operating account from which he paid personal and business expenses, including credit card bills and loan payments.

Respondent contends that the Administrator did not prove that he was required to hold the investment funds in a client trust account because there was a lack of clarity between himself, Real View, and U.V. as to how the investment funds were to be held. He points to the absence of evidence of an escrow agreement, the informality of his relationship and practices with Real View, and his claimed lack of awareness that U.V. would be transferring funds to him. None of these arguments has merit. According to respondent, it was not unusual for him to receive funds from Real View investors without advance notice. Thus, we are not convinced that respondent's mishandling of the funds was attributable to confusion or a lack of understanding of the circumstances related to this particular wire transfer. Moreover, any lack of clarity was short-lived. Respondent acknowledges that he soon learned that the $175,000 deposit constituted U.V.'s investment and concluded that those funds belonged to Real View. He was then unquestionably obligated to hold the funds separately from his own funds, regardless of whether there was a written escrow agreement or whether he and Real View had a friendly and informal relationship. See Rule 1.15(a), comment [1] ("A lawyer should hold property of others with the care required of a professional fiduciary"). The supreme court made the importance of safeguarding client and third party funds abundantly clear, decades ago. *In re Clayter*, 78 Ill. 2d 276, 278 (1980) ("it is absolutely impermissible for an attorney to commingle his funds with those of his client or with money he holds as a fiduciary"). Respondent's obligations under Rule 1.15(a) were clear, and he failed to comply with them.

Respondent further contends that P.M. authorized him to use the investment funds for his own purposes. For the following reasons, we do not find this contention credible.

Respondent's explanation of P.M.'s purported authorization was vague, unsupported, and inherently inconsistent. He stated that P.M. authorized him to take "close to $100,000" as payment of attorney fees owed to him and a return on his investment in Real View[2], but there was no documentation of the authorization, the specific amount of legal fees purportedly owed, or the terms and amount of respondent's investment. Respondent was unable to provide any specifics about his conversation with P.M., such as the date it occurred or whether it was in person or by phone. Respondent's version of events is especially dubious and implausible because (1) by his own testimony, he was not entitled to a return on his Real View investment until late 2023 but used U.V.'s funds in early 2023; and (2) his explanation does not account for the additional $75,000 he used beyond the approximately $100,000 he claims he was authorized to pay himself. The fact that respondent complied with P.M.'s directive to return the funds to U.V. without claiming any entitlement to them further supports our finding that U.V.'s funds were not respondent's to use.

For all of the foregoing reasons, we find that the Administrator proved by clear and convincing evidence that respondent was required to hold the entirety of U.V.'s investment funds separate from respondent's own property and failed to do so, in violation of Rule 1.15(a).

[2] There was no allegation that respondent improperly entered into a business transaction with a client under Rule 1.8(a) by investing in a Real View project, so we do not address the propriety of that conduct.

Rule 8.4(c)

Rule 8.4(c) provides that it is professional misconduct for a lawyer to engage in conduct involving dishonesty, fraud, deceit or misrepresentation. Ill. Rs. Pro. Conduct R. 8.4(c) (2010). In matters involving alleged conversion, dishonesty is proven when the evidence demonstrates that a lawyer knowingly used funds belonging to a client or third person for his own personal or business purposes without authorization. *Fakhouri*, 2021PR00056 (Hearing Bd. at 11). Intent is rarely proven by direct evidence, but may be inferred from the conduct and surrounding circumstances. *In re Moenning*, 2015PR00013, M.R. 028655 (May 18, 2017) (Hearing Bd. at 23), citing *In re Edmonds*, 2014 IL 117696, ¶ 54.

To prove dishonesty, the Administrator need not show that respondent intended to permanently deprive U.V. or Real View of $175,000. The relevant question is whether respondent intentionally used funds that he knew did not belong to him, not whether he intended to return them. *In re Smith*, 2013PR00076, M.R. 27563 (Sept. 21, 2015) (Review Bd. at 4-5). Thus, the fact that respondent returned U.V.'s investment funds does not preclude a finding that his prior use of the funds was dishonest.

We find that the evidence clearly and convincingly established that respondent intentionally used the investment funds with the knowledge they did not belong to him. For the reasons set forth in our analysis of Rule 1.15(a), we do not find credible his assertion that P.M. authorized him to use the investment funds. We further find that respondent's use of the funds was intentional, not inadvertent. Respondent knew of the wire transfer shortly after it occurred. He had sole control of the Real View account and initiated the transactions that depleted the investment funds and caused the account to be overdrawn on February 14, 2023. Those transactions included transfering $70,000 to his personal account when his personal account was overdrawn, paying personal and business debts such as a credit card bill and loans, and paying a settlement that was unrelated to Real View. This was purposeful conduct that demonstrated respondent's knowledge of and attention to the balances of his different accounts and his financial obligations. For all of the foregoing reasons, we find that the Administrator proved the charge of dishonest conduct in count I by clear and convincing evidence.

II. The Administrator charged respondent in counts II-IV with violating Rules 1.15(a) and 8.4(c) by failing to hold earnest monies belonging to clients or third persons separate from his own property and dishonestly converting those funds.

A. Summary

The Administrator proved by clear and convincing evidence that respondent failed to properly hold earnest money funds belonging to clients or third persons separate from his own property and acted dishonestly by knowingly using those funds for his own personal and business purposes without authorization.

B. Admitted Allegations and Evidence Considered

Respondent has acted as a seller's attorney in over 2,000 real estate transactions. (Tr. 107.) He frequently held earnest money in connection with those transactions. He acknowledged that earnest money should be held in a client trust account and that he was not entitled to the earnest money he received in the transactions at issue. (Tr. 109, 111, 114, 123, 132.)

Count II

Prior to April 10, 2023, respondent agreed to represent the owners of a property located on 4th Avenue in Libertyville in the sale of that property. On April 10, 2023, the buyer caused $5,000 in earnest money to be wired into respondent's Real View account. On May 4, 2023, the buyer wired an additional $22,500 in earnest money into the same account. On May 18, 2023, the balance of respondent's Real View account was $768.94. (Answer ¶¶ 14-18.)

Between April 10 and May 18, respondent used the funds in the Real View account for a variety of purposes, including two auto-debited payments to Stretch Piece totaling $2,278.75, two

Zelle payments to himself totaling $3,000, and a $25,000 disbursement to First American Title for a different real estate transaction. (Tr. 113-118.) The closing for the 4th Avenue transaction took place on May 25, 2023. Respondent distributed the earnest money to the title company at closing with a check drawn on his IOLTA account. (Tr. 119-21; Adm. Ex. 2 at 56, 65; Adm. Ex. 12.)

Count III

Prior to April 25, 2023, Respondent agreed to represent the owners of a property on Rice Street in Chicago in the sale of that property. On April 25, 2023, he received a $5,000 earnest money check from the buyer, which he deposited into his personal account. On May 8, 2023, the balance of respondent's personal account was $7.02. On May 24, 2023, the buyer wired an additional $26,750 in earnest money into respondent's IOLTA account. On May 30, 2023, the balance of the IOLTA account was $800.26. (Answer ¶¶ 21-24, 26-27.)

Some of the transactions that led to the low balance in respondent's personal account included a $12,000 wire transfer on May 5, 2023, and an auto-debit payment for respondent's life insurance on the same date. (Adm. Ex. 3 at 486-87.) The low balance in the IOLTA account occurred after respondent issued a $27,500 check to Proper Title, dated May 25, 2023, for the earnest money he was required to disburse for the closing on the 4th Avenue property described in count II. (Tr. 126-129; Adm. Ex. 2 at 56, 65.) The closing for the Rice Street property occurred on June 6, 2023. The earnest money was credited to the buyer at closing. (Tr. 129; Adm. Ex. 13.)

Count IV

Prior to May 18, 2023, Respondent agreed to represent the owner of a property on Clybourn Avenue in Chicago in the sale of that property. On May 18, 2023, the buyer caused $1,000 in earnest money to be wired into respondent's IOLTA account. On June 6, 2023, the buyer caused an additional $17,745 to be wired into the IOLTA account. On June 14, 2023, the balance of respondent's IOLTA account was $9.545.26. (Answer ¶¶ 30-34.) Respondent transferred $6,000 from his IOLTA account to his Real View account on June 14, 2023. (Tr. 134; Adm. Ex. 2 at 66). The closing for the Clybourn Avenue property took place on July 14, 2023. The earnest money was credited to the buyer at closing. (Tr. 135; Adm. Ex. 14.)

C. Analysis and Conclusions

Because counts II through IV involve similar factual allegations and the same rules of professional conduct, we address them collectively.

Rule 1.15(a)

Counts II through IV charge respondent with conduct that occurred prior to July 1, 2023, before the most recent amendments to Rule 1.15 went into effect. The applicable version of Rule 1.15(a) provided that "[a] lawyer shall 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" and specified that client or third party funds must be held in an IOLTA account. Ill. Rs. Pro. Conduct R. 1.15(a) (2010) (effective July 1, 2015).

It is undisputed that respondent held the earnest money funds at issue in counts II through IV in connection with a representation, and that those funds belonged to clients or third persons. It is further undisputed that respondent was the sole signatory on the bank accounts at issue and was responsible for the transfers, withdrawals, and payments that caused the balance of his accounts to fall below the amounts he should have been holding.

Respondent admittedly did not hold the earnest money for the 4th Avenue transaction and the first earnest money payment for the Rice Street transaction in an IOLTA account. He further admits that the balances of the accounts in which those monies were deposited fell below the amounts he should have been holding. The second earnest money payment of $26,750 for the Rice Street transaction and the $18,745 in earnest money for the Clybourn Avenue transaction were deposited in his IOLTA account but, before the closings took place, the IOLTA account balance fell to $800.26 and $9,545.26, respectively. These admissions establish violations of Rule 1.15(a) by clear and convincing evidence.

Rule 8.4(c)

To prove dishonesty, there must be an act that shows purposeful conduct or reckless indifference to the truth rather than a mistake. *In re Gauza*, 08 CH 98, M.R. 26225 (Nov. 20, 2013) (Hearing Bd. at 42). Respondent's bank records demonstrate that he knowingly and purposefully used the earnest monies at issue to pay personal and business expenses and used the earnest money for one client's transaction to cover amounts he was required to disburse for a different client's transaction.

Respondent contends his conduct was attributable to disorganization and to his staff and realtors misdepositing funds. We disagree. The only evidence of respondent's staff or realtors misdirecting funds came from respondent's testimony. There was no documentary evidence or testimony from other witnesses in corroboration, nor did respondent provide any specifics regarding the dates or the transactions when this purportedly occurred. Therefore, we find that respondent's testimony lacks credibility due to its vague and self-serving nature. Further, respondent's misuse of the earnest monies that were deposited in his IOLTA account cannot be explained by mistaken deposit or disorganization. The evidence demonstrated that respondent became caught in a cycle of using earnest money as it became available to cover personal and business obligations and then replacing the funds he misused with other people's earnest money. This was intentional conduct that violated Rule 8.4(c).

III. The Administrator charged respondent in counts V-XIX with failing to hold earnest money funds separately from his own property and dishonestly converting those funds, in violation of Rules 1.15(a) and 8.4(c).

A. Summary

The Administrator proved by clear and convincing evidence that respondent failed to hold earnest money funds belonging to clients or third persons separate from his own property and acted dishonestly by using those funds for his own purposes without authorization.

B. Admitted Allegations and Evidence Considered

Count V

Prior to June 4, 2023, respondent agreed to represent the buyers in the sale of a property located on Fry Street in Chicago. On June 9, 2023, the buyers gave respondent a check in the amount of $2,000 as earnest money for the transaction. Respondent deposited the check in his IOLTA account the same day. The buyers gave respondent an additional earnest money check in the amount of $10,000 on June 29, 2023. Respondent deposited this check in his IOLTA account on July 7, 2023. On July 18, 2023, prior to the closing, respondent's IOLTA account was overdrawn by $2,809.77. (Answer at ¶¶ 38-41.) This overdraft triggered the Administrator's investigation into this matter. (Tr. 139.) Respondent's bank records show that he paid his office rent from his IOLTA account on July 17, 2023. (Tr. 141; Adm. Ex. 2 at 113.) The closing for the Fry Street property took place on July 31, 2023. Respondent distributed the earnest money at closing. (Tr. 142-43; Adm. Ex. 15.)

Count VI

Respondent represented the owner of a property located at 119th Street in Chicago in the sale of that property. On June 15, 2023, the buyers wire transferred earnest money of $2,000 into respondent's IOLTA account. The IOLTA account was overdrawn by $2,809.77 on July 18, 2023.

(Answer at ¶¶ 44-47.) The closing for this transaction took place on July 20, 2023. Respondent distributed the earnest money at closing. (Tr. 145-46; Adm. Ex. 16.)

Count VII

Prior to June 20, 2023, Respondent agreed to represent the owners of a property located on Erie Street in Chicago in the sale of their property. On June 20, 2023, respondent received a $5,000 check from the buyers as earnest money. That same day, respondent deposited the check into his operating account. On June 23, 2023, prior to the closing, the operating account was overdrawn by $1,039.92. (Answer ¶¶ 50-53.) Prior to the overdraft, respondent transferred $1,000 to his personal account and paid expenses including a utility bill. (Tr. 149.) Respondent received a second earnest money check in the amount of $33,500 on July 7, 2023, which he deposited in his IOLTA account. (Tr. 151.) The closing for the Erie Street property occurred on July 17, 2023. Respondent distributed the $38,500 in earnest money at closing. (Tr. 152; Adm. Ex. 17.)

Count VIII

Prior to September 27, 2023, respondent agreed to represent the owners of a property located on Victoria Street in Chicago in the sale of that property. On September 27, 2023, respondent received a $1,000 check from the buyer as earnest money. He deposited the check into his operating account on September 29, 2023. On October 23, 2023, the operating account was overdrawn by $122.79. (Answer ¶¶ 56-59.) Prior to the overdraft, respondent paid business expenses from the operating account. (Tr. 156.) Respondent received a second earnest money check for $1,000 from the buyer on December 29, 2023. He deposited this check in his operating account on January 2, 2024. On January 12, 2024, the operating account was overdrawn by $1,874.34 (Answer ¶¶ 61-62), after respondent made a payment to American Express in the amount of $5,866.11. (Tr. 158-59; Adm. Ex. 4 at 424.) The closing took place on Janaury 17, 2024, at which time respondent distributed the earnest money. (Tr. 159-60; Adm. Ex. 18.)

Count IX

Prior to February 10, 2024, respondent agreed to represent the owners of a property located on Union Avenue in Chicago in the sale of that property. On February 10, 2024, respondent received a $2,000 check from the buyer as earnest money. He deposited that check into his operating account on February 13, 2024. On February 21, 2024, the operating account was overdrawn by $654. (Answer ¶¶ 65-68.) Prior to the operating account being overdrawn, respondent made payments from it for his business expenses, including a payment of $2,473.74 to First Insurance on February 14, 2024. (Tr. 162-63; Adm. Ex. 4 at 466.) The closing for the Union Avenue transaction occurred on March 22, 2024. The earnest money was credited to the buyer at closing. (Tr. 163; Adm. Ex.19.)

Count X

Respondent represented the owners of a property located on Wolcott Avenue in Chicago in the sale of that property. On March 29, 2024, he received a $25,000 earnest money check from the buyers. The check was made payable to The Gunderson Law Firm LLC, Client Trust Account. Respondent deposited the check into his operating account on April 3, 2024. (Answer ¶¶ 71-73.) The next day, he transferred $15,000 from his operating account to his personal checking account. (Tr. 167; Adm. Ex. 4 at 530.) On April 11, 2024, respondent's operating account was overdrawn by $751.94. (Answer ¶ 74.) The closing for the Wolcott Avenue transaction occurred on May 1, 2024, at which time the earnest money was credited to the buyer. (Tr. 170-71; Adm. Ex. 20.)

Count XI

Respondent represented the owner of a property located on Racine Avenue in Chicago in the sale of that property. On April 10, 2024, he received a $5,000 earnest money check from the buyers. He desposited it into his operating account on April 12, 2024. (Answer ¶¶ 77-79.) On April 15, 2024, respondent made an online transfer of $1,660 from his operating account to his personal account and issued a $3,500 check for his office rent from his operating account. (Tr. 173-75; Adm. Ex. 4 at 529, 530, 545.) On April 15, 2024, the operating account was overdrawn by $293.14. (Answer ¶ 80.) The closing for the Racine Avenue property took place on May 8, 2024. (Tr. 175; Adm. Ex. 21.)

Count XII

Respondent represented the owner of a property located on Pine Street in Mount Prospect in connection with the sale of that property. On or about May 20, 2024, he received a $5,000 earnest money check from the buyers. Respondent deposited the check in his operating account on May 28, 2024. On June 3, 2024, before the transaction closed, the balance of Respondent's operating account was $1,630.05. (Answer ¶¶ 83-86.) Respondent identified a $2,500 check he issued on May 28, 2024 from his operating account for business purposes, which cleared the account on June 3, 2024. (Tr. 178-79; Adm. Ex. 4 at 609, 614.) The closing for the Pine Street property took place on June 7, 2024. The earnest money that Respondent received was credited to the buyers at closing. (Tr. 179-80; Adm. Ex. 22.)

Count XIII

Respondent represented the owners of a property located on Arthur Avenue in Brookfield in the sale of that property. On May 23, 2024, the buyers caused $8,000 in earnest money to be wire transferred into Respondent's personal checking account. On June 7, 2024, the balance of that account was $242.31. (Answer ¶¶ 89-92.) Respondent's bank records show multiple transactions on June 6 and 7, 2024, that led to the low balance. (Adm. Ex. 3 at 856). The closing for the Arthur Avenue transaction took place on June 17, 2024, at which time the $8,000 in earnest money was credited to the buyer. (Tr. 184; Adm. Ex. 23.)

Count XIV

Respondent represented the owner of a property located on Saint Marks Place in Palatine in the sale of that property. On May 28, 2024, he received a $5,000 earnest money check from the buyers. He deposited the earnest money check in his operating account on June 5, 2024. On June 7, 2024, the balance of the operating account was $2,034.95. (Answer ¶¶ 95-98.) On June 6 2024, Respondent made payments from his operating account for business expenses, including a $700 Zelle payment and a $7,594.20 payment to American Express. (Tr. 187; Adm. Ex. 4 at 610-11.) The closing for the Saint Marks Place property took place on June 28, 2024, at which time the $5,000 in earnest money was credited to the buyer. (Tr. 188; Adm. Ex. 24.)

Count XV

Respondent represented the owner of a property located on West Avenue in Orland Park in the sale of that property. On or about June 7, 2024, respondent received a $2,500 earnest money check from the buyer, which respondent deposited in his personal account. On June 27, 2024, his personal account was overdrawn by $349.31. (Answer ¶¶ 101-04.) Prior to the account becoming overdrawn, respondent made numerous payments for personal expenses. (Adm. Ex. 3 at 857-59.) The closing for the West Avenue property took place on July 15, 2024, at which time the earnest money was credited to the buyer. (Tr. 192; Adm. Ex. 25.)

Count XVI

Respondent represented the owners of a property located on Damen Avenue in Chicago in the sale of that property. On June 14, 2024, he received a $14,000 earnest money check from the buyers, which he deposited into his operating account on June 18, 2024. He received a second earnest money check in the amount of $21,000 on June 28, 2024, which he deposited into his operating account on July 1, 2024. On July 11, 2024, the operating account was overdrawn by

$974.44. (Answer ¶¶ 107-11.) The closing on the Damen Avenue property took place on August 1, 2024, at which time the earnest money was credited to the buyer. (Tr. 197-98; Adm. Ex. 26.)

Count XVII

Respondent represented the owner of a property located on Malden Avenue in Chicago in the sale of that property. On or about July 18, 2024, the buyer provided a $10,000 earnest money check to respondent, which he deposited into his operating account on July 22, 2024. On August 9, 2024, the operating account was overdrawn by $573.41. (Answer ¶¶ 114-17.) On July 26, 2024, Respondent initiated a payment of $1,163.75 to Stretch Finance, which was a business expense related to the Stretch Piece financing respondent obtained. (Tr. 201). The closing for the Malden Avenue property took place on August 23, 2024, at which time the earnest money was credited to the buyers. (Tr. 201-02; Adm. Ex. 27.)

Count XVIII

Respondent agreed to represent the buyer of a property located on LeClaire Avenue in Wilmette in purchase of that property. On August 8, 2024, respondent's client caused $10,000 in earnest money to be wire transferred into respondent's personal checking account. On August 26, 2024, that account was overdrawn by $245.61. (Answer ¶¶ 120-23.) Respondent's bank records show that he made several purchases for personal expenses from his personal account on August 26, 2024 that led to the overdraft. (Tr. 204-05; Adm. Ex. 3 at 940.) The closing for the LeClaire avenue property took place on September 13, 2024, at which time the earnest money was credited to the buyer. (Tr. 205; Adm. Ex. 28.)

Count XIX

Respondent represented the owner of a property located on Central Park Avenue in Chicago in the sale of that property. On or about November 15, 2024, respondent received a $2,000 earnest money check from the buyers, which he deposited in his operating account on November

27, 2024. On December 3, 2024, the operating account was overdrawn by $821.26. (Answer ¶¶ 126-129.) Respondent identified withdrawals he made from his operating account on December 3, 2024 for business expenses that led to the account being overdrawn. (Tr. 208-09; Adm. Ex. 4 at 832). The closing for the Central Park Avenue property took place on December 13, 2024, at which time the earnest money was credited to the buyers. (Tr. 210; Adm. Ex. 29.)

Respondent acknowledged that he was not entitled to the earnest monies for the foregoing transactions. (Tr.137, 138, 144, 148, 154, 157, 161, 165, 173, 177, 181, 186, 190, 194-96, 199-200, 204, 207.) He closed his IOLTA account at First Eagle Bank in November 2023 and did not open a new IOLTA account. (Tr. 105.)

C. Analysis and Conclusions

Because counts V-XIX contain similar factual allegations and charges, we address them collectively.

Rule 1.15(a)

The alleged violations of Rule 1.15(a) in Counts V-XIX occurred on or after July 1, 2023. The version of Rule 1.15(a) applicable to this conduct provides that "[a] lawyer must not, even temporarily, use funds or property of clients or third persons for the lawyer's own purposes without authorization." Ill. Rs. Pro. Conduct R. 1.15(a) (eff. July 1, 2023). For the following reasons, we find that the Administrator proved by clear and convincing evidence that respondent violated Rule 1.15(a) in connection with the representations set out in counts V-XIX.

It is undisputed that the earnest monies at issue were the property of respondent's clients or third persons. Respondent acknowledges that he was not entitled to any of those funds and admits that the balances of his bank accounts fell below the amounts he should have been holding for every transaction at issue. The bank records establish that he used the earnest monies to pay office rent, credit card debt, insurance, business loans, and other personal and business expenses.

Based on respondent's admissions and evidence before us, we find that the Administrator proved violations of Rule 1.15(a) in counts V-XIX by clear and convincing evidence.

Rule 8.4(c)

For the same reasons we found the dishonesty charges proven in counts I-IV, we find that the Administrator established the charges of dishonesty in counts V-XIX by clear and convincing evidence. Despite knowing that he was not entitled to use earnest money funds, respondent engaged in a pattern of using those funds for personal and business expenses and moving funds among his accounts to cover shortfalls. This conduct was purposeful and was not due to disorganization or sloppy bookkeeping.

The evidence that respondent continued to accept earnest monies for a year after he closed his IOLTA account is further proof of dishonesty. When respondent accepted those funds, he knew he would be putting them at risk by commingling them with his own funds in non-IOLTA accounts. We also find it telling that respondent closed his IOLTA account after the ARDC was notified it had been overdrawn. For all of the foregoing reasons, we find that the Administrator proved the charges of dishonesty in counts V-XIX by clear and convincing evidence.

IV. The Administrator charged respondent in count XX with violating Rules 1.15(a) and 1.15(b) by commingling funds belonging to clients and third parties with his own funds.

A. Summary

Based on respondent's admissions, the Administrator proved by clear and convincing evidence that respondent improperly commingled funds by depositing earnest monies for his clients' real estate transactions into non-IOLTA accounts and by transferring his personal funds into his IOLTA account.

B. Admitted Allegations and Evidence Considered

The following allegations are admitted.

Real View account

The Real View account was not an IOLTA account. (Answer ¶ 132.) On January 13, 2023, U.V.'s investment funds of $175,000 were wire transferred into the Real View account. (Answer ¶ 133.) In addition, between February 2023 and March 2023, Respondent deposited three checks, totaling $60,659.24, that represented earnest money or escrow holdbacks belonging to Respondent's clients or third parties, into the Real View account. (Answer ¶¶ 135, 136.)

Personal account

Respondent's personal account was not an IOLTA account. (Answer ¶ 137.) Between March 2024 and August 2024, respondent received 13 wire transfers, totaling $380,500, into his personal account, which represented earnest money or escrow holdbacks that belonged to clients or third parties. (Answer ¶¶ 138, 139.) Between January 2022 and January 2025, he deposited 18 checks, totaling $137,371.34, that constituted earnest money or escrow holdbacks belonging to clients or third parties, into his personal account. (Answer ¶¶ 140, 141.)

Operating account

Respondent's operating account was not an IOLTA account. (Answer ¶ 142.) Between March 2023 and December 2024, respondent deposited 34 checks, totaling $422,609, that constituted earnest money or escrow holdbacks belonging to clients or third parties, into his operating account. (Answer ¶¶ 143, 144.)

IOLTA account

On July 12, 2023, respondent's personal proceeds of $99,099.97 from a real estate sale were wire transferred into his IOLTA account. (Answer ¶¶ 145, 146.)

C. Analysis and Conclusions

Lawyers are required to hold funds belonging to clients or third persons separately from their own funds. Prior to July 1, 2023, that requirement was set forth in Rule 1.15(a). Ill. Rs. Pro.

Conduct R. 1.15(a) (eff. July 1, 2015). Since July 1, 2023, it has been set forth in Rule 1.15(b). Ill. Rs. Pro. Conduct R. 1.15(b) (eff. July 1, 2023). Commingling occurs when an attorney causes client or third party funds to be deposited into a non-IOLTA account containing the attorney's personal funds or when an attorney causes his or her personal funds to be deposited into an IOLTA account.

Based on respondent's admissions and the bank records admitted into evidence, we find that the Administrator proved by clear and convincing evidence that, prior to July 1, 2023, respondent caused funds belonging to clients or third parties to be wired or deposited into his Real View checking account, his personal checking account, and his operating account, none of which was a client trust account, in violation of Rule 1.15(a).

Respondent's admissions and bank records further establish by clear and convincing evidence that, on or after July 1, 2023, he caused funds belonging to clients or third parties to be wired or deposited into his personal checking account and his operating account and caused $99,099.97 of his personal funds to be wired into his IOLTA account, in violation of Rule 1.15(b).

V. The Administrator charged respondent in count XXI with violating Rules 1.15(a) and 1.15A(b) by failing to maintain records for his client trust account.

A. Summary

Based on respondent's admissions, the Administrator proved by clear and convincing evidence that respondent failed to keep required records for his client trust account.

B. Admissions and Evidence Considered

Respondent admits he did not prepare and maintain contemporaneous client ledger records and three-way reconciliation reports for his client trust account between January 2022 and November 2023. (Answer ¶¶ 151, 152.) He relied on checking his IOLTA account statements online instead of keeping the required records. He kept a spreadsheet, but it was not in compliance with the rules. (Tr. 102.)

C. Analysis and Conclusions

Prior to July 1, 2023, Rule of Professional Conduct 1.15(a) required attorneys to maintain complete records of a client trust account, including contemporaneous client ledger records and three-way reconciliation reports, on at least a quarterly basis. Ill. Rs. Pro. Conduct R. 1.15(a) (eff. July 1, 2015). The revised version of Rule 1.15, effective July 1, 2023, sets forth recordkeeping requirements in Rule 1.15A(b). Ill. Rs. Pro. Conduct R. 1.15A(b) (eff. July 1, 2023).

Respondent admittedly did not keep required records for his IOLTA account between January 2022 and November 2023, when he closed his IOLTA account. Accordingly, we find that the Administrator proved by clear and convincing evidence that he violated Rule 1.15(a) for his failure to keep trust account records prior to July 1, 2023, as well as Rule 1.15A(b) for failing to keep trust account records on and after July 1, 2023.

EVIDENCE IN MITIGATION AND AGGRAVATION

A. Mitigation

Respondent testified that the departure of his law partner and his real estate paralegal from his firm[3] caused him to be overwhelmed and disorganized. (Tr. 76-77.) He described that time period as "the most anxiety-inducing and stressful period of [his] life." (Tr. 238.) He is "extremely regretful" and "unbelievably remorseful" that he was not keeping records or monitoring his accounts. (Tr. 262.) He understands that if he had filed for bankruptcy with client or third party funds in his personal accounts, it would have been a problem. (Tr. 271.)

[3] It is unclear whether his law partner left in 2022 or 2023. Respondent testified both that the departure occurred in early to mid-2022 (Tr. 76-77) and that it occurred in early 2023 (Tr. 237).

Respondent stated that approximately 30 percent of his work is *pro bono* because he has a strong interest in helping clients who are elderly or of limited means. He will not turn away a client who is unable to pay him. (Tr. 223.) He is on call at Northwestern hospital for emergency situations when a patient needs help with a will or estate matters. Additionally, he provides *pro bono* legal services to non-profit animal adoption and rescue organizations and has volunteered at the Daley Center foreclosure help desk and the bankruptcy court help desk. (Tr. 224-26.) He spends approximately 25 hours per year as a volunteer mediator with the Center for Conflict Resolution. (Tr. 227). He is involved with his daughter's school and mentors Lincoln Park High School students who are interested in the law. (Tr. 228-29.)

Attorney Gerald Bekkerman went to college and law school with respondent. For a time, they shared office space. Respondent has helped Bekkerman throughout the time they have known each other Bekkerman testified that respondent "is as honest and forthright and kind as they come." (Tr. 336-41.) Bekkerman did not feel the need to read all of the disciplinary complaint because, after reading the first couple of pages, he came to the conclusion that the alleged misconduct was a byproduct of circumstances in Respondent's life that led to disorganization. (Tr. 343-44, 346.)

Attorney Maxwell Brown has known respondent for approximately ten years. They met each other professionally and became social friends. They see each other five or six times a year. (Tr. 353-54.) Brown has recommended respondent to other lawyers who were looking for a real estate attorney. (Tr. 356.) Respondent has always been truthful in his dealings with Brown. However, the Administrator's allegations gave Brown pause, and he considers them to be serious. (Tr. 357.) They are not consistent with what he knows Respondent's character to be. (Tr. 358.)

Attorney Bibek Das has known respondent since 2008, when respondent represented him in a personal real estate transaction. They kept in touch afterward and became friends. He and respondent have referred business to each other. (Tr. 362-64.) Das testified that respondent has a good reputation for honesty in the legal community. He has never known respondent to act dishonestly and has never heard anyone speak badly about him. (Tr. 365-66.) Das was generally familiar with the allegations that respondent mishandled client funds. (Tr. 367.) Those allegations do not comport with what Das knows respondent's character to be. Until this matter is adjudicated, Das could not answer whether the allegations would change his opinion of respondent. (Tr. 369-371.)

B. Aggravation

We find that respondent was not candid in some of his testimony. We conclude that he was not truthful in claiming that he was authorized to take U.V.'s funds as proceeds from his Real View investment. Based on respondent's own testimony, he was not entitled to proceeds until the transaction in which he invested had closed, which occurred several months after he used U.V.'s funds. We also find that his explanation of why he repaid U.V.'s funds in two installments was false. His testimony that he sent the first payment of $87,500 to confirm U.V.'s wire information and receipt defies credulity given the large amount of that payment. Respondent's testimony was also demonstrably false based on his bank records showing that he did not have sufficient funds to repay the full $175,000 at the time of his first wire.

C. Prior Discipline

Respondent does not have prior discipline.

RECOMMENDATION

A. Summary

Having considered the extensive proven misconduct, the factors in mitigation and aggravation, and the applicable case law, the hearing panel recommends that respondent be suspended for two years and required to complete the ARDC Professionalism Seminar before his term of suspension ends.

B. Analysis

The purpose of the disciplinary process is not to punish attorneys, but to safeguard the public, maintain the integrity of the legal profession, and protect the administration of justice from reproach. *Edmonds*, 2014 IL 117696, ¶ 90. In determining our sanction recommendation, we consider the nature of the misconduct as well as the mitigating and aggravating factors. *In re Gorecki*, 208 Ill. 2d 350, 360-61 (2003).

Respondent presented significant evidence in mitigation. He has no prior discipline in 20 years of practice and cooperated in this proceeding. He recognizes that he was not handling funds correctly and has changed his practices so that he no longer holds funds belonging to clients or third persons. He commendably devotes a substantial amount of time to *pro bono* representation of clients who could not otherwise afford an attorney and non-profit organizations. He also volunteers within the legal community and at his daughter's school, and mentors high school students.

We further find it mitigating that no client or third party complained about respondent's representation or suffered actual harm as a result of the misconduct. See *In re Elias*, 114 Ill. 2d 321, 339-40 (1986). The weight we give this factor is tempered, however, by the evidence that respondent was only able to timely disburse funds by obtaining loans and using funds belonging to other clients or third parties. Contrary to respondent's argument, that behavior was risky and improper, not commendable.

We give some weight to the character testimony respondent presented, but do not find it particularly impactful. We accept the three character witnesses' testimony that they have never known respondent to be dishonest. However, both attorney Brown and attorney Das expressed reservations, with Brown testifying that the allegations gave him pause and were serious and Das reserving judgment on whether the allegations, if proven, would change his opinion of respondent.

We also consider respondent's testimony that he was overwhelmed and experienced a great deal of stress after his law partner and paralegal left the firm. While we are sympathetic to these difficult circumstances, they do not explain or mitigate the pervasive pattern of intentionally misusing funds.

There are several factors that aggravate respondent's misconduct. His dishonest conversion of client and third party funds was not an isolated incident. Respondent engaged in a pattern of misconduct for close to two years, which continued even after the ARDC was notified of the overdraft in his IOLTA account. Respondent is an experienced real estate lawyer who misused funds despite his knowledge that he was required to safeguard them. *In re Fox*, 122 Ill. 2d 402, 209 (1988). His conduct placed client and third party funds and the timely completion of clients' transactions at risk. *In re Saladino*, 71 Ill. 2d 263, 276 (1978). Respondent's false testimony about his purported authorization to use U.V.'s investment funds and the reason why he returned those funds in two installments also weighs against him. While respondent is entitled to defend himself, a lack of candor before the Hearing Board is a factor that may be considered in aggravation. See *Gorecki*, 208 Ill. 2d at 366 (2003).

We find that the Administrator did not demonstrate that respondent was experiencing financial difficulties when he committed misconduct. While his misuse of funds raises that suspicion, the Administrator did not present evidence establishing that he was in financial distress. Accordingly, we decline to consider this as a factor in aggravation. See *In re Acosta*, 2021PR00037, M.R. 031661 (May 16, 2023) (Hearing Bd. at 10-11).

The Administrator asks us to recommend that respondent be suspended for three years and cites in support *In re Kurth*, 2005PR00080, M.R. 20684 (March 21, 2006); *In re Sather*, 98 CH

71, M.R. 16362 (Jan. 24, 2000); *Elias*, 114 Ill. 2d 321 (1986); and *In re Gleason*, 98 CH 26, M.R. 17603 (Sept. 26, 2001).

The attorney in *Kurth* converted approximately $115,000 that he deposited in his client trust account in connection with five client matters. Kurth was in financial distress and transferred the funds to his personal checking account to cover overdrafts and pay personal debts. Similar to respondent, he used client funds to replace funds he had converted from other clients. Kurth made full restitution and consented to a three-year suspension. *Kurth*, 2005PR00080 (Pet. to Impose Discipline on Consent at 1-5).

In *Sather*, the attorney converted approximately $45,800 in earnest money funds in connection with one real estate transaction where he represented the sellers and twelve transactions for which he was the real estate broker and agreed to hold earnest money funds as escrowee. He admitted to having cash flow problems when he committed the misconduct. Similar to respondent, Sather was a sole practitioner who presented evidence of good character and *pro bono* service. He consented to a suspension of two years and until further order of the court and until he made restitution of $2,000. *Sather*, 98 CH 71 (Pet. to Impose Discipline on Consent at 1-7).

The attorney in *Elias* engaged in a lengthy pattern of depositing client settlement funds into one of several non-trust accounts from which he paid personal and business expenses. When he issued a check for a client's portion of a settlement, he did not necessarily issue it from the same account in which the check was deposited and occasionally the check was post-dated. On at least eight occasions, Elias's checks to his clients were dishonored due to insufficient funds in his accounts. Similar to respondent, Elias disbursed funds from all of his accounts to pay business and personal expenses. The court found that Elias "knowingly and under false pretenses obtained the short-term use of large sums of money belonging to clients to finance his personal and business activities." *Elias*, 114 Ill. 2d at 338-39. In declining to recommend disbarment, the court noted that the length of loss that Elias's clients sustained ranged from three days to two months, with one client sustaining no loss. Elias was suspended for three years. *Id.* at 340.

The attorney in *Gleason* agreed to a suspension of three years, stayed after one year by two years of probation, for converting a significant amount of client settlement funds over a period of several years due to mismanagement of his client trust account. Although Gleason's bank notified him on one occasion of an overdraft in his client trust account, he took no steps to audit the account or determine the reason for the shortfall. Similar to respondent, no client complained about Gleason's representation and there was no evidence that any client failed to receive the money to which he or she was entitled. Unlike respondent, Gleason's conversions were not found to be dishonest. *Gleason*, 98 CH 26 (Pet. to Impose Discipline on Consent at 1-17).

We find respondent's misconduct most similar to that in *Elias*. Both involved a lengthy pattern of intentional misuse of multiple bank accounts for the purpose of accessing funds belonging to clients and third persons on a short-term basis to cover personal and business expenses. Unlike *Elia*s, however, there was no evidence here that respondent issued a check that was dishonored. With the exception of a one-week delay in returning the second half of U.V.'s funds, respondent timely disbursed all funds he was required to disburse. Therefore, the harm in this matter was even less than the harm in *Elias*.

We further find that a three-year suspension would be a disservice to the community in which respondent practices. He provides valuable *pro bono* representation to clients who cannot otherwise afford to hire a lawyer. A two-year suspension recognizes the seriousness of the proven misconduct as well as the value of the representation respondent provides for persons in need. For these reasons, we determine that a suspension of two years is appropriate.

Respondent requests a shorter term of suspension or a term of suspension stayed by probation. He cites in support *In re Moore*, 2022PR00072, M.R. 032037 (March 19, 2024) (eighteen-month suspension stayed after six months by a one-year period of probation for converting $8,800); *Acosta*, 2021PR00037, M.R. 031661 (one-year suspension for dishonest conversion of $86,000 relating to six client matters); *In re Lefkovitz*, 2014PR00039, M.R. 28257 (Nov. 18, 2016) (one-year suspension stayed after five months by eighteen months of probation for failing to safeguard funds in eight client matters); and *In re Mulroe*, 2011 IL 111378 (three-month suspension and ordered to complete professionalism and office management seminar for failure to safeguard over $100,000 in escrow funds related to one client matter).

Respondent's sanction request is largely dependent upon his contention that the Administrator did not prove dishonesty in this case. Having found that respondent's conversions were dishonest, *Moore*, *Lefkovitz*, and *Mulroe* are not comparable because there were no dishonesty findings against those attorneys. Dishonesty was found in *Acosta*, but the extent of the misconduct and the amount of funds at issue were far less than in this case. Consequently, we conclude that a suspension longer than the one year imposed in *Acosta* is warranted.

Further, we do not agree that the circumstances of this case support a probation recommendation. "Probation suggests that the attorney has a problem or condition that can be fixed." *In re Martin*, 2011PR00048, M.R. 26610 (May 16, 2014) (Rev. Bd. at 10). Respondent's problems stemmed from his failure to hold funds in his client trust account and his failure to keep trust account records. Because respondent closed his client trust account in November 2023 and no longer holds client or third party funds, probation would not fix the deficiencies that led to the misconduct and would serve no useful purpose.

While we find that probation is not warranted, we determine that respondent would benefit from completing the ARDC Professionalism Seminar before he returns to practice to reinforce the importance of complying with all of his ethical obligations. Accordingly, having considered the proven misconduct, the aggravating and mitigating factors, and the applicable case law, we recommend that respondent, Michael Jeffrey Gunderson, be suspended from the practice of law for two years and required to complete the ARDC Professionalism Seminar prior to the end date of his term of suspension.

Respectfully submitted,

Rhonda Sallée
Cristin K.M. Duffy
Michael Silver

CERTIFICATION

I, Michelle M. Thome, clerk of the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois and keeper of the records, hereby certifies that the foregoing is a true copy of the Report and Recommendation of the Hearing Board, approved by each panel member, entered in the above entitled cause of record filed in my office on September 11, 2026.

/s/ Michelle M. Thome

Michelle M. Thome, Clerk of the
Attorney Registration and Disciplinary
Commission of the Supreme Court of Illinois

4919-3123-2462, v. 1