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MAR 25 2021

STATE OF WISCONSIN

CLERK OF SUPREME COURT IN SUPREME COURT
OF WISCONSIN

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST SANDRA J. ZENOR,
ATTORNEY AT LAW.

CASE CODE 30912

OFFICE OF LAWYER REGULATION,

Complainant;

CASE NO. 2021AP _____ -D

SANDRA J. ZENOR,

Respondent.

ORDER TO ANSWER

TO: Sandra J. Zenor
N8202 County Rd. E
Watertown, WI 53094

YOU ARE HEREBY ORDERED to file with the Clerk of Court, Supreme Court of Wisconsin, Post Office Box 1688, Madison, Wisconsin 53701, and to serve on counsel for the Office of Lawyer Regulation, at the address below, an Answer to the *Complaint* of the Office of Lawyer Regulation, within twenty (20) days of the date upon which this *Order to Answer* and *Complaint* in this proceeding are served on you, and in the event of your failure to do so, discipline deemed by the Supreme Court to be appropriate will be imposed upon you.

Dated this 25th day of March, 2021.

OFFICE OF LAWYER REGULATION



THOMAS J. LAITSCH
Assistant Litigation Counsel
State Bar No. 1001628

110 East Main Street #315
PO Box 1648
Madison, WI 53701-1648
Telephone: (608) 261-0695

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Complainant;

SANDRA J. ZENOR,

Respondent.

COMPLAINT

NOW COMES the Supreme Court of Wisconsin - Office of Lawyer Regulation (OLR) by Assistant Litigation Counsel Thomas J. Laitsch, and alleges as follows:

1. The OLR was established by the Supreme Court of Wisconsin and operates pursuant to Supreme Court rules. This *Complaint* is filed pursuant to SCR 22.11.

2. Sandra J. Zenor (Zenor) is an attorney admitted to practice law in Wisconsin on May 20, 1985 (State Bar No. 1014538). Zenor's address listed with the State Bar of Wisconsin is N8202 County Rd. E, Watertown, WI 53094.

**REGARDING LAYTON
OLR MATTER NO. 2019MA1008
COUNTS 1-4**

3. On August 2, 2013, Zenor filed a lawsuit on behalf of Jennifer E. Layton (Layton) claiming negligence against Riverview Hospital Association regarding the extraction of two of Layton's teeth. *Layton et al v. Riverview Hospital Association et al*, Wood County Case No. 2013CV330.

4. On October 16, 2013, the Wisconsin Department of Health Services (DHS) wrote to Zenor and informed her it had a medical lien of \$962.13 as a result of expenses paid related to Layton's dental work.

5. On May 20, 2014, Oasis Legal Finance (Oasis) wrote to Zenor and informed her it was owed \$1,507.50 pursuant to a Purchase Agreement between Oasis and Layton. Oasis further informed Zenor that if Oasis was not paid within 10 days of the receipt of any settlement, the amount would increase to \$2,052.50 and would continue to increase until paid.

6. On May 22, 2014, Zenor settled Layton's lawsuit for \$13,000. On June 2, 2014, Zenor deposited the entire settlement check from CNA Continental Casualty Company into her trust account.

7. Also on June 2, 2014, Zenor deposited a check for \$6,991.73 from her trust account into her corporate checking account. That sum represented Zenor's costs (\$501.33), attorney fees (\$4,332.90), and the claims of the DHS (\$650) and Oasis (\$1,507.50). The funds to pay the DHS and Oasis should have remained in Zenor's trust account until paid.

8. On June 10, 2014, Zenor sent Layton a letter outlining deductions from the settlement proceeds, and a check from her trust account in the amount of \$6,008.27 representing Layton's share of the settlement funds.

9. Zenor provided Layton with a document entitled "JENIFFER E. LAYTON'S SETTLEMENT OFFER." The document stated, "On May 21, 2014, the Client agreed that SJZ should make the payment to Oasis Legal Finance on the client's behalf. On May 22, 2014, the State's lien has been reduced by 33%down to \$650/Per Atty Zenor's negotiations..."

10. After receiving the settlement funds, Zenor failed to pay both DHS and Oasis. The combined total of \$2,157.50 (\$650 + \$1,507.50) initially remained in Zenor's corporate checking account.

11. From July 8, 2014 through March 27, 2015, the balance in Zenor's corporate account varied widely, from a negative

balance at times up to an amount over \$2,157.50. For example, on July 8, 2014, the balance Zenor should have been holding in trust was \$2,157.50, but her corporate checking account showed a balance of negative \$697.10. Each time the balance fell below the combined total of \$2,157.50, Zenor had used funds owed to DHS and Oasis for her personal use.

12. On October 20, 2016, Layton sent Zenor a letter requesting information regarding the payment owed to Oasis, and provided Zenor with an updated account balance. On that same date, Layton left Zenor a voice mail message asking Zenor if she had contacted Oasis and requesting the status of the payment. Zenor did not respond to Layton's letter or voice mail.

13. On March 27, 2017, Layton left Zenor a voice mail message requesting Zenor "clear up" the Oasis matter. Zenor did not respond.

14. Zenor had the same office manager from the time Layton's lawsuit was settled on May 22, 2014 through around June 2015. The office manager routinely prepared and gave Zenor weekly reports showing Zenor's financial obligations related to her law practice. These written reports included the obligation to Oasis. Therefore, for just over one year after

the lawsuit settled, Zenor received a written reminder on a weekly basis the obligation to Oasis had not been paid.

15. On June 14, 2017, Allocated Business Management, LLC, a collection agency, sent Layton a letter informing her the delinquent Oasis debt had been placed with the agency for collection. The balance on the Oasis debt had increased from \$1,507.50 to \$3,290. Zenor failed to pay the obligation.

16. On approximately October 18, 2019, Zenor gave Layton a check for \$3,290 to pay off the Oasis debt. Zenor paid Wisconsin Casualty Recovery \$650 to pay DHS's lien.

COUNT 1

17. By depositing the settlement funds that were owed to DHS and Oasis into her corporate checking account and failing to hold those funds in trust, **Zenor violated SCR 20:1.15(b)(1)**.¹

¹ SCR 20:1.15(b)(1) provides: "A lawyer shall hold in trust, separate from the lawyer's own property, that property of clients and 3rd parties that is in the lawyer's possession in connection with a representation. All funds of clients and 3rd parties paid to a lawyer or law firm in connection with a representation shall be deposited in one or more identifiable trust accounts."

COUNT 2

18. By failing to promptly deliver to DHS and Oasis the funds they were entitled to receive, **Zenor violated former SCR 20:1.15(d)(1)² and SCR 20:1.15(e)(1).³**

COUNT 3

19. By failing to respond to Layton's telephone calls and letter requesting information, **Zenor violated SCR 20:1.4(a)(4).⁴**

COUNT 4

20. By converting the settlement funds owed to DHS and Oasis for her own personal use, **Zenor violated SCR 20:8.4(c).⁵**

² Former SCR 20:1.15(d)(1) (*effective prior to July 1, 2016*) provided: "Upon receiving funds or other property in which a client has an interest, or in which the lawyer has received notice that a 3rd party has an interest identified by a lien, court order, judgment, or contract, the lawyer shall promptly notify the client or 3rd party in writing. Except as stated in this rule or otherwise permitted by law or by agreement with the client, the lawyer shall promptly deliver to the client or 3rd party any funds or other property that the client or 3rd party is entitled to receive."

³ SCR 20:1.15(e)(1) (*effective July 1, 2016*) provides: "Upon receiving funds or other property in which a client has an interest, or in which the lawyer has received notice that a 3rd party has an interest identified by a lien, court order, judgment, or contract, the lawyer shall promptly notify the client or 3rd party in writing. Except as stated in this rule or otherwise permitted by law or by agreement with the client, the lawyer shall promptly deliver to the client or 3rd party any funds or other property that the client or 3rd party is entitled to receive."

⁴ SCR 20:1.4(a) provides: "A lawyer shall promptly comply with reasonable requests by the client for information."

⁵ SCR 20:8.4(c) provides: "It is professional misconduct for a lawyer to engage in conduct involving dishonesty, fraud, deceit or misrepresentation."

WHEREFORE, the Office of Lawyer Regulation asks the Supreme Court of Wisconsin to find Attorney Sandra J. Zenor violated the Supreme Court rules as alleged in this *Complaint*; to suspend Attorney Zenor's license to practice law in Wisconsin for sixty (60) days and to grant such other relief as may be just and equitable, including an award of costs.

Dated this 15th day of March, 2021.

OFFICE OF LAWYER REGULATION



THOMAS J. LAITSCH
Assistant Litigation Counsel
State Bar No. 1001628

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