

MISC. DOCKET NO. 92 - 0020

IN THE  
SUPREME COURT OF TEXAS

IN THE MATTER OF  
RONALD E. DEUTSCH

ORDER

On this day came on for consideration the Motion for Acceptance of Resignation as Attorney and Counselor at Law of Ronald E. Deutsch, together with the Concurring Motion of the Grievance Committee for State Bar District No. 6, State Bar of Texas, and the Certification of the General Counsel of the State Bar of Texas. The Court has reviewed said Motions and Certification and finds each to meet the requirements of Article X, Section 15 of the State Bar Rules. In conformity with the said Article X, Section 15 of the State Bar Rules, the Court considers the Grievance Committee's findings of fact and conclusions of law as conclusively established for all pertinent purposes. The Court, being advised that the resignation of Ronald E. Deutsch is tendered in lieu of disciplinary action, and being of the opinion that such resignation is in the public interest and will meet the ends of justice, hereby concludes that the following order is appropriate.

IT IS ORDERED that the Texas law license of Ronald E. Deutsch, State Bar Card No. 05782500, heretofore issued by this Court, be cancelled and that the name of Ronald E. Deutsch be dropped and deleted from the list of persons licensed to practice law in Texas.

IT IS FURTHER ORDERED that Ronald E. Deutsch be, and he hereby is, permanently enjoined and prohibited from practicing law in the

State of Texas, holding himself out as an attorney at law, performing any legal services for others, giving legal advice to others, accepting any fee directly or indirectly for legal services, appearing as counsel or in any representative capacity in any proceeding in any Texas court or before any Texas administrative body (whether state, county, municipal, or other), or holding himself out to others or using his name in any manner in conjunction with the words "Attorney at Law," "Counselor at Law," or "Lawyer."

IT IS FURTHER ORDERED that Ronald E. Deutsch shall under no circumstances be readmitted as an attorney in the State of Texas, nor shall he be permitted to bring or maintain any application or proceeding for reinstatement, until he shall have made full restitution to the Estate of Gerald Wayne Wegley, Deceased, or should said Estate be closed, then to the heirs of Gerald Wayne Wegley, Deceased, namely Marlo Wegley Rhodes and Christopher Wegley, their heirs, assigns, successors in interest, or any person or entity (specifically including the Client Security Fund of the State Bar of Texas) subrogated to the rights either of the Estate or of the heirs of Gerald Wayne Wegley, Deceased, in the amount of \$46,533.98 (Forty-Six Thousand Five Hundred Thirty-Three and 98/100 Dollars), plus interest thereon at the rate published by the consumer credit commissioner in the Texas Register under Tex.Rev.Civ.Stat.Ann. art. 5069-1.05 as of July 21, 1989, and calculated from July 21, 1989. Full payment of said restitution shall be an absolute condition precedent to the filing of any application for reinstatement.

IT IS FURTHER ORDERED that Ronald E. Deutsch shall under no circumstances be readmitted as an attorney in the State of Texas, nor shall he be permitted to bring or maintain any application or proceeding for reinstatement, until he shall have made full restitution to Marlo Wegley Rhodes, her heirs, assigns, successors in interest, or any person or entity (specifically including the Client Security Fund of the State Bar of Texas) subrogated to the rights of Marlo Wegley Rhodes, in the amount of \$25,778.00 (Twenty-Five Thousand Seven Hundred Seventy-Eight Dollars), plus interest thereon at the rate published by the consumer credit commissioner in the Texas Register under Tex.Rev.Civ.Stat.Ann. art. 5069-1.05 as of September 12, 1989, and calculated from September 12, 1989. Said restitution is in addition to any restitution required by any previous paragraph of this Order. Full payment of said restitution shall be an absolute condition precedent to the filing of any application for reinstatement.

IT IS FURTHER ORDERED that Ronald E. Deutsch shall under no circumstances be readmitted as an attorney in the State of Texas, nor shall he be permitted to bring or maintain any application or proceeding for reinstatement, until he shall have made full restitution to Christopher Wegley, his heirs, assigns, successors in interest, or any person or entity (specifically including the Client Security Fund of the State Bar of Texas) subrogated to the rights of Christopher Wegley, in the amount of \$25,778.00 (Twenty-Five Thousand Seven Hundred Seventy-Eight Dollars), plus interest thereon at the rate published by the consumer credit commissioner

in the Texas Register under Tex.Rev.Civ.Stat.Ann. art. 5069-1.05 as of September 12, 1989, and calculated from September 12, 1989. Said restitution is in addition to any restitution required by any previous paragraph of this Order. Full payment of said restitution shall be an absolute condition precedent to the filing of any application for reinstatement.

IT IS FURTHER ORDERED that Ronald E. Deutsch shall under no circumstances be readmitted as an attorney in the State of Texas, nor shall he be permitted to bring or maintain any application or proceeding for reinstatement, until he shall have made full restitution to Gregory Lynn Watts, his heirs, assigns, successors in interest, or any person or entity (specifically including the Client Security Fund of the State Bar of Texas) subrogated to the rights of Gregory Lynn Watts, in the amount of \$18,000.00 (Eighteen Thousand Dollars), plus interest thereon at the rate published by the consumer credit commissioner in the Texas Register under Tex.Rev. Civ.Stat.Ann. art. 5069-1.05 as of January 20, 1989, and calculated from January 20, 1989. Said restitution is in addition to any restitution required by any previous paragraph of this Order. Full payment of said restitution shall be an absolute condition precedent to the filing of any application for reinstatement.

IT IS FURTHER ORDERED that Ronald E. Deutsch shall under no circumstances be readmitted as an attorney in the State of Texas, nor shall he be permitted to bring or maintain any application or proceeding for reinstatement, until he shall have made full

restitution to Daryl Glenn Watts, his heirs, assigns, successors in interest, or any person or entity (specifically including the Client Security Fund of the State Bar of Texas) subrogated to the rights of Daryl Glenn Watts, in the amount of \$20,500.00 (Twenty Thousand five Hundred Dollars), plus interest thereon at the rate published by the consumer credit commissioner in the Texas Register under Tex.Rev.Civ.Stat.Ann. art. 5069-1.05 as of March 31, 1989, and calculated from March 31, 1989. Said restitution is in addition to any restitution required by any previous paragraph of this Order. Full payment of said restitution shall be an absolute condition precedent to the filing of any application for reinstatement.

IT IS FURTHER ORDERED that Ronald E. Deutsch, shall, within thirty (30) days after the date on which this Order is signed by the Court, notify in writing each of his current clients of his resignation in lieu of disciplinary action. In addition to such notification, Ronald E. Deutsch is ORDERED to return all files, papers, unearned fees paid in advance, and all other monies and properties which are in his possession and which belong to clients and former clients, to those respective clients or former clients within thirty (30) days after the date on which this Order is signed. Ronald E. Deutsch is further ORDERED to file with this Court, within thirty (30) days after the date on which this Order is signed, an affidavit stating that all current clients have been notified of Ronald E. Deutsch's resignation and that all files, papers, unearned fees paid in advance, and all other monies and

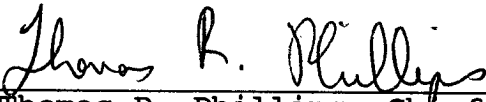
properties belonging to clients and former clients have been returned as ordered herein. If Ronald E. Deutsch should be unable to return any file, papers, monies or other properties to any client or former client, Ronald E. Deutsch shall file an affidavit with this Court, showing with particularity the efforts made by Ronald E. Deutsch with respect to each particular client and the cause of his inability to return to said client any file, papers, monies or other properties. Ronald E. Deutsch is ORDERED to send copies of all notifications and affidavits herein referred to, to the Office of the General Counsel, State Bar of Texas, P.O. Box 12487, Capitol Station, Austin, Texas 78711.


IT IS FURTHER ORDERED that Ronald E. Deutsch shall, within thirty (30) days after the date on which this Order is signed by the Court, notify in writing each and every justice of the peace, judge, magistrate, and chief justice of each and every Texas court in which Ronald E. Deutsch may have any client matter pending, advising each court of his resignation, of the style and cause number of any pending matter, and of the name, address and telephone number of the client(s) Ronald E. Deutsch is representing in that court.

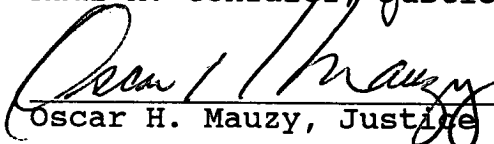
The Court acknowledges receipt of Ronald E. Deutsch's permanent State Bar Card and of Ronald E. Deutsch's affidavit declaring that his Texas law license is lost. Should said law license be found, Ronald E. Deutsch is ORDERED immediately to transmit the same to the Clerk of the Court, 209 W. 14th Street, Room G-04, Austin, Texas 78701.

The Clerk of this Court shall mail a certified copy of this Order to Ronald E. Deutsch at 200 West DeVargas Street, Suite 5-A, Santa Fe, New Mexico 87501.

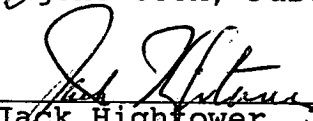
By the Court, en banc, in chambers, on this 18<sup>th</sup> day of November, 1991.

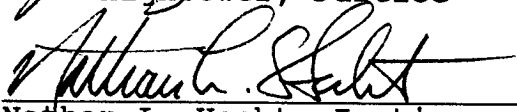
  
Thomas R. Phillips, Chief Justice

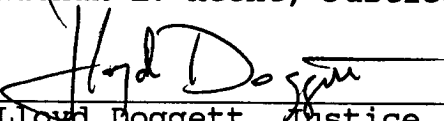
  
Raul A. Gonzalez, Justice

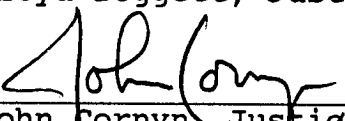
  
Oscar H. Mauzy, Justice

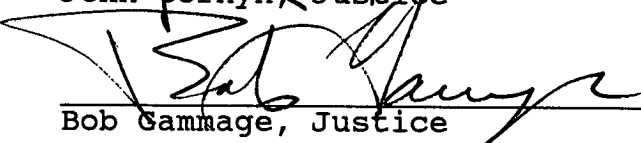
  
Eugene Cook, Justice

  
Jack Hightower, Justice

  
Nathan L. Hecht, Justice

  
Lloyd Doggett, Justice

  
John Cornyn, Justice

  
Bob Gammage, Justice

Movant prays that the Court accept his resignation as an Attorney and Counselor at Law and remove his name from the list of persons licensed to practice law in the State of Texas.

Respectfully Submitted,

*Ronald E. Deutsch*  
RONALD E. DEUTSCH  
Texas Bar #05782500

200 West DeVargas Street, Suite 5-A  
Santa Fe, New Mexico 87501

ATTORNEY AT LAW

**NOTARY'S ACKNOWLEDGMENT**

STATE OF NEW MEXICO )  
 )  
COUNTY OF *Santa Fe* )

BEFORE ME, the undersigned authority, on this day personally appeared RONALD E. DEUTSCH, known to me to be the person whose signature is set forth herein, and who being by me duly sworn, on his oath states that he willingly and voluntarily signed the foregoing Motion For Acceptance Of Resignation As Attorney and Counselor At Law; and that each and every fact contained therein is true and correct.

*Ronald E. Deutsch*  
RONALD E. DEUTSCH

SWORN AND SUBSCRIBED TO BEFORE ME, the undersigned Notary Public, on this the 26<sup>th</sup> day of September, 1991.



OFFICIAL SEAL  
NANCY W. DEUTSCH  
NOTARY PUBLIC - STATE OF NEW MEXICO  
Notary Public Filed with Secretary of State  
My Commission Expires: 10/26/99

*Nancy W. Deutsch*  
NOTARY PUBLIC/State of New Mexico



**IN THE SUPREME COURT OF TEXAS**

**MOTION FOR ACCEPTANCE OF RESIGNATION AS  
ATTORNEY AND COUNSELOR AT LAW  
OF  
RONALD E. DEUTSCH  
Texas Bar #05782500**

TO THE HONORABLE SUPREME COURT OF TEXAS:

RONALD E. DEUTSCH respectfully moves this Honorable Court to accept his resignation as an Attorney and Counselor at Law in the State of Texas, and would show:

I.

RONALD E. DEUTSCH hereby resigns as an Attorney and Counselor at Law in the State of Texas in lieu of disciplinary action for professional misconduct.

II.

RONALD E. DEUTSCH attaches hereto, and hereby surrenders his License and permanent State of Texas Bar Card, issued to him by the Court on 25 September, 1972.

III.

RONALD E. DEUTSCH's State of Texas Bar number is 05782500. His current address is 200 West DeVargas Street, Suite 5-A, Santa Fe, New Mexico 87501.

MISC. DOCKET NO. 92 -

IN THE SUPREME COURT OF TEXAS

CONCURRING MOTION FOR ACCEPTANCE OF RESIGNATION AS  
ATTORNEY AND COUNSELOR AT LAW

OF

RONALD E. DEUTSCH

TO THE HONORABLE SUPREME COURT OF TEXAS:

The Grievance Committee for State Bar District No. 6, State Bar of Texas, moves the Court to accept the Resignation as Attorney and Counselor at Law of Ronald E. Deutsch, showing the Court the following:

I.

Ronald E. Deutsch ("Deutsch"), State Bar Card No. 05782500, is an attorney licensed to practice law in Texas and a member of the State Bar of Texas. Deutsch resides in Santa Fe, New Mexico. On September 26, 1991, Deutsch voluntarily executed a Motion for Acceptance of Resignation as Attorney and Counselor at Law in lieu of disciplinary action. The Grievance Committee hereby concurs in such Motion. Acceptance of such resignation in lieu of disciplinary action will serve to protect the public.

II(A)

WEGLEY ESTATE MATTER

In connection with the resignation of Ronald E. Deutsch, the Grievance Committee makes the following findings of fact:

In or about May 1989 Deutsch accepted employment to perform legal services on behalf of the heirs of Gerald Wayne Wegley, who

died intestate in Dallas County, Texas on April 16, 1989. At the time of his death, Gerald Wayne Wegley was an employee of the City of Garland, Texas. On June 6, 1989 Respondent filed or caused to be filed in the Probate Court No. 1 of Dallas County, Texas, on behalf of John Gaylen Wegley, a surviving brother of Gerald Wayne Wegley, an "Application for Letters of Administration," prepared and signed by Respondent, thereby initiating Cause No. 89-2128-P, styled Estate of Gerald Wayne Wegley, Deceased.

After the death of Gerald Wayne Wegley, the City of Garland, Wegley's employer, issued two payroll checks payable to "The Estate of Gerald W. Wegley," the first of which was dated April 21, 1989 in the amount of \$784.06, and the second of which was dated April 28, 1989 in the amount of \$3,657.71. Deutsch received possession of both checks, and on or about May 9, 1989 endorsed or caused both checks to be endorsed and the \$4,441.77 proceeds to be deposited into an account subject to Deutsch's control, namely Account No. 112-788-8 at Capital Bank of Dallas, Texas, said account being an account denominated the "Law Offices of Ronald E. Deutsch & Associates, P.C. Trust Account." Thereafter Deutsch, without authority, withdrew or transferred from this trust account, or caused his agents or employees to withdraw or transfer from said account, the \$4,441.77 proceeds of the two City of Garland payroll checks, and expended or caused his agents or employees to expend said proceeds for Deutsch's own purposes, and not for any purpose related to the representation or the benefit of the Estate of Gerald Wayne Wegley. At no time did Deutsch provide to John Gaylen Wegley, the

Administrator of the Estate of Gerald Wayne Wegley, or to the Probate Court No. 1 of Dallas County, Texas, any accounting of Deutsch's disposition of the \$4,441.77 proceeds of two City of Garland payroll checks.

Additionally, on July 19, 1989 the Texas Municipal Retirement System ("TMRS") issued two checks totaling \$42,092.21, payable to the order of John Gaylen Wegley as Administrator of the Estate of Gerald Wayne Wegley. Said checks represented retirement benefits due to the deceased from TMRS. TMRS's first check, dated July 19, 1991, in the amount of \$28,242.80, numbered 14233, and drawn on First City National Bank of Austin, Texas, was payable to the order of "John Gaylen Wegley, Administrator, Estate of Gerald W. Wegley, Deceased." TMRS's second check, likewise dated July 19, 1991, in the amount of \$13,849.41, numbered C-10723, and drawn on First City National Bank of Austin, Texas, was payable to the order of "John Gaylen Wegley, Administrator of the Estate of Gerald W. Wegley." Both checks were received by Deutsch on or about July 21, 1989.

After July 21, 1989 Deutsch did not promptly notify John Gayley Wegley, the Administrator of the Estate of Gerald Wayne Wegley, of Deutsch's receipt of the two TMRS checks. Deutsch, rather, without the knowledge, authorization or consent of John Gaylen Wegley, endorsed or caused an unknown agent or employee to endorse Check No. 14233 in the name of "John Gaylen Wegley, Admin. of Estate of Gerald W. Wegley." Deutsch further caused the two TMRS checks to be negotiated on or about July 21, 1989 at Capital Bank of Dallas, Texas, and the \$42,092.21 proceeds to be deposited

into an account subject to Deutsch's control, namely Account No. 112-788-8 at Capital Bank of Dallas, Texas, said account being an account denominated the "Law Offices of Ronald E. Deutsch & Associates, P.C. Trust Account." Thereafter, Deutsch withdrew or transferred from this trust account (Account No. 112-788-8), or caused his agents or employees to withdraw or transfer from said account, the \$42,092.21 proceeds of the two TMRS checks, and expended or caused his agents or employees to expend said proceeds for Deutsch's own purposes, and not for any purpose related to the representation or the benefit of the Estate of Gerald Wayne Wegley. At no time did Deutsch provide, either to John Gaylen Wegley or to the Probate Court No. 1 of Dallas County, Texas, any accounting of Respondent's disposition of the \$42,092.21 proceeds of the two TMRS checks.

#### II(B)

Based on the foregoing findings of fact, the Grievance Committee concludes as a matter of law that Ronald E. Deutsch, by his conduct as set forth in Paragraph II(A) above, violated the following Disciplinary Rules of the Texas Code of Professional Responsibility, in force and effect at the time of his conduct: DR 1-102(A)(3) [engaging in illegal conduct involving moral turpitude]; DR 1-102(A)(4) [engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation]; DR 9-102(B)(1) [failing to promptly notify a client of the lawyer's receipt of client funds, securities or other properties]; and DR 9-102(B)(3) [failing to render appropriate accounts to a client concerning funds,

securities, or other properties of the client coming into the lawyer's possession].

Additionally, the Grievance Committee concludes that the amount of restitution to be paid by Ronald E. Deutsch to the Estate of Gerald Wayne Wegley, Deceased, or should said Estate be closed, then directly to the heirs of Gerald Wayne Wegley, namely Marlo Wegley Rhodes and Christopher Wegley, should Deutsch, pursuant to Article X, §§28 and 29 of the State Bar Rules or to any successor reinstatement provision, at any future time make application for reinstatement as an attorney in the State of Texas, is not less than Forty-Six Thousand Five Hundred Thirty-Three and 98/100 Dollars (\$46,533.98), plus appropriate interest.

III(A)

MARLO WEGLEY MATTER

In connection with the resignation of Ronald E. Deutsch, the Grievance Committee makes the following additional findings of fact:

As previously recited, in or about May 1989 Deutsch accepted employment to perform legal services on behalf of the heirs of Gerald Wayne Wegley, an employee of the City of Garland, Texas, who died intestate in Dallas County, Texas on April 16, 1989. On or about September 12, 1989 Deutsch received possession of two checks, numbered 05-953058 and 05-953060, respectively, each check dated September 1, 1989, in the amount of \$12,889.00 (Twelve Thousand Eight Hundred Eighty-Nine Dollars), issued by Standard Insurance Company ("Standard") of Portland, Oregon, drawn on a Portland,

Oregon branch of The Bank of California, and payable to the order of Marlo Wegley, a surviving daughter of Gerald Wayne Wegley. Checks Nos. 05-953058 and 05-953060 represented proceeds due to Marlo Wegley from the City of Garland's Group Policy No. 605111, a Standard Insurance Company group life insurance policy under which Gerald Wayne Wegley was insured. Deutsch was entitled to no portion of the \$25,778.00 represented by Standard's Checks Nos. 05-953058 and 05-953060.

After September 12, 1989 Deutsch did not promptly notify Marlo Wegley of Deutsch's receipt of Standard's Checks Nos. 05-953058 and 05-953060. Nor did Deutsch notify John Gaylen Wegley, Administrator of the Estate of Gerald Wayne Wegley, of Deutsch's receipt of Standard's Checks Nos. 05-953058 and 05-953060. Deutsch, rather, without the knowledge, authorization or consent of Marlo Wegley, endorsed or caused an unknown agent or employee to endorse Checks Nos. 05-953058 and 05-953060 in the name of Marlo Wegley. Deutsch further caused Standard's Checks Nos. 05-953058 and 05-953060 to be negotiated on September 12, 1989 at Capital Bank of Dallas, Texas, and the \$25,778.00 proceeds of the two checks to be deposited into an account subject to Deutsch's control, namely Account No. 112-788-8 at Capital Bank of Dallas, Texas, said account being an account denominated the "Law Offices of Ronald E. Deutsch & Associates, P.C. Trust Account." Thereafter, Deutsch withdrew or transferred from this trust account (Account No. 112-788-8), or caused his agents or employees to withdraw or transfer from said account, the \$25,778.00 proceeds of Standard's Checks Nos. 05-

953058 and 05-953060, and expended or caused his agents or employees to expend said proceeds for Deutsch's own purposes, and not for any purpose related to the representation or the benefit either of Marlo Wegley or of the Estate of Gerald Wayne Wegley. At no time did Deutsch provide, either to Marlo Wegley or to John Gaylen Wegley, any accounting of Deutsch's disposition of the \$25,778.00 proceeds of Standard's Checks Nos. 05-953058 and 05-953060.

### III(B)

Based on the foregoing findings of fact, the Grievance Committee concludes as a matter of law that Ronald E. Deutsch, by his conduct as set forth in Paragraph III(A) above, violated the following Disciplinary Rules of the Texas Code of Professional Responsibility, in force and effect at the time of his conduct: DR 1-102(A)(3) [engaging in illegal conduct involving moral turpitude]; DR 1-102(A)(4) [engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation]; DR 9-102(B)(1) [failing to promptly notify a client of the lawyer's receipt of client funds, securities or other properties]; and DR 9-102(B)(3) [failing to render appropriate accounts to a client concerning funds, securities, or other properties of the client coming into the lawyer's possession].

Additionally, the Grievance Committee concludes that the amount of restitution to be paid by Ronald E. Deutsch to Marlo Wegley Rhodes, should Deutsch, pursuant to Article X, §§28 and 29 of the State Bar Rules or to any successor reinstatement provision,



at any future time make application for reinstatement as an attorney in the State of Texas, is not less than Twenty-Five Thousand Seven Hundred Seventy-Eight Dollars (\$25,778.00), plus appropriate interest.

IV(A)

CHRISTOPHER WEGLEY MATTER

In connection with the resignation of Ronald E. Deutsch, the Grievance Committee makes the following additional findings of fact:

As previously recited, in or about May 1989 Deutsch accepted employment to perform legal services on behalf of the heirs of Gerald Wayne Wegley, an employee of the City of Garland, Texas, who died intestate in Dallas County, Texas on April 16, 1989. On or about September 12, 1989 Deutsch received possession of two checks, numbered 05-953059 and 05-953061, respectively, each check dated September 1, 1989, in the amount of \$12,889.00 (Twelve Thousand Eight Hundred Eighty-Nine Dollars), issued by Standard Insurance Company ("Standard") of Portland, Oregon, drawn on a Portland, Oregon branch of The Bank of California, and payable to the order of Christopher Wegley, a surviving son of Gerald Wayne Wegley. Checks Nos. 05-953059 and 05-953061 represented proceeds due to Christopher Wegley from the City of Garland's Group Policy No. 605111, a Standard Insurance Company group life insurance policy under which Gerald Wayne Wegley was insured. Deutsch was entitled to no portion of the \$25,778.00 represented by Standard's Checks Nos. 05-953059 and 05-953061.

After September 12, 1989 Deutsch did not promptly notify Christopher Wegley of Deutsch's receipt of Standard's Checks Nos. 05-953059 and 05-953061. Nor did Deutsch notify John Gaylen Wegley, Administrator of the Estate of Gerald Wayne Wegley, of Deutsch's receipt of Standard's Checks Nos. 05-953059 and 05-953061. Deutsch, rather, without the knowledge, authorization or consent of Christopher Wegley, endorsed or caused an unknown agent or employee to endorse Checks Nos. 05-953059 and 05-953061 in the name of Christopher Wegley. Deutsch further caused Standard's Checks Nos. 05-953059 and 05-953061 to be negotiated on September 12, 1989 at Capital Bank of Dallas, Texas, and the \$25,778.00 proceeds of the two checks to be deposited into an account subject to Deutsch's control, namely Account No. 112-788-8 at Capital Bank of Dallas, Texas, said account being an account denominated the "Law Offices of Ronald E. Deutsch & Associates, P.C. Trust Account." Thereafter, Deutsch withdrew or transferred from this trust account (Account No. 112-788-8), or caused his agents or employees to withdraw or transfer from said account, the \$25,778.00 proceeds of Standard's Checks Nos. 05-953059 and 05-953061, and expended or caused his agents or employees to expend said proceeds for Deutsch's own purposes, and not for any purpose related to the representation or the benefit either of Christopher Wegley or of the Estate of Gerald Wayne Wegley. At no time did Deutsch provide, either to Christopher Wegley or to John Gaylen Wegley, any accounting of Respondent's disposition of the \$25,778.00 proceeds of Standard's Checks Nos. 05-953059 and 05-953061.

IV(B)

Based on the foregoing findings of fact, the Grievance Committee concludes as a matter of law that Ronald E. Deutsch, by his conduct as set forth in Paragraph IV(A) above, violated the following Disciplinary Rules of the Texas Code of Professional Responsibility, in force and effect at the time of his conduct: DR 1-102(A)(3) [engaging in illegal conduct involving moral turpitude]; DR 1-102(A)(4) [engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation]; DR 9-102(B)(1) [failing to promptly notify a client of the lawyer's receipt of client funds, securities or other properties]; and DR 9-102(B)(3) [failing to render appropriate accounts to a client concerning funds, securities, or other properties of the client coming into the lawyer's possession].

Additionally, the Grievance Committee concludes that the amount of restitution to be paid by Ronald E. Deutsch to Christopher Wegley, should Deutsch, pursuant to Article X, §§28 and 29 of the State Bar Rules or to any successor reinstatement provision, at any future time make application for reinstatement as an attorney in the State of Texas, is not less than Twenty-Five Thousand Seven Hundred Seventy-Eight Dollars (\$25,778.00), plus appropriate interest.

V(A)

GREGORY LYNN WATTS MATTER

In connection with the resignation of Ronald E. Deutsch, the Grievance Committee makes the following additional findings of

fact:

In November 1988 Deutsch accepted employment to represent Cicero Watts, Jr. and the two sons of Cicero Watts, Jr., namely Gregory Lynn Watts and Daryl Glenn Watts, the latter a minor child, in a claim for life insurance benefits payable to the beneficiaries of Carolyn J. Watts, deceased, under a City of Dallas group life insurance policy. At the time of her death in 1988, Carolyn J. Watts was an employee of the City of Dallas. Deutsch prepared or caused to be prepared an "Addendum to Fee Agreement and Power of Attorney," which allowed Deutsch to receive, for the benefit of the beneficiaries of Carolyn J. Watts, proceeds from the payment of Carolyn J. Watts's life insurance benefits. The same "Addendum" further provided that "The attorney [i.e., Deutsch], shall render a final accounting to the clients and then disburse funds to the firm and the remaining balance to the clients no later than ten (10) days after the last day of the billing month of the firm, in which the legal services were rendered on behalf of said clients" [emphasis added]. Gregory Lynn Watts signed and subscribed this "Addendum to Fee Agreement and Power of Attorney" in November 1988. Cicero Watts, Jr. also signed and subscribed the "Addendum to Fee Agreement and Power of Attorney" in November 1988, both in his individual capacity and as guardian of Daryl Glenn Watts.

On November 9, 1988 The Hartford ("Hartford"), a major life insurance company, issued its check, numbered 508447682, in the amount of \$35,500.00 (Thirty-Five Thousand Five Hundred Dollars), payable to Gregory Lynn Watts, in settlement of all claims under

Group Life Insurance Policy No. 019643, the City of Dallas group life insurance policy under which Carolyn J. Watts had been insured. Deutsch received possession of Hartford's Check No. 508447682 not later than January 20, 1989. Deutsch endorsed or caused Check No. 508447682 to be endorsed in the name of Gregory Lynn Watts, and deposited or caused the \$35,500.00 proceeds of Check No. 508447682 to be deposited into an account subject to Deutsch's control, namely Account No. 112-788-8 at Capital National Bank of Dallas, Texas, said account being an account denominated the "Law Office of Ronald E. Deutsch & Associates, P.C. Trust Account." Thereafter, Deutsch withdrew or transferred at least \$18,000.00 of the proceeds of Hartford's Check No. 508447682 from his trust account, or caused his agents or employees to transfer said funds from his trust account, and expended or caused his agents or employees to expend said funds for Deutsch's own purposes, and not for any purpose related to the representation or the benefit of Gregory Lynn Watts.

At no time did Deutsch advise either Gregory Lynn Watts or Cicero Watts, Jr. that Deutsch had received \$35,500.00 from Hartford for Gregory Lynn Watts's benefit. On or about April 14, 1989, some three months after Deutsch's receipt and negotiation of Draft No. 508447682, Deutsch transmitted \$17,500.00 to Gregory Lynn Watts, advising him that said \$17,500.00 represented a "partial settlement" of his claim. In addition, in both 1989 and in 1990 Deutsch repeatedly and falsely represented to Cicero Watts, Jr. that Hartford was unable to make a lump-sum distribution of the

benefits due to Gregory Lynn Watts because Hartford was "in serious financial trouble." Notwithstanding the terms of the "Addendum to Fee Agreement and Power of Attorney" prepared by Deutsch for Gregory Lynn Watts's signature, at no time did Deutsch provide, either to Gregory Lynn Watts or to Cicero Watts, Jr., any accounting of Deutsch's disposition of \$18,000.00 of the \$35,500.00 proceeds of Hartford's Check No. 508447682.

V(B)

Based on the foregoing findings of fact, the Grievance Committee concludes as a matter of law that Ronald E. Deutsch, by his conduct as set forth in Paragraph V(A) above, violated the following Disciplinary Rules of the Texas Code of Professional Responsibility, in force and effect at the time of his conduct: DR 1-102(A)(3) [engaging in illegal conduct involving moral turpitude]; DR 1-102(A)(4) [engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation]; DR 9-102(B)(1) [failing to promptly notify a client of the lawyer's receipt of client funds, securities or other properties]; and DR 9-102(B)(3) [failing to render appropriate accounts to a client concerning funds, securities, or other properties of the client coming into the lawyer's possession].

The Grievance Committee further concludes that Ronald E. Deutsch, by virtue of his ongoing false representations made to Cicero Watts, Jr., also violated the following Texas Disciplinary Rule of Professional Conduct, in force and effect at the time of his conduct: Rule 8.04(A)(3) [engaging in conduct involving

dishonesty, fraud, deceit or misrepresentation].

Additionally, the Grievance Committee concludes that the amount of restitution to be paid by Ronald E. Deutsch to Gregory Lynn Watts, should Deutsch, pursuant to Article X, §§28 and 29 of the State Bar Rules or to any successor reinstatement provision, at any future time make application for reinstatement as an attorney in the State of Texas, is not less than Eighteen Thousand Dollars (\$18,000.00), plus appropriate interest.

VI(A)

DARYL GLENN WATTS MATTER

In connection with the resignation of Ronald E. Deutsch, the Grievance Committee makes the following additional findings of fact:

As previously recited, in November 1988 Deutsch accepted employment to represent Cicero Watts, Jr. and the two sons of Cicero Watts, Jr., namely Gregory Lynn Watts and Daryl Glenn Watts, the latter a minor child, in a claim for life insurance benefits payable to the beneficiaries of Carolyn J. Watts, deceased, under a City of Dallas group life insurance policy. At the time of her death in 1988, Carolyn J. Watts was an employee of the City of Dallas. Deutsch prepared or caused to be prepared an "Addendum to Fee Agreement and Power of Attorney," which allowed Deutsch to receive, for the benefit of the beneficiaries of Carolyn J. Watts, proceeds from the payment of Carolyn J. Watts's life insurance benefits. The same "Addendum" further provided that "The attorney [i.e., Deutsch], shall render a final accounting to the clients and

then disburse funds to the firm and the remaining balance to the clients no later than ten (10) days after the last day of the billing month of the firm, in which the legal services were rendered on behalf of said clients" [emphasis added]. Cicero Watts, Jr. signed and subscribed the "Addendum to Fee Agreement and Power of Attorney" in November 1988, both in his individual capacity and as guardian of Daryl Glenn Watts.

On February 2, 1989 The Hartford ("Hartford"), a major life insurance company, issued its check, numbered 50850195, in the amount of \$35,500.00 (Thirty-Five Thousand Five Hundred Dollars), payable to "Cicero Watt [sic], Jr. Guardian of the Estate of Daryl Glenn Watts, a minor," in settlement of all claims under Group Life Insurance Policy No. 109643, the City of Dallas Group life insurance policy under which Carolyn J. Watts had been insured. Deutsch received possession Hartford's Check No. 5085195 not later than March 1989. Deutsch endorsed or caused Check No. 50850195 to be endorsed in the name of Cicero Watts, Jr., and deposited or caused the \$35,000.00 proceeds of Check No. 50850195 to be deposited into an account subject to Deutsch's control, namely Account No. 112-788-8 at Capital Bank of Dallas, Texas, said account being an account denominated the "Law Office of Ronald E. Deutsch & Associates, P.C. Trust Account." Thereafter, Deutsch withdrew or transferred the \$35,500.00 proceeds of Hartford's Check No. 5080195 from his trust account, or caused his agents or employees to transfer said proceeds from his trust account, and expended or caused his agents or employees to expend said proceeds



for Deutsch's own purposes, and not for any purpose related to the representation or the benefit of Daryl Glenn Watts.

Deutsch subsequently, during 1989 and 1990, in five irregularly-timed installments of \$3,000.00 each, remitted a total of \$15,000.00 to Cicero Watts, Jr. for the benefit of Daryl Glenn Watts, representing that each \$3,000.00 payment represented a "partial distribution" of benefits due to Daryl Glenn Watts. In both 1989 and 1990, Deutsch repeatedly and falsely represented to Cicero Watts, Jr. that Hartford was unable to make a lump-sum distribution of the benefits due to Daryl Glenn Watts because Hartford was "in serious financial trouble." Notwithstanding the terms of the "Addendum to Fee Agreement and Power of Attorney" prepared by Deutsch for Cicero Watts, Jr.'s signature, at no time did Deutsch provide to Cicero Watts, Jr. or to any other representative of Daryl Glenn Watts, any accounting of Deutsch's disposition of \$20,500.00 of the \$35,500.00 proceeds of Hartford's Check No. 50850195.

#### VI(B)

Based on the foregoing findings of fact, the Grievance Committee concludes as a matter of law that Ronald E. Deutsch, by his conduct as set forth in Paragraph VI(A) above, violated the following Disciplinary Rules of the Texas Code of Professional Responsibility, in force and effect at the time of his conduct: DR 1-102(A)(3) [engaging in illegal conduct involving moral turpitude]; DR 1-102(A)(4) [engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation]; DR 9-102(B)(1) [failing to

promptly notify a client of the lawyer's receipt of client funds, securities or other properties]; and DR 9-102(B)(3) [failing to render appropriate accounts to a client concerning funds, securities, or other properties of the client coming into the lawyer's possession].

The Grievance Committee further concludes that Ronald E. Deutsch, by virtue of his ongoing false representations made to Cicero Watts, Jr., also violated the following Texas Disciplinary Rule of Professional Conduct, in force and effect at the time of his conduct: Rule 8.04(A)(3) [engaging in conduct involving dishonesty, fraud, deceit or misrepresentation].

Additionally, the Grievance Committee concludes that the amount of restitution to be paid by Ronald E. Deutsch to Daryl Glenn Watts, should Deutsch, pursuant to Article X, §§28 and 29 of the State Bar Rules or to any successor reinstatement provision, at any future time make application for reinstatement as an attorney in the State of Texas, is not less than Twenty Thousand Five Hundred Dollars (\$20,500.00), plus appropriate interest.

#### VII(A)

#### SANDOVAL MATTER

In connection with the resignation of Ronald E. Deutsch, the Grievance Committee makes the following additional findings of fact:

On or about September 21, 1989 Deutsch accepted employment to perform legal services on behalf of Ms. Gloria Sandoval ("Sandoval"), widow of George Sandoval, who died intestate in

Dallas County, Texas on August 21, 1989. On November 6, 1989 Deutsch filed or caused to be filed in Probate Court No. 1 of Dallas County, Texas, in Sandoval's name, an "Application for Letters of Administration," prepared and signed by Deutsch, thereby initiating Cause No. 89-4052-P, styled Estate of George Sandoval, Deceased.

On or about February 14, 1990 Deutsch received possession of Cashier's Check No. 178690, in the amount of \$38,777.78 (Thirty-Eight Thousand Seven Hundred Seventy-Seven and 78/100 Dollars), purchased by Adjusters Supply Company, George Sandoval's employer, from Brookhollow National Bank of Dallas, Texas, and payable to the order of Gloria Sandoval. Cashier's Check No. 178690 represented life insurance proceeds due to Gloria Sandoval under an Adjusters Supply Company Profit Sharing and Retirement Plan in which George Sandoval had been a participant. Deutsch was entitled to no portion of the \$38,777.78 represented by Cashier's Check No. 178690.

After February 14, 1990 Deutsch did not promptly notify Sandoval of Deutsch's receipt of Cashier's Check No. 178690. Deutsch, rather, without Sandoval's knowledge, authorization or consent, endorsed or caused an agent or employee to endorse Cashier's Check No. 178690 in Sandoval's name. Deutsch further caused Cashier's Check No. 178690 to be negotiated on February 14, 1990 at Capital Bank of Dallas, Texas, and the \$38,777.78 proceeds to be deposited into an account subject to Deutsch's control, namely Account No. 112-788-8 at Capital Bank of Dallas, Texas, said account being an account denominated the "Law Offices of Ronald E.

Deutsch & Associates, P.C. Trust Account."

Not until March 26, 1990, fully forty (40) days after the receipt and deposit of the \$38,777.78 proceeds of Cashier's Check No. 178690 into Deutsch's trust account, did Deutsch pay or deliver to Sandoval any portion of the \$38,777.78 due to her. On March 26, 1990 Deutsch, still without advising Sandoval of the total amount of money he had received from Adjusters Supply Company, issued to Sandoval a check, drawn on Account No. 112-788-8, in the amount of \$16,000.00 (Sixteen Thousand Dollars). After March 26, 1990 Deutsch withdrew or transferred from his trust account, or caused his agents or employees to withdraw or transfer from said account, not less than \$18,577.89 of the remaining proceeds of Cashier's Check No. 178690, and expended or caused his agents or employees to expend said funds for Deutsch's own purposes, and not for any purpose related to the representation or the benefit of Sandoval, Deutsch's client. At no time relevant hereto did Deutsch advise Sandoval of the total amount of money received by Deutsch from Adjusters Supply Company for Sandoval's benefit. After March 26, 1990 Deutsch made no further payment to Sandoval until August 21, 1990, by which time Deutsch's misapplication of Sandoval's funds had been brought to the attention of the District 6 (Dallas) Grievance Committee, and Deutsch had been advised of the Grievance Committee's investigation. Not until April 1991, and only at the explicit instruction of the Probate Court No. 1 of Dallas County, Texas, did Deutsch make full payment to Sandoval of the \$38,777.78 owed to her.

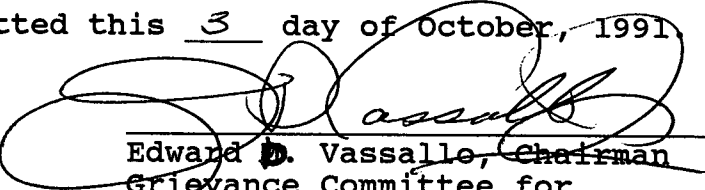
VII(B)

Based on the foregoing findings of fact, the Grievance Committee concludes as a matter of law that Ronald E. Deutsch, by his conduct as set forth in Paragraph VII(A) above, violated the following Texas Disciplinary Rules of Professional Conduct, in force and effect at the time of his conduct: Rule 8.04(a)(2) [committing a serious crime or other criminal act that reflects adversely on the lawyer's honesty, trustworthiness or fitness as a lawyer]; Rule 8.04(a)(3) [engaging in conduct involving dishonesty, fraud, deceit or misrepresentation]; Rule 1.14(a) [failing to hold funds belonging to a client or third person that are in the lawyer's possession in a separate account designated as a "trust" or "escrow" account]; and Rule 1.14(b) [failing to promptly notify a client or third person of the lawyer's receipt of funds in which the client or third person has an interest].

VIII.

WHEREFORE, PREMISES CONSIDERED, the Grievance Committee prays that the Court accept the resignation as Attorney and Counselor at Law of Ronald E. Deutsch, State Bar Card No. 05782500, and remove his name from the list of persons licensed to practice law in the State of Texas.

Respectfully submitted this 3 day of October, 1991

  
Edward D. Vassallo, Chairman  
Grievance Committee for  
State Bar District No. 6  
State Bar of Texas

Misc. Docket No. 92 -

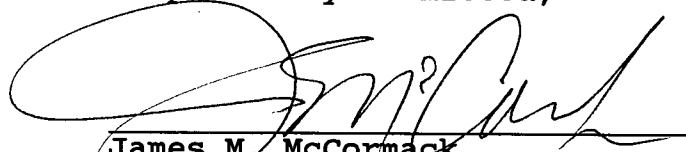
IN THE SUPREME COURT OF TEXAS

CERTIFICATION OF THE GENERAL COUNSEL  
OF THE  
STATE BAR OF TEXAS  
REGARDING  
RONALD E. DEUTSCH

TO THE HONORABLE SUPREME COURT OF TEXAS:

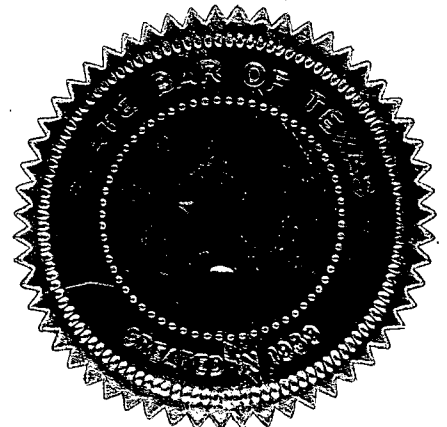
I, James M. McCormack, General Counsel of the State Bar of Texas, in accordance with Article X, Section 15 of the State Bar Rules, hereby certify that there is currently pending a disciplinary action against Ronald E. Deutsch, formerly of Dallas, Texas, and presently of Santa Fe, New Mexico, State Bar Card Number 05782500, which action is styled The State Bar of Texas v. Ronald E. Deutsch, No. 91-08640-D, in the 95th Judicial District Court of Dallas County, Texas.

Respectfully submitted,

  
James M. McCormack  
General Counsel  
State Bar of Texas

October 15, 1991  
Date

CERTIFICATION OF THE GENERAL COUNSEL - SOLO PAGE



# IN THE SUPREME COURT OF TEXAS

## AFFIDAVIT OF LOST LICENSE

by

**RONALD E. DEUTSCH**  
Texas Bar Card No. 05782500

TO THE HONORABLE JUDGE OF SAID COURT:

RONALD E. DEUTSCH, respectfully submits this his *Affidavit of Lost License* in conjunction with his *Motion For Acceptance of Resignation as Attorney and Counselor At Law*, which was earlier submitted, and would show:

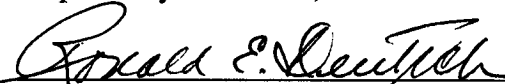
I.

"I, RONALD E. DEUTSCH, recently closed my law office in Dallas, Texas, and caused my effects to be packed and moved to New Mexico."

II.

"I, RONALD E. DEUTSCH, have searched for the law license, issued me by The Supreme Court of Texas on 25 September, 1972, and am unable to find it. I know and understand that if and when I find the license it is incumbent upon me to immediately submit it to the Court, and I shall do so."

Respectfully submitted,



**RONALD E. DEUTSCH**  
Texas Bar Card No. 05782500

200 West De Vargas Street  
Suite 5-A  
Sante Fe, New Mexico 87501

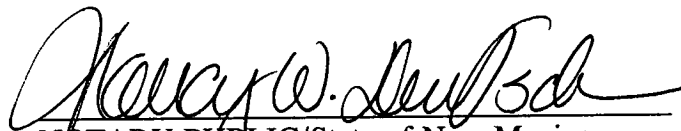
**NOTARY'S ACKNOWLEDGMENT**

STATE OF NEW MEXICO        }  
  }  
COUNTY OF SANTA FE        }

BEFORE ME, the undersigned authority, on this day personally appeared RONALD E. DEUTSCH, known to me to be the person whose signature is set forth herein, and who being duly sworn, on his oath states that each and every fact contained in the foregoing *Affidavit of Lost License* is true and correct.

  
RONALD E. DEUTSCH

SWORN AND SUBSCRIBED TO BEFORE ME, the undersigned Notary Public, on this the 23<sup>RD</sup> day of October, 1991.

  
NOTARY PUBLIC/State of New Mexico



OFFICIAL SEAL  
NANCY W. DEUTSCH  
NOTARY PUBLIC - STATE OF NEW MEXICO  
Notary Public Filed with Secretary of State  
My Commission Expires 10/26/94

My Commission Expires: 10/26/94