

LOUISIANA ATTORNEY DISCIPLINARY BOARD

IN RE: CLAYTON PAUL SCHNYDER, JR.

DOCKET NO. 24-DB-024

REPORT OF HEARING COMMITTEE # 63

INTRODUCTION

This attorney disciplinary matter arises out of formal charges filed by the Office of Disciplinary Counsel (“ODC”) against Clayton Paul Snyder, Jr. (“Respondent”), Louisiana Bar Roll Number 24212.¹ ODC alleges that Respondent violated the following Rules of Professional Conduct: 1.1(c), 1.15(a & b), 8.1(b & c), and 8.4(a).²

PROCEDURAL HISTORY

The formal charges were filed on August 12, 2024. By letters dated August 15, 2024, the formal charges were mailed via certified mail to Respondent’s primary and secondary registration addresses.³ The mailing to the primary address was received on August 20, 2024.⁴ Respondent failed to file an answer to the charges. Accordingly, on September 18, 2024, ODC filed a motion to deem the factual allegations admitted pursuant to Louisiana Supreme Court Rule XIX, §11(E)(3).⁵ By order signed October 2, 2024, the factual allegations contained in the formal charges were deemed admitted. On November 25, 2024, ODC filed its submission on sanction.

¹ Respondent was admitted to the practice of law in Louisiana on April 19, 1996. Respondent is currently ineligible to practice law for failure to pay his annual bar dues and disciplinary assessment.

² See the attached Appendix for the text of these Rules.

³ 3063 N. Galvez St., New Orleans, LA 70117 (primary); 410 S. Rampart St., New Orleans, LA 70112 (secondary).

⁴ Also, on September 10, 2024, ODC emailed a copy of the charges to Respondent at csjrlaw@gmail.com and claysnyder@yahoo.com.

⁵ This rule states:

The respondent shall file a written answer with the Board and serve a copy on disciplinary counsel within twenty (20) days after service of the formal charges, unless the time is extended by the chair of the hearing committee. In the event, Respondent fails to answer within the prescribed time, or the

For the following reasons, the Committee finds Respondent violated the Rules as charged and recommends that he be suspended for three years.

FORMAL CHARGES

The formal charges read, in pertinent part:

IV.

At all times pertinent to the current disciplinary matter, Respondent had registered with the Louisiana Supreme Court an IOLTA trust account at Crescent Bank captioned The Schnyder Law Firm LLC, Louisiana Bar Foundation IOLTA Account, account number ending in 0229.

V.

On August 14, 2023, the Office of Disciplinary Counsel (“ODC”) received notice that Respondent possibly was misusing his IOLTA account, and a disciplinary complaint was opened. *In re: Schnyder*, ODC 0041255.

VI.

The ODC has taken the following steps to place Respondent on notice of the complaint so that he might submit an initial response and explain his actions.

1. On September 13, 2023, the ODC sent notice of the complaint to Respondent’s Louisiana State Bar Association (“LSBA”) registered primary/preferred address (N. Galvez). The correspondence was received on September 19, 2023; however, Respondent did not submit an initial response to the complaint.
2. On October 12, 2023, the ODC sent Respondent a second request for an initial response. This correspondence was sent to Respondent’s LSBA-registered primary/preferred and secondary (S. Rampart) addresses. None of the correspondence was returned to the ODC, indicating receipt. The correspondence also was emailed to Respondent’s LSBA-registered email address. The ODC received a delivery confirmation for the emailed correspondence; however, the requested read receipt was not returned.
3. On November 17, 2023, an ODC investigator traveled to Respondent’s LSBA-registered primary/preferred and secondary addresses in an attempt to provide Respondent with a copy of the complaint and to personally serve Respondent with a copy of a subpoena duces tecum to be served upon Crescent Bank. At Respondent’s LSBA-registered primary/preferred address, the investigator spoke with Louisiana-licensed attorney Donald De Boisblanc, who advised the

time as extended, the factual allegations contained within the formal charges shall be deemed admitted and proven by clear and convincing evidence. Disciplinary Counsel shall file a motion with the chair of the hearing committee to which the matter is assigned requesting that the factual allegations be deemed proven with proof of service of the formal charges upon the respondent. The order signed by the hearing committee chair shall be served upon respondent as provided by Section 13C. Within twenty (20) days of the mailing of the order of the hearing committee chair deeming the factual allegations contained in the formal charges proven, the respondent may move the hearing committee chair to recall the order thus issued upon demonstration of good cause why imposition of the order would be improper or would result in a miscarriage of justice.

investigator that Respondent had not been at that location for approximately six months and, further, that De Boisblanc had provided Respondent with the ODC's earlier-sent correspondence. The ODC investigator also traveled to a possible address for Respondent, but Respondent was not present. The ODC investigator left business cards at all addresses; however, Respondent did not call the ODC investigator. Finally, the ODC investigator attempted to contact Respondent via a telephone call to Respondent's LSBA-registered primary telephone number; however, the mailbox was full, and a message could not be left.

4. On November 21, 2023, the ODC investigator again traveled to Respondent's LSBA-registered primary/preferred address and to the earlier-identified, possible address for Respondent, but Respondent was not present.
5. On November 27, 2023, the ODC attempted to contact Respondent via email to all LSBA-registered email addresses. The ODC received delivery confirmation for the email sent to csjrlaw@gmail.com; however, the requested read receipt was not returned. The email that the ODC sent to Respondent's private email address was "rejected."
6. On November 27, 2023, the ODC attempted to contact Respondent via facsimile to all LSBA-registered facsimile addresses. Neither facsimile could be accomplished.
7. On November 27, 2023, the ODC attempted to contact Respondent by telephone call to all LSBA-registered telephone numbers. The first call was to the number associated with Respondent's LSBA-registered primary address. The mailbox was full, and a message could not be left. The second call was to the number associated with Respondent's LSBA-registered secondary address. A law firm employee answered the call and indicated that Respondent did not work there.

Despite the ODC's extensive efforts, Respondent has not submitted an initial response to the complaint or otherwise cooperated with this disciplinary investigation.

VII.

In addition to Respondent's knowing and intentional failure to respond to, and cooperate with the ODC, the ODC investigation reflects several improper and unexplained transactions from Respondent's client trust account ending in 0229.

1. On July 18, 2023, Respondent issued to Keith Adams client trust account check number 2659, in the amount of \$5,000, for "Refund for defamation." The check appears to be endorsed by the payee and deposited to the payee's bank account.
2. On August 3, 2023, Respondent issued to himself client trust account check number 2664, in the amount of \$3,000 for "Renovations 3063 N. Galvez." The check is endorsed "Clayton P. Schnyder," and the address on the subject line is the address that Respondent has registered with the LSBA as Respondent's primary/preferred and residential address.
3. On August 4, 2023, Respondent issued payable to himself client trust account check number 2665, in the amount of \$3,000 for "entertainment." The check is

endorsed “Clayton P. Schnyder,” and the notation on the back of the check indicates that it was a “check cashing transaction.”

VIII.

The ODC respectfully submits that the evidence is clear and convincing, as a matter of law, that Respondent has violated the Rules of Professional Conduct. Respondent has failed to maintain proper contact information with the Louisiana State Bar Association and the Louisiana Supreme Court, as required by Rule 1.1(c) and Louisiana Supreme Court Rule XIX, Sections 8C and 9(a). Respondent has knowingly and intentionally failed to respond to, and cooperate with, the ODC in this disciplinary investigation, in violation of Rule 8.1(b) (knowing failure to respond) and (c) (failure to cooperate). Respondent’s misuse of his client trust account reflects violations of Rule 1.15, in particular subsections (a) and (b) (safekeeping, commingling, conversion). Respondent’s conduct individually and collectively is in violation of Rule 8.4(a) (violate or attempt to violate RPC).

EVIDENCE

The Committee reviewed the exhibits submitted by ODC, which are Exhibits ODC 1-16. Respondent did not submit evidence or argument for the Committee’s consideration, nor did he request to be heard in mitigation pursuant to Rule XIX, §11(E)(4).

FINDINGS OF FACT & RULES VIOLATED

On August 14, 2023, ODC received correspondence from Crescent Bank regarding Respondent’s trust account. The correspondence states, in pertinent part, “Due to a resent [sic] review of the account history, we have determined that checks are being written on behalf of Attorney Clayton P. Schnyder, Jr. We are enclosing three copies of the checks payable to him with a memo description other than what we feel are allowable for an IOLTA account.”⁶ ODC 1. The bank attached the three checks described in the formal charges. On September 13, 2023, ODC sent the bank notice to Respondent requesting a response. ODC 2. Respondent did not file a response and ODC spent the next three months attempting to contact Respondent and elicit a response to the bank notice. *See* ODC 3, 4, 5, 6, and 14. Respondent has not responded to the

⁶ Only two of the checks were payable to Respondent.

complaint, nor has he responded to the formal charges. His lack of response has inhibited ODC's ability to investigate the matter and inhibited this Committee's ability to create a full and clear record for the Court. However, the deemed admitted facts and the evidence submitted by ODC support the conclusion that Respondent violated the Rules as charges.

Rule 1.1(c) states that a lawyer shall "comply with all of the requirements of the Supreme Court's rules regarding annual registration, including payment of Bar dues, payment of the disciplinary assessment, timely notification of changes of address, and proper disclosure of trust account information or any changes therein." Respondent has been ineligible to practice law for failure to pay his bar dues and disciplinary assessment since September 9, 2024. ODC 15. Additionally, Respondent has continued to list 410 S. Rampart Street as his secondary registration address. However, according to the landlord, Respondent has not been located at that address since the Spring of 2023. *See* ODC 4, 0015. Accordingly, Respondent has violated Rule 1.1(c).

Rules 8.1(b) and (c) state, in pertinent part, that a lawyer shall not knowingly fail to respond to a lawful demand for information from a disciplinary authority and shall not fail to cooperate with ODC's investigation of any matter before it. Given ODC's numerous and varied attempts to contact Respondent (mail, telephone, in-person, and email), the Committee finds it hard to believe that Respondent was unaware of ODC's investigation. Respondent has failed to address the complaint, or simply contact ODC, since September 13, 2023, when ODC first sent notice of the complaint to Respondent. Accordingly, Respondent has violated Rules 8.1(b) and (c).

Rules 1.15(a) and (b) state, in pertinent part, that a lawyer shall hold property of clients or third persons separate from the lawyer's own property (*i.e.* in a trust account) and that a lawyer may deposit the lawyer's own funds in a client trust account "solely" for the purpose of paying bank service charges on that account or for obtaining a waiver of those charges. Here, the evidence

shows that Respondent has made two payments of \$3,000 each to himself from his trust account.⁷ ODC 1. One payment was for “entertainment” and the other was for “renovations to 3063 N. Galvez,” which is Respondent’s primary registration address. These notations strongly suggest that payments were for the personal use of Respondent. The Committee must assume that either Respondent was maintaining his personal funds in his trust account, which is commingling, or Respondent was using client funds for his personal use, which is conversion. Under either scenario, there is a violation of Rule 1.15(a) and/or 1.15(b).

ODC argues that pursuant to the Court’s holding in *Louisiana State Bar Ass’n v. Krasnoff*, 488 So. 2d 1002 (La. 1986), the facts of this matter create a presumption that Respondent converted client funds and the burden shifts to him prove otherwise. The Committee finds the facts of this matter distinguishable from *Krasnoff* because, in *Krasnoff*, it was clear that Mr. Krasnoff had received client funds. Here, there is no evidence as to what type of funds were present in Respondent’s trust account - personal or client. Nonetheless, the Committee does agree that the facts of this matter create the presumption that Respondent either commingled or converted funds, a presumption which he has failed to refute.

Rule 8.4(a) states, in pertinent part, that a lawyer shall not violate or attempt to violate the Rules of Professional Conduct. By violating the Rules discussed above, Respondent violated Rule 8.4(a).

SANCTION

Louisiana Supreme Court Rule XIX, §10(C), states that when imposing a sanction after a finding of lawyer misconduct, a committee shall consider the following factors:

⁷ The formal charges also mention a third payment Keith Adams. Given the lack of evidence in this matter, the Committee cannot conclude that the third payment was not a legitimate use of the trust account.

- (1) Whether the lawyer has violated a duty owed to a client, to the public, to the legal system, or to the profession;
- (2) Whether the lawyer acted intentionally, knowingly, or negligently;
- (3) The amount of the actual or potential injury caused by the lawyer's misconduct; and
- (4) The existence of any aggravating or mitigating factors.

Here, Respondent violated duties owed to his clients and the profession. He acted knowingly, if not intentionally. Given the lack of evidence in the record, the Committee cannot conclude that Respondent's misconduct caused actual harm to his clients. However, the potential for harm is certainly present whenever a lawyer uses trust account funds for personal expenses.

The *ABA Standards for Imposing Lawyer Sanctions* suggest that suspension is the baseline sanction for Respondent's misconduct. Standard 4.12 states: "Suspension is generally appropriate when a lawyer knows or should know that he is dealing improperly with client property and causes injury or potential injury to a client." Here, as discussed above, Respondent at least knowingly commingled and/or converted funds in his trust account, creating the potential for harm to his clients. Thus, suspension is the baseline sanction.⁸

The following aggravating factors are present: pattern of misconduct, bad faith obstruction of the disciplinary proceeding by intentionally failing to comply with rules or orders of the disciplinary agency, substantial experience in the practice of law⁹, and prior disciplinary offenses. Respondent discipline history is significant. In 2000, Respondent was admonished for failing to supervise a non-lawyer employee. ODC 7. In 2002, Respondent was admonished for failing to adequately communicate with a client and move the client's matter forward. ODC 8. In 2006, Respondent was suspended for one year and one day for failing to communicate with two clients,

⁸ However, the Committee notes that disbarment is a potential baseline sanction pursuant to Standard 8.1(b), which states: "Disbarment is generally appropriate when a lawyer ... (b) has been suspended for the same or similar misconduct, and intentionally or knowingly engages in further similar acts of misconduct that cause injury or potential injury to a client, the public, the legal system, or the profession." Here, as discussed in the aggravating factors, Respondent was disciplined in 2019 for the same misconduct present in this matter. Nonetheless, given the relevant case law, suspension appears to be the more appropriate baseline.

⁹ Respondent was admitted to the practice of law in Louisiana on April 19, 1996.

neglected their legal matters, and failed to cooperate with ODC's investigation of the complaints. ODC 9; *In re Schnyder*, 2005-1463 (La. 1/13/2006), 918 So.2d 455. In one of the matters, Respondent settled the client's lawsuit without her consent or knowledge. Notably, as in this matter, Respondent did not participate in the disciplinary proceeding, allowing the formal charges to become deemed admitted. In 2019, Respondent was suspended (by consent) for one year and one day, with all but sixty days deferred, for mishandling his trust account and failing to cooperate with ODC. ODC 10; *In re Schnyder*, 2019-1500 (La. 12/20/2019), 285 So.3d 481.

Given Respondent's lack of participation in this matter, the record does not contain evidence of mitigating factors. However, the admonitions Respondent received in 2000 and 2002 can be considered as remote in time. Nonetheless, this one mitigating factor does nothing to counterbalance the significant aggravating factors.

The Committee finds the case law cited by ODC instructive and agrees that a lengthy period of suspension is warranted. In *In re Urbina*, the Court imposed a one-year and one-day suspension from the practice of law for Mr. Urbina's knowing mishandling of his client trust account and failure to cooperate with the ODC in its investigation. 2022-00394 (La. 5/10/22), 338 So. 3d 1165. Mr. Urbina allowed the formal charges to become deemed admitted. Aggravating factors included a bad faith obstruction of the disciplinary proceeding by intentionally failing to comply with the rules or orders of the disciplinary agency and substantial experience in the practice of law. The sole mitigating factor was the absence of a prior disciplinary record.

In *In re Martin*, the Court imposed a two-year suspension for Mr. Martin's grossly negligent mishandling of his client trust account, resulting in the commingling and conversion of client funds, and for Mr. Martin's failure to cooperate with the ODC in its disciplinary investigation. 2017-1288 (La. 10/16/17), 226 So. 3d 1108. Mr. Martin allowed the formal charges

to become deemed admitted. Aggravating factors included a dishonest or selfish motive and substantial experience in the practice of law. Mitigating factors included the absence of a prior disciplinary record and the imposition of other penalties or sanctions.

In *Urbina* and *Martin*, despite their lack of a disciplinary history, the Court imposed lengthy suspensions for trust account violations. Here, Respondent has a lengthy disciplinary history, which includes discipline for the same misconduct present in this matter. Furthermore, Respondent has a disciplinary history that includes repeated failures to cooperate with ODC and/or participate in the disciplinary proceeding. The Court has imposed lengthy suspensions for repeated violations of this sort. See *In re Fahrenholtz*, 2009-0748 (La. 10/2/2009), 18 So.3d 751. Accordingly, given the totality of the circumstances in this matter, the Committee recommends a three-year suspension.

CONCLUSION

The Committee finds that Respondent violated the Rules as charged and recommends that Respondent be suspended from the practice of law for three years. The Committee also recommends that Respondent be assessed with the costs and expenses of the proceeding pursuant to Rule XIX, §10.1.

This opinion is unanimous and has been reviewed by each committee member, who fully concur and who have authorized Jennifer S. Martinez, to sign on their behalf.

Metairie, Louisiana, this 7th day of January, 2025.

**Louisiana Attorney Disciplinary Board
Hearing Committee # 63**

**Jennifer S. Martinez, Committee Chair
Russell L. Jones, Lawyer Member
Ashley R. Jones, Public Member**



BY:

**Jennifer S. Martinez, Committee Chair
For the Committee**

APPENDIX

Rule 1.1. Competence

...

(c) A lawyer is required to comply with all of the requirements of the Supreme Court's rules regarding annual registration, including payment of Bar dues, payment of the disciplinary assessment, timely notification of changes of address, and proper disclosure of trust account information or any changes therein.

Rule 1.15. Safekeeping Property

(a) 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. Except as provided in (g) and the IOLTA Rules below, funds shall be kept in one or more separate interest-bearing client trust accounts maintained in a bank or savings and loan association: 1) authorized by federal or state law to do business in Louisiana, the deposits of which are insured by an agency of the federal government; 2) in the state where the lawyer's primary office is situated, if not within Louisiana; or 3) elsewhere with the consent of the client or third person. No earnings on a client trust account may be made available to or utilized by a lawyer or law firm. Other property shall be identified as such and appropriately safeguarded. Complete records of such account funds and other property shall be kept by the lawyer and shall be preserved for a period of five years after termination of the representation.

(b) A lawyer may deposit the lawyer's own funds in a client trust account for the sole purpose of paying bank service charges on that account or obtaining a waiver of those charges, but only in an amount necessary for that purpose.

...

Rule 8.1. Bar Admission and Disciplinary Matters

An applicant for admission to the bar, or a lawyer in connection with a bar admission application or in connection with a disciplinary matter, shall not:

...

(b) Fail to disclose a fact necessary to correct a misapprehension known by the person to have arisen in the matter, or knowingly fail to respond to a lawful demand for information from an admissions or disciplinary authority, except that this rule does not require disclosure of information otherwise protected by Rule 1.6; or

(c) Fail to cooperate with the Office of Disciplinary Counsel in its investigation of any matter before it except for an openly expressed claim of a constitutional privilege.

Rule 8.4. Misconduct

It is professional misconduct for a lawyer to:

(a) Violate or attempt to violate the Rules of Professional Conduct, knowingly assist or induce another to do so, or do so through the acts of another;

...

