

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

In the Matter of:

MATTHEW ERIC GURVEY

Attorney-Respondent,

No. 6225090.

Commission No. 2021PR00073

COMPLAINT

Jerome Larkin, Administrator of the Illinois Attorney Registration and Disciplinary Commission, by his attorney, Matthew D. Lango, pursuant to Supreme Court Rule 753(b), complains of Respondent, Matthew Eric Gurvey, who was licensed to practice law in Illinois on November 10, 1994, and alleges that Respondent has engaged in the following conduct which subjects him to discipline pursuant to Supreme Court Rule 770:

COUNT I

*(Conversion of escrow funds in relation to Ruben Ybarra)*

1. On or about April 24, 2018, Respondent agreed to represent Jonathan Moss (“Moss”), who was a defendant in a then-pending foreclosure action against the property located at 10135 South Princeton Avenue, Chicago, Illinois (“Princeton Property”).

2. On April 24, 2018, Respondent filed his appearance on behalf of Moss in case number 11 CH 42782, *New Penn Financial, LLC d/b/a Shellpoint Mortgaging Servicing v. Jonathan Moss; Moss Property & Management, LLC*, Cook County Circuit Court, Chancery Division.

3. On April 24, 2018, the Honorable Anna Loftus granted the Plaintiff’s Motion for Summary Judgment and entered a Judgment of Foreclosure and Sale in case number 11 CH

42782. The order provided the Princeton Property would be sold to the highest bidder at a public auction that would be held July 25, 2018.

4. On July 25, 2018, the Princeton Property was sold at the public auction to Marshall Thompson (“Thompson”), a real estate strategist for MMT Services.

5. Between July and September 2018, Moss and Respondent discussed Moss’s desire to buy back the Princeton Property from Thompson. At the time, Moss indicated that he did not have the funds to purchase the Princeton Property himself, but wished to acquire an interest in the property at a later date. Respondent agreed to assist Moss in rebuying the Princeton Property and would seek out potential investors for the Princeton Property.

6. In or about September 2018, Respondent, on behalf of his client, Moss, contacted Thompson to discuss the purchase of the Princeton Property from Thompson. Respondent and Thompson entered into a verbal agreement wherein Respondent would wire-transfer Thompson \$25,000 in exchange for the interest and all rights of the Princeton Property to be assigned to an LLC that Respondent would create.

7. In or about September, Respondent created a holding company, Junkyard Properties LLC and registered the entity with the Illinois Secretary of State’s Office on September 10, 2018.

8. On or about September 4, 2018, pursuant to the verbal agreement described in paragraph six, above, Thompson executed an Assignment of Certificate of Sale and assigned his interest in the Princeton Property and all rights over to Respondent’s holding company, Junkyard Properties, LLC. The Assignment of Certificate of Sale was contingent upon the receipt of \$25,000 in escrow funds from Respondent.

9. Shortly thereafter, Respondent, acting on behalf of his client Moss, contacted Rubin Ybarra (“Ybarra”) regarding a possible purchase of the Princeton Property. Respondent and

Ybarra entered into a verbal agreement whereby Ybarra would purchase the Princeton Property. The verbal agreement provided Ybarra wire-transfer \$25,000 to Respondent, which Respondent would hold in escrow. Per the terms of their agreement, Respondent would then assign Junkyard Properties LLC's rights and interests in the Princeton Property to Ybarra and at the same time, wire transfer Ybarra's \$25,000 to Thompson.

10. As escrowee, Respondent had a duty to both Thompson and Ybarra to hold and maintain the escrow funds in an interest-bearing account for the mutual benefit of both parties until the transaction was completed.

11. On October 9, 2018, pursuant to their verbal agreement, Ybarra wired-transferred \$10,000 to Respondent's account number ending in the four digits "8037" at Bank of America. That account was entitled "Law Offices of Matthew E. Gurvey PC" and was used by Respondent for his own business and personal purposes. Account number ending in "8037" was not a separate identifiable trust account. The \$10,000 represented partial payment of the escrow funds Ybarra agreed to remit in connection with the agreement to purchase the Princeton Property.

12. On October 15, 2018, Ybarra wired \$15,000 to Respondent's account "8037" the balance of the escrow funds Ybarra agreed to remit in connection with the agreement to purchase the Princeton Property.

13. At no time did Respondent transfer any funds on behalf of Ybarra to Thompson, and at no time did Respondent effectuate an assignment of any interest in the Princeton Property to Ybarra.

14. Between October 9, 2018 and October 29, 2018, prior to any distribution of escrow funds to Thompson on behalf of Ybarra, the balance in Respondent's account number ending in

“8037” was overdrawn by -\$11,573.26 as Respondent drew funds on the account in payment of his own business and personal obligations.

15. At no time was the sale of the Princeton Property to Ybarra ever effectuated. On or about October 26, 2018, Ybarra requested that Respondent return the \$25,000 he believed Respondent was holding in escrow to Ybarra’s own company, YRY Holdings, LLC.

16. On or about October 26, 2018, Respondent tendered check number 1186 to Ybarra’s LLC drawn on his account ending in “8037” in the amount of \$15,000. On the memo line of the check, Respondent wrote “Princeton.” When Ybarra attempted to negotiate check number 1186, it was returned for insufficient funds.

17. Later, following repeated demands by Ybarra for return of the escrow funds, Respondent tendered a total of \$10,000 to Ybarra as partial return of the \$25,000 that was to have been held in escrow. As of the date of this complaint, Respondent has not returned the remaining \$15,000 to Ybarra.

18. At no time did Ybarra, Thompson, or anyone on their behalf, authorize Respondent’s use of the escrow funds for his own business or personal obligations.

19. By using the escrow funds for his own business and personal expenses, without the authority of Thompson or Ybarra, Respondent engaged in conversion of those funds.

20. At the time Respondent engaged in conversion of the escrow funds, he knew that he was using the escrow funds for his own purposes, and he did so dishonestly.

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

- a. failure to 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, by conduct including causing the balance in Account “8037” to fall below the amount then

belonging to Ruben Ybarra on October 29, 2018, thereby converting a total of \$25,000 that belonged to Ybarra for his own personal or business purposes, in violation of Rule 1.15(a) of the Illinois Rules of Professional Conduct (2010); and

- b. conduct involving dishonesty, fraud, deceit or misrepresentation, by conduct including knowingly using \$25,000 of Ybarra's escrow funds for his own personal or business purposes, without authority, in violation of Rule 8.4 (c) of the Illinois Rules of Professional Conduct (2010).

Respectfully submitted,

Jerome Larkin, Administrator  
Attorney Registration and  
Disciplinary Commission

By: /s/Matthew D. Lango  
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