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# BOARD OF PROFESSIONAL RESPONSIBILITY OF THE SUPREME COURT OF TENNESSEE

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**RELEASE OF INFORMATION**  
**RE: HERMAN RICHARD BOLEN, BPR #7073**  
**CONTACT: SANDY GARRETT**  
**BOARD OF PROFESSIONAL RESPONSIBILITY**  
**615-361-7500**

November 20, 2000

### **KNOXVILLE ATTORNEY PUBLICLY CENSURED**

On November 11, 2000, the Board of Professional Responsibility of the Supreme Court of Tennessee publicly censured Knoxville attorney Herman Richard Bolen. Mr. Bolen was given notice of the public censure and did not request a hearing.

The Board of Professional Responsibility found that in April, 1997, Mr. Bolen began conducting title business under the corporate name of Royal American Trust, Inc., with authorization to issue title insurance on behalf of First American Title Insurance Company. In May, 1998, First American Title Insurance Company (First American) audited Royal American Trust, Inc.'s escrow account and determined Royal American did not have a reconciliation program for their escrow account. First American Title Insurance Company auditors advised Mr. Bolen that First American required a monthly reconciliation and Mr. Bolen's office promised future compliance with this requirement. In May, 1998, two individuals not associated with Mr. Bolen or Royal American Trust, Inc., forged two checks from Royal American's escrow account in the amount of \$45,489.00 and \$37,489.00. These two individuals have now been indicted for these forgeries. These checks were passed and paid in June, 1998, however, Mr. Bolen did not learn of these forgeries until approximately October 9, 1999, since Royal American was not reconciling its escrow account. Royal American was unable to survive this financial loss and ceased doing business on approximately January, 1999. First American Title Insurance Company's losses caused by these forgeries total approximately \$35,000. Mr. Bolen has not made any restitution to First American Title Insurance Company.

In a second complaint, the Board of Professional Responsibility found that Mr. Bolen received \$15,075.00 of escrow funds for repairs for a loan to a certain individual. Mr. Bolen forwarded \$5,025.00 to the borrower to begin repairs leaving \$10,050.00 in escrow in Royal American Trust, Inc. When the borrower's repairs were completed, a letter was sent to Mr. Bolen's office to release the remaining escrow funds. Mr. Bolen then subsequently advised that this \$10,050.00 was no longer held in escrow and had been stolen from Royal American Trust, Inc.'s escrow account. Mr. Bolen nor Royal American Trust, Inc. made restitution.

The Board of Professional Responsibility found Mr. Bolen's actions violated the Code of Professional Responsibility rules regarding trust accounting and, therefore, publicly censured Mr. Bolen.