

SUPREME COURT OF NEW JERSEY  
Disciplinary Review Board  
Docket No. DRB 11-076  
District Docket No. XIV-2010-337E

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IN THE MATTER OF  
A. BRET STEIG  
AN ATTORNEY AT LAW

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Decision

Argued: May 19, 2011

Decided: August 16, 2011

Melissa A. Czartoryski appeared on behalf of the Office of Attorney Ethics.

Respondent, through counsel, waived appearance for oral argument.

To the Honorable Chief Justice and Associate Justices of the Supreme Court of New Jersey.

This matter came before us on a disciplinary stipulation between respondent and the Office of Attorney Ethics (OAE). The OAE recommends the imposition of an admonition for respondent's

stipulated violations of RPC 1.15(a) (failure to safeguard funds and negligent misappropriation of client funds) and RPC 1.15(d) (failure to comply with the recordkeeping provisions of R. 1:21-6). We determine to impose a reprimand on respondent for his violation of these rules.

Respondent was admitted to the New Jersey bar in 1992. At the relevant times, he maintained an office for the practice of law in Roseland. He has no disciplinary history.

The facts underlying the stipulated RPC violations are set forth in the OAE's investigative report, which was attached to the stipulation and incorporated therein. The crux of the ethics case against respondent is that, due to his failure to perform monthly three-way reconciliations of his attorney trust and business accounts, he did not detect the theft of \$9,300.35 from his trust account, between April 2005 and February 2008, by an individual unknown to respondent.

Specifically, on February 26, 2008, respondent received a notice from The Provident Bank (Provident), informing him that it had received "prenotification" from "Platinum Service" that the trust account "ha[d] been set up to receive an automatic withdrawal." The notice did not specify the amount of money that would be withdrawn.

Because respondent "did not keep close track of banking documentation prior to this incident," he did not know if Provident had sent him this type of notice before. The OAE subpoenaed this information from Provident, but the bank "was unable to provide the OAE with copies of any notices."

Upon receipt of the notice from Provident, respondent called Platinum Service and was informed that someone named Rhonda Lige, from Trenton, had "done this." Respondent did not know a Rhonda Lige and did not authorize the automatic withdrawal from the trust account.

Respondent opened a new trust account at Provident, contacted the Roseland Police Department, and completed an incident report on February 26, 2008. After the police left his office, respondent reviewed his trust account statements and learned that, between April 13, 2005 and March 3, 2008, someone "had systematically been stealing money from his trust account by electronic check and otherwise." As of March 19, 2008, respondent had learned that \$5400 had been removed from the trust account. He amended the incident report to reflect this information. The individual amounts withdrawn from the trust account ranged from \$4.95 to \$1800. In total, \$9,300.35 was removed from respondent's trust account.

In addition to the withdrawals, respondent's trust account was "pinged" on twenty-four occasions, between April 2005 and March 2008. A "ping" is the method by which a link between two bank accounts is established. Typically, a small amount of money (usually less than \$1) is transferred from the online payment service to the debtor's bank account, in order to verify the link. In the case of respondent's trust account, the "pings" ranged from one to four cents.

Between March 12 and 17, 2008, respondent made four deposits into his trust account, totaling \$11,676.44, for the purpose of returning the client funds in the account. He borrowed the funds from his parents. He replenished the account with more funds than he believed had been stolen, in case he had overlooked an unauthorized withdrawal.

Respondent admitted that, prior to his discovery of the thefts, in 2008, he did not conduct monthly reconciliations of his attorney trust and business accounts. Indeed, he "doubted" that he had looked at any of his bank statements, during the three-year period that the funds were stolen from the account. After he opened the new trust account, however, he maintained his account records on Quicken. He now conducts monthly

reconciliations, usually within days of receiving the bank statements.

Respondent never followed through on his agreement to provide the Roseland Department of Police with trust account documentation supporting the thefts. He did not respond to the police department's attempts to contact him.

Respondent did not seek any remedy for the thefts from Provident. He explained to the OAE that, based on his understanding, he could recover from the bank only those funds that were removed from the account sixty days prior to the discovery of the theft. Respondent believed that the amount of funds stolen within this time frame was so small that it was not worth pursuing.

On October 28, 2008, Rhonda Coons a/k/a Rhonda Lige a/k/a Rhonda Lige-Coons a/k/a Rhonda Coons Lige was indicted in the Superior Court of New Jersey on ten counts of theft by deception, false statements made in procuring the issuance of a credit card, and the fraudulent use of a credit card. Apparently, she was able to carry out these fraudulent activities as the result of her temporary employment as an administrative assistant at the New Jersey Department of Housing, where she stole the identities and bank account

information of several individuals, which she then used "in schemes to steal thousands of dollars in money and services."

Coons was able to access the information because she handled closing documents for the sale of affordable housing units, which included the personal information of the buyers and sellers, as well as bank account information for the lawyers and title companies involved in the transactions. Respondent's law practice focused primarily on real estate matters.

Coons's fraudulent activities with respect to respondent's attorney trust account were not the subject of the indictment. According to the OAE investigative report, this is likely due to respondent's ultimate failure to comply with the Roseland Police Department's requests for further information, so that it could complete its investigation. Nevertheless, according to the OAE, the "entities and people from whom Coons stole . . . match directly with the entities and bank checks indicated on the wires and bank check stolen from respondent's account."

Following a review of the record, we are satisfied that the stipulation clearly and convincingly establishes that respondent's conduct was unethical.

RPC 1.15(a) requires attorneys to safeguard client funds. RPC 1.15(d) requires attorneys to comply with the provisions of

R. 1:21-6. R. 1:21-6 requires attorneys, among other things, to reconcile their trust accounts. Respondent violated all of these rules.

Between April 13, 2005 and March 3, 2008, when the client funds were stolen, respondent was not reconciling his trust and business accounts. He did not learn of the missing funds until he received and reviewed the February 2008 notice from Provident, informing him of the set up of an automatic withdrawal schedule from the trust account. It was not until after he had closed the trust account and finally reviewed three years worth of statements that respondent realized what had happened.

R. 1:21-6(c)(1)(H) requires an attorney to complete monthly reconciliations of "the cash balance derived from the cash receipts and cash disbursement journal totals, the checkbook balance, the bank statement balance and the client trust ledger sheet balances." Respondent did not abide by this rule for almost three years. Accordingly, he violated RPC 1.15(d).

As a result of respondent's failure to comply with R. 1:21-6(c)(1)(H) and, therefore, RPC 1.15(d), client funds were misappropriated by an outside source. Accordingly, respondent violated RPC 1.15(a) by failing to safeguard the funds. See In

re Yadlon, 188 N.J. 275 (2006) (attorney violated RPC 1.15(a) when a criminal enterprise infiltrated his trust account and stole hundreds of thousands of dollars; attorney was unaware of the thefts due to his failure to reconcile his trust and business account statements).

Generally, a reprimand is imposed for recordkeeping deficiencies and negligent misappropriation of client funds. See, e.g., In re Clemens, 202 N.J. 139 (2010) (as a result of poor recordkeeping practices, attorney overdisbursed trust funds in three instances, causing a \$17,000 shortage in his trust account; an audit conducted seventeen years earlier had revealed virtually the same recordkeeping deficiencies; the attorney was not disciplined for those irregularities; we found that the above aggravating factor was offset by the attorney's clean disciplinary record of forty years); In re Mac Duffie, 202 N.J. 138 (2010) (negligent misappropriation of client's funds caused by poor recordkeeping practices; some of the recordkeeping problems were the same as those identified in two prior OAE audits; the attorney had received a reprimand for a conflict of interest); and In re Fox, 202 N.J. 136 (2010) (motion for discipline by consent; attorney ran afoul of the recordkeeping rules, causing the negligent misappropriation of client funds on



three occasions; the attorney also commingled personal and trust funds). But see In re Yadlon, supra, 188 N.J. 275 (admonition imposed on attorney who, during a nine-month period, was unaware that an organized crime group had stolen \$363,000 from his attorney trust account in the form of forged checks and automatic debits; the attorney's lack of awareness stemmed from his failure to review the monthly bank statements; the attorney replenished the funds and contacted the police immediately, cooperated with the police investigation, and instituted suit against the bank, ultimately settling for \$95,000; ten years earlier, the attorney had been cited for recordkeeping violations as a result of his failure to reconcile the trust and business accounts).

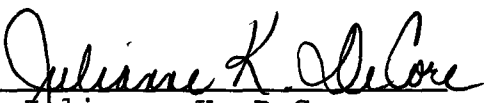
The facts of this case most resemble those of Yadlon, where the Supreme Court disagreed with our view that a reprimand was appropriate, perhaps because the attorney did everything in his power to right the wrong.

Like attorney Yadlon, respondent also was the victim of an outside enterprise of one, namely Coons. He, too, replenished the account and contacted the police immediately. Unlike Yadlon, however, after respondent made the initial report, he did not reply to the police department's requests for additional

information. He did not sue Provident in an attempt to recover the stolen funds. Therefore, we determine to impose a reprimand in this matter, the typical measure of discipline when an attorney's failure to reconcile his or her trust account results in the negligent misappropriation of trust account funds. We also require respondent to provide the OAE with monthly reconciliations of his attorney records, on a quarterly basis, for a period of two years.

We further determine to require respondent to reimburse the Disciplinary Oversight Committee for administrative costs and actual expenses incurred in the prosecution of this matter, as provided in R. 1:20-17.

Disciplinary Review Board  
Louis Pashman, Chair

By:   
Julianne K. DeCore  
Chief Counsel

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SUPREME COURT OF NEW JERSEY  
DISCIPLINARY REVIEW BOARD  
VOTING RECORD

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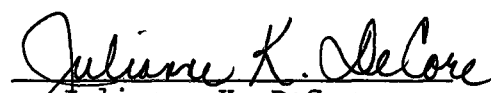
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Disposition: Reprimand

Members	Disbar	Suspension	Reprimand	Dismiss	Disqualified	Did not participate
Pashman			X			
Frost			X			
Baugh			X			
Clark			X			
Doremus			X			
Stanton			X			
Wissinger			X			
Yamner			X			
Zmirich			X			
Total:			9			

  
Julianne K. DeCore  
Chief Counsel