

SUPREME COURT OF NEW JERSEY  
Disciplinary Review Board  
Docket No. DRB 08-446  
District Docket No. XIV-2008-00354E

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IN THE MATTER OF :  
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LAWRENCE B. SACHS :  
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AN ATTORNEY AT LAW :  
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Decision

Argued: May 21, 2009

Decided: July 29, 2009

Michael J. Sweeney appeared on behalf of the Office of Attorney Ethics.

Respondent appeared pro se.

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

This matter was before us on a disciplinary stipulation between respondent and the Office of Attorney Ethics ("OAE"). Respondent stipulated that he commingled his earned legal fees and client and escrow funds held in his attorney trust account, failed to promptly deliver funds to which clients were entitled, and did not comply with the recordkeeping rules, violations of

RPC 1.15(a), RPC 1.15(b), and RPC 1.15(d), respectively. Respondent's improprieties were uncovered during a random audit of his attorney books and records, conducted by the OAE on January 23, 2008.

The OAE recommends the imposition of an admonition. We determine that a reprimand is the appropriate form of discipline for respondent's infractions.

Respondent was admitted to the New Jersey bar in 1983. He has no prior discipline.

**I. The Commingling Violation**

Respondent stipulated that, in 2004, he earned a large fee (\$471,112) for legal services rendered in connection with a condemnation matter. As of December 31, 2007, \$293,054 of that fee remained in his trust account at Bank of America. Respondent stipulated that his actions in this regard constituted improper commingling, in contravention of RPC 1.15(a).

Respondent certified to the OAE that, as of May 20, 2008, he had removed all earned fees from his trust account.

## **II. The Failure to Promptly Deliver Funds**

As of December 21, 2007, respondent held \$99,332.84 in his trust account that had been identified as old, inactive client balances from before December 2005. Respondent confirmed that the balances were for more than one hundred clients and that they should have been disbursed to the clients. He had "lost track" of the balances because he failed to reconcile his trust account. In addition, the account held over \$22,000 of unidentified funds. Finally, respondent acknowledged that an old trust account at Bank of America that had been inactive since 1999 still contained almost \$27,000 of unidentified funds.

## **III. The Recordkeeping Violations**

The OAE audit revealed numerous recordkeeping violations, including:

1. A schedule of clients' ledger accounts was not prepared and reconciled monthly to the trust account bank statement;
2. A running checkbook balance was not maintained for the attorney trust account;
3. Inactive balances remained in the attorney trust account for an extended period of time;
4. Old outstanding checks were not resolved;

5. The trust account bank reconciliation prepared by the auditor showed total trust funds on deposit were in excess of total trust obligations;

6. The attorney [sic] personal funds were commingled in the trust account;

7. A trust account receipts journal was not maintained;

8. The business receipts journal was not fully descriptive;

9. Electronic trust account transfers are made without proper authorization.

[S~~I~~IIC.]<sup>1</sup>

The stipulation noted that respondent had previously been the subject of an audit in March 1998. The earlier audit had revealed some of the same deficiencies.

Following a review of the record, we find that the stipulated facts clearly and convincingly establish that respondent violated the cited RPCs.

As evidenced by the stipulation, for several years respondent commingled earned fees and client/escrow funds held in his trust account, a violation of RPC 1.15(a). In addition, respondent failed to promptly deliver to clients funds held in

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<sup>1</sup> "S" denotes the disciplinary stipulation between respondent and the OAE.

the trust account and attributable to numerous old client matters, a violation of RPC 1.15(b). Finally, respondent's attorney books and records contained numerous deficiencies, violations of R. 1:21-6 and RPC 1.15 (d).

Generally, each one of the above violations results in an admonition. See, e.g., In the Matter of Edward M. Farynyk, DRB 95-168 (February 20, 1996) (commingling of \$400,000 in legal fees and client funds); In the Matter of Jeff E. Thakker, DRB 04-258 (October 7, 2004) (attorney failed to maintain a trust account in a New Jersey institution); In the Matter of Arthur G. D'Alessandro, DRB 01-247 (DRB June 17, 2002) (random audit uncovered numerous recordkeeping deficiencies); In the Matter of Marc D'Arienzo, DRB 00-101 (DRB June 28, 2001) (attorney did not use trust account in connection with his practice and did not maintain any of the required receipts and disbursements journals or client ledger cards); In the Matter of David J. Percely, DRB 08-008 (June 9, 2008) (for three years attorney did not remit to client the balance of settlement funds to which the client was entitled; other violations included lack of diligence, failure to cooperate with the investigation of the grievance, and writing a trust account check to "cash;" significant mitigation presented, including the attorney's unblemished twenty years at

the bar); In the Matter of Anthony Giampapa, DRB 07-178 (November 15, 2007) (attorney did not promptly disburse to a client the balance of a loan that was refinanced; in addition, the attorney did not adequately communicate with the client and did not promptly return the client's file); In the Matter of Douglas F. Ortelere, DRB 03-377 (February 11, 2004) (attorney failed to promptly deliver balance of settlement proceeds to client after the client's medical bills were paid); and In the Matter of E. Steven Lustig, DRB 02-053 (April 19, 2002) (for three-and-a-half years, attorney held in his trust account \$4,800 earmarked for the payment of a client's outstanding hospital bill).

In aggravation, we considered that respondent held for several years about \$100,000 in identified client funds belonging not to one or a few clients, but to over one hundred clients. Respondent characterized those funds as small balances left over mostly from real estate transactions. In further aggravation, respondent held about \$45,000 in combined unidentified funds that sat idly in his trust accounts. Finally, some of the recordkeeping deficiencies had been identified in a prior audit.

For the totality of respondent's conduct, we determine that he should receive a reprimand. We also determine to require him to provide to the OAE quarterly reports about his progress in identifying and returning all of the identified and unidentified funds, until they have been accounted for and returned to their rightful owners.

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  
Julianne K. DeCore  
Chief Counsel

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SUPREME COURT OF NEW JERSEY  
DISCIPLINARY REVIEW BOARD  
VOTING RECORD

In the Matter of Lawrence B. Sachs  
Docket No. DRB 08-446

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Argued: May 21, 2009

Decided: July 29, 2009

Disposition: Reprimand

<i>Members</i>	Disbar	Admonition	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:		2	7			

  
Julianne K. DeCore  
Chief Counsel