



Respondent was admitted to the New Jersey bar in 1984. During the relevant time, she maintained a law office in Teaneck, New Jersey.

In 1987, respondent was publicly reprimanded for a single instance of possession of a small amount of cocaine for personal use. At the time respondent was employed as a law clerk to an appellate division judge. After being placed under supervisory treatment and successfully completing a one-year program under N.J.S.A. 24:21-7 (conditional discharge for certain first offenses), the outstanding criminal charges against her were dismissed. The Court withheld suspending respondent on the basis that it was a case of first impression. In re Scott, et. al., 105 N.J. 457 (1987). In 1996, respondent was admonished for misconduct in a mortgage refinancing matter. There, she failed to remit fees to the title company and mortgage company for six months, failed to reply to her clients' numerous requests for information about the matter, failed to deposit cash into her account to fund the disbursement of the closing costs, and failed to reimburse to her clients \$97 in costs, violations of RPC 1.3, RPC 1.4(a), and RPC 1.15(b) and (d). In the Matter of Laura Scott, DRB 96-091 (May 2, 1996).

In 2007, respondent was censured for misconduct in a real estate matter. As the closing agent, respondent permitted the

closing to proceed without reviewing the contract of sale. She, therefore, did not know the true sale price and the amount of the deposit made, if any, or of any closing terms. Her failure to acquaint herself with the parties' agreement constituted gross negligence, as did her handling of open liens and judgments against the property. She relied on assurances from unidentified persons that title problems on the property had been resolved. She proceeded with the closing without obtaining written assurances that title was clear. In addition, she failed to comply with closing instructions to accurately reflect receipts and disbursements and to obtain written authorization for any changes to the closing.

Furthermore, respondent failed to obtain written authorization for the disbursement of the closing funds, over which the parties later had a dispute, made misrepresentations on the RESPA statement and to the mortgage company, and failed to promptly disburse funds that she held in escrow. In all, she displayed gross neglect, failure to promptly deliver client funds held in escrow, and conduct involving dishonesty, fraud, deceit or misrepresentation. In re Scott, 192 N.J. 441 (2007).

Respondent was temporarily suspended, effective October 31, 2007, for failing to cooperate with the OAE and remains suspended to date. In re Scott, 193 N.J. 27 (2007).

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Service of process in this matter was proper. On April 7, 2008, the OAE mailed copies, of the complaint, by regular and certified mail, to respondent's last known office address, listed in the New Jersey Lawyers' Diary and Manual, 1295 Teaneck Road, Teaneck, New Jersey, 07666. The certified mail receipt was returned, indicating that she had moved and left no forwarding address. The regular mail was not returned.

Also on April 7, 2008, the OAE mailed copies of the complaint, by regular and certified mail, to respondent's last known address on record with the New Jersey Lawyers' Fund for Client Protection, 88 Alfred Street, Clifton, New Jersey 07012. The certified mail was returned marked "unclaimed" and showed a new address of 89 Bender Drive, Clifton, New Jersey 07013. The regular mail was not returned.

Prior to the return of the certified mail, the OAE sent a second letter, by regular and certified mail, to the Alfred Street address. The letter notified respondent that, if she did not file an answer within five days, the matter would be certified to us for the imposition of sanction and the complaint would be deemed amended to include a willful violation of RPC 8.1(b) (failure to cooperate with disciplinary authorities). The certified mail was returned marked "not deliverable as addressed." The regular mail was not returned.

On May 15, 2008, the OAE mailed copies of the complaint, by regular and certified mail, to respondent's Bender Drive address. The certified mail was returned unclaimed. The regular mail was not returned.

On July 15, 2008, the OAE mailed another letter to respondent, by regular and certified mail, to the Bender Street address. The certified mail receipt was returned indicating delivery on July 18, 2008. The signature of the recipient is illegible. The regular mail was not returned.

As of the date of the certification of the record, July 30, 2008, respondent had not filed an answer to the ethics complaint.

The facts that gave rise to the charges against respondent are as follows:

On June 6, 2006, U.S. Bank National Association ("U.S. Bank") filed a foreclosure complaint in the Union County Superior Court against William and Annette Jeter, husband and wife, who had defaulted on the first mortgage on their residence, located in Linden, New Jersey. On June 15, 2006, U.S. Bank filed an amended complaint against the Jeters.

The Jeters retained respondent to represent them in the sale of their Linden residence to Aida Gracin Supelveda, Annette's mother. On September 1, 2006, respondent contacted

U.S. Bank's attorneys, Phelan, Hallinan & Schmeig ("the Phelan firm"), for a pay-off quote for the balance of the mortgage loan. On September 15, the Phelan firm gave respondent a pay-off figure of \$360,459.03, which would expire on September 27, 2006.

On September 15, 2006, First Franklin Federal Credit ("First Franklin") wire-transferred to respondent \$322,835.67 and \$79,266.67 for a first and second mortgage loan for Sepulveda to purchase the Linden property. On that same date, respondent acted as the settlement agent in the sale from the Jeters to Supelveda and for the closing on the second mortgage loan taken by Supelveda.

According to the HUD-1 statement for the first mortgage, the sale price for the transaction was \$400,000; there was no deposit and no cash due from Supelveda at the closing; the amounts paid by Supelveda were \$320,000, as the principal amount of the new loan, and \$78,866.67, as the net proceeds from the second mortgage; the pay-off for the delinquent mortgage was \$349,880.08; the cash due to the Jeters was \$33,498.76; and respondent's fee was \$1050.

The HUD-1 statement for the second mortgage showed that the cash due to Sepulveda "from the second mortgage" was \$78,866.67 and that respondent's fee was \$250.

After the closing, respondent did not "at any time" satisfy the delinquent mortgage to U.S. Bank and did not record a new deed and mortgage with the Union County Clerk's Office to document the sale to Sepulveda.

Respondent made the following disbursements from the funds wire-transferred to her trust account by First Franklin:

From September 15, 2006 through February 2, 2007, seventeen checks to herself, totaling \$22,200; from September 15, 2006 through October 5, 2007, thirteen checks to William Jeter, totaling \$359,797.45; on December 1, 2006, a check to Annette Jeter for \$12,500; from September 15, 2006 through December 8, 2006, three checks and one wire-transfer either to or on behalf of her ex-husband, Andrew G. Scerbak, totaling \$13,424.24; and, on September 15, 2006, a check to John Palladino for \$10,000.<sup>1</sup>

According to the complaint, respondent's conduct in this regard constituted the unauthorized use of trust funds and, therefore, a knowing misappropriation of trust funds.

The ethics complaint contains sufficient facts to support the charges of unethical conduct. Because of respondent's failure to file an answer, the allegations of the complaint are

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<sup>1</sup> The complaint does not identify him but, presumably, the disbursement was unrelated to the transaction.

deemed admitted and provide a sufficient basis for the imposition of discipline. R. 1:20-4(f)(1).


The charges in the complaint establish that respondent made misrepresentations on the HUD-1 statement for the first mortgage and, after the closing, failed to satisfy the Jeters' delinquent mortgage and failed to record a new deed and mortgage. Instead, she made improper disbursements to herself (\$22,200), her ex-husband (\$13,424.24), the Jeters (\$359,797.45 to William and \$12,500 to Annette), and John Palladino (\$10,000).

Under the principles of In re Wilson, 81 N.J. 451 (1979) (knowing misappropriation of client funds), and In re Hollendonner, 102 N.J. 21 (1985) (knowing misappropriation of escrow funds), respondent must be disbarred. We so recommend to the Court.

Members Boylan and Lolla did not participate.

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

In the Matter of Laura A. Scott a/k/a Laura P. Scott  
Docket No. DRB 08-293

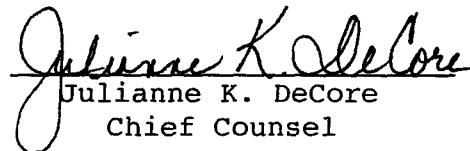
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Decided: April 24, 1009

Disposition: Disbar

<i>Members</i>	Disbar	Suspension	Reprimand	Dismiss	Disqualified	Did not participate
Pashman	X					
Frost	X					
Baugh	X					
Boylan						X
Clark	X					
Doremus	X					
Lolla						X
Stanton	X					
Wissinger	X					
Total:	7					2

  
Julianne K. DeCore  
Chief Counsel