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May 23, 2005

Certified Mail - R.R.R. and Regular Mail

Roy R. Claps, Esq.
Pennella & Claps
Eight South Morris Street
Suite 301
Dover, New Jersey 07801

Re: In the Matter of Roy R. Claps

Docket No. DRB 05-086

District Docket Nos. XIV-04-282E & VII-04-901E

LETTER OF ADMONITION

Dear Mr. Claps:

The Disciplinary Review Board has reviewed your conduct in the above matter and has concluded that it was improper. Specifically, on April 11, 1996, the bank in which your two-lawyer firm kept its trust account mistakenly credited only \$300 out of a \$30,000 deposit to the account. The bank's error caused a \$29,700 trust account deficiency, of which you were unaware until 1999, when informed by your partner, David Pennella, who was in charge of reconciling the firm's trust account. Although Pennella became aware of the shortage soon after it occurred, he did not inform you of this circumstance, but rather first attempted to identify the source of the problem. Although he was unsuccessful, no steps were taken to replenish the account. Instead, you and Pennella continued to use the account, despite knowing that you were out of trust. In the interim, Pennella continued in his efforts to detect the root of the shortage. Both you and Pennella closely monitored all future disbursements to ensure that no client would be harmed.

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In 1999, your office finally turned to its accounting firm for assistance but, because of a personal problem affecting the accountant entrusted with the reconciliation of your trust account records, little was done on the matter until 2002. You and Pennella were unaware of this circumstance.

In December 2002, the Office of Attorney Ethics ("OAE") scheduled a random audit of your attorney records. In mid-January 2003, following the involvement of other accountants from the accounting firm, the bank's mistake was finally discovered. At that time, you and Pennella deposited personal funds to cover the shortfall.

Your conduct in using the trust account, despite your knowledge of a shortage, constituted a continuation of the negligent misappropriation caused by the bank's error and a violation of RPC 1.15(a). In addition, the OAE audit revealed several recordkeeping deficiencies, a violation of R. 1:21-6 and, therefore, of RPC 1.15(d).

In imposing only an admonition, the Board considered numerous compelling mitigating factors: your firm's predicament was caused by a bank error, rather than by inattention to its recordkeeping responsibilities; you immediately acknowledged your wrongdoing and expressed regret therefor; from the outset of the audit, you and Pennella apprised the OAE auditor of your trust account problem, rather than waiting for the auditor to discover it; the negligent misappropriation caused no monetary loss to any of your clients; you and Pennella took steps to ensure that no clients were financially harmed by your continued disbursements from the account; you and Pennella ultimately deposited personal funds to bring the account to an in-trust position; you and Pennella sustained financial loss as a result of the bank's refusal to accept responsibility for its serious mistake; your office adopted a bookkeeping system that enables it to be in full compliance with the recordkeeping rules; you have an excellent personal and professional reputation, and participate in numerous civic activities; and you have had an unblemished disciplinary record for thirty years.

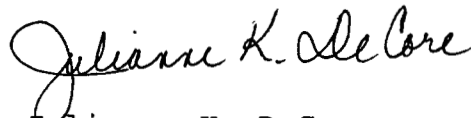
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Your conduct adversely reflected not only upon you as an attorney, but also upon all members of the bar. Accordingly, the Board has directed the issuance of this admonition to you. R. 1:20-15(f)(4).

A permanent record of this occurrence has been filed with the Clerk of the Supreme Court and the Board's office. Should you become the subject of any further discipline, it will be taken into consideration.

The Board has also directed that the costs of the disciplinary proceedings be assessed against you. An invoice of costs will be forwarded under separate cover.

Very truly yours,



Julianne K. DeCore
Chief Counsel

/tk

c. Chief Justice Deborah T. Poritz
Associate Justices
Stephen W. Townsend, Clerk, Supreme Court of New Jersey
Gail G. Haney, Deputy Clerk, Supreme Court of New Jersey
(w/ethics history)
Mary J. Maudsley, Chair, Disciplinary Review Board
David E. Johnson, Jr., Director, Office of Attorney Ethics
David John Byrne, Chair, District VII Ethics Committee
Alan G. Frank, Jr., Secretary, District VII Ethics
Committee