SUPREME COURT OF NEW JERSEY
Disciplinary Review Board
Docket No. DRB 10-369
District Docket No. VC-2009-0028E

IN THE MATTER OF	:
WILLIAM J. SORIANO	:
AN ATTORNEY AT LAW	:

Corrected Decision

Argued: February 17, 2011

Decided: April 8, 2011

Alix Rubin appeared on behalf of the District VC Ethics Committee.

Lewis Markowitz appeared on behalf of respondent.

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

This matter came before us on a recommendation for a reprimand filed by the District VC Ethics Committee (DEC). The complaint charged respondent with having violated RPC 1.2(d) (assisting a client in fraudulent conduct), RPC 1.5(b) (failing to explain the rate or basis of a fee in writing), RPC 1.7 (engaging in a conflict of interest), RPC 1.15(b) (failing to

deliver funds promptly to clients), RPC 4.1(a)(1) (making a false statement of material fact or law to a third person), RPC 8.4(a) (violating the Rules of Professional Conduct), and RPC 8.4(c) (engaging in conduct involving dishonesty, fraud, deceit or misrepresentation). We determine to impose a censure.

Respondent was admitted to the New Jersey bar in 1975. In 2004, he received a reprimand for abdicating his responsibilities as an escrow agent in a business transaction, thereby permitting his clients (the buyers) to steal funds that he was required to hold in escrow for the purchase of a business. He also misrepresented to the sellers that he held the escrow funds. Altogether, respondent violated RPC 1.1(a) (gross neglect), RPC 1.3 (lack of diligence), RPC 1.15(a) (failure to safeguard escrow funds), and RPC 8.4(c) (conduct involving dishonesty, fraud, deceit or misrepresentation). In re Soriano, 178 N.J. 260 (2004).

The facts are not in dispute. Respondent was the settlement agent at a real estate closing in which the sellers, who were experiencing financial difficulties, conveyed property to a family friend for no consideration. The parties agreed that, after the sellers improved their credit rating, they would buy the property back from the purchaser. Respondent, the only attorney involved in the transaction, prepared an addendum to the real estate contract, providing that the sellers granted the

buyer a "gift of equity" in the amount of $88,000. The real estate closing documents, however, did not reflect the gift of equity. Instead, the HUD-1 form indicated that the buyer paid $86,645.11 in cash at the closing, instead of the actual amount of $0, and that the sellers received $128,083.14, when they actually received much less. Because a successor mortgage company filed a foreclosure action, the contemplated repurchase never took place.

Although respondent did not contest the facts, he denied that he had engaged in unethical conduct, insisting that all parties, including the buyer, seller, lender, and title insurance company, were aware of the true nature of the transaction. He, thus, contended that no fraud or conflict of interest existed.

Because respondent admitted the allegations of the complaint, the facts were gleaned from the complaint and from the transcript of the hearing, at which respondent was the sole witness. They are as follows:

Respondent drafted a contract, dated October 16, 2006, providing for the sale of property in West New York, New Jersey, from the grievant, Carlos Lemus, and his wife, Jenny Mina (the sellers), to Concepcion Casal for $440,000.[1] Casal was to obtain

[1] At the time of the hearing, Lemus was deceased.

a $352,000 mortgage and the sellers were to pay up to $21,120 in closing costs. Respondent admitted that the version of the contract that was produced at the hearing was not the original document and that the original version may have listed the gift of equity.

On October 24, 2006, respondent sent a letter to Casal, explaining that he would be representing her in the purchase of the property and that, although he would not be representing the sellers, he would prepare documents for their signatures. On that same date, respondent sent a similar letter to the sellers, indicating that, although he did not represent them, he had prepared documents in connection with the sale of the property.

Both the buyer and sellers signed the respective letters and returned them to respondent, who had not previously represented Casal. Nevertheless, he did not set forth in writing the basis or rate of his fee. He claimed, however, that he orally informed Casal of his fee and told the sellers that he would charge them $350 to prepare the documents. Respondent did not notify the buyer and sellers of a conflict of interest or obtain their written consent to the dual representation. According to respondent, although he orally advised the sellers to retain their own attorney, they declined because they and Casal were

friends. Before the real estate closing took place, respondent met with the buyer and sellers at least three times.

Respondent became involved in the real estate transaction after he was contacted by Michael Coote, a representative of First Lincoln Mortgage Corporation (First Lincoln), a mortgage broker. Coote explained to respondent that Lemus and Mina were unable to refinance their mortgage and that Coote had suggested that they find a friend or family member with good credit, who would buy the property, allow them to get their credit in order, and sell the property back to them. At the time, the property was not in foreclosure. Prior to this transaction, respondent had not known either the buyer or the sellers.

On October 16, 2006, the date the contract was signed, respondent "faxed" it to Coote. On November 13, 2006, Coote sent a fax to respondent, asking him to change the first page of the contract to reflect a seller concession of $21,120 and to remove paragraph 4. Respondent did so. He did not recall the subject of the removed paragraph.

Respondent prepared an addendum to the contract, which permitted the sellers to use and occupy the premises for twelve months, upon payment of all of Casal's costs in connection with the mortgage, including principal, interest, taxes, and insurance. The addendum provided:

> There shall be an escrow at closing held by Buyer in the amount of twelve (12) months mortgage payments, which include principal, interest, taxes and insurance. The escrow shall be used to make each mortgage payment beginning with the first mortgage payment following the closing.
>
> [Ex.C-1,Att.H.]

Despite the above provision, respondent admitted that the escrow funds were not held: "I don't think it was done, because of the friendship between the two. Let me say this. I did not hold an escrow, because it says 'held by buyer', which would have been Mrs. Casal."

A handwritten insertion on the second page of the addendum stated: "$440,000 — gift of equity of $88,000 = $352,000." At the hearing, respondent explained the concept of a gift of equity:

> A "gift of equity" is not used often, but it's used more often in family friendship-type transactions. I'll use this case as an example. In this case, where the appraisal was $440,[000], the mortgage company allowed the sellers to give that gift of equity to the buyer so that she would not have to come up with anything at closing, because obviously, she was doing this as a favor for the sellers, so they could keep their property.
>
> [T41-13 to 21.][2]

[2] T refers to the transcript of the August 24, 2010 DEC hearing.

Respondent asserted that, if the property appraisal had been less than $440,000, the transaction could not have included the gift of equity because the mortgage company's loan was limited to eighty percent of the property's value. He opined that an independent appraisal is the most important ingredient in the mortgage process, noting that Casal had paid $350 for the appraisal. Upon further questioning at the hearing, however, respondent conceded that, based on the sellers' closing cost concession, the sellers had paid for the appraisal.

As to the absence of information about Casal's employment, income, or assets on the loan application, respondent claimed that, in determining to extend a loan to Casal, the lender had relied solely on her high credit score and the $440,000 appraisal. Casal's credit score was between 794 and 808. Respondent admitted that, although the loan application and the Uniform Underwriting Transmittal Summary indicated that the property would be Casal's primary residence, it was not.

Before the January 4, 2007 closing, the lender, Bank of New York (BNY), issued lengthy and detailed closing instructions to respondent. Those instructions contained a paragraph titled "Fraud Prevention," which required that (1) the settlement agent suspend the loan closing and immediately notify the lender if fraud is suspected; (2) all funds be issued from an escrow

account and to be reflected on the HUD-1 statement; and (3) the HUD-1 contain an accurate statement of all receipts and disbursements.

Respondent's file contained two different HUD-1 statements, one signed and one unsigned. The unsigned form referred to an $88,000 gift of equity and indicated that the buyer had contributed no cash to the purchase and that the sellers had received $41,438.03 at the closing. The signed HUD-1 did not contain any reference to the gift of equity and provided that Casal had brought $86,645.11 cash to the closing and that the sellers had received $128,083.14.

Respondent gave the following account of the existence of the two different closing statements. His secretary faxed a HUD-1 form to BNY, while the parties were in his office for the closing. Twenty minutes later, BNY "shipped back the HUD with some cross-outs and some initials, and then my secretary redid the HUD, in accordance with the signed HUD, and unfortunately, I was stupid enough to go forward and let the transaction happen."

At the DEC hearing, the panel chair confirmed with respondent that the HUD signed at the closing misrepresented that the buyer had brought cash to the transaction and that the sellers had received $88,000 more than they actually had.

Afterward, the following exchange took place between the panel chair and respondent:

> Q. [Y]ou didn't get a queasy feeling about doing it, at the time?
>
> A. I'm sure I must have. I don't know why I did it. I know that Mr. Lemus made it very clear that it was a drastic thing, he needed this to go through. I mean, it's absolutely stupid, there's no other explanation.
>
> [T89-16 to 22.]

Respondent asserted that, although BNY knew of the gift of equity, BNY required that he revise the HUD-1 form to remove any mention of it. BNY did not explain the reason for the removal of the gift of equity from the HUD-1. Respondent, however, admitted that he had sent all documents to the mortgage broker, First Lincoln, and assumed that First Lincoln had transmitted those documents to BNY. He maintained that, if his intent had been to defraud BNY, he would not have submitted the first HUD-1 with the gift of equity explicitly reflected in the document.

Although the signed HUD-1 listed cash to sellers of $128,083.14, they received only $41,438.03, the amount shown on the unsigned form. Respondent conceded that the HUD-1 was not accurate.

After paying off the existing mortgage and other costs associated with the closing, respondent disbursed the $41,438.03 balance to the sellers. According to respondent, upon receiving

that sum, the sellers did not request the disbursement of additional funds (about $88,000) to equal the $128,083.14 listed on the signed HUD-1 form as the cash due to sellers.

As settlement agent, respondent certified that the HUD-1 was a true and accurate account of the funds disbursed in connection with the closing. The HUD-1 contained a provision below respondent's signature, indicating that making false statements on the document is a federal crime. Respondent also permitted the buyer and sellers to sign the HUD-1 and to certify that it was accurate.

After respondent made all of the necessary disbursements, including those for the recording of documents, he retained $160 in his trust account, which he did not remit to the sellers. Respondent admitted that his failure to disburse these funds amounted to a "technical violation."

Although the HUD-1 indicated a closing cost concession of $21,120, the buyer's actual closing costs were only $19,824.58. According to respondent, BNY insisted that the HUD-1 reflect the higher closing costs, which, he acknowledged, were not accurate.

On September 29, 2008, the Casal mortgage was assigned from BNY to Chase Home Finance. On that same date, according to a Notice of Lis Pendens dated October 3, 2008, Chase filed a mortgage foreclosure action against Casal.

Respondent asserted that Lemus did not complain about the disbursement of funds until March 2009, more than two years after the closing had taken place, when Lemus insisted, through counsel, that he should have received more money at the closing. Respondent sent the relevant documents to Lemus' attorney, who then indicated to respondent that he saw nothing improper about the transaction.

Respondent explained that, although he had tried to locate Casal and Coote in connection with this matter and had tried to obtain the file from BNY, his efforts had been unsuccessful.

At oral argument before us, the presenter urged a three-month suspension or a three-month suspension from the practice of real estate law, noting that, even if all parties, including the lender and the title company were aware of the "gift of equity," Chase Home Equity, to whom the mortgage was assigned, had not known about it. In turn, respondent's counsel argued for the imposition of only a reprimand.

The DEC found that respondent violated all of the charged RPCs, with the exception of RPC 1.15(b). The DEC determined that, by preparing the fraudulent HUD-1 statement for his clients' signatures, respondent counseled them to proceed in a fraudulent transaction, a violation of RPC 1.2(d). The DEC found that respondent's failure to explain the basis or rate of his

fee, in writing, violated RPC 1.5(b). The DEC also concluded that, by representing the buyer and the sellers in the real estate transaction, respondent engaged in a concurrent conflict of interest, a violation of RPC 1.7. In this regard, the hearing panel noted that, at the ethics hearing, respondent failed to acknowledge the conflict.

The DEC determined that respondent's most serious infractions resulted from the misrepresentations on the HUD-1. In addition, the DEC found that, by preparing and providing a false and misleading contract, which did not disclose the $88,000 gift of equity, and by preparing a false HUD-1, which did not reveal the gift of equity and did not accurately reflect the amount of "cash from borrower" or the "cash to seller," respondent violated RPC 4.1(a)(1), RPC 8.4(a), and RPC 8.4(c). The DEC found that respondent made misrepresentations to BNY, to Chase Home Finance, and to any other successor in interest of the lender.

Although respondent stipulated that he was guilty of a "technical" violation of RPC 1.15(b) by failing to disburse $160 remaining from the closing proceeds after all fees had been satisfied, the DEC dismissed that charge. The DEC found that respondent's conduct in this regard was negligent and improper,

but did not amount to the "failure to deliver funds to the client or to third persons."

The DEC recommended "no stronger discipline than a reprimand." The DEC found, as a mitigating factor, that respondent disclosed to BNY the gift of equity on the first (unsigned) draft of the HUD-1 form. Although opining that respondent should have halted the transaction, the DEC considered, in mitigation, that respondent's conduct was aberrational and not motivated by personal gain.

Following a de novo review of the record, we are satisfied that the DEC's finding that respondent's conduct was unethical is fully supported by clear and convincing evidence. Respondent participated in a real estate transaction that he knew was questionable, at best, and fraudulent, at worst. Apparently, respondent believed that, because the buyer and seller were friends, and because they were in agreement about the terms of the transaction (1) no conflict of interest resulted from his dual representation and (2) the inaccuracies on the real estate contract and the closing documents were not significant. Respondent was wrong on both scores.

We note that it is permissible to represent both buyer and seller in a real estate closing, following the contract negotiations, so long as the attorney obtains the parties'

consent to the representation. In re Lanza, 65 N.J. 347, 353 (1974). Here, although respondent became involved in the transaction before the contract was executed, the record does not contain clear and convincing evidence that he represented both parties during that time. Despite respondent's declaration that he represented only Casal and not the sellers, however, he represented both sides later. He charged the sellers a fee for preparing the closing documents for them. He met with them at least three times, before the closing took place. All the while, he failed to disclose the conflict to Casal and the sellers and failed to obtain their written consent to the dual representation.

Moreover, Casal suffered harm as a result of this transaction. Her credit score was negatively affected by the foreclosure proceeding. Chase Home Finance filed a foreclosure complaint against her. In addition, although the record is silent on this point, Casal may have been liable for any deficiency remaining, if the property were sold for less than the balance of the mortgage.

Under the facts of this case, dire consequences could have flowed from the conflict of interest. Casal agreed to purchase the property from the sellers as an accommodation to permit them to retain the property while they were experiencing financial

difficulties. According to their arrangement, the sellers were to pay all of Casal's monthly expenses in connection with the mortgage. A serious problem could have developed if the sellers had failed to pay those expenses.

In addition, the parties had agreed that, after the sellers were able to improve their credit and, presumably, obtain financing on their own, they would buy the property from Casal. Respondent, however, failed to prepare a document confirming the parties' agreement. Thus, had Casal changed her mind and decided to retain the property, the sellers would have had no written evidence of Casal's obligation to sell the property back to them.

The transaction, thus, was so laden with obvious conflicts that respondent's failure to make the appropriate disclosure and obtain written waivers violated RPC 1.7.

In addition, by failing to state, in writing, the basis or rate of his fee to both Casal and the sellers, respondent violated RPC 1.5(b).

As noted by the DEC, respondent's most serious misconduct involved the misrepresentations made on the real estate documents that he prepared. Although respondent could not recall whether the original real estate contract disclosed the gift of equity, the final version did not. Similarly, the HUD-1 statement that the parties signed excluded any reference to the

gift of equity and grossly misstated the amount of cash paid by the buyer and received by the sellers. Respondent could offer no explanation for his decision to participate in the transaction, conceding that it was "absolutely stupid."

Despite the fact that the buyer and sellers agreed to this arrangement, it was fraudulent. A strong suspicion emerges that the goal of the transaction was to obtain one hundred percent financing for the buyer. The sellers used the buyer's credit to obtain a mortgage, which was not otherwise available to them. It is a standard practice for lenders to provide loans of no more than eighty percent of the appraised value of the property. Clearly, Casal was not expected to contribute from her own funds the twenty percent down payment required to obtain a mortgage. As it turned out, the mortgage of $352,000 was eighty percent of the $440,000 appraisal and the corresponding $88,000 "gift of equity" was twenty percent of the appraisal, coincidentally, the typical deposit percentage.

In some situations, the lender knows about the artificially inflated purchase price, but approves the one hundred percent financing nevertheless because the loan will be sold on the secondary mortgage market. Yet, the lender's approval of such loans does not lessen the fraud that the closing attorney facilitates. The new mortgage company will be the one defrauded,

to the extent that it will be carrying a loan that is not in accordance with the typical loan-to-value ratio, that is, a loan not supported by the actual value of the property.

Here, even if BNY knew of the existence of the gift of equity, it relied on Casal's credit score in approving her mortgage application. Casal was the owner of the property in name only, however. Presumably, BNY would not have agreed to the loan to Casal if respondent had disclosed that the sellers remained the equitable owners of the property.

Furthermore, at the hearing, respondent displayed a lack of understanding that he had certified the accuracy of the HUD-1, which he conceded contained false information. He insisted that all parties knew the true nature of the property sale. Nevertheless, respondent prepared and signed a document that misrepresented key terms of the real estate transaction. In doing so, he violated RPC 4.1(a)(1), RPC 8.4(a), and RPC 8.4(c). In addition, by assisting his clients in perpetrating this fraud, he violated RPC 1.2(d).

Respondent's improprieties continued. Based on Casal's loan application and the Uniform Underwriting Transmittal Summary, both of which misrepresented that the property would be Casal's primary residence, respondent was guilty of an additional RPC 8.4(c) violation.

Respondent admitted a "technical" violation of RPC 1.15(b) by failing to disburse to the sellers the sum of $160 that remained in his trust account after all of the closing proceeds had been remitted. Although the DEC found that this conduct did not rise to the level of an ethics violation, we find that it did. Respondent failed to deliver funds to his clients at all, let alone promptly, as required by the rule. Compared to respondent's other misconduct, this infraction was not serious, but it still amounted to a violation of RPC 1.15(b).

ACPE Opinion 710, 186 N.J.L.J. 1198 (December 25, 2006), presented a factual scenario similar to the facts of the instant case. There, the buyer and seller agreed to artificially inflate the sale price to permit the buyer to obtain a larger mortgage than would otherwise be available. Ibid. This increased price was then credited as a "seller's concession" or "seller's payment of purchaser's closing costs." According to ACPE Opinion 710, such conduct deceives either the original or secondary lender and violates RPC 1.2(d), RPC 4.1, and RPC 8.4(c). ACPE Opinion 710 was issued approximately ten days before the closing in this matter took place.

The discipline imposed for misrepresentations on closing documents has ranged from a reprimand to a term of suspension, depending on the seriousness of the conduct, the presence of

other ethics violations, the harm to the clients or third parties, the attorney's disciplinary history, and other mitigating or aggravating factors. See, e.g., In re Spector, 157 N.J. 530 (1999) (reprimand imposed on attorney who concealed secondary financing to the lender through the use of dual RESPA statements, "Fannie Mae" affidavits, and certifications); In re Sarsano, 153 N.J. 364 (1998) (attorney received reprimand for concealing secondary financing from the primary lender and preparing two different RESPA statements); In re Blanch, 140 N.J. 519 (1995) (reprimand imposed on attorney who failed to disclose secondary financing to a mortgage company, contrary to its written instructions); In re Agrait, 171 N.J. 1 (2002) (reprimand for attorney who, despite being obligated to escrow a $16,000 deposit shown on a RESPA, failed to verify it and collect it; in granting the mortgage, the lender relied on the attorney's representation about the deposit; the attorney also failed to disclose the existence of a second mortgage prohibited by the lender; the attorney' misconduct included misrepresentation, gross neglect, and failure to communicate to the client, in writing, the basis or rate of his fee); In re Khorozian, N.J. (2011) (censure imposed on attorney who represented the buyer in a fraudulent transaction in which a "straw buyer" bought the seller's property in name only, with the understanding that the

seller would continue to reside there and would buy back the property after one year; the seller was obligated to pay a portion of the monthly carrying charges; the attorney prepared four distinct HUD-1 forms, two of which contained misrepresentations of some sort, such as concealing secondary financing or misstating the amount of funds that the buyer had contributed to the acquisition of the property; aggravating factors included the fact that the attorney changed the entries on the forms after the parties had signed them and that he either allowed his paralegal to control an improper transaction or he knowingly participated in a fraud and then feigned problems with recall of the important events and the representation); In re Scott, 192 N.J. 442 (2007) (censure for attorney who failed to review the real estate contract before the closing; failed to resolve liens and judgments encumbering the property; prepared a false HUD-1 statement misrepresenting the amount due to the seller, the existence of a deposit, the receipt of cash from the buyer, and the amount of her fee, which was disguised as disbursements to the title company; prepared a second HUD-1 statement listing a "Gift of Equity" of $41,210.10; issued checks totaling $20,000 to the buyer and to the mortgage broker, based on undocumented loans and a repair credit, without obtaining the seller's written authorization; failed to submit the

revised HUD-1 to the lender; failed to issue checks to the title company, despite entries on the HUD-1 indicating that she had done so; misrepresented to the mortgage broker that she was holding a deposit in escrow; and failed to disburse the balance of the closing proceeds to the seller; violations included RPC 1.1(a) (gross neglect), RPC 1.15(b), RPC 4.1(a), and RPC 8.4(c); Scott had received a prior admonition and a reprimand); In re De La Carrera, 181 N.J. 296 (2004) (three-month suspension in a default case in which the attorney, in one real estate matter, failed to disclose to the lender or on the RESPA the existence of a secondary mortgage taken by the sellers from the buyers, a practice prohibited by the lender; in two other matters, the attorney disbursed funds prior to receiving wire transfers, resulting in the negligent invasion of clients' trust funds); In re Nowak, 159 N.J. 520 (1999) (three-month suspension for attorney who prepared two settlement statements that failed to disclose secondary financing and misrepresented the sale price and other information; the attorney also engaged in a conflict of interest by arranging for a loan from one client to another and representing both the lender (holder of a second mortgage) and the buyers/borrowers); In re Fink, 141 N.J. 231 (1995) (six-month suspension for attorney who failed to disclose the existence of secondary financing in five residential real estate transactions,

prepared and took the acknowledgment on false RESPA statements, affidavits of title, and Fannie Mae affidavits and agreements, and failed to witness a power of attorney); In re Alum, 162 N.J. 313 (2000) (one-year suspended suspension for attorney who participated in five real estate transactions involving "silent seconds" and "fictitious credits"; the attorney either failed to disclose to the primary lender the existence of secondary financing or prepared and signed false RESPA statements showing repair credits allegedly due to the buyers; in this fashion, the clients were able to obtain one hundred percent financing from the lender; because the attorney's transgressions had occurred eleven years before and, in the intervening years, his record had remained unblemished, the one-year suspension was suspended); In re Newton, 157 N.J. 526 (1999) (one-year suspension for attorney who prepared false and misleading RESPA statements, took a false jurat, and engaged in multiple conflicts of interest in real estate transactions); and In re Frost, 156 N.J. 416 (1998) (two-year suspension for attorney who prepared misleading closing documents, including the note and mortgage, the Fannie Mae affidavit, the affidavit of title, and the settlement statement; the attorney also breached an escrow agreement and failed to honor closing instructions; the attorney's ethics history

included two private reprimands, a three-month suspension, and a six-month suspension).

Here, we find that respondent's misconduct most resembles that of the attorneys in Nowak, Scott, and Khorozian. Nowak received a three-month suspension for representing both the buyers and the second mortgage holders and for preparing deceptive settlement statements that misrepresented the sale price and other information and failed to disclose secondary financing. Because a censure was not an available sanction at the time of the Nowak case, it is possible that he would have received a censure, rather than a three-month suspension. Scott received a censure for, among other violations, misrepresenting on settlement documents the amounts paid by the buyer and received by the seller and failing to disburse proceeds to the seller. Although no conflict of interest was found in Scott, her conduct included gross neglect, a component not present in this case. Like respondent, Scott also had a disciplinary history — an admonition and a reprimand. Khorozian, too, received a censure for participating in a "straw" transaction, misrepresenting critical information on the settlement documents, altering the HUD-1 after the parties had signed it, and either permitting his paralegal to handle the closing or

pretending to have no recollection of the details of the closing.

In our view, a troubling element of respondent's misconduct in this case involved a repetition of his failure to fulfill his duties as an escrow agent. Here, the addendum to the contract that respondent drafted provided that, at the closing, funds equal to the amount of the mortgage obligation payable for one year were to be retained by the buyer, his client. Yet, respondent failed to escrow the funds, asserting that he did not do so because of the friendship between the buyer and sellers and because the contract provided that the buyer would establish the escrow. As settlement agent and the buyer's lawyer, respondent was required to either hold the funds in escrow or to disburse them to the buyer for her to retain in escrow for the payment of the mortgage payments.

In 2004, three years before the real estate transaction in the instant case took place, respondent was disciplined for abandoning his escrow duties, thereby permitting his clients to steal the escrow funds. His failure to implement the escrow arrangement in this case demonstrates that he has not learned from his prior, similar mistakes.

Based on the foregoing, a reprimand is insufficient discipline for respondent's conduct, while a suspension, usually reserved for cases with either multiple instances of

misrepresentation or the presence of other more serious misconduct, is not warranted. We, thus, determine that a censure is the appropriate level of discipline for respondent's infractions.

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

SUPREME COURT OF NEW JERSEY
DISCIPLINARY REVIEW BOARD
VOTING RECORD

In the Matter of William J. Soriano
Docket No. DRB 10-369

Argued: February 17, 2011

Decided: April 8, 2011

Disposition: Censure

Members	Disbar	Suspension	Censure	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