SUPREME COURT OF NEW JERSEY
Disciplinary Review Board
Docket No. DRB 01-033

IN THE MATTER OF :

ROBERT A. HOLLIS :

AN ATTORNEY AT LAW :

Decision

Argued: March 15, 2001

Decided: July 18, 2001

Richard J. Engelhardt appeared on behalf of the Office of Attorney Ethics.

Respondent did not appear for oral argument, despite proper notice.[1]

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

This matter was before us based on a motion for final discipline filed by the Office of Attorney Ethics ("OAE"), based on respondent's criminal conviction for money laundering, in violation of 18 U.S.C.A. §§ 1956(a)(1)(B) and 2.[2]

Respondent was admitted to the New Jersey bar in 1971. In February 1984 he was

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[1]Respondent is currently incarcerated.

[2]At the time that this matter was before us, respondent had forwarded a letter to the Court tendering his resignation from the bar. He had not, however, forwarded the necessary documents to consent to disbarment. We determined, therefore, to proceed with the matter.

suspended for three years, retroactive to the date of his temporary suspension, January 1982, for failure to prosecute matters in behalf of clients, failure to record a mortgage, failure to provide an inventory of pending cases to a proctor and failure to promptly pay a client's mortgage out of his trust account. In re Hollis, 95 N.J. 253 (1984). Respondent was reinstated to the practice of law in March 1985.

Thereafter, in October 1993, respondent was suspended for another three-year period for failure to expedite litigation, conduct involving dishonesty, fraud, deceit or misrepresentation, gross negligence, failure to act with reasonable diligence, failure to communicate with client and failure to withdraw from representation. In re Hollis, 134 N.J. 124 (1993). His suspension remains in effect.

In June 1998 respondent received an additional one-year suspension for failing to notify a client of his suspension, continuing to represent the client while suspended, recommending another attorney to the client while under suspension and failing to turn over client files. In re Hollis, 154 N.J. 12 (1998).

On July 27, 1998, pursuant to a plea agreement, respondent pleaded guilty to one-count of money laundering, in violation of 18 U.S.C.A. 1956(a)(1)(B) and 2. The pertinent facts are contained in a "Factual Resume," which was summarized by the Assistant United States Attorney during the plea hearing:

> It sets out that the defendant Robert Hollis, along with Kenneth Byrnes and David Schneider, beginning in November of '93, formed a company known as Entertainment Management Services, doing business as EMS.

Originally, it was located in Hackensack and later moved to Paramus, New Jersey. The three men were equal partners in the company, each owning a one-third interest.

EMS was in the business of processing credit card charges received by pimps and madams who were located in various cities throughout the United States. Most of the clients served by EMS were pimps and madams who advertised as escort services but were actually fronts for prostitution rings. During its entire existence EMS was engaged in the activity of laundering the proceeds received by escort services from their illegal activities in prostitution and the promotion of prostitution. This activity continued until EMS closed down in March of 1996.

Then it goes on to set forth the basic function of a legitimate merchant account. That is that American Express, Visa, and MasterCard would establish these accounts with customers who wanted to allow their - companies who wanted to allow their customers to accept credit cards and the fee they would charge and the fact that if they found out that the company was engaged in an illegal activity, they would cut off or close out their merchant account. Consequently, these businesses engaged in these illegal activities were constantly looking for persons willing to process their credit card charges.

Not only does it allow the escort service to continue to accept credit cards from its customers, it also serves to disguise the true illegal nature and source of the credit card transaction from law enforcement authorities and taxing agencies.

In exchange for processing these receipts of escort services, Hollis, Byrnes, and Schneider through EMS would charge the escort service a percentage fee ranging from approximately 14 to 18 percent, which fee would be deducted from the laundered funds and returned back to the escort service.

At one point in time, EMS lost its American Express merchant account after which EMS entered into an agreement with a company doing business in Dallas, Texas, known as Tejas Financial Services, Inc. It was agreed that EMS and Tejas - that between the two companies, Tejas would process the American Express record of charges of EMS's clients and the two companies would split the profits.

In furtherance of this agreement and in furtherance of these money laundering activities, the defendant Hollis, doing business as EMS, on or about December 14, 1995, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property, to wit, the proceeds of a business enterprise involving prostitution, sent some records of credit card transactions to Dallas from New Jersey, and these transactions represented payment for prostitution activities.

It is agreed between the parties the total amount of funds laundered by the defendant and EMS was between $2 million but not more than three and a half million dollars.

[Exhibit D to the OAE's brief at 18-20]

On September 25, 2000 respondent was sentenced to eighteen months' imprisonment and fined $2,500. He was also required to serve a three-year term of probation upon his release from prison.

The OAE is seeking respondent's disbarment.

* * *

Upon a de novo review of the record, we determined to grant the OAE's motion for final discipline.

The existence of a criminal conviction is conclusive evidence of respondent's guilt. R.1:20-13(c)(1); In re Gipson, 103 N.J. 75, 77(1986). Respondent's guilty plea to money laundering is clear and convincing evidence that he violated RPC 8.4(b) (commission of a criminal act that reflects adversely on his honesty, trustworthiness or fitness as a lawyer) and RPC 8.4(c) (conduct involving dishonesty, fraud, deceit or misrepresentation). Only the quantum of discipline to be imposed remains at issue. R.1:20-13(c)(2)(ii); In re Goldberg,

105 N.J. 278, 280 (1987).

According to the OAE, nothing short of disbarment is appropriate for respondent who, for a period of approximately two and one-half years, "participated in the criminal laundering of between two and three and one-half-million dollars, which represented the proceeds of illegal activities in prostitution and the promotion of prostitution." In urging respondent's disbarment, the OAE relied on two cases. In In re Denker, 147 N.J. 570 (1997), an attorney was disbarred after he pleaded guilty to one count of money laundering. The activity took place on two occasions, three months apart. In the first instance, the attorney agreed to launder a client's purported drug proceeds. He received $50,000 and then issued numerous negotiable instruments, each less than $10,000, to avoid currency transaction reporting requirements. The attorney received a total of $3,500 as a fee. In the second instance, the attorney received another $50,000 to issue instruments to avoid currency transaction reporting requirements. He was paid a $3,000 fee.

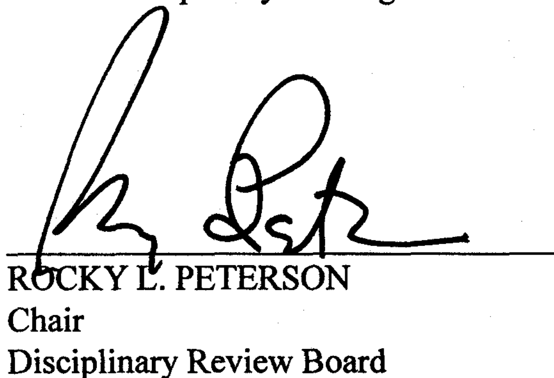
In another case, In re Lunetta, 118 N.J. 443 (1989), the attorney pleaded guilty to a charge of conspiracy to receive, sell and dispose of stolen securities. The attorney agreed to deposit checks from the sale of stolen bonds into his trust account. The attorney "laundered and shielded funds from known criminal activities." In re Lunetta, supra, 118 N.J. at 450. Lunetta was disbarred.

The OAE argued against leniency for respondent, pointing to his extensive disciplinary history. As noted above, respondent has received two three-year suspensions

and a one-year suspension. In the OAE's view, "it is clear that respondent's unethical and criminal conduct has extended over many years and that he has now permanently forfeited his right to be a member of the Bar." We agree. Respondent's criminal conduct tarnished the integrity of the bar and the public's image of the legal profession. We see no reason here to deviate from the precedent established by Lunetta and Denker, particularly in light of respondent's serious disciplinary record. We unanimously recommend that he be disbarred.

We further required respondent to reimburse the Disciplinary Oversight Committee for administrative costs.

Dated: July 18 2001

By: 

ROCKY L. PETERSON
Chair
Disciplinary Review Board

SUPREME COURT OF NEW JERSEY

DISCIPLINARY REVIEW BOARD
VOTING RECORD

In the Matter of Robert A. Hollis
Docket No. DRB 01-033

Argued: March 15, 2001

Decided: July 18, 2001

Disposition: Disbar

Members	Disbar	Suspension	Reprimand	Admonition	Dismiss	Disqualified	Did not Participate
Hymerling	X						
Peterson	X						
Boylan	X						
Brody	X						
Lolla	X						
Maudsley	X						
O'Shaughnessy	X						
Schwartz	X						
Wissinger	X						
Total:	9						

Robyn M. Hill 8/27/01
Robyn M. Hill
Chief Counsel