

SUPREME COURT OF NEW JERSEY  
Disciplinary Review Board  
Docket No. 18-040  
District Docket Nos. XIV-2016-0130E;  
XIV-2016-0678E; VII-2017-0901E;  
and VII-2017-0902E

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IN THE MATTER OF  
ALI A. ALI  
AN ATTORNEY AT LAW

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Decision

Argued: April 19, 2018

Decided: July 27, 2018

HoeChin Kim appeared on behalf of the Office of Attorney Ethics.  
Respondent waived appearance for oral argument.

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 the Office of Attorney Ethics (OAE) and respondent.  
Respondent stipulated to having violated RPC 1.15(a) (failure to  
hold separate property of clients or third persons from the  
lawyer's own property); RPC 1.15(d) (recordkeeping violations);  
RPC 7.5(a) (improper use of a professional designation that  
violates RPC 7.1 [RPC 7.1(a) provides that a lawyer shall not

make false or misleading communications about the lawyer, the lawyer's services, or any matter in which the lawyer has or seeks a professional involvement)); RPC 7.5(e) (improper use of a trade name); and RPC 8.1(b) and R. 1:20-3(g)(3) (failure to reply to a lawful demand for information from a disciplinary authority).

The OAE suggested that respondent's conduct warrants a reprimand. Respondent agreed with that suggestion. We determine to impose a three-month suspension.

Respondent was admitted to the New Jersey bar in 2009. He maintains a law practice in Princeton, New Jersey.

In May 2013, respondent entered into an agreement in lieu of discipline (ALD), but did not comply with its requirements, hoping that the matter would "slip through the cracks" and would go undetected by the OAE. As a result, the district ethics committee filed a complaint against him, which resulted in a 2017 reprimand. Respondent was guilty of lack of diligence and failure to expedite litigation for failing to attend various court sessions, including court-ordered appearances, and leaving his client in court, when the client's case was about to be called, without notifying the court or seeking leave to do so. He also failed to file a substitution of attorney, and engaged in an ex parte communication with a judge. His behavior was also

deemed to be conduct prejudicial to the administration of justice for, among other things, disobeying court orders and being unreachable to the court, his adversary, and substitute counsel. In all, respondent was guilty of violating RPC 1.3, RPC 3.2, RPC 3.4(c), RPC 3.5(b), and RPC 8.4(d).

We found a number of aggravating factors including: (1) respondent's lack of contrition, remorse, or understanding that he had engaged in misconduct; (2) his lack of understanding of the function of a mentor; and (3) his outsourcing work to paralegals outside of New Jersey to minimize his contact with clients in order to maximize his time for rainmaking and spending time with family.

In addition to reprimanding respondent, the Court ordered that he (1) practice under the supervision of an OAE-approved proctor; (2) complete a Continuing Legal Education (CLE) course in law office management; and (3) complete two ethics courses in addition to those required of all attorneys for CLE credit. In re Ali, 231 N.J. 165 (2017).

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The stipulation of facts described in great detail respondent's failure to cooperate with the OAE and recordkeeping violations, among other ethics improprieties.

At the relevant time, respondent maintained trust and business accounts at TD Bank, which were designated as "Law Champs LLC."

By letter dated February 16, 2016, TD Bank notified the OAE of a February 11, 2016 overdraft in respondent's trust account. Although respondent had only \$4,351.77 in the account, he issued two checks totaling \$4,534.43 (number 103 for \$3,037.03 and number 104 for \$1,497.40), which created a \$182.66 trust account shortage when the checks were negotiated. TD Bank returned check number 104, credited \$1,497.40 to the trust account, and charged the account a \$35 overdraft fee, which left a \$1,279.74 balance in the account.

In a letter to respondent, dated February 25, 2016, the OAE demanded a written explanation and supporting documentation for the overdraft, by March 11, 2016. In a March 14, 2016 fax, respondent maintained that he had accidentally issued a check from his trust account, rather than his business account; obtained reversal of the \$35 overdraft fee; and "made it his practice to keep his trust account check book separate from his business account."

Respondent did not provide the OAE with the requested documentation. Therefore, by letter dated March 29, 2016, the OAE scheduled a demand audit on April 12, 2016. Respondent was

required to appear with recordkeeping documentation for the period January 1, 2015 to March 31, 2016. The OAE's review of respondent's records revealed that he was not in compliance with R. 1:21-6(c): (1) he did not conduct three-way trust account reconciliations (R. 1:21-6(c)(1)(H)); (2) he did not maintain trust or business account receipts and disbursements journals (R. 1:21-6(c)(1)(A)); (3) he did not maintain a running checkbook balance (R. 1:21-6(c)(1)(G)); (4) he did not maintain individual client ledger cards for each client (R. 1:21-6(c)(1)(B)); (5) he did not supply sufficient detail on deposit slips (R. 1:21-6(c)(1)(A)); (6) he did not include proper designations on trust and business account bank statements, checks, and deposit slips (R. 1:21-6(a)(2));<sup>1</sup> (7) he commingled funds (RPC 1.15(a)); and (8) he failed to maintain cancelled check images for his trust and business accounts (R. 1:21-6(b)).

The OAE determined that, as of December 31, 2015, respondent's trust account balance was \$9,195. Thereafter, between January 29 and February 10, 2016, he issued five checks from his trust account, which resulted in a negative \$1,497.40 balance on February 10, 2016.

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<sup>1</sup> The stipulation pointed out that this was a violation of RPC 7.1 and the OAE instructed respondent to change the name of his attorney accounts to Ali Ali, Esq. because the name "Law Champs LLC" was misleading.

Respondent informed the OAE that, as the trustee of his father's irrevocable trust, rather than disburse funds directly from that bank account, he transferred funds to his attorney business account and disbursed funds from that account. According to respondent, he mistakenly issued several checks from his trust account, rather than his business account, which caused the overdraft. With the exception of one \$2,500 check to "Elliot Wright," the remaining funds in his trust account, totaling \$6,695, were his legal fees, which he had not yet transferred to his business account. Respondent claimed that he deposited retainer fees into his trust account, "but [did] not take them promptly when earned."

In an April 15, 2016 letter, the OAE directed respondent to correct his recordkeeping deficiencies, to submit proof that he had done so, and to provide supporting documentation, by May 13, 2016. In a May 14, 2016 e-mail, the day after the due date, respondent requested additional time to provide the documentation and maintained that he was twenty-five percent "done" with his reconciliations.

On May 17, 2016, the OAE informed respondent that, given the little activity in his trust account, he had had ample time to complete the required three-way reconciliation reports. When the OAE directed him to submit the reports immediately,

respondent "stated he would begin his reconstruction on May 19, 2016, and have them to the OAE soon."

In a May 27, 2016 letter, the OAE reminded respondent that his reconstructed trust account records were overdue. The OAE, thus, scheduled respondent for a second demand audit, on June 8, 2016. On the date of the audit, respondent informed the OAE that he was not in the immediate area and, therefore, could "not make the audit," but had mailed his reconstructed records. On that same day, he faxed his three-way reconciliation reports, client ledgers, and a copy of his father's trust document. The OAE's review of the documents revealed that respondent had not fully complied with his recordkeeping obligations. Therefore, by letter dated July 6, 2016, the OAE detailed the corrections that were necessary to bring his records into full compliance with the recordkeeping rules and directed him to make the corrections by July 22, 2016. After respondent claimed that he had not received the OAE's correspondence, the OAE began sending copies of its letters to his home address as well.

On July 24, 2016, respondent faxed a submission to the OAE, which he represented as his corrected records. The OAE's review of the submission, however, revealed that deficiencies remained. Therefore, by letter dated August 15, 2016, the OAE scheduled another demand audit, on September 13, 2016, and directed

respondent to bring "specific items." The audit was rescheduled to September 26, 2016, at which time the OAE informed respondent that his records were still not in compliance and instructed him on the steps required to bring his reconstructed records into compliance with the recordkeeping rules. In a September 28, 2016 letter, the OAE reiterated those steps and directed respondent to submit proof of compliance by October 3, 2016.

Respondent did not submit the "items" until October 31, 2016. Despite the OAE's directions, respondent's records were still not in compliance with his recordkeeping obligations. He failed to submit a corrected January 2016 reconciliation report, corrected monthly cash receipts journals, banks statements, monthly cash receipts and disbursements journals, and ledger cards for clients whose funds he maintained for the months from May through August 2016.

An October 12, 2016 TD Bank letter alerted the OAE to an October 11, 2016 trust account overdraft of \$990.72, which resulted when respondent issued a \$4,550 trust account check, number 133, while his trust account balance was only \$3,559.28. The bank returned the check, credited the trust account, and charged the account a \$35 overdraft fee. Respondent's trust account balance totaled \$3,524.28.



By letter dated October 27, 2016, the OAE requested that respondent provide an explanation for the second overdraft, along with supporting documentation by November 10, 2016.

Respondent failed to reply. By letter dated November 17, 2016, the OAE extended the time to reply to November 23, 2016. In respondent's November 22, 2016 fax, he informed the OAE that he never received the OAE's October 27, 2016 letter, "and was waiting for correspondence from the OAE to address the overdraft." Respondent's fax added that check number 133 had been issued in error to the property manager for his father's trust:

The check was for roof repair to a property owned by [the] irrevocable trust. The check did not cause a negative balance and money was never taken out of the attorney trust account.

Since this situation has happened in the past, I plan on separating my trust account bank and my business account bank. The check books for my attorney business account and trust account are very similar (Both TD Bank) and it causes confusion.

[S¶136.]<sup>2</sup>

Respondent did not submit any documents to support his claim. Therefore, by letter dated December 12, 2006, the OAE requested additional records and documents in connection with

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<sup>2</sup> S refers to the February 5, 2018 disciplinary stipulation.

the investigations of both overdrafts by December 30, 2016. As of February 28, 2017, respondent had not submitted the requested information.

The stipulation recommended that, based on cited precedent and respondent's ethics history, respondent receive a reprimand.

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Following a full review, we find that the stipulation clearly and convincingly establishes that respondent's conduct was unethical.

The facts recited in the stipulation establish the violations set forth therein. Respondent engaged in multiple recordkeeping violations, some of which he failed to correct, despite being directed to do so on numerous occasions, in violation of RPC 1.15(d) and R. 1:21-6.

Respondent also used an improper designation for his law firm, Law Champs LLC. RPC 7.5(e) permits a lawyer to use a trade name, so long as it describes the nature of the firm's legal practice in terms that are accurate, descriptive, and informative, but not misleading, comparative, or suggestive of the ability to obtain results. The Court's August 17, 2015 Notice to the Bar pointed to the Official Comment to RPC 7.5(e), which provided examples of permissible and impermissible law firm names. The notice stated

neither 'Best Tax Lawyers' nor 'Tax Fixers' would be permissible, the former being comparative and the latter being suggestive of the ability to achieve results. Similarly, 'Budget Lawyer John Smith, Esq.' is not permissible as it is comparative and likely to be misleading; 'Million dollar Personal Injury Lawyer John Smith, Esq.' is not permissible as it suggests the ability to achieve results; and 'Tough As Nails Lawyer John Smith, Esq.' is not permissible as it purports to describe the lawyer and does not describe the nature of the firm's legal practice.

Clearly, the use of "Law Champs LLC" does not describe the nature of respondent's legal practice in terms that are "accurate, descriptive, and informative."

Finally, respondent failed to reply to the OAE's multiple and lawful demands for information, a violation of RPC 8.1(b).

Respondent's misconduct in this matter, in a vacuum, may warrant the imposition of only a reprimand. However, we are concerned by his clearly cavalier attitude toward his professional responsibilities. As is evident from respondent's first brush with the disciplinary system, he is either ignorant of the Rules of Professional Conduct or believes that they do not apply to him. In this matter, respondent has demonstrated, over and over again, his disregard for the OAE and for the rules that required him not only to comply with specific recordkeeping practices, but also to cooperate with the OAE's investigation of his failure to do so. He

repeatedly failed to timely comply with the OAE's requests for information and was less than forthright in his excuses for not having done so. For example, in May 2016, respondent did not request additional time to submit the information he was directed to provide until the day after it was due. In his e-mail, he maintained that his reconciliations were only "25% done." On May 17, 2016, the OAE denied respondent's request, given the little activity in his trust account, and directed him to submit the information immediately. Respondent then stated that he "would begin his reconstruction" on May 19, 2016.

Thereafter, respondent continued to ignore the OAE's new deadlines and even failed to appear at a scheduled audit, stating that "he was not in the immediate area."

Respondent was given multiple opportunities to submit and correct information, but failed to do so. Instead, he repeatedly and defiantly failed to cooperate with the OAE, flouting its authority.

Generally, failure to cooperate with a disciplinary investigation results in an admonition, if the attorney does not have an ethics history. See, e.g., In the Matter of Michael C. Dawson, DRB 15-242 (October 20, 2015) (attorney failed to reply to repeated requests for information from the district ethics committee investigator regarding his representation of a client in

three criminal defense matters, a violation of RPC 8.1(b)); In re Gleason, 220 N.J. 350 (2015) (attorney did not file an answer to the formal ethics complaint and ignored the district ethics committee investigator's multiple attempts to obtain a copy of his client's file, a violation of RPC 8.1(b)); the attorney also failed to inform his client that a planning board had dismissed his land use application, a violation of RPC 1.4(b)); and In the Matter of Jeffrey M. Adams, DRB 14-243 (November 25, 2014) (attorney failed to cooperate with the district ethics committee's attempts to obtain information from him about his representation of a client in connection with the sale of a house, a violation of RPC 8.1(b)); in mitigation, we considered that he had no prior final discipline since his 2000 admission to the New Jersey bar).

Greater discipline results if the failure to cooperate is with the OAE or other aggravating circumstances are present. See, e.g., In re Del Tufo, 210 N.J. 183 (2012) (reprimand where the OAE uncovered recordkeeping improprieties in a trust account and requested additional documentation, which the attorney failed to provide); In re Wood, 175 N.J. 586 (2003) (reprimand for attorney who failed to cooperate with disciplinary authorities; prior admonition for similar conduct); In re DeBosh, 174 N.J. 336 (2002) (reprimand for failure to cooperate with disciplinary authorities; prior three-month suspension); In re Palfy, 220 N.J. 32 (2014)

(censure in a default for attorney who, on two occasions, failed to appear for a demand audit and interview, a violation of RPC 8.1(b); subpoenaed bank records showed that one of the attorney's trust accounts had a negative balance, which the bank had to charge off, a violation of RPC 1.15(d)); In re Manolakis, 212 N.J. 468 (2012) (three-month suspension for recordkeeping violations and failure to cooperate with the OAE; as to the attorney's recordkeeping, no clients were harmed; however, the attorney displayed a pattern of failure to cooperate with disciplinary authorities, his previous disciplinary matter (censure) also involved a failure to cooperate with the OAE during its investigation, he failed to cooperate in the current matter, giving rise to his temporary suspension, and failed to appear at the district ethics committee hearing without advising the committee; we found that the attorney's disdain for the disciplinary process and for those who dedicate their time to it was so appalling that a suspension was warranted; mitigating factors considered); and In re Armotrading, 193 N.J. 479 (2008) (six-month suspension on a motion for reciprocal discipline (Florida) for improper release of escrow funds, negligent misappropriation of funds, commingling, recordkeeping violations, and failure to cooperate with ethics authorities; the attorney's failure to cooperate included failure to reply to the grievance,

failure to produce records for the ethics investigator following two requests, failure to answer the complaint, and failure to appear at a non-compliance hearing resulting in his temporary suspension; he also failed to cooperate with New Jersey disciplinary authorities by not reporting his Florida suspension to the OAE; the attorney's failure to cooperate with disciplinary authorities was viewed as so pervasive that it formed a pattern of misconduct and a pattern of disregard for the ethics system).

Here, respondent's other violations, standing alone, each would result in only an admonition - (1) improper use of a professional designation: In the Matter of Raymond A. Oliver, DRB 09-368 (May 24, 2010) (attorney used letterhead that identified three attorneys as "of counsel," despite having had no professional relationship with them, violations of RPC 7.1(a) and RPC 7.5(a); attorney also violated RPC 8.4(d) as two of the attorneys were sitting judges, which could have created a perception among clients or the public that he had improper influence with the judiciary); In the Matter of Paul L. Abramo, DRB 08-209 (October 20, 2008) (attorney continued to use firm letterhead that contained the name of an attorney no longer associated with the firm); and In the Matter of Carlos A. Rendo, DRB 08-040 (May 19, 2008) (use of letterhead identifying a firm lawyer as admitted to practice law in New York, rather than as

admitted to practice law only in New York); and (2) recordkeeping irregularities: In the Matter of Eric Salzman, DRB 15-064 (May 27, 2015); In the Matter of Leonard S. Miller, DRB 14-178 (September 23, 2014); and In the Matter of Stephen Schnitzer, DRB 13-386 (March 26, 2014).

In our view, like the attorney in Manolakis, respondent has established a pattern of failure to cooperate with disciplinary authorities, including his failure to comply with the ALD in his prior matter, hoping that it would slip through the cracks, evidencing his disregard and disrespect for the ethics process. We, therefore, determine that respondent's prior discipline, coupled with his violations here, warrant the imposition of a three-month suspension.

We also determine that respondent not be permitted to apply for reinstatement until he has cooperated with the OAE and corrected his recordkeeping deficiencies; and, further, that, upon reinstatement, for a two-year period, he provide the OAE with monthly reconciliations of his trust account on a quarterly basis.

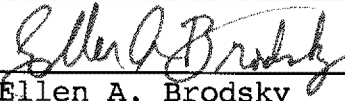
Members Gallipoli, Rivera, and Zmirich voted to impose a six-month suspension. Members Boyer and Joseph did not participate.

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  
Bonnie C. Frost, Chair

By:   
Ellen A. Brodsky  
Chief Counsel

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SUPREME COURT OF NEW JERSEY  
DISCIPLINARY REVIEW BOARD  
VOTING RECORD

In the Matter of Ali A. Ali  
Docket No. DRB 18-040

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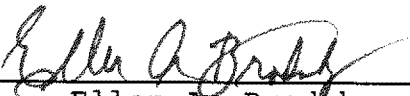
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Argued: April 19, 2018

Decided: July 27, 2018

Disposition: Three-month Suspension

<b>Members</b>	<b>Three-month Suspension</b>	<b>Six-month Suspension</b>	<b>Recused</b>	<b>Did Not Participate</b>
Frost	X			
Clark	X			
Boyer				X
Gallipoli		X		
Hoberman	X			
Joseph				X
Rivera		X		
Singer	X			
Zmirich		X		
<b>Total:</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>2</b>

  
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Ellen A. Brodsky  
Chief Counsel