SUPREME COURT OF NEW JERSEY
Disciplinary Review Board
Docket No. DRB 18-037
District Docket Nos. XIV-2016-0722E;
XIV-2017-0062E; XIV-2017-0063E;
XIV-2017-0096E; and XIV-2017-0097E

IN THE MATTER OF	:
CHRISTIE-LYNN NICHOLSON	:
AN ATTORNEY AT LAW	:

Decision

Decided: July 30, 2018

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

This matter was before us on a certification of the record filed by the Office of Attorney Ethics (OAE), pursuant to R. 1:20-4(f). The sixteen-count formal ethics complaint charged respondent with nine violations of RPC 1.1(a) (gross neglect), seven violations RPC 1.1(b) (pattern of neglect), nine violations of RPC 1.3 (lack of diligence), nine violations of RPC 1.4(b) (failure to communicate with a client), one violation of RPC 1.4(c) (failure to explain a matter to a client to the extent reasonably necessary to permit the client to make

informed decisions regarding the representation), one violation of RPC 1.5(a) (unreasonable fee), one violation of RPC 1.5(b) (failure to set forth in writing the basis or rate of a fee), one violation of RPC 1.8(a) (impermissible business transaction with a client), six violations of RPC 1.15(d) (recordkeeping), one violation of RPC 3.4(g) (presenting, participating in presenting, or threatening to present criminal charges to obtain an improper advantage in a civil matter), thirteen violations of RPC 8.4(b) (commission of criminal act that reflects adversely on the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects), fourteen violations of RPC 8.4(c) (conduct involving dishonesty, fraud, deceit or misrepresentation), one violation of RPC 8.1(b) (failure to cooperate with disciplinary authorities), one violation of RPC 8.4(d) (conduct prejudicial to the administration of justice, for failure to comply with the requirements of R. 1:20-20 governing suspended attorneys), and twelve violations of the principles of In re Siegel, 133 N.J. 162 (1993) (knowing misappropriation of law firm funds).

For the reasons set forth below, we determine that respondent knowingly misappropriated law firm funds, and recommend her disbarment to the Court.

Respondent earned admission to the Pennsylvania bar in 1998 and the New Jersey bar in 2000. During the majority of the

relevant time frame, she was employed as an associate at The Law Offices of Dawn J. Leeds in Paulsboro, New Jersey (the "law firm" or "the firm").

On May 3, 2017, respondent was temporarily suspended for failure to cooperate with the ethics investigation underlying this complaint. In re Nicholson, 228 N.J. 524 (2017). She remains suspended to date.

Service of process was proper in this matter. On December 7, 2017, the OAE sent a copy of the formal ethics complaint, by certified and regular mail, to respondent's last known home address. The certified mail receipt for the complaint sent to respondent was returned, reflecting delivery and bearing an illegible signature; the regular mail sent to her home address was not returned.

On January 8, 2018, the OAE sent a second letter to respondent's home address, by certified and regular mail, informing her that the deadline to file a conforming answer had passed and that, unless she filed a verified answer to the complaint within five days, the allegations of the complaint would be deemed admitted, the record would be certified to us for the imposition of discipline, and the complaint would be deemed amended to include a violation of RPC 8.1(b). Although the certification of the record filed by the OAE is silent

regarding the outcome of this mailing, respondent, as set forth below, acknowledged that the correspondence was mailed to her home address.

Respondent failed to file a verified answer to the complaint. Accordingly, on January 26, 2018, the OAE certified the record to us as a default.

We now turn to the allegations of the complaint.

From early 2015 through October 14, 2016, respondent worked as the sole associate at the law firm. She did not maintain her own attorney business account or attorney trust account. In early 2015, Leeds hired respondent as a part-time associate of the firm. On September 14, 2015, respondent signed a contract to become a full-time, at-will associate of the firm. Respondent's scope of work included performing legal research, drafting documents, representing clients at court proceedings, and, if Leeds were unavailable, completing client intake interviews. Respondent was not entitled to retain any legal fees paid by clients of the firm.

In early 2016, at respondent's suggestion, Leeds allowed respondent to assist in collecting outstanding legal fees that clients owed to the firm. During the same time frame, respondent asked to borrow money from Leeds, who had received a garnishment order in respect of respondent's wages.

Per respondent's instructions, twelve law firm clients directly paid her a total of $19,161, toward outstanding legal fees, which respondent deposited into her personal bank account at Wells Fargo. These client payments represented both legal fees owed to the firm for completed legal services, and legal fees advanced for future legal services. Respondent did not remit those client payments to the firm, despite the fact that she was neither authorized to settle outstanding fees, nor entitled to retain any legal fees paid by to the firm.

To conceal her misconduct, respondent removed pages from the law firm's receipts book; intercepted monthly billing invoices, so that clients would not learn that their payments to respondent were not properly credited to their outstanding balances; and maintained secret notes concerning potential new clients. Some new clients retained respondent to perform work outside of her scope of employment with the firm. Although respondent collected fees from those clients, she never performed the legal services. On October 14, 2016, after discovering respondent's misappropriation of law firm funds, Leeds terminated her employment with the firm.

Moreover, on October 21, 2016, Leeds filed criminal complaints against respondent, charging her with multiple counts of indictable-level theft. Probable cause for those crimes was

found at the municipal level, and the matters were forwarded to the Gloucester County Prosecutor's Office for prosecution. As previously noted, on May 2, 2017, respondent was temporarily suspended for failure to cooperate with the ethics investigation underlying this matter. On July 13, 2017, she was admitted into the Gloucester County Pre-Trial Intervention Program (PTI) in connection with her criminal charges, and agreed to pay $27,550 in restitution to Leeds, the principal of the firm and one of the victims of her crimes.

Count One - The John Wagner Matter

In May 2006, respondent, on behalf of the firm, met with John Wagner to discuss his representation in a divorce action. After the meeting, respondent lied to Leeds, claiming that Wagner was not interested in retaining the firm. On June 7, 2016, however, Wagner signed a retainer agreement with respondent, on the firm's letterhead, and paid her a $3,450 cash retainer. Respondent neither remitted the retainer to the firm nor commenced the legal services. Wagner made numerous attempts to determine the status of his divorce action, but, by November 2016, respondent had ceased communicating with him. Ultimately, Wagner retained Leeds to represent him, and was credited the $3,450 he had paid to respondent for the firm's services.

The complaint charged respondent with violations of RPC 1.1(a); RPC 1.3; RPC 1.4(b); RPC 8.4(b); RPC 8.4(c); and the principles of In re Siegel.

Count Two - The Alexander Emore Matter

Alexander Emore, an existing client of the firm, owed more than $9,000 in legal fees toward his representation in a divorce matter. At some point, respondent directed Emore to make payments toward his balance directly to her. Between March and September 2016, Emore paid $3,401 in cash to respondent, usually after business hours, at the firm's office. Respondent provided Emore with receipts, but did not remit Emore's payments to the firm, and, thus, his outstanding balance was never credited the payments of $3,401.

To conceal her misconduct, respondent intercepted monthly invoices to be mailed to Emore, so that he would not know that his outstanding balance was not being credited for the payments to respondent. After respondent's termination from the firm, Leeds credited Emore for all of the cash payments he had made to respondent.

The complaint charged respondent with violations of RPC 8.4(b); RPC 8.4(c); and the principles of In re Siegel.

Count Three - The Bernadette Gribbin Matter

On a date not set forth in the record, respondent, on behalf of the firm, met with Bernadette Gribbin to discuss her representation in a divorce action. After the meeting, respondent lied to Leeds, claiming that Gribbin was not interested in retaining the firm. Yet, on May 16, 2016, Gribbin signed a retainer agreement with respondent, on the firm's letterhead, and paid her a $3,150 cash retainer. Respondent neither remitted the retainer to the firm nor filed the divorce complaint she had drafted. Ultimately, Gribbin retained Leeds to represent her, and was credited the $3,150 she had paid to respondent for the firm's services.

The complaint charged respondent with violations of RPC 1.1(a); RPC 1.3; RPC 1.4(b); RPC 8.4(b); RPC 8.4(c); and the principles of In re Siegel.

Count Four - The Patrick Gravenese Matter

Patrick Gravenese, an existing client of the firm, owed legal fees toward his prior representation in a family law matter. At some point, respondent directed Gravenese to make payments toward his outstanding balance directly to her. Gravenese paid a total of $2,100 to respondent, but she neither remitted those funds to the firm nor provided receipts to him.

Gravenese also paid respondent an additional $500, via a deposit directly into her account with Wells Fargo, to "ghost write" a motion for child custody and support, outside of the scope of her employment with the firm. Respondent never completed the motion.

To cover her misconduct, respondent intercepted monthly invoices to be mailed to Gravenese, so that he would not discover that his outstanding balance was not being credited for his payments to respondent. Subsequent to respondent's termination from the firm, Leeds credited Gravenese for the $2,100 he had paid to respondent, but not for the $500 he had paid for the additional legal services outside of respondent's scope of employment with the firm. Leeds also found a receipt that respondent had prepared, in respondent's desk drawer at the firm's office, reflecting a $1,000 payment that Gravenese had made directly to respondent.

The complaint charged respondent with violations of RPC 1.1(a); RPC 1.1(b); RPC 1.3; RPC 1.4(b); RPC 1.15(d); RPC 8.4(b); RPC 8.4(c); and the principles of In re Siegel.

Count Five - The Alfred Fisher Matter

Alfred Fisher, an existing client of the firm, owed legal fees toward his representation. On April 4, 2016, respondent

directed Fisher to make payments toward his outstanding balance directly to her. Between April and July 2016, Fisher paid $2,340 in cash to respondent. Because respondent did not remit Fisher's payments to the firm, his outstanding balance was never credited to reflect those payments.

Respondent intercepted monthly invoices to be mailed to Fisher, to conceal her misconduct and to prevent him from learning that his outstanding balance was not being credited for the payments to her. Subsequent to respondent's termination from the firm, Leeds credited Fisher for all of the cash payments he had made to respondent.

The complaint charged respondent with violations of RPC 8.4(b); RPC 8.4(c); and the principles of In re Siegel.

Count Six - The Gilbert Martinez Matter

Gilbert Martinez, an existing client of the firm, owed legal fees toward his representation. Respondent directed Martinez to make payments toward his outstanding balance directly to her. In July and August 2016, Martinez paid $1,600 in cash to respondent, after business hours, at the firm's office. Martinez also paid respondent an additional $400 to "ghost write" a motion to adjust his alimony payments, work not authorized by the firm, which respondent never completed.

In September 2016, Martinez informed Leeds that he had received billing invoices from the firm that did not credit the $1,600 he had paid to respondent. Leeds confronted respondent, who claimed that she had placed Martinez's cash payments in Leeds' desk drawer, pursuant to unwritten firm policy. Leeds found only $1,400 in her desk drawer and demanded that respondent produce the additional $200 or face termination and prosecution.

Subsequent to respondent's termination from the firm, Leeds credited Martinez for the $1,600 he had paid to respondent, but not for the $400 he had paid for the additional legal services outside of the scope of her employment with the firm. Leeds also found a receipt that respondent had prepared, in respondent's desk drawer at the firm's office, reflecting a $600 payment that Martinez had made directly to respondent.

The complaint charged respondent with violations of RPC 1.1(a); RPC 1.1(b); RPC 1.3; RPC 1.4(b); RPC 1.15(d); RPC 8.4(b); RPC 8.4(c); and the principles of In re Siegel.

Count Seven - The Nancy Wargo Matter

Nancy Wargo retained the firm to represent her in a divorce matter, and respondent was assigned to her case. Wargo's bill for legal services totaled $4,200. Of that amount, $2,000 was

covered by a legal insurance policy Wargo maintained, leaving an outstanding balance of $2,200. At some point, respondent informed Wargo that, if she paid her outstanding balance in cash, respondent would provide a discount. On June 6 and September 2, 2016, at respondent's direction, Wargo brought $2,150 in cash to respondent, after normal business hours. Respondent did not remit Wargo's payments to the firm, and, thus, her outstanding balance was never credited to reflect the $2,150 in payments.

To conceal her misconduct, respondent intercepted monthly invoices to be mailed to Wargo, so that she would not discover that her outstanding balance was not credited for the payments to respondent. Subsequent to respondent's termination from the firm, Leeds credited Wargo for all of the cash payments she had made to respondent.

The complaint charged respondent with violations of RPC 8.4(b); RPC 8.4(c); and the principles of In re Siegel.

Count Eight - The John Murphy Matter

John Murphy, an existing client of the firm, owed $4,600 in legal fees toward his representation. He made $950 in cash payments toward his outstanding balance directly to respondent. When Murphy questioned respondent after receiving invoices that

did not reflect the $950 he had paid, she replied that a credit adjustment would be made to his outstanding balance. Subsequent to respondent's termination from the firm, Leeds credited Murphy for all of the cash payments he had made to respondent.

The complaint charged respondent with violations of RPC 8.4(b); RPC 8.4(c); and the principles of In re Siegel.

Count Nine - The William Trauger Matter

William Trauger, an existing client of the firm, owed legal fees toward his representation in a child support matter. Respondent directed Trauger to make payments totaling $1,670 toward his outstanding balance either directly to her or via deposits into her bank account. On September 26, 2016, for example, Trauger deposited $150 directly into respondent's Wells Fargo account after she provided him with her account details. Respondent did not remit Trauger's payments to the firm. Trauger paid respondent an additional $2,500 to perform legal services on a child support matter, outside of the scope of her employment with the firm, which respondent never completed.

In October 2016, to conceal her misconduct, respondent instructed Trauger to lie to Leeds and to other employees of the firm if he were questioned about having made cash payments directly to her. Respondent also asked Trauger whether he would

give her some of his wife's pain medication, but he declined. Subsequent to respondent's termination from the firm, Leeds credited Trauger for the $1,670 he had paid to respondent, but not for the $2,500 he had paid for the additional legal services outside of respondent's scope of employment with the firm, which Trauger admitted he knew were not being performed in connection with the firm.

The complaint charged respondent with violations of RPC 1.1(a); RPC 1.1(b); RPC 1.3; RPC 1.4(b); RPC 1.15(d); RPC 8.4(b); RPC 8.4(c); and the principles of In re Siegel.

Count Ten - The Patrick Deeney Matter

Although Patrick Deeney was not a client of the firm, he paid respondent $600, outside of the scope of her employment with the firm, to complete a motion in an emancipation matter. Respondent misrepresented to Deeney that she had completed and filed the motion. Deeney was arrested for failure to pay child support.

The complaint charged respondent with violations of RPC 1.1(a); RPC 1.1(b); RPC 1.3; RPC 1.4(b); RPC 1.15(d); and RPC 8.4(c).

Count Eleven - The Tracy Fitzgerald Matter

Tracy Fitzgerald, an existing client of the firm, owed legal fees toward her representation. On August 24, 2016, without Leeds' authorization, respondent offered to settle Fitzgerald's outstanding balance if she paid cash. Fitzgerald made a $300 cash payment directly to respondent, after business hours, at the firm's office, and respondent provided her with a receipt. Respondent did not remit Fitzgerald's payment to the firm. Subsequent to respondent's termination from the firm, Leeds credited Fitzgerald for the cash payment she had made to respondent.

The complaint charged respondent with violations of RPC 8.4(b); RPC 8.4(c); and the principles of In re Siegel.

Count Twelve - The Luis Maldonado Matter

On August 10, 2016, respondent met with Luis Maldonado, on behalf of the firm, to discuss his need for demand letters to be sent to adjusters and insurance companies. Maldonado signed a retainer agreement with respondent, on the firm's letterhead, and paid respondent $300 cash, for which respondent provided a receipt. She neither remitted the fees to the firm nor drafted the demand letters. Maldonado was unaware that a legal insurance policy he maintained covered the fees for the demand letters.

Ultimately, the firm completed the demand letters and refunded Maldonado the $300 he had paid to respondent for the firm's services.

The complaint charged respondent with violations of RPC 1.1(a); RPC 1.1(b); RPC 1.3; RPC 1.4(b) and (c); RPC 1.5(a); RPC 8.4(b); RPC 8.4(c); and the principles of In re Siegel.

Count Thirteen - The Susan Mattingly Matter

Susan Mattingly was an existing client of the firm who executed a new retainer agreement with respondent, on firm letterhead, for the drafting of a demand letter. Although Mattingly paid the $150 fixed fee, respondent neither remitted the money to the firm nor completed the demand letter. Subsequent to respondent's termination from the firm, the firm completed Mattingly's demand letter.

The complaint charged respondent with violations of RPC 1.1(a); RPC 1.1(b); RPC 1.3; RPC 1.4(b); RPC 8.4(b); RPC 8.4(c); and the principles of In re Siegel.

Count Fourteen - The Shannon Van Vianen-Bauer Matter

Shannon Van Vianen-Bauer retained respondent, outside of the scope of her employment with the firm, for legal representation in a child custody matter. Although Vianen-Bauer

paid respondent a total of $1,575 cash, deposited directly into respondent's Wells Fargo account, respondent never provided her with a written retainer agreement, and never performed the legal services, aside from sending a few text messages containing her opinions. Moreover, $275 of the $1,575 paid by Vianen-Bauer represented a loan requested by respondent, for which respondent never advised Vianen-Bauer to seek the advice of independent counsel, and never provided documents memorializing the terms of the loan.

The complaint charged respondent with violations of RPC 1.1(a); RPC 1.1(b); RPC 1.3; RPC 1.4(b); RPC 1.5(b); RPC 1.8(a); and RPC 1.15(d).

Count Fifteen – Failure to Cooperate

Between December 19, 2016 and February 16, 2017, respondent failed to reply to five letters the OAE sent to her last known home address in connection with the multiple grievances underlying this matter. She also failed to appear at a demand audit scheduled for February 23, 2017, despite acknowledging having received notice of the audit on February 7, 2017. On March 27, 2017, the OAE filed the petition for respondent's temporary suspension, which the Court granted on May 2, 2017.

During telephone conversations with the OAE, on February 21 and April 27, 2017, respondent confirmed that she lived at the address to which the OAE had sent all disciplinary correspondence, and admitted that she had received the petition for temporary suspension. Yet, she failed to file either a verified answer to the complaint or opposition to the motion for temporary suspension. Following her suspension, respondent failed to file the required R. 1:20-20 affidavit.

The complaint charged respondent with violations of RPC 8.1(b) and RPC 8.4(d).

Count Sixteen – Additional Misconduct

As set forth above, on October 14, 2016, after discovering respondent's misconduct, Leeds terminated respondent's employment with the firm. Moreover, on October 21, 2016, Leeds filed criminal complaints against respondent, charging her with multiple counts of indictable-level theft.

On November 6, 2016, respondent filed for unemployment compensation, and, on November 18, 2016, Leeds informed the New Jersey Department of Labor (NJDOL) that respondent's employment had been terminated for theft, misappropriation of funds, embezzlement, unethical conduct, and improper client

interactions. Leeds added to the employer submission the notation, "DO NOT give her unemployment."

In a November 18, 2016 letter, respondent threatened that, unless Leeds withdrew the criminal charges and recanted the information she had given to the NJDOL, within ten days, respondent would report Leeds, members of her family, and her employees to the relevant authorities for purported "counter allegations" of fraud and crimes. The same letter warned Leeds that, if she challenged respondent's unemployment claim, respondent would report Leeds to the "necessary prosecutorial offices."

Subsequently, on December 6, 2016, respondent copied Leeds on an e-mail exchange with Jacqueline Nicholson, wherein respondent stated that, unless "the unemployment challenge will be withdrawn and that all [criminal] allegations will be recanted per the detailed letter attached to the earlier email and mailed ten days ago and deemed received, I will proceed with all advised actions and information against all named individuals."

The complaint charged respondent with violations of RPC 3.4(g); RPC 8.4(c); and RPC 8.4(d).

* * *

The facts recited in the formal ethics complaint support all of the charges of unethical conduct set forth therein. Respondent's failure to file a verified answer to the complaint is deemed an admission that the allegations of the complaint are true and that they provide a sufficient basis for the imposition of discipline. R. 1:20-4(f)(1).

Although the complaint charged respondent with sixteen counts, comprising dozens of RPC violations, the most serious charges concern her knowing misappropriation of law firm funds. The facts recited in the formal ethics complaint clearly and convincingly support the charges that respondent knowingly misappropriated law firm funds. Because disbarment is the sanction for such misconduct, those are the only charges that we need address.

Specifically, in the Wagner, Emore, Gribbin, Gravenese, Fisher, Martinez, Wargo, Murphy, Trauger, Fitzgerald, Maldonado, and Mattingly matters, respondent improperly pocketed legal fees owed to her law firm, without a claim of right, or the knowledge or consent of her employer, Leeds. She stole these funds for her own purposes and for purposes unrelated to the goals of the firm or the respective client matters. She then made concerted efforts to conceal her misconduct, including accepting direct

payments at the firm's office, after normal business hours, and intercepting monthly client billings.

In New Jersey, disbarment is generally imposed for the knowing misappropriation of law firm funds. In In re Sigman, 220 N.J. 141 (2014), the most recent opinion addressing the theft of law firm funds, the Court stated that it has:

> construed the 'Wilson rule, as described in Siegel,' to mandate the disbarment of lawyers found to have misappropriated firm funds '[in] the absence of compelling mitigating factors justifying a lesser sanction, which will occur quite rarely.'
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> [Sigman, 220 N.J. at 157 (quoting In re Siegel, 133 N.J. at 167-68.]

In In re Siegel, 133 N.J. 162 (1993), the Court addressed, for the first time, the question of whether knowing misappropriation of law firm funds should result in disbarment. During a three-year period, Siegel, a partner at his firm, had converted more than $25,000 in funds from his firm by submitting false disbursement requests to the firm's bookkeeper. Id. at 163-64. Although the disbursement requests listed ostensibly legitimate purposes, they represented Siegel's personal expenses, including a mortgage service fee for his mother-in-law. Ibid. While the payees were not fictitious, the stated purposes of the expenses were. Ibid.

Although we did not recommend the attorney's disbarment, the Court agreed with our dissenting public members, who "saw no ethical distinction between the prolonged, surreptitious misappropriation of firm funds and the misappropriation of client funds." Ibid. The Court concluded that knowing misappropriation from one's partners is just as wrong as knowing misappropriation from one's clients, and that disbarment was the appropriate discipline. Id. at 168.

In In re Greenberg, 155 N.J. 138 (1998), the Court refined the principle announced in Siegel. Greenberg was also disbarred, after misappropriating $34,000 from his law firm partners, over a sixteen-month period, and using the ill-gotten proceeds for personal expenses, including mortgage payments and country club dues. Id. at 153, 159. He improperly converted the funds by endorsing two insurance settlement checks to a client, rather than depositing the checks in his firm's trust account. Id. at 141. Per his instructions, the client then issued checks for legal fees directly payable to Greenberg. Ibid. Additionally, the attorney falsified disbursement requests, and used those proceeds to pay personal expenses. Id. at 141-43.

In mitigation, Greenberg asserted that a psychiatric condition, which he attributed to childhood development issues and depression, rendered him unable to form the requisite intent

to misappropriate his firm's funds. Id. at 153. Additionally, he submitted over 120 letters from peers and community members, attesting to his reputation for honesty and integrity. Id. at 162. Determining that Greenberg appreciated the difference between right and wrong, and had "carried out a carefully constructed scheme," the Court rejected his mitigation and disbarred him. Id. at 158, 162.

In In re Staropoli, 185 N.J. 401 (2005), the attorney received a one-year suspension in Pennsylvania and Delaware, but was disbarred in New Jersey, for retaining a $3,000 legal fee, two-thirds of which belonged to his firm. Staropoli, an associate in a Pennsylvania law firm, was aware that contingent fees were to be divided in certain percentages between the firm and its associates, if the associates originated the cases. In the Matter of Charles C. Staropoli, DRB 04-319 (March 2, 2005) (slip op. at 2). In May 2000, Staropoli settled a personal injury case he had originated, earning a contingent fee. Ibid. The insurance company issued a check payable to both him and the client. Ibid. He did not tell the firm of his receipt of the check and deposited it in his personal bank account, rather than the firm's account. Ibid. He then distributed $6,000 to the client and kept the $3,000 fee for himself. Ibid.

In August 2000, Staropoli left the firm without disclosing his receipt of the fee in the personal injury case. Id. at 3. The firm learned of his misconduct when the insurer called the firm seeking the client's post-settlement release. Ibid. When the firm confronted Staropoli, he alternately misrepresented that he had not charged the client a fee because she was a friend; that he charged her less than a one-third fee; and that he charged her only $1,500. Ibid. In May 2001, he made restitution to the firm for its portion of the fee. Ibid.

At the Pennsylvania disciplinary hearing, Staropoli expressed remorse and embarrassment. Id. at 4. In addition, two lawyers, from the very firm from which he misappropriated the funds, testified to his good character. Id. at 5. At no point, during either the Pennsylvania or New Jersey disciplinary proceedings, however, did Staropoli assert that he misunderstood his firm's fee-sharing policies; that there was a genuine dispute about his entitlement to the entire fee; or that he had resorted to "self-help" because the firm denied him compensation to which he was entitled. Id. at 20. Rather, he admitted that he misappropriated the legal fees due to financial need and anger at the firm, caused by the imminent termination of associates, including him. Ibid.

We issued a divided decision. Four members found that the attorney's single aberrational act should not require "the death penalty on [Staropoli's] New Jersey law career." Id. at 22-23. Those members were convinced that his character was not permanently flawed or unsalvageable. Id. at 23.

The four members who voted for disbarment found that the attorney did not have a reasonable belief of entitlement to the funds that he withheld from the firm, and that he had advanced no other valid reason for his misappropriation of law firm funds. Id. at 19-20, 22. The Court agreed and disbarred the attorney. See also In re Malanga, 227 N.J. 2 (2016) (attorney, who was a shareholder in his firm, disbarred for knowingly misappropriating client and law firm funds, repeatedly, over the course of years; although the attorney asserted that he had committed no misappropriation of funds, the evidence revealed that he had engaged in a methodical scheme designed to render his invasion of funds undetectable; the attorney also had fabricated court documents to conceal from his clients his mishandling of their cases); In re Leotti, 218 N.J. 6 (2014) (attorney, who was an associate, disbarred for knowingly misappropriating funds from his law firm; in six cases, the attorney instructed clients to pay fees directly to him; he then retained the funds for his personal benefit); In re Epstein, 181 N.J. 305 (2004) (attorney,

who was an associate, disbarred for knowingly misappropriating funds from his law firm; in four cases, the attorney instructed clients to issue fee checks to him; he then cashed the checks and retained the funds); and In re LeBon, 177 N.J. 515 (2003) (attorney, who was of counsel, disbarred for diverting $5,895.23 of law firm funds by instructing a client to make a check for fees payable to him; he directed his secretary to confirm the instructions).

The misappropriation of law firm funds is not always met with disbarment. Lesser sanctions have been imposed where attorneys have been engaged in business disputes with their law firms.

In In re Bromberg, 152 N.J. 382 (1998), the attorney entered into an employment agreement with two other attorneys, in February 1994. In the Matter of Arthur D. Bromberg, DRB 97-129 (December 16, 1997) (slip op. at 3). Although the parties later disagreed over whether the agreement created a partnership, Bromberg reasonably believed that he was a partner in the firm. Id. at 3-4. Compensation problems surfaced almost immediately, due to dissatisfaction with the amount of fees Bromberg generated. Id. at 5-6. In September 1994, the attorney in control of the firm's finances informed Bromberg that he would no longer receive his $8,000 monthly salary, despite the fact

that the executed agreement provided that he would receive that sum through the end of 1994. Id. at 6-7.

By September 1994, Bromberg was receiving no income from the firm. Id. at 9-10. In late October or early November 1994, Bromberg requested that one of his corporate clients send its legal fee checks directly to him. Ibid. The client did not reply to the request and Bromberg did not pursue it. Ibid. Subsequently, however, Bromberg asked the firm's accounts receivables clerk to permit Bromberg to examine the firm's mail, and misrepresented that he was expecting mail from his prior law firm. Id. at 7-8. On November 13 or 14, 1994, Bromberg intercepted an envelope from his client, containing two checks payable to the firm, in the amounts of $3,260.18 and $3,355.38. Ibid. He endorsed those checks by signing the firm's name and his own name, and deposited them in his own business account, which he had maintained because he was still receiving fees from his prior law practice. Ibid.

In late November or early December 1994, he told his "partner" that he had taken the checks. Id. at 9. It was eventually agreed that Bromberg would remain with the firm until the end of December 1994, because he was to begin selecting a jury for matters in New York. Ibid.

Although the OAE argued that Bromberg should be disbarred for knowing misappropriation of law firm funds, he received only a reprimand. Id. at 18. We found that Bromberg

> reasonably believed that he was a partner with that firm. Even if [Bromberg's] belief was mistaken, that belief led him to understand that he was entitled to receive the checks from [the client]. [Bromberg] had not been paid any salary for October or November. He was experiencing cash flow problems and he felt that [his partner] had unilaterally breached the letter-agreement. Thus, he resorted to 'self-help.' That is not to say that [Bromberg] acted correctly . . . [but he] did not have the mens rea to steal. In his mind, he was advancing to himself funds to which he was absolutely entitled. He acted out of self-righteousness. It is the manner in which [Bromberg] chose to make things right that is reproachable.
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> [Id. at 19-20.]

Similarly, in In re Glick, 172 N.J. 319 (2002), the attorney entered into an agreement with a law firm, whereby he would receive a base annual salary, plus benefits, reimbursement of expenses, and profit-sharing. In the Matter of Adam H. Glick, DRB 01-151 (January 29, 2002) (slip op. at 2). Glick was responsible for supervising a unit concentrating on personal injury cases and PIP medical arbitration work. Ibid. Because Glick had a prior solo practice, he continued to maintain his attorney business account to deposit fees earned from that practice. Ibid. Almost from the inception of his association

with the law firm, Glick and the firm disagreed about his unit's productivity and about Glick's share of the firm's profits. Id. at 2-3.

Between 1994 and 1997, Glick deposited checks totaling $12,747.50 in his own attorney business account. Id. at 4. The checks had been made payable to him and the majority of the fees were for his services as an arbitrator on insurance matters that he had originated. Ibid. However, Glick admitted that the fees were due to the firm, and that he had taken them without the firm's knowledge or consent. Ibid. He stated that he had retained the fees as a form of self-help to compensate him for the firm's failure, in his view, to properly remit his profit share. Ibid. Glick, too, received a reprimand. See also In re Spector, 178 N.J. 261 (2004) (reprimand for attorney who remained at a firm while in the process of forming his own firm; he was under the impression that the prior firm had failed to comply with its employment agreement and that it intended to cheat him; he, therefore, retained fees that he had earned while still at the prior firm, intending to hold them in escrow but, through a miscommunication with his new partner, some of the fees were deposited in the business account and were spent) and In re Nelson, 181 N.J. 323 (2004) (reprimand for attorney who took funds from his law firm while in the midst of a partnership

dispute; the attorney had learned that legal malpractice lawsuits had been filed against the firm and had been concealed from him; that attorneys in the firm had made improper payments of referral fees to other attorneys; that one of his partners had been trying to "steal" his clients so that the partner would receive credit for generating the fees paid by those clients; and that, contrary to his expressed position, law firm funds had been expended for such items as payment of sanctions imposed on individual attorneys in the firm or payment to an accountant to reconcile an individual attorney's accounts).

Finally, in Sigman, the attorney, an associate at a Pennsylvania law firm, kept legal fees and referral fees, over a four-year period, repeatedly violating the terms of his employment contract. Sigman, 220 N.J. at 145. Sigman knew he was prohibited from handling client matters and referrals independent of the firm, but did so anyway, and instructed clients to issue checks for fees directly to him. Id. at 147-48. In total, he withheld $25,468 from his firm. Id. at 145.

After the firm terminated his employment, but prior to the imposition of discipline in Pennsylvania, Sigman successfully sued his prior employer, resulting in the award of $123,942.93 in legal and referral fees that the firm had wrongfully withheld from him. Id. at 151. During disciplinary proceedings, he did not

raise the dispute with his prior firm over legal fees as justification for his misappropriation. For his violations of RPC 1.15(a), RPC 1.15(b), RPC 3.4(a), and RPC 8.4(c), the Pennsylvania Supreme Court, citing substantial mitigation, suspended Sigman for thirty months. Ibid.

The OAE moved for reciprocal discipline, recommending that Sigman be disbarred, and we agreed. The Court, however, imposed a thirty-month suspension, identical to the discipline imposed by Pennsylvania, noting the presence of compelling mitigating factors: respondent had no disciplinary history in Pennsylvania or New Jersey; he submitted character letters exhibiting his significant contributions to the bar and underserved communities; he readily admitted his wrongdoing and cooperated with disciplinary authorities; he did not steal funds belonging to a client; his misappropriation occurred in the context of fee payment disputes and a deteriorating relationship with his firm, where he ultimately was vindicated; and his misconduct was reported only after the conflict over fees had escalated. Id. at 161. The Court further noted that the unique nature of the payment and receipt of referral fees in Pennsylvania warranted substantial deference to that jurisdiction's disciplinary decision. Id. at 160-61.

Here, like the attorneys in Leotti, Epstein, and LeBon, respondent is guilty of improperly diverting law firm funds by instructing firm clients to make payments of legal fees owed to the firm directly to her, including, on occasion, via deposits directly into her personal Wells Fargo account. In total, she stole at least $19,161 from her law firm. Respondent's scheme of misappropriation shares none of the mitigating characteristics that distinguished the misappropriation committed by the attorneys in Sigman, Bromberg, Glick, Spector, and Nelson, and, thus, spared them the ultimate sanction of disbarment.

Rather, respondent had substantial experience as an attorney when she committed the misconduct. She engaged in a pattern of misconduct over an extended period of time, and she engaged in multiple forms of dishonesty – she improperly took fees, attempted to conceal her knowing misappropriation, and made threats to her former employer in an attempt to both escape punishment and to secure New Jersey unemployment benefits.

Thus, the facts of this case compel us to determine, just as in Siegel, Greenberg, Staropoli, Malanga, Leotti, Epstein, and LeBon, that there is no ethical distinction between respondent's "prolonged, surreptitious misappropriation of firm funds and the misappropriation of client funds." There is no evidence that respondent took her firm's funds in connection

with a colorable business dispute. Accordingly, respondent should be disbarred. In light of our recommendation, we need not reach the appropriate discipline for respondent's other misconduct.

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
Ellen A. Brodsky
Chief Counsel

SUPREME COURT OF NEW JERSEY
DISCIPLINARY REVIEW BOARD
VOTING RECORD

In the Matter of Christie-Lynn Nicholson
Docket No. DRB 18-037

Decided: July 30, 2018

Disposition: Disbar

Members	Disbar	Recused	Did Not Participate
Frost	X		
Clark	X		
Boyer			X
Gallipoli	X		
Hoberman	X		
Joseph			X
Rivera	X		
Singer	X		
Zmirich	X		
Total:	7	0	2

Ellen A. Brodsky
Chief Counsel