SUPREME COURT OF NEW JERSEY Disciplinary Review Board Docket No. DRB 18-101 District Docket Nos. IIIB-2015-0029E and IIIB-2015-0035E

IN THE MATTER OF
RAHEEM S. WATSON

AN ATTORNEY AT LAW

Decision

Argued: May 17, 2018

Decided: September 6, 2018

Michael Mormando appeared on behalf of the District IIIB Ethics Committee.

Respondent, through counsel, waived appearance.

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

This matter was originally before us on a recommendation for an admonition filed by the District IIIB Ethics Committee (DEC), which we determined to treat as a recommendation for greater discipline, in accordance with R. 1:20-15(f)(4). The formal ethics complaint charged respondent with violating RPC 1.1(a) (gross neglect); RPC 1.1(b) (pattern of neglect); RPC 1.3 (lack of diligence); RPC 1.4(b) (failure to communicate with the client); RPC 5.1(b) (failure to ensure that another lawyer over

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whom the lawyer has supervisory authority conforms to the <u>Rules</u> of <u>Professional Conduct</u>); <u>RPC</u> 8.4(c) (conduct involving dishonesty, fraud, deceit or misrepresentation); and <u>RPC</u> 8.4(d) (conduct prejudicial to the administration of justice). For the reasons set forth below, we determine to impose a reprimand.

Respondent was admitted to the New Jersey and Pennsylvania bars in 2009. He has no history of discipline.

On August 28, 2017, the Court ordered respondent ineligible to practice law for failing to pay the annual attorney assessment to the New Jersey Lawyers' Fund for Client Protection. He remains ineligible to date.

Respondent admitted many of the allegations of the complaint. Specifically, he admitted that he lacked diligence, failed to timely communicate with his client, and failed to supervise the Conrad Benedetto Law Firm. He denies, however, that he acted with gross negligence; engaged in a pattern of neglect; made any "intentional misrepresentations;" or engaged in conduct prejudicial to the administration of justice. Thus, for the most part, the hearing focused on those remaining allegations of the complaint. The facts of the matter are as follows.

On January 18, 2014, grievants Robert Stanley and Garrett Arneson, retained respondent, for a \$700 flat fee, to represent

them as plaintiffs in a breach of contract claim against One Source Contracting, LLC (One Source), concerning a residential home improvement contract. That same day, grievants paid the full \$700 via check number 173, which respondent cashed on January 30, 2014. Then, on February 23, 2014, Arneson signed a written fee agreement, which provided that, although respondent would be the principal attorney for the matter, certain portions of the services might be delegated at his discretion.

On April 22, 2014, respondent filed a complaint in Superior Court of New Jersey against One Source, alleging poor workmanship and failure to complete the remodeling of grievants' bathroom. Respondent admitted that, at the time, he was entirely focused on his representation of a defendant in several cases and in a confidential federal law enforcement investigation.

On November 7, 2014, the complaint against One Source was dismissed, without prejudice, due to a lack of prosecution. Respondent failed to timely inform grievants of the dismissal. Despite that omission, however, respondent claimed that he intended to re-file the complaint in the Special Civil Part. Specifically, on February 2, and again on February 11, 2015, three months after the dismissal, respondent sent an e-mail to the Law Offices of Conrad J. Benedetto (the Benedetto Firm), intending to refer the matter to that firm, which would then re-

file the complaint against One Source. He admitted again, however, that he knew the matter had been dismissed.

Respondent asserted that he had contacted the Benedetto Firm for assistance, and to request that the firm re-file the complaint on behalf of grievants. He did not obtain the grievants' permission to retain the Benedetto Firm because he believed the fee agreement provided him with the discretion to do so. Respondent admitted, however, that he should have contacted grievants first, to discuss with them his assignment of the case to another firm.

Respondent testified that the Benedetto Firm had assured him that the complaint would be re-filed in the Special Civil Part, restoring the case to active status, which, in turn, led to his belief that the Benedetto Firm had done so in a timely manner. He acknowledged that, between February and June 2015, he had not adequately communicated with the Benedetto Firm to ensure that the grievants' complaint had been reinstated.

Arneson testified that he took careful notes during a February 6, 2015 telephone conversation with respondent. During that conversation, respondent never mentioned that the case had been dismissed. Rather, respondent claimed that he had filed paperwork to obtain a judgment against One Source; that the grievants would have the judgment within approximately forty

days; and that, afterward, they would need to execute on the judgment. During that conversation, respondent apologized to Arneson for not returning his call sooner, explaining that personal issues had prevented him from doing so.

On February 15, 2015, via e-mail, Arneson reminded respondent that, during the February 6, 2015 telephone call, respondent had agreed to forward to Arneson the documentation respondent had filed to obtain the judgment. Respondent neither replied to the e-mail nor provided the requested documents. On March 20 and March 27, 2015, Arneson sent follow up e-mails to respondent, requesting copies of those documents, but received no reply.

Respondent conceded that he had not obtained a judgment against One Source and that the case had been dismissed. At the hearing, Arneson testified that he did not know what a "dismissal without prejudice" meant at the time he learned that the complaint had been dismissed, and believed that respondent had lied to him by informing him that his claim was still valid. Respondent argued, however, that, at the time he informed Arneson that the matter was proceeding, he believed that the Benedetto Firm had remedied the dismissal. He admitted he should have confirmed that the Benedetto Firm actually had re-filed the complaint prior to his informing Arneson that the matter was

proceeding. He argued that, at that time, he did not tell Arneson the truth about the status of the matter, because he did not know the truth himself, other than that the matter previously had been dismissed.

Arneson believed that respondent misled him. Respondent omitted the truth (regarding the dismissal) and told Arneson he had done something when he had not (filed for judgment). Rather, respondent continued to "conveniently" withhold the truth, through July 2015.

On July 31, 2015, after respondent learned of the grievance, he contacted Arneson, informing him that judgment had not yet been entered, that respondent's "local counsel" was handling the case, and that respondent anticipated obtaining the judgment within the next forty-five days. When Arneson asked respondent why he believed the case was still open, respondent replied: "It's open, it's been moved to the special civil court." On August 3, 2015, Stanley went to the Camden County Courthouse and learned that the complaint had been dismissed, without prejudice, for lack of prosecution.

Respondent denies having made misrepresentations to his clients. He admitted that he should have been more transparent about certain steps in the process, but claimed that he never

intended to mislead them. Rather, he wanted to get the case back on track and to obtain the results the clients wanted.

Conversely, Arneson testified that respondent had maintained, until the grievance was filed, that a judgment had been obtained. In an August 4, 2015 letter to the DEC, Arneson asserted that, even after the grievance had been filed, respondent sent him a letter stating, "[w]e do not have a judgment yet in your case ..." Of particular concern to Arneson was the fact that respondent had multiple opportunities to tell the truth, including the February 6, 2015 conversation in which respondent stated that he had filed for a judgment, when he knew that the case had been dismissed.

Finally, on August 10, 2015, Daniel J. McCracken, Esq., of the Benedetto Firm, filed the second complaint against One Source. That complaint was dismissed for unrelated reasons, and the grievants have not recovered the money they paid to One Source. Respondent has not refunded the \$700 flat fee to his clients, who spent an additional \$5,700 to complete the work One Source did not perform.

As noted above, respondent admitted that he was guilty of a lack of diligence, failure to communicate, and failure to supervise. Of the contested RPC violations, the panel found respondent guilty of only a pattern of neglect, and dismissed

the alleged charges of gross neglect; conduct involving dishonesty, fraud, deceit or misrepresentation; and conduct prejudicial to the administration of justice.

Specifically, the DEC found, by clear and convincing evidence, that respondent was not truthful with his clients regarding the status of their case. Nevertheless, the DEC determined that respondent had not engaged in dishonesty, fraud, deceit or misrepresentation. In this respect, the DEC concluded that respondent had not acted intentionally, noting that he did not stand to gain anything by lying and that,

[w]hile he lacked diligence, he did purposefully fail to prosecute their claim and did not intend to harm grievants by failing to advise them of his negligence. He panicked, became afraid to tell the truth, and was hopeful he could make his mistake go away. He lied out of fear of the mistake. That conduct is wrong, respondent acknowledges it is wrong identifies many mitigating factors as to why he likely did not act intentionally.

[HPRp.14].<sup>1</sup>

The DEC also found that respondent had engaged in a pattern of neglect, including the failure to inform his clients of the status of their matter or of his referral of their case to another firm. In this regard, the DEC determined that

<sup>1</sup> HPR refers to the undated hearing panel report.

respondent's reliance on his fee agreement for the discretion to refer the matter to another firm was misplaced. Grievants chose respondent to pursue their claims and any change in that representation should have been communicated to them.

The DEC found that respondent's conduct did not amount to gross neglect, because he was distracted by his other cases and inexperienced about law practice management; that he admitted his errors and has taken steps to assure they do not happen again; and that he apologized for his misconduct.

As noted, respondent admitted, and the DEC found, that he lacked diligence by failing to pursue the claim against One Source on behalf of his clients, and by failing to follow up with the Benedetto Firm after he "transferred" the matter. Similarly, he failed to properly communicate with his clients from the time the initial complaint was dismissed until the grievance against him was filed, both in violation of RPC 1.3 and RPC 1.4(b).

Finally, respondent admitted that he failed to supervise the Benedetto Firm after his clients' matter was transferred. Hence, the DEC found that allegation proven without contest.

Based on the aggregate of respondent's  $\underline{RPC}$  violations in this one matter, the DEC found a pattern of neglect, a violation of  $\underline{RPC}$  1.1(b).

In sum, the DEC determined that respondent violated RPC 1.1(b), RPC 1.3, RPC 1.4(b), and RPC 5.1(b). In mitigation, it considered respondent's acceptance of responsibility, his admission of most of the alleged RPC violations, his cooperation, his contrition, and his remedial efforts to prevent reoccurrence. The DEC recommended an admonition.

Following a <u>de novo</u> 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.

Specifically, the record supports the DEC's findings that respondent violated RPC 1.3 and RPC 1.4(b). In addition, the DEC correctly dismissed the alleged violation of RPC 8.4(d). Contrary to the DEC's findings, however, the record also supports a finding that respondent violated RPC 1.1(a) and RPC 8.4(c). The record does not support the DEC's finding that respondent violated RPC 1.1(b) and RPC 5.1(b), as discussed in more detail below.

Respondent was grossly negligent and lacked diligence, based on his failure to do any work on his clients' matter after he filed the initial complaint, which ultimately was dismissed for lack of prosecution. He continued to neglect the matter after its dismissal, by referring it to another law firm, without obtaining the permission of his clients and without

seeing the transfer through. Because the referral was improper, respondent remained responsible for prosecuting his client's complaint. He failed to do so, in violation of  $\underline{RPC}$  1.1(a) and  $\underline{RPC}$  1.3.

Respondent's conduct, however, involves a single instance of neglect in one matter, whereas a minimum of three instances of neglect is necessary to establish a pattern of neglect. <u>See In the Matter of Donald M. Rohan</u>, DRB 05-062 (June 8, 2005) (slip op. at 12). Therefore, we dismiss the alleged violation of <u>RPC</u> 1.1(b).

Respondent also failed to communicate with his clients. He failed to inform them that their complaint had been dismissed or that he had asked another firm to assume the representation, and then failed to reply to Arneson's repeated requests for documents he had promised to provide. Thus, respondent's conduct violated RPC 1.4(b).

Additionally, respondent made several misrepresentations to his clients. First, by not informing his clients that their matter had been dismissed for lack of prosecution, respondent made a misrepresentation by silence, in violation of RPC 8.4(c). Respondent admitted that he was aware of the dismissal and claimed that he tried to remedy his mistake. His actions, however, took place in the shadows and, thus, seem more akin to concealment, rather than to remedial actions, which perhaps would otherwise be considered in

mitigation. Indeed, under further scrutiny, respondent's conduct only increases in severity.

On February 6, 2015, three months after the complaint had been dismissed, and four days after his first e-mail to the Benedetto Firm, respondent told Arneson that he had filed paperwork to obtain a judgment, that he expected the judgment within approximately forty days, and that, once they have the judgment, they would be required to execute thereon to receive payment. Respondent argued that, because he had asked the Benedetto Firm to re-file the complaint, he believed that the dismissal had been remedied. Here, we note that, in an e-mail respondent had sent to the Benedetto Firm only days earlier, he provided a list of matters and specific action related to each matter, and concluded by stating that he would contact the firm. No evidence establishes that he did so. Thus, when respondent spoke with Arneson on February 6, 2015, he knew that the dismissal had not been remedied.

In furtherance of this misconduct, during that same telephone conversation, respondent promised Arneson he would send him the documents that had been filed in pursuit of the judgment. This promise constituted another misrepresentation because respondent knew that no such documents existed.

Respondent made these affirmative misrepresentations, as well as a misrepresentation by silence, to hide his gross neglect and lack of diligence. His motives for hiding the truth are irrelevant.

Respondent's conduct in this regard is a significant violation of RPC 8.4(c).

dismiss the remaining charged RPC We determined to violations. First, the complaint alleged, and the DEC found, that respondent violated RPC 5.1(b) by failing to supervise the Benedetto Firm after he transferred the matter. Even if the referral to the Benedetto Firm had been procedurally sound, respondent had no obligation to supervise that firm. RPC 5.1(b) requires an attorney to ensure that another attorney, under his supervision, complies with or her direct the Rules of Professional Conduct. Here, there is no evidence to establish that the Benedetto Firm and its attorneys were under the direct supervision of respondent. Moreover, the record does not suggest that the Benedetto Firm violated the RPCs. Thus, we dismiss that alleged violation.

Finally, the complaint alleged that, by allowing the initial complaint to be dismissed for lack of prosecution, respondent engaged in conduct prejudicial to the administration of justice. The administrative dismissal of the complaint, however, did not amount to a waste of judicial resources, or otherwise prejudice the administration of justice. Therefore, we dismiss the alleged violation of RPC 8.4(d).

In sum, we find that respondent violated  $\underline{RPC}$  1.1(a),  $\underline{RPC}$  1.3,  $\underline{RPC}$  1.4(b), and  $\underline{RPC}$  8.4(c).

A misrepresentation to a client requires the imposition of a reprimand. In re Kasdan, 115 N.J. 472, 488 (1989). A reprimand may still be imposed, even if the misrepresentation accompanied by other, non-serious ethics infractions. See, e.g., (attorney In re Dwyer, 223 N.J. 240 (2015)made misrepresentation by silence to his client, by failing to inform her, despite ample opportunity to do so, that her complaint had been dismissed, a violation of RPC 8.4(c); the complaint was dismissed because the attorney had failed to serve interrogatory answers and ignored court orders compelling service of the answers, violations of RPC 1.1(a), RPC 1.3, and RPC 3.2; the attorney also violated RPC 1.4(b) by his complete failure to reply to his client's requests for information or to otherwise communicate with her from June 2009 through January 2011, and by his failure to communicate with her, except on occasion, between January 2011 and April 2014, when the client filed a grievance; the attorney never informed his client that a motion to compel had been filed, that the court had entered an order granting the motion, or that the court had dismissed her complaint for failure to serve the interrogatory answers and to comply with the court's order, violations of RPC 1.4(c)); In re Ruffolo, 220

N.J. 353 (2015) (attorney exhibited gross neglect and a lack of diligence by allowing his client's case to be dismissed, failing to work on it after filing the initial claim, and failing to any steps to prevent its dismissal or ensure its reinstatement thereafter, violations of RPC 1.1(a) and RPC 1.3; the attorney also violated RPC 1.4(b) by failing to promptly reply to the client's requests for status updates; finally, his assurances that the client's matter was proceeding apace, knowing that the complaint had been dismissed, and that the client should expect a monetary award in the near future were false and violated RPC 8.4(c)); and In re Braverman, 220 N.J. 25 (2014) (attorney failed to tell his client that the complaints filed on her behalf in two personal injury actions had been dismissed, thereby misleading her, by his silence, into believing that both cases remained pending, a violation of RPC 8.4(c); the attorney also violated RPC 1.1(a), RPC 1.3, RPC 1.4(b), RPC 3.2, and RPC 8.1(b); we found that the attorney's unblemished thirty-four years at the bar were outweighed by his inaction, which left the client with no legal recourse).

Based on the aforementioned cases involving similar conduct and RPC violations, the starting point in assessing the appropriate quantum of discipline for respondent is a reprimand.

In aggravation, we considered that respondent engaged in numerous misprepresentations, all in an effort to conceal his neglect of his clients' matter.

In mitigation, respondent was contrite, admitted most of the allegations in the complaint, and according to the DEC, has taken steps to prevent a reoccurrence of this misconduct. Moreover, he has no record of discipline during the almost ten years since his admission to practice.

Hence, based on the foregoing, we determine that a reprimand is the appropriate quantum of discipline for respondent's misconduct.

Members Gallipoli, Hoberman, and Zmirich voted to impose a censure.

Member Joseph voted to impose an admonition.

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

Bv:

Ellen A. Brodsky Chief Counsel

## SUPREME COURT OF NEW JERSEY DISCIPLINARY REVIEW BOARD VOTING RECORD

In the Matter of Raheem S. Watson Docket No. DRB 18-101

Argued: May 17, 2018

Decided: September 6, 2018

Disposition: Reprimand

| Members   | Reprimand | Censure | Admonition | Recused | Did Not<br>Participate |
|-----------|-----------|---------|------------|---------|------------------------|
| Frost     | х         |         |            |         |                        |
| Clark     | х         |         |            |         |                        |
| Boyer     | х         |         |            |         |                        |
| Gallipoli |           | х       |            |         |                        |
| Hoberman  |           | Х       |            |         |                        |
| Joseph    |           |         | х          |         |                        |
| Rivera    | х         |         |            |         |                        |
| Singer    | Х         |         |            |         |                        |
| Zmirich   |           | Х       |            |         |                        |
| Total:    | 5         | 3       | 1          | 0       | 0                      |

Chief Counsel