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October 4, 2018

## VIA CERTIFIED MAIL, R.R.R., AND E-MAIL

Karlene Rawle-Walters, Esq.  
345 Route 17 South  
Upper Saddle River, New Jersey 07458  
krawlewaltersesq@aol.com

**Re: In the Matter of Karlene Rawle-Walters**  
Docket No. DRB 18-176  
District Docket No. XIV-2010-0641E  
**REVISED LETTER OF ADMONITION**

Dear Ms. Rawle-Walters:

The Disciplinary Review Board considered the motion for discipline by consent (admonition) filed by the Office of Attorney Ethics (OAE). Following a review of the record, the Board determined to grant the motion and to impose an admonition on you for your violations of RPC 1.1(a) (gross neglect).

Specifically, you represented Pembroke Group ("Pembroke"), a corporate entity that your husband, Tennyson Walters, managed and utilized to "purchase, renovate, rent and resell properties." In January 2002, grievant Nahid Tehrani was introduced to Walters and decided to invest substantial sums of money in Pembroke.

Beginning in late 2007, Pembroke could not maintain its required monthly interest payments to Tehrani. Consequently, on March 17, 2008,

Tehrani sued you, Walters, and Walters' corporate entities, including Pembroke, in the Superior Court of New Jersey, Bergen County, in connection with Joint Venture (JV) Agreements on six properties.

In connection with this disciplinary matter, you have admitted that, in two transactions, you were negligent in respect of your attendant duties, as closing agent and counsel to Pembroke, to properly secure and document those transactions to protect Tehrani's interests, as provided in their respective JV Agreements. Although you never directly represented Tehrani, you were, nevertheless, duty-bound to adequately protect her interests, in respect of properly documenting and securing JV Agreement transactions that had been negotiated between her and your client. See In re Hurd, 69 N.J. 316, 319 (1976) and In re Netchert, 78 N.J. 445, 453 (1979) (holding that an attorney's professional obligation extends to individuals who, although not strictly clients, reasonably rely on the attorney to protect their interests). See also In re Chester, 127 N.J. 318 (1992) (attorney (publicly) reprimanded for assuring his secretary that he would protect her interests in a loan transaction between the secretary and a client of the attorney; the attorney knew that the client did not have sufficient funds at the time to repay the loan; although there was no attorney/client relationship between the attorney and the secretary, she had reason to rely on his representation that he would protect her interests).

In the first instance, you admit that you inadvertently included an already-encumbered property, located in Englewood, New Jersey, in a JV Agreement and associated documents that called for Tehrani to have first-mortgage lien security in all of the associated real estate. Moreover, in the same transaction, you failed to include necessary condition precedent "triggering" language in the JV Agreement, and, thus, failed to give Tehrani actual notice of the condition.

In the second instance, you failed to record a mortgage in respect of a JV Agreement that granted Tehrani a first-mortgage lien on property, located in Elizabeth, New Jersey, and then failed to properly document her subsequent decision to "roll over" investment funds associated with that transaction into a new venture, rather than have the funds remitted to her.

Your conduct was unethical and constituted two violations of RPC 1.1(a).

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In imposing only an admonition, the Board considered that this is your first ethics infraction since you earned admission to the bar in 1990 and that you took clear responsibility for your misconduct, as evidenced by your consent to discipline.

Your conduct has adversely reflected not only upon you as an attorney but also upon all members of the bar. Accordingly, the Board has directed the issuance of this admonition to you. R. 1:20-15(f)(4).

A permanent record of this occurrence has been filed with the Clerk of the Supreme Court and the Board's office. Should you become the subject of any further discipline, it will be taken into consideration.

The Board has also directed that the costs of the disciplinary proceedings be assessed against you. An invoice of costs will be forwarded under separate cover.

Very truly yours,



Ellen A. Brodsky  
Chief Counsel

- c: Chief Justice Stuart Rabner  
Associate Justices  
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Supreme Court of New Jersey  
Gail G. Haney, Deputy Clerk  
Supreme Court of New Jersey (w/ ethics history)  
Charles Centinaro, Director  
Office of Attorney Ethics (e-mail and interoffice mail)  
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