Supreme Court of New Jersey
Disciplinary Review Board
Docket No. DRB 22-010
District Docket No. XIV-2020-0356E

In the Matter of	:
Azadeh Sophia Kokabi	:
An Attorney at Law	:

Decision

Argued: March 17, 2022

Decided: July 7, 2022

Hillary Horton appeared on behalf of the Office of Attorney Ethics.

Respondent did not appear, despite proper notice.

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

This matter was before us on a motion for reciprocal discipline filed by the Office of Attorney Ethics (the OAE), pursuant to R. 1:20-14(a), following the Virginia State Bar Disciplinary Board's (the Virginia Disciplinary Board) issuance of a March 6, 2020 "Agreed Disposition Memorandum Order"

suspending respondent for four years.[1] The OAE asserted that respondent's misconduct constitutes violations of the principles of In re Siegel, 133 N.J. 162 (1993) (knowing misappropriation of law firm funds) and RPC 8.4(c) (conduct involving dishonesty, fraud, deceit, or misrepresentation).

For the reasons set forth below, we determine to recommend to the Court that respondent be permanently barred from future pro hac vice or plenary admission in New Jersey.

Respondent was admitted in New Jersey, pro hac vice, from July 1, 2013 through April 1, 2014, and again from August 26, 2015 through August 28, 2017, when the Court declared her ineligible to practice law for her failure to pay the annual assessment to the New Jersey Lawyers' Fund for Client Protection. As detailed below, respondent's misconduct occurred between May 2015 and June 2017. Therefore, the Court has jurisdiction to discipline respondent for her misconduct that occurred while she was authorized to practice law in New Jersey, pursuant to R. 1:20-1(a) ("[e]very attorney [. . .] authorized to practice law in the State of New Jersey, including those attorneys specially

[1] Pursuant to Part Six, § IV, 13-6 H of the Virginia Supreme Court Rules, whenever Virginia disciplinary counsel and an attorney "are in agreement as to the disposition of a [d]isciplinary [p]roceeding, the parties may submit a proposed Agreed Disposition" to a five-member panel of the Virginia Disciplinary Board. If the proposed "Agreed Disposition" is accepted by a majority of the Virginia Disciplinary Board panel, the "Agreed Disposition will be adopted by order of the [Virginia Disciplinary] Board." A party cannot appeal the order to the Virginia Supreme Court.

authorized for a limited purpose or in connection with a particular proceeding [. . .] shall be subject to the disciplinary jurisdiction" of the Court).

Respondent has no prior discipline in New Jersey.

Respondent earned admission to the Virginia Bar in 2005 and to the District of Columbia bar in 2013. From December 1, 2008 through December 31, 2014, she practiced law as an associate in the District of Columbia law office of Sughrue Mion, PLLC. On January 1, 2015, she was elevated to partner and continued to practice law at Sughrue Mion until March 31, 2018, when she agreed to resign in connection with her knowing misappropriation of that firm's funds, as detailed below.

Effective March 6, 2020, the Virginia Disciplinary Board suspended respondent, on consent, from the practice of law for four years in connection with her knowing misappropriation of law firm funds. Effective July 31, 2020, the District of Columbia Court of Appeals (the D.C. Court of Appeals) disbarred respondent for the same misconduct. In re Kokabi, 236 A.3d 372 (2020). In its order, the D.C. Court of Appeals explained that disbarment was appropriate, despite Sughrue Mion's decision not to file a criminal complaint, because of respondent's "multiple instances of theft from [Sughrue Mion]" as exacerbated by her "her attempts to hide her actions."

We now turn to the facts of this matter.

As noted above, between December 1, 2008 and December 31, 2014, respondent was employed as an associate attorney at Sughrue Mion. As an associate, although respondent had access to the firm's credit card, a partner reviewed each of her purchases to ensure that there were no "discrepancies" in her expense reports. On January 1, 2015, respondent was promoted to partner, a change in status which allowed her to make purchases on the firm's credit card without such oversight. Respondent, however, promptly began abusing her partnership privileges by using the firm's credit card to purchase luxury vacations; lavish dinners; expensive artwork and furniture; and personal travel expenses for her and her husband. Compounding matters, respondent attempted to disguise her extravagant purchases, in her expense reports to the firm's accounting department, as legitimate firm expenses.

As an example, in May 2015, respondent charged $780 on the firm's credit card for airfare to Las Vegas, Nevada. When respondent's supervising partner questioned respondent regarding the charge, she told the partner that she had intended to attend a "legal seminar" in Las Vegas but was unable to attend and never traveled to Las Vegas. The supervising partner, however, confronted respondent with images from respondent's social media account, depicting her at a July 2015 bachelorette party, in Las Vegas. Respondent could not provide a legitimate business explanation for the charge.

In April 2016, respondent charged $660 on the firm's credit card for airfare to Cincinnati, Ohio, for her and her husband. Respondent claimed in her expense report that the flights represented a "class A[[2]] travel expense" to attend a continuing legal education (CLE) conference for "Abbreviated New Drug Application[s]" (ANDA).[3] The supervising partner questioned respondent regarding the charge, not only because there were no scheduled ANDA conferences in or around April 2016, but also because respondent's social media account depicted her at a May 2016 graduation ceremony, in Kentucky. Respondent then confessed that she did not attend an ANDA conference but claimed that the graduation "was for a professional football player" and, in her view, a potential client.[4]

On May 3, 2016, respondent charged on the firm's credit card two airline tickets[5] to Orlando, Florida, and claimed, in her expense report, that the charges were for "Class A travel" to the International Trademark Association (INTA)

[2] The record does not provide an explanation for what constitutes a legitimate "class A" firm expense.

[3] Respondent had legal expertise in preparing abbreviated new drug applications for United States Food and Drug Administration approval.

[4] In her June 29, 2018 letter to Virginia bar counsel, respondent presented a different excuse for the charge, rationalizing that the graduation ceremony was for the husband of a junior attorney at the firm and, thus, a legitimate firm expense.

[5] The record does not specify the price of the airline tickets.

annual seminar, which took place between May 21 and 25, 2016, in Orlando. Respondent's supervising partner, however, attended the INTA seminar and confirmed that respondent did not attend. Instead, respondent's social media account revealed that, between May 21 and 22, 2016, she was with her friends in Miami, Florida, where she used the firm's credit card to purchase a dinner at an upscale restaurant. Respondent later claimed to her supervising partner that these charges were merely "unintentional mistakes."

On June 16, 2016, respondent used the firm's credit card to purchase admission to a Washington D.C. "Improv Comedy Show."[6] Although respondent's expense report represented that the expense was for a "Class A firm event[,]" given that there was no such firm event, the supervising partner questioned respondent, who claimed that she took firm "trainees" to the event "but would have to check." Respondent's social media account, however, depicted her attending the comedy show with friends, not firm "trainees."

On August 5, 2016, respondent charged on the firm's credit card two airline tickets[7] to India, for her and her husband. Instead of traveling directly to India for firm business, respondent used the firm's credit card to purchase airfare

[6] The record does not set forth the amount of the charge.

[7] The record, again, does not specify the price of the airline tickets.

from Washington D.C. to Dubai, then from Dubai to the Maldives, then from the Maldives back to Dubai, then, finally, from Dubai to India. Respondent's husband traveled on the same route, except that he did not travel to India. Additionally, while in Dubai or the Maldives, respondent charged $824 on the firm's credit card for a "[s]ightseeing tour with [her] husband and friends." Respondent misrepresented the foregoing expenses as "Class A travel, [m]arketing [b]udget." Respondent attempted to justify the charges as legitimate firm expenses because a junior attorney of the firm had allegedly accompanied respondent on her excursions. Moreover, respondent expressed her unsupported belief that, during a business trip, firm partners could properly charge, on the firm's credit card, personal travel expenses to other countries where there was no firm business.

In January 2017, respondent used the firm's credit card to purchase $1,967 in lodging and meals at the Salamander Resort in Middleburg, Virginia. Respondent initially claimed, in her expense report, that she incurred these charges in connection with a CLE event. However, when respondent's supervising partner confirmed that there was no such CLE event during that time, respondent represented that she had contacted the firm's finance director and informed him that these charges represented personal expenses. Based on respondent's claims, the supervising partner spoke with the firm's finance

director, who confirmed that respondent never spoke to him about the charges nor asked him to take any corrective action.

In April 2017, respondent charged $1,829 on the firm's credit card for her stay at the Pierre Hotel, in New York, and for "associated expenses[,]" to attend a friend's wedding. Respondent listed the hotel charge, in her expense report, as a "[t]ravel [f]und [m]arketing expense class A (also CLE)." When her supervising partner confronted respondent regarding these purchases, respondent claimed that she had attended the wedding on her way to an American Conference Institute "Biosimilar conference." The supervising partner, however, notified respondent that the conference had occurred ten days after the wedding and that, following the wedding, respondent had returned to Washington D.C. and charged, on the firm's credit card, a meal at a Washington D.C. restaurant.

In May and June 2017, respondent used the firm's credit card to purchase a $4,219 sofa and a $4,589 painting, purportedly to decorate her office at the firm. Although the firm provided every partner an $11,000 allowance to purchase office furniture, respondent never furnished her office with the sofa or painting. Instead, respondent arranged to have the sofa and painting shipped directly to her personal residence. Thereafter, respondent posted, on her social media account, pictures of the sofa and painting inside her home. When her

supervising partner questioned her, she falsely claimed that the painting was still in its original packaging and that she had arranged to have the firm's operations director relocate the painting and sofa to the firm, once the firm had established itself at a new location. The firm's operation's director, however, denied that respondent had ever made such a request and noted that the firm was not scheduled to relocate for another two years.

In addition to the above illicit charges, respondent used the firm's credit card to purchase a $974 "birthday dinner" for a friend; a $460 couple's massage package for Valentine's Day; a $576 hotel stay at the Ritz Carlton, in "Tysons;" $603 "Phantom of the Opera" tickets; $1,667 in airfare for her and her husband to (1) travel to Bermuda and (2) to attend a Green Bay Packer's game; and $835 in airfare for her and her friend to travel to Fort Lauderdale, Florida.

During the firm's 2018 budget review, respondent's supervising partner discovered respondent's improper charges and conducted a thorough review of respondent's credit card usage and expense reports. Following its investigation, the firm concluded that respondent had misappropriated approximately $30,000 in firm funds in connection with her illicit credit card charges.

In March 2018, respondent and the firm executed an agreement which required respondent to resign from the firm, effective March 31, 2018, and to reimburse the firm $25,000. On April 24, 2018, respondent's supervising partner

sent the Virginia State Bar a letter, informing the Commonwealth of respondent's numerous instances of theft and her attempts to conceal her misconduct by filing false expense reports.

On June 29, 2018, respondent sent the Virginia State Bar a reply to her supervising partner's letter, in which reply she claimed that her improper charges were nothing more than "inadvertent mistakes," given the firm's alleged lack of guidance regarding credit card usage.[8] Further, respondent alleged that many of the travel expenses she charged to the firm's credit card were incurred "relative to activities" with one of the firm's junior attorneys, whom she had been assigned to mentor. Respondent, however failed to explain why the presence of a junior member of the firm justified charging, on the firm's credit card, her exorbitant personal expenses. Respondent also alleged, without support, that, during "some of [her] trips," she had made "significant contacts with money managers" and "National Football League associates and businessmen[,]" whom she viewed as potential clients. Finally, without denying that she had made any of the illicit charges, respondent argued that some of her supervising partner's descriptions of her credit card charges did not perfectly reflect the descriptions set forth in the credit card statements.

[8] Although the firm had a "[r]eimbursement [e]xpense [p]olicy[,]" respondent claimed that she had neither seen nor heard of the policy. Respondent also acknowledged that she had never sought the firm's advice regarding her credit card expenses.

Subsequently, in connection with the March 5, 2020 "Agreed Disposition[,]" respondent stipulated to her misappropriation of law firm funds and acknowledged that she had "inaccurately reported certain personal charges as firm expenses." Respondent further admitted that her misconduct violated Virginia Disciplinary Rule 8.4(c) (conduct involving dishonesty, fraud, deceit, or misrepresentation) and agreed to the imposition of a four-year suspension.

On March 6, 2020, the Virginia Disciplinary Board accepted the "Agreed Disposition" and issued an order suspending respondent for four years.

In support of its recommendation for respondent's permanent bar from future pro hac vice or "other admission" in New Jersey, the OAE analogized respondent's misconduct to the disbarred attorneys in In re Spina, 121 N.J. 378 (1990), In re Siegel, 133 N.J. 162 (1993), and In re Denti, 204 N.J. 566 (2011). The OAE also distinguished respondent's behavior from the attorney in In re Sigman, 220 N.J. 141 (2014), who received a thirty-month suspension, rather than disbarment.

In Spina, the attorney, while employed at university law institute, knowingly misappropriated substantial sums of employer funds over the course of two and one-half years. Spina 121 N.J. at 390. Specifically, he converted, for his own personal use, approximately $32,000 in outside contributions to the institute. Id. at 382-83. The attorney also sought reimbursement for $1,592.26

in airfare that already had been paid for by the university, and $407.40 in limousine expenses to attend a wedding. Id. at 380-81. The attorney attempted to disguise the personal limousine expenses as a legitimate business expense involving a United States Senator and the Attorney General of Australia. Id. at 381. The Court emphasized that "[n]o discipline short of disbarment" could be justified based on the attorney's substantial misuse of employer funds. Id. at 390.

In Siegel, the attorney, a partner at a large law firm, knowingly misappropriated more than $25,000 of the firm's funds by submitting false requests for disbursements drawn against "unapplied retainers" (funds collected and owned by the firm as legal fees, but not yet transferred from the clients' files to the firm's account). Siegel, 133 N.J. at 164-65. Although the attorney's disbursement requests appeared to be legitimate, they actually represented the attorney's personal expenses, including landscaping services; tennis club fees; theater tickets; dental expenses; sports memorabilia; and mortgage fees for a relative's residence. Id. at 165. In determining to disbar the attorney, the Court found "no ethical distinction between a lawyer who for personal gain willfully defrauds a client and one who for the same untoward purpose defrauds his or her partners." Id. at 167. Thus, "[i]n the absence of compelling mitigating factors justifying a lesser sanction, misappropriation of firm funds will warrant

disbarment." Id. at 167-68.

In Denti, the attorney, a partner with two law firms, submitted falsified entries in the respective firms' time-keeping systems, in which entries he represented that he had performed legal services for numerous clients. In the Matter of Kenneth M. Denti, DRB 09-346 (February 16, 2011) at 2. In reality, the time entries were "bogus" because the firm did not represent the clients. Ibid. The attorney submitted the phony time entries to mislead his employers and, thus, to ensure the continuation of his agreed compensation. Ibid. The attorney also submitted meal vouchers for individuals whom, he alleged, were either potential clients or potential sources of client referrals. Id. at 3. As it turned out, the attorney was not entertaining potential clients, but women he was dating. Ibid. In its Order disbarring the attorney, the Court noted that the attorney:

> carried out a longstanding and pervasive scheme of defrauding two law firms of which he had been a partner, thereby violating his fiduciary obligation to the members of those law firms. By preparing fictitious time sheets, fabricating clients, and submitting phony expense vouchers, [the attorney] engaged in an insidious plot that, coupled with his obvious untruthful testimony, show[ed] a deficiency of character that compel[led] disbarment[.]
>
> [Denti, 204 N.J. at 566.]

In Sigman, as detailed below, the Court declined to disbar an associate attorney, in a reciprocal discipline matter, where the underlying knowing

misappropriation of law firm funds arose out of "a business dispute between the attorney and his firm." In re Sigman, 220 N.J. at 162.

Here, the OAE argued that, unlike the attorney in Sigman, respondent did not allege any legitimate business dispute with her firm or its reimbursement expense policy. Rather, respondent, without seeking guidance from the firm, "accrued and sought reimbursement for approximately $30,000 of illegitimate personal expenses." The OAE argued that her knowing misappropriation of law firm funds was "manifestly deceitful" and analogous to the disbarred attorneys in Siegel, Denti, and Spina. Thus, the OAE urged us to recommend to the Court that respondent be "permanently barred from applying for admission pro hac vice or otherwise" in New Jersey.

Respondent did not submit a brief for our consideration.

Following our de novo review of the record, we determine to grant the OAE's motion for reciprocal discipline. Pursuant to R. 1:20-14(a)(5), "a final adjudication in another court, agency or tribunal, that an attorney admitted to practice in this state [. . .] is guilty of unethical conduct in another jurisdiction [. . .] shall establish conclusively the facts on which it rests for purposes of a disciplinary proceeding in this state." Thus, with respect to motions for reciprocal discipline, "[t]he sole issue to be determined [. . .] shall be the extent of final discipline to be imposed." R. 1:20-14(b)(3).

In Virginia, "[t]he burden of proof in all [d]isciplinary [p]roceedings [. . .] is clear and convincing evidence." Baumann v. Va. State Bar, 845 S.E.2d 528, 532 (Va. 2020). Regardless, in this matter, respondent stipulated to the charged misconduct.

Reciprocal discipline proceedings in New Jersey are governed by R. 1:20-14(a)(4), which provides in pertinent part:

> The Board shall recommend the imposition of the identical action or discipline unless the respondent demonstrates, or the Board finds on the face of the record on which the discipline in another jurisdiction was predicated that it clearly appears that:
>
> (A) the disciplinary or disability order of the foreign jurisdiction was not entered;
>
> (B) the disciplinary or disability order of the foreign jurisdiction does not apply to the respondent;
>
> (C) the disciplinary or disability order of the foreign jurisdiction does not remain in full force and effect as the result of appellate proceedings;
>
> (D) the procedure followed in the foreign disciplinary matter was so lacking in notice or opportunity to be heard as to constitute a deprivation of due process; or
>
> (E) the unethical conduct established warrants substantially different discipline.

Subsection (E) applies in this matter because the unethical conduct warrants substantially different discipline. Specifically, pursuant to New Jersey's disciplinary precedent, respondent's violations of the equivalent of the

principles of Siegel and RPC 8.4(c) warrant a permanent bar on her ability to apply for future pro hac vice or plenary admission in New Jersey.

After becoming partner at a Washington D.C. law firm, respondent, for more than two years, surreptitiously charged on the firm's credit card approximately $30,000 in personal expenses for luxury vacations, expensive artwork and furniture, and travel expenses for her and her husband, in clear violation of the principles of Siegel. Compounding matters, respondent concealed her illicit charges by filing false expense reports, which misrepresented her numerous personal expenses as seemingly legitimate business expenses, such as CLE events; legal seminars; marketing expenses; and the procurement of office furniture, in violation of RPC 8.4(c). Although respondent initially claimed that her improper use of the firm's credit card was merely an "inadvertent mistake," given her ignorance of the firm's credit card reimbursement expense policy, respondent's grossly improper use of the firm's credit card and her feeble attempts to hide her transgressions demonstrate that she was fully aware of her improper behavior.

In sum, we find that respondent violated the principles of Siegel and RPC 8.4(c). The sole issue left for us to determine is the proper quantum of discipline for respondent's misconduct.

In New Jersey, "[d]isbarment is mandated for the knowing misappropriation of clients' funds." In re Orlando, 104 N.J. 344, 350 (1986) (emphasis added) (citing In re Wilson, 81 N.J. 451, 456 (1979)). In Wilson, the Court described knowing misappropriation of client trust funds as follows:

> Unless the context indicates otherwise, 'misappropriation' as used in this opinion means any unauthorized use by the lawyer of clients' funds entrusted to him, including not only stealing, but also unauthorized temporary use for the lawyer's own purpose, whether or not he derives any personal gain or benefit therefrom.
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> [In re Wilson, 81 N.J. 455 n.1.]

In Sigman, the Court explained that it had "construed the 'Wilson rule, as described in Siegel,' to mandate the disbarment of lawyers found to have misappropriated firm funds '[i]n the absence of compelling mitigating factors justifying a lesser sanction, which will occur quite rarely.'" Sigman, 220 N.J. at 157 (alteration in original) (quoting In re Greenberg, 155 N.J. 138, 67-68 (1998)).

In Siegel the Court addressed, for the first time, the question of whether knowing misappropriation of law firm funds should result in disbarment. Siegel, 133 N.J. at 168. During a three-year period, the attorney, a partner at his firm, converted more than $25,000 in funds from his firm by submitting false disbursement requests to the firm's bookkeeper. Id. at 165. Although the

disbursement requests listed ostensibly legitimate purposes, they represented the attorney's personal, luxury expenses, including tennis club fees, theater tickets, and sports memorabilia. Ibid. The payees were not fictitious; however, 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." Id. at 166-67. 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 170.

In Greenberg, the Court refined the principle announced in Siegel. The attorney in Greenberg also was 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. Greenberg, 155 N.J. at 158. 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. a 141. Per the attorney's instructions, the client then issued checks for legal fees directly payable to the attorney. Ibid. Additionally, the attorney falsified disbursement requests and used those proceeds to pay for personal expenses. Id. at 141-42.

In mitigation, the attorney 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 182-84. Additionally, he submitted more than 120 letters from peers and community members, attesting to his reputation for honesty and integrity. Id. at 186. Determining that that the attorney appreciated the difference between right and wrong, and had "carried out a carefully constructed scheme," the Court rejected his mitigation and disbarred him. Greenberg, 155 N.J. at 158.

In In re Staropoli, 185 N.J. 401 (2005), an associate 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. The associate attorney 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) at 2. In May 2000, the associate attorney settled a personal injury case he had originated, earning a contingent fee. Id. at 2. The insurance company issued a check payable to both the attorney and the client. Ibid. The attorney, however, 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.

We issued a divided decision. Four Members found that the attorney's single aberrational act should not require "the death penalty on [his] New Jersey law career." Id. at 22. Those Members were convinced that his character was not permanently flawed. Staropoli, DRB 04-319 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 20. The Court agreed and disbarred the attorney. Staropoli, 185 N.J. at 401.

In a more recent case, In re Nicholson, 235 N.J. 331 (2018), the Court disbarred an associate attorney who knowingly misappropriated her law firm's funds in connection with her attempts to assist the firm in collecting outstanding client fees. In the Matter of Christie-Lynn Nicholson, DRB 18-037 (July 30, 2018) at 4. Per the associate attorney's instructions, twelve law firm clients directly paid her a total of $19,161, toward outstanding legal fees, which the associate attorney deposited in her personal bank account. Id. at 4-5. The client payments represented both legal fees owed to the firm for completed legal services and legal fees advanced for future legal services. Id. at 5. The associate attorney did not remit the 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 to the firm. Ibid.

To conceal her misconduct, the associate attorney removed pages from the firm's receipts book; intercepted monthly billing invoices, so that clients would not learn that their payments were not properly credited to their outstanding balances; instructed clients to lie to the firm's managing partner about making cash payments to the associate attorney after the firm's normal business hours; and maintained secret notes concerning potential new clients, some of whom retained the associate attorney to perform work outside the scope of her employment with the firm. Id. at 5, 13. Although the associate attorney collected fees from those potential new clients, she never performed the legal services. Id. at 5.

After discovering the associate attorney's misconduct, the managing partner terminated the associate's employment and filed a criminal complaint, charging her with multiple counts of indicatable-level theft. Nicholson, DRB 18-037 at 18. The associate attorney, however, improperly threatened the managing partner that, unless he withdrew the criminal charges and the information he had given to the New Jersey Department of Labor, the associate would report the managing partner to the relevant authorities for purported "'counter allegations' of fraud and crimes." Id. at 18-19.

In recommending the associate attorney's disbarment, we found no evidence that the associate attorney took the firm's funds in connection with a colorable business dispute, as in Sigman. Id. at 31. Rather, we found that the associate attorney's protracted scheme of dishonesty and theft from the law firm compelled her disbarment, as in Siegel, Greenberg, and Staropoli. Id. at 31-32.

On March 22, 2022, the Court imposed a permanent bar on an attorney's ability to apply for future pro hac vice or plenary admission in New Jersey, following the attorney's guilty plea and conviction to one count of mail fraud, in violation of 18 U.S.C. § 1341. In re Mittin, __ N.J. __ (2022). There, the attorney admitted that he had engaged in an illegal, ten-year-long scheme to defraud his law firm of its entitled fees by referring the firm's cases to outside lawyers, who resolved the cases and shared the proceeds with the attorney. In the Matter of Neil I. Mittin, DRB 20-334 (August 5, 2021) at 3-4. Although the attorney was an associate, who was not permitted to remove a client's matter from the firm or refer a client to an outside attorney, he enjoyed a position of trust from the partners and, thus, was not subject to significant supervision in his daily work. Ibid. Nevertheless, the attorney abused that trust by referring client matters, without the firm's knowledge, to outside lawyers as if he, not the firm, was entitled to a share of the financial recoveries in those matters. Id. at 5. Thereafter, the attorney would systematically close the corresponding files at

the firm, which made it appear in the firm's records as if there was no settlement or resolution, effectively concealing from the firm that the matters were, indeed, viable, and that he had fraudulently referred the matters to the outside attorneys. Ibid. Following the outside attorneys' resolution of the client matters, the outside attorneys would pay the attorney a referral fee and reimburse him for the costs incurred by the firm before he had referred the cases. Id. at 6.

In recommending the attorney's permanent bar from future plenary or pro hac vice admissions, we found that the attorney's knowing misappropriation of law firm funds did not arise out of a business dispute over fees, as in Sigman. Rather, the attorney embarked on a criminal scheme to steal nearly $4 million in fees to which the firm was entitled. Mittin, DRB 20-334 at 16.

As noted above, 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 Sigman, an associate with a Pennsylvania law firm kept legal and referral fees, over a four-year period, repeatedly violating the terms of his employment contract. Sigman, 220 N.J. at 145. The associate 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 the firm. Id. at 145.

After the firm had terminated the associates' employment, but prior to the imposition of discipline in Pennsylvania, the associate successfully sued his prior employer, resulting in the award of $123,942.93 in legal and referral fees that the firm wrongfully had withheld from him. Id. at 151. During the disciplinary proceedings, the associate did not cite the fee dispute with his firm as justification for his misappropriation. Id. at 162. For his violations of RPC 1.15(a) and (b), RPC 3.4(a), and RPC 8.4(c), the Pennsylvania Supreme Court, citing substantial mitigation, suspended the associate for thirty months. Ibid.

In New Jersey, the Court imposed a thirty-month suspension, noting the presence of compelling mitigating factors, including the associate's lack of prior discipline in Pennsylvania or New Jersey; his character references demonstrating his significant contributions to the bar and underserved communities; his admission of wrongdoing and cooperation with disciplinary authorities; the fact that he did not steal funds belonging to a client; the fact that his misappropriation occurred in the context of fee payment disputes and a deteriorating relationship with his firm, where he ultimately was vindicated; and the fact that his misconduct was reported only after the conflict over fees had escalated. In re Sigman, 220 N.J. at 161.

Here, unlike the attorney in Sigman, respondent's misappropriation of law firm funds did not arise out of a legitimate business dispute over fees. Rather,

respondent, for more than two years, improperly utilized her law firm's credit card to purchase approximately $30,000 in personal luxuries for her and her husband, including high-priced artwork and furniture; vacations at high-end resorts and hotels; massage packages; theater tickets; and airfare to sporting events. Making matters worse, respondent embarked upon a deliberate and carefully calculated scheme to attempt to disguise her illicit purchases, in her expense reports, as seemingly legitimate firm expenses. Thereafter, respondent continued to lie to the firm regarding the legitimacy of her purchases, even after her supervising partner had confronted her with overwhelming evidence of her misconduct. Respondent's misconduct, thus, is strikingly similar to that of the disbarred attorneys in Siegel and Greenberg, who knowingly misappropriated law firm funds by submitting falsified disbursement requests to pay for personal expenses. Additionally, like the permanently barred attorney in Mittin, who enjoyed a trusted position in his firm and was not subject to significant daily supervision, respondent, only a few months after achieving a trusted partner position, violated her fiduciary obligation to her law firm by stealing significant sums of the firm's funds to pay for illegitimate personal luxuries.

Consequently, we determine to recommend to the Court that respondent be permanently barred from future pro hac vice or plenary admission in New Jersey in order to protect the public and preserve confidence in the bar.

Member Campelo was absent.

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
Hon. Maurice J. Gallipoli, A.J.S.C. (Ret.),
Chair

By: **/s/ Timothy M. Ellis**
Timothy M. Ellis
Acting Chief Counsel

SUPREME COURT OF NEW JERSEY
DISCIPLINARY REVIEW BOARD
VOTING RECORD

In the Matter of Azadeh Sophia Kokabi
Docket No. DRB 22-010

Argued: March 17, 2022

Decided: July 7, 2022

Disposition: Permanent Bar on Future Plenary or Pro Hac Vice Admission

Members	Permanent Bar on Future Plenary or Pro Hac Vice Admission	Absent
Gallipoli	X	
Singer	X	
Boyer	X	
Campelo		X
Hoberman	X	
Joseph	X	
Menaker	X	
Petrou	X	
Rivera	X	
Total:	8	1

/s/ Timothy M. Ellis
Timothy M. Ellis
Acting Chief Counsel