SUPREME COURT OF NEW JERSEY
DISCIPLINARY REVIEW BOARD
Docket No. DRB 24-243
District Docket No. XIV-2022-0133E

In the Matter of Stacey Dawn Wilson
An Attorney at Law

Decided
April 11, 2025

Certification of the Record

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Introduction

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 (the OAE), pursuant to R. 1:20-4(f). The formal ethics complaint charged respondent with having violated RPC 1.15(a) and the principles of In re Wilson, 81 N.J. 451 (1979), and In re Hollendonner, 102 N.J. 21 (1985) (two instances – knowingly misappropriating client or escrow funds); RPC 1.15(a) (two instances – failing to safeguard entrusted funds); RPC 1.15(d) (failing to comply with the recordkeeping requirements of R. 1:21-6); RPC 3.1 (thirty-eight instances – engaging in frivolous litigation); RPC 3.4(c) (knowingly disobeying an obligation under the rules of a tribunal); RPC 8.1(b) (two instances – failing to cooperate with disciplinary authorities); RPC 8.4(b) (two instances – engaging in a criminal act that reflects adversely on the lawyer's honesty, trustworthiness, or fitness as a lawyer); RPC 8.4(c) (forty instances – engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation); and RPC 8.4(d) (thirty-eight instances – engaging in conduct prejudicial to the administration of justice).[1]

[1] Due to respondent's failure to file an answer to the formal ethics complaint, and on notice to her, the OAE amended the complaint to include the second charged violation of RPC 8.1(b).

For the reasons set forth below, we determine that respondent knowingly misappropriated entrusted funds and recommend to the Court that she be disbarred.

Ethics History

Respondent earned admission to the New Jersey bar in 2008 and to the Florida bar in 2007. She also earned admission to practice law before the United States District Court for the Middle District of Florida; the United States Department of Justice, Board of Immigration Appeals; the United States Immigration Courts; and the United States Department of Homeland Security.[2] She has no prior discipline in New Jersey. During the relevant timeframe, she maintained a practice of law in Orlando, Florida.

Effective March 2, 2020, the United States Bankruptcy Court for the Middle District of Florida permanently suspended respondent from the practice of law in connection with her mishandling of thirty-eight bankruptcy cases underlying this matter, spanning almost a decade, in which she exhibited a pattern of filing cases and then "immediately abandoning them," without paying the filing fee or submitting the required documents.

[2] We were unable to determine respondent's date of admission to those courts, despite our search of publicly available records.

Additionally, effective April 11, 2020, the Supreme Court of Florida imposed a "disciplinary revocation" of respondent's admission to the Florida bar in connection with her knowing misappropriation of entrusted funds underlying this matter. In re Wilson, 2020 Fla. LEXIS 470 (Fla. 2020).[3]

Moreover, effective October 27, 2020, the United States Department of Justice, Board of Immigration Appeals, disbarred respondent "from practice before the Board of Immigration Appeals, the [United States] Immigration Courts, and the [United States] Department of Homeland Security," based on her knowing misappropriation of entrusted funds underlying her disciplinary revocation in Florida.

Finally, effective November 13, 2023, our Court temporarily suspended respondent in connection with her failure to cooperate with the OAE's investigation underlying this matter. In re Wilson, 256 N.J. 1 (2023).

Service of Process

Service of process was proper. On September 9, 2024, the OAE sent a copy of the formal ethics complaint, by certified and regular mail, to

[3] In Florida, "disciplinary [revocation] is tantamount to disbarment." Florida Bar v. Hale, 2000 Fla. LEXIS 1290 (Fla. 2000). Pursuant to R. Regulating Fla. Bar 3:7.10, a disbarred attorney may seek readmission to the Florida bar "within [five] years after the date of disbarment or such longer period of time as the court might determine in the disbarment order." In respondent's matter, the Florida Supreme Court permitted her leave to seek readmission "after five years."

respondent's home address of record. The certified mail was returned to the OAE, unclaimed, and the regular mail was not returned.

On October 7, 2024, the OAE sent a second letter to respondent's home address of record, by certified and regular mail, and by electronic mail, to her personal e-mail address, informing her that, unless she filed a verified answer to the complaint within five days of the date of the letter, 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 charge a willful violation of RPC 8.1(b) by reason of her failure to answer. The electronic mail was delivered, and the certified and regular mail were not returned to the OAE.

As of October 16, 2024, respondent had not filed an answer to the complaint, and the time within which she was required to do so had expired. Accordingly, the OAE certified this matter to us as a default.

On November 25, 2024, Chief Counsel to the Board sent respondent a letter, by certified and regular mail, to her home address of record, and by electronic mail, to her e-mail address of record, informing her that this matter was scheduled before us on January 16, 2025, and that any motion to vacate the default (MVD) must be filed by December 16, 2024. The certified mail was returned, unclaimed, to the Office of Board Counsel (the OBC), and the regular

mail was not returned.

Finally, the OBC published a notice dated December 2, 2024, in the New Jersey Law Journal and on the New Jersey Courts website, stating that we would consider this matter on January 16, 2025. The notice informed respondent that, unless she filed a successful MVD by December 16, 2024, her failure to answer would remain deemed an admission of the allegations of the complaint.

Respondent did not file an MVD.

Facts

We now turn to the allegations of the complaint.

The Hodges Client Matter

On December 30, 2016, respondent filed a lawsuit in the Circuit Court of Orange County, Florida, on behalf of Leonard Hodges, arising out of injuries Hodges allegedly sustained in a 2012 automobile accident.

On February 16, 2018, Hodges agreed to settle his claim for $100,000 and, on February 28, the defendants' insurance carrier issued a $100,000 settlement check to respondent. Although the insurance carrier made the check payable to respondent's attorney trust account (ATA), the check also noted that the funds were for the benefit of Hodges and a separate Florida law firm, which had

asserted a $33,333.33 lien for attorney's fees that it had incurred in connection with its prior representation of Hodges in the same matter.

On March 13, 2018, the defendants' counsel sent respondent a letter, confirming the $100,000 settlement amount and the Florida law firm's lien, instructing respondent to deposit the check in her ATA, and directing that she not disburse the settlement funds until the defendants received the signed joint stipulation of dismissal and release agreement.

On April 16, 2018, respondent deposited the insurance carrier's $100,000 settlement check in her ATA. Thereafter, because Hodges and respondent disputed the amount of the Florida law firm's lien, respondent attempted to negotiate a compromise with the Florida law firm.

On February 20, 2019, following respondent's unsuccessful attempt to resolve the lien dispute, the defendants filed with the Circuit Court a motion to enforce the settlement, resolve the lien dispute, and require Hodges to execute a stipulation of dismissal.

On July 29, 2019, respondent filed a notice of voluntary stipulation of dismissal with prejudice, resulting in the dismissal of the matter and the mooting of defendants' motion to enforce the settlement. Respondent, however, never reached an agreement with the Florida law firm regarding the amount of its lien and, consequently, never disbursed any portion of the settlement proceeds to the

entitled parties.

Meanwhile, despite respondent's obligation to hold, inviolate, the $100,000 in settlement funds, on January 11, 2019, she electronically transferred $4,000 from her ATA to her attorney business account (ABA), which transfer reduced her ATA balance to $97,096.05 and increased her ABA balance to $4,061.57. Thereafter, on January 11, respondent utilized the entrusted funds in her ABA to cover $2,038.69 in personal expenses, including employee salaries and her telephone and credit card bills.

Between January 14 and 15, 2019, respondent electronically transferred a total of $6,000 from her ATA to her ABA, thereby reducing her ATA balance to $91,096.05, further invading the $100,000 in entrusted settlement funds, and rectifying her negative $291.18 ABA balance. Additionally, between January 14 and 15, respondent deposited $1,273 in her ABA from other sources. During that same two-day timeframe, respondent used the settlement funds to make a total of $5,504.06 in ABA debit card purchases in connection with her vacation to Barbados, among other personal expenses.

Following her vacation to Barbados, respondent failed to replenish the settlement funds in her ATA. Indeed, for the next eleven months, she gradually continued to reduce her ATA balance by, among other transactions unrelated to the Hodges client matter, electronically transferring ATA funds to her ABA and

other personal accounts. Consequently, on December 20, 2019, after electronically transferring $1,357.40 in ATA funds directly to her employees to cover their salaries, respondent depleted her ATA balance to a mere $0.30.

Respondent's ABA records reveal that, between January 25 and December 20, 2019, she utilized a substantial sum of the entrusted settlement funds to cover not only more than a hundred bank surcharges for insufficient ABA funds, but also numerous ABA purchases for dining, transportation, and other personal expenses, including approximately $3,000 for her June 2019 wedding. During that timeframe, she was in "severe financial distress," given that she "frequent[ly]" utilized the settlement funds to rectify her low or negative ABA balances. Indeed, her December 2019 ABA bank statement revealed that her ending balance for that month was negative $1,136.87.

During her December 10, 2019 interview with Florida disciplinary authorities, when asked what had happened to the $100,000 in settlement funds, respondent stated that she had "messed up," conceded that the funds were "not there," and admitted that she had depleted the settlement funds by her numerous electronic transfers from her ATA to her ABA. Respondent also conceded that she had failed to disburse any portion of the settlement funds to the entitled parties, including Hodges, the Florida law firm, and various medical providers.

During her July 13, 2022 demand interview with the OAE, respondent

maintained that she had disbursed "some" of the settlement funds to herself as payment for her legal fee, despite never having reached an agreement with the Florida law firm or Hodges regarding the amount of her fee. Nevertheless, respondent conceded that she lacked the authority to disburse any portion of the settlement to herself until Hodges executed a settlement statement. Hodges, however, neither executed a settlement statement nor authorized respondent to disburse any portion of the $100,000 settlement to herself. Similarly, neither the Florida law firm nor Hodges's medical providers ever authorized respondent to utilize their respective shares of the $100,000 settlement.

Following respondent's failure to replenish the misappropriated settlement funds, the Florida State Bar Clients' Security Fund (the Florida Clients' Security Fund) reimbursed Hodges, in an undisclosed amount, to compensate him for his financial loss.[4]

Based on the numerous instances, throughout 2019, in which respondent repeatedly and knowingly invaded the $100,000 in settlement funds to cover her personal expenses, without the parties' authorization, the formal ethics complaint charged respondent with knowing misappropriation of entrusted funds, in violation of RPC 1.15(a), RPC 8.4(c), and the principles of Wilson and

[4] The Florida Clients' Security Fund provides monetary relief to those who suffer reimbursable losses due to any attorney's misappropriation, embezzlement, or other wrongful conversion of money or other property. See R. Regulating Fla. Bar 7-1.1(d).

Hollendonner, and with having violated RPC 1.15(a) by failing to safeguard the $100,000 settlement and RPC 8.4(b) by committing second-degree misapplication of entrusted property.

The Assing Client Matter

On January 5, 2009, Michael Assing, through Florida counsel, filed, in the Circuit Court of Seminole County, Florida, a civil complaint in connection with personal injuries he sustained in a 2005 motor vehicle accident. On July 10, 2017, respondent substituted as counsel for Assing, who had agreed to retain her on a contingent fee basis.

In or around October 2017, Assing agreed to settle his matter for $125,000 and, on October 17, 2017, the defendants' insurance carrier issued a $125,000 settlement check to respondent. On December 4, 2017, respondent deposited the $125,000 settlement check in her ATA.

One year later, on December 4, 2018, Assing executed a notarized settlement statement allowing respondent to take $40,139.92 of the gross settlement as her contingent legal fee.[5] The settlement statement also directed respondent to provide the United States Department of Veterans Affairs (the

[5] Respondent's retainer agreement permitted her to calculate her one-third contingent legal fee based on the gross settlement amount.

VA) $33,478.30 of the gross settlement to resolve Assing's medical bills. After deducting $2,881 in expenses owed to Assing's prior counsel and $33,500 in "advancements" and costs owed to respondent, the settlement statement provided that Assing would receive a $15,000 net settlement. Assing prohibited respondent from making any disbursements not specifically referenced in the settlement statement.

On December 18, 2018, respondent issued a $33,478.30 ATA check to the VA to resolve Assing's medical bill. Additionally, respondent disbursed the remaining settlement funds to the entitled parties. The VA, however, did not negotiate respondent's $33,478.30 ATA check because the paralegal responsible for depositing checks had been out of the office "for some time" due to a family emergency.

On April 2, 2019, based on the Florida disciplinary investigator's request that she provide the cleared $33,478.30 ATA check to the VA, respondent sent the VA an e-mail, inquiring whether it had located the check. On April 3, 2019, the VA sent respondent a reply e-mail, noting that it had located the check and that it may soon be deposited. Three weeks later, on April 25, respondent sent the VA another e-mail, again noting that the check had not been negotiated and requesting an update. In reply, on April 26, the VA notified respondent that the check was in its payment processing center and "should clear very soon."

Thereafter, respondent failed to follow up with the VA or to review her ATA statements to determine whether the check had cleared.

On May 14, 2019, while the VA's $33,478.30 ATA check remained unnegotiated, respondent electronically transferred a total of $3,530 from her ATA to her ABA, thereby reducing her ATA balance to $33,472.41 and, thus, invading $5.89 in settlement funds earmarked for the VA. Respondent's electronic transfer of funds to her ABA enabled her to make a total of $3,614.78 in personal credit card payments and debit card purchases on that date; however, because she had incurred numerous bank surcharges for insufficient funds, her May 14, 2019 ending ABA balance was negative $642.81.

Thereafter, between May 15 and 20, 2019, respondent made a series of cash deposits in her ATA, increasing her account balance to $33,532.41 and, thus, "temporarily" replenishing the $33,478.30 that she was required to hold, inviolate, for the VA.

However, on May 24, 2019, respondent electronically transferred $2,725 from her ATA to her ABA to cover a negative $1,028.49 ABA balance. As a result of that transfer, on May 24, 2019, respondent reduced her ATA balance to $30,807.41, thereby invading $2,670.89 of the VA's escrowed funds. In addition to covering a $1,028.49 ABA shortage, respondent's utilization of the VA's funds enabled her to cover a total of $1,624.08 in payroll expenses and a

$60 personal cash withdrawal, transactions which reduced her ABA balance to $12.44.

Additionally, on May 24, 2019, while her ATA balance remained $30,807.41, respondent instructed her bank to "stop payment" on the VA's unnegotiated $33,478.30 ATA check. During her July 2022 demand interview with the OAE, respondent falsely claimed that she "began withdrawing funds from [her] ATA" based on her mistaken belief that the VA had negotiated its $33,478.30 ATA check. However, the OAE determined that respondent's decision to "stop payment" on the VA's ATA check demonstrated that she knew that the VA had not negotiated that check.

Between May 28 and May 31, 2019, respondent electronically transferred a total of $9,176 in ATA funds to her ABA, transactions which reduced her ATA balance to $21,631.41 and resulted in a $11,846.89 shortage of the VA's entrusted funds. During that four-day timeframe, respondent utilized the VA's funds to cover (1) a total of $1,709.58 in negative balances in her ABA; (2) $238 in total bank fees for insufficient ABA funds; (3) $2,293.65 in firm overhead expenses, including employee salaries; and (4) $4,690.29 in ABA debit card purchases for various personal expenses. Respondent's May 31, 2019 ending ABA balance was only $288.69, demonstrating that, without her utilization of a substantial sum of the VA's entitled funds, she would have been unable to cover

her numerous personal expenses.

On July 11, 2019, the VA attempted to negotiate the $33,478.30 ATA check; however, the bank returned the check for insufficient funds.

Meanwhile, between June and December 2019, respondent failed to replenish the VA's funds. Rather, during that seven-month timeframe, respondent systematically transferred much of her ATA balance to her ABA such that, by December 20, 2019, her ATA balance had been reduced to just $0.30.

Pursuant to her December 2018 settlement statement, respondent expressly accepted an obligation to disburse $33,478.30 to the VA to cover Assing's medical expenses. However, respondent altogether failed to provide the VA any portion of its entitled funds.[6] Moreover, neither Assing nor the VA ever authorized respondent to utilize the $33,478.30 earmarked for the VA to cover her personal expenses.

During her December 2019 interview with Florida disciplinary authorities, although respondent claimed that she was unaware of her repeated invasions of the VA's escrowed funds, when the Florida disciplinary investigator asked her why she had been so unaware, she merely replied, "I don't

[6] According to the OAE, at some point, the Florida Clients' Security Fund reimbursed Assing, in an undisclosed amount, to compensate him for his financial loss owed to the VA.

know." Respondent, however, conceded that she had transferred the VA's ATA funds to her ABA in order to rectify her numerous ABA shortages. Respondent also acknowledged that, in 2019, she "must have been" having "some financial problems."

Based on the numerous instances, between May and December 2019, in which respondent repeatedly and knowingly invaded the VA's $33,478.30 in escrowed funds to cover her personal expenses, without Assing's or the VA's authorization, the formal ethics complaint charged respondent with knowing misappropriation of escrow funds, in violation of RPC 1.15(a), RPC 8.4(c), and the principles of Wilson and Hollendonner, and with having violated RPC 1.15(a) by failing to safeguard the $33,478.30 in escrowed funds and RPC 8.4(b), by committing second-degree misapplication of entrusted property.

The Florida Disciplinary Revocation Order

On December 31, 2019, eleven days after depleting her ATA balance to a mere $0.30, respondent filed a petition for disciplinary revocation of her admission to the Florida bar, pursuant to Rule 3-7.12 of the Rules Regulating the Florida Bar, in connection with her misconduct underlying the Hodges and Assing client matters. In her petition, respondent requested that the Supreme Court of Florida grant her leave to seek readmission to the Florida bar "after

[five] years." Additionally, among other provisions, respondent agreed to reimburse the Florida Clients' Security Fund for all funds it had or would pay for claims "resulting from [her] misconduct."

On March 12, 2020, the Supreme Court of Florida issued an order granting respondent's uncontested petition and imposing a disciplinary revocation of her admission to the Florida bar, effective April 11, 2020, "with leave to seek readmission after five years."

The Bankruptcy Client Matters

On January 7, 2020, approximately four months before the effective date of her disciplinary revocation in Florida,[7] respondent filed with the United States Bankruptcy Court for the Middle District of Florida (the Bankruptcy Court) a Chapter 13 "skeleton" bankruptcy petition,[8] on behalf of Peter Reid. The next day, on January 8, 2020, the Bankruptcy Court issued a "notice of incomplete

[7] Respondent's December 31, 2019 petition for disciplinary revocation indicated that she would "no longer hold herself out as a licensed attorney." However, respondent's petition is unclear whether she intended to immediately cease the practice of law or do so upon the effective date of her disciplinary revocation. Pursuant to R. Regulating Fla. Bar 3-7.12(d), the "effect" of disciplinary revocation in Florida "terminates the lawyer's license and privilege to practice law."

[8] According to the OAE, a "skeleton petition" is a "minimalistic filing" that allows a debtor to quickly file for bankruptcy with a "short form application containing only the essential information." Following the filing of the "skeleton petition," a debtor must promptly submit all required documents, information, and filing fees to avoid dismissal of the petition.

and/or deficient filing," which listed "numerous deficiencies" in the petition and noted that respondent had failed to pay the required filing fee. The Bankruptcy Court also noted that, in 2019, respondent had filed three prior bankruptcy petitions on behalf of Reid, all of which were dismissed for similar reasons, including respondent's failure to pay the filing fee and to submit the required "attorney disclosure of compensation."[9] In connection with one of Reid's 2019 petitions, respondent also filed a deficient motion to vacate the dismissal and, thereafter, failed to appear for an order to show cause hearing.

In addition to the four deficient bankruptcy petitions filed on behalf of Reid, between November 2010 and July 2019, respondent filed a total of thirty-four Chapter 7 and Chapter 13 bankruptcy petitions, on behalf of at least fourteen individuals, all of which were dismissed for substantially similar deficiencies. Specifically, respondent not only repeatedly failed to pay the filing fees, but also routinely failed to file the required bankruptcy schedules,[10] the attorney disclosures of compensation, and, in Chapter 13 matters, the debtors'

[9] "Any attorney representing a debtor in a case under [Title 11 of the United States Bankruptcy Code] shall file with [a bankruptcy court] a statement of compensation paid or agreed to be paid . . . for services rendered or to be rendered in contemplation of, or in connection with, the case by such attorney, and the source of such compensation." 11 U.S.C.S. § 329(a).

[10] Unless a court orders otherwise, the Bankruptcy Code requires a debtor to file, among other things, "a schedule of assets and liabilities" and "a schedule of current income and current expenditures." 11 U.S.C.S. § 521(a)(b).

payment plans. Additionally, following the dismissal of respondent's deficient petitions, she would repeatedly refile successive petitions containing the exact same deficiencies, until the Bankruptcy Court would issue an injunction prohibiting any further bankruptcy filings.

For example, in connection with her representation of Fay Johnson, between 2013 and 2015, respondent filed four consecutive Chapter 13 bankruptcy petitions, each of which the Bankruptcy Court dismissed for failing to file the required documents, including the attorney disclosure of compensation. On February 11, 2015, in connection with the dismissal of Johnson's fourth bankruptcy petition, the Bankruptcy Court prohibited Johnson from filing any further petitions for a two-year period, given that Johnson had filed her petitions in "bad faith."

Similarly, in connection with her representation of Lelawtie Balgobind, between 2013 and 2015, respondent filed four consecutive Chapter 13 petitions, the first three of which were dismissed for failing to pay the filing fees and to submit the required documents, including the attorney disclosure of compensation. In connection with Balgobind's fourth petition, respondent failed to answer the bankruptcy trustee's motion to dismiss the petition "for bad baith," resulting in the April 6, 2015 dismissal of the petition and the imposition of a two-year injunction prohibiting Balgobind from filing for bankruptcy.

Additionally, between 2014 and 2015, respondent filed three deficient Chapter 7 Bankruptcy petitions on behalf of Sabrina Rosa. The Bankruptcy Court dismissed each of the petitions for respondent's failure to pay the filing fee and to provide the required documents, including the attorney disclosure of compensation. On February 18, 2015, in connection with the dismissal of Rosa's third petition, the Bankruptcy Court prohibited Rosa from filing for bankruptcy for approximately six months. On December 8, 2016, following the expiration of the injunction, respondent filed a fourth Chapter 13 petition on behalf of Rosa. Respondent, however, again failed to pay the filing fee and to submit the required documents.

On February 7, 2020, the Bankruptcy Court issued an order to show cause why respondent should not be held in contempt for her almost decade-long practice of filing a total of thirty-eight deficient bankruptcy petitions and then "immediately abandoning them." In its order to show cause, the Bankruptcy Court observed that respondent's filings had been dismissed after her clients had stopped foreclosure sales or "otherwise received the unjustified benefit of the automatic stay." In that vein, the Bankruptcy Court noted that respondent had "abuse[d] the bankruptcy system" in order to "to get the benefit of the automatic stay," without any intent to comply with the Bankruptcy Code. Because respondent was "evidently . . . filing these cases in bad faith," the Bankruptcy

Court could not determine whether respondent's clients were "honest but unfortunate debtors."

Based on her misconduct, the Bankruptcy Court required respondent to (1) appear at the order to show cause hearing, (2) file the required attorney disclosures of compensation in each of her prior cases that had been dismissed, and (3) provide a written statement explaining, among other things, the amount of fees that she had received from each client, the account in which she had deposited such fees, whether she had executed a retainer agreement with each client, and whether she had received from her clients any non-monetary compensation.

On March 2, 2020, respondent failed to (1) appear at the order to show cause hearing, (2) provide the required attorney disclosures of compensation in the prior dismissed matters, and (3) file the mandatory written statement regarding her fee arrangements with her clients. Reid, however, appeared at the order to show cause hearing and demonstrated that he had paid respondent, "at a minimum," $1,070 in filing fees in connection with at least three of his bankruptcy matters. Respondent failed to pay those fees to the Bankruptcy Court.[11] Based on the totality of her misconduct and her failure to appear at the

[11] The OAE noted that, based on respondent's failure to cooperate, it could not clearly and convincingly establish that she had misappropriated Reid's $1,070 (or her potential receipt of

(footnote continued on next page)

order to show cause hearing, the Bankruptcy Court permanently barred respondent from the practice of law before it, effective March 2, 2020.

During her July 2022 demand interview with the OAE, respondent conceded that she filed the thirty-eight deficient bankruptcy petitions to "save" her clients' homes from foreclosure via the automatic stay associated with the bankruptcy process. She also admitted that she "refiled" any dismissed bankruptcy petitions to "facilitate saving her clients' homes," even though her actions amounted to an abuse of the bankruptcy process. Additionally, she maintained that her clients "change their minds about filing for bankruptcy" or failed to provide her with the required documents or filing fees. Further, respondent conceded that she "allowed [the] petitions to be processed and dismissed."

Based on her filing of thirty-eight deficient bankruptcy petitions, "in bad faith," without any intent to comply with the Bankruptcy Code, and in order to improperly obtain the benefit of the automatic stay for her clients, the formal ethics complaint charged respondent with having violated RPC 3.1, RPC 8.4(c) and RPC 8.4(d). Additionally, based on her willful failure to comply with the Bankruptcy Court's February 7, 2020 order to show cause, the formal ethics

funds from other bankruptcy clients), because it could not determine whether those funds represented legal fees or misappropriated filing fees.

complaint charged her with having violated RPC 3.4(c).

Recordkeeping Violations and Failure to Cooperate

On February 9, 2022, the OAE filed a motion for reciprocal discipline, pursuant to R. 1:20-14(a), following the Florida Supreme Court's disciplinary revocation order and the Bankruptcy Court's permanent suspension order. In connection with its motion, the OAE recommended the imposition of a five-year suspension based largely on respondent's misconduct before the Bankruptcy Court.

On April 22, 2022, we denied the motion and remanded the matter to the OAE for further proceedings, including a review and potential plenary investigation into whether respondent knowingly misappropriated entrusted funds underlying the Hodges, Assing, and bankruptcy client matters. We also directed the OAE to review respondent's potential misappropriation of a separate Florida client's (Connie Brown) $425 money order that she had failed to deposit in her ATA to pay for that client's personal injury lawsuit filing fee.[12]

On May 19, 2022, following our remand, the OAE sent respondent a letter,

[12] Although respondent's ATA records demonstrate that she had paid the $425 filing fee for Brown, respondent could not explain to Florida disciplinary authorities the source of the filing fee or whether she had invaded other client funds to pay the fee. Following its investigation, the OAE declined to charge respondent with any violations of the Rules of Professional Conduct in connection with her failure to safeguard Brown's $425 money order, given the "lack of proof" that entrusted funds were invaded as a result of respondent's actions.

via certified and regular mail, to her home address of record, and via electronic mail, to her e-mail address of record, directing that she provide, by June 1, (1) a written reply to our remand letter; (2) her client files underlying the Hodges, Assing, and Brown client matters; and (3) various financial records, including ATA reconciliations, receipts and disbursements journals, client ledger cards, and ATA and ABA bank statements. The OAE also directed her to appear for a June 23, 2022 virtual demand interview. The regular and electronic mail were not returned to the OAE, and the certified mail receipt was returned to the OAE signed by respondent's cousin. Respondent, however, failed to reply.

On June 20, 2022, three days before her scheduled demand interview, the OAE sent respondent another letter, noting that she had failed to comply with its May 19 correspondence, directing that she provide the required financial records and client files by June 22, and reminding her of the demand interview scheduled for June 23.

Two days later, on June 22, 2022, respondent called the OAE and requested an extension to produce the required submissions and an adjournment of the demand interview. On June 23, 2022, the OAE granted respondent's requests, rescheduled her demand interview for July 13, and directed her to submit the required financial records and client files by July 7. Respondent, however, failed to produce any written submissions in advance of the demand

interview.

On July 13, 2022, respondent appeared for the scheduled demand interview. Nevertheless, the OAE was unable to conduct a full interview because respondent claimed that a "personal issue" prevented her from completing the interview. Consequently, on July 14, 2022, the OAE sent her a letter directing her to appear for a continuation of the interview on August 3. The OAE also required respondent to submit the requested financial records and client files by July 25.

Thereafter, on July 14, 2022, respondent sent the OAE an e-mail acknowledging her receipt of its correspondence. However, because she failed to provide any of the required submissions in advance of the August 3 demand interview, the OAE was forced to reschedule it.

On August 8, 2022, the OAE sent respondent a letter directing her to appear for a September 12 demand interview and noting that it was "reinstating [its] request" that she provide, by August 15, a written explanation for her apparent misappropriation of entrusted funds.

On August 31, 2022, more than two weeks after the August 15 deadline, respondent sent the OAE a one-page letter noting that "any mistakes" she had made "were due to the overwhelming pressures of life that I had to handle on my own," including caring for her elderly parents and the fact that she was a

single mother struggling with depression and anxiety. She also noted that, "[w]ith everything going on[,] I relied on memory to keep account of things that I didn't have the time to properly record and, unfortunately, I failed myself. I have done everything in my power to correct my mistakes." Respondent, however, failed to provide a detailed explanation concerning her misappropriation of entrusted funds underlying the Hodges and Assing client matters and her potential failure to safeguard a $425 money order underlying the Brown client matter. Moreover, she failed to provide the relevant financial records and client files requested by the OAE, as R. 1:20-3(g)(3) requires.

On September 12, 2022, although respondent appeared for the scheduled demand interview, she requested an adjournment at the outset of the interview to allow her to retain counsel within thirty days. Two days later, on September 14, 2022, the OAE sent respondent a letter notifying her that it had adjourned her demand interview pending her retention of counsel. Additionally, the OAE directed her to provide a letter of representation from her attorney by October 12, 2022. On the same date, respondent sent the OAE an e-mail acknowledging her receipt of its correspondence.

More than a month later, on October 28, 2022, having received no further submissions from respondent, the OAE sent her another letter directing her to appear for a continuation of the demand interview on December 7. On December

6, 2022, one day before the scheduled interview, respondent requested an adjournment based on her claim that she was "still in the process of trying to retain counsel." She further noted that she was "unable to get time off" from work until January 17, 2023. On December 6, the OAE granted respondent's adjournment request; however, it did not schedule a new date for the demand interview.

On January 25, 2023, the OAE sent respondent another letter, again requesting that she provide, by February 8, a detailed written reply to the concerns raised in our April 2022 remand letter regarding her potential knowing misappropriation of entrusted funds. Further, the OAE requested that she provide her ATA and ABA receipts and disbursements journals, three-way reconciliations, and client ledger cards spanning the past three years. Additionally, the OAE required respondent to produce copies of each check received and disbursed in connection with the Hodges, Assing, and Brown client matters. Finally, the OAE asked respondent whether she had reimbursed the Florida Clients' Security Fund for any funds it had paid out in connection with her misconduct. Respondent failed to reply.

On February 14, 2023, the OAE sent respondent an additional letter, noting that she had failed to comply with its January 25 correspondence and directing that she submit the required financial records and a written reply to

our remand letter by February 22. The OAE cautioned respondent that her continued failure to cooperate could expose her to a violation of RPC 8.1(b) and result in her potential temporary suspension, pursuant to R. 1:20-3(g)(4).

One week later, on February 22, 2023, following a telephone conversation with respondent, the OAE sent her an e-mail reminding her that the materials previously requested in its February 14 correspondence were due that same day. The OAE also provided respondent with a copy of its recordkeeping outline to assist her in reconstructing her financial records. Hours later, respondent replied, stating that she did not maintain receipts and disbursements journals, client ledger cards, or ATA reconciliations. She also alleged that she had provided the OAE "all the information with as much detail that I had" in her August 31, 2022 correspondence. Finally, she stated that she had not made any payments to the Florida Clients' Security Fund and claimed that she had "turned in the docs that I have and believe that you have copies of the checks for those matters[,] [which] are no longer in my possession."

On March 3, 2023, the OAE sent respondent another letter, stating that her prior submissions were "insufficient to explain" her "alleged misconduct in each of the matters listed" in our April 2022 remand letter. The OAE also informed her that she had failed to provide the required financial records. Consequently, the OAE afforded respondent an additional forty-five days, until

April 17, to submit her reconstructed financial records and to provide a detailed written explanation concerning her conduct underlying the Hodges, Assing, and Brown matters, as well as the bankruptcy matters. The OAE also told respondent that "[t]his state of affairs cannot be permitted to continue" and warned her that her failure to cooperate could result in her immediate temporary suspension.

On April 27, 2023, ten days after the April 17 deadline, the OAE sent respondent a letter, detailing its efforts, spanning almost a year, to secure her cooperation and emphasizing that its correspondence represented its final request for her outstanding financial records, relevant client files, and detailed written reply to our remand letter. The OAE directed her to submit all outstanding materials by May 19, 2022. Respondent again failed to comply.

On June 7, 2023, the OAE filed a petition with the Court seeking respondent's immediate temporary suspension based on her prolonged failure to cooperate, pursuant to R. 1:20-3(g)(4).

On September 6, 2023, the Court issued an Order requiring that respondent comply with the OAE's outstanding document and information requests within forty-five days. In re Wilson, 255 N.J. 328 (2023). The Court cautioned her that her failure to comply could result in her immediate temporary suspension.

Three weeks later, on September 27, 2023, the OAE sent respondent a

letter, by certified and regular mail, to her home address of record, and by electronic mail, to her personal e-mail address, directing her to comply with the Court's Order by providing all outstanding materials by October 27, 2023. The regular and electronic mail were not returned to the OAE, and the certified mail receipt was returned to the OAE signed by respondent. Respondent failed to comply.

Effective November 13, 2023, the Court temporarily suspended respondent based on her prolonged failure to cooperate with the OAE's investigation. In re Wilson, 256 N.J. 1 (2023).

Following its investigation, the OAE concluded that respondent failed to comply with the recordkeeping requirements of R. 1:21-6 by failing to (1) conduct three-way monthly reconciliations of her ATA, as R. 1:21-6(c)(1)(H) requires; (2) maintain monthly ATA and ABA bank statements, as R. 1:21-6(c)(1)(G) requires; (3) maintain individual client ledger cards, as R. 1:21-6(c)(1)(B) requires; (4) maintain a separate ledger for attorney funds held for bank charges, as R. 1:21-6(d) requires; and (5) maintain ATA and ABA receipts and disbursements journals, as R. 1:21-6(c)(1)(A) requires. The OAE also determined that respondent had conducted numerous electronic transfers of funds from her ATA to her ABA, without proper authorization, as R. 1:21-6(c)(1)(A) prohibits.

Based on her numerous recordkeeping infractions, the OAE charged respondent with having violated RPC 1.15(d). Moreover, based on her failure to fully cooperate with the OAE's disciplinary investigation, spanning from May 2022 through November 2023, the OAE charged her with having violated RPC 8.1(b). Finally, based on her failure to file an answer to the formal ethics complaint, the OAE charged respondent with having committed a second violation of RPC 8.1(b).

Analysis and Discipline

Violations of the Rules of Professional Conduct

Following our review of the record, we find that the facts set forth in the formal ethics complaint support most, but not all, of the charges of unethical conduct. Respondent's failure to file an 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). Notwithstanding that Rule, each charge in the complaint must be supported by sufficient facts for us to determine that unethical conduct has occurred. See In re Pena, 164 N.J. 222 (2000) (the Court's "obligation in an attorney disciplinary proceeding is to conduct an independent review of the record, R. 1:20-16(c), and determine whether the ethical violations found by the [Board] have been

established by clear and convincing evidence"); see also R. 1:20-4(b) (entitled "Contents of Complaint" and requiring, among other notice pleading requirements, that a complaint "shall set forth sufficient facts to constitute fair notice of the nature of the alleged unethical conduct").

Knowing Misappropriation in the Hodges and Assing Client Matters

In Wilson, 81 N.J. at 455 n.1, the Court described knowing misappropriation 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.

Six years later, the Court elaborated:

> The misappropriation that will trigger automatic disbarment under In re Wilson, 81 N.J. 451 (1979), disbarment that is "almost invariable," id. at 453, consists simply of a lawyer taking a client's money entrusted to him, knowing that it is the client's money and knowing that the client has not authorized the taking. It makes no difference whether the money is used for a good purpose or a bad purpose, for the benefit of the lawyer or for the benefit of others, or whether the lawyer intended to return the money when he took it, or whether in fact he ultimately did reimburse the client; nor does it matter that the pressures on the lawyer to take the money were great or minimal. The essence of Wilson is that the relative moral quality of the act,

> measured by these many circumstances that may surround both it and the attorney's state of mind, is irrelevant: it is the mere act of taking your client's money knowing that you have no authority to do so that requires disbarment . . . . The presence of "good character and fitness," the absence of "dishonesty, venality, or immorality" – all are irrelevant.
>
> [In re Noonan, 102 N.J. 157, 159-60 (1986).]

In 2022, more than forty years after Wilson was decided, the Court re-affirmed its "bright-line rule . . . . that knowing misappropriation will lead to disbarment." In re Wade, 250 N.J. 581, 601 (2022). In Wade, the Court observed that, "[w]hen clients place money in an attorney's hands, they have the right to expect the funds will not be used intentionally for an unauthorized purpose. If they are, clients can confidently expect that disbarment will follow." Ibid.

The Wilson rule also applies to other funds that the attorney must hold inviolate, such as escrow funds. In re Hollendonner, 102 N.J. 21 (1985). In Hollendonner, the Court extended the Wilson disbarment rule to cases involving the knowing misappropriation of escrow funds. The Court noted the "obvious parallel" between client funds and escrow funds, holding that "[s]o akin is the one to the other that . . . an attorney found to have knowingly misused escrow funds will confront the [Wilson] disbarment rule[.]" Id. at 28-29.

As we opined in In the Matter of Robert H. Leiner, DRB 16-410 (June 27, 2017):

> [c]lient funds are held by an attorney on behalf, or for the benefit, of a client. Escrow funds are funds held by an attorney in which a third party has an interest. Escrow funds include, for example, real estate deposits (in which both the buyer and the seller have an interest) and personal injury action settlement proceeds that are to be disbursed in payment of bills owed by the client to medical providers.
>
> [Id. at 21.]

The Court agreed. In re Leiner, 232 N.J. 35 (2018).

Applying these principles, we determine that respondent knowingly misappropriated entrusted funds, in violation of RPC 1.15(a), RPC 8.4(c), and the principles of Wilson and Hollendonner, by depleting both the entire $100,000 settlement underlying the Hodges client matter and the entire $33,478.30 earmarked for the VA underlying the Assing client matter to cover her personal expenses.

Specifically, in the Hodges matter, in April 2018, respondent deposited in her ATA the $100,000 check, issued by the defendants' insurance carrier, representing Hodges's personal injury settlement funds. The insurance carrier's $100,000 check was not only for the benefit of Hodges, but also expressly for the benefit of the Florida law firm, which had asserted a $33,333.33 lien on the settlement for its attorney's fees. Following the April 2018 ATA deposit, because respondent and Hodges disputed the amount of the Florida law firm's lien, respondent attempted to negotiate a compromise with the Florida law firm

However, she never reached an agreement with the Florida law firm regarding its lien amount, and, consequently, never disbursed any of the settlement proceeds to Hodges, his medical providers, or the Florida law firm.

Although respondent was required to hold, inviolate, the entire $100,000 settlement amount during her negotiations with the Florida law firm, on January 11, 2019, she electronically transferred $4,000 from her ATA to her ABA, thereby reducing her ATA balance to $97,096.05 and increasing her ABA balance to $4,061.57. On January 11, following her electronic transfer of the entrusted funds to her ABA, she utilized those funds to cover $2,038.69 in personal expenses, including employee payroll and her telephone and credit card bills.

Additionally, between January 14 and 15, 2019, respondent electronically transferred a total of $6,000 from her ATA to her ABA, transactions which reduced her ATA balance to $91,096.05 and rectified a negative $291.18 ABA balance. During that two-day timeframe, respondent used a significant portion of the $6,000 in entrusted funds to cover more than $5,500 in ABA debit card purchases for personal expenses, including her vacation to Barbados. Thereafter, respondent failed to replenish the settlement funds in her ATA.

For the next eleven months, between January 25 and December 20, 2019, respondent systematically depleted her ATA balance largely by electronically

transferring ATA funds to her ABA and her other personal accounts to cover her personal obligations as they became due. Consequently, on December 20, 2019, after utilizing $1,357.40 in ATA funds to cover payroll expenses, and just eleven days before she petitioned the Florida Supreme Court for a disciplinary revocation of her license in that jurisdiction, respondent depleted her ATA balance to just $0.30.

During that eleven-month timeframe, respondent surreptitiously utilized nearly every penny of the $100,000 settlement to cover not only more than a hundred bank surcharges for insufficient ABA funds, but also her employees' salaries and her personal purchases for dining, transportation, and her June 2019 wedding. Moreover, she failed to secure the authorization of Hodges, his medical providers, or the Florida law firm to utilize their funds for her personal use. Indeed, given that she never reached a compromise with the Florida law firm regarding the amount of its attorney's fee lien, respondent was prohibited from disbursing at least $33,333.33 of the settlement until that dispute was resolved. See RPC 1.15(c) (requiring a lawyer to safeguard and keep "separate" property in which both the lawyer and another person claim an interest, until the dispute is resolved).

Further, as respondent conceded during her July 2022 demand interview with the OAE, she lacked the authority to disburse any portion of the settlement

until Hodges executed a settlement statement, which did not occur. As a result of her misconduct, Hodges was forced to seek reimbursement from the Florida Clients' Security Fund to compensate him for his serious financial loss, which resulted entirely from respondent's systematic, prolonged, and knowing invasion of the entire $100,000 settlement. In the Hodges matter, thus, we find that respondent knowingly misappropriated both client and escrow funds.

In the Assing client matter, on December 4, 2018, respondent sent Assing a settlement statement, promising to disburse $33,478.30 of the $125,000 gross personal injury settlement to the VA to cover Assing's medical bills. On December 18, 2018, respondent issued a $33,478.30 ATA check to the VA to resolve Assing's medical bill. However, the VA could not immediately deposit the check due to staffing issues.

In April 2019, at the request of Florida disciplinary authorities, respondent communicated with the VA regarding whether it had located its unnegotiated $33,478.30 ATA check. Although the VA notified respondent, on April 26, 2019, that it had located the check and that it would soon be processed, respondent failed to confirm whether the VA had attempted to negotiate it.

Rather than hold the VA's entitled funds, inviolate, pending its negotiation of the $33,478.30 ATA check, on May 24, 2019, respondent electronically transferred $2,725 from her ATA to her ABA, thereby rectifying

a negative $1,028.49 ABA balance, reducing her ATA balance $30,807.41, and enabling her to cover a total of $1,624.08 in payroll expenses and a $60 personal cash withdrawal. Additionally, on May 24, while her ATA balance remained below the $33,478.30 amount necessary to allow the VA to successfully negotiate its ATA check, respondent instructed her bank to "stop payment" on that check, demonstrating that she knew that the VA had not negotiated its check and enabling her to utilize its funds, without authorization, to cover her personal expenses.

Specifically, between May 28 and 31, 2019, respondent continued to invade the VA's funds by electronically transferring a total of $9,176 from her ATA to her ABA. Respondent's electronic transfers reduced her ATA balance to $21,631.41, enabled her to rectify $1,709.58 in negative ABA balances, and allowed her to cover $7,221.90 in total (1) bank fees, (2) firm overhead expenses, and (3) ABA debit card purchases for personal expenses. Consequently, on July 11, 2019, when the VA attempted to negotiate its $33,478.30 ATA check, it was returned for insufficient funds.

Respondent's knowing misappropriation, however, did not end there. Between June and December 20, 2019, she continued to invade the VA's funds by transferring all but $0.30 from her ATA to either her ABA, her personal accounts, or directly to her employees to cover personal expenses, employee

salaries, and negative ABA balances.

Respondent claimed to Florida disciplinary authorities, and insinuated to the OAE, that she was unaware that she had invaded the VA's entrusted funds. However, based on her decision to "stop payment" on the VA's check on the same date that she had misappropriated more than $2,700 of its funds, which she contemporaneously used to rectify her serious ABA shortages and cover more than $1,600 in payroll expenses, we determine that respondent clearly understood that she was knowingly misappropriating the VA's funds. Indeed, respondent engaged in a systematic invasion of the VA's escrow funds despite knowing that her accounting practices were under scrutiny, given that, on or around April 2, 2019, Florida disciplinary authorities had requested that she demonstrate that her $33,478.30 ATA check issued to the VA had cleared. Respondent's brazen disregard of her fiduciary duty to safeguard entrusted funds deprived the VA of all its entitled proceeds from the settlement. Moreover, her actions required Assing to apply to the Florida Clients' Security Fund to compensate him for his financial loss attributable to respondent's misappropriation.

We determine to dismiss, however, the remaining charges of unethical conduct in connection with the Hodges and Assing client matters.

Specifically, the formal ethics complaint also charged respondent with

two additional violations of RPC 1.15(a) based upon her failure to safeguard the entrusted funds in the Hodges and Assing client matters by spending substantial portions of those funds on her personal expenses. However, because the other RPC 1.15(a) charges are premised upon respondent's knowing misappropriation in both of the client matters and, thus, adequately address her failure to safeguard entrusted funds, we determine to dismiss the two additional charged violations as duplicative.

Finally, we dismiss the two RPC 8.4(b) charges alleging that respondent engaged in second-degree misapplication of entrusted property, in violation of N.J.S.A. 2C:21-15, by utilizing the entirety of the entrusted funds underlying the Hodges and Assing client matters for her personal use.

"The 'essential elements' of [N.J.S.A. 2C:21-15] are that 'the [person] knowingly misused entrusted property.'" State v. Coven, 405 N.J. Super. 266, 272 (App. Div. 2009) (citations omitted). Indeed, those elements "track those of a disbarment proceeding under [Wilson]." Ibid. (citing In re Lulo, 115 N.J. 490, 502 (1989)). However, in this matter, because respondent's misconduct occurred in connection with her practice of law in Florida, while representing Florida clients in connection with their personal injury lawsuits litigated before Florida state courts, and while misappropriating entrusted funds from her Florida attorney accounts, respondent's conduct does not fall within the jurisdiction of

Title 2C of the New Jersey Code of Criminal Justice. See N.J.S.A. 2C:1-3 (noting that, in general, the "territorial applicability" of New Jersey Code of Criminal Justice covers conduct wherein an element of the criminal offense or the result of such an offense occurs in New Jersey).[13]

Misconduct Before the Bankruptcy Court

Respondent also violated RPC 3.1, RPC 8.4(c), and RPC 8.4(d) by systematically abusing the bankruptcy process, for nearly a decade, by filing numerous deficient bankruptcy petitions, without any intent to comply with the Bankruptcy Code. Specifically, as the Bankruptcy Court observed, between 2010 and 2019, respondent filed at least thirty-eight deficient petitions, on behalf of at least fourteen clients, and then "immediately abandon[ed] them," without submitting the required documents or filing fees, in order to receive "the unjustified benefit of the automatic stay."

Following the dismissal of her clients' deficient petitions, respondent routinely refiled multiple successive petitions, containing the exact same deficiencies, in order to again obtain the improper benefit of the automatic stay.

[13] Although the New Jersey Code of Criminal Justice did not govern respondent's conduct, which occurred exclusively in Florida, her actions are subject to the Rules of Professional Conduct in New Jersey. See RPC 8.5(a) (noting that a lawyer admitted to practice in New Jersey "is subject to the disciplinary authority of this jurisdiction regardless of where the lawyer's conduct occurs").

In connection with the dismissals of the third or fourth successive petitions filed on behalf of the same clients, the Bankruptcy Court was forced to issue injunctions prohibiting respondent's clients from refiling for bankruptcy, demonstrating that she repeatedly allowed her clients to file for bankruptcy in bad faith. Indeed, in connection with her representation of Rosa, respondent elected to file a fourth Chapter 13 petition, containing the same deficiencies as her prior dismissed petitions, following the expiration of the injunction prohibiting Rosa from filing for bankruptcy based on her abuse of the process.

As the Bankruptcy Court observed, respondent's prolonged and dishonest practice of filing frivolous petitions precluded the court from determining whether her clients were, in fact, "honest but unfortunate debtors." Moreover, as respondent conceded during her demand interview with the OAE, she filed the successive petitions, on behalf of the same clients, with the sole purpose of obtaining the improper benefit of the automatic stay. Respondent's nearly decade-long abuse of the bankruptcy process resulted in an enormous waste of judicial resources, given her admission that she simply "allowed [the] petitions to be processed and dismissed," without attempting to comply with the Bankruptcy Code.

Additionally, respondent violated RPC 3.4(c) by refusing to comply with the Bankruptcy Court's February 7, 2020 order to show cause regarding why she

should not be held in contempt for her almost decade-long practice of abusing the bankruptcy process. Respondent, however, failed to appear at the order to show cause hearing. Moreover, she failed to file both the attorney disclosures of compensation in each of her prior dismissed bankruptcy matters and the written statement regarding her fee arrangements with her bankruptcy clients, as the order to show cause expressly required.

Nevertheless, Reid, who appeared to have been respondent's final bankruptcy client, appeared at the order to show cause hearing and demonstrated that he had paid respondent at least $1,070 in filing fees in connection with at least three of his four bankruptcy petitions. Respondent, however, failed to remit the filing fees to the Bankruptcy Court.[14] As a result of her failure to comply with its order show cause, and considering the totality of her dishonest and frivolous conduct, the Bankruptcy Court permanently enjoined respondent from practice of law before it.

[14] As noted above, the OAE declined to charge respondent with having knowingly misappropriated funds received from her bankruptcy clients, given that, as a result of her failure to cooperate, it could not clearly and convincingly establish whether those funds represented legal fees or misappropriated filing fees. Although respondent's potential practice of accepting funds from her bankruptcy clients without paying the required filing fees to the Bankruptcy Court raises a serious question regarding whether she engaged in additional instances of knowing misappropriation, on this record, we decline to disturb the OAE's determination.

Recordkeeping Violations and Failure to Cooperate

Respondent violated RPC 1.15(d) by committing numerous recordkeeping infractions. Specifically, the OAE's audit revealed that she had failed to (1) conduct three-way monthly reconciliations of her ATA; (2) maintain monthly ATA and ABA bank statements; (3) maintain individual client ledger cards; (4) maintain a separate ledger for attorney funds held for bank charges; and (5) maintain ATA and ABA receipts and disbursements journals. Respondent also conducted numerous, improper electronic transfers of funds from her ATA to her ABA, without proper authorization.

Finally, respondent violated RPC 8.1(b) by failing to cooperate with the OAE in two respects.

First, respondent failed to adequately cooperate with the OAE's investigation of her financial records. Specifically, between May 2022 and March 2023, the OAE sent her numerous letters directing that she provide, among other materials, a detailed written reply to our April 2022 remand letter, relevant client files, and ATA and ABA records. Respondent, however, frequently failed to reply to the OAE's inquiries. Moreover, when she did reply, she failed to submit any of the required financial records or client files. Further, she failed to submit a detailed written reply to our remand letter concerning her systematic invasion of entrusted funds. Rather, she appeared to have provided

the OAE only an August 31, 2022 letter and a February 22, 2023 e-mail in which she noted that she did not maintain the requested financial records or client files and vaguely attributed "any mistakes" she had made to various personal issues.

On March 3, 2023, following her failure to provide the required materials, the OAE sent respondent a letter granting her an additional forty-five days, until April 17, 2023, to reconstruct her financial records and to provide a detailed explanation for her misconduct underlying this matter. Respondent, however, made no further attempt to cooperate with the OAE. Consequently, on June 7, 2023, the OAE petitioned the Court for her immediate temporary suspension. Thereafter, on September 6, 2023, the Court issued an Order requiring respondent to comply with the OAE's requests within forty-five days. Respondent, however, refused to comply with the Court's Order, resulting in her November 13, 2023 temporary suspension.

Second, respondent failed to file an answer to the formal ethics complaint, thus, allowing this matter to proceed as a default.

In sum, we find that the allegations of the formal ethics complaint clearly and convincingly establish respondent's knowing misappropriation of entrusted funds in the Hodges and Assing client matters, in violation of RPC 1.15(a), RPC 8.4(c), and the principles of Wilson and Hollendonner. In addition, respondent violated RPC 1.15(d); RPC 3.1 (thirty-eight instances); RPC 3.4(c); RPC 8.4(c)

(thirty-eight instances); RPC 8.1(b) (two instances); and RPC 8.4(d) (thirty-eight instances). We determine to dismiss, however, the additional charges pursuant to RPC 1.15(a) (two instances) and RPC 8.4(b) (two instances). The sole issue left for determination is the appropriate quantum of discipline for respondent's misconduct.

Quantum of Discipline

The crux of respondent's misconduct was her systematic knowing misappropriation of entrusted funds, which she repeatedly used to cover her numerous personal purchases and financial obligations as they became due. In New Jersey, "[d]isbarment is mandated" for knowing misappropriation of client or escrow funds. In re Orlando, 104 N.J. 344, 350 (1986) (citing Wilson, 81 N.J. at 456); Hollendonner, 102 N.J. at 28.

Respondent brazenly misappropriated nearly every penny of both the $100,000 in settlement funds underlying the Hodges client matter and the $33,478.30 in entrusted funds owed to the VA underlying the Assing client matter. Her systematic transfer of entrusted funds from her ATA to her ABA to cover her personal and professional obligations demonstrates that she knew exactly what was happening in her attorney accounts. Her knowing misappropriation bears striking resemblance to that of the disbarred attorneys in

In re Pomerantz, 155 N.J. 122 (1998), In re Jupin, 248 N.J. 425 (2021), and In re Anderson, 248 N.J. 576 (2021).

In Pomerantz, the Court found that the attorney "had used her client's funds for her own purposes without authorization." 155 N.J. at 133. The Court explained:

> Her juggling of funds between her personal, business, and trust accounts belies her claimed lack of knowledge that she was out-of-trust. [Pomerantz's] behavior demonstrates that she was aware of shortfalls in her accounts. For example, [Pomerantz] paid [her client] from the trust account rather than the business account when the business account did not contain enough money to cover the amount due [to the client]. We have previously observed that when an attorney makes a loan to a deficient trust account, it indicates that the attorney may be "personally aware on that date that his handling of the trust account had produced the deficit result."
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> [Ibid. (citation omitted).]

Further, the Court noted that, even though Pomerantz "may not have intended to permanently deprive [the client] of her money," and that she had "intended to replace the funds," her intentions were irrelevant, citing In re Irizarry, 141 N.J. 189, 192 (1995), and Noonan, 102 N.J. at 160. Id. at 134. As a corollary, the Court rejected the importance of the claimed ability to make restitution, noting that the restitution funds may fail to materialize. Id. at 134-35.

Pomerantz's defenses constituted willful blindness, in the Court's view, because knowledge that the invasion of client funds was a likely result of an

attorney's conduct constitutes "a state of mind consistent with the definition of knowledge in our statute law." Id. at 135 (citing In re Skevin, 104 N.J. 476, 486 (1986)). In other words, even if the Court had accepted Pomerantz's contentions that "she was unaware that she was out-of-trust, her 'willful blindness' satisfie[d] [the Court] that she knowingly misappropriated client funds." Ibid. Similarly, the Court observed that "knowing misappropriation may be established by 'evidence [that] clearly and convincingly demonstrates that [an attorney] knew the invasion was a likely result of [her] conduct.'" Ibid. (quoting Irizarry, 141 N.J. at 194) (first and third alterations in original).

Since Pomerantz, the Court has continued to disbar willfully blind attorneys who misappropriate entrusted funds. For instance, in In the Matter of Thomas Andrew Clark, DRB 16-111 (January 11, 2017), so ordered, 228 N.J. 521 (2017), we observed:

> Although abominable recordkeeping practices may remove a case from the realm of knowing misappropriation, the Court has rejected the notion that an attorney "who just walks away from his fiduciary obligation as safekeeper of client funds can expect an indulgent view of any misappropriation." In re Johnson, 105 N.J. 249, 260 (1987). Rather, the Court "will view 'defensive ignorance' with a jaundiced eye." Ibid. Consequently, "[t]he intentional and purposeful avoidance of knowing what is going on in one's trust account will not be deemed a shield against proof of what would otherwise be a 'knowing misappropriation'." Ibid. In so ruling, the Court was confident that, "within our ethics system, there is

> sufficient sophistication to detect the difference between intentional ignorance and legitimate lack of knowledge."
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> [Id. at 59.]

More recently, in Jupin, the Court disbarred an attorney for "her systematic knowing misappropriation of client trust funds." 248 N.J. 425. In that matter, approximately one week after opening her second ATA with more than $11,400 of client funds, Jupin transferred nearly all those funds to her ABA, which featured a negative balance and an outstanding $1,125 ABA check that had been issued but not yet negotiated in connection with an unrelated matter. In the Matter of Angela Jupin, DRB 20-342 (May 26, 2021) at 44. The client funds held in her ABA rectified Jupin's negative ABA balance, allowed the $1,125 ABA check to be negotiated successfully, and enabled Jupin to make ABA cash withdrawals and debit card purchases. Ibid. Thereafter, Jupin made a "just-in-time" account replenishment to cover the checks that she had issued to her clients but were not yet negotiated. Id. at 44-45.

In a separate client matter, Jupin deposited $2,531.40 comprising a client's tax refund in her ABA when that account had a negative balance. Id. at 45. Almost immediately thereafter, she made a $1,696.70 ABA payment to her children's day care center. Ibid. Several months later, after invading her client's funds in her ABA more than seventy times, she issued a $1,265.70 check to her

client, representing her share of the proceeds. Ibid. Jupin's client, however, was able to successfully negotiate her check only after Jupin had made two ABA deposits. Ibid.

In another client matter, Jupin deposited her client's $2,500 settlement payment owed to an opposing party in her ABA, which had a negative $1,538.84 balance. Id. at 46. The following day, she made a $400 ABA cash withdrawal. Ibid. Jupin, however, failed to issue the $2,500 settlement check to the opposing party's attorney until more than two months later. Ibid. Two days after she issued the settlement check, Jupin deposited $470 in her ABA, raising the balance to $2,500.65 – just enough to cover the $2,500 settlement check, which was negotiated that same day. Ibid.

In three additional client matters, Jupin committed similar acts of knowing misappropriation by depositing client funds in her ABA, which contained a negative balance. Id. at 47. She then proceeded to make twenty-two personal ABA purchases before attempting to replenish the client funds that she was required to hold inviolate. Ibid.

In finding that Jupin repeatedly engaged in knowing misappropriation of client funds, we observed that she consistently deposited client funds in her ABA, spent them down, and, thereafter, made "just-in-time" ABA deposits before her clients negotiated their checks. Id. at 47. Additionally, "as an

alternate and sufficient theory," we determined that, even if she had not been so clearly and demonstrably aware of her invasion of client funds, she was indefensibly and willfully blind to her acts of misappropriation. Id. at 50-51. The Court agreed and disbarred Jupin following her failure to appear for its Order to Show Cause. In re Jupin, 248 N.J. 425 (2021).

Finally, in Anderson, the Court disbarred an attorney who began knowingly misappropriating her client's funds, the sole purpose of which was to be used for child support payments, almost as soon as she received her client's final deposit. 248 N.J. 576. We found that, despite Anderson's purported ignorance of what was happening in her attorney accounts, she was "quite adept" at tracking and moving funds. In the Matter of Rosemarie Anderson, DRB 20-285 (July 26, 2021) at 50-51. Specifically, she managed to understand her account balances enough to transfer funds, from whichever account(s) necessary, to make timely payments of other monthly obligations, including her mortgage and office rent. Id. at 53. In that vein, Anderson engaged in "lapping," that is, using one party's funds to pay trust obligations owed to another party. Id. at 43 (citing In re Brown, 102 N.J. 512, 515 (1986)). To "keep her financial ship afloat," Anderson made either just-in-time deposits or transfers of funds to cover ATA shortages, negative client balances, and other obligations as they became due. Id. at 43, 53.

Here, like the attorneys in Pomerantz, Jupin, and Anderson, respondent systematically, knowingly, and surreptitiously misappropriated nearly her entire ATA balance to cover her personal expenses. Although respondent insinuated to the OAE that she was ignorant that her ATA transfers had invaded entrusted funds, her financial records demonstrate that she closely monitored her ABA balance and would routinely replenish it, with ATA funds, whenever the account had a negative balance. Thus, as in Pomerantz, respondent's numerous electronic transfers from her ATA to her ABA, in order to cover her ABA shortages, bely her purported ignorance of the fact that, by December 2019, she had all but eliminated her entire ATA balance.

Indeed, on December 20, 2019, just ten days after her interview with Florida disciplinary authorities concerning her repeated invasion of entrusted funds, and while her ABA had a significant negative account balance, respondent electronically transferred $1,357.40 from her ATA directly to her employees to cover their salaries, thereby depleting her ATA balance to a mere $0.30.

Respondent's knowing misappropriation of nearly every penny of the funds entrusted to her deprived Hodges, his medical providers; the Florida law firm; and the VA of their entire respective portions of the personal injury settlements. Fortunately, the Florida Clients' Security Fund, which provides

monetary relief only to those who suffer financial losses due to an attorney's misappropriation, embezzlement, or other wrongful conversion of money, reimbursed Hodges and Assing for their financial losses resulting directly from respondent's misappropriation. However, the subsequent replacement of entrusted funds – particularly when such restitution is made by a state's client security fund – will not save respondent from the Wilson disbarment rule. See In re Blumenstyk, 152 N.J. 158 (1997) (attorney disbarred for knowingly misappropriating funds; he received $65,000 from a buyer as a deposit for a real estate deal and took $10,000 and $5,412.55 from the escrow funds, without the authorization of the owner of the funds; his defense, that he had made restitution, was rejected).

Following the depletion of her ATA and ABA balances, respondent voluntarily petitioned the Florida Supreme Court to impose a disciplinary revocation of her license to practice law in that jurisdiction. Thereafter, she failed, despite numerous opportunities, to cooperate in the OAE's disciplinary investigation or to offer any reasonable explanation regarding her use of entrusted funds to cover her personal obligations. Finally, she failed to file an answer to the formal ethics complaint and allowed this matter to proceed as a default, further demonstrating her disinterest in maintaining her law license and in participating in the disciplinary process underlying this serious ethics matter.

Conclusion

In sum, based on respondent's protracted scheme to knowingly misappropriate entrusted funds, disbarment is the only appropriate sanction, pursuant to the principles of Wilson and Hollendonner. Therefore, we need not address the appropriate quantum of discipline for respondent's additional, serious ethics violations.

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. Mary Catherine Cuff, P.J.A.D. (Ret.),
Chair

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

SUPREME COURT OF NEW JERSEY
DISCIPLINARY REVIEW BOARD
VOTING RECORD

In the Matter of Stacey Dawn Wilson
Docket No. DRB 24-243

Decided: April 11, 2025

Disposition: Disbar

Members	Disbar	Absent
Cuff	X	
Boyer	X	
Campelo		X
Hoberman	X	
Menaker	X	
Modu	X	
Petrou	X	
Rodriguez	X	
Spencer	X	
Total:	8	1

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