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September 23, 2025

Heather Joy Baker, Clerk
Supreme Court of New Jersey
P.O. Box 970
Trenton, New Jersey 08625-0962

Re: **In the Matter of Michael P. Balint**
Docket No. DRB 25-175
District Docket No. XIV-2024-0261E

Dear Ms. Baker:

The Disciplinary Review Board (the Board) has reviewed the motion for discipline by consent (censure or such lesser discipline as the Board deems appropriate) filed by the Office of Attorney Ethics (the OAE) in the above matter, pursuant to R. 1:20-10(b). Following a review of the record, the Board granted the motion and determined that a censure is the appropriate quantum of discipline for respondent's violation of RPC 1.15(b) (two instances – failing to promptly deliver funds to a client), RPC 1.15(d) (failing to comply with the recordkeeping requirements of R. 1:21-6), and RPC 8.1(b) (two instances – failing to cooperate with disciplinary authorities).

However, for the reasons set forth below, the Board determined to dismiss the charges that respondent violated both RPC 1.15(b) and RPC 8.1(b) – a third time – concerning his unidentified attorney trust account (ATA) funds and his general failure to demonstrate that he had brought his records into compliance with R. 1:21-6, respectively.

Respondent has a disciplinary history consisting of three prior reprimands.

On December 7, 2001, the Court reprimanded respondent, twice, for engaging in patterns of neglect connected to his mishandling of six client matters. In re Balint, 170 N.J. 198 (2001) (Balint I), and In re Balint, 170 N.J. 244 (2001) (Balint II).

On June 24, 2002, the Court reprimanded respondent a third time for negligently misappropriating client funds, failing to comply with the recordkeeping requirements of R. 1:21-6, and allowing entrusted funds to remain inactive in his ATA. Among other conditions to his discipline, the Court required respondent to submit quarterly ATA reconciliations, prepared by an OAE-approved certified public accountant, for a one-year period, until further Order of the Court. In re Balint, 172 N.J. 408 (2002) (Balint III).

On July 27, 2004, the Court terminated all previously imposed conditions.

Turning to the stipulated facts of the instant matter, on December 22, 2023, the OAE conducted a random audit of respondent's financial records, which revealed that he committed numerous recordkeeping deficiencies, in violation of RPC 1.15(d). Specifically, he failed to maintain (1) proper account designations for his ATA and attorney business account (ABA), as R. 1:21-6(a)(2) requires; (2) ATA and ABA receipts journals, as R. 1:21-6(c)(1)(A) requires; (3) an ABA disbursements journal, as R. 1:21-6(c)(1)(A) requires; and (4) an ATA checkbook with a running balance, as R. 1:21-6(c)(1)(G) requires.

The audit also revealed that respondent (1) maintained \$151,443.05 in unidentified ATA funds, as R. 1:21-6(d) and R. 1:21-6(c)(1)(B) prohibit, (2) failed to retain ATA and ABA records for a seven-year period, as R. 1:21-6(c)(1) requires, and (3) failed to conduct monthly three-way ATA reconciliations, as R. 1:21-6(c)(1)(H) requires. By admittedly failing to maintain and preserve his financial records for review by the OAE, the Board determined that respondent was, at the outset of the audit, in no position to fully cooperate with the investigation of his attorney accounts, in violation of R. 1:21-6(i) and, by extension, RPC 8.1(b).

In March 2024, following the audit, respondent corrected most of the foregoing recordkeeping deficiencies and identified the beneficial owners of

some of the \$151,443.05 in unidentified ATA funds. Specifically, he informed the OAE that, on March 30, 2017, he issued a \$100 ATA check to his client, Richard Colucci, who never negotiated that instrument. Additionally, on November 6, 2017, he issued two ATA checks – for \$55,619.01 and \$33,029.48 respectively – to his client, George Denzer, who, likewise, never negotiated those instruments. The three unnegotiated checks, which totaled \$88,748.49, reduced the amount of unidentified ATA funds to \$62,694.56.

On August 8, 2024, following an additional inquiry by the OAE concerning respondent's efforts to rectify the unidentified and inactive ATA funds, he sent the OAE a letter demonstrating that, on August 6, 2024, he had provided Denzer's spouse with two replacement ATA checks, both made payable to Denzer's estate,¹ for \$55,619.01 and \$33,029.48 respectively. Respondent also contended that he was unable to locate Colucci, who, since March 2017, remained entitled to \$100 in ATA funds. On August 14, 2024, a representative of Denzer's estate successfully negotiated those checks.

On October 22, 2024, during a demand audit, respondent expressed his commitment to the OAE to disburse Colucci's \$100 in inactive client funds and the \$62,694.56 in unidentified ATA funds to the Clerk of the Superior Court for deposit with the Superior Court Trust Fund Unit (the TFU), pursuant to R. 1:21-6(j). Subsequently, on November 22, 2024, the OAE informed respondent of the procedures to deposit those funds with the TFU.

Approximately three months later, on February 10, 2025, the OAE called respondent requesting an update on his efforts to disburse the unidentified and inactive funds from his ATA. During the telephone conversation, respondent claimed that an illness had prevented him from disbursing the funds but that he intended to take such action by "early March 2025."

On March 31, 2025, following respondent's failure to disburse the unidentified and inactive funds from his ATA, the OAE filed a formal ethics complaint, charging him with recordkeeping violations and related infractions. Thereafter, on April 22, 2025, he sent the Superior Court Clerk's Office a \$62,794.56 ATA check, made payable to the TFU, comprising the \$62,694.56 in unidentified ATA funds and the \$100 in inactive client funds owed to Colucci.

¹ Denzer passed away in June 2024.

Based on the above facts, the Board determined that respondent violated RPC 8.1(b) a second time by admittedly failing, for several months following the October 2024 demand audit, to demonstrate that he had deposited the unidentified and inactive funds with the TFU. Specifically, despite the OAE's multiple attempts, between November 2024 and February 2025, to remind him of his obligation to deposit those funds with the TFU, he failed to do so. Indeed, he was not spurred into action until weeks after the filing of the March 31, 2025 formal ethics complaint.

The Board also determined that respondent twice violated RPC 1.15(b) by allowing \$88,748.49 of Denzer's and Colucci's total, respective client funds to languish, for years, in his ATA.

However, the Board determined to dismiss the charge that respondent violated RPC 1.15(b) a third time by maintaining \$62,694.56 in unidentified ATA funds. In the Board's view, those unidentified funds did not clearly and convincingly constitute either client or third-party funds that respondent was obligated to promptly deliver to an entitled party. Moreover, his failure to comply with the recordkeeping Rules by allowing substantial sums of unidentified funds to accumulate in his ATA is more appropriately addressed by the RPC 1.15(d) charge.

The Board also determined to dismiss the charge that respondent violated RPC 8.1(b) a third time by failing to demonstrate that he had "brought his records into compliance with R. 1:21-6." In the Board's view, his admitted failure to cooperate is properly encapsulated by the previously discussed RPC 8.1(b) charges concerning his failure to (1) maintain financial records for the OAE's inspection, and (2) demonstrate that he timely disbursed the unidentified and inactive ATA funds. Significantly, respondent rectified his recordkeeping errors unrelated to the unidentified and inactive funds within three months of the December 2023 random audit. Accordingly, the Board determined that the third RPC 8.1(b) charge was duplicative.

In the absence of negligent misappropriation, recordkeeping infractions ordinarily result in an admonition. See In the Matter of Nosheen Khawaja, DRB 24-171 (September 24, 2024) (a random audit revealed that the attorney committed numerous recordkeeping infractions, including maintaining inactive

ATA balances; the attorney corrected her recordkeeping infractions within eleven months of the random audit; no prior discipline).

The quantum of discipline is enhanced, however, if additional aggravating factors are present, including maintaining substantial inactive ATA balances or failing to correct recordkeeping deficiencies despite prior audits. See, e.g., In re Abdellah, 241 N.J. 98 (2020) (reprimand for an attorney who failed to resolve recordkeeping infractions despite being advised of those deficiencies in a prior random audit; no prior discipline); In re Lueddeke, __ N.J. __, (2022) 2022 N.J. LEXIS 456 (censure for an attorney whose recordkeeping deficiencies included permitting \$414,278.24 of inactive balances to languish in his ATA for almost a decade; in aggravation, the attorney's recordkeeping deficiencies occurred despite having participated in two prior random audits; however, in mitigation, the attorney eventually corrected his recordkeeping deficiencies; prior admonition for dissimilar conduct); In re Esposito, 240 N.J. 174 (2019) (censure for an attorney whose recordkeeping deficiencies included holding \$169,043.03 in unidentified funds and numerous inactive ATA balances; the attorney also failed to promptly disburse excess fees to entitled parties in real estate matters; in mitigation, the attorney had no disciplinary history and remedied all his recordkeeping deficiencies, including the inactive balances).

Respondent also failed to cooperate with the OAE's investigation of his financial records. Admonitions typically are imposed for failure to cooperate with disciplinary authorities, if the attorney does not have an ethics history, if the attorney's ethics history is remote, or if compelling mitigation is present. The quantum of discipline is enhanced, however, if the failure to cooperate is with an arm of the disciplinary system, such as the OAE, which uncovers recordkeeping improprieties in an ATA and requests additional documents. See, e.g., In re Schlachter, 254 N.J. 375, 376 (2023) (reprimand for an attorney who committed numerous recordkeeping violations and failed to comply with the OAE's repeated record requests); In re Leven, 245 N.J. 491 (2021) (reprimand for an attorney who, following two random audits, repeatedly failed to comply with the OAE's request for his law firm's records; the attorney also failed to comply with two Court Orders directing him to cooperate; although the Board determined that the misconduct could warrant a censure, the Board imposed an reprimand, largely due to the attorney's otherwise unblemished forty-seven-year career at the bar); In re Tobin, 249 N.J. 96 (2021) (censure for an attorney who, following a random audit that uncovered several recordkeeping deficiencies

(including more than \$800,000 in negative client balances), failed to provide the documents requested in the OAE's seven letters and eight telephone calls, spanning more than one year; although the Board noted that a reprimand was appropriate for the attorney's recordkeeping violations and failure to cooperate, the Board imposed a censure in light of the attorney's prior reprimand for recordkeeping violations and the default status of the matter; in mitigation, the attorney had been practicing law for sixty-three years and suffered serious health problems prior to the continuation date of the random audit).

Here, like the censured attorney in Esposito, respondent, due to poor recordkeeping, allowed \$88,748.49 in client funds to languish, for several years, in his ATA. Compounding his misconduct, he altogether failed to identify at least \$62,694 in additional ATA funds, despite the OAE's remedial efforts.

Based upon the foregoing disciplinary precedent, the Board determined that respondent's misconduct could be met with a reprimand or a censure. To craft the appropriate discipline in this case, however, the Board also considered aggravating and mitigating factors.

In aggravation, like Lueddeke and Leven, who both committed recordkeeping infractions despite having participated in multiple prior random audits, the Board underscored how respondent had a heightened awareness of his obligations to comply with the recordkeeping Rules, considering his 2002 reprimand in Balint III for substantially similar infractions, including allowing inactive client balances to accumulate, for years, in his ATA. Moreover, as a condition to discipline in Balint III, the Court required him to submit quarterly ATA reconciliations to the OAE, a requirement which the Court did not terminate until July 2004. Rather than attempt to comply with the Court Rules governing trust accounts, respondent, once again, failed to comply with his recordkeeping responsibilities and, consequently, allowed substantial sums of unidentified and inactive funds to amass in his ATA. Alarming, at the outset of the random audit, respondent's refusal to adhere to his recordkeeping obligations prevented him from identifying more than \$150,000 in ATA funds.

In contrast to Leven, wherein the Board viewed that attorney's otherwise unblemished forty-seven-year career at the bar as a significant mitigating factor, this matter marks respondent's fourth encounter with the disciplinary system

and the second ethics matter in which he has failed to comply with his recordkeeping responsibilities.

In mitigation, respondent stipulated to his misconduct and, thus, conserved disciplinary resources. Moreover, the Board considered that he rectified most of his recordkeeping infractions within three months of the December 2023 random audit. However, in the Board's view, that mitigating factor is offset by his protracted delay in disbursing all inactive and unidentified ATA funds.

On balance, weighing the substantial sums of both client and unidentified funds that had languished in respondent's ATA despite his prior, albeit remote, reprimand for substantially similar misconduct, the Board determined that the aggravation outweighs the mitigation and concluded that a censure is the appropriate quantum of discipline necessary to protect the public and preserve confidence in the bar.

Enclosed are the following documents:

1. Notice of motion for discipline by consent, dated July 23, 2025.
2. Stipulation of discipline by consent, dated July 23, 2025.
3. Affidavit of consent, dated July 17, 2025.
4. Ethics history, dated September 23, 2025.

Very truly yours,

/s/ Timothy M. Ellis

Timothy M. Ellis
Chief Counsel

TME/knd
Enclosures

c: (w/o enclosures)

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

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Michael P. Balint, Respondent (e-mail and regular mail)