

SUPREME COURT OF NEW JERSEY
DISCIPLINARY REVIEW BOARD
Docket No. DRB 25-138
District Docket No. XIV-2017-0469E

In the Matter of Gregory G. Stagliano
An Attorney at Law

Argued
July 16, 2025

Decided
November 5, 2025

Tara L. Hanna appeared on behalf of the
Office of Attorney Ethics.

Respondent appeared pro se.

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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 motion for final discipline filed by the Office of Attorney Ethics (the OAE), pursuant to R. 1:20-13(c)(2), following respondent's nolo contendere plea and conviction, in the Commonwealth of Pennsylvania, Court of Common Pleas, Delaware County (the Commonwealth), to seven counts of misapplication of entrusted property, in violation of 18 Pa. C.S. § 4113(a). The OAE asserted that these offenses constitute violations of RPC 8.4(b) (committing a criminal act that reflects adversely on the lawyer's honesty, trustworthiness, or fitness as a lawyer) and the principles of In re Wilson, 81 N.J. 451 (1979) (knowingly misappropriating entrusted funds).

For the reasons set forth below, we determine to grant the motion for final discipline and recommend to the Court that respondent be disbarred.

Ethics History

Respondent earned admission to the New Jersey bar in 1983 and to the Pennsylvania bar in 1980. He has no prior discipline in New Jersey. During the relevant time, he maintained a practice of law in Media, Pennsylvania.

Effective May 27, 2016, the Supreme Court of Pennsylvania placed respondent on disability inactive status in that jurisdiction. Office of Disciplinary Counsel v. Stagliano, 2016 Pa. LEXIS 1089 (2016). Pursuant to that court's order, pending Pennsylvania disciplinary proceedings are held in abeyance pending respondent's reinstatement to active status.¹

Effective March 22, 2018, our Court transferred respondent, on consent, to disability inactive status in New Jersey. In re Stagliano, 232 N.J. 329 (2018). The Court's Order did not stay disciplinary proceedings against respondent in our jurisdiction.

To date, respondent remains on disability inactive status in New Jersey and Pennsylvania.

¹ 204 Pa. Code Rule 301(e), governing proceedings where an attorney is declared to be incapacitated or severely mentally disabled, provides:

If examination of a respondent-attorney by a qualified medical expert reveals that the respondent lacks the capacity to aid effectively in the preparation of a defense, the Court may order that any pending disciplinary proceeding against the respondent shall be held in abeyance except for the perpetuation of testimony and the preservation of documentary evidence. The order of abatement may provide for reexaminations of the respondent-attorney at specified intervals or upon motion by Disciplinary Counsel.

Facts

On July 26, 2024, respondent entered an open nolo contendere plea to seven counts of misapplication of entrusted property, in violation of 18 Pa. C.S. § 4113,² a second-degree misdemeanor offense.³ In support of his plea, respondent agreed with the Commonwealth's charges that he disposed of client settlement funds, which had been deposited in his attorney trust account (ATA) for safekeeping, in a manner that he knew to be unlawful and involved a substantial risk of loss or detriment to the impacted clients. He further admitted that the Commonwealth would be capable of proving at trial all the facts set forth in the June 1, 2017 affidavit of probable cause, which detailed the facts surrounding nine clients for whom respondent should have been holding funds, in trust, from early 2014 through late 2015.

Each client matter is separately addressed below.

² 18 Pa. C.S. § 4113 provides, “a person commits an offense if he applies or disposes of property that has been entrusted to him as a fiduciary, or property of the government or of a financial institution, in a manner which he knows is unlawful and involves substantial risk of loss or detriment to the owner of the property or to a person for whose benefit the property was entrusted.”

³ A plea of nolo contendere is “a plea by which a defendant does not expressly admit his guilt but nonetheless waives his right to a trial and authorizes the court for purposes of the case to treat him as if he were guilty.” N.C. v. Alford, 400 U.S. 25, 35 (1970).

The Charlene Flanagan Matter

On January 7, 2014, respondent deposited in his ATA a \$105,000 settlement check on behalf of Charlene Flanagan. On January 14, 2014, respondent deposited in his ATA a second settlement check in the amount of \$5,000 on behalf of Flanagan. At some point, respondent made a single, \$15,000 disbursement to Flanagan; however, he failed to make any further disbursements.

The Monica Simpson Matter

On April 2, 2014, respondent deposited in his ATA a \$40,000 settlement check on behalf of Monica Simpson, in connection with a lawsuit stemming from a November 2008 automobile accident which proceeded to trial and resulted in a verdict. On August 11, 2014, respondent deposited in his ATA a second settlement check on behalf of Simpson, in the amount of \$4,124; however, he failed to notify her of the additional settlement funds. He subsequently issued ATA checks against Simpson's settlement funds for purported expert fees, costs, and legal fees, totaling \$20,622.91, but failed to inform Simpson of those disbursements.

When Simpson inquired about the status of her funds, respondent falsely

stated that the verdict amount was unresolved and the insurance company had up to thirty days to issue the payment, when in fact, he had received the funds four months earlier and already had issued checks against those funds. In May and October 2014, Simpson attempted to contact respondent, to no avail. In November 2014, respondent told Simpson that he would “work on wrapping things up.”

From March through December 2015, respondent continued to provide Simpson with various excuses related to his health. Following Simpson’s filing of an ethics grievance against him, on or about February 2, 2016, he issued an ATA check to her, in the amount of \$18,436.80, which she did not negotiate. Notably, he transferred \$30,500 from a personal account to his ATA to cover that disbursement to Simpson.

The Diane Lynn McNulty Matter

In May 2014, Diane Lynn McNulty retained respondent in connection with a personal injury matter. At some point, respondent deposited in his ATA a \$30,000 settlement check on behalf of McNulty. He disbursed \$10,000 to McNulty, which he described as a “partial” distribution. However, he failed to make any other disbursements to her.

The Ronald Greenberg Matter

On September 24, 2014, respondent deposited in his ATA a \$75,000 settlement check on behalf of Ronald Greenberg, in connection with a personal injury matter. At some point, respondent disbursed \$20,000 to Greenberg. Thereafter, he ignored all of Greenberg's further attempts to communicate and failed to make any more disbursements to him.

The Diane Van Atter Matter

On November 6 and December 19, 2014, respondent deposited in his ATA two settlement checks, totaling \$75,000, on behalf of Diane Van Atter, in connection with a lawsuit stemming from a February 2014 automobile accident. In December 2014, respondent made a single \$7,500 disbursement to Van Atter.

Subsequently, Van Atter made more than thirty attempts to determine the status of the funds and received a variety of excuses for respondent's failure to disburse the remaining funds. At one point, respondent stated that he wished Van Atter would cease her continued "harassing communications" concerning the funds and, if she did not, he would "go about it a different way." As of March 2017, Van Atter still had not received her funds.

The Paul Dimatteo Matter

On January 28, 2015, respondent deposited in his ATA a \$10,000 settlement check on behalf of Paul Dimatteo, in connection with a lawsuit stemming from a motorcycle accident. However, respondent failed to make any disbursements to Dimatteo and failed to inform him that he had received the funds.

The Kirby Mitchell Matter

In January 2015, respondent deposited in his ATA a \$15,000 settlement check on behalf of Kirby Mitchell, in connection with a personal injury matter. In February 2015, respondent disbursed \$750 to Mitchell. Thereafter, he failed to make any further disbursements despite Mitchell's multiple requests. Respondent also ignored Mitchell's subsequent efforts to reach him. In May 2016, the Pennsylvania Supreme Court transferred respondent to disability inactive status. However, respondent continued to send memorandums to Mitchell after the effective date of the order and failed to inform him of his inactive status.

The Vince DeVuono Matter

Respondent deposited in his ATA settlement funds totaling \$205,000 on behalf of Vince DeVuono, in connection with a personal injury matter. He made various disbursements to DeVuono, totaling \$38,000. Following DeVuono's death, in August 2015, the estate sought the balance of the settlement funds. Respondent, however, falsely stated there were no funds left from the settlement.

The George Miscannon Matter

On October 19, 2015, respondent deposited in his ATA a \$62,500 settlement check on behalf of George Miscannon, in connection with a personal injury matter. In November 2015, respondent made initial contact with a third party to settle a lien owed by Miscannon but made no further efforts to do so. After accounting for legal fees and the lien, respondent should have been holding in his ATA \$38,684.39 on behalf of Miscannon. However, as of November 2015, respondent held only \$13,047.73 in his ATA.

The Pennsylvania Disciplinary Action

At some point not set forth in the record, the Pennsylvania disciplinary authorities received complaints from Van Atter, Simpson, Miscannon, and the

Estate of DeVuono. During the investigation, Pennsylvania disciplinary authorities requested respondent's financial records, which he failed to provide; consequently, those disciplinary authorities issued subpoenas to obtain those records.

Considering the settlement funds respondent received in connection with the nine client matters detailed above, as of June 2016, he should have been holding \$480,935.48, inviolate, in his ATA. Moreover, on his June 2016 fiduciary statement, submitted in connection with the Pennsylvania disciplinary investigation, respondent admitted he should have been holding \$51,000 on behalf of Flanagan and \$40,000 on behalf of Van Atter. He falsely stated that those funds remained in his ATA. However, a review of his records revealed that, as of June 2016, respondent's ATA held only \$133.77.

On July 30, 2016, the Pennsylvania disciplinary authorities referred respondent's misconduct to the Economic Crimes Unit of the Delaware County District Attorney's Office. The subsequent criminal investigation revealed that, on nine separate occasions, respondent deposited personal funds in his ATA, in amounts ranging from \$3,000 to \$50,000. In addition, he withdrew ATA funds to pay taxes on his personal residence and to make a payment to the Rose Tree Media School District.

The Pennsylvania Criminal Proceedings

Based on the foregoing facts, on September 21, 2017, the Commonwealth charged respondent with a forty-six count bill of information that included charges of theft by unlawful taking or disposition, in violation of 18 Pa. C.S. § 3921(a) (nine counts); theft by deception and false impression, in violation of 18 Pa. C.S. § 3922(a)(1) (nine counts); receiving stolen property, in violation of 18 Pa. C.S. § 3925(a) (nine counts); theft of services, in violation of 18 Pa. C.S. § 3926(a)(1) (nine counts); theft by failure to make required disposition of funds, in violation of 18 Pa. C.S. § 3927(a) (nine counts); and the unauthorized practice of law, in violation of 42 Pa. C.S. § 2524(a) (one count).

On July 26, 2024, during the plea hearing, the Honorable Judge Stephen B. Lieberman amended the bill of information to include misapplication of entrusted property in the DeVuono, Dimatteo, Flanagan, Greenberg, McCannon, McNulty, Simpson, and VanAtter matters, as well as three additional client matters,⁴ in violation of 18 Pa. C.S. § 4113.⁵

On that same date, respondent entered his nolo contendere plea to the seven counts of misapplication of entrusted property, in violation of 18 Pa. C.S.

⁴ The amended bill of information did not specifically reference the Mitchell matter and the record before us does not include any facts related to the additional client matters.

⁵ The remaining charges were dismissed.

§ 4113. During the plea hearing, Judge Lieberman questioned respondent concerning his understanding of his plea.

COURT: . . . Mr. Stagliano, took us a long time to get where we are today. A lot of it dealt with since my involvement in the case, there were a number of - - I think, fairly novel and complex pretrial issues that I had to decide to get to this point. Primarily there was testimony from treating physicians on your behalf, Mr. Stagliano that you were, I think, seems fairly clear and undisputed back at the time that these monetary problems started in your practice with your clients, that you were misdiagnosed by treating physicians, placed on prescribed medicine, which you did not abuse. But there were contraindications to some of the medicine which caused a memory loss, which is permanent and irrevocable. Is, I think that's a fair statement.

RESPONDENT: That's correct, Your Honor.

COURT: And you know, that's the basis that I have absolutely no problem taking a no contest plea. You certainly understand the elements of each of these offenses. They're the same as each of the seven counts, just a different victim. And you are now agreeing that the Commonwealth could prove each and every one of those elements with respect to each of these victims beyond a reasonable doubt.

RESPONDENT: Yes.

COURT: All right. And I'm not asking you to admit that you did it or didn't do it, just that the Commonwealth can prove this in accordance with their burdens.

RESPONDENT: Yes.

COURT: Okay. You also understand that by entering this plea, I did rule that you are now competent to stand trial. I believe that you're competent to enter a knowing no contest plea. I don't think anything's changed in that regard. One of the interesting pretrial arguments that we heard a lot of testimony about held a number of hearings was whether or not that loss of memory could qualify as possible McNaughton Defense or in any other way justify a complete dismissal of the charges. And I did rule against that position and, you know, that's why we are here today and ready to proceed to trial. There were certainly colorable arguments you know, a lot of the time you were representing yourself. They were well presented, well briefed. I just don't believe that's, I don't believe that that's currently the law in Pennsylvania. And I clearly stated that you understand that you're giving up any right to appeal that decision by, you know, entering this no contest plea at this time.

RESPONDENT: I do.

...

PROSECUTOR: Your Honor by pleading no contest, the Defendant is admitting that if this were to go to trial next week as it's scheduled, the Commonwealth would prove that the Defendant disposed the property that had been entrusted to him as a fiduciary. Of course he was an attorney at that time. And that property being insurance monies paid on behalf of Defendant's clients into a financial institution, that being Defendant's IOTA account, and he disposed in that matter that he knew to be unlawful or cause I'm sorry, unlawful and involved a substantial risk of loss or detriment to the owner of the property, that being his clients and the funds as those funds were co-mingled in the IOTA account with his own personal funds. More specifically

if this were to go to trial, the Commonwealth marks as Commonwealth Exhibit One the affidavit of probable cause and criminal complaint . . . and the Commonwealth would prove those facts at trial as Commonwealth Exhibit Two, marking the affidavit of probable cause and the attached arrest warrant and criminal complaint . . . and . . . if this were to go to trial, the Commonwealth would prove those facts as well.

COURT: . . . And Mr. Stagliano, you do agree that the Commonwealth could meet its burden with respect to each count of each information?

RESPONDENT: Yes, Your Honor. And what Mr. Rhoads just stated is exactly what I was expecting him to state, and I agree with it.

[OAE046-050.]⁶

The court sentenced respondent to a seventy-two-day period of incarceration, with credit for seventy-two days served, and immediately placed him on parole. The court further ordered that he pay restitution, totaling \$185,561.78, with the failure to pay by March 31, 2025 resulting in his incarceration. Respondent paid the restitution in full.

Respondent failed to report the criminal charges to the OAE, as R. 1:20-13(a)(1) requires. On or about August 17, 2017, the OAE docketed this matter for investigation.

⁶ “OAE” refers to the bates stamped exhibits annexed to the OAE’s May 30, 2025 brief.

The Parties' Positions Before the Board

In support of its motion for final discipline, the OAE argued that respondent violated RPC 8.4(b) via his criminal conduct, and that he further violated the principles of Wilson by depositing client settlement funds in his ATA and failing to hold those funds inviolate consistent with his fiduciary obligations. The OAE added that respondent utilized the client funds for personal gain and, thereafter, ignored the clients' requests for an accounting of their funds. The OAE argued that, pursuant to Wilson, respondent's knowing misappropriation of more than \$180,000 in client funds warrants his disbarment.

The OAE cited disciplinary precedent in which attorneys convicted of misapplication of entrusted property were disbarred. See In re Villoresi, 163 N.J. 85 (2000) (the attorney was disbarred following his conviction for one count of second-degree misapplication of entrusted funds and two counts of second-degree theft for failing to make disposition of property received; the attorney retained \$200,000 from the sale of his client's mortgage and depleted the funds by disbursing most of them for his own purposes; he also obtained more than \$500,000 from another client to create a trust fund for his client's children but, instead, used the funds for his own benefit, including paying his own debts), and In re Bzura, 142 N.J. 478 (1995) (the attorney was disbarred following his

conviction for theft by deception, theft by failure to make required disposition of property received, misapplication of entrusted property, and false swearing).

In mitigation, the OAE noted that respondent has no prior discipline in his forty-two years at the bar. The OAE also acknowledged that respondent may have been suffering some medical issues at the time the crimes occurred, but argued that the presence of mitigating factors does not preclude disbarment, citing In re Obringer, 152 N.J. 76 (1997) (disbarment for an attorney who, as trustee in a bankruptcy matter, devised an elaborate scheme to steal funds from the registry of the bankruptcy court and made a false statement to a tribunal; although he presented significant mitigation, including marital difficulties, the death of his father, and a cancer diagnosis, the Court rejected his mitigation).

In respondent's written submission to us, although he did not deny having misappropriated client funds, he asserted that he did not steal the funds. Rather, he alleged that he did not remember handling the underlying client matters because he was experiencing an inability "to form new memories," which he characterized as "a complete lack of memory," as a result of his use of the antiseizure medications, Lyrica and Topamax, antidepressants, and narcotic pain killers for undiagnosed nerve pain purportedly caused by complex regional pain syndrome following multiple surgeries on his ankles and feet.

Respondent stated that, at the end of 2015, he “slipped into a clinical depression” and began having issues with two clients who alleged “a delay in disbursements” of their personal injury settlement proceeds that resulted in two disciplinary complaints against him, the circumstances of which he claimed he “cannot specifically remember.” He further stated that he was “so shocked by this development” that he consulted with Dr. Christina Herring, a “Board Certified Professor of Psychiatry at Jefferson” who, after performing “various clinical evaluations,” diagnosed him with “depression and a complete lack of memory” from 2014 through 2016.

Respondent added that he had consulted with an ethics attorney who, in May 2016, filed a certification on his behalf with the Pennsylvania disciplinary authorities alleging that, due to “the existence of the disabling condition or [his] contention of lack of physical or mental capacity to prepare an adequate defense” to the disciplinary action, he sought the immediate transfer to disability inactive status in Pennsylvania.

Respondent alleged that, following Pennsylvania placing him on disability inactive status, he sought to have a conservator appointed to handle his remaining client matters; however, the Pennsylvania disciplinary prosecutor denied his request. He claimed that the disciplinary prosecutor was enraged by

her inability to prosecute him because she could not “touch respondent on [the] charges in PA until and unless he seeks reinstatement” and, as a result, she immediately contacted the Delaware County District Attorney’s Office alleging that he “was guilty of various thefts none of which had any merit whatsoever.” He further stated that he contacted “one of the most famous Disciplinary Defense lawyers in the Philadelphia area and was assured that a plea to a [misapplication of entrusted property] charge would not result in a disbarment [in Pennsylvania] but rather would likely result in a minimal type of discipline with an immediate reinstatement.”

Respondent added that he believed that the Pennsylvania disciplinary prosecutor’s “fingerprints” were all over this “very questionably timed” New Jersey disciplinary action, alleging that it “smacks as one disgruntled lifetime prosecutor asking her colleague in the neighboring state for a ‘favor’ namely to try to get the guy who got away from her so far.” He added that these “same, frivolous and unsubstantiated” theft charges formed the basis of the unsuccessful Pennsylvania disciplinary action instigated by an “overzealous” prosecutor.

Although he acknowledged that New Jersey attorneys on disability inactive status remain subject to the Rules of Professional Conduct, respondent

argued that Rule is inapplicable to this matter because the facts that served as the basis for him being placed on inactive status in Pennsylvania are the same set of facts as in this disciplinary action.

Respondent further argued that this New Jersey disciplinary action violates the basic principles of comity and the Full Faith and Credit Clause of the United States Constitution, U.S. Const. art. IV, § 1 because it is based on the “same issue concerning respondent’s inability to properly defend himself from these charges [which] was fully litigated before the Pennsylvania Supreme Court and that court found in Respondent’s favor shutting down the similar prosecution of the PA Disciplinary Board.”

Additionally, respondent argued that it is “patently unfair” for this disciplinary action to advance because he voluntarily placed himself on disability inactive status eight years ago and, due to his loss of memory, he lacks the mens rea necessary to be found guilty of theft. Respondent emphasized that the court-appointed psychologist in the criminal matter, Dr. Jerome Lazaroff, diagnosed him with major depressive disorder and complex regional pain syndrome with neurocognitive deficits and determined that he was “not competent to stand trial” because the medication he was taking prevented him from recalling the relevant details of his legal work from 2011 through 2016.

Last, respondent argued that the “only fair and just resolution of this travesty of a prosecution” would be for us to recommend that his license to practice law in New Jersey be immediately reinstated upon his “proper application” for license restoration. He emphasized that his recordkeeping deficiencies were due to his “brain injuries” and that no evidence has been presented to establish that he “intended to” or did in fact misappropriate any client money “with the intent of keeping” the funds.

During oral arguments before us, respondent reiterated many of the points set forth in his written submission. Although he acknowledged that this offense “merits disbarment” if it was committed knowingly, he argued that, due to the cumulative impact of the prescription medications, he “did nothing knowingly” and through “no fault of his own,” he was “beyond control mentally.” He emphasized that nothing in the record suggested a motive for taking client funds and it was not a “planned assault.” He further argued that we should defer to Judge Lieberman’s statement on the record during the plea hearing that there was not “one iota of any representations, let alone evidence that . . . this whole financial problem was created by anything other than being misprescribed (sic) prescription drugs.”

Respondent stated that he had entered the nolo contendere plea based on

the recommendation of Judge Lieberman and reiterated his testimony at the plea hearing that the Commonwealth had “enough evidence to put on a case, and if believed, could have resulted in a conviction.” He added that he suggested the misapplication of entrusted funds charge to the prosecutor.

In response to our questioning concerning the timeline of the misapplication of funds and his alleged memory loss, respondent acknowledged having disbursed funds as early as January 2014, prior to his late 2015 clinical depression diagnosis and subsequent transfer to disability inactive status in both Pennsylvania and New Jersey. However, he claimed that, despite being able to represent clients during that timeframe, he was “compromised” and his “memory got to a point where I don’t remember anything from 2015. I don’t remember anything from 2014.”

Analysis and Discipline

Violations of the Rules of Professional Conduct

Following a review of the record, we determine to grant the OAE’s motion for final discipline. Final discipline proceedings in New Jersey are governed by R. 1:20-13(c). Pursuant to that Rule, a criminal conviction – including a conviction following a plea of nolo contendere – is conclusive evidence of guilt

in a disciplinary proceeding. R. 1:20-13(c)(1). See also In re Magid, 139 N.J. 449, 451 (1995), and In re Principato, 139 N.J. 456, 460 (1995).

Respondent now argues that his memory loss, and his inability to recall any of the facts surrounding his use of the client funds in question, resulted in Pennsylvania failing to prove that he possessed the requisite mens rea to support the theft charges, and that this disciplinary action was based on the “same, frivolous and unsubstantiated” theft charges that formed the basis of the Pennsylvania disciplinary action.

However, this disciplinary matter is based on respondent’s July 2024 nolo contendere plea and conviction for seven counts of misapplication of entrusted property, in violation of 18 Pa. C.S. § 4113(a), and not the actions of the Pennsylvania disciplinary authorities.⁷ That statute states that “a person commits an offense if he applies or disposes of property that has been entrusted to him as a fiduciary, or property of the government or of a financial institution, in a manner which he knows is unlawful and involves substantial risk of loss or detriment to the owner of the property or to a person for whose benefit the property was entrusted.” (emphasis added). Thus, respondent’s conviction

⁷ To the extent respondent raised constitutional challenges to the New Jersey disciplinary matter, those objections are reserved for the Court. See R. 1:20-15(h).

unequivocally establishes his violation of RPC 8.4(b), which states that it is misconduct for an attorney to “commit a criminal act that reflects adversely on the lawyer’s honesty, trustworthiness or fitness as a lawyer.”

Additionally, we determine that respondent’s criminal conviction clearly and convincingly establishes that he knowingly misappropriated client funds, in violation of the principles of Wilson.

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

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 in In re Noonan:

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).]

Thus, to establish a knowing misappropriation of client funds, the evidence must clearly and convincingly demonstrate that the attorney used entrusted funds, knowing they belonged to a client and knowing that the client had not authorized him or her to do so. Intent to steal or defraud and dishonesty are irrelevant. So long as the attorney knows the funds are not the lawyer's and knows that the client has not consented to the taking, the absence of evil motives, the good use to which the funds are put, the attorney's good character, and the lack of prior discipline, are all irrelevant.

Here, in support of his plea, respondent admitted that he disposed of client settlement funds, which had been deposited in his ATA for safekeeping, in a manner that he knew to be unlawful and involved a substantial risk of loss or detriment to the impacted clients. He also admitted that the Commonwealth would be capable of proving at trial all the facts set forth in the June 1, 2017 affidavit of probable cause, which detailed the facts surrounding nine client

matters for which he should have been holding funds in trust from early 2014 through late 2015.

Further, the affidavit of probable cause set forth that respondent had deposited in his ATA personal funds, on nine separate occasions, in amounts ranging from \$3,000 to \$50,000, and subsequently withdrew ATA funds to pay personal expenses. Also, in the Simpson matter, respondent transferred \$30,500 to his ATA from a personal account to cover the disbursement to Simpson, indicating his acute knowledge of the existing ATA shortages. Simply put, respondent admitted to a prolonged invasion of entrusted funds whereby he used his ATA as he saw fit, with no regard to the interests of his clients, third parties, or the bright-line ethics rules governing entrusted client funds.

Respondent's asserted defenses before us – that he lacked both the memory of the misconduct and the mens rea to commit theft – are of no moment because the criminal conduct underlying his convictions clearly and convincingly establish his knowing misappropriation of client funds. R. 1:20-13(c)(1). Further, R. 1:20-13(c)(2) specifically states the “Board and Court may consider any relevant evidence in mitigation that is not inconsistent with the essential elements of the criminal matter for which the attorney was convicted or has admitted guilt as determined by the statute defining the criminal matter.”

Stated differently, respondent cannot attempt, at this juncture, to undo his unequivocal plea allocution, during the Pennsylvania criminal proceedings, to having knowingly committed misapplication of entrusted funds.

To the extent that respondent opposes the motion for final discipline by invoking his purported memory loss issues, we reject his proffered medical defense. It is well-settled that mental or physical illness serves as a defense only where the illness reduces the mental state of the attorney beyond that required to establish the charged violations of the Rules of Professional Conduct. The Court has explained that such a defense is not established where, as here, an attorney does not:

furnish any basis grounded in firmly established medical facts for a legal excuse or justification for respondent's [misconduct]. There has been no demonstration by competent medical proofs that respondent suffered a loss of competency, comprehension or will of a magnitude that could excuse egregious misconduct that was clearly knowing, volitional and purposeful.

[In re Jacob, 95 N.J. 132, 137 (1984).]

Nor has respondent argued that he is afflicted by “[a] mental illness that impairs the mind and deprives [him] of the ability to act purposely or knowingly, or to appreciate the nature and quality of the act he was doing, or to distinguish between right and wrong.” In re Cozzarelli, 225 N.J. 16, 31 (2016). In fact, to

the contrary, respondent allocuted, under oath, in the criminal matter to his knowing and unlawful taking of entrusted client funds. Indeed, during the plea hearing, the criminal judge stated that, after a number of hearings about whether the loss of memory could qualify as a recognizable defense, he had rejected respondent's attempted defense in this respect. We, likewise, reject his proffered loss of memory defense. Respondent's mere assertion that a medical issue caused him to be unable to recall the facts surrounding his misappropriation of the entrusted funds does not establish that he had a reduced mental state or otherwise excuse his misconduct.

In sum, we find that respondent's criminal conviction for misapplication of entrusted property clearly and convincingly establishes his knowing misappropriation of entrusted funds, in violation of RPC 8.4(b) and the principles of Wilson. Hence, the sole issue left for our determination is the proper quantum of discipline for his misconduct. R. 1:20-13(c)(2); Magid, 139 N.J. at 451-52; Principato, 139 N.J. at 460.

Quantum of Discipline

In determining the appropriate measure of discipline, we must consider the interests of the public, the bar, and respondent. "The primary purpose of

discipline is not to punish the attorney but to preserve the confidence of the public in the bar.” Principato, 139 N.J. at 460. Fashioning the appropriate penalty involves the consideration of many factors, including “the nature and severity of the crime, whether the crime is related to the practice of law, and any mitigating factors such as respondent’s reputation, [their] prior trustworthy conduct, and general good conduct.” In re Lunetta, 118 N.J. 443, 445-46 (1989).

The Court has noted that, although it does not conduct “an independent examination of the underlying facts to ascertain guilt,” it will “consider them relevant to the nature and extent of discipline to be imposed.” Magid, 139 N.J. at 452. In motions for final discipline, it is acceptable to “examine the totality of [the] circumstances, including the details of the offense, the background of respondent, and the pre-sentence report” before reaching a decision as to the sanction to be imposed. In re Spina, 121 N.J. 378, 389 (1990). The “appropriate decision” should provide “due consideration to the interests of the attorney involved and to the protection of the public.” Ibid.

Here, the crux of respondent’s criminal conviction and misconduct was his knowing misappropriation of entrusted funds. In New Jersey, “[d]isbarment is mandated” for the knowing misappropriation of client or escrow funds. In re Orlando, 104 N.J. 344, 350 (1986) (citing Wilson, 81 N.J. at 456); In re

Hollendonner, 102 N.J. 21, 28 (1985).

In 2022, more than forty years after Wilson was decided, the Court reaffirmed 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.

Despite respondent’s unblemished forty-two-year career at the bar and his alleged loss of memory, these compelling mitigating factors are insufficient to overcome the Wilson mandate that he be disbarred for his knowing misappropriation of client funds.

Conclusion

On balance, based on respondent’s knowing misappropriation of entrusted funds, disbarment is the only appropriate sanction pursuant to the principles of Wilson. Thus, to effectively protect the public and preserve confidence in the bar, we recommend to the Court that respondent be disbarred.

Vice-Chair Boyer and Members Hoberman and Petrou were 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 Gregory G. Stagliano
Docket No. DRB 25-138

Argued: July 16, 2025

Decided: November 5, 2025

Disposition: Disbar

<i>Members</i>	Disbar	Absent
Cuff	X	
Boyer		X
Campelo	X	
Hoberman		X
Menaker	X	
Modu	X	
Petrou		X
Rodriguez	X	
Spencer	X	
Total:	6	3

/s/ Timothy M. Ellis

Timothy M. Ellis
Chief Counsel