

IN THE SUPREME COURT OF PENNSYLVANIA

In the Matter of : No. 1851 Disciplinary Docket No. 3
:
ROBERT WILLIAM STEIN : No. 90 DB 2012
:
: Attorney Registration No. 73874
:
PETITION FOR REINSTATEMENT : (Montgomery County)

ORDER

PER CURIAM

AND NOW, this 4th day of January, 2019, the Petition for Reinstatement is granted. Petitioner is directed to pay the expenses incurred by the Board in the investigation and processing of the Petition for Reinstatement. See Pa.R.D.E. 218(f).

A True Copy Patricia Nicola
As Of 01/04/2019


Attest:
Chief Clerk
Supreme Court of Pennsylvania

BEFORE THE DISCIPLINARY BOARD OF THE
SUPREME COURT OF PENNSYLVANIA

In the Matter of : No. 1851 Disciplinary Docket No. 3.
: :
: No. 90 DB 2012
ROBERT WILLIAM STEIN : :
: Attorney Registration No. 73874
: :
PETITION FOR REINSTATEMENT : (Montgomery County)

REPORT AND RECOMMENDATIONS OF
THE DISCIPLINARY BOARD OF THE
SUPREME COURT OF PENNSYLVANIA

TO THE HONORABLE CHIEF JUSTICE AND JUSTICES
OF THE SUPREME COURT OF PENNSYLVANIA:

Pursuant to Rule 218(c)(5) of the Pennsylvania Rules of Disciplinary Enforcement, The Disciplinary Board of the Supreme Court of Pennsylvania submits its findings and recommendations to your Honorable Court with respect to the above captioned Petition for Reinstatement.

I. HISTORY OF PROCEEDINGS

By Order dated January 19, 2017, the Supreme Court of Pennsylvania suspended Robert William Stein, Petitioner, for a period of five years on consent, retroactive to August 16, 2012. On June 5, 2015, Petitioner filed a Petition for Reinstatement to the bar, and on June 7, 2017, Petitioner filed a Supplement to Petition.

On September 29, 2017, Office of Disciplinary Counsel filed a Response to Petition for Reinstatement.

Following a prehearing conference on November 21, 2017, a reinstatement hearing was held on December 18, 2017, before a District 2 Hearing Committee. Petitioner was represented by counsel and presented the testimony of five witnesses and testified on his own behalf. Petitioner introduced without objection, Exhibits P-1 and P-2. Office of Disciplinary Counsel did not present any witness testimony or exhibits.

On February 9, 2018, Petitioner filed a Brief to the Hearing Committee.

On March 9, 2018, Office of Disciplinary Counsel filed a Brief to the Hearing Committee.

The Hearing Committee filed a Report on April 17, 2018, and recommended that the Petition for Reinstatement be granted.

On May 4, 2018, Office of Disciplinary Counsel filed a Brief on Exceptions to the Report of the Hearing Committee.

On May 24, 2018, Petitioner filed a Brief in Opposition to the Brief on Exceptions.

The Board adjudicated this matter at the meeting on July 20, 2018.

II. FINDINGS OF FACT

The Board makes the following findings:

1. Petitioner is Robert William Stein, born in 1967 and admitted to the practice of law in the Commonwealth of Pennsylvania in 1994. Petitioner was admitted

to the bar in the State of New Jersey in 1994. Petitioner is subject to the disciplinary jurisdiction of the Disciplinary Board of the Supreme Court of Pennsylvania.

2. After his graduation from law school in 1994 and his admission to the bar, Petitioner served as a law clerk for the Honorable John F. Gerry in the United States District Court for the District of New Jersey, then was associated with the law firm of Pepper Hamilton & Sheetz in Philadelphia until July of 1996, after which time he opened his own firm. N.T. 138; Reinstatement Questionnaire ("RQ") No. 2(d).

3. Petitioner began purchasing tax liens for his personal investment portfolio in December of 1994. N.T. 139.

4. In 1996, Petitioner was a founding shareholder and twenty percent (20%) owner of Crusader Servicing Corporation ("CSC"), which was set up to purchase and service delinquent property tax certificates. Petitioner served as president of CSC from inception until November 8, 2010. The other owners were Gary Snyder (20% owner) and Crusader Federal Savings Bank (60% owner). Joint Stipulation of Fact ("P-1") ¶1.

5. On or about June 22, 2001, the 60% interest of CSC held by Crusader Federal Savings Bank was acquired by Royal Bank America. P-1 ¶2.

6. In or about 2006, Petitioner and Royal Bank America formed a new entity, Royal Tax Lien Services LLC. Petitioner held 40 membership units (40%) and Royal Bank America held 60 membership units (60%). Petitioner subsequently transferred his membership units to a newly formed entity wholly owned by him, RTLH Holding Corporation ("RTLH Holding"). P-1 ¶3.

7. In 2006, CSC stopped purchasing tax liens. Royal Tax Lien Services LLC began purchasing tax liens in 2007. Employees of CSC were hired by Royal Tax Lien Services. Gary Snyder was not a partner in the new entity. P-1 ¶4.

8. In January of 2007, Gary Snyder commenced a lawsuit in the Montgomery County Court of Common Pleas against CSC, Petitioner, Royal Bank of America and Royal Bank principals Joseph Campbell, James McSwiggan, and Murray Stempel, alleging breach of contract, breach of fiduciary obligations and related shareholder rights matters. That lawsuit remains pending. In May of 2017, summary judgment motions were denied; plaintiff has not filed a praecipe to commence trial. P-1 ¶5.

9. From at least as early as 1998 until approximately the spring of 2009, CSC purchased tax liens auctioned by municipalities in New Jersey. P-1 ¶6.

10. On two separate occasions, two different members of CSC's Board of Directors learned that CSC bidders were rigging bids at tax lien auctions. In November of 2001, one such Board member attended a tax lien auction. Thereafter, he reported collusive behavior to the Board and recommended putting procedures in place to prevent such behavior. However, Petitioner took no action to put procedures in place. P-1 ¶7.

11. In the mid-2000s, another Board member attended a tax lien auction and witnessed a coin toss involving a CSC bidder and a bidder from another company to decide which company would win a tax lien. That Board member reported to Petitioner what he witnessed, and told him to be aware of such activity. Petitioner did not take any action to prevent a recurrence of such conduct. P-1 ¶8.

12. On another occasion, Petitioner took note that an employee wrote on a bidder invoice that no tax liens were purchased at a particular sale because of a "lost flip." Petitioner was concerned because it was written evidence for anyone in the company to see that bid rigging was occurring. Petitioner informed his staff that they should never write on any documentation that they lost a coin flip. P-1 ¶9.

13. In March of 2009, CSC and Royal Bank received grand jury subpoenas from the Anti-Trust Division of the Department of Justice, which had been conducting an investigation concerning public auction of tax lien certificates. P-1 ¶10.

14. Petitioner resigned his positions as President of CSC and President of Royal Tax Lien Servicing in November of 2010 as a result of his involvement in the conspiracy to rig tax lien bids. P-1 ¶11.

15. At the height of their activity, the combined assets of CSC and Royal Tax Lien Servicing were between \$100 million and \$105 million. Petitioner owned twenty (20%) percent of CSC and forty (40%) percent of Royal Tax Lien Servicing. P-1 ¶12.

16. In 2010, Petitioner tendered his resignation at Royal Tax Lien Services and CSC and began his cooperation with the Department of Justice, which consisted of hours of poring over documents, assisting the government with developing the evidence, conducting surveillance and testifying at trial. N.T. 152, 188-189, 201-203.

17. On February 23, 2012, Petitioner entered a plea of guilty in the United States District Court for the District of New Jersey to a one-count Information. The Information charged that for at least as early as 1998 until approximately 2009, Petitioner and his co-conspirators entered into and engaged in a combination and conspiracy to

suppress and eliminate competition by submitting non-competitive and collusive bids at certain public auctions for tax liens conducted by municipalities within the District of New Jersey. These actions violated the Sherman Act (15 U.S.C. §1) and constituted a class C Felony. P-1 ¶13.

18. After pleading guilty to the Sherman Act violations, Petitioner admitted:

- a. He first rigged a tax lien bid in June of 1998;
- b. He had an agreement to rig bids with others throughout the duration of the conspiracy at certain sales;
- c. He oversaw the purchase of tax liens for CSC;
- d. CSC was among the major and most active purchasers of tax liens in New Jersey during the charged conspiracy. CSC attended nearly every one of the 500 plus annual tax lien auctions, and had sufficient funds to bid any size lien. P-1 ¶14.

19. The victims of the conspiracy were property owners whose liens were sold at auctions corrupted by rigged bids. Those property owners were harmed in two ways: they paid higher interest rates, paying more money than they would have paid in a truly competitive environment; and, they were subjected to a greater risk of losing their homes or other property in foreclosure because they paid artificially high rates. P-1 ¶15.

20. In or about March of 2012, a group of New Jersey taxpayers organized and filed a class action civil lawsuit against Petitioner, CSC, Royal Tax Lien Services LLC, Royal Bancshares of Pennsylvania and a group of alleged bid riggers. P-1 ¶16.

21. Petitioner paid \$115,000 to resolve his portion of the civil class action lawsuit related to his conduct. P-1 ¶17.

22. Despite his resignation as President in November of 2010 and guilty plea in 2012, Petitioner remained a shareholder of CSC and RTLS Holding remained a member of Royal Tax Lien Servicing until December of 2013. P-1 ¶18.

23. Royal Tax Lien Services had not distributed any profits or minimum tax distributions to its members for the period from October 1, 2010 through December 31, 2013. P-1 ¶19.

24. In December of 2013, Petitioner signed a Settlement Agreement with CSC, Royal Tax Lien Services LLC and Royal Bank America ("Settlement Agreement"). P-1 ¶20.

25. As of year-end 2013, Petitioner claimed \$3.4 million in net operating losses from relinquishing his shares in CSC and Royal Tax Lien Services LLC. These losses were carried back to offset Petitioner's and his spouse's joint income, from 2011 forward. P-1 ¶21.

26. Petitioner's 2011 joint federal tax return (amended) reported net operating loss carryback of \$3.4 million, \$1.3 million of which was used to offset his

reported income for that period, and \$2.1 million of which remained to be carried forward and applied in future tax years. P-1 ¶22.

27. Petitioner's federal tax return for 2012 (amended) reported a net operating loss carryback of \$2.1 million. Approximately \$100,000 was used to offset reported income for that period, and \$2 million was carried forward to future years. P-1 ¶23.

28. Petitioner used these operating losses to offset taxable income on his joint federal tax return by \$1.3 million in 2011, and \$100,000 in 2012. Approximately \$2.0 million of these losses remained to be used in 2013, 2014, 2015 and 2016, but there was insufficient income to offset in these years. P-1 ¶24.

29. In September of 2016, Petitioner, on behalf of RTLS Holding, commenced a lawsuit in the Court of Common Pleas of Montgomery County against Royal Tax Lien Services, LLC for breach of the December 31, 2013 Settlement Agreement. In that lawsuit, captioned ***RTLS Holding Corporation v. Royal Tax Lien Services*** LLC, No. 2016-22897 (Mont Co), and which remains pending, Petitioner claims Royal Tax Lien Services has not made the second of two payment obligations to Petitioner, as set forth in the Settlement Agreement. P-1 ¶25.

30. On April 27, 2016, Petitioner was sentenced to a term of probation for one year and ordered to pay the United States a fine in the amount of \$20,000 and a mandatory special assessment of \$100.00, which he promptly paid. P-1 ¶29.

31. As part of his probation, Petitioner was sentenced to one year of supervision, beginning in April of 2016. Petitioner served his probation without incident. P-1 ¶30.

32. As a special condition of probation, Petitioner was directed to refrain from employment and/or capital ventures that involved the investment in tax liens. This restriction was deemed reasonably necessary to protect the public because (1) a reasonably direct relationship existed between the defendant's occupation, business or profession and the conduct relevant to the offense of conviction; (2) imposition of the restriction was reasonably necessary to protect the public because there was reason to believe that, absent such restriction, the defendant would continue to engage in unlawful conduct similar to that for which the defendant was convicted; and (3) the time frame and structure of the special condition was for the minimum time frame and to the minimum extent necessary to protect the public. P-1 ¶31.

33. Petitioner's period of probation expired in April of 2017. P-1 ¶32.

34. After entering his guilty plea, on June 13, 2012, Office of Disciplinary Counsel and Petitioner filed a Joint Petition to Temporarily Suspend an Attorney in the Supreme Court of Pennsylvania. P-1 ¶35.

35. By Order of the Supreme Court of Pennsylvania dated August 16, 2012, the Petition was granted and Petitioner was placed on temporary suspension pursuant to Rule 214, Pa.R.D.E. P-1 ¶36.

36. By Order dated January 19, 2017, the Supreme Court suspended Petitioner for five years on consent, retroactive to August 16, 2012. P-1 ¶37.

37. Petitioner testified credibly at the reinstatement hearing.

38. Petitioner admitted that from 1998 through 2009, he agreed to violate the Sherman Act at some of the tax lien auctions in which his company participated. At this point, some eight years after the illegal conduct ended, Petitioner “feel[s] guilty and remorseful” about his conduct, which he admitted hurt a “widespread number of people, homeowners in New Jersey, my business partners who put their trust and respect in me, whom I let down, the members of the bar, who have all been so generous to me, and my family, and myself.” N.T. 149.

39. Petitioner testified that he has learned “that in the face of something that is wrong, I should stand up and do what I think is right no matter the consequences. And I am forever sorry that I didn’t do it when I had the chance.” N.T. 149.

40. After Petitioner learned of the criminal investigation, he told his wife “I’ve done all of these bad things and I’m going to pay a heavy price for them.” N.T. 151.

41. During the period of his suspension, Petitioner volunteered at Philabundance, a hunger relief organization in Philadelphia, and at his synagogue. N.T. 154-156. Petitioner suffered a back injury and had to stop volunteering at Philabundance in December of 2016. N.T. 37.

42. During the period of his suspension, Petitioner managed rental properties owned by Stein Properties, LLC. Petitioner and his sister, Joan Dans, each own 50% of Stein Properties. N.T. 19-20, 164.

43. As part of this property management, Petitioner, on behalf of himself, his sister, and/or Stein Properties, brought eviction proceedings in Philadelphia Municipal Court. 164-165.

44. Because Ms. Dans lived outside of Philadelphia and because she was an owner of the property, Petitioner was required by the court to sign an authorized representative form. N.T. 165.

45. During the period of his suspension, in October of 2013, Petitioner entered his appearance on behalf of his sister, Ms. Dans, in a landlord-tenant matter docketed at LT-13-10-23-5909 (Philadelphia Municipal Court, First Judicial District of Pennsylvania). P-1 ¶38

46. During the period of his suspension, in February 2013, Petitioner entered his appearance on behalf of Stein Properties, LLC, as a member in the landlord-tenant matter docketed at LT-13-02-12-4187 (Philadelphia Municipal Court First Judicial District of Pennsylvania). P-1 ¶39

47. During the period of suspension, in September 2013, Petitioner entered his appearance on behalf of Stein Properties, LLC, as a Member in the landlord-tenant matter docketed at LT-13-09-23-5864 (Philadelphia Municipal Court First Judicial District of Pennsylvania). P-1 ¶40.

48. During the period of his suspension, Petitioner prepared and signed residential landlord tenant agreements, lease and loan documents on behalf of Stein Properties. P-1 ¶41.

49. Petitioner prepared and signed mortgage documents during his period of suspension. P-1 ¶42.

50. Petitioner testified that at that time he engaged in the activities set forth above in Nos. 45-49, he was unaware that this activity violated Rule 217, Pa.R.D.E., as it occurred in the context of his own business. N.T. 165-168.

51. Petitioner admitted that his actions “may be violations of 217. It was not my intention to violate the rule. I honestly thought I was not using – I was not holding myself out as an attorney.” N.T. 164-165.

52. Petitioner testified that he misapprehended the level of technical detail he had to follow in the rules. *Id.*

53. Petitioner further testified that “I made an obvious mistake. I should have hired counsel. I should have done something other than filing these things myself.” N.T. 164-165.

54. Petitioner testified that he should have read the rules before he drafted documents, and he is sorry he did not. N.T. 167-168.

55. Petitioner has since used an attorney to do his company’s legal work, including the preparation of form leases and mortgages. N.T. 167

56. Petitioner fulfilled the Continuing Legal Education requirements necessary for reinstatement. RQ No. 19(a).

57. During his suspension, Petitioner kept apprised of developments in real estate law. RQ No. 19(b)

58. In June of 2017, approximately two months after his probation period ended in April 2017, Petitioner resumed purchasing and investing in tax lien certificates. P-1 33; N.T. 168, 180.

59. Petitioner testified that at these tax sales, he has not witnessed collusion and he tries not to talk to anyone about the sale. *Id.*

60. Petitioner testified that he does not see a risk in resuming the tax sale activities, as there is no chance he would ever engage in collusive behavior again. N.T. 168, 181. He further explained that he understands collusion is a crime, he learned a painful lesson for failing to own up and stand up against collusion, and it destroyed his life and he would never consciously do anything wrong again. N.T. 168-169.

61. When questioned as to what he would do if he observes collusion at a tax sale, Petitioner testified that he would call his contacts at the FBI or the Department of Justice and let them know immediately. N.T. 181-182.

62. If reinstated, Petitioner plans to open a law practice focusing on the areas of real estate transactions, landlord tenant, foreclosures and civil litigation. RQ No. 18.

63. Petitioner presented the credible testimony of five character witnesses.

64. Joan Dans is Petitioner's sister. She testified that Petitioner is an excellent and caring son, brother, husband and father. N.T. 16-22.

65. Ms. Dans testified that Petitioner took full responsibility for his criminal conduct and is full of remorse. N.T. 23, 25.

66. Ms. Dans testified that Petitioner “now has the added layer of having experienced having done something wrong and suffered the consequences of it and those consequences have been enormous for him, and I believe a big enough deterrent to ever doing anything again.” N.T. 33.

67. Jaclyn Elwell is the Senior Manager, Strategic Partnerships at Philabundance and met Petitioner in his capacity as a volunteer in January of 2013. N.T. 35.

68. Ms. Elwell understands the reason why Petitioner was suspended and testified that Petitioner expressed guilt and remorse for his conduct. N.T. 36, 38.

69. Ms. Elwell testified that as a volunteer, Petitioner was “incredibly dedicated” and “[w]illing to do whatever our warehouse needed him to do.” N.T. 35.

70. Ms. Elwell testified that she observed Petitioner to be “super hardworking, down to earth. Anyone he interacted with, either me, the volunteers, or the warehouse staff, he treated everyone with a lot of respect.” N.T. 27.

71. Ms. Elwell testified that despite her knowledge of Petitioner’s criminal actions, she believes he has the moral qualifications to be an attorney, and if he is reinstated, she would hire him and would refer her friends to him. N.T. 38.

72. Antimo DiFrancesco is a friend of Petitioner, has known him for twenty years, and considers Petitioner to be a mentor. N.T. 46, 50.

73. Mr. DiFrancesco testified that he is aware of Petitioner’s misconduct and has observed that Petitioner is very remorseful. N.T. 49, 53, 61.

74. Mr. DiFrancesco testified that if Petitioner is reinstated, he would hire him as lawyer and knows that family and friends would also hire him. Mr. DiFrancesco testified that Petitioner has the moral qualifications to be an attorney because, in his opinion, Petitioner is "somebody you could trust to help guide your life in the direction you're trying to get to." N.T. 55.

75. Roger McMEnamin, Esquire, was admitted to the practice of law in the Commonwealth in 1995 and has known Petitioner since approximately 2001. He and Petitioner are part of a group of friends who get together frequently throughout the year. N.T. 64, 66 - 68.

76. Mr. McMEnamin testified that Petitioner admitted to him that he colluded at auctions, causing harm to innocent people. N.T. 69.

77. Mr. McMEnamin testified that Petitioner was very remorseful and troubled about the families he might have hurt. N.T. 70.

78. Mr. McMEnamin testified that he believes Petitioner has learned from his experience and has "grown immensely" and strove to make right in the prosecution of the co-conspirators. N.T. 70, 82-83.

79. Mr. McMEnamin testified that Petitioner has the moral qualifications to practice law "based upon my knowledge, friendship with Rob and my knowledge of what it takes to be a good lawyer." N.T. 78.

80. Gary Zeitz, Esquire, was admitted to practice law in the Commonwealth in 1994 and has known Petitioner as a very close friend since 1991, when they attended law school. N.T. 92.

81. Mr. Zeitz testified that he is familiar with Petitioner's misconduct and has observed that Petitioner is remorseful and regretful for his conduct. N.T. 95.

82. Mr. Zeitz testified that Petitioner went through a bad time, has learned from his mistakes, would never repeat his conduct, and is a person of integrity. N.T. 97-98, 115.

83. Mr. Zeitz testified that despite Petitioner's misconduct, Petitioner has rehabilitated himself and has the moral qualifications to resume practice. N.T. 115.

III. CONCLUSIONS OF LAW

1. Petitioner demonstrated by clear and convincing evidence that he has the moral qualifications, competency and learning in the law required for admission to the practice of law in this Commonwealth. Rule 218(c)(3), Pa.R.D.E.

2. Petitioner demonstrated by clear and convincing evidence that his resumption of the practice of law will be neither detrimental to the integrity and standing of the bar or the administration of justice nor subversive of the public interest. Rule 218(c)(3), Pa.R.D.E.

IV. DISCUSSION

Petitioner seeks readmission to the practice of law in the Commonwealth following his suspension for a period of five years on consent, imposed by the Supreme

Court of Pennsylvania on January 19, 2017, retroactive to August 16, 2012. Petitioner bears the burden of proving by evidence that is clear and convincing, that he is morally qualified, competent and learned in the law and that his resumption of the practice of law will not be detrimental to the integrity and standing of the bar or the administration of justice nor subversive of the public interest. Pa.R.D.E. 218(c)(3). A reinstatement proceeding is a searching inquiry into a lawyer's present professional and moral fitness to resume the practice of law. The object of concern is not solely the transgressions that gave rise to the lawyer's suspension, but rather, the nature and extent of the rehabilitative efforts made since the time the sanction was imposed and the degree of success achieved in the rehabilitative process. ***Philadelphia News, Inc. v. Disciplinary Board of the Supreme Court of Pennsylvania***, 363 A.2d 779, 780-781 (Pa. 1976).

The Hearing Committee weighed the evidence and recommended that Petitioner be reinstated. Upon our review of the record, we conclude that Petitioner has met his reinstatement burden and we recommend that the Petition for Reinstatement be granted.

Petitioner's underlying misconduct was his conviction of a single-count violation of the Sherman Act, 15 U.S.C. §1, resulting from entering into and engaging with co-conspirators in a combination and conspiracy to suppress and eliminate competition by submitting non-competitive and collusive bids at certain public auctions for tax liens conducted by municipalities in New Jersey. Petitioner was sentenced to a term of probation for one year, with the special condition that he was to refrain from employment and or capital ventures that involved investment in tax liens during the period

of probation. Petitioner was ordered to pay the United States a fine in the amount of \$20,000 and a special assessment. Petitioner satisfied the fine and assessment and served his probation without incident. Petitioner fully acknowledged his serious criminal misconduct and that his misconduct warranted a lengthy five year suspension of his license to practice law.

The record demonstrates that Petitioner spent his suspension period engaged in genuine rehabilitation. *See In the Matter of Danielle M. Ross*, 179 DB 2013 (D. Bd. Rpt. 5/10/2016) (S. Ct. Order 6/6/2016); *In the Matter of Jay Ira Bomze*, 149 DB 2002 (D. Bd. Rpt. 11/21/2017) (S. Ct. Order 12/26/2017). Petitioner met the requirements of Rule 218(c)(3), Pa.R.D.E., by presenting credible evidence to show his remorse, rehabilitation, good character, competency and learning in the law. Although Petitioner's original misconduct caused his lengthy suspension, he has demonstrated that his reinstatement will not harm the public or be detrimental to the integrity of the profession. *See, In the Matter of Robert M. Danenberg*, 130 DB 2010 (D. Bd. Rpt. 10/27/2016) (S. Ct. Order 12/2/2016) (Petitioner-attorney reinstated following a suspension for five years on consent resulting from his conviction of wire fraud; met his burden under Rule 218(c)(3), Pa.R.D.E.)

Office of Disciplinary Counsel took exception to the Hearing Committee's recommendation to grant reinstatement and opposes Petitioner's reinstatement on two grounds. First, the Office contends that during his period of suspension, Petitioner violated Rule 217(j), Pa.R.D.E., by entering his appearance on three occasions in 2013 in landlord tenant disputes in the Philadelphia Municipal Court as the authorized

representative of his sister, on behalf of their jointly owned company, and by preparing residential leases and signing documents as President of Stein Properties. Second, the Office contends that Petitioner displayed poor judgment when he resumed purchasing tax lien certificates almost immediately following the termination of his probation in April of 2017. Upon review of the record, we conclude that Petitioner satisfactorily has addressed these concerns and these issues do not constitute an impediment to reinstatement.

There is no factual dispute that while under suspension, on three occasions in 2013, Petitioner entered his appearance on behalf of his sister and on behalf of Stein Properties, LLC, a company he co-owns with his sister to hold and manage residential real estate for lease to tenants. Because Petitioner's sister was a co-owner of the property, Petitioner was required to sign an "authorized representative" form. This activity violated Rule 217(j), Pa.R.D.E., which provides, in relevant part, "a formerly admitted attorney is specifically prohibited from engaging in any of the following activities:...appearing on behalf of a client in any hearing or proceeding or before any judicial officer, arbitrator, mediator, court, public agency, referee, magistrate, hearing officer or any other adjudicative person or body." Pa.R.D.E. 217(j)(4)(viii).

At the reinstatement hearing, Petitioner testified about his involvement with Stein Properties, LLC and admitted that his actions "may be violations of 217," "I misapprehended, apparently, the level of technical detail I had to follow in the rules," and, "I made an obvious mistake. I should have hired counsel. I should have done something other than filing these things myself." N.T. 164-165. Petitioner further testified that he has

hired counsel to handle recent eviction matters.

Petitioner also admitted that he drafted and executed lease agreements and drafted mortgage documents, and he further admitted that he should not have done so. He testified, "I thought I was just executing the lease, and that I had a right to do it, and I wish I had sought counsel or investigated further but did not." N.T. 167. In reference to the mortgage documents, Petitioner further testified "I should have read the rules before I did anything like that. I didn't, and I'm sorry I didn't." N.T. 167-168.

We have reviewed Petitioner's activities during his suspension and conclude that he violated Rule 217(j); however, we further conclude that such actions do not rise to a level that requires prohibiting his reinstatement. The evidence demonstrates that Petitioner expressed understanding of his wrongdoing, apologized for his failure to read the rules governing formerly admitted attorneys more carefully, and learned to be more attentive to the ethical rules by hiring counsel to handle certain duties, thereby ensuring that he did not engage in any subsequent activity that would violated Rule 217.

In reaching this conclusion, we reviewed prior cases. Recently, in ***In the Matter of Marc D. Manoff*** 10 DB 2011 (D. Bd. Rpt. 6/27/2018) (S. Ct. Order 8/17/2018), the petitioner-attorney admitted that he held himself out as an attorney during his suspension and that such conduct violated Rule 217. Mr. Manoff demonstrated that he understood the ramifications of his actions and showed that he had taken measures to correct his activity. The Board concluded that Mr. Manoff's actions did not warrant denying his petition for reinstatement, as the record amply supported Mr. Manoff's fitness to practice law. The Supreme Court adopted the Board's recommendation and reinstated

Mr. Manoff to the bar.

In *In the Matter of Scott Phillip Sigman*, 43 DB 2012 (D. Bd. Rpt. 7/26/2016) (S. Ct. Order 8/17/2016), the Court adopted the Board's recommendation and reinstated Mr. Sigman following his thirty month suspension. During his suspension, Mr. Sigman worked as a paralegal and appeared on behalf of a client in the Montgomery County District Attorney's Office for a proffer meeting without advising the Assistant District Attorney that he was a suspended attorney. The proffer meeting did not take place. For his misconduct in violation of Pa.R.D.E. 217(j)(4)(iv) and (j)(4)(v), Mr. Sigman received an Informal Admonition. In reviewing Mr. Sigman's request for reinstatement, the Board considered the evidence of his misconduct during his suspension, but concluded that the overall evidence weighed heavily in favor of reinstatement. Mr. Sigman's activity was arguably more serious than the instant Petitioner, as Mr. Sigman appeared on behalf of a client and the District Attorney's Office believed him to be an active attorney, yet the totality of the evidence, particularly Mr. Sigman's stellar witness testimony and charitable works, was clear and convincing to permit reinstatement.

In *In the Matter of Wayne D. Bozeman*, No. 193 DB 2009 (D. Bd. Rpt. 2/18/2016) (S. Ct. Order 4/13/2016), the Court adopted the Board's recommendation and denied Petitioner Bozeman's reinstatement. During his suspension, Mr. Bozeman performed law-related activity for an attorney with whom he had been associated after the time that he engaged in his misconduct and prior to the imposition of discipline, which constituted a violation of Rule 217(j)(4)(i), Pa.R.D.E. Mr. Bozeman admitted that he was aware that he was prohibited from engaging in law-related activities for the attorney in

question, and his initial impression upon commencing employment was that he would not be working with the particular attorney. However, that arrangement changed, and Mr. Bozeman performed law-related activities for the attorney, even though he was aware he was prohibited from doing so. In recommending that reinstatement be denied, the Board found that Mr. Bozeman “circumvented the requirements of Rule 217(j), Pa.R.D.E., and lacks the qualifications to resume the practice of law at this time. His willingness to engage in prohibited activity for the sake of maintaining legal employment suggest that he may be predisposed to commit ethical wrongdoing in the future, as his ability to make important judgment calls is questionable.” D. Bd. Rpt. at 13. In contrast to Mr. Bozeman, the nature of the instant Petitioner’s activities were not as serious and he demonstrated that his violation of Rule 217(j) was not intentional.

Office of Disciplinary Counsel objects to Petitioner’s reinstatement due to the fact that he began investing in tax liens and attending tax certificate sales approximately two months after his one year probationary period ended. The Office argues that this activity demonstrates Petitioner’s poor judgment and further argues that although the Hearing Committee found this activity “troubling,” it did not consider this activity in assessing whether Petitioner met his burden of proof. Upon review, we disagree with the Office’s position and conclude that Petitioner’s resumption of his investments in tax sales certificates does not present an obstacle to reinstatement. There is no evidence of record that Petitioner’s activity is unlawful. As required by his probation, Petitioner did not engage in such activity during his one year probation period. In addition, we find no evidence that Petitioner is predisposed to return to his past unlawful activity. Petitioner

testified credibly that he learned a “painful” lesson by his criminal activity and will never again risk harming anyone through dishonest behavior. N.T. 168-169.

Petitioner’s testimony at his reinstatement hearing and the responses he gave in his Reinstatement Questionnaire were credible and revealing, acknowledging both his original actions and his determination to rehabilitate himself. Petitioner sincerely regretted his misconduct and convincingly assured the Hearing Committee, and now this Board, that his failures will not be repeated in the future. He offered credible testimony that he was embarrassed by his conduct and felt guilt and remorse because he hurt a “widespread number of people, homeowners in New Jersey, [his] business partners...members of the bar,” and his family. N.T. 149.

Petitioner offered evidence in the form of five character witnesses, including members of the bar, who appeared on his behalf. These character witnesses attested to Petitioner’s remorse, rehabilitative efforts, his competence and his good character. Two witnesses indicated their trust in Petitioner by their willingness to hire him as an attorney upon reinstatement. Petitioner also presented credible evidence of his volunteer work in the community at Philabundance and his synagogue. In order to keep abreast of developments in the law while suspended, Petitioner fulfilled the requirements for Continuing Legal Education and reviewed real estate law.

The totality of the record is clear and convincing that Petitioner has met his burden of proof that his resumption of the practice of law within the Commonwealth will be neither detrimental to the integrity and standing of the bar nor subversive of the public

interest. Petitioner has demonstrated clearly and convincingly that he is fit to practice law. The Board recommends that the Petition for Reinstatement be granted.


V. RECOMMENDATION

The Disciplinary Board of the Supreme Court of Pennsylvania unanimously recommends that Petitioner, Robert William Stein, be reinstated to the practice of law.

The Board further recommends that, pursuant to Rule 218(f), Pa.R.D.E., Petitioner be directed to pay the necessary expenses incurred in the investigation and processing of the Petition for Reinstatement.

Respectfully submitted,

THE DISCIPLINARY BOARD OF THE
SUPREME COURT OF PENNSYLVANIA

By: John P. Goodrich 
John P. Goodrich, Member

Date: 10/19/18