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DISTRICT IIB ETHICS COMMITTEE	:	Supreme Court of New Jersey
	:	District IIB Ethics Committee
Complainant,	:	
	:	Docket No. IIB-02-029E
vs.	:	
	:	DISCIPLINARY ACTION
JOHN L. BLUNT	:	
	:	COMPLAINT
Respondent,	:	
	:	R.1:20-4

District IIB Ethics Committee by way of complaint against respondent, says:

GENERAL ALLEGATIONS

1. John L. Blunt, the Respondent was admitted to the bar of this state in 1988.
2. Respondent maintains a law office at 216 Anderson Avenue, Fairview, New Jersey.

FIRST COUNT

(SHAWN MARIE HARRISON)

1. The Grievant together with her fiancé Scott Russo retained John L. Blunt, Esq. as their attorney in connection with their purchase of a home and the obtaining of a purchase money mortgage. They relied upon Mr. Blunt to provide legal services in required in connection [sic] with the purchase and mortgage transactions.
2. Mr. Blunt delegated all aspects of the representation with respect to the mortgage to a non-office employee.

3. The Grievant and Mr. Russo advised Mr. Blunt that the home was recently remodeled and a home inspection would be necessary. Mr. Blunt did not arrange for a home inspection and as a result, the closing took place without discovery of a material defect in the home.

4. Despite repeated "time is of the essence" letters, Mr. Blunt repeatedly failed to establish a closing date or make himself available for a closing. As a result, the Grievant and Mr. Russo were required to cancel moving dates and suffered inconvenience and expense.

5. Dates were set for closings but no closing occurred. Phone calls went unanswered. Title work and fire inspections were delayed.

6. On April 23, 2002 (a date set for closing), the Grievant and Mr. Russo tracked down Mr. Blunt at a doctor's office and drove him to the office of Jack Traina, Esq. He was representing the Seller. They arrived after 5:00 p.m. on the date set for closing. The matter was finally closed at 9:00 p.m. at a restaurant.

7. Subsequent to closing, it was discovered that the taxes had not been fully satisfied even though they had been accounted for as part of the closing costs.

8. The conduct of Mr. Blunt throughout the period of representation of the Grievant and Mr. Russo was characterized by a total lack of diligence and promptness, and was totally lacking any effort on the part of Mr. Blunt to keep his clients informed of the status or to respond to reasonable requests for information. He utterly failed to perform the most fundamental of duties owed to these clients and as a result created great turmoil, expense and anxiety.

9. Respondent's conduct in this matter constituted violations of R.P.C. 1.3, which requires diligence in representing a client; R.P.C. 1.4(a), which requires that a client be reasonably informed and R.P.C. 1.4(b), which requires that a lawyer explain all aspects of the matter, so as to permit the client to make informed decisions.

DISTRICT IIB ETHICS COMMITTEE

DATED: March 3, 2003

/s/ illegible (probably Howard Stern)

John L. Blunt, Esq.
216 Anderson Ave
Fairview, NJ 07022
(201) 941-1118
Attorney for Respondent

DISTRICT IIB ETHICS COMMITTEE : Supreme Court of New Jersey
: District IIB Ethics Committee
Complainant, :
: Docket No. IIB-02-029E
vs. :
: DISCIPLINARY ACTION
JOHN L. BLUNT :
: AMENDED ANSWER
Respondent, :
:

John L. Blunt, by way of answer on behalf of Respondent states:

General Allegations

- 1) Defendant admits the allegations in paragraph one.
- 2) Defendant admits the allegations in paragraph two.

First Count

1) Respondent, John L. Blunt met with long time personal friend, Scott Russo concerning the purchase of a home with his fiancée. During said meeting, respondent and Scott Russo discussed Mr. Russo's mortgage commitment which was for a six (6) month libor loan. Mr. Blunt expressed to his childhood friend, his reservation about the aforementioned commitment and suggested that Mr. Russo and his fiancée might want to explore the possibility of a thirty (30) year fixed rate mortgage. Mr. Blunt stressed he was not in the business of being a mortgage broker, but because of the childhood friendship between Mr. Blunt and Mr. Russo, the former recommended a number of mortgage brokers' for Mr. Russo and his fiancée to consult with about obtaining such a loan.

2) At no time whatsoever did Mr. Blunt have any part with Mr. Russo obtaining a loan with his fiancée, except for recommendations, which were left for them to follow-up on.

3) At no time whatsoever was Mr. Blunt informed about the nature of the home being purchased, except for the address and back title submitted to him so the title work could be obtained prior to closing. As usual a home inspection was advised to be conducted, but Mr. Russo was adamant that his real estate broker was protecting his interest. Mr. Blunt reiterated his concern that a home inspection be conducted, but advised Mr. Russo that it was his responsibility to procure same.

4) Although "Time of the Essence" letters were discussed at times between Mr. Blunt and the seller's attorney, no formal request was served by either party. In fact Mr. Russo made it abundantly clear to the mortgage broker that he could not close until he received his income tax rebate and the closing should be postponed until sometime after April 19, 2002. Said closing was delayed at Mr. Russo's request and scheduled accordingly.

5) On or about April 19, 2002, or as shortly thereafter, Mr. Blunt suffered a tragic and debilitating injury to his leg resulting in a torn ACL, PCL, MCL, meniscus tear and cartilage replacement as a result Mr. Blunt was forced to wear a cast from the top of his hip down to his ankle, totally disabling any movement of his right leg. As late as April 22, 2002, two (2) days prior to closing Mr. Russo and his fiancée had the ability to obtain their own attorney on behalf of the mortgage company they chose, but signed a " New Jersey Right to

Own Attorney Disclosure" which they signed knowing well in advance of Mr. Blunt's debilitating injury, both Mr. Russo and his fiancée consciously chose to select Mr. Blunt as their attorney and executed said document expressing same.

6) On or about April 23, 2002, Mr. Russo and his fiancée were informed that due to the traumatic injury to Mr. Blunt's right leg, same had to be immobilized from the point of his right thigh to the point of his right ankle, and on the date in question a flexible cast was to be placed on his right leg and he'd begin learning how to walk with crutches. Since he never before had used crutches and is 6 feet 6 inches tall, the doctor placed an apparatus on his leg and therapists began what had become a long and strenuous task of strengthening his right leg for surgery. Regardless of same he informed his childhood friend, Scott Russo, that since we were such close friends and since he could not drive, Scott could pick him up at my doctor's office in Englewood and proceed to Wood Ridge to close on his house. Mr. Blunt waited at the front door of the doctor's office until Mr. Russo arrived and they proceeded to the closing together. They were both met at Jack Traina, Esq.'s office in Wood Ridge and were met by Mr. Russo's fiancée and the mortgage broker and proceeded to closed.

Since Mr. Traina had to pick up his child and proceed to a sporting event, Mr. Russo and his fiancée suggested that the mortgage papers could be explained in detail and executed, if needed at a restaurant approximately two blocks away from Mr. Traina's office instead of returning to Fairview. The reason given by Mr. Russo for going to the restaurant was so that he could pick up his child, which

he has custody of before it got too late. Since Mr. Russo & Mr. Blunt were friends and Scott was greatly appreciative of my action in enabling him to close in my physical condition, I agreed to same and we reminisced, shared life stories, ate and completed the mortgage transaction.

7) Immediately after closing Mr. Russo advised my office that he would have to void his check #169, issued the day before closing because he did not have enough funds to clear the check. He proceeded to void said check. This action on behalf of Mr. Russo and his fiancée, necessitated the need for Mr. Blunt to refrain from issuing certain checks, included therein the taxes on the property, until my office received a subsequent check dated April 27, 2002, sometime after said date. At that point Mr. Blunt was totally reliant on others to drive him back and forth to his office because of his physical condition. The act of voiding the April 22nd, check, was one completely undertaken by Mr. Russo and his fiancée and put Mr. Blunt in position where certain checks would not be executed until a replacement check was issued by Mr. Russo and his fiancée.

8) At no time during Mr. Blunt's representation of Mr. Russo, did he or his fiancée ever express any dissatisfaction with his services. Quite the opposite, Mr. Russo had told Mr. Blunt on numerous occasions that he would never forget how Mr. Blunt advised him not to proceed with the six (6) month libor mortgage and presented him with several alternatives, resulting in Mr. Russo and his fiancée in receiving a fixed rate mortgage. Mr. Russo even expressed his gratitude that not every attorney would proceed directly from having

their leg set, immobilized and placed on crutches, to a closing and Mr. Russo realized only a true friend would accomplish same. Further, instead of proceeding back to Mr. Blunt's office after closing, Mr. Russo and his fiancée chose to complete same together at a restaurant, Mr. Russo stated this was an act of friendship he'd never forget. Consequently, at the restaurant his fiancé and Mr. Blunt learned that her father also suffered from a form of blood disorder known as hemochromatosis. Mr. Blunt even given his e-mail address to her and her father even e-mailed him concerning said blood disorder, so as to boost his spirits in an attempt to face his upcoming therapy and surgery in a more positive light. At no time was it ever expressed that they considered the medical malady as a handicap that caused, or was causing Mr. Blunt to "utterly fail to perform the most fundamental of duties owed to them (Mr. Russo & his fiancée) as clients".

Rather, all Mr. Blunt ever heard expressed by Mr. Russo, was the fact that he was internally [sic] grateful for finding him an alternative to the six (6) month labor loan and the fact that the closing took place no matter what Mr. Blunt's physical condition was. As for Ms. Harrison, Mr. Blunt thinks he spoke to her father via e-mail, more then he spoke to her and Mr. Blunt even heard his friend Scott compare his fiancée, to Mr. Blunt's own sister, as someone who always expected more and didn't appreciated [sic] what expense others had gone though [sic] to help then [sic], but not to worry because he would never forget all what had been done for him.

Mr. Blunt basically advised Mr. Russo not to worry because he and Mr. Blunt had always successfully dealt with his sister and besides

Mr. Russo's fiancée never personally expressed any displeasure directly to Mr. Blunt and in fact she was very pleasant at dinner in the restaurant when completing the mortgage papers and Mr. Blunt dismissed same.

Mr. Blunt's conduct in this matter extended above and beyond that which is expected of any attorney, namely:

1) He pointed out to his client that a six (6) month libor loan was not in his client's best interest and they ultimately did procure a thirty (30) year fixed rate mortgage from the several alternatives he gave them.

2) Even after Mr. Blunt explained to clients that he had torn his ACL, MCL, PCL, meniscus, as well as damaging the cartilage in his knee, and offering them the ability to procure another attorney, he followed their wishes and was present at the closing even in his physical condition and completed all aspects of the closing in a nearby restaurant before any prescription could even be filled because of his obligation to a life long friend.

3) The Respondent, John L. Blunt, hereby requests a hearing on the charges presented above by the plaintiff, in defense or mitigation of the alleged offenses stated therein.

The allegation made that violations of R.P.C. 1.3, R.P.C. 1.4 (a) and R.P.C. 1.4(b) seem to be unsubstantiated, and in fact absurd since they are alleged by someone who had little or no contact with the respondent except through her fiancée Scott Russo, who never expressed any displeasure with Mr. Blunt's service whatsoever.

Dated: May 4th, 2003

/s/ John L. Blunt

VERIFICATION OF ANSWER

I, JOHN L. BLUNT, am the respondent in the within disciplinary action and hereby certify as follows:

1. I have read every paragraph of the foregoing answer to the Complaint and verify that the statements therein are true and are based on my personal knowledge.

2. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

DATE: May 16, 2003

/s/ John L. Blunt

DISTRICT IIB ETHICS COMMITTEE	:	Supreme Court of New Jersey
	:	District IIB Ethics Committee
Complainant,	:	
	:	Docket No. IIB-02-029E
vs.	:	
	:	
JOHN L. BLUNT	:	
	:	HEARING PANEL REPORT
Respondent,	:	
	:	

The District IIB Ethics Committee filed a complaint for misconduct against defendant John Blunt, dated March 3, 2003. Specifically, defendant Blunt was charged with violations of RPC 1.3, RPC 1.4(a) and RPC 1.4(b).

The hearing in this matter took place on September 19, 2003 at the Bergen County Bar Association. The hearing panel was comprised of Brian D. Iton, Esq., (chairperson – attorney member), Deborah Ustas, Esq. (attorney member) and Ms. Marge Wyngaarden (public member). The presenter in this case was Howard Stern, Esq. The defendant’s attorney was Robert Biagiotti, Esq.

BACKGROUND:

The grievance arose from defendant Blunt’s representation of the grievant and her fiancé in their purchase of a home.

WITNESSES:

The grievant, Shawn Harrison, did not attend the hearing, and no reason was given for her absence. The panel heard testimony from Scott Russo (grievant’s fiance and co-purchaser at the time that the complaint was initiated). Testimony was also heard from Jack Traina, Esq., who was the seller’s attorney in the subject real estate

transaction. The defense presented testimony from defendant John Blunt.

FINDINGS OF FACT:

The Panel finds the following facts: After the contract of sale was signed, grievant and her fiancé met with Mr. Blunt and reviewed the contract of sale. Mr. Blunt referred grievant and her fiancé to a mortgage broker, Ms. Winnie Gandolfo, who had her office across the hallway from Mr. Blunt, in the same building. Mr. Russo testified that he and his fiancé had two (2) meetings with Ms. Gandolfo in April 2002. The meetings were scheduled by Ms. Gandolfo and took place in her office. Mr. Russo testified that he thought that the meetings were to close on his house. On the scheduled dates, Mr. Russo scheduled movers and had his telephone and lights shut off. Mr. Russo and his fiancé did not close on either day.

Mr. Blunt testified that his relationship with Ms. Gandolfo was strictly a referral relationship, i.e., Ms. Gandolfo was neither Mr. Blunt's agent nor his employee. Mr. Blunt further testified that he was not in the office on the dates of the two meetings between Ms. Gandolfo, the grievant and Mr. Russo. Mr. Blunt further testified that he had no part in scheduling the meetings, and that after his review of the file, it appeared that the two meetings were scheduled by Ms. Gandolfo so that the grievant, Mr. Russo and Ms. Gandolfo, could work on resolving open issues on the mortgage commitment. Mr. Blunt also testified that he only scheduled one closing date, on April 22, 2002, and that the loan closed on that date. Mr. Traina, the seller's attorney, testified that the only closing scheduled with his office

was for the April 22nd date. Mr. Russo testified that neither Mr. Blunt nor Ms. Gandolfo led him to believe that Ms. Gandolfo was other than an independent third-party, referred by Mr. Blunt to him and his fiancé.

DISCIPLINARY RULES

RPC 1.3: DILIGENCE: A lawyer shall act with reasonable diligence and promptness in representing a client.

This matter arose because of the grievant's fundamental misunderstanding of the mortgage broker's role and authority in residential real estate conveyancing. Simply put, the attorney, not the mortgage broker, has the authority to, and is responsible for setting closing dates. If Ms. Gandolfo scheduled closing dates with the grievant, she was acting outside of her authority. However, there was no evidence that Ms. Gandolfo termed these meetings as closings. It appears that the grievant just assumed that the meeting dates were closing dates. Whether Ms. Gandolfo called the meetings closing dates or not, her actions cannot be imputed to Mr. Blunt.

With regard to RPC 1.3, the conditional mortgage commitment was issued on April 4, 2002. Mr. Blunt had ordered title prior to the issuance of the mortgage commitment (even though the customary procedure is to wait for a mortgage commitment to be issued by the lender). In response to a "time of the essence" letter setting April 29th as a final closing date, Mr. Blunt set a closing date for April 22nd - seven (7) days before the final date, and **came out of the hospital** (he had severely injured his leg on April 18th) to close the loan on April 22nd. On these facts, the Grievant has not met her

burden of proof, to show by clear and convincing evidence, that Mr. Blunt did not diligently represent her.

RPC 1.4(a): COMMUNICATION:

A lawyer shall keep a client reasonably informed about the status of a matter and promptly comply with reasonable requests for information.

RPC 1.4(b):

A lawyer shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

There was no evidence presented at trial that indicated that Mr. Blunt did not: (1) communicate with his clients (2) keep them reasonably informed about the status of their case (3) promptly comply with reasonable requests for information or (4) adequately explain matters to his clients.

Mr. Blunt met with his clients when the contract was signed. He told them to get a home inspection, which they waived. He reviewed their mortgage loan pre-approval, and suggested to his clients that they could get better terms with Ms. Gandolfo. Mr. Russo testified that he and his fiancé did receive better terms with Ms. Gandolfo.

Mr. Blunt was not regularly in his office after the April 18th leg injury, and this may provide some basis for the grievant's feeling that communication was difficult in the last four days before the April 22nd closing. However, Mr. Blunt testified that on the day of

the closing, his staff reached him at the hospital by cellular phone, and he came out of the hospital to close the transaction.

The Grievant has failed to meet her burden of proving, by clear and convincing evidence, that Mr. Blunt violated RPC 1.4(a) and (b).

CONCLUSIONS OF LAW:

Based on the evidence presented at the hearing, this Panel concludes that the Grievant has failed to meet her burden to show a violation of RPC's 1.3, and 1.4 (a) and (b), by clear and convincing evidence. The complaint will be dismissed. All Panel members concurred in this decision.

Dated: October 31, 2003

/s/ BRIAN ITON - PANEL CHAIRPERSON