

SUPREME COURT OF NEW JERSEY  
DISTRICT IX ETHICS COMMITTEE

Disciplinary Action Complaint

(Disciplinary Action Complaint,  
Docket No. IX-91-4E,  
02/16/1992

Prepared by Robert J. Gaughran, Esq.,  
Unsigned)

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DRAFT

2/16/92

SUPREME COURT OF NEW JERSEY  
DISTRICT IX ETHICS COMMITTEE  
DOCKET NO. IX-91-4E

DISTRICT IX ETHICS COMMITTEE,                   :  
Complainant                                    :  
  :  
v.   :  
  :  
KENNETH F. IREK, ESQ.,                       :  
Respondent                                     :

DISCIPLINARY ACTION  
COMPLAINT

District IX Ethics Committee by way of Complaint against  
the respondent, says:

GENERAL ALLEGATIONS

1. Kenneth F. Irek (Respondent) was admitted to the Bar of this State in 1981.
2. Respondent's last known address was 41 Highway 34, P.O. Box 161, Colts Neck, New Jersey 07722.
3. The Grievants, Cathleen and Zontan Szatmary reside at 3 Ware Place, Middletown, New Jersey 07748.

COUNT ONE

1. Respondent is the sole shareholder and officer of Kirex Development Company.
2. Respondent is the attorney for Kirex Development Company.
3. On or about May 23, 1990 Respondent on behalf of Kirex Development Company and as the attorney for Kirex Development Company, negotiated a real estate contract with the Grievants.
4. The real estate contract called for the sale of a vacant building lot in Jackson Township, New Jersey for a purchase price of \$35,000.
5. The contract called for a deposit of \$5,000 to be paid.
6. The \$5,000 deposit was to be held in trust by seller's attorney until time of closing.
7. Attached as Exhibit A is a copy of the March 23, 1990 real estate contract.

8. Attached as Exhibit B is a copy of the \$5,000 check from the Grievants which was endorsed and signed by Kirex Development Company.

9. The Grievants proceeded through their attorney in doing all necessary preparatory work in anticipation of the closing on the building lot.

10. Shortly after entering into the contract the Respondent disappeared.

11. Respondent's company, Kirex Development Company never fulfilled its obligations under the contract.

12. The Grievants have made demand and repeated requests for the return of the \$5,000 deposit.

13. As of the date hereof, neither the Respondent or Kirex Development Company has returned the \$5,000.

14. Respondent violated Rule of Professional Conduct 1.15(b) by violating his obligation with respect to "safekeeping property". The Respondent has not returned to the Grievants the funds that the Grievants are entitled to receive.

COUNT TWO

1. All allegations in Count One are repeated.

2. The conduct of the Respondent is in violation of Rule of Professional Conduct 1.3. in that he has not acted with reasonable diligence and promptness in representing his client by not returning the \$5,000 deposit.

COUNT THREE

1. All allegations in Count One and Two are repeated.

2. The Respondent has violated Rule of Professional Count 8.4(c). By not returning the \$5,000 deposit, Respondent has engaged in conduct involving dishonesty, fraud, deceit or misrepresentation.

WHEREFORE, the Respondent should be disciplined.

DISTRICT IX ETHICS COMMITTEE

DATED:

By: \_\_\_\_\_  
Robert J. Gaughran, Esq.  
Vice Chairman