

IN THE SUPREME COURT OF THE STATE OF NEVADA

IN RE: DISCIPLINE OF ROBERT T.  
KNOTT, ESQ.

No. 44645

**FILED**

OCT 07 2005

BY *Sanette M. Blum*  
SANETTE M. BLUM  
CLERK OF SUPREME COURT  
DEPUTY CLERK

ORDER OF DISBARMENT

This is an automatic appeal from a Southern Nevada Disciplinary Board hearing panel's recommendation that attorney Robert T. Knott, Jr. be disbarred from the practice of law in Nevada.

Knott was licensed to practice law in Nevada in 1994. On March 26, 2004, we issued an order temporarily suspending Knott and restricting his handling of funds belonging to clients and third parties, because of concerns that he had misappropriated over \$200,000, had closed his office without notifying clients, and had continued to practice law despite being transferred to inactive status at his own request.

A formal hearing was held on January 14, 2005, on two complaints containing a total of seven counts filed by the bar against Knott, to which he did not respond. Although Knott testified as to mitigating factors, the hearing proceeded on a default basis and all material allegations in the complaints were deemed admitted under SCR 105(2). At the hearing, Knott admitted that he was unable to account for over \$406,000 in client funds, and that he still owes about \$250,000 to former clients. He testified that he first began transferring money from his client trust account to his business account after his partner died in

Effective Date: October 7, 2005\*

Bar Number: 5390

\*SCR 102 temporary suspension effective 3/26/04 *MB*

1995, to meet his business overhead expenses and in anticipation of receiving a \$150,000 fee for a double probate matter. When the court approved a far smaller fee than anticipated, he had an \$85,000 shortfall in his clients' trust account.

Knott further testified that he borrowed approximately \$350,000 from family and friends to keep his practice operating, and anticipated repaying them from his fees in two large cases. Although the cases involved a great deal of time and expense, he lost both. Additionally, Knott claims that the stress of his practice resulted in health problems, and that he filed for personal bankruptcy and lost his home.

On August 11, 2003, Knott sent a letter to the bar that he would be "retiring from the practice of law." He is currently employed as an attorney with the California state workers' compensation fund, and claims that he has repaid about \$25,000 to former clients since February 2004, and is now trying to repay \$1,000 per month to various people. Knott urged the hearing panel not to disbar him, because he feared that it would jeopardize his current position as an attorney in California. Knott claimed that with his current job and anticipated pay increases, he hoped to eventually make repayments of \$3,000 to \$4,000 dollars a month, and that he could not foresee making such repayments if he lost his attorney job in California.

The hearing panel, however, found by clear and convincing evidence that Knott had violated the following rules: SCR 153 (diligence); SCR 154 (communication); SCR 165 (safekeeping property); SCR 166 (terminating representation); SCR 173 (disobeying order of tribunal); SCR 189 (unauthorized practice of law); SCR 200 (false statement in disciplinary matters); SCR 200(2) (failure to respond in disciplinary

matters); SCR 203(3) (misconduct involving fraud, deceit, dishonesty, misrepresentation); and SCR 203(4) (misconduct which is prejudicial to the administration of justice).

The panel further considered as an aggravating factor Knott's prior discipline in the form of a private reprimand issued on June 6, 2002. The reprimand was based on three grievances, all involving checks from Knott that were not paid due to insufficient funds. Knott honored the checks, but was reprimanded for having violated SCR 165 (safekeeping property) by failing to wait for the checks deposited into his trust account to clear before he disbursed funds from the account, and for writing checks that he knew would be returned for insufficient funds because his trust account was overdrawn.

In addition to this prior discipline, other aggravating factors considered by the panel were Knott's selfish and dishonest motives, his pattern of misconduct, and his multiple offenses. Consequently, the panel recommended that Knott be disbarred and be ordered to pay all costs of the proceedings within thirty days of his receipt of the state bar's bill of costs.<sup>1</sup>

The state bar has provided us with numerous cases from other states holding that disbarment is the only appropriate discipline for intentional misappropriation of client funds in light of the high trust and ethical responsibilities that attorneys have to safeguard their clients'

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<sup>1</sup>The bill of costs totaled \$2,315.85, and was mailed to Knott on February 3, 2005.

property.<sup>2</sup> We conclude that disbarment is appropriate discipline when client funds have been misappropriated.

Thus, we agree with the panel's recommendations in full. Accordingly, Knott is disbarred from the practice of law in this state.<sup>3</sup> If he has not already done so, Knott shall pay the costs of the state bar proceedings within thirty days of the date of this order.

It is so ORDERED.

Becker, C.J.  
Becker

Rose, J.  
Rose

Maupin, J.  
Maupin

Gibbons, J.  
Gibbons

Douglas, J.  
Douglas

Hardesty, J.  
Hardesty

Parraguirre, J.  
Parraguirre

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<sup>2</sup>In re Wilson, 409 A.2d 1153 (N.J. 1979); Attorney Grievance Comm'n of Maryland v. Smith, 829 A.2d 567 (Md. 2003); The Florida Bar v. Massari, 832 So.2d 701 (Fla. 2002); In re Reynolds, 39 P.3d 136 (N.M. 2002); In re Discipline of Ennenga, 37 P.3d 1150, 1154 (Utah 2001); In re Addams, 579 A.2d 190 (D.C. 1990); Carter v. Ross, 461 A.2d 675, 676 (R.I. 1983); In re Stillo, 368 N.E.2d 897, 899 (Ill. 1977).

<sup>3</sup>To the extent that the parties have not already done so in connection with Knott's temporary suspension, Knott and the state bar shall comply with the provisions of SCR 115.

This is our final disposition of this matter. Any new proceedings concerning Knott shall be docketed under a new docket number.

cc: Howard Miller, Chair, Southern Nevada Disciplinary Board  
Rob W. Bare, Bar Counsel  
David A. Clark, Assistant Bar Counsel  
Allen W. Kimbrough, Executive Director, State Bar  
Robert T. Knott Jr.  
Perry Thompson, Admissions Office, United States Supreme Court