

VIRGINIA:

*Before the Virginia State Bar Disciplinary Board*

*In the Matter of*

*Richard Charles Scalise*

*Attorney at Law*

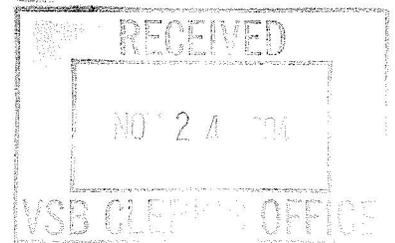
*On November 24, 2004, came Richard Charles Scalise and presented to the Board an Affidavit Declaring Consent to Revocation of his license to practice law in the courts of this Commonwealth. By tendering his resignation at a time when disciplinary charges are pending, he admits that the charges in the attached Affidavit Declaring Consent to Revocation, with attached Statement of Facts are true.*

*The Board having considered the said Affidavit Declaring Consent to Revocation accepts his resignation. Accordingly, it is ordered that the license to practice law in the courts of this Commonwealth heretofore issued to the said Richard Charles Scalise be and the same hereby is revoked, and that the name of the said Richard Charles Scalise be stricken from the Roll of Attorneys of this Commonwealth.*

Enter this Order this 29<sup>th</sup> day  
of November 2004  
For the Virginia State Bar Disciplinary Board  
By Barbara Sayers Lanier  
Barbara Sayers Lanier  
Clerk of the Disciplinary System

VIRGINIA :

BEFORE THE DISCIPLINARY BOARD OF THE  
VIRGINIA STATE BAR



IN THE MATTER OF RICHARD CHARLES SCALISE, ESQUIRE  
VSB Docket No. 03-051-1962, 03-051-1964

AFFIDAVIT DECLARING CONSENT TO REVOCATION

Richard Charles Scalise, after being duly sworn, states as follows:

1. That he was licensed to practice law in the Commonwealth of Virginia on August 30, 1977.
2. That, pursuant to Part 6, § IV, ¶ 13(L) of the Rules of the Supreme Court of Virginia:
  - a. his consent to revocation is freely and voluntarily rendered, that he is not being subjected to coercion or duress, and that he is fully aware of the implications of consenting to a revocation of his license to practice law in the Commonwealth of Virginia;
  - b. he is aware that there are proceedings against him involving allegations of misconduct, the docket numbers for which are set forth above, and the specific nature of which are set forth in the Statement of Facts and Statement of Misconduct attached to this affidavit, and incorporated herein by reference;
  - c. he acknowledges that the material facts upon which the allegations of misconduct set forth in the attached Statement of Facts and Statement of Misconduct are true; and
  - d. he submits this Affidavit and consents to the revocation of his license to practice law in the Commonwealth of Virginia because he knows that if the disciplinary proceedings based on the said alleged misconduct were prosecuted to a conclusion, he could not successfully defend them.

Executed and dated this 18 day of NOV, 2004.

  
Richard Charles Scalise  
Respondent

STATE OF VIRGINIA  
AT LARGE, to wit:

I, Mona Elbow, a Notary Public in the state aforesaid, do hereby certify that Richard Charles Scalise appeared in person before me in the City/County of Fairfax, Virginia, on this 18 day of NOV, 2004, and was by me duly sworn and thereupon executed in my presence and acknowledged to me the truth of the contents and the voluntariness of execution of the foregoing Affidavit.

GIVEN under my hand this 18 day of NOV, 2004.

  
Notary Public

My Commission expires: My Commission Expires 7/31/07.

VIRGINIA :

BEFORE THE DISCIPLINARY BOARD OF THE  
VIRGINIA STATE BAR

IN THE MATTER OF RICHARD CHARLES SCALISE, ESQUIRE  
VSB Docket No. 03-051-1962, 03-051-1964

STATEMENT OF FACTS

1. At all times relevant hereto the Respondent, Richard Charles Scalise, Esquire (hereinafter the Respondent) has been an attorney licensed to practice law in the Commonwealth of Virginia.
2. The Respondent was the sole shareholder and principal in Great American Title, Incorporated (hereinafter "Great American"). Great American had an agency agreement with First American Title Insurance Company (hereinafter "First American") whereby Great American solicited title insurance business for First American, collected and received title insurance premiums on behalf of First American, and issued title commitments and policies binding between First American and its insured.
3. Pursuant to the agreement between Great American and First American, Great American was required to maintain a real estate escrow account in which to keep all funds received by Great American from any source in connection with transactions in which policies of First American were issued. Great American was also required to pay to First American on the fifth day of each month twenty percent of the risk premiums received by Great American for issuance of First American title insurances policies.
4. In October of 2002, First American notified Great American that it intended to conduct a routine audit of Great American's real estate escrow account. Great American did not cooperate and did not allow First American access to the books and records to perform the audit. Thereafter, first American learned from a former employee that the escrow account had a negative balance of \$500,000.00 or more. First American terminated the agreement with Great American and filed a petition for appointment of a receiver. A receiver was appointed who took over the escrow accounts of the Respondent and the corporate entities through which he was conducting real estate transactions.
5. After an investigation, First American filed a bill of complaint against Richard Scalise and the two entities owned solely by him, Great American and Great American Settlements, LLC. Thereafter, Richard Scalise and Great American and Great American Settlements, LLC, entered into a consent judgment whereby Richard Scalise and the two entities agreed to pay First American a total of \$840,000.00, plus certain attorneys' fees. Mr. Scalise and his entities have made payments of \$311,004.86 to date.

## STATEMENT OF MISCONDUCT

### **RULE 1.15 Safekeeping Property**

- (c) A lawyer shall:
  - (4) promptly pay or deliver to the client or another as requested by such person the funds, securities, or other properties in the possession of the lawyer which such person is entitled to receive.

### **RULE 8.4 Misconduct**

It is professional misconduct for a lawyer to:

- (b) commit a criminal or deliberately wrongful act that reflects adversely on the lawyer's honesty, trustworthiness or fitness as a lawyer;
- (c) engage in professional conduct involving dishonesty, fraud, deceit or misrepresentation;