

MEMORANDUM

TO: Hoboken City Council

FROM: Mayor Ravinder S. Bhalla

DATE: June 22, 2018

RE: Disclosure of Clients

This memorandum is in response to the discussion at the Hoboken City Council meeting on June 20, 2018, regarding a proposed ordinance requiring the disclosure of details regarding my affiliation with the law firm Lavery, Selvaggi, Abromitis & Cohen, P.C. ("LSAC"). Since announcing that I joined LSAC, I have been as transparent and upfront as possible. On February 23, 2018, I disclosed my agreement [Exhibit A] with the firm. The agreement has been available for review by City Council members and the general public for four months.

On February 27, 2018, I provided responses to all twenty-six questions [Exhibit B] regarding my affiliation with the firm submitted to me by the City Council. While all twenty-six questions could easily have been answered by a quick review of the two-page agreement, I nonetheless complied with the Council's request.

To date, I have not received a single follow up question from any City Councilperson seeking clarification to any of the answers I provided four months ago. If Council members have additional questions, I am happy to provide answers.

While I agree with Corporation Counsel's assessment that the proposed ordinance which was tabled by the Council at the June 20, 2018 meeting is legally impermissible, I have absolutely nothing to hide. Accordingly, in the spirit of transparency and collegiality, I am happy to voluntarily disclose my client generation and commissions earned to date.

As of June 21, 2018, I have generated one client for LSAC. The client is the Borough of Englewood Cliffs and my firm handled an Open Public Records Act matter for the Borough. Further, as of June 21, 2018, I have earned exactly \$0 in commissions.

My failure to generate commissions is due to my sole focus on the City of Hoboken. The level of my commitment is borne out by my track record as Mayor, which includes: (1) paving and rehabilitating Washington Street from Observer Highway to 9th Street by mid-July; (2) introducing a City budget with a 0% tax increase; (3) maintaining the City's AA+ bond rating; (4) securing more than \$1 million in state transportation funding; (5) defending the quality of life of our residents by curbing the excesses of Leprecon and Santacon; (6) successfully negotiating to have a hotel project that is consistent with the charm and character of our City; (7) establishing a Special Improvement District to spur economic development; (8) keeping New Jersey Transit's hands off of the Union Dry Dock property; (9) creating the office of Constituent Services to be a resource for all residents and visitors to Hoboken; (10) forming a Homelessness Taskforce to humanely and compassionately address a chronic societal problem; (11) completing the design phase of the Northwest Resiliency Park, which will be Hoboken's largest park; and (12) hosting the inaugural Waterfront Arts Gala to elevate and support our arts community.

Most of these accomplishments, of which I am very proud, have not required the participation of the City Council. I remain hopeful that the Council will join me in working to make Hoboken a diverse and vibrant community.

EXHIBIT

A

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SENDER'S DIRECT EMAIL
MLAVERY@LSACLAW.COM

February 16, 2018

Ravinder S. Bhalla
837 Garden Street
Hoboken, NJ 07030

Dear Ravi:

Last month, we offered you an "Of Counsel" position at our firm. Since then, we have been in engaged in further discussions related to the need to meet your full-time responsibilities as Mayor of Hoboken, New Jersey, which we recognize will remain your primary responsibility. With that in mind, we have agreed upon the following terms and conditions:

1. As previously agreed, you are designated as being "Of Counsel" to the Law Firm of Lavery, Selvaggi, Abromitis & Cohen, P.C. ("Firm") as of February 1, 2018. That designation appears on the Firm's letterhead and website. You will be listed before all the other individuals currently serving "of counsel" to the Firm.
2. In light of your responsibilities as Mayor of Hoboken, the Firm acknowledges that you will not be available to engage in the day to day practice of law. Your services will be limited to providing advisory services to the Firm, with an emphasis on mentoring young attorneys. It is acknowledged that due to your full-time commitment to Hoboken, these services will be provided only as and when you have availability.
3. You will be given an email address bearing the "lsaclaw.com" domain name and will be included on all firm-wide email messages and announcements. You will also be invited to attend any Firm activities or meetings.
4. You will receive annual compensation of \$60,000. While serving "of counsel" you will not be eligible to receive health, dental, or life insurance or participate in the Firm's 401(k) plan. The Firm will reimburse you for all reasonable and related expenses that you may incur in your "of counsel" position. All such expenses must be substantiated through written documentation provided to the Firm's office manager monthly, which are reviewed and approved by the Managing Partner.

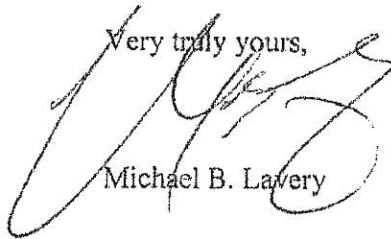
5. In the event you originate clients for the Firm, you will receive additional compensation in an amount equal to (a) 20% of all gross revenue paid by clients in excess of \$60,000 up to \$750,000 (no additional compensation will be paid for the first \$60,000 of revenues), plus (b) 15% of all gross revenues in excess of \$750,000. Information regarding gross revenues originated by you shall be provided to you on a monthly basis for your own tracking purposes. Any additional compensation will be calculated and paid to you on a quarterly basis.

6. The Firm will pay your annual attorney assessment to the Fund for Client Protection; attorney annual registration fees; bar association dues; tuition for continuing legal education programs and any other related licensing or eligibility fees. You will also be included on the Firm's legal malpractice policy at our cost.

7. In the event the Firm is made a party to any claim or litigation arising out of or connected to your prior employment as a practicing attorney with Florio, Perrucci, Steinhardt & Fader, LLC, you would agree to indemnify and hold the Firm harmless if coverage was otherwise not available under your prior employer's malpractice policy.

8. The Firm will engage with Hoboken's Corporation Counsel to ensure that any potential conflicts of interest arising out of your role with the Firm and your position as Mayor are promptly identified and addressed.

Very truly yours,



Michael B. Lavery

MBL/jg

AGREED AND ACCEPTED:


Ravinder S. Bhalla

EXHIBIT

B

Hoboken City Council
94 Washington St.
Hoboken, NJ 07030
February 21, 2018

Mayor Ravi Bhalla
City of Hoboken
94 Washington St.
Hoboken, NJ 07030

Dear Mayor Ravi Bhalla:

As members of the governing body, we share the responsibility to ensure that the needs of Hoboken residents are met and addressed. There is no more important role in our community than the Mayor of Hoboken who drives the activities for and commitment to the residents of our city. As you are aware, the role requires a full-time commitment, Hoboken residents want a mayor who will make a full-time commitment, and the compensation that tax payers pay for this role reflects this full-time commitment.

We were surprised and disappointed to learn on or after Friday February 16th, 2018, that you have accepted a position as 'Of Counsel' with the law firm of Lavery, Selvaggi, Abromitis & Cohen, P.C. We do not know much about the specific position other than what has been published on the firm's website, your personal Facebook page and what we have been able to ascertain indirectly from your spokesperson, Rob Horowitz; combined which are confusing at best.

We respectfully submit the following questions to you. Your answers and full and transparent disclosure on your new role will help us, and the public, better understand what your commitment will be to this new position, what, if any, potential conflicts will exist with the new role, what Hoboken resources will be required to support you in this new role, and how you will balance and manage the priorities of both being Mayor of Hoboken and Of Counsel to a busy and politically positioned New Jersey Law firm. Also, please make available to the City Council the specific employment agreement which memorializes your arrangement.

1. Please describe what exactly your role will be, including your specific responsibilities, and in your words what the commitment is, what the benefit to Hoboken will be, and how you will balance the two roles.
2. Will your role include generating business and revenues for LSAC?
3. Will you be introducing potential clients to LSAC?
4. Will you be providing any legal advice to attorneys or clients of LSAC?
5. How much time will you be expected to allocate to the Of Counsel position weekly / monthly / yearly?
6. Will you have an office at LSAC?

7. How much time are you expected to spend in the LSAC offices weekly / monthly / yearly?
8. How will you be compensated for your new role?
9. Will you be compensated for business generation? If yes, please describe.
10. Will you receive referral fees? If yes, please describe.
11. Will be billing hourly and what will your rate be?
12. Will you receive any form of compensation that is tied to the volume of business you generate? If yes, please describe.
13. Will you receive any other financial benefits like insurance (health, life, or disability), paid for vacation, club memberships, or company car?
14. How much travel outside of Hoboken will your new role require weekly / monthly / yearly?
15. What clients, if any, does LSAC currently have or anticipate to have that may conflict with the City of Hoboken?
16. Does LSAC represent any large agencies that Hoboken transacts with (transportation, utility, development, etc.)?
17. If any of your compensation is via a salary or bonus, which ultimately is paid out of revenues generated by LSAC clients, how will you manage the conflict?
18. Will you be meeting with LSAC clients?
19. What is the conflict clearance process at LSAC?
20. What will be the conflict clearance process within the City of Hoboken and who will manage the process?
21. Who will determine if there is a "substantial risk" to either Hoboken or the LSAC client according to NJ code of professional conduct RPC 1.8 (k)?
22. Give the security concerns you've expressed, how will your safety be guaranteed outside of Hoboken?
23. Will city resources be used for your protection when traveling for law firm business?
24. What additional Hoboken resources (supplies, personnel - COS, Dep COS, Assistant, et al) will be used for your external role (eg. scheduling/Calendar management)?
25. Will any Hoboken staff ever attend meetings with LSAC clients?
26. What guarantee do we have that work of LSAC will not be done on City property using City resources?

Please note that this list represents our current questions, and we retain the right to send further inquiries should any more arise. Thank you for your attention to and response to this important inquiry.

Sincerely,

Hoboken City Council

EXHIBIT

C

Jason Freeman

From: Ravinder Bhalla
Sent: Tuesday, February 27, 2018 11:56 AM
To: Mike4Hoboken; Hoboken2ND_GMAIL; Dr Michael Russo; RRamos_personal; cunninghamforhoboken; jengiattino6; Vanessa Falco; Emily Jabbour; jimdoylehoboken
Cc: Brian Aloia; Jason Freeman; John Allen; Stephen Marks
Subject: Answers to Questions attached to Resolution
Attachments: Scanned Doc, February 23, 2018.pdf

Council Members,

I received 26 questions related to my of counsel association with Lavery, Selvaggi, Abromitis & Cohen, P.C. Although I am under no obligation to provide you with my agreement with this firm or answer any of these 26 questions, many of which are wholly unrelated to City business, I am doing so in the spirit of cooperation, and in order to address the matters to which you indicate concern. As you will also see, the attached agreement itself covers most of the questions requested below.

The answers to your questions are as follows:

1. See attached agreement - I have no specific responsibilities.
2. See attached agreement.
3. See attached agreement.
4. See attached agreement.
5. I am not expected to allocate any time.
6. No.
7. None.
8. See attached agreement.
9. See attached agreement.
10. See attached agreement.
11. See attached agreement.
12. See attached agreement.
13. See attached agreement.
14. None.
15. None.
16. No.
17. Question presumes a speculative conflict.
18. No.
19. Internal administrative and firm wide attorney conflict checks routine with industry practice.
20. See attached agreement.
21. Either or both Hoboken or LSAC depending on the nature of a potential matter.
22. No one can guarantee my safety.
23. No.
24. None.
25. No.
26. No City resources will be expended.



Ravinder S. Bhalla
Mayor, City of Hoboken
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