

Counsel for the State Bar <b>THE STATE BAR OF CALIFORNIA</b> OFFICE OF THE CHIEF TRIAL COUNSEL - ENFORCEMENT NANCY J. WATSON, No. 89753 1149 South Hill Street Los Angeles, CA 90015-2299 Telephone: (213) 765-1324	Case number(s) 03-0-00336  <b>NOT FOR PUBLICATION</b>  <b>PUBLIC MATTER</b>  kwiktag * 031 974 842 	(for Court's use)  <b>FILED</b> <i>LOS</i> MAY 05 2004  STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO
Counsel for Respondent LAURENCE E. PETERSON 12520 High Bluff Dr., #150 San Diego, CA 92130 Telephone: (858) 794-9915  IN PRO PER	Submitted to <input checked="" type="checkbox"/> assigned judge <input type="checkbox"/> settlement judge  STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING  REPROVAL <input checked="" type="checkbox"/> PRIVATE <input type="checkbox"/> PUBLIC  <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	
In the Matter of <b>LAURENCE E. PETERSON</b>  Bar # <b>58006</b> A Member of the State Bar of California (Respondent)		

A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted December 19, 1973  
(date)
- (2) The parties agree to be bound by the factual stipulations contained herein even if conclusions of law or disposition are rejected or changed by the Supreme Court.
- (3) All investigations or proceedings listed by case number in the caption of this stipulation are entirely resolved by this stipulation, and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation and order consist of 9 pages.
- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."
- (5) Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law."
- (6) No more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.
- (7) Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):
  - costs added to membership fee for calendar year following effective date of discipline (public reproval)
  - case ineligible for costs (private reproval)
  - costs to be paid in equal amounts for the following membership years:  
 \_\_\_\_\_  
 (hardship, special circumstances or other good cause per rule 284, Rules of Procedure)
  - costs waived in part as set forth under "Partial Waiver of Costs"
  - costs entirely waived

Note: All information required by this form and any additional information which cannot be provided in the space provided, shall be set forth in the text component of this stipulation under specific headings, i.e. "Facts," "Dismissals," "Conclusions of Law."

(8) The parties understand that:

- (a) A private reproof imposed on a respondent as a result of a stipulation approved by the Court prior to initiation of a State Bar Court proceeding is part of the respondent's official State Bar membership records, but is not disclosed in response to public inquiries and is not reported on the State Bar's web page. The record of the proceeding in which such a private reproof was imposed is not available to the public except as part of the record of any subsequent proceeding in which it is introduced as evidence of a prior record of discipline under the Rules of Procedure of the State Bar.
- (b) A private reproof imposed on a respondent after initiation of a State Bar Court proceeding is part of the respondent's official State Bar membership records, is disclosed in response to public inquiries and is reported as a record of public discipline on the State Bar's web page.
- (c) A public reproof imposed on a respondent is publicly available as part of the respondent's official State Bar membership records, is disclosed in response to public inquiries and is reported as a record of public discipline on the State Bar's web page.

B. Aggravating Circumstances [for definition, see Standards for Attorney Sanctions for Professional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances are required.

(1)  Prior record of discipline [see standard 1.2(f)]

(a)  State Bar Court case # of prior case \_\_\_\_\_

(b)  Date prior discipline effective \_\_\_\_\_

(c)  Rules of Professional Conduct/ State Bar Act violations: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(d)  degree of prior discipline \_\_\_\_\_

(e)  If Respondent has two or more incidents of prior discipline, use space provided below or under "Prior Discipline".

(2)  Dishonesty: Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.

(3)  Trust Violation: Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.

(4)  Harm: Respondent's misconduct harmed significantly a client, the public or the administration of justice.

- (5)  Indifference: Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
- (6)  Lack of Cooperation: Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.
- (7)  Multiple/Pattern of Misconduct: Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct.
- (8)  No aggravating circumstances are involved.

Additional aggravating circumstances:

C. Mitigating Circumstances [see standard 1.2(e)]. Facts supporting mitigating circumstances are required.

- (1)  No Prior Discipline: Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.  
**SEE ATTACHMENT.**
- (2)  No Harm: Respondent did not harm the client or person who was the object of the misconduct.  
**SEE ATTACHMENT.**
- (3)  Candor/Cooperation: Respondent displayed spontaneous candor and cooperation to the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings.
- (4)  Remorse: Respondent promptly took objective steps spontaneously demonstrating remorse and recognition of the wrongdoing, which steps were designed to timely atone for any consequences of his/her misconduct.
- (5)  Restitution: Respondent paid \$ \_\_\_\_\_ on \_\_\_\_\_ in restitution to \_\_\_\_\_ without the threat or force of disciplinary, civil or criminal proceedings.
- (6)  Delay: These disciplinary proceedings were excessively delayed. The delay is not attributable to Respondent and the delay prejudiced him/her.
- (7)  Good Faith: Respondent acted in good faith.
- (8)  Emotional/Physical Difficulties: At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical disabilities which expert testimony would establish was directly responsible for the misconduct. The difficulties or disabilities were not the product of any illegal conduct by the member, such as illegal drug or substance abuse, and Respondent no longer suffers from such difficulties or disabilities.
- (9)  Severe Financial Stress: At the time of the misconduct, Respondent suffered from severe financial stress which resulted from circumstances not reasonably foreseeable or which were beyond his/her control and which were directly responsible for the misconduct.
- (10)  Family Problems: At the time of the misconduct, Respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature.
- (11)  Good Character: Respondent's good character is attested to by a wide range of references in the legal and general communities who are aware of the full extent of his/her misconduct.

- (12)  Rehabilitation: Considerable time has passed since the acts of professional misconduct occurred followed by convincing proof of subsequent rehabilitation.
- (13)  No mitigating circumstances are involved.

Additional mitigating circumstances:

D. Discipline:

- (1)  Private reproof (check applicable conditions, if any, below)
  - (a)  Approved by the Court prior to initiation of the State Bar Court proceedings (no public disclosure).
  - (b)  Approved by the Court after initiation of the State Bar Court proceedings (public disclosure).

or

- (2)  Public reproof (check applicable conditions, if any, below)

E. Conditions Attached to Reproof:

- (1)  Respondent shall comply with the conditions attached to the reproof for a period of ONE (1) YEAR.
- (2)  During the condition period attached to the reproof, Respondent shall comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3)  Within ten (10) days of any change, Respondent shall report to the Membership Records Office and to the Probation Unit, all changes of information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.
- (4)  Respondent shall submit written quarterly reports to the Probation Unit on each January 10, April 10, July 10, and October 10 of the condition period attached to the reproof. Under penalty of perjury, respondent shall state whether respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of the reproof during the preceding calendar quarter. If the first report would cover less than thirty (30) days, that report shall be submitted on the next following quarter date and cover the extended period.

In addition to all quarterly reports, a final report, containing the same information, is due no earlier than twenty (20) days before the last day of the condition period and no later than the last day of the condition period.

- (5)  Respondent shall be assigned a probation monitor. Respondent shall promptly review the terms and conditions of probation with the probation monitor to establish a manner and schedule of compliance. During the period of probation, respondent shall furnish such reports as may be requested, in addition to quarterly reports required to be submitted to the Probation Unit. Respondent shall cooperate fully with the monitor.
- (6)  Subject to assertion of applicable privileges, Respondent shall answer fully, promptly and truthfully any inquiries of the Probation Unit of the Office of the Chief Trial Counsel and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the conditions attached to the reproof.
- (7)  Within one (1) year of the effective date of the discipline herein, respondent shall provide to the Probation Unit satisfactory proof of attendance of the Ethics School and passage of the test given at the end of that session.
- No Ethics School ordered.
- (8)  Respondent shall comply with all conditions of probation imposed in the underlying criminal matter and shall so declare under penalty of perjury in conjunction with any quarterly report required to be filed with the Probation Unit.
- (9)  Respondent shall provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National Conference of Bar Examiners, to the Probation Unit of the Office of the Chief Trial Counsel within one year of the effective date of the reproof.
- No MPRE ordered.
- (10)  The following conditions are attached hereto and incorporated:
- |   |   |
|---|---|
| <input type="checkbox"/> Substance Abuse Conditions | <input type="checkbox"/> Law Office Management Conditions |
| <input type="checkbox"/> Medical Conditions         | <input type="checkbox"/> Financial Conditions             |
- (11)  Other conditions negotiated by the parties:

**SEE ATTACHMENT.**

**ATTACHMENT TO**  
**STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION**

IN THE MATTER OF:      LAURENCE E. PETERSON

CASE NUMBER(S):      03-O-00336

**FACTS AND CONCLUSIONS OF LAW.**

Respondent admits that the following facts are true and that he is culpable of violations of the specified statutes and/or Rules of Professional Conduct.

Case No. 03-O-00336  
Count One

**FACTS:**

1. During the period from in or about December 1990 through in or about October 2002, Respondent maintained a client trust account at Wells Fargo Bank, designated account no. 065-2053075 ("Respondent's CTA").

2. Between in or about August and September 2002, Respondent issued the following checks drawn upon Respondent's CTA against insufficient funds:

<u>Check No.</u>	<u>Date Issued</u>	<u>Check Amt.</u>	<u>Date Presented</u>	<u>Account Balance</u>
1741	8/09/02	\$2,000.00	8/12/02	\$-1,895.59
1740	9/20/02	\$ 671.58	9/26/02	\$- 67.17

3. Respondent issued both checks in connection with his representation of a client, Stephen Crocker and both checks were subsequently paid.

4. On or about September 9, 2002, Respondent issued check no. 3966 in the amount of \$2,500 from his general account at Wells Fargo Bank and deposited the funds into Respondent's CTA in order to cover any overdrafts.

5. The return of check numbers 1740 and 1741 and Respondent's deposit of personal funds into Respondent's CTA to cover overdrafts were the result of Respondent's failure to keep accurate and complete records regarding the deposit of certain client fees paid by a credit card company into Respondent's CTA and Respondent's general account.

**CONCLUSIONS OF LAW:**

1. By failing to keep adequate records regarding deposits into his client trust account, Respondent failed to maintain complete records of all funds, securities, and other properties of a client coming into the possession of the member in wilful violation of rule 4-100(B)(3) of the Rules of Professional Conduct.

Count Three

**FACTS:**

A. On or about February 11, 2003, the State Bar opened an investigation, Case No. 03-O-00336, concerning Respondent's issuance of checks against insufficient funds ("the NSF checks matter").

B. On or about February 18, 2003, State Bar Investigator Brian Rowsey wrote to Respondent regarding the NSF checks matter and requested that Respondent respond in writing to specified allegations of misconduct. Respondent received the letter but did not respond.

C. On or about April 23, 2003, Investigator Rowsey telephoned Respondent and spoke to Respondent regarding the NSF checks matter. Respondent promised to respond to the allegations in writing by the following week. On the same date, Investigator Rowsey faxed a copy of his February 18, 2003 letter to Respondent and requested that Respondent respond by May 1, 2003. Although Respondent received the investigator's April 23, 2003 fax, Respondent did not respond to the fax and never responded to the investigator's February 18, 2003 letter.

**CONCLUSIONS OF LAW:**

1. By failing to provide a written response to the allegations in the NSF checks matter or otherwise cooperate in the investigation of the NSF checks matter, Respondent failed to cooperate in a disciplinary investigation.

**PENDING PROCEEDINGS.**

The disclosure date referred to, on page one, paragraph A.(6), was March 17, 2004.

**DISMISSALS.**

The parties respectfully request the Court to dismiss the following alleged violations in the interest of justice:

<u>Case No.</u>	<u>Count</u>	<u>Alleged Violation</u>
03-O-00336	One	Rule 4-100(A)
03-O-00336	Two	Business and Professions Code section 6106 [moral turpitude]

**MITIGATING CIRCUMSTANCES.**

**FACTS SUPPORTING MITIGATING CIRCUMSTANCES.**

1. Respondent has been admitted to the State Bar of California for 30 years and has no prior record of discipline.
2. No client was harmed as a result of the return of the two checks from Respondent's Client Trust Account due to insufficient funds. Both checks were eventually paid by the bank.

**OTHER CONDITIONS NEGOTIATED BY THE PARTIES.**

Within one (1) year of the effective date of the discipline herein, respondent shall provide to the Probation Unit satisfactory proof of attendance at State Bar Client Trust Account School and passage of the test given at the end of that session.

**STATE BAR ETHICS SCHOOL AND CLIENT TRUST ACCOUNT SCHOOL.**

Because respondent has agreed to attend State Bar Ethics School and State Bar Client Trust Account School as part of this stipulation, respondent may receive Minimum Continuing Legal Education credit upon the satisfactory completion of State Bar Ethics School and upon completion of State Bar Client Trust Account School.

4-1-04  
Date

  
Respondent's signature

**LAURENCE E. PETERSON**  
print name

Date

Respondent's Counsel's signature

print name

April 12, 2004  
Date

  
Deputy Trial Counsel's signature

**NANCY J. WATSON**  
print name

### ORDER

Finding that the stipulation protects the public and that the interests of Respondent will be served by any conditions attached to the reproval, IT IS ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without prejudice, and:

- The stipulated facts and disposition are APPROVED AND THE REPROVAL IMPOSED.
- The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the REPROVAL IMPOSED.

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies or further modifies the approved stipulation. (See rule 135(b), Rules of Procedure.) Otherwise the stipulation shall be effective 15 days after service of this order.

Failure to comply with any conditions attached to this reproval may constitute cause for a separate proceeding for willful breach of rule 1-110, Rules of Professional Conduct.

5/5/04  
Date

  
Judge of the State Bar Court

**CERTIFICATE OF SERVICE**  
[Rule 62(b), Rules Proc.; Code Civ. Proc., § 1013a(4)]

I am a Case Administrator of the State Bar Court. I am over the age of eighteen and not a party to the within proceeding. Pursuant to standard court practice, in the City and County of San Francisco, on May 5, 2004, I deposited a true copy of the following document(s):

**STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION  
AND ORDER APPROVING**

in a sealed envelope for collection and mailing on that date as follows:

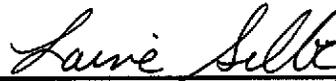
- [X] by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at San Francisco, California, addressed as follows:

**LAURENCE ELGIN PETERSON  
12520 HIGH BLUFF DR #150  
SAN DIEGO CA 92130**

- [X] by interoffice mail through a facility regularly maintained by the State Bar of California addressed as follows:

**NANCY WATSON, Enforcement, Los Angeles**

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on May 5, 2004.



\_\_\_\_\_  
**Laine Silber**  
Case Administrator  
State Bar Court