

Note: All information required by this form and any additional information which cannot be provided in the space provided, must be set forth in an attachment to this stipulation under specific headings, e.g., "Facts," "Dismissals," "Conclusions of Law," "Supporting Authority," etc.

A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted <u>June 9, 1992</u> (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 <u>15</u> 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) The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."
- (7) No more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of ar pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.

λ^τ.,

- (8) Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):
 - (a) Costs added to membership fee for calendar year following effective date of discipline
 - (b) EX costs to be paid in equal amounts prior to February 1 for the following membership years: 2006 & 2007
 - (hardship, special circumstances or other good cause per rule 282, Rules of Procedure)
 - (c) Costs waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs"
 - (d) 🗆 costs entirely waived
- B. Aggravating Circumstances [for definition, see Standards for Attorney Sanctions for Professional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances are required.
- Prior record of discipline [see standard 1.2(f)] m State Bar Court case # of prior case _____ (a) Date prior discipline effective (b) Rules of Professional Conduct/ State Bar Act violations: (c) 🗆 Degree of prior discipline (d) If Respondent has two or more incidents of prior discipline, use space provided below or a (e) separate attachment entitled "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) XX No aggravating circumstances are involved.

Additional aggravating circumstances:

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

- (1) XNo Prior Discipline: Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.
- (2) KKNo Harm: Respondent did not harm the client or person who was the object of the misconduct.
- (3) <u>ExCandor/Cooperation</u>: Respondent displayed spontaneous candor and cooperation with the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings.
- (4) **EXRemonse:** 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
 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) **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.

3

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

Additional mitigating circumstances:

D. Discipline

- 1. XXX Stayed Suspension.
 - (a) XX Respondent must be suspended from the practice of law for a period of <u>one year</u>
 - i. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.
 - ii. and until Respondent pays restitution as set forth in the Financial Conditions form attached to this Stipulation.
 - iji, 🗇 and until Respondent does the following: _____

The above-referenced suspension is stayed.

2. 🖄 Probation.

Respondent is placed on probation for a period of <u>two years</u>, which will commence upon the effective date of the Supreme Court order herein. (See rule 953, California Rules of Court.)

(4)

E. Additional Conditions of Probation:

- (1) A During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (2) Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), 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.
- (3) XX Within 30 days from the effective date of discipline, Respondent must contact the Office of Probation and schedule a meeting with Respondent's assigned probation deputy to discuss these terms and conditions of probation. Upon the direction of the Office of Probation, Respondent must meet with the probation deputy either in-person or by telephone. During the period of probation, Respondent must promptly meet with the probation deputy as directed and upon request.
 - Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, respondent must state whether respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of probation during the preceding calendar quarter. Respondent must also state in each report whether there are any proceedings pending against him or her in the State Bar Court and, if so, the case number and current status of that proceeding. If the first report would cover less than 30 days, that report must be submitted on the next 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 period of probation and no later than the last day of probation.

- (5) Respondent must be assigned a probation monitor. Respondent must 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 must furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Office of Probation. Respondent must cooperate fully with the probation monitor.
- (6) XX Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation 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 probation conditions.
- (7) Within one (1) year of the effective date of the discipline herein, respondent must provide to the Office of Probation satisfactory proof of attendance at a session of State Bar Ethics School, and passage of the test given at the end of that session.
 - No Ethics School recommended. Reason: ____
- (8) Respondent must comply with all conditions of probation imposed in the underlying criminal matter and must so declare under penalty of perjury in conjunction with any quarterly report to be filed with the Office of Probation.
- (9) The following conditions are attached hereto and incorporated:
 - Substance Abuse Conditions
 XX
 Law Office Management Conditions
 - Medical Conditions
 Financial Conditions

In the Matter of FEDERICO ACOSTA Case Number(s): 05-0-00048-RAP and 05-0-02412 (pending investigation)

Law Office Management Conditions

 a. Within <u>days/ months/ years of the effective date of the discipline herein,</u> Respondent must develop a law office management/ organization plan, which must be approved by the Office of Probation. This plan must include procedures to (1) send periodic reports to clients; (2) document telephone messages received and sent; (3) maintain files;
 (4) meet deadlines; (5) withdraw as attorney, whether of record or not, when clients cannot be contacted or located; (6) train and supervise support personnel; and (7) address any subject area or deficiency that caused or contributed to Respondent's misconduct in the current proceeding.

c. U Within 30 days of the effective date of the discipline, Respondent must join the Law Practice Management and Technology Section of the State Bar of California and pay the dues and costs of enrollment for _____ year(s). Respondent must furnish satisfactory evidence of membership in the section to the Office of Probation of the State Bar of California in the first report required.

(Law Office Management Conditions form approved by SBC Executive Committee 10/16/2000. Revised 12/16/2004.)



F. Other Conditions Negotiated by the Partles:

- (1) EXMultistate Professional Responsibility Examination: Respondent must provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National Conference of Bar Examiners, to the Office of Probation within one year. Failure to pass the MPRE results in actual suspension without further hearing until passage. But see rule 951(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.
 - □ No MPRE recommended. Reason:
- (2) MX Other Conditions: Within two (2) years of the effective date of the discipline herein, respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the Client Trust Accounting (CTA) School, and passage of the test given at the end of that session.

7

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: FEDERICO ACOSTA, Member #158635

CASE NUMBERS: 05-O-00048-RAP & 05-O-02412 (Pending Investigation)

FACTS AND CONCLUSIONS OF LAW.

Federico Acosta (Respondent) was admitted to the practice of law in the State of California on June 9, 1992, was a member at all times pertinent to these charges, and is currently a member of the State Bar of California.

05-O-00048

On or about September 16, 2004, Respondent was enrolled in "not entitled" status because of his noncompliance with Mandatory Continuing Legal Education (MCLE) requirements. Respondent remained enrolled in "not entitled" status until November 12, 2004, when he complied with MCLE requirements and was reinstated to active status.

On or about September 23, 2004, the State Bar's Office of Certification sent a letter to Respondent informing him that he had been enrolled in "not entitled" status effective September 16, 2004, because of his noncompliance with MCLE requirements. The letter was properly mailed to Respondent at his State Bar membership records address. Respondent received this letter from the State Bar and confirms that he became aware of its contents and change in status as of September 29, 2005.

On or about November 8, 2004, while Respondent was enrolled in "not entitled" status, Respondent sent a letter to Christine Mai (Mai) in which he stated that he had been retained by Melissa Ralph (Ralph) to represent her in a legal dispute against Mai. Respondent signed the November 8, 2004 letter as "Federico Acosta, Esq." Respondent's letter was printed on letterhead which stated "LAW OFFICES FEDERICO ACOSTA." Along with the November 8, 2004 letter, Respondent also sent to Mai a document entitled "Authorization for Legal Representation," in which he also stated that Ralph had retained him to represent her in her legal dispute against Mai. This document was also printed on letterhead that stated "LAW OFFICES FEDERICO ACOSTA." Respondent did not tell Ralph or Mai that he was not entitled to practice law.

> 8 Page #

Respondent sent a letter to Mai indicating that he was representing Ralph and signed the letter as "Federico Acosta, Esq." on letterhead that indicated that it was from a law office, therefore, holding himself out as entitled to practice law and in effect practiced law when he was not an active member of the State Bar in wilful violation of **Business and Professions Code, sections 6068(a), 6125, and 6126**.

After Mai's attorney contacted Respondent and notified Respondent that Respondent was not entitled to practice law, Respondent removed himself as counsel and informed Ralph that he would not be able to proceed with her matter. Respondent subsequently submitted proof of MCLE compliance on or about November 12, 2004, and submitted the proper paperwork evidencing compliance and was reinstated to Active status.

05-0-02412

Respondent maintains a client trust account with Washington Mutual Bank, account no. 879-019461-2. Under the authority of section 6091.1 of the Business and Professions Code, Washington Mutual Bank notified the State Bar of insufficient funds activity regarding check number 1534 in the amount of \$300 which was returned because the account balance was \$273.24; and check number 1537 in the amount of \$150, which was returned because the account balance was \$18.17.

From 1996, Respondent and his wife, (Susan) operated a law office. Susan's function was that of office manager. Susan handled many of the administrative and organizational functions in the law office and maintained extensive office responsibilities.

In or about the beginning of January 2003, Respondent's wife's health rapidly deteriorated after she was diagnosed with chronic pancreatitis. Over the next several months, Respondent's wife was regularly hospitalized; many times brought to the emergency room.

On or about January 28, 2005, Respondent's wife underwent surgery.

Because Susan is Respondent's wife, the impact of her illness was compounded personally and professionally.

During the end of 2003 to the beginning of 2004, Susan's pancreatitis worsened and eventually ended her ability to work at the law office. Respondent quickly began to lose control of the law office. Somewhere in or about January 2003 through March 12, 2005, Diane Marshall (Marshall) worked for Respondent as the office manager in place of Respondent's wife.

Marshall was receiving payments regarding a family law matter into the client trust account.

Marshall had access to the client trust account. Marshall drafted checks for her to cash without Respondent's knowledge and without adequate funds.

Under Respondent's supervision, an inexperienced office manager who was also a client, remitted checks to herself, without confirming whether there were sufficient funds in the trust account and without Respondent's knowledge. (*Spindell v. State Bar* (1975) 13 Cal.3d 253, 259-260.) Respondent has the ultimate responsibility to maintain the trust account and failed to properly supervise an employee and her access to the trust account. However, no clients were harmed by the non sufficient funds.

AGGRAVATION.

. N

During the period from September 16, 2004 through December 12, 2004, Respondent continued practicing law on pre-existing matters. After Respondent received the September 23, 2005 letter informing him that he was not entitled to practice law on September 29, 2005, Respondent proceeded to make six court appearances seeking continuances in several different matters. Respondent did not inform the court that he was not entitled to practice nor did Respondent make other efforts to avoid any misrepresentations as to his status with the State Bar. Though Respondent made several court appearances while on inactive status, no harm befell his clients. However, the appearances harmed the administration of justice.

MITIGATION.

Respondent understands his obligation to his client trust account and has made changes in office procedures to safeguard the trust account. This understanding diminishes the risk of future misconduct.

Prior to the misconduct, Respondent has a twelve-year history of practice without incident and no prior record of discipline. (Std. 1.2(e)(i).) Respondent has represented to the State Bar that his misconduct was the result of unusual stress which he has since recognized and learned to deal with. (Cf. *Young v. State Bar* (1990) 50 Cal.3d 1204, 1220-1221; *Rose v. State Bar* (1989) 49 Cal.3d 646, 667.)

After the effective date of Respondent's not entitled status (September 16, 2004) Respondent appeared in Superior Court. However, appearing while suspended or enrolled inactive does not inherently involve moral turpitude. (*In the Matter of Henier* (Review Dept. 1990) 1 Cal. State Bar Ct. Rptr. 301, 319 citing *In the Matter of Trousil* (Review Dept. 1990) 1 Cal. State Bar Ct. Rptr. 229, 239.)

10 Page #

During the time of the offenses Respondent was under considerable emotional stress as a result of his wife's suffering from severe chronic pancreatitis and her many emergency visits to the hospital. Respondent's wife also played an essential role in carrying on his law practice as the office manager. (Std. 1.2(e)(iv).) The increased financial responsibilities which resulted from emergency room visits and Respondent's wife's illness created more strain. At present, Respondent is more able to balance the law office and has accepted increased responsibility due to his wife's illness. Respondent acknowledges his mistakes and is better prepared to deal with more office management issues while she is continuing her recovery. Respondent is taking on fewer cases.

PENDING PROCEEDINGS.

The disclosure date referred to, on page one, paragraph A.(7), was August 2, 2005.

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>	Alleged Violation
05-O-00048	Two	Business and Professions Code section 6068(i)

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of August 2, 2005, the estimated prosecution costs in this matter are approximately \$2,296. Respondent acknowledges that this figure is an estimate only and that it does not include State Bar Court costs which will be included in any final cost assessment. Respondent further acknowledges that should this stipulation be rejected or should relief from the stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

AUTHORITIES SUPPORTING DISCIPLINE.

Bus. & Prof. Code sections 6125 and 6126 prohibit the unauthorized practice of law by any person not an active member of the State Bar.

Page #

The appropriate discipline to be imposed in a given case is not derived from any fixed formula; rather it is determined from a balanced consideration of all relevant factors. (McCray v. State Bar (1985) 38 Cal.3d 257, 273.) The discipline imposed in past similar cases provides guidance but is not binding. (Levin v. State Bar (1989) 47 Cal.3d 1140, 1150.) The present matter is unique and the only case close in nature to the present matter is In the Matter of Trousil (Review Dept. 1990) 1 Cal. State Bar Ct. Rptr. 229. In Trousil, an attorney accepted a bankruptcy case while suspended and continued to work on the case including making court appearances during his suspension. (In the Matter of Trousil (Review Dept. 1990) 1 Cal. State Bar Ct. Rptr. 229, 234.) Trousil had sought to remove himself from all his pending cases including the bankruptcy case, but his client refused to release him. (Id. At 235.) The client knew of Trousil's suspension and insisted Trousil continue work on his case. The court focused on Trousil's three prior disciplinary actions and imposed two years stayed suspension with a two-year probationary term and a condition that the first thirty days Trousil be actually suspended for his unauthorized practice of law. (Id. At 241.) The court noted that the prior misconduct occurred while Trousil suffered serious psychological impairment, had cooperated with the investigation, and had maintained a clean record for the past six years in mitigation. (Id. At 240-242.)

Here, Respondent should receive less than Trousil because in *Trousil*, the attorney engaged in the unauthorized practice of law while he was on a disciplinary suspension from prior misconduct. Respondent has no prior record of discipline. Moreover, Respondent was on an administrative inactive status due to his noncompliance with the MCLE requirement. In comparison to *Trousil*, Respondent should not receive actual suspension.

The purposes of attorney disciplinary sanctions are the protection of the public, maintenance of high professional standards, and preservation of public confidence in the legal profession. (*Kent v. State Bar* (1987) 43 Cal.3d 729, 734; *Arden v. State Bar* (1987) 43 Cal.3d 713, 726; Std. 1.3.)

The unauthorized practice of law includes the mere holding out by a layman or a suspended attorney that he is practicing or is entitled to practice law. (*In re Cadwell* (1975) 15 Cal.3d 762, 771; Bus. & Prof. Code, §§ 6125, 6126.) When Respondent accepted Ralph's case and sent a demand letter to Mai, Respondent did not inform Ralph that he was on administrative inactive status from the practice of law or not entitled. The practice of law includes legal advice and counsel and the mere preparation of legal instruments. (*Crawford v. State Bar* (1960) 54 Cal.2d 659, 667-668.) The letter in furtherance of Ralph's matter demanding action in response to legal consequences was a legal instrument. It is sufficient to show Respondent knowingly represented a statement which itself tends to mislead without having to demonstrate actual deception. (*Davis v. State Bar* (1983) 33 Cal.3d 231, 240; *Pickering v. State Bar* (1944) 24 Cal.2d 141, 144-145.) Attorneys have a duty not to mislead the public concerning their suspensions. (*Arm v. State Bar* (1990) 50 Cal.3d 763, 775; *In re Cadwell* (1975) 15 Cal.3d 762, 771-772.) The demand letter was knowingly sent by Respondent to Mai. The letter, itself, could have misled Mai into believing Respondent was authorized to represent Ralph.

12 Page #

Respondent is responsible for the supervision of his staff. Reasonable attention on Respondent's part would have disclosed the improprieties conducted by Marshall. (*Sanchez v. State Bar* (1976) 18 Cal.3d 280, 284 citing *Vaughn v. State Bar* (1972) 6 Cal.3d 847, 857-859.)

The "protection of the public is the key reason fo imposing attorney discipline." (*In the Matter of Jones* (Review Dept. 1993) 2 Cal. State Bar Ct. Rptr. 411, 421.) Here, the public will be properly protected with the stipulated level of discipline.

STATE BAR ETHICS AND CLIENT TRUST ACCOUNTING SCHOOL.

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

In the Matter of	Case number(s):
FEDERICO ACOSTA	05-0-00048-RAP
	and
	05-0-02412
	(pending investigation)
· · ·	

SIGNATURE OF THE PARTIES

By their signatures below, the parties and their counsel, as applicable, signify their agreement with each of the recitations and each of the terms and conditions of this Stipulation Re Facts, Conclusions of Law and Disposition.

Page <u>14</u>

S Date

Doe

FEDERICO ACOSTA Print name

Date

8

Respondent's Counsel's signature

Deputy Trial Counsel's signature

Print name

JEAN CHA Print name

فخر المراجع

In the Matter of	Case number(s):	
FEDERICO ACOSTA	05-0-00048RAP	
	and	
	05-0-02412	
	(pending investigation)	
		1

ORDER

Finding the stipulation to be fair to the parties and that it adequately protects the public, 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 DISCIPLINE RECOMMENDED to the Supreme Court.

The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the DISCIPLINE IS RECOMMENDED to the Supreme Court.

All Hearing dates are vacated.

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.) The effective date of this disposition is the effective date of the Supreme Court order herein, normally 30 days after file date. (See rule 953(a), California Rules of Court.)

1/2/05

ROBERT M. TALCOTT Judge of the State Bar Court

Stayed Suspension

Page <u>15</u>

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

I am a Case Administrator of the State Bar Court of California. 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 Los Angeles, on September 7, 2005, 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 Los Angeles, California, addressed as follows:

FEDERICO ACOSTA ESQ 18031 IRVINE BLVD #111 TUSTIN CA 92780

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

JEAN CHA A/L, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on September 7, 2005.

Carpenter

Angela Øwens-Carpenter Case Administrator State Bar Court