Hearing De	State Bar Court of Californ	nia 🗆 San Francisco
Counsel for the State Bar	Case number(s)	(for Court's use)
Anthony Garcia Deputy Trial Counsel 1149 S. Hill Street Los Angeles, CA 90015-22 (213) 765-1000	05-O-01227 (Inv. Case 06-O-13307)	FILED SEP 15 2006
3ar# 171419		STATE BAR COURT
Counsel for Respondent		CLERK'S OFFICE LOS ANGELES
James Martin Coose 2933 Jacaranda Ave. Costa Mesa, CA 92626	F	PUBLIC MATTE
3ar # 1 <b>540</b> 99	Submitted to 🛛 assigned judg	ge 🕅 settlement judge
n the Matter of JAMES MARTIN COOSE	STIPULATION RE FACTS, CON DISPOSITION AND ORDER AF	
ar # 154099 Member of the State Bar of Respondent)	California	TED
the space provided, mu	ired by this form and any additional info ist be set forth in an attachment to this st "Conclusions of Law," "Supporting Author	ipulation under specific headings,
. Parties' Acknowled	gments:	
) Respondent is a memb	er of the State Bar of California, admitted	October 3, 1991
<ol> <li>The parties agree to be disposition are rejected</li> </ol>	bound by the factual stipulations contained h or changed by the Supreme Court.	(date) hereIn even if conclusions of law or
by this stipulation and a	ceedings listed by case number in the caption re deemed consolidated. Dismissed charge(s) er consist of <u>13</u> pages.	n of this stipulation, are entirely resolved )/count(s) are listed under "Dismissals."
l) A statement of acts or o under "Facts."	missions acknowledged by Respondent as co	ause or causes for discipline is included
) Conclusions of law, drav Law."	n from and specifically referring to the facts are	e also included under "Conclusions of
<li>The parties must include "Supporting Authority."</li>	e supporting authority for the recommended le	evel of discipline under the heading

(7) 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.

(Stipulation form approved by SBC Executive Committee 10/16/2000. Revised 12/16/2004)

Actual Suspension



- (8) Payment of Disciplinary Costs-Respondent acknowledges the provisions of Bus, & Prof. Code §§6086.10 & 6140.7. (Check one option only):
  - until costs are paid in full, Respondent will remain actually suspended from the practice of law unless П relief is obtained per rule 284, Rules of Procedure.
  - costs to be paid in equal amounts prior to February 1: in the three billing cycles following the X effective date of the Supreme Court order.
  - (naraship, special circumstances or other good cause per rule 284, Rules of Procedure)
  - costs waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs"
  - costs entirely waived
- B. Agaravating Circumstances [for definition, see Standards for Attorney Sanctions for Professional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances are required.
- X Prior record of discipline [see standard 1.2(f)] (1)

State Bar Court case # of prior case 04-0-10538 (a) 

May 14, 2005 Date prior discipline effective (b) 

Rules of Professional Conduct/ State Bar Act violations: 6068(a), 4-200(A) (c)

- (d) 🕅 Degree of prior discipline <u>30 days actual suspension</u>
- If Respondent has two or more incidents of prior discipline, use space provided below or a (e) 🛛 separate attachment entitled "Prior Discipline."
- Dishonesty: Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, (2) concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
- Trust Violation: Trust funds or property were involved and Respondent refused or was unable to (3) account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.
- Harm: Respondent's misconduct harmed significantly a client, the public or the administration of justice. (4)

<sup>(</sup>Stipulation form approved by SBC Executive Committee 10/16/2000. Revised 12/16/2004) 2

- (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) D Multiple/Pattern of Misconduct: Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct.
- (8) D No aggravating circumstances are involved.

Additional aggravating circumstances:

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

- (1) D No Prior Discipline: Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.
- (2) 🖾 No Harm: Respondent did not harm the client or person who was the object of the misconduct.
- (3) X Candor/Cooperation: Respondent displayed spontaneous candor and cooperation with the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings. Respondent stipulated to discipline at the first opportunity presented.
- (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.
- (6) Delay: These disciplinary proceedings were excessively delayed. The delay is not attributable to Respondent and the delay prejudiced him/her.
- (7) D Good Faith: Respondent acted in good faith.
- (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.

3

<sup>(</sup>Slipulation form approved by SBC Executive Committee 10/16/2000, Revised 12/16/2004)

- (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) C 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) X Stayed Suspension:

- (a) 🕅 Respondent must be suspended from the practice of law for a period of 👘 one year
  - 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.
  - iii. 
    and until Respondent does the following:
- (b) 🕅 The above-referenced suspension is stayed.
- (2) 💢 Probation:

Respondent must be placed on probation for a period of two years which will commence upon the effective date of the Supreme Court order in this matter. (See rule 953, Calif. Rules of Ct.)

(Slipulation form approved by SBC Executive Committee 10/16/2000, Revised 12/16/2004)

Actual Suspension

#### Actual Suspension: (3) Ø

- (a) X Respondent must be actually suspended from the practice of law in the State of California for a period of six months
  - 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.
  - iii. 
    and until Respondent does the following:

#### E. Additional Conditions of Probation:

- If Respondent is actually suspended for two years or more, he/she must remain actually suspended until (1)П he/she proves to the State Bar Court his/her rehabilitation, fitness to practice, and learning and ability in general law, pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct,
- During the probation period, Respondent must comply with the provisions of the State Bar Act and (2)X Rules of Professional Conduct.
- Within ten (10) days of any change, Respondent must report to the Membership Records Office of the (3) X 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.
- Within thirty (30) days from the effective date of discipline, Respondent must contact the Office of (4) X 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, (5) X 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 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.

- Respondent must be assigned a probation monitor. Respondent must promptly review the terms and (6) 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.
- Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truth fully any (7) X 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.

<sup>(</sup>Stipulation form approved by SBC Executive Committee 10/16/2000, Revised 12/16/2004)

(8) X 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 the Ethics School, and passage of the test given at the end of that session.

No Ethics School recommended. Reason: \_\_\_\_\_

- (9) C 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.
- (10) 🕱 The following conditions are attached hereto and incorporated:
  - Substance Abuse Conditions
     Law Office Management Conditions
  - Medical Conditions
     X
     Financial Conditions

#### F. Other Conditions Negotiated by the Parties:

(1) X Multistate 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 during the period of actual suspension or within one year, whichever period is longer. 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) X Rule 955, California Rules of Court: Respondent must comply with the requirements of rule 955, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (3) Conditional Rule 955, California Rules of Court: If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 955, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 120 and 130 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (4) Credit for interim Suspension [conviction referral cases only]: Respondent will be credited for the period of his/her interim suspension toward the stipulated period of actual suspension. Date of commencement of interim suspension:

(5) XI Other Conditions: RESTITUTION

6

In the Matter of	Case Number(s):
JAMES MARTIN COOSE	05-0-01227 (Inv. Case 06-0-13307)
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#### **Financial Conditions**

- a. Restitution
  - X Respondent must pay restitution (including the principal amount, plus interest of 10% per annum) to the payee(s) listed below. If the Client Security Fund ("CSF") has reimbursed one or more of the payee(s) for all or any portion of the principal amount(s) listed below, Respondent must also pay restitution to CSF of the amount(s) paid, plus applicable interest and costs.

Payee	Principal Amount	Interest Accrues From
Joshua Batajas	\$500	October 18, 2004
		· · · · · · · · · · · · · · · · · · ·

Respondent must pay the above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than <u>6 months after the effective</u> date of the Supreme Court order in this matter.

b. Installment Restitution Payments

Respondent must pay the above-referenced restitution on the payment schedule set forth below. Respondent must provide satisfactory proof of payment to the Office of Probation with each quarterly probation report, or as otherwise directed by the Office of Probation. No later than 30 days prior to the expiration of the period of probation (or period of reproval), Respondent must make any necessary final payment(s) in order to complete the payment of restitution, including interest, in full.

Payee/CSF (as applicable)	Minimum Payment Amount	Payment Frequency
	· · · · · · · · · · · · · · · · · · ·	

#### c. Client Funds Certificate

- If Respondent possesses client funds at any time during the period covered by a required quarterly report, Respondent must file with each required report a certificate from Respondent and/or a certified public accountant or other financial professional approved by the Office of Probation, certifying that:
  - a. Respondent has maintained a bank account in a bank authorized to do business in the State of California, at a branch located within the State of California, and that such account is designated as a "Trust Account" or "Clients' Funds Account";

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

In the Matter of

Case Number(s):

JAMES MARTIN COOSE

05-0-01227 (Inv. Case 06-0-13307)

b. Respondent has kept and maintained the following:

- i. a written ledger for each client on whose behalf funds are held that sets forth:
  - 1. the name of such client;
  - 2. the date, amount and source of all funds received on behalf of such client;
  - 3. the date, amount, payee and purpose of each disbursement made on behalf of such client; and,

4. the current balance for such client.

- ii. a written journal for each client trust fund account that sets forth:
  - 1. the name of such account;
  - 2. the date, amount and client affected by each debit and credit; and,
  - 3. the current balance in such account.
- iii. all bank statements and cancelled checks for each client trust account; and,
- iv. each monthly reconciliation (balancing) of (i), (ii), and (iii), above, and if there are any differences between the monthly total balances reflected in (i), (ii), and (iii), above, the reasons for the differences.
- c. Respondent has maintained a written journal of securities or other properties held for clients that specifies:
  - i. each item of security and property held;
  - ii. the person on whose behalf the security or property is held;
  - iii. the date of receipt of the security or property;
  - iv. the date of distribution of the security or property; and,
  - v. the person to whom the security or property was distributed.
- 2. If Respondent does not possess any client funds, property or securities during the entire period covered by a report, Respondent must so state under penalty of perjury in the report filed with the Office of Probation for that reporting period. In this circumstance, Respondent need not file the accountant's certificate described above.
- 3. The requirements of this condition are in addition to those set forth in rule 4-100, Rules of Professional Conduct.

#### d. Client Trust Accounting School

Within one (1) year of the effective date of the discipline herein, Respondent must supply to the Office of Probation satisfactory proof of attendance at a session of the Ethics School Client Trust Accounting School, within the same period of time, and passage of the test given at the end of that session.

### ATTACHMENT TO STIPULATION RE: FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: JAMES MARTIN COOSE

CASE NUMBERS: 05-O-01227 (investigative case no. 06-O-13307)

### A. 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 Rules of Professional conduct.

#### FACTS

#### Case no. 05-O-01227, The Barajas matter

1. On September 13, 2002, Joshua and Maria Barajas (the Barajas) met with Phillip Harris (Harris), a non-attorney and owner of Budget Legal Centers (BLC), at an office shared by Harris and Respondent. The Barajas agreed to pay \$500 for Harris to prepare and for Respondent to file a Chapter 7 bankruptcy petition (bankruptcy petition). The Barajas also agreed to make future payments of \$900 to BLC in order to have Respondent prepare and file a Motion to Avoid Lien on their property (lien matter).

2. On September 13, 2002, Joshua Barajas signed Respondent's Attorney-Client Retainer Agreement for the preparation and filing of the bankruptcy petition.

3. Between September 13, 2002 and September 15, 2002, the Barajas paid \$500 to BLC as fees for the bankruptcy petition.

4. On October 29, 2002, Joshua Barajas signed Respondent's Attorney-Client Retainer Agreement for the lien matter.

5. Between October 29, 2002 and November 29, 2002, the Barajas paid \$900 to BLC as fees for the lien matter.

6. On December 5, 2002, Respondent met with the Barajas and they signed bankruptcy petition forms in preparation for filing the bankruptcy petition.

7. At the meeting, Respondent and the Barajas discussed information regarding the Barajas' employment that Respondent insisted must be included in the bankruptcy petition. Respondent asked Barajas to provide the necessary information to him. Barajas never provided that information to Respondent.

8. On or about January 10, 2003, Harris/BLC paid Respondent \$500 for his work on Bankruptcy Petition with its check number 1148. Neither Respondent nor BLC ever told the Barajas that BLC or Harris would pay Respondent on the Barajas' behalf, and the Barajas never consented, in writing, that Harris or BLC could pay Respondent on their behalf. 9. Respondent never filed the Barajas' bankruptcy petition, or the lien matter. Respondent never returned any advanced fees paid to him by or on behalf of the Barajas.

10. The Barajas, at some point, returned to BLC and their bankruptcy petition was filed by another attorney, and their debts were discharged on September 9, 2003.

11. In October 2004, Mr. Barajas sent a letter to Respondent demanding a return of his unearned fees. Respondent never returned the Barajas' unearned fees.

12. Respondent owes \$500 to the Barajas as restitution for failure to refund his unearned fees. The parties acknowledge that there is evidence showing that Barajas paid \$1,400 to BLC. But there is no evidence that Harris/BLC paid any more than \$500 to Respondent.

### CONCLUSIONS OF LAW

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13. By accepting, from Harris/BLC, the fees paid by the Barajas to Harris/BLC for legal services, Respondent accepted without the informed written consent of his client, compensation for representing a client from one other than the client in wilful violation of Rules Professional Conduct, rule 3-310 (F)(3).

14. By accepting, from Harris/BLC, any part of the legal fees paid by the Barajas to a nonlawyer to complete legal services for the Barajas, Respondent shared legal fees with a non-lawyer in wilful violation of Rules Professional Conduct, rule 1-320 (A).

15. By failing to return the Barajas unearned fees, Respondent wilfully violated Rules Professional Conduct, rule 3-700(D)(2).

#### Case no. 06-O-13307, the Probation matter

16. On April 14, 2005, the California Supreme Court, in case no. S131119 (State Bar case no. 04-O-10538) suspended Respondent for one year, stayed the suspension and placed Respondent on twoyears of probation. Respondent was also ordered to file quarterly reports with the State Bar Office of Probation, complete Multi-State Professional Responsibility Exam, and the State Bar ethics school by May 14, 2006.

17. Respondent filed two of his quarterly reports late and failed to file the quarterly report that was due on April 10, 2006. In addition, Respondent failed to complete the Multi-State Professional Responsibility Exam and the State Bar ethics school by May 14, 2006.

#### **CONCLUSION OF LAW**

18. By not complying with the Supreme Court's Orders in case no. S131119 (State Bar case no. 04-O-10538), Respondent failed to obey a lawful court order in wilful violation of Business and Professions Code § 6103.

#### **B. PENDING PROCEEDINGS**

The disclosure date referred to on page one, paragraph A.(7), was August 15, 2006.

# C. SUPPORTING AUTHORITIES

In re Arnoff (1978) 22 Cal.3d 740 was a disciplinary proceeding based on the attorney's conviction of conspiracy to commit capping. The relationship between Arnoff and a layperson who effectively controlled Arnoff's law office lasted for about two years and involved about 500 personal injury cases. Arnoff agreed to split fees with the layperson but there was insufficient evidence that Arnoff knew that the layperson was making kickbacks to doctors for referrals to Arnoff. Arnoff had no prior discipline in 20 years of law practice and suffered from heavy emotional pressures during that time. Arnoff presented positive evidence of rehabilitative treatment. The Supreme Court suspended him for two years.

In *In the Matter of Kroff* (Review Dept. 1998) 3 Cal. State Bar Ct. Rptr. 838, Kroff improperly solicited accident victims was committed over a period of about 18 months. It was accompanied by other serious misconduct including misrepresentations to the prospective clients and failures to account properly for their funds. Kroff had a prior suspension for serious misconduct including commission of acts of moral turpitude. On our recommendation, the Supreme Court imposed a five-year suspension stayed, on conditions including a three-year actual suspension.

In the Matter of Scapa & Brown, supra, 2 Cal. State Bar Ct. Rptr. 635, in which an 18-month actual suspension was ordered. We noted that in Scapa & Brown, the attorneys hired laypersons to solicit clients, divided legal fees with them and attempted to enforce an unconscionable fee provision for a minimum attorney fee in the case of discharge but that these activities lasted only six months

Like the cases cited above, Respondent shared fees with a non-attorney. However, in each of the reported cases the attorneys shared fees in hundreds of cases of lengthy periods of time. Respondent only shared fees in one matter involving one client. Therefore, actual suspension of six months is fair and just.

# **D. DISMISSALS**

The State Bar moves the court to dismiss the following counts in the interest of justice:

- Count One;
- Count Two;
- Count Six;

### E. COSTS

Costs in these matters are estimated to be between \$2,400 and \$2,900. The State Bar has agreed to allow Respondent to pay costs, in equal amounts in the three billing cycles following the effective date of the Supreme Court order.

Page #

v. Case 06-O-13307)

# 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.

JAMES MARTIN COOSE Da Printname Respondent's Counsel's signature Date Print name **Pate** ANTHONY GARCIA Deputy Ind Counsel's argnature Print name

In the Matter of

Case number(s):

JAMES MARTIN COOSE

05-O-01227 (Inv. Case 06-O-13307)

## 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.)

12/06

Judge of the State Bar Court

(Stipulation form approved by SBC Executive Committee 10/16/2000, Revised 12/16/2004)

Actual Suspension

# 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 15, 2006, I deposited a true copy of the following document(s):

# STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING ACTUAL SUSPENSION

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:

JAMES M. COOSE LAW OFC MARTIN COOSE 2933 JACARANDA AVE COSTA MESA, CA 92626

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

#### **ANTHONY GARCIA, Enforcement, Los Angeles**

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on September 15, 2006.

Tammy R. Cleaver Case Administrator State Bar Court