

State Bar Court of California
Hearing Department
San Francisco

<p>Counsel For The State Bar</p> <p>Maria J. Oropeza 180 Howard Street San Francisco, CA 94105 (415) 538 -2569</p> <p>Bar # 182660</p>	<p>Case Number (s) 06-C-13706</p>	<p>(for Court's use)</p> <p>PUBLIC MATTER</p> <p>FILED <i>LD</i></p> <p>MAY 05 2008</p> <p>STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO</p>
<p>Counsel For Respondent</p> <p>Steven A. Lewis 1050 Fulton Avenue, Suite #125 Sacramento, CA 95825 (916) 485-5005</p> <p>Bar # 63844</p>	<p>Submitted to: Assigned Judge</p> <p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING</p> <p>ACTUAL SUSPENSION</p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	
<p>In the Matter Of: William Ereth</p> <p>Bar # 133603</p> <p>A Member of the State Bar of California (Respondent)</p>		

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 **June 14, 1988**.
- (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 consists of **18** pages, not including the order.
- (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 any pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.
- (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 relief is obtained per rule 284, Rules of Procedure.
 - costs to be paid in equal amounts prior to February 1 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 in a separate attachment entitled "Partial Waiver of Costs"
 - 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.

- (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.
- (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
- (2) **No Harm:** Respondent did not harm the _____ person who was the object of the misconduct.
- (3) **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.
- (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

See attachment

D. Discipline:

(1) **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 **one-year**, which will commence upon the effective date of the Supreme Court order in this matter. (See rule 9.18, California Rules of Court)

(3) **Actual Suspension:**

- (a) 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:

- (1) If Respondent is actually suspended for two years or more, he/she must remain actually suspended until 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.
- (2) During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3) 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.
- (4) Within thirty (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.

- (5) 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 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.

- (6) 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.
- (7) 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.
- (8) 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) 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:
- | | |
|---|---|
| <input type="checkbox"/> Substance Abuse Conditions | <input type="checkbox"/> Law Office Management Conditions |
| <input type="checkbox"/> Medical Conditions | <input type="checkbox"/> Financial Conditions |

F. Other Conditions Negotiated by the Parties:

- (1) **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 9.10(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.**
- No MPRE recommended. Reason:
- (2) **Rule 9.20, California Rules of Court:** Respondent must comply with the requirements of rule 9.20, 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 9.20, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 9.20, California Rules of Court, and

(Do not write above this line.)

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) **Other Conditions:**

ATTACHMENT TO
STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: William Ereth, Bar No. 133603

CASE NUMBER(S): 06-C-13706 ET AL.

FACTS AND CONCLUSIONS OF LAW.

Respondent admits that the following facts are true and that the misconduct involved moral turpitude and warrants discipline.

Statement of Facts: Case No. 06-C-13706

1. On May 9, 2006, respondent was charged in a four-count criminal complaint of violations of Insurance Code section 750 (accepting of referral fees) two felony counts, count three alleged a violation of penal code section 182(a)(1) conspiracy to commit illegal fee splittings felony, count four alleged a violation of penal code section 182(a)(1) conspiracy to commit the unauthorized practice of law as a felony.

2. On October 22, 2007, respondent was convicted for two misdemeanor violations of Insurance Code Section 750, wilfully and knowingly offer, deliver, receive or accept any rebate, refund, commission or other compensation, whether in the form of money or otherwise as compensation or inducement to or from any person.

3. Respondent entered a *nolo contendere* plea to counts one and two of the criminal complaint, which were reduced to misdemeanors at the time of the plea, effectively pleading guilty to the two counts.

4. Respondent's conviction is final and conclusively establishes that respondent gave consideration for the referral of clients as alleged in the criminal complaint for the time period of June 3, 2003 and June 5, 2003.

5. Respondent's professional misconduct took place between December 2000 through June 2003.

6. On June 26, 2003, a search warrant was served on respondent for his residence, his business and vehicles. During that search, financial records were seized which included cash distribution journals for respondent's client trust account and his general account. These records indicate that in certain cases that arose out of respondent's Sacramento office resulted in a payment to John Tran, a non-lawyer, who shared office space with respondent. Rather, the non-lawyer allowed respondent to operate his law office out of the non-lawyer's office. Respondent utilized all of the non-lawyer's staff.

7. Cathy Nguyen who was the office manager and bookkeeper assigned each case in

the Sacramento office a five-digit number to track each case as it came into the office. That five-digit number appears on each and every check disbursed for that case.

8. Respondent formed the partnership/office share with Tran and was only in the Sacramento Office on Thursdays.

9. Many of the clients spoke only Vietnamese or limited English. Some of the clients rarely met with respondent.

10. Some of the clients thought Tran was an attorney.

11. Tran was the person who signed up the clients and who was present when the fee agreements were executed, and that he (respondent), was usually not present during that time.

12. In addition, Tran sometimes explained to the clients how the settlement proceeds would be disbursed. Respondent was not present for that discussion with some of his clients.

13. Tran signed up the clients, negotiated the settlements in some matters, and met with the clients after the matter was settled. Tran did not act as interpreter, he acted as the lawyer in the matter.

14. Respondent's advertisement for services were all placed by Tran in the Vietnamese papers. Respondent does not speak Vietnamese.

15. The following is a list of cases and the facts concerning respondent's fee-splitting with John Tran and Tran's unauthorized practice of law.

Ngon Tran 10002: Respondent undertook the representation of this case in December 2000. The representation letter is executed by John Tran as legal assistant, and it is on respondent's letter head. The matter is a personal injury matter involving four individuals as clients. The matter settled for the total sum of \$11,089.00 for all four individuals. Respondent's name appears on the settlement checks. Respondent issued check number 5014 to his general account in the sum of \$3,750.00 with the five-digit code 10002 purported to be his share of the settlement. He then gave John Tran a check in the sum of \$2,500.00 with the five-digit code of 10002. Respondent stated at his deposition that the \$2,500.00 he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$2500.00 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in May 2001. Thus, respondent only retained the sum of \$1250.00 from this matter. In addition, respondent stated during his deposition that he did not list out on the distribution sheet to the client's John Tran's services. At his deposition respondent could not recall if he ever met Ngon Tran.

Danh Nguyen 10005: Respondent undertook the representation of this case in December 2000. The representation letter is executed by John Tran and it is on respondent's letterhead. The matter is a personal injury matter involving one person as a client. The matter settled for the total sum of \$5,850.00. Respondent issued check

number 5037 to himself with the five-digit notation 10005 in the sum of \$2,000, purported to be his share of the settlement. He then gave John Tran a check in the sum of \$1,325.00 with the five digit code of 10005. Respondent alleged that the \$1,325.00 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$1,325.00 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in June 2001. The client in this matter said he never met with respondent. Thus, respondent only retained the sum of \$675 from this matter. In addition, respondent stated during his deposition that he did not list out on the distribution sheet to the client's John Tran's services. At his deposition, respondent could not recall if he ever met Danh Nguyen.

Roland Foley10039: Respondent undertook the representation of this case in May 2001. The representation letter is executed by John Tran and it is on respondent's letterhead. The matter is a personal injury matter involving four individuals as clients. The matter settled for the total sum of \$7,190.00. Respondent issued check number 5062 with the five-digit notation of 10039 in the sum of \$2,310 purported to be his share of the settlement. He then gave John Tran a check in the sum of \$1,700 with the five-digit code of 10039. Respondent alleged that the \$1,700.00 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$1,700.00 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in July 2001. Thus, respondent only retained the sum of \$610 from this matter. In addition, respondent stated during his deposition that he did not list out on the distribution sheet to the client's John Tran's services.

Lien Mac 10009: Respondent undertook the representation of this case in January 2001. The matter is a personal injury matter involving one person as a client. The matter settled for the sum of \$8,000.00. Respondent issued check number 5064 with the five-digit notation of 10009 in the sum of \$2,816 purported to be his share of the settlement. He then gave John Tran a check in the sum of \$1,916.00 with the five-digit code of 10009. Respondent alleged that the \$1,916.00 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$1,916.00 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in July 2001. Thus, respondent only retained the sum of \$900 from this matter. In addition, respondent stated during his deposition that he did not list out on the distribution sheet to the client's John Tran's services. At his deposition, respondent could not recall if he ever met Lien Mac.

Linh Tran 10014: Respondent undertook the representation of this case in February 2001. The matter is a personal injury matter involving one person as a client. The matter settled for the sum of \$11,200. Respondent issued check number 5081 with the five-digit notation of 10014 in the sum of \$3,613.66 purported to be his share of the settlement. He

then gave John Tran a check in the sum of \$2,423.66 with the five-digit code of 10014. Respondent alleged that the \$2,423.66 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$2,423.66 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in August 2001. Thus, respondent only retained the sum of \$1100 from this matter. In addition, respondent stated during his deposition that he did not list out on the distribution sheet to the client's John Tran's services. At his deposition, respondent could not recall if he ever met Linh Tran.

Huy Dinh Tran 10011: Respondent undertook the representation of this case in May 2001. The matter is a personal injury matter involving one person as a client. The representation letter is executed by John Tran and it is on respondent's letterhead. In addition, there is a letter specifically discussing the settlement terms of the matter, executed by John Tran, in which Tran refers to Huy Dinh Tran as "my client." The matter settled for the sum of \$7,000.00 Respondent issued check number 5095 with the five-digit notation of 10011 in the sum of \$1,900.00 purported to be his share of the settlement. He then gave John Tran a check in the sum of \$2,313.00 with the five-digit codes of 10011 and 10006. Respondent alleged that the \$2,313.00 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$2,313.00 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in August 2001. At his deposition, respondent could not recall if ever met Huy Dinh Tran.

Thomas Le 10006: Respondent undertook the representation of this case in December 2000. The matter is a personal injury matter involving one person. The representation letter is executed by John Tran and it is on respondent's letterhead. The matter settled for the sum of \$4,500.00 Respondent issued check number 5099 with the five-digit notation of 10014 in the sum of \$1,630.00 purported to be his share of the settlement. He then gave John Tran a check in the sum of \$2,313.00 with the five-digit codes of 10011 and 10006. Respondent alleged that the \$2,313.00 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$2,313.00 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in August 2001. At his deposition, respondent could not recall if he ever met Thomas Le.

Wei Pai Ho 10008: Respondent undertook the representation of this case in April 2001. The matter is a personal injury matter involving one person. There is a letter specifically discussing the settlement terms of the matter, executed by John Tran, in which Tran refers to Wie Pai Ho as "my client." The matter settled for the sum of \$5,000.00. Respondent issued check number 6038 with the five-digit notation of 10008 in the sum of \$1,800.00 purported to be his share of the settlement. He then gave John Tran a check in

the sum of \$1,250.00 with the five-digit code of 10008. Respondent alleged that the \$1,250.00 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$1,250.00 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in October 2001. Thus, respondent only retained the sum of \$550.00 from this matter. In addition, respondent stated during his deposition that he did not list out on the distribution sheet to the client's John Tran's services. Wei Pai Ho's husband stated that neither his wife nor him ever met respondent and that Tran told him that he was an attorney.

Lien Huynh 10020: Respondent undertook the representation of this case in February 2001. The matter is a personal injury matter involving one person as a client. The representation letter is executed by John Tran and it is on respondent's letterhead. The matter settled for the sum of \$6,700. Respondent issued check number 6071 with the five-digit notation of 10020 in the sum of \$2,300 purported to be his share of the settlement. He then gave John Tran a check in the sum of \$1,950.00 with the five-digit code of 10020. Respondent alleged that the \$1,950.00 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$1,950.00 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in November 2001. Thus, respondent only retained the sum of \$350.00 from this matter. In addition, respondent stated during his deposition that he did not list out on the distribution sheet to the client's John Tran's services. At his deposition, respondent could not recall if he ever met Lien Huynh.

Abdul Cado and Hoang Le 10031: Respondent undertook the representation of this case in April 2001. The matter is a personal injury matter involving two individuals as clients. The representation letter is executed by John Tran and it is on respondent's letterhead. The matter settled for the sum of \$5,500 for Abdul Cado and \$6,150.00 for Hoang Le. Respondent issued check number 6084 with the five-digit notation of 10031 in the sum of \$4,150 purported to be his share of the settlement. He then gave John Tran a check in the sum of \$3,000 with the five-digit code of 10031. Respondent alleged that the \$3,000 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$3,000 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in January 2002. Thus, respondent only retained the sum of \$1,150 from this matter. In addition, respondent stated during his deposition that he did not list out on the distribution sheet to the client's John Tran's services. At his deposition, respondent could not recall if he ever met Abdul Cado or Hoang Le. Hoang Le stated that Tran was the person who accepted his case, that he only dealt with Tran and with the receptionist. Cado stated that he thought Tran was an attorney and that he dealt with Tran and Cathy Nguyen.

Houng Tran and Thanh Nguyen 10098: Respondent undertook the representation of this case in January 2003. The matter is a personal injury matter involving two individuals as clients. The matter settled for the sum of \$5,000 for Houng Tran and \$5,000 for Thanh Nguyen. Respondent issued check number 6153 with the five-digit notation of 10098 in the sum of \$3,500 purported to be his share of the settlement. He then gave John Tran a check in the sum of \$2,635 with the five-digit code of 10098. Respondent alleged that the \$2,635 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$2,635 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in January 2003. Thus, respondent only retained the sum of \$865 from this matter. In addition, respondent stated during his deposition that he did not list out on the distribution sheet to the client's John Tran's services. At his deposition, respondent could not recall if he ever met Hoang Tran or Thanh Nguyen.

Dung Tran 10086: Respondent undertook the representation of this case in April 2002. The matter is a personal injury matter involving one client. The representation letter is executed by John Tran and it is on respondent's letterhead. The matter settled for the sum of \$2,750.00. Respondent issued check number 6166 with the five-digit notation of 10086 in the sum of \$1,000 purported to be his share of the settlement. He then gave John Tran a check in the sum of \$715 with the five-digit code of 10086. Respondent alleged that the \$715 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$715 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in February 2003. Thus, respondent only retained the sum of \$285 from this matter. In addition, respondent stated during his deposition that he did not list out on the distribution sheet to the client's John Tran's services. At his deposition, respondent could not recall if he ever met Dung Tran. The file contains letters signed by John Tran and Cathy Nguyen in which they engage in settlement discussions and refer to Dung Tran as "my client." Respondent admitted at his deposition that he did not know that these letters had gone out.

Khanh Nguyen 10082: Respondent undertook the representation of this case in April 2002. The matter is a personal injury matter involving one client. The representation letter is executed by John Tran and it is on respondent's letterhead. The matter settled for the sum of \$3,000.00. Respondent issued check number 6173 with the five-digit notation of 10082 in the sum of \$950 purported to be his share of the settlement. He then gave John Tran's wife Phoung Do a check in the sum of \$690 with the five-digit code of 10082. Respondent alleged that the \$690 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$690 was for overhead and work that Tran performed on the matter. The payment to Tran's wife occurred in February 2003. Thus, respondent only retained the sum of \$260 from this matter. In addition, respondent stated during his deposition that he did not list out on the

distribution sheet to the client's John Tran's services. At his deposition, respondent could not recall if he ever met Khanh Nguyen. The file contains letters signed by John Tran and Cathy Nguyen in which they engage in settlement discussions and refer to Khanh Nguyen as "my client." There is a letter discussing liability issues, with a stamp signature. Respondent admitted at his deposition that he did not know that these letters had gone out.

Trung Dang and Hien Vu 10067: Respondent undertook the representation of this case in June 2002. The matter is a personal injury matter involving two individuals as client. The matter settled for the sum of \$6,500 for Hien Vu and \$5706.00 for Trung Dang. Respondent issued check number 6184 with the five-digit notation of 10067 in the sum of \$4,451.00 purported to be his share of the settlement. He then gave John Tran's wife Phoung Do a check in the sum of \$3,551.00 with the five-digit code of 10067. Respondent alleged that the \$3,551.00 that he gave to Tran's wife came from respondent's share of the settlement proceeds. Respondent alleged that the \$3,551.00 was for overhead. The payment to Tran's wife occurred in February 2003. Thus, respondent only retained the sum of \$900 from this matter. In addition, respondent stated during his deposition that he did not list out on the distribution sheet to the client's John Tran's services. At his deposition, respondent could not recall if he ever met Trung Dang or Hien Vu. Vu stated that he only met with the respondent once, and only by happenstance when he came into check the status of his case. Vu stated that his first meeting was with Tran, who told Vu that if the matter settled, Vu would get a third of the settlement.

Robert Bardwell 10107: Respondent undertook the representation of this case in August 2002. The matter was a slip and fall matter involving one client. The representation letter is executed by John Tran and it is on respondent's letterhead. The matter settled for the sum of \$4,200. Respondent issued check number 6285 with the five-digit notation of 10107 in the sum of \$1700 purported to be his share of the settlement. He then gave John Tran a check in the sum of \$2,000 with the five-digit code of 10107. Respondent alleged that the \$2,000 that he gave to Tran was to reimburse him for paying to Bardwell his share of the settlement. Respondent then gave Tran a check in the sum of \$2580 with the five-digit codes of 10107 and 10111. Respondent alleged that the payment to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$2,580 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in June, 2003. Bardwell stated that all his interactions regarding his case were with Tran and that he thought Tran was an attorney. Bardwell stated that he never met respondent.

Madaly Ahmad 10111: Respondent undertook the representation of this case in September 2002. The matter is a personal injury matter involving one client. The

representation letter is executed by Cathy Nguyen and it is on respondent's letterhead. The matter settled for the sum of \$4,500. Respondent issued check number 6286 with the five-digit notation of 10111 in the sum of \$1,700 purported to be his share of the settlement. He then gave John Tran a check in the sum of \$2,580 with the five-digit codes of 10107 and 10111. Respondent alleged that the \$2,580 that he gave to Tran came from respondent's share of the settlement proceeds. Respondent alleged that the \$2,580 was for overhead and work that Tran performed on the matter. The payment to Tran occurred in June 2003. There is a demand letter signed by John Tran in which he refers to Madaly Ahmad as his client. Madaly Ahmad stated that his father Muhammad had retained Tran to represent him since the car was insured by his father. Muhammad stated that he only dealt with Tran. Madaly stated that the door had an attorney's name and that he wondered why he and his father were not meeting with an attorney. According Madaly, Tran explained to them that if their case was too complicated for him to handle, he would then turn it over to the attorney.

Legal Conclusions: Case No. 06-C-13706

The facts and circumstances surrounding respondent's misdemeanor convictions of Insurance Code Section 750 involved moral turpitude and demonstrated violations of rule 1-300(A), aiding and abetting the unauthorized practice of law; rule 1-310, forming a partnership with a non-lawyer; rule 1-320, financial agreements with a non-lawyers (fee splitting); Business and Professions Code section 6105, lending his name to be used by another person, who is not an attorney; and, Business and Professions code section 6106.

PENDING PROCEEDINGS.

The disclosure date referred to, on page one, paragraph A.(7), was April 3, 2008.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of March 28, 2008, the costs in this matter are an estimated at \$2,608.00. 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.

PROCEDURAL BACKGROUND IN CONVICTION PROCEEDING.

1. This is a proceeding pursuant to sections 6101 and 6102 of the Business and Professions Code and rule 9.10 of the California Rules of Court.
2. On October 22, 2007, respondent was convicted of violating California Insurance Code

Section 750 two misdemeanor counts in that he wilfully and knowingly offered, delivered, received or accepted any rebate, refund, commission or other compensation, whether in the form of money or otherwise as compensation or inducement to or from any person for referral or procurement of clients, patients, or customers.

3. On December 3, 2007, the Review Department of the State Bar Court issued an order referring the matter to the Hearing Department on the following issues: (1) whether the facts and circumstances surrounding the violation involved moral turpitude or other conduct warranting discipline and (2) the discipline to be imposed.

AUTHORITIES SUPPORTING DISCIPLINE.

Standard 2.3 states culpability of a member of an act of moral turpitude, fraud, or intentional dishonesty toward a court, client or another person or of concealment or a material fact to a court, client or another person shall result in actual suspension or disbarment depending upon the extent to which the victim of the misconduct is harmed or misled and depending upon the magnitude of the act of misconduct and the degree to which it relates to the member's acts within the practice of law.

Standard 3.2 states final conviction of a member of a crime which involves moral turpitude, either inherently or in the facts and circumstances surrounding the crime's commission shall result in disbarment. Only if the most compelling mitigating circumstances clearly predominate, shall disbarment not be imposed. In those latter cases, the discipline shall not be less than a two-year actual suspension imposed irrespective of mitigating circumstances.

Standard 1.6(a) states in pertinent part "the appropriate sanction for an act of professional misconduct shall be that set forth in the following standards for the particular act of misconduct found or acknowledged in a single disciplinary proceeding and different sanctions are prescribed by these standards for said acts, the sanction imposed shall be the more or most severe of the different applicable sanctions.

In the Matter of Anderson (Review Dept. 1992) 2 Cal. State Bar Ct. Rptr. 208 addressed the issue of what conduct constitutes moral turpitude. The *Anderson* court stated the following: "Moral turpitude determinations are a matter of law. (*In re Higbie* (1972) 6 Cal 3d 562, 569.) Moral turpitude is not a concept that fits a precise definition (*Chadwick v. State Bar* (1989) 49 Cal. 3d 103, 110), but has been consistently described as an "act of baseness, vileness or depravity in the private and social duties which a man owes to his fellow men, or to society in general, contrary to the accepted and customary rule of right and duty between man and man." (*In re Craig*, (1938) 12 Cal. 2d 93, 97) The Court has characterized the moral turpitude prohibition as a flexible "commonsense" standard (*In re Mostman* (1989) 47 Cal. 3d 725, 738) with its purpose not the punishment of attorneys, but the protection of the public and legal community against unsuitable practitioners.

In the Matter of Duxbury (Review Dept. 1999) 4 Cal. State Bar Ct. Rptr. 61, the Review Department imposed a six-months actual suspension for a misdemeanor conviction of Insurance Code section 750. Duxbury received two cases from South Bay Marketing, which basically sold cases to attorneys and chiropractors. Duxbury agreed to take on two cases paying referral fees of \$1,000.00. The undercover officer acting as South Bay Marketing informed Duxbury that the referral would include a police report, third-party insurance information, a report of an intake interview with the client, photos, witness interviews, etc. The Review Department found that the misconduct committed by Duxbury involved moral turpitude.

In Re Arnoff (1978) 22 Cal.3d 740, the Supreme Court imposed a two-year actual suspension in the matter, Arnoff had plead guilty to a violation of penal code §182(a)(1) conspiracy to commit the crime of capping. Arnoff was admitted in 1962 and had no prior record of discipline. There was a fee-splitting agreement between Arnoff and a non-lawyer which was in place for approximately two years. The situation was exacerbated by the non-lawyer paying kickbacks to doctors and others, although the evidence was unclear whether Arnoff knew of the kickbacks. The non-lawyer maintained the books and records of the office, and disbursements were made without the control of Arnoff. There was strong evidence that fraudulent medical reports were used and there was a question as to whether Arnoff knew of that fraud. The Supreme Court found that Arnoff's conduct involved moral turpitude.

In the Matter of Jones (Review Dept. 1993) 2 Cal. State Bar Ct. Rptr. 411, the Review Department imposed a two-year actual suspension on Jones, for his inexcusable ignorance of the law and recklessness or gross negligence, for allowing a non-lawyer to operate a large scale personal injury practice involving capping, forgery, and other illegal and fraudulent practices. Jones set up a law corporation with a non-lawyer to split fees, while he was full-time employ of another firm. Jones delegated to the non-lawyer, without proper supervision all aspects of the personal injury practice, for over a two-year period. The non-lawyer used illegal means to solicit clients, engaged in acts constituting the practice of law in Jones' name, handled millions of dollars, collected over \$600,000.00 in attorney's fees in Jones' name.

In the Matter of Bragg (Review Dept. 1997) 3 Cal. State Bar Ct. Rptr. 615, the Review Department imposed a one-year actual suspension on Bragg for violation of rule 1-320(A), 3-110(A), Business and Professions Code sections 6068(I), 6103, and 6106, and in aggravation a violation of rule 1-300. Bragg entered into an agreement with a non-lawyer in which pre-litigation matters were turned over to the non-lawyer who allowed his own employees to evaluate the cases, set a demand value and negotiate the resolution with the opposing party or with the insurance carrier. The non-lawyer's staff who then create a disbursement sheet, including all medical liens and other charges to be paid and present it to the client for approval. Bragg did discuss the cases with the non-lawyer on a daily basis, however, most if not all the settlement negotiations were conducted by the non-lawyer and office staff. The arrangement with the non-lawyer went on for approximately nine months. The court found that respondent's

conduct involved moral turpitude, because Bragg knew that he was abdicating his responsibilities as an attorney and acted purposefully in allowing the non-lawyer to engage in activities which constituted the practice of law. The court noted that the clients engaged the services of an attorney, and they expected and were entitled to have the services of the attorney in evaluating and settling their personal injury claims. Instead, they received the services of an adjuster and his negotiation team, housed in offices bearing Bragg's name, with telephones answered in Bragg's name and correspondence and negotiations conducted in Bragg's name, with little or no input from Bragg. Bragg had been admitted to practice law in 1963.

MITIGATING CIRCUMSTANCES.

Respondent has no record of prior discipline over many years of practice. [Std 1.2(e)(i)]

Family/Emotional Problems: Respondent's 15 year old daughter was diagnosed with Stage 3B Lymphoma. From September 2002 through March 2003, and after receiving a very discouraging prognosis, respondent's 15 year old daughter had months of experimental chemotherapy and radiation therapy at Stanford University Medical Center. Respondent was the family member who was primarily responsible for traveling with his daughter back and forth to Stanford from their home in Stockton, California. Their travel and stays at Stanford ranged from one day per week to five-days a week.

COMPLIANCE WITH CONDITIONS OF PROBATION/PAROLE IN UNDERLYING CRIMINAL MATTER.

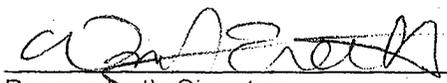
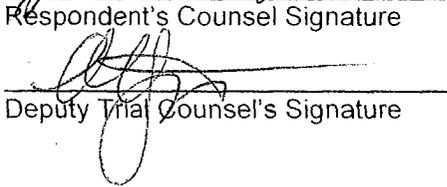
Respondent shall comply with all conditions of his Informal Criminal Probation imposed in the underlying criminal matter and shall so declare under penalty of perjury in conjunction with any quarterly report required to be filed with the Probation Unit.

(Do not write above this line.)

In the Matter of William Ereth	Case number(s): 06-C-13706
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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 Fact, Conclusions of Law and Disposition.

<u>April 10, 2008</u> Date	 Respondent's Signature	William Ereth Print Name
<u>April 10, 2008</u> Date	 Respondent's Counsel Signature	Steven A. Lewis Print Name
<u>April 14, 2008</u> Date	 Deputy Trial Counsel's Signature	Maria J. Oropeza Print Name

(Do not write above this line.)

In the Matter Of
William Ereth

Case Number(s):
06-C-13706

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:

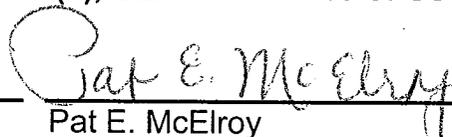
- The stipulated facts and disposition are APPROVED and the DISCIPLINE RECOMMENDED to the Supreme Court.
- The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the DISCIPLINE IS RECOMMENDED to the Supreme Court.
- All Hearing dates are vacated.

1. On page 4, section (D)(1)(a) an "x" must be inserted in front of the box.

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 9.18(a), California Rules of Court.)**

May 5, 2008

Date


Pat E. McElroy
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 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 San Francisco, on May 5, 2008, 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:

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

**STEVEN ALLAN LEWIS
LEWIS & BACON
1050 FULTON AVE #125
SACRAMENTO, CA 95825**

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

MARIA OROPEZA, Enforcement, San Francisco

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on May 5, 2008.



Laine Silber
Case Administrator
State Bar Court