

ORIGINAL

**State Bar Court of California
Hearing Department
Los Angeles**

<p>Counsel For The State Bar</p> <p>Melanie J. Lawrence 1149 South Hill Street Los Angeles, CA 90015</p> <p>Bar # 230102</p>	<p>Case Number (s) 06-O-12585 06-O-10117</p> <p>PUBLIC MATTER</p>	<p>(for Court's use)</p> <p>FILED</p> <p>JUL 24 2008 <i>KAC</i></p> <p>STATE BAR COURT CLERK'S OFFICE LOS ANGELES</p>
<p>Counsel For Respondent</p> <p>Howard Lynch 3700 Wilshire Blvd., Ste. 940 Los Angeles, CA 90010</p> <p>Bar # 218835</p>	<p>Submitted to: Settlement 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: Earl Clifford Broady</p> <p>Bar # 33307</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 **January 10, 1963.**
- (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 **13** 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 **89-O-12565**
- (b) Date prior discipline effective **10/8/92**
- (c) Rules of Professional Conduct/ State Bar Act violations: **6-101(A)(2), 2-111(A)(2), 2-111(A)(3), B&PC 6068(m), 8-101(A), 8-101(B)(4)**
- (d) Degree of prior discipline **one year suspension, stayed; three years probation**
- (e) If Respondent has two or more incidents of prior discipline, use space provided below.

Case no. 03-O-04990

Discipline effective date: 3/24/2005

Rule violations: 4-100(A), B&PC 6106

Degree of discipline: two year suspension, stayed; two years probation

- (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:

Respondent was on disciplinary probation at the time of the instant acts of misconduct.

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

- (1) **No Prior Discipline:** Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.
- (2) **No Harm:** Respondent did not harm the client or 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

D. Discipline:

(1) **Stayed Suspension:**

(a) Respondent must be suspended from the practice of law for a period of 2 years.

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 3 years, 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 1 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:

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 checked="" 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: Respondent passed the MPRE in March of 2007 (In the Matter of Trousil (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr. 229, 244).

- (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 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:**

In the Matter of
Earl Clifford Broady

Case number(s):
06-O-12585, 06-O-10117

A Member of the State Bar

Financial Conditions

a. Restitution

- 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 in the amount(s) paid, plus applicable interest and costs.

Payee	Principal Amount	Interest Accrues From

- Respondent must pay above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than

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 revocation), 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

1. 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";

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: Earl Clifford Broady
CASE NUMBER(S): 06-O-12585, 06-O-10117

WAIVER OF VARIANCE BETWEEN NOTICE OF DISCIPLINARY CHARGES AND STIPULATED FACTS AND CULPABILITY:

The parties waive any variance between the First Amended Notice of Disciplinary Charges filed on March 18, 2008, and the facts and/or conclusions of law contained in this stipulation and waive the issuance of a Second Amended Notice of Disciplinary Charges. The parties further waive the right to the filing of a Second Amended Notice of Disciplinary Charges and to a formal hearing on any charge not included in the pending First Amended Notice of Disciplinary Charges.

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/or Rules of Professional Conduct:

06-O-12585

Facts:

1. On January 30, 2006, Blossom Vernon (Vernon) employed Respondent to represent her in a criminal matter, specifically to represent her at a felony preliminary hearing and conduct an investigation. At the time, it was believed that the criminal matter involved felony charges, and that it would require extensive investigation.
2. On January 30, 2006, Vernon paid Respondent approximately \$2,500, as advanced attorney's fees.
3. The felony preliminary hearing in Vernon's criminal matter was scheduled for February 16, 2006.
4. On February 16, 2006, Vernon was informed that her matter did not involve felony charges, that it was only a misdemeanor case, and that the matter was being referred to the City Attorney's Office.

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5. On March 14, 2006, the City Attorney's Office sent a letter to Vernon informing her that it had resolved her misdemeanor case, and that no criminal charges were being filed against her.
 6. Respondent did not earn all of the fees advanced to him.
 7. Between approximately March 2006, and May 2006, Vernon repeatedly asked Respondent for an accounting of the advanced fees, and for a refund of unearned fees. Respondent received the requests. Respondent did not respond to the requests, and he did not otherwise provide an accounting or a refund to Vernon.
 8. On February 7, 2008, Respondent refunded Vernon all of the \$2,500 she had paid in advanced fees.

Conclusions of Law:

By not promptly refunding any portion of the unearned fees paid in advance, Respondent wilfully violated Rules of Professional Conduct, rule 3-700(D)(2). By failing to provide an accounting of the advanced fees, Respondent failed to render appropriate accounts to a client regarding all funds coming into his possession in wilful violation of Rules of Professional Conduct, rule 4-100(B)(3).

06-O-10117

Facts:

9. During all times mentioned herein, Respondent maintained a client trust account at Bank of America designated account no. 16648-04454 ("CTA").
10. At all times pertinent herein, Respondent maintained client funds in his CTA.
11. On or about October 24, 2005, Respondent issued check no. 338 from his personal account, Bank of America account no. 01000-01636, in the amount of \$200, payable to himself. Respondent deposited the personal check into his CTA. The funds were not attributable to any client (non-client funds).
12. On or about October 12, 2005, Respondent issued check no. 3477 drawn against his CTA to himself, as attorney's fees, in the approximate amount of \$2424.
13. On or about October 14, 2005, check no. 3477, was presented to the bank for payment. On that date, the balance in the CTA was approximately \$1630. Respondent knew or should have known that the balance of the CTA was insufficient to pay check number

3477. The bank paid check no. 3477, against insufficient funds and notified him that they had done so.

Conclusions of Law:

By making a deposit of personal funds or non-client funds into his CTA, Respondent commingled his personal funds with funds belonging to a client or clients in his CTA in wilful violation of Rules of Professional Conduct, rule 4-100(A). By issuing Check No. 3477 drawn from his CTA when he knew or should have known that there were insufficient funds, Respondent engaged in the improper use of an account maintained for client trust account purposes in wilful violation of Rules of Professional Conduct, rule 4-100(A).

B. AUTHORITIES SUPPORTING DISCIPLINE.

Standard 1.7(b) requires disbarment in any proceeding in which a member has a record of two prior disciplines, unless *the most compelling mitigating circumstances clearly predominate*.

But, the Court should also look at case authority in determining the appropriate level of discipline to determine whether the discipline is consistent or disproportional to prior decisions on the same set of facts. (*Snyder v. State Bar* (1990) 49 Cal.3d 1302.)

In *Matter of Meyer* (1997) 3 Cal. State Bar Ct. Rptr. 697, *Meyer* defaulted in a case in which he was culpable of failing to comply with conditions attached to a reproof. There were no mitigating factors. In aggravation *Meyer* had two prior records of discipline - both in which he received reprovals. In discussing Standard 1.7(b) the Review Department said that it is to be applied with "due regard to the nature and extent of the respondent's prior records." (*Id.* at 704.) In examining *Meyer's* prior record the court concluded that, "The nature and extent of respondent's two prior records of discipline are not sufficiently severe to justify our recommending disbarment in this proceeding under Standard 1.7(b)." (*Id.*) The court ordered *Meyer* actually suspended for ninety days.

In *Matter of Bouyer* (1998) 3 Cal. State Bar Ct. Rptr. 888, the attorney was culpable of other misconduct warranting discipline arising from a misdemeanor conviction. In aggravation *Bouyer* had three prior records of discipline. In mitigation, he received some mitigating credit for eight character witnesses and his involvement in pro bono work. Of *Bouyer's* prior record the Review Department said: "Unquestionably, respondent's prior record of discipline is a serious aggravating factor . . . and, under standard 1.7(b), ordinarily would require disbarment unless the most compelling mitigating circumstances clearly predominate. At the same time, we note that respondent's second and third priors did not result in any actual suspension." (*Id.* at 893.) The court ordered *Bouyer* actually suspended for ninety days.

While this is Respondent's third record of discipline, neither of the prior disciplines involved actual suspension. Moreover, he has also established good character by a wide range of

references in the legal and general communities who are aware of the full extent of his misconduct.

C. COSTS OF DISCIPLINARY PROCEEDINGS.

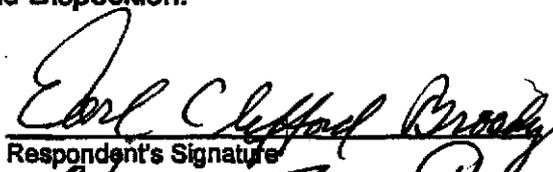
Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of July 14, 2008, the costs in this matter are estimated at \$3,654. Respondent further acknowledges that should this stipulation be rejected or should relief from the stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

(Do not write above this line.)

In the Matter of Earl Clifford Broady Member #33307	Case number(s): 06-O-12585 06-O-10117
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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>7-16-08</u> Date	 Respondent's Signature	Earl Clifford Broady Print Name
<u>7-16-08</u> Date	 Respondent's Counsel Signature	Howard Lynch Print Name
<u>7/18/08</u> Date	 Deputy Trial Counsel's Signature	Melanie J. Lawrence Print Name

(Do not write above this line.)

In the Matter Of
Earl Clifford Broady
Member #33307

Case Number(s):
06-O-12585
06-O-10117

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 9.18(a), California Rules of Court.)

July 22, 2008
Date


Judge of the State Bar Court

DONALD F. MILES

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 July 24, 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:

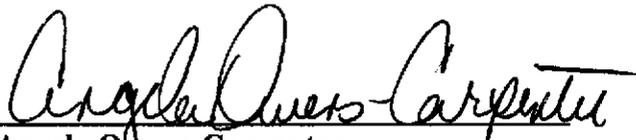
- [X] by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

**HOWARD LYNCH II
LAW OFFICES OF BROADY & LYNCH
WILSHIRE PARK PLACE
3700 WILSHIRE BLVD STE 940
LOS ANGELES CA 90010**

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

MELANIE LAWRENCE, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on July 24, 2008.


Angela Owens-Carpenter
Case Administrator
State Bar Court