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**State Bar Court of California**

Hearing Department  
Los Angeles

**PUBLIC MATTER**

<p>Counsel For The State Bar</p> <p><b>Suzan J. Anderson</b> Deputy Trial Counsel 1149 S. Hill Street Los Angeles, California 90015 (213) 765-1209</p> <p>Bar # <b>160559</b></p>	<p>Case Number (s) <b>06-O-14155, 07-0-14613</b> <b>07-O-14972 (INV)</b></p>	<p>(for Court's use)</p> <p><b>FILED</b></p> <p><b>FEB 29 2008</b></p> <p>STATE BAR COURT CLERK'S OFFICE LOS ANGELES</p>
<p>In Pro Per Respondent</p> <p><b>Michael L. Challgren</b> P.O. Box 1333 Hermosa Beach, California 90254 (310) 251-0488</p> <p>Bar # <b>137072</b></p>	<p>Submitted to: <b>Settlement Judge</b></p>	
<p>In the Matter Of: <b>Michael L. Challgren</b></p> <p>Bar # <b>137072</b></p> <p>A Member of the State Bar of California (Respondent)</p>	<p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING</p> <p><b>ACTUAL SUSPENSION</b></p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</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 **December 7, 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 **16** 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."



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- (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: **two billing cycles following the effective date of the Supreme Court Order.**  
(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 **00-O-12191, 00-O-15549, 01-O-03223**
  - (b)  Date prior discipline effective **October 21, 2001**
  - (c)  Rules of Professional Conduct/ State Bar Act violations: **Rule 4-100(A); Section 6068(a)**
  - (d)  Degree of prior discipline **Private Reproval**
  - (e)  If Respondent has two or more incidents of prior discipline, use space provided below.  
  
04-O-14361/S142428; Effective date: July 13, 2006; Violations of Rule 3-110(A) and Section 6068(m); Six months suspension stayed; three 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. **Respondent failed to cooperate in the investigation of case number 06-O-14155.**
- (7)  **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct.

(8)  **No aggravating circumstances** are involved.

**Additional aggravating circumstances:**

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

- (1)  **No Prior Discipline:** Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.
- (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. **Please see attachment, pages 13 and 14.**
- (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. **Please see attachment, page 14.**
- (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 **One (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:
- (b)  The above-referenced suspension is stayed.

(2)  **Probation:**

Respondent must be placed on probation for a period of **three (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 **ninety (90) days**.
- 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 checked="" 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 took and passed the MPRE in November 2007 as part of his prior discipline.**

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- (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:**

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Attachment language begins here (if any):  
Please see attachment, pages 11 through 15.

In the Matter of  
Michael L. Challengren

Case number(s):  
06-O-14155, 07-O-14613, 07-O-14972

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 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

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:
- 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.

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A Member of the State Bar

### Law Office Management Conditions

- a.  Within        days/        months/        years of the effective date of the discipline herein, Respondent must develop a law office management/organization plan, which must be approved by the Office of Probation. This plan must include procedures to (1) send periodic reports to clients; (2) document telephone messages received and sent; (3) maintain files; (4) meet deadlines; (5) withdraw as attorney, whether of record or not, when clients cannot be contacted or located; (6) train and supervise support personnel; and (7) address any subject area or deficiency that caused or contributed to Respondent's misconduct in the current proceeding.
- b.  Within        days/**six (6)** months/        years of the effective date of the discipline herein, Respondent must submit to the Office of Probation satisfactory evidence of completion of no less than **six (6)** hours of Minimum Continuing Legal Education (MCLE) approved courses in law office management, attorney client relations and/or general legal ethics. This requirement is separate from any MCLE requirement, and Respondent will not receive MCLE credit for attending these courses (Rule 3201, Rules of Procedure of the State Bar.)
- c.  Within 30 days of the effective date of the discipline, Respondent must join the Law Practice Management and Technology Section of the State Bar of California and pay the dues and costs of enrollment for        year(s). Respondent must furnish satisfactory evidence of membership in the section to the Office of Probation of the State Bar of California in the first report required.

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

IN THE MATTER OF:        Michael L. Challgren

CASE NUMBER(S):        06-O-14155, 07-O-14613, 07-O-14972 (INV)

**FACTS AND CONCLUSIONS OF LAW.**

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

**Count One** (Case Number 06-O-14155 and 07-O-14972 INV)

**FACTS**

1. At all times mentioned herein, Respondent maintained a client trust account at Bank of America, Account Number 16640-06117 ("Respondent's CTA").
2. In April 2006, Respondent issued check number 2300 in the amount of \$30.00 to himself which was drawn upon Respondent's CTA. On April 19, 2006, Bank of America paid the check against insufficient funds as the balance in Respondent's CTA was only \$20.54.
3. In June 2006, Respondent issued check number 2291 in the amount of \$100.00 to himself which was drawn upon Respondent's CTA. On June 15, 2006, Bank of America returned the check for insufficient funds as the balance in Respondent's CTA was only \$80.54.
4. On June 19, 2006, check number 2291 drawn upon Respondent's CTA was again presented for payment. Bank of America again returned the check for insufficient funds as the balance in Respondent's CTA was only \$61.54.
5. In July 2007, Respondent issued check number 2306 in the amount of \$40.00 to Los Angeles Superior Court for an Ex Parte Motion. On July 25, 2007, Bank of America returned the check for insufficient funds as the balance in Respondent's CTA was \$0.
6. Respondent issued the checks set forth above when he knew or in the absence of gross negligence should have known that there were insufficient funds in Respondent's CTA to pay them. Despite the fact that check number 2291 was returned twice, Respondent made no effort to ensure there were sufficient funds in Respondent's CTA to cover the check after Respondent

issued the check.

## **CONCLUSIONS OF LAW**

By issuing checks drawn upon Respondent's CTA when he knew or in the absence of gross negligence should have known that there were insufficient funds in the account to pay them and by failing to ensure that there were sufficient funds in the account to pay the checks, Respondent committed acts involving moral turpitude, dishonesty and/or corruption in violation of Business and Professions Code section 6106.

### **Count Three** (Case Number 06-O-14155)

7. On September 11, 2006, the State Bar opened an investigation, case number 06-O-14155, pursuant to notices received from Bank of America regarding insufficient funds activity in Respondent's client trust account (the "NSF matter").

8. On October 2, 2006 and March 2, 2007, a State Bar investigator wrote to Respondent regarding the NSF matter. Both of the investigator's letters were placed in sealed envelopes correctly addressed to Respondent at his State Bar of California membership records address. The letters were promptly mailed by first class mail, postage prepaid, by depositing for collection by the United States Postal Service in the ordinary course of business. The United States Postal Service did not return the investigator's letters as undeliverable or for any other reason.

9. The investigator's letters requested that Respondent respond in writing to specified allegations of misconduct being investigated by the State Bar in the NSF matter. Respondent did not respond to the investigator's letters or otherwise communicate with the investigator.

## **CONCLUSIONS OF LAW**

By not providing a written response to the allegations in the NSF matter or otherwise cooperating or participating in the investigation of the NSF matter, Respondent failed to cooperate in a disciplinary investigation in wilful violation of Business and Professions Code section 6068(i).

## **PENDING PROCEEDINGS.**

The disclosure date referred to, on page one, paragraph A.(7), was February 26, 2008.

**COSTS OF DISCIPLINARY PROCEEDINGS.**

Respondent acknowledges that the Office of the Chief Trial Counsel has informed Respondent that as of February 26, 2008, the costs in this matter are \$2,296.00. 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.

**DISMISSALS.**

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

<u>Case No.</u>	<u>Count</u>	<u>Alleged Violation</u>
07-O-14613	One	Business and Professions Code section 6068(a)
07-O-14613	Two	Business and Professions Code section 6106

**MITIGATING CIRCUMSTANCES.**

**FACTS SUPPORTING MITIGATING CIRCUMSTANCES**

**Severe Financial Stress** In 2004, Respondent lost three trials for which he fronted all the expenses and costs as the clients had no money for the expenses and costs. This had an extreme impact on the ability of Respondent’s firm to stay solvent. Respondent attempted to recoup the costs, but was unable to do so. In 2005, Respondent undertook an advertising campaign in order to help build his practice, but it was unsuccessful. With the reduction of the settlement amounts in personal injury cases and the fact that Respondent had fewer cases in 2005, 2006 and 2007, Respondent’s firm was barely able to make enough for Respondent’s living expenses. Respondent’s practice became more in debt until July of 2007, Respondent was forced to close his practice and secure employment with Las Vegas Land and Development Company as in-house counsel. Respondent was employed by Las Vegas Land and Development Company until October 2007, when he was suspended for failure to take and pass the MPRE. Since that time Respondent has not been working and has not attempted to open his own practice again. In October of 2007, Respondent filed a Motion with the State Bar Court to extend the time for payment of his costs of his prior disciplinary matter, which Motion was granted. Respondent has recently filed another Motion with the State Bar Court to extend the time for payment of those costs, as his financial situation has not improved as he thought it would. Respondent is

attempting to make payments on his business and personal debts in order to avoid filing for bankruptcy. Respondent does not intend to have a solo practice again and is concentrating on finding employment with another entity, so he can pay off his debts and become financially solvent again.

**Family Problems** In 1997, Respondent's father was diagnosed with lung cancer and had the top of his right lung removed. In late 2006, Respondent's father started complaining of symptoms that could have been related to the cancer. In February of 2007, a medical check-up performed on Respondent's father demonstrated that he had a huge lump in his neck. Respondent's father was referred for immediate surgery and when the lump was removed, it was found to be malignant. Respondent's father underwent chemotherapy and radiation beginning in about April 2007 and in May 2007, it was determined that the treatments were not successful. Respondent's father continued chemotherapy and in September of 2007, it was successful and he seems to be in remission since about November of 2007. The stress of his father's diagnosis, surgery, unsuccessful treatment had a severe emotional impact on Respondent as his father is now 80 years old and Respondent was very concerned about his father's recovery. Respondent's father is in good health now and this stress no longer exists.

Respondent was moving around at the time that the investigator's letters were mailed to him since his practice was not making enough money to sustain an actual office and Respondent is not sure whether or not he made all the changes necessary with his membership records address to actually receive the investigator's letters. Respondent now has a P.O. Box which he will continue to retain and realizes how important it is to keep his membership records address up to date if he should change the P.O. Box. He has demonstrated that he wants to cooperate with the State Bar in his full cooperation in the last investigation (07-O-14972). Respondent recognizes that the client trust account must be given special consideration and is looking forward to attending client trust account school to learn how to better handle a client trust account.

#### **AUTHORITIES SUPPORTING DISCIPLINE.**

Pursuant to Standard 1.3, the primary purposes of disciplinary proceedings and imposing sanctions for professional misconduct are, "the protection of the public, the courts and legal profession; the maintenance of high professional standards by attorneys; and the preservation of public confidence in the legal profession.

Standard 2.3 provides for actual suspension to disbarment for acts of moral turpitude depending on the magnitude of the act of misconduct and the degree to which it relates to the member's acts within the practice.

Standard 2.6 also provides for disbarment or suspension for a violation of Business and Professions Code section 6068(i).

The Supreme Court gives the Standards “great weight,” and will reject a recommendation consistent with the Standards only where the Court entertains “grave doubts” as to its propriety. *In re Naney* (1990) 51 Cal.3d 186, 190; *see also In re Silvertown* (2005) 36 Cal.4th 81, 91, 92. Further, although the Standards are not mandatory, it is well established that the Standards may be deviated from only when there is compelling, well-defined reason to do so. *See, Aronin v. State Bar* (1990) 52 Cal. 3d 276, 291; *see also, Bates v. State Bar* (1990) 52 Cal.3d 1056, 1060, fn. 2.

In this matter, Respondent has some serious mitigation, enough to place the discipline at the lower end of the Standards’ requirements, but not compelling enough to go outside of the Standards.

In *In the Matter of Heiser* (Review Dept. 1990) 1 Cal. State Bar Ct. Rptr. 47, the attorney was suspended from the practice of law for one year, stayed, and placed on two years probation on conditions, including actual suspension of six months. The Review Department found that during an 11-month period, Heiser issued seven dishonored checks to satisfy personal debts, some from his client trust account. Heiser had practiced law without prior discipline for 16 years, but he had not answered the State Bar’s formal charges and his default had been entered.

In *In the Matter of McKiernan* (Review Dept. 1995) 3 Cal. State Bar Ct. Rptr. 420, the attorney was suspended from the practice of law for two years, stayed, and placed on two years probation to include 90 days actual suspension. The Review Department found that McKiernan had repeatedly misused and neglected his client trust and issued two checks when he knew that there were insufficient funds to cover them. McKiernan had practiced law without prior discipline for 21 years.

Respondent’s matter falls more toward the *McKiernan* matter, although he does have prior discipline. Unlike the *Heiser* matter, Respondent did participate in this matter once the Notice of Disciplinary Charges was filed and his default was not entered.

This level of discipline falls within the standards and case law.

(Do not write above this line.)

In the Matter of Michael L. Challgren	Case number(s): 06-O-14155, 07-O-14613, 07-0-14972
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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.

2/26/08  
Date



Respondent's Signature

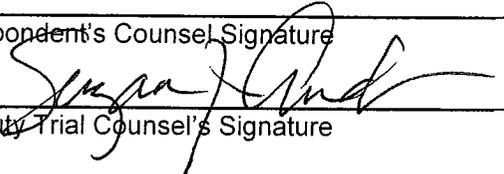
Michael L. Challgren  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Respondent's Counsel Signature

\_\_\_\_\_  
Print Name

2/26/08  
Date

  
Deputy Trial Counsel's Signature

Suzan J. Anderson  
Print Name

(Do not write above this line.)

In the Matter Of  
**Michael L. Challengren**

Case Number(s):  
**06-O-14155, 07-O-14613, 07-0-14972**

### 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.)**

Date

*02/27/08*

Judge of the State Bar Court



**RICHARD A. PLATEL**

**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 February 29, 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:

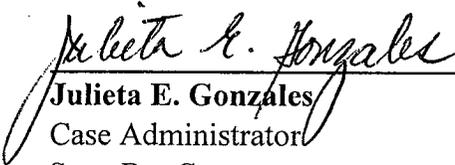
- by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

**MICHAEL L CHALLGREN ESQ  
THE CHALLGREN LAW FIRM  
PO BOX 1333  
HERMOSA BEACH, CA 90254**

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

**Suzan J. Anderson, Enforcement, Los Angeles**

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on **February 29, 2008**.

  
\_\_\_\_\_  
**Julieta E. Gonzales**  
Case Administrator  
State Bar Court