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State Bar Court of California
Hearing Department
Los Angeles

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<p>Counsel For The State Bar</p> <p>Jean Cha Deputy Trial Counsel 1149 S. Hill Street Los Angeles, CA 90015 (213) 765-1000</p> <p>Bar # 228137</p>	<p>Case Number (s)</p> <p>07-O-10100 07-O-10221 07-O-12551 07-O-13529-PEM</p>	<p>(for Court's use)</p> <p>PUBLIC MATTER</p> <p>FILED <i>[Signature]</i></p> <p>MAR 29 2010</p> <p>STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO</p>
<p>In Pro Per Respondent</p> <p>Michael Steven Traylor 23890 Copper Hill Drive, Suite 238 Valencia, CA 91354 (661) 296-9965</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>Bar # 136814</p> <p>In the Matter Of: Michael Steven Traylor</p> <p>Bar # 136814</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 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".

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- (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: 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
 - (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 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. Respondent cooperated during the pendency of the instant proceedings by stipulating. He also recognized his wrongdoing and admitted culpability. His candor and cooperation are mitigating factors. (Std. 1.2(e)(v).)
- (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. Respondent completed two client trust accounting seminars offered for participatory MCLE credit regarding client trust account funds, deposits, withdrawals, and record-keeping standards.
- (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. During the time of the misconduct Respondent was going through a dissolution of marriage, closed his solo law office while transitioning to new employment, moved his residence two times and encountered difficulties in promptly receiving his mail. Because of his personal situation, Respondent failed to properly reconcile his client trust account.

- (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. Respondent has presented character letters from six individuals in the community attesting to their respective faith in Respondent and his overall honesty. These character references expressed their belief in Respondent's integrity even with the knowledge of the misconduct and believe that the conduct will not recur. (Std. 1.2(e)(vi).)
- (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

Respondent has no record of prior discipline since his admission to the State Bar in December 1988, and is entitled to significant weight in mitigation. (Std. 1.2(e)(i); In the Matter of Riordan (Review Dept. 2007) 5 Cal. State Bar Ct. Rptr. 41, 49, attorney's 17 years of practice with no prior record of discipline was a significant mitigating factor.)

The violations related to Respondent's trust account did not arise from corruption or venality on Respondent's part. Respondent's misconduct was aberrational due to surrounding circumstances. The funds that were paid out for personal expenses arose out of Respondent's earned fees and no clients were deprived of their funds as a result of the insufficient funds activity.

D. Discipline:

- (1) **Stayed Suspension:**
- (a) Respondent must be suspended from the practice of law for a period of Two 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 Two 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 60 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.

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- (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:
- (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:**

Attachment language begins here (if any):

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

IN THE MATTER OF: MICHAEL STEVEN TRAYLOR, 136814
CASE NUMBERS: 07-O-10100, 07-O-10221, 07-O-12551 & 07-O-13529

Respondent admits the facts set forth in the stipulation are true and that he is culpable of violations of the specified statutes and Rules of Professional Conduct.

Insufficient Funds Matter (07-O-10100, 07-O-10221, 07-O-12551)

FACTS

1. At all times relevant, Respondent maintained a client trust account at Bank of America (BOA), account number ending in 01034 (the CTA).
2. Between July 2006 and March 2007, Respondent failed to promptly withdraw earned fees in the CTA and used those funds for the payment of personal expenses related to his own dissolution of marriage. These fees were left in the CTA based upon Respondent's mistaken belief that in representing himself in a dissolution proceeding, he could hold funds in the CTA and later disburse those funds to cover community property liabilities which were subject to the dissolution.
3. In May 2006, Respondent and his then-wife, W Traylor (W) were separated and Respondent moved out of their residence and into a loft in his office space. On September 8, 2006, Respondent filed a petition for dissolution of marriage. During the separation Respondent made payments out of the CTA to cover certain personal expenses related to the dissolution.
4. In September 2006, Respondent moved out of the office loft and into a separate home. In November 2006, Respondent closed his law office and began employment for an entertainment company.
5. In March 2007, Respondent received notice of returned debits due to insufficient funds. After evaluating his CTA records, Respondent discovered that a series of scheduled monthly automatic recurring debits resulted in insufficient funds in his CTA. Respondent

immediately contacted the bank to stop further payments and discontinue the automatic debits. Because Respondent failed to properly reconcile his CTA for six months from August 2006 through February 2007, he did not detect the problem until March 2007.

6. On July 10, 2006, check number 1232 for \$4,500 from the CTA was paid to W for personal expenses related to the dissolution.

7. On July 17, 2006, an automatic monthly recurring electronic debit was established for \$227.66 from the CTA and was paid to Primerica Life for Respondent's personal expense related to the dissolution. The monthly automatic electronic debits continued through March 2007 for a total of 8 debits in identical amounts.

8. On January 19, 2007, check number 1263 for \$4,000 from the CTA was paid to W for personal expenses related to the dissolution.

9. Between August 25, 2006 and February 16, 2007, the recurring electronic debits were the direct cause of nine instances of insufficient funds in the CTA.

10. Respondent knew or was grossly negligent in not knowing that there were insufficient funds in the CTA to pay five CTA checks and to pay four electronic debits.

CONCLUSION OF LAW

11. By failing to promptly withdraw personal funds in the CTA and by issuing checks and debits for his personal expenses from the CTA, Respondent commingled the aforementioned funds belonging to Respondent in a bank account labeled "Trust Account," "Client's Funds Account" or words of similar import in willful violation of Rules of Professional Conduct, rule 4-100(A).

12. By issuing the checks and initiating the electronic debits when he knew or was grossly negligent in not knowing that there were insufficient funds in the CTA to pay them, Respondent wilfully violated Business and Professions Code section 6106.

Jones Matter (07-O-13529)

FACTS

13. On May 1, 2006, Aileen Jones (Jones) employed Respondent on a contingency fee basis to pursue various claims against parties, including Jeff Davani (Davani) dba Polyhelp Construction, Inc. (Polyhelp), relating to home improvement work he performed for Jones.

14. On June 15, 2006, Davani, through his attorney, Bruce Rudman (Rudman), filed a breach of contract complaint for unpaid services against Jones in the Los Angeles County Superior Court entitled, *Jeff Davani dba Polyhelp Construction v. Aileen Jones*, case number LC074963 (the Davani action).

15. On July 18, 2006, Respondent filed a cross-complaint for damages and equitable relief in the Davani action for Jones and against Davani, Polyhelp, American Contractors Indemnity Co. (ACI), and Americrete, Inc. (Americrete), and an answer to Davani's complaint.

16. On October 23, 2006, Americrete filed and served a demurrer to Jones's cross-complaint on Respondent. The court set a hearing on Americrete's demurrer for January 11, 2007. Respondent received notice of the demurrer by mail.

17. Respondent did not appear at a November 2, 2006 case management conference in the Davani action, although Respondent had received timely notice of the November 2, 2006, hearing.

18. On January 11, 2007, the hearing on Americrete's demurrer to Jones's cross-complaint was held. Respondent did not appear for the hearing and did not file a written opposition to the demurrer. The court sustained the demurrer with 20 days leave to amend. Respondent received notice of the court's ruling on the demurrer, but did not file an amended cross-complaint for Jones.

19. On February 6, 2007, Respondent did not appear at the post-mediation status conference in the Davani action.

20. On February 26, 2007, Respondent filed notice of his change of address to 23890 Copper Hill Dr., Suite 238, Valencia, CA 91354-1701 in the Davani action. However, Respondent did not advise Jones of his change in address.

21. On March 14, 2007, Respondent did not appear at the hearing on the OSC. The court set aside and vacated Jones's answer and dismissed Jones's cross-complaint.

22. On March 22, 2007, Respondent filed an ex parte application for an order vacating the court's March 14, 2007 ruling. In the application, Respondent represented that he was out of the country on March 14, 2007 for a vacation, and that he had obtained permission from the court clerk to appear by telephone on March 14, 2007, but he was unable to contact the court by telephone. Also, on March 22, 2007, Gunite's counsel filed an opposition to the ex parte application.

23. During the hearing on Respondent's ex parte application on March 22, 2007, the court vacated its order dismissing Jones's cross-complaint and reinstated Jones's answer and cross-complaint. Further, the court continued the final status conference from May 11, 2007 to September 20, 2007 and the trial from May 23, 2007 to October 1, 2007. Respondent received notice of the continuances.

24. On August 27, 2007, Jones sent a letter via certified mail to Respondent at 929 E. 2nd Street, Suite 102, Los Angeles, CA 90012. In the letter, Jones terminated Respondent's employment, but Respondent did not receive the letter as Respondent had not notified Jones of his change in address.

25. That same day, due to Jones's inability to speak with Respondent, Jones contacted Papirian, a co-defendant in the Davani action who turned out to be an attorney, to assist her in contacting Rudman to inquire about the status of her case. As a result of Papirian contacting Rudman, Rudman was advised that Jones terminated Respondent.

26. On August 31, 2007, Jones met with Rudman and Jones reached a settlement through Rudman with Polyhelp and Davani without Respondent's assistance. Thereafter, Rudman advised Respondent that Jones terminated Respondent's services on August 27, 2007.

27. On September 14, 2007, Rudman filed a notice of the settlement in the Davani action and the matter was concluded.

CONCLUSIONS OF LAW

28. By missing court appearances, by not filing a written opposition to Americrete's demurrer to Jones's cross-complaint, by not advising Jones that he had changed his office address, Respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence in willful violation of Rules of Professional Conduct, rule 3-110(A).

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

The parties waive any variance between the Notice of Disciplinary Charges filed on June 10, 2009 and the facts and/or conclusions of law contained in this stipulation. Additionally, the parties waive the issuance of an amended Notice of Disciplinary Charges. The parties further waive the right to the filing of a notice of Disciplinary Charges and to a formal hearing on any charge not included in the pending Notice of Disciplinary Charges.

AUTHORITIES.

The purpose of State Bar disciplinary proceedings is not to punish the attorney, but to protect the public, to preserve public confidence in the profession, and to maintain the highest possible professional standards for attorneys. (*Chadwick v. State Bar* (1989) 49 Cal.3d 103, 111; *Cooper v. State Bar* (1987) 43 Cal.3d 1016, 1025; Std. 1.3.)

Standard 2.2(b) of the Standards for Attorney Sanctions for Professional Misconduct, Rules Proc. Of State Bar, Title IV, provides that a violation of rule 4-100 shall result in at least a three-month suspension, irrespective of mitigation circumstances. Standard 2.3 provides for actual suspension or disbarment where there moral turpitude. Standard 2.4(b) provides that a violation of 3-110(A) shall result in reproof or suspension. Though the standards are guidelines (*Drociak v. State Bar* (1991) 52 Cal.3d 1085, 1090; *In the Matter of Koehler* (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr. 615, 628) and afforded great weight (*In re Silverton* (2005) 36 Cal.4th 81, 91-92), they are not applied in a talismanic fashion (*In the Matter of Van Sickle* (Review Dept. 2006) 4 Cal. State Bar Ct. Rptr. 980, 994).

In *In the Matter of Bleecker* (Review Dept. 1990) 1 Cal State Bar Ct. Rptr. 113, the attorney was suspended for two years, stayed, and placed on two years' probation, on conditions including sixty days actual suspension. Bleecker had commingled personal funds with client funds in his client trust account, misappropriated \$270 advanced by a client for costs, and used his trust account to hold personal funds in order to avoid a tax levy. The misconduct occurred during a relatively short duration (during approximately 4 months personal funds were kept in the client trust account in *Bleecker*) and the attorney was able to show mitigation circumstances to support less than the standard one year actual suspension. Here, Respondent's misconduct occurred in the latter half of 2006 and early 2007. Respondent's misconduct does not include a misappropriation and was not intended to avoid a tax levy or hide funds.

Here, 60 days actual suspension is sufficient to serve the purposes of attorney discipline. (*In the Matter of Bouyer* (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr. 404.)

DISMISSALS.

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

<u>Case No.</u>	<u>Count</u>	<u>Alleged Violation</u>
07-O-12551	Three	Rule 4-100(A), Rules of Professional Conduct
07-O-12551	Four	Section 6106, Business and Professions Code
07-O-13529	Six	Rule 3-700(A)(2), Rules of Professional Conduct
07-O-13529	Seven	Section 6068(m), Business and Professions Code
07-O-13529	Eight	Rule 3-510, Rules of Professional Conduct
07-O-13529	Nine	Rule 4-100(B)(3), Rules of Professional Conduct
07-O-13529	Ten	Rule 4-100(A), Rules of Professional Conduct

PENDING PROCEEDINGS.

The disclosure date referred to, on page one, paragraph A.(7), was February 18, 2010.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed Respondent that as of February 18, 2010, the estimated prosecution costs in this matter are approximately \$4,892.00. Respondent acknowledges that this figure is an estimate only and that it might not include State Bar Court costs that will be included in any final cost assessment (see Bus. & Prof. Code section 6068.10(c)) or taxable costs (see C.C.P. section 1033.5(a)), which will be included in any final cost assessment. Respondent further acknowledges that should this stipulation be rejected or should relief from the stipulation be granted, the costs in this matter may increase due to the cost of further proceedings. It is also noted that if Respondent fails to pay any installment of disciplinary costs within the time provided herein or as may be modified by the State Bar Court pursuant to section 6086.10, subdivision(c), the remaining balance of the costs is due and

payable immediately unless relief has been granted under the Rules of Procedure of the State Bar of California (Rules Proc. of State Bar, rule 286). The payment of costs is enforceable both as provided in Business and Professions Code section 6140.7 and as a money judgment.

STATE BAR ETHICS SCHOOL.

Because Respondent has agreed to attend State Bar Ethics School as part of this stipulation, Respondent will receive Minimum Continuing Legal Education credit upon the satisfactory completion of State Bar Ethics School.

In the Matter of
MICHAEL STEVEN TRAYLOR,
136814

Case number(s):
07-O-10100, 07-O-10221, 07-O-12551 & 07-O-13529

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 reprobation), 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.

(Do not write above this line.)

In the Matter of MICHAEL STEVEN TRAYLOR, 136814	Case number(s): 07-O-10100, 07-O-10221, 07-O-12551 & 07-O-13529
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SIGNATURE OF THE PARTIES

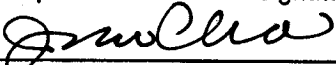
By their signatures below, the parties and their counsel, as applicable, signify their agreement with each of the recitations and each of the terms and conditions of this Stipulation Re Fact, Conclusions of Law and Disposition.

3/19/2010
Date


Respondent's Signature

Michael S. Traylor
Print Name

3/23/2010
Date

Respondent's Counsel Signature

Deputy Trial Counsel's Signature

Print Name
Jean Cha
Print Name

(Do not write above this line.)

In the Matter Of MICHAEL STEVEN TRAYLOR, 136814	Case Number(s): 07-O-10100, 07-O-10221, 07-O-12551 & 07-O-13529
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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.)**

3-24-10
Date


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 March 29, 2010, 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:

**MICHAEL S. TRAYLOR
LAW OFC MICHAEL S TRAYLOR
23890 COPPER HILL DR #238
VALENCIA, CA 91354**

by certified mail, No. , with return receipt requested, through the United States Postal Service at , California, addressed as follows:

by overnight mail at , California, addressed as follows:

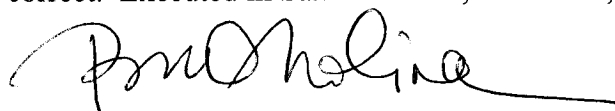
by fax transmission, at fax number . No error was reported by the fax machine that I used.

By personal service by leaving the documents in a sealed envelope or package clearly labeled to identify the attorney being served with a receptionist or a person having charge of the attorney's office, addressed as follows:

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

JEAN H. CHA, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on March 29, 2010.



Bernadette C.O. Molina
Case Administrator
State Bar Court