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

PUBLIC MATTER

<p>Counsel For The State Bar</p> <p>Timothy G. Byer, DTC  1149 S. Hill Street  Los Angeles, CA 90015  (213) 765-1325</p> <p>Bar # 172472</p>	<p>Case Number(s):  07-O-10140  08-O-12879</p>	<p>For Court use only</p> <p align="center"><b>FILED</b></p> <p align="center"><b>AUG 15 2011</b></p> <p align="center">STATE BAR COURT  CLERK'S OFFICE  LOS ANGELES</p>
<p>In Pro Per Respondent</p> <p>Gerald I. Sugarman  1136 Grand Avenue  Arroyo Grande, CA 93420</p> <p>Bar # 84730</p>	<p>Submitted to: <b>Assigned Judge</b></p> <p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND  DISPOSITION AND ORDER APPROVING</p> <p><b>STAYED SUSPENSION; NO ACTUAL SUSPENSION</b></p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	
<p>In the Matter of:  Gerald I. Sugarman</p> <p>Bar # 84730</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 12, 1978.
- (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 10 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."



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- (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):
- Costs are added to membership fee for calendar year following effective date of discipline.
  - Costs are to be paid in equal amounts prior to February 1 for the following membership years: (Hardship, special circumstances or other good cause per rule 5.132, Rules of Procedure). If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.
  - Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
  - Costs are 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 93-C-19110
  - (b)  Date prior discipline effective November 7, 1996
  - (c)  Rules of Professional Conduct/ State Bar Act violations: B&P sections 6068(a) and 6106
  - (d)  Degree of prior discipline 42 months actual suspension
  - (e)  If Respondent has two or more incidents of prior discipline, use space provided below or a separate attachment entitled "Prior Discipline."
- (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.

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- (7)  **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct. See Attachment, page 8, "Aggravating Circumstances"
- (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. See Attachment, page 8, "Mitigating Circumstances"
- (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. See Attachment, page 8, "Mitigating Circumstances"
- (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.

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(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:

The above-referenced suspension is stayed.

(2)  **Probation:**

Respondent is placed on probation for a period of 2 years, which will commence upon the effective date of the Supreme Court order in this matter. (See rule 9.18 California Rules of Court.)

#### E. Additional Conditions of Probation:

(1)  During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.

(2)  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.

(3)  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.

(4)  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.

(5)  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.

- (6)  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.
  
- (7)  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 State Bar Ethics School, and passage of the test given at the end of that session.
  - No Ethics School recommended. Reason: .
  
- (8)  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.
  
- (9)  The following conditions are attached hereto and incorporated:
  - Substance Abuse Conditions                       Law Office Management Conditions
  - Medical Conditions                                       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 within one year. **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 5.162(A) & (E), Rules of Procedure.**
  - No MPRE recommended. Reason:
  
- (2)  **Other Conditions:**

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

IN THE MATTER OF:                            Gerald I. Sugarman  
CASE NUMBER(S):                            07-O-10140; 08-O-12879

**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.

Case No. 07-O-10140 (Complainants: Jacqueline, Joshua, and Amber Leonard)

FACTS:

1.        On August 5, 2005, Joshua and Amber Leonard employed Respondent to represent them in a personal injury matter.
2.        On February 17, 2007, Respondent's associate attorney, Robert Sack, was suspended from practice. Respondent either knew or reasonably should have know that Sack had been suspended from practice, but continued to employ Sack as a paralegal on the Leonard's matter after that date and did not disclose Sack's suspension to the State Bar or to the Leonards, in writing.

CONCLUSIONS OF LAW:

3.        By not disclosing to the State Bar and to the Leonards, in writing, his employment of Sacks as a paralegal, Respondent employed a member he knew or reasonably should have known was a disbarred, suspended, resigned, or involuntarily inactive member, without serving upon the State Bar written notice of the employment, including a full description of such person's current bar status, and without serving similar written notice upon each client on whose specific matter such person will work, prior to or at the time of employing such person to work on the client's specific matter, in willful violation of Rules of Professional Conduct, rule 1-311(D).

**FACTS:**

4. Prior to February 17, 2007, Respondent became employed by Ramicka Smith and Douglas Smith and represented them in a personal injury matter.

5. On February 17, 2007, Respondent's associate attorney, Robert Sack, was suspended from practice. Respondent either knew or reasonably should have know that Sack had been suspended from practice, but continued to employ Sack as a paralegal on the Smiths' matter after that date and did not disclose Sack's suspension to the State Bar or to the Smiths, in writing.

**CONCLUSIONS OF LAW:**

6. By not disclosing to the State Bar and to the Smiths, in writing, his employment of Sacks as a paralegal, Respondent employed a member he knew or reasonably should have known was a disbarred, suspended, resigned, or involuntarily inactive member, without serving upon the State Bar written notice of the employment, including a full description of such person's current bar status, and without serving similar written notice upon each client on whose specific matter such person will work, prior to or at the time of employing such person to work on the client's specific matter, in willful violation of Rules of Professional Conduct, rule 1-311(D).

**AGGRAVATING CIRCUMSTANCES.**

Multiple/Pattern of Misconduct: Respondent's failure to disclose his employment of Sack to the Leonards, the Smiths, and the State Bar demonstrates a pattern of misconduct.

**MITIGATING CIRCUMSTANCES.**

No Harm: Respondent's failure to disclose Sack's suspension to the Leonards or the Smiths in writing did not result in harm to his clients' matters.

Candor/Cooperation: Respondent agreed to settle this matter at a very early stage in the disciplinary proceedings. (Standards for Attorney Sanctions for Professional Misconduct, Standard 1.2(e)(v).)



## **AUTHORITIES SUPPORTING DISCIPLINE.**

Standard 1.7(a) provides that “If a member is found culpable of professional misconduct in any proceeding in which discipline may be imposed and the member has a record of one prior imposition of discipline as defined by standard 1.2(f), the degree of discipline imposed in the current proceeding shall be greater than that imposed in the prior proceeding unless the prior discipline imposed was so remote in time to the current proceeding and the offense for which it was imposed was so minimal in severity that imposing greater discipline in the current proceeding would be manifestly unjust.”

Respondent’s prior discipline was by no means “minimal in severity,” but deviation from 1.7(a), as with any Standard, may be appropriate where its application would be manifestly unjust. *In re: Ronald Robert Silverton*, (2005) 36 Cal.4<sup>th</sup> 81.

Deviation from the increased level of discipline described in Standard 1.7(a) is justified in this instance, given the remoteness in time between Respondent’s prior instance of discipline and the minimal severity of his current misconduct. Were it not for his prior misconduct, committed approximately 18 years ago, his current misconduct would justify no more than a reproof. To increase Respondent’s discipline to a level greater than that imposed in his prior instance would essentially require his disbarment, a result that is manifestly unjust under the circumstances.

## **PENDING PROCEEDINGS.**

The disclosure date referred to, on page 2, paragraph A(7), was June 30, 2011.

## **COSTS OF DISCIPLINARY PROCEEDINGS.**

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of July 5, 2011, the prosecution costs in this matter are \$3,689.00. 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.

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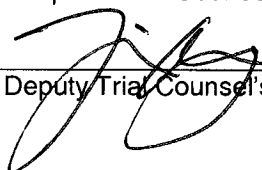
In the Matter of: Gerald I. Sugarman	Case number(s): 07-O-10140 08-O-12879
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### SIGNATURE OF THE PARTIES

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 Facts, Conclusions of Law, and Disposition.

7/21/11                                            Gerald I. Sugarman  
Date                              Respondent's Signature                              Print Name

\_\_\_\_\_  
Date                              Respondent's Counsel Signature                              Print Name

7.26.11                                            Timothy G. Byer  
Date                              Deputy Trial Counsel's Signature                              Print Name

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In the Matter of: Gerald I. Sugarman	Case Number(s): 07-O-10140 08-O-12879
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### STAYED SUSPENSION 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 5.58(E) & (F), 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.)**

08-08-11

Date



Judge of the State Bar Court

RICHARD A. PLATEL

**CERTIFICATE OF SERVICE**

[Rules Proc. of State Bar; Rule 5.27(B); 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 August 15, 2011, 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:

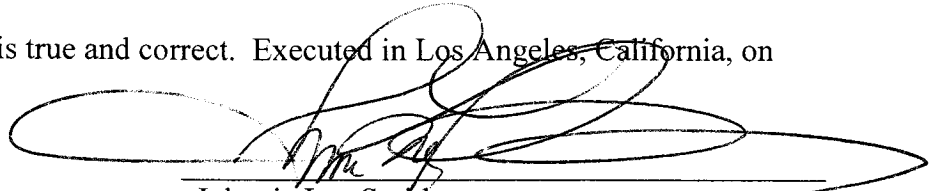
- by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

GERALD I. SUGARMAN  
1136 GRAND AVE  
ARROYO GRANDE, CA 93420

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

Timothy G. Byer, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on August 15, 2011.



Johnnie Lee Smith  
Case Administrator  
State Bar Court