



State	Bar Court of Californ Hearing Department San Francisco	^{nia} PUBLIC MATTE
Counsel For The State Bar Robert Henderson Deputy Trial Counsel 180 Howard Street San Francisco, CA 94105 (415) 538-2385	Case Number (s) 07-O-10326; 07-O-10689	(for Court's use)
Bar # 173205 Counsel For Respondent Carol Langford 100 Pringle Ave., #570 Walnut Creek, CA 94596 (925) 938-3870		JUL 3 0 2010 STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO
Bar # 124812 In the Matter Of: Mark Basil Pappas	Submitted to: Settlement Ju STIPULATION RE FACTS, 0 DISPOSITION AND ORDER	CONCLUSIONS OF LAW AND
Bar # 113840 A Member of the State Bar of California (Respondent)	ACTUAL SUSPENSION	ON REJECTED

Note: All information required by this form and any additional information which cannot be provided in the space provided, must be set forth in an attachment to this stipulation under specific headings, e.g., "Facts," "Dismissals," "Conclusions of Law," "Supporting Authority," etc.

A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted June 13, 1984.
- (2) The parties agree to be bound by the factual stipulations contained herein even if conclusions of law or disposition are rejected or changed by the Supreme Court.
- (3) All investigations or proceedings listed by case number in the caption of this stipulation are entirely resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of **13** pages, not including the order.
- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."
- (5) Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law".

- (6) The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."
- (7) No more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.
- (8) Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):
 - until costs are paid in full, Respondent will remain actually suspended from the practice of law unless relief is obtained per rule 284, Rules of Procedure.
 - costs to be paid in equal amounts prior to February 1 for the following membership years: (hardship, special circumstances or other good cause per rule 284, Rules of Procedure)

costs waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs"
costs entirely waived

- B. Aggravating Circumstances [for definition, see Standards for Attorney Sanctions for Professional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances are required.
- (1) **Prior record of discipline** [see standard 1.2(f)]
 - (a) State Bar Court case # of prior case
 - (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. Respondent in paying himself prior to resolving the dispute with Evan engaged in overreaching.
- (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.

⁽Stipulation form approved by SBC Executive Committee 10/16/00. Revised 12/16/2004; 12/13/2006.)

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

Additional aggravating circumstances:

Trust funds were involved in the matters. Respondent subsequently accounted for the funds.

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 with the State Bar in its investigation and candidly acknowledged his errors operating the client trust account.
- (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 has resolved with the clients the issue of disputed funds.
- (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. Since the initiation of the complaint, respondent has voluntarily attended and successfully completed both Ethics School and Client Trust Accounting School.
- (13) **No mitigating circumstances** are involved.

Additional mitigating circumstances

Respondent has had no prior discipline in the preceding twenyt-six years of practice.

D. Discipline:

- (1) X Stayed Suspension:
 - (a) Respondent must be suspended from the practice of law for a period of one-year.
 - I. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii) Standards for Attorney Sanctions for Professional Misconduct.
 - ii. and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
 - iii. and until Respondent does the following:
 - (b) The above-referenced suspension is stayed.

(2) \square **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) \boxtimes Actual Suspension:

- (a) Respondent must be actually suspended from the practice of law in the State of California for a period of six-months.
 - i. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct
 - ii. and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
 - iii. and until Respondent does the following:

E. Additional Conditions of Probation:

- (1) If Respondent is actually suspended for two years or more, he/she must remain actually suspended until he/she proves to the State Bar Court his/her rehabilitation, fitness to practice, and learning and ability in general law, pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.
- (2) During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3) Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of

information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.

- (4) Within thirty (30) days from the effective date of discipline, Respondent must contact the Office of Probation and schedule a meeting with Respondent's assigned probation deputy to discuss these terms and conditions of probation. Upon the direction of the Office of Probation, Respondent must meet with the probation deputy either in-person or by telephone. During the period of probation, Respondent must promptly meet with the probation deputy as directed and upon request.
- (5) Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, Respondent must state whether Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of probation during the preceding calendar quarter. Respondent must also state whether there are any proceedings pending against him or her in the State Bar Court and if so, the case number and current status of that proceeding. If the first report would cover less than 30 days, that report must be submitted on the next quarter date, and cover the extended period.

In addition to all quarterly reports, a final report, containing the same information, is due no earlier than twenty (20) days before the last day of the period of probation and no later than the last day of probation.

- (6) Respondent must be assigned a probation monitor. Respondent must promptly review the terms and conditions of probation with the probation monitor to establish a manner and schedule of compliance. During the period of probation, Respondent must furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Office of Probation. Respondent must cooperate fully with the probation monitor.
- (7) Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the probation conditions.
- (8) Within one (1) year of the effective date of the discipline herein, Respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the Ethics School, and passage of the test given at the end of that session.
 - No Ethics School recommended. Reason: Respondent has attended and successfully completed ethics school within the past twelve months, in recognition of his misconduct and an effort to show commitment to correcting his conduct.
- (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:
 - 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 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:

Mark Basil Pappas

CASE NUMBER(S): ET AL. 07-O-10326; 07-O-10689

FACTS AND CONCLUSIONS OF LAW.

COUNT ONE (A)

Javier Evan Case No. 07-O-10326 Rules of Professional Conduct, rule 4-100(A) [Failure to Maintain Client Funds in Trust Account]

 At all times relevant to this Stipulation, respondent maintained his attorney-client trust account ("CTA") at CMT Federal Credit Union account no. 0032***¹

2. On February 10, 2004, Javier Evan ("Evan") hired respondent to represent him in a third party liability case resulting from an on-the-job injury. Subsequently Evan obtained separate counsel for the workers' compensation matter. On this date Evan and respondent entered into a written contingent fee contract for 40% of the gross of all monies received after a lawsuit was filed. The contract provided that the costs would be borne by Evan. On June 8, 2006, Evan and his girlfriend Lisa Rosell wanted to modify the terms of the contract. Respondent did not want to modify the contract, but acquiesced to a modification. Respondent and Evan orally agreed to modify the contract. The terms of the oral modification were later disputed.

3. On May 13, 2004, respondent filed Javier Rosell Evan, Lisa Rosell v. Valero Refinery, Maxim Crane Works and Does 1 through 40, case no. FCS024128.

4. On June 8, 2006, a global settlement was reached for all parties including the 3rd party liability issues and workers' compensation claim. The settlement provided for a total settlement amount of

Actual Suspension

¹ The last three digits of the account have been omitted in order to maintain the privacy of the account information.

⁽Stipulation form approved by SBC Executive Committee 10/16/00. Revised 12/16/2004; 12/13/2006.)

\$376,311.59 of which \$50,000 represented the workers' compensation carrier's contribution in settlement of all claims in the workers' compensation matter, as well as a waiver of the right to recover on the lien for workers' compensation benefits paid.

5. On July 20, 2006, respondent deposited three checks totaling \$326,311.59 into his client trust account. These checks represented the gross settlement of Evan's claim excluding the workers' compensation portion.

6. On July 20, 2006, respondent wrote CTA check no. 2194 made payable to Mark Pappas in the amount of \$20,000. The memo line states: "Evan et al. v. Valero et al., Advance re: Payment of Costs."

7. On July 25, 2006, respondent wrote CTA check no. 2195 made payable to Mark Pappas in the amount of \$1,000. The memo line states: "Evan et al. v. Valero et al., Advance re: Fees."

8. On August 29, 2006, the WCAB approved the compromise and release of Evan's workers' compensation claim for a \$50,000 contribution, of which \$8,000 was payable to the workers' compensation attorney. Subsequently Evan received two checks totaling \$41,600 directly from Travelers Indemnity, the workers' compensation carrier. Evan's workers' compensation attorney received a check totaling \$8,000 directly from Travelers Indemnity, which reflected the approved attorney's fees for that portion of the settlement.

9. On September 12, 2006, Evan sent a letter to respondent, inquiring why respondent had not yet forwarded the settlement proceeds. The letter also noted that when the case settled on June 8, 2006, respondent had agreed to lower his contingent fee to 25% and that costs would be approximately \$8,000. Evan also stated: "The reason for this letter is to ensure that you take 25% of \$326,311.59 and not the total amount of \$376,311.59. Evan also noted that respondent had verbally stated that costs were approximately \$8,000. The total fees and costs would be \$89,577.90 (\$81,577.90 fees, plus \$8,000 costs.) Respondent received the letter. Respondent was not sure at that time what the total costs were in the Evan matter.

10. On September 22, 2006, respondent acknowledged that he had reduced his fee to 25% of the total gross recovery. In addition respondent also claimed entitlement to all costs, expenses and time expended. Respondent claimed \$41,892.12 in costs, expenses and time expended. Additionally respondent

claimed \$94,077.90 (25% of the \$376,311.59) as attorney's fees. In total respondent claimed \$135,970.02 (\$94,077.90 plus \$41,892.12).

11. On September 22, 2006, respondent sent client-trust account check no. 2213 to Evan in the amount of \$190,341.57 (\$376,311.59 less \$135,970.02 and less \$50,000 already paid for workers' compensation portion.) Evan received the check.

12. On September 26, 2006, Evan sent a letter to respondent. In the letter Evan disputed respondent's right to any portion of the \$50,000 paid to settle the workers' compensation portion of the case and also disputed the additional costs claimed by respondent that exceeded \$8,000. Evan's calculations provided for attorney's fees and costs of \$89,577.90 and \$236,733.69 as his portion of the settlement funds. Evan noted that he had received \$46,392.12 less than expected. Respondent received this letter on October 6, 2006.

13. As of September 12, 2006, respondent knew that he and Evan were calculating the fees and costs in a totally different manner, which would lead to a much different figure for attorney's fees and costs.

14. As of September 12, 2006, respondent was required to maintain sufficient funds in his client trust account to protect Evan's claimed share pursuant to Evan's letter dated September 12, 2006.

15. As of October 6, 2006, respondent knew that Evan disputed his entitlement to \$46,392.12 in fees and costs.

16. As of October 6, 2006, respondent was required to maintain the disputed \$46,392.12 in the CTA.

17. Between on or about October 6, 2006 and June 30, 2007, the balance in respondent's CTA fell below \$46,392.12 on repeated dates.

18. Respondent and Javier Evan have now resolved the dispute regarding the \$46,392.12. On September 8, 2008, respondent provided Evan with a cashier's check in the amount of \$46,000.00.

19. By not maintaining at least \$46,392.12 received on behalf of Evan in the CTA until the dispute as to fees was resolved, respondent willfully failed to maintain client funds in a trust account in violation of California Rules of Professional Conduct, rule 4-100(A).

⁽Stipulation form approved by SBC Executive Committee 10/16/00. Revised 12/16/2004.)

COUNT TWO (A)

Arthur Porter Case No. 07-O-10689 Rules of Professional Conduct, rule 4-100(A) [Failure to Maintain Client Funds in Trust Account]

20. On August 2, 2003, Arthur Porter ("Porter") was bitten by a dog owned by Ericka Llanos and Mark Spath.

21. On December 4, 2003, Porter and his wife Patricia Porter, hired respondent to represent him in a personal injury claim arising out of the August 2, 2003, dog bite incident.

22. On August 23, 2005, respondent settled the dog bite case for \$32,500. The settlement agreement was signed by Porter and his wife on or about September 1, 2005.

23. On September 8, 2005, respondent received the settlement check in the amount of \$32,500. Respondent deposited the check into his Client Trust Account on or about September 16, 2005.

24. On September 16, 2005, respondent wrote himself Client Trust Account check no. 2111 in the amount of \$14,638.67 for fees and costs in the Porter dog bite case.

25. On September 16, 2005, respondent sent a letter to porter Porter, provided a breakdown of the fees and costs and included Client Trust Account check no. 2112 in the amount of \$17,861.33. Porter received, but did not cash this check.

26. On January 27, 2006, the balance in respondent's Client Trust Account was \$7,395.69.

27. On April 5, 2010, respondent paid Porter \$20,574.15.

28. Respondent has now paid Porter the full amount of settlement funds claimed by Porter.

29. By failing to maintain at least \$17,861.33 received on behalf of Porter and his wife, in the CTA, respondent willfully failed to maintain client funds in a trust account in violation of California Rules of Professional Conduct, rule 4-100(A).

 10^{-1}

111

///

///

COUNT TWO (B)

Arthur Porter Case No. 07-O-10689 Business and Professions Code, section 6106 [Moral Turpitude]

30. The allegations contained in Count Two (A) are hereby incorporated by reference.

31. Respondent with gross negligence misappropriated the settlement funds received on behalf of

Porter and his wife.

32. On January 27, 2006, the balance in respondent's Client Trust Account was \$7,395.69.

33. In January and February 2006, respondent's trust account balance dipped briefly below

\$17,861.33. Subsequently the balance remained above that which was required.

34. By misappropriating at least \$10,465.64 in disputed funds from the CTA, respondent committed

an act involving moral turpitude in violation of Business and Professions Code section 6106.

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(6), was June 11, 2010.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of June 11, 2010, the prosecution costs in this matter are \$2,785.24. 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.

AUTHORITIES SUPPORTING DISCIPLINE.

In the Matter of Davis (Review Dept. 2003) 4 Cal. State Bar Ct. Rptr. 576 involved an attorney representing a corporation. During the representation of the corporation Davis took instruction from the then president. Subsequently the president was suspended by the Board of Directors. Davis was promptly notified that the president had been suspended and that he no longer had authority to take any action on behalf of the corporation. Thereafter Davis received a check of the corporation, which he deposited into his client trust account. Respondent actually knew that the Board of Directors disputed his entitlement to fees, but nevertheless withdrew \$29,875.89 from his trust account for fees. The Review Department found this conduct to be a violation of Rule 4-100(A)(2) and moral turpitude. For this and other misconduct in the same matter, Davis received a two-year actual suspension from the practice of law.

Standard 2.3 requires an actual suspension or disbarment for a respondent that has committed an act of moral turpitude.

MITIGATING CIRCUMS NCES.

FACTS SUPPORTING MITIGATING CIRCUMSTANCES.

Respondent attended and successfully completed Client Trust Accounting School on May 7, 2010.

STATE BAR ETHICS SCHOOL EXCLUSION.

It is not recommended that respondent attend State Bar Ethics School since respondent attended and successfully completed Ethics School on May 6, 2010.

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

(Stipulation form approved by SBC Executive Committee 10/16/00. Revised 12/16/2004.)

12

(Do not write above this line.)	
In the Matter of	Case number(s):
Mark Basil Pappas	07-O-10326; 07-O-10689

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.

Mark Basil Pappas Print Name dent's Signature Date Respo Carol Langford Counsel Signature Print Name Date dent Reş Robert Henderson Print Name Deputy Trial Counsel's Signature

13

(Do not write above this line.)	
In the Matter Of	Case Number(s):
Mark Basil Pappas	07-O-10326; 07-O-10689

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.)

Court Date



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 July 30, 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:

CAROL LANGFORD 100 PRINGLE AVE #570 WALNUT CREEK, CA 94596

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

DONALD STEEDMAN, Enforcement, San Francisco

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on July 30, 2010.

auretta (Cramer

Case Administrator State Bar Court