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State Bar Court of California

Hearing Department

Los Angeles

PUBLIC MATTER

<p>Counsel For The State Bar</p> <p>Eric H. Hsu 1149 S. Hill Street Los Angeles, CA 90015-2299 (213) 765-1247</p> <p>Bar # 213039</p>	<p>Case Number (s) 07-O-10967, 07-O-11376, and 07-H-14949</p>	<p>(for Court's use)</p> <div style="text-align: center;"> <p>FILED</p> <p>AUG 19 2009</p> <p>STATE BAR COURT CLERK'S OFFICE LOS ANGELES</p> </div>
<p>Counsel For Respondent</p> <p>Paul J. Virgo P.O. Box 67682 Los Angeles, CA 90067-0682 (310) 642-6900</p> <p>Bar # 67900</p>	<p>Submitted to: Settlement Judge</p> <p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING</p> <p>ACTUAL SUSPENSION</p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	
<p>In the Matter Of: KENNETH LANCE HADDIX</p> <p>Bar # 139459</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 **March 20, 1989**.
- (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 **15** 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: **2010, 2011 and 2012**
(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 **05-O-01430**
 - (b) Date prior discipline effective **May 18, 2006**
 - (c) Rules of Professional Conduct/ State Bar Act violations: **rule 3-700(A)(2) of the California Rules of Professional Conduct**
 - (d) Degree of prior discipline **public reproof**
 - (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. **See Attachment Page 6.**
- (5) **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct. **See Attachment Page 6.**
- (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. **See Attachment Page 6.**
- (8) **No aggravating circumstances** are involved.

Additional aggravating circumstances:

None.

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. **See Attachment Page 6.**
- (4) **Remorse:** Respondent promptly took objective steps spontaneously demonstrating remorse and recognition of the wrongdoing, which steps were designed to timely atone for any consequences of his/her misconduct.
- (5) **Restitution:** Respondent paid \$ _____ on _____ in restitution to _____ without the threat or force of disciplinary, civil or criminal proceedings.
- (6) **Delay:** These disciplinary proceedings were excessively delayed. The delay is not attributable to Respondent and the delay prejudiced him/her.
- (7) **Good Faith:** Respondent acted in good faith.
- (8) **Emotional/Physical Difficulties:** At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical disabilities which expert testimony would establish was directly responsible for the misconduct. The difficulties or disabilities were not the product of any illegal conduct by the member, such as illegal drug or substance abuse, and Respondent no longer suffers from such difficulties or disabilities.
- (9) **Severe Financial Stress:** At the time of the misconduct, Respondent suffered from severe financial stress which resulted from circumstances not reasonably foreseeable or which were beyond his/her control and which were directly responsible for the misconduct.
- (10) **Family Problems:** At the time of the misconduct, Respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature.
- (11) **Good Character:** Respondent's good character is attested to by a wide range of references in the legal and general communities who are aware of the full extent of his/her misconduct.
- (12) **Rehabilitation:** Considerable time has passed since the acts of professional misconduct occurred followed by convincing proof of subsequent rehabilitation.
- (13) **No mitigating circumstances** are involved.

Additional mitigating circumstances

None.

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 **five (5) 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 **thirty (30) 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 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 954-9.10(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.**

No MPRE recommended. Reason:

- (2) **Rule 955-9.20, California Rules of Court:** Respondent must comply with the requirements of rule 955-9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule

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within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.

- (3) **Conditional Rule 955-9.20, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 955-9.20, 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: See Attachment Page 6.**

ATTACHMENT TO
STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: KENNETH LANCE HADDIX
CASE NUMBERS: 07-O-10967, 07-O-11376, and 07-H-14949

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.

I. Facts

State Bar Case Number 07-O-10967

1. Since March 10, 2006, Respondent became the attorney of record for L & J Assets, LLC in United States Bankruptcy Court, Central District of California (the bankruptcy court), Case Number LA 03-35859 EC, involving Danielle Evans as the debtor (Evans) in that case.
2. On June 7, 2006, the bankruptcy court filed an Order Granting Debtor's Request for Sanctions Against L & J Assets, LLC and Kenneth L. Haddix (the sanctions order).
3. In that sanctions order, the bankruptcy court "found that both L & J Assets, LLC and Respondent willfully violated the discharge injunction incident to Debtor's bankruptcy discharge."
4. By that sanctions order, the bankruptcy court ordered L & J Assets, LLC and Respondent to pay \$44,989.27 to Evans, as sanctions compensating her for actual attorney's fees and costs incurred to enforce the bankruptcy discharge injunction.
5. Pursuant to that sanctions order, Respondent is jointly and severally liable to Evans for that \$44,989.27.
6. The sanctions order was entered on June 8, 2006, and has not been vacated for any reason.
7. The sanctions order became final as of the dismissal of Respondent's appeal on October 5, 2006.
8. Respondent knew about the imposition of judicial sanctions against him, by no later than the dismissal of Respondent's appeal on October 5, 2006.
9. At any time after the filing of the sanctions order, Respondent did not report to the State Bar that judicial sanctions had been imposed against him in Evans' case.
10. On January 26, 2007, the bankruptcy court closed Evans' case.
11. L & J Assets, LLC did not pay \$44,989.27 or any other amount to Evans at any time.

12. Respondent did not pay \$44,989.27 or any other amount to Evans at any time.

State Bar Case Number 07-O-11376

13. On August 31, 2005, Respondent filed a civil complaint on behalf of Kings Canyon Consortium, Inc. (Kings Canyon), in Los Angeles County Superior Court (the court), case number GC035879, against Bridge Finance, LLC (Bridge Finance) and others.

14. On November 2, 2005, Respondent appeared for a hearing on Bridge Finance's Motion to Expunge Notice of Pending Action and Request for Attorney's Fees and Costs Against Plaintiff and its Counsel, Kenneth Lance Haddix (the motion).

15. On November 21, 2005, the court filed an Order on Bridge Finance LLC's Notice of Motion and Motion to Expunge Notice of Pending Action and Request for Attorney's Fees and Costs Against Plaintiff and its Counsel, Kenneth Lance Haddix (the sanctions order).

16. By that sanctions order, the court granted the motion and ordered Respondent and Kings Canyon to pay \$3,500 in sanctions to Bridge Finance on or before November 22, 2005.

17. Pursuant to that sanctions order, Respondent is jointly and severally liable to Bridge Finance for that \$3,500.

18. On November 26, 2005, Respondent received a copy of the sanctions order.

19. Respondent had knowledge of the sanctions order by November 26, 2005, if not earlier.

20. At any time after the filing of the sanctions order, Respondent did not report to the State Bar that judicial sanctions had been imposed against him in connection with the Bridge Finance matter.

21. On December 16, 2005, Respondent filed with the appellate court a petition for writ of mandate concerning the sanctions order (Second Appellate District Case Number B187788).

22. On December 21, 2005, the appellate court summarily denied Respondent's petition filed in its case number B187788.

23. On January 19, 2006, Respondent filed with the appellate court another petition for writ of mandate concerning the sanctions order (Second Appellate District Case Number B188511).

24. On January 25, 2006, the appellate court summarily denied Respondent's petition filed in its case number B188511.

25. The sanctions order has not been vacated for any reason.

26. The sanctions order became final as of the appellate court's denial of Respondent's petition on January 25, 2006.

27. Kings Canyon did not pay \$3,500 or any other amount to Bridge Finance at any time.

28. Respondent did not pay \$3,500 or any other amount to Bridge Finance at any time.

State Bar Case Number 07-H-14949

29. On April 20, 2006, Respondent entered into a Stipulation re Facts, Conclusions of Law and Disposition (Stipulation) with the State Bar in case number 05-O-01430.

30. On April 27, 2006, the Hearing Department of the State Bar Court filed an order (Order) approving the Stipulation and imposing upon Respondent a public reproof with conditions.

31. On April 27, 2006, the Order was properly served by mail upon Respondent through his counsel.

32. Respondent received a copy of the Order and knew its contents.

33. The Order and the public reproof became effective on May 18, 2006.

34. Pursuant to the Order, Respondent was required to comply with certain terms and conditions attached to the public reproof, including the following conditions:

- a. To comply with the State Bar Act and the Rules of Professional Conduct during the condition period attached to the reproof;
- b. Within 30 days from the effective date of discipline, Respondent must contact the Office of Probation of the State Bar of California (Office of Probation) and schedule a meeting with Respondent's assigned probation deputy to discuss the terms and conditions attached to the reproof;
- c. To submit to the Office of Probation written quarterly reports each January 10, April 10, July 10 and October 10 of the condition period attached to the reproof, certifying under penalty of perjury that Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of the reproof during the preceding calendar quarter or part thereof covered by such report; and
- d. Within one year of the effective date of discipline, Respondent must provide to the Office of Probation satisfactory proof of attendance of the Ethics School and passage of the test given at the end of that session.

35. On May 1, 2006, Probation Deputy Cheryl R. Chisholm (Chisholm) of the Office of Probation sent Respondent a letter in which Chisholm reminded Respondent of the terms and conditions attached to the public reproof imposed upon him pursuant to the Order.

36. In that May 1, 2006 letter, Chisholm specifically advised Respondent that his first quarterly report was due by July 10, 2006, and that he must show proof of his completion of the Ethics School on or before May 18, 2007.

37. Enclosed with that May 1, 2006 letter to Respondent was a copy of the portion of the Stipulation setting forth the conditions of Respondent's reproof, a Quarterly Report Instructions sheet, and a Quarterly Report form specially tailored for Respondent to use to submit his quarterly reports.

38. Respondent received that May 1, 2006 letter from Chisholm.

39. Respondent did not contact the Office of Probation within 30 days from the effective date of the Order to schedule a meeting with the assigned probation deputy to discuss the terms and conditions attached to the reprobation.

40. Respondent did not file his quarterly report due by July 10, 2006, until October 30, 2008.

41. Respondent did not file his quarterly report due by October 10, 2006, until October 30, 2008.

42. Respondent did not file his quarterly report due by January 10, 2007, until October 30, 2008.

43. Respondent did not file his quarterly report due by April 10, 2007, until October 30, 2008.

44. Respondent did not file his final report, which was due by May 18, 2007, until October 30, 2008.

45. Respondent did not provide to the Office of Probation, within one year of the effective date of the Order, any proof showing his attendance of the Ethics School and passage of the test given at the end of such session.

46. Respondent did not complete Ethics School until March 20, 2008.

II. Conclusions of Law

State Bar Case Number 07-O-10967

By failing to pay \$44,989.27 to Evans or otherwise comply with the sanctions order, Respondent disobeyed or violated an order of the court requiring him to do an act connected with or in the course of his profession, which he ought in good faith to do, in willful violation of California Business and Professions Code section 6103.

By failing to report to the State Bar, in writing, within 30 days of his having knowledge of the imposition of judicial sanctions against him in an amount not less than one thousand dollars in Evans' case, Respondent willfully violated California Business and Professions Code section 6068, subdivision (o)(3).

State Bar Case Number 07-O-11376

By failing to pay \$3,500 to Bridge Finance or otherwise comply with the sanctions order, Respondent disobeyed or violated an order of the court requiring him to do an act connected with or in the course of his profession, which he ought in good faith to do, in willful violation of California Business and Professions Code section 6103.

By failing to report to the State Bar, in writing, within 30 days of his having knowledge of the imposition of judicial sanctions against him in an amount not less than one thousand dollars in the Bridge Finance matter, Respondent willfully violated California Business and Professions Code section 6068, subdivision (o)(3).

By failing to contact the Office of Probation regarding the terms and conditions attached to his reproof, by failing to timely file his quarterly reports and a final report, and by failing to timely provide satisfactory proof of his completion of Ethics School, Respondent failed to comply with the terms and conditions attached to his public reproof, in willful violation of rule 1-110 of the California Rules of Professional Conduct.

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was July 13, 2009.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of July 8, 2009, the prosecution costs in this matter are \$4,297.85. 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.

The following standards and case law apply to these matters and support the level of discipline to which the parties hereby stipulate as appropriate in resolving these matters before the filing of formal disciplinary charges.

a. Standards

Standard 2.6(a) provides that a violation of Business and Professions Code section 6068 or section 6103 shall result in disbarment or suspension, depending on the gravity of the offense or harm to any victim, with due regard to the purposes set forth in standard 1.3.

Standard 2.9 provides that culpability of a member of a willful violation of rule 1-110, Rules of Professional Conduct, shall result in suspension.

b. Case Law

In the Matter of Riordan (Review Dept. 2007) 5 Cal. State Bar Ct. Rptr. 41

In *Riordan*, the attorney received a six-month stayed suspension and one-year probation, for his failure to file an appellant's opening brief in a criminal case, failure to obey California Supreme Court orders concerning the deadlines for filing said brief, and failure to report to the State Bar the \$1,000 judicial sanctions imposed by the Court, upon its finding Riordan in contempt. The review department found, as aggravating circumstances, that Riordan engaged in multiple acts of wrongdoing, and that his misconduct harmed the administration of justice. In mitigation, Riordan had no prior record of discipline in over 17 years of practice, that there was no further misconduct on Riordan's part, that Riordan cooperated with the State Bar by entering into a factual stipulation, and that he had presented evidence of his good character.

In the present matter, Respondent has been cooperative with the State Bar during these disciplinary investigations, including his stipulation with the State Bar as to facts and culpability in these matters, before the filing of formal disciplinary charges. However, Respondent has a prior record of prior discipline which, in part, gave rise to his misconduct in these matters. Additionally, the nature and extent of Respondent's failure to comply with court orders and the amount of judicial sanctions imposed against him are greater than in *Riordan*.

Given the totality of circumstances in these matters, the one-year stayed suspension and five-year probation, conditioned upon a 30-day actual suspension and other probation conditions as set forth in this Stipulation, is an appropriate level of discipline and sufficient to protect the public, the courts, and the profession.

RESTRICTIONS WHILE ON ACTUAL SUSPENSION.

During the period of actual suspension, respondent shall not: render legal consultation or advice to a client; appear on behalf of a client in any hearing or proceeding or before any judicial officer, arbitrator, mediator, court, public agency, referee, magistrate, commissioner, or hearing officer; appear as a representative of a client at a deposition or other discovery matter; negotiate or transact any matter for or on behalf of a client with third parties; receive, disburse, or otherwise handle a client's funds; or engage in activities which constitute the practice of law.

Respondent shall declare under penalty of perjury that he has complied with this provision in any quarterly report required to be filed with the Office of Probation, pertaining to periods in which the respondent was actually suspended from the practice of law.

AGGRAVATING AND MITIGATING CIRCUMSTANCES

- B(4). Harm: Respondent's failure to comply with the subject court orders significantly harmed the administration of justice in the underlying civil actions, particularly where no sanctions have been paid as of June 30, 2009.
- B(5). Indifference: As of June 30, 2009, Respondent took no step to ensure his compliance with the subject court orders or made any payment toward the judicial sanctions.
- B(7). Multiple Misconduct: Respondent's misconduct involved three separate disciplinary matters.
- C(3). Candor/Cooperation: Respondent has been cooperative with the State Bar throughout its investigation of these matters, including his cooperation in stipulating to facts and culpability as set forth in this Stipulation, prior to the filing of formal disciplinary charges against him.

ADDITIONAL STIPULATION AS TO FINANCIAL CONDITIONS

If Respondent elects to make restitution payments in installment, Respondent shall pay any unpaid amount of the restitution ordered in these matters, including interest accrued, if any, by no later than 30 days before the last day of his probation period in these matters.

In the Matter of
KENNETH LANCE HADDIX

Case number(s):
07-O-10967, 07-O-11376, and 07-H-14949

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
Danielle Evans	\$44,989.27	June 7, 2006
Bridge Finance, LLC	\$3,500.00	November 22, 2005

- Respondent must pay above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than **thirty (30) days before the last day of the period of probation in these matters.**

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
Danielle Evans	\$500	Monthly
Bridge Finance, LLC	\$100	Monthly

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

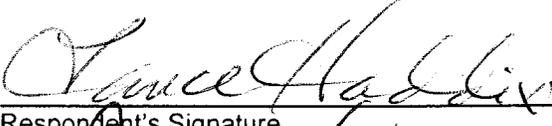
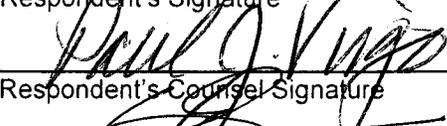
- Within one (1) year of the effective date of the discipline herein, Respondent must supply to the Office of Probation satisfactory proof of attendance at a session of the Ethics School Client Trust Accounting School, within the same period of time, and passage of the test given at the end of that session.

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In the Matter of KENNETH LANCE HADDIX	Case number(s): 07-O-10967, 07-O-11376, and 07-H-14949
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SIGNATURE OF THE PARTIES

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

<u>8/5/09</u> Date	 Respondent's Signature	<u>Kenneth Lance Haddix</u> Print Name
<u>8/5/2009</u> Date	 Respondent's Counsel Signature	<u>Paul J. Virgo</u> Print Name
<u>Aug. 6, 2009</u> Date	 Deputy Trial Counsel's Signature	<u>Eric H. Hsu</u> Print Name

(Do not write above this line.)

In the Matter Of KENNETH LANCE HADDIX	Case Number(s): 07-O-10967, 07-O-11376, and 07-H-14949
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ORDER

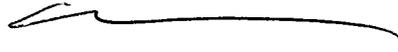
Finding the stipulation to be fair to the parties and that it adequately protects the public, IT IS ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without prejudice, and:

- 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.

PAGE 4 - SECTION D. (3) ii - UNCHECK BOX.
PAGE 2 - SECTION A. (8) - DELETE "2010."
INSERT "2013" (AFTER 2011, 2012).

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.)**

8-12-09
Date


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 August 19, 2009, 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:

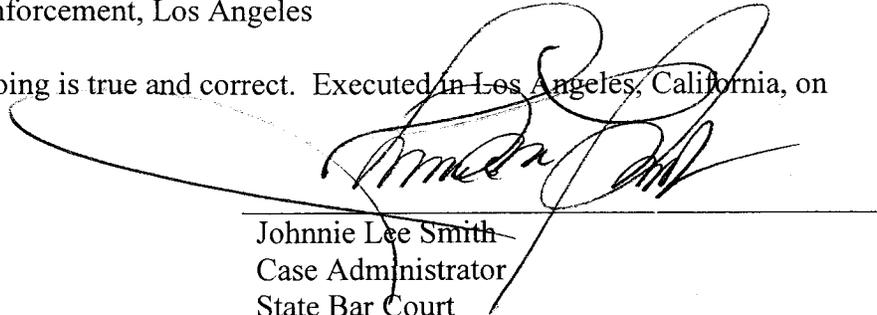
- by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

PAUL JEAN VIRGO
PO BOX 67682
LOS ANGELES, CA 90067 - 0682

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

ERIC HSU, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on August 19, 2009.



Johnnie Lee Smith
Case Administrator
State Bar Court