

(Do not write above this line.)

**State Bar Court of California
Hearing Department
San Francisco**

<p>Counsel For The State Bar</p> <p>Robert Henderson 180 Howard St. San Francisco, CA 94117 (415) 538-2385</p>	<p>Case Number (s) 07-O-11608</p>	<p>(for Court's use)</p> <p align="center">PUBLIC MATTER</p> <p align="center">FILED</p> <p align="center">APR 2 1 2009</p> <p align="center">STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO</p>
<p>Bar # 173205</p> <p>In Pro Per Respondent</p> <p>Norman Newhouse 483 Seaport Court, Suite 103 Redwood City, CA 94063 (650) 365-8534</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 # 104746</p> <p>In the Matter Of: Newhouse</p> <p>Bar # 104746</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 3, 1982.**
- (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 **23** 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. **See attachment.**
- (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. **See attachment.**
- (4) ☒ **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice. **See attachment.**
- (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.
- (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. **See attached letter from Dr. Robert Pavy, M.D..**
- (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. **See attached letter from Dr. Robert Pavy, M.D..**
- (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. **See attached letters from Michael Grimes, Esq.; Miriam Hughes; Howard Johnson; and Honorable Leonard Sprinkles, Retired.**
- (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 had no prior discipline over many years of practice.

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 **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:

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

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:**

Attachment language begins here (if any):

ATTACHMENT TO
STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: Norman Newhouse

CASE NUMBER(S): ET AL. 07-O-11608; 08-O-10353

FACTS.

07-O-11608 Bach

1. At all relevant times, respondent maintained a client trust funds account at Bank of America Account No. xxxxx-08892; hereinafter "trust account").¹
2. On February 26, 1997, a default judgment was entered in the amount of \$250,000 on behalf of Ghislaine Nguyet Thai Bach ("Bach") against Y. Van Nguyen, D.D.S. ("Nguyen"), in the matter, *Bach v. Nguyen*, Orange County Superior Court Case No. 763388.
3. On January 27, 2004, respondent was hired by Bach to enforce the default judgment in *Bach v. Nguyen*. On the same date, respondent and Bach executed a fee agreement wherein Bach agreed that respondent would be compensated by a contingency fee of 40 percent. Soon thereafter, respondent located Nguyen and learned that Nguyen owned a house in Fresno County.
4. On May 24, 2004, respondent filed an Abstract of Judgment in Fresno County Superior Court to place a lien of Nguyen's Fresno property in order to enforce the default judgment in *Bach v. Nguyen*.
5. On July 20, 2004, Nguyen's counsel, Phu Do Nguyen ("Do Phu"), sent a letter to respondent notifying him that the default judgment in *Bach v. Nguyen* was discharged in bankruptcy in 1997 and stating: "Please let us know if you will file a request to withdraw this judgment. If not, we will have no option but filing a motion with the bankruptcy court to declare the judgment null and void. In addition, we will ask the court for sanctions against you for filing a discharged debt as an abstract of judgment." Enclosed with Do Phu's letter was a copy of the Discharge of Debtor filed on November 3 1997 in U.S. Bankruptcy Court, Central District of California, Case No. SA97-20907-LR ("Nguyen's bankruptcy case"). Respondent received the July 20, 2004 letter.
6. After receiving Do Phu's letter, respondent contacted Bach and Bach told him she had no knowledge of Nguyen's bankruptcy. Bach did, however, tell respondent that she had assigned for collection the judgment to an agency in San Jose, California, which had received service of the notice of the bankruptcy. Respondent conducted research and determined that Bach had an argument that she was not properly served with notice of Nguyen's bankruptcy case. Therefore, he did not withdraw the abstract of judgment and lien placed on Nguyen's Fresno property. Thereafter, respondent called Do Phu and began discussing settlement possibilities with him.

¹ The account number has been excluded to protect the account from identity theft.

7. On November 8, 2004, Do Phu filed a motion in bankruptcy court to reopen Nguyen's bankruptcy case for relief from the abstract of judgment and lien placed on Nguyen's Fresno property. On December 7, 2004, the bankruptcy court issued an order denying the motion to reopen without prejudice.
8. On March 11, 2005, respondent filed an opposition to Do Phu's motion to reopen Nguyen's bankruptcy case. On March 21, 2005, Do Phu filed a reply to respondent's opposition motion.
9. On April 8, 2005, Do Phu sent respondent a letter offering to settle the default judgment in *Bach v. Nguyen* for a range of \$2,000 to \$5,000.
10. Thereafter, respondent agreed to settle the matter for \$6,000.
11. On May 25, 2005, respondent forwarded a Notice of and Stipulation for Settlement Between Debtors and Creditor Nguyet Thai Bach ("Stipulation"), settling the matter for \$6,000.
12. On June 2, 2005, Do Phu filed a motion to approve the Stipulation in Nguyen's bankruptcy case, which was granted by the bankruptcy court.
13. On August 5, 2005, Do Phu sent a letter to respondent enclosing check number 10101 in the amount of \$6,000 made payable to Bach and respondent.
14. Respondent received the August 5, 2005 letter with check number 10101.
15. On August 8, 2005, respondent signed an Acknowledgement of Satisfaction of Judgment acknowledging full satisfaction of Bach's claim to the default judgment in *Bach v. Nguyen*. On or about the same date, respondent sent the signed Acknowledgement to Do Phu.
16. On August 12, 2005, respondent deposited check number 10101 into his trust account.
17. On August 25, 2005, Do Phu filed the Acknowledgement of Satisfaction of Judgment signed by respondent in *Bach v. Nguyen*.
18. Respondent sent a letter dated May 19, 2005 to Bach. In the letter, respondent provided his calculation for distribution of the \$6,000 settlement proceeds, including \$2,400 to respondent as attorney fees and \$2,530.10 to Bach.
19. Upon receiving respondent's letter, Bach contacted respondent objecting to the amount she would receive from the settlement.
20. On April 6, 2007, Bach filed a complaint with the State Bar alleging misconduct in relation to respondent's representation of Bach in *Bach v. Nguyen*.
21. After withdrawing attorney's fees and costs from the \$6,000 settlement funds received on behalf of Bach in *Bach v. Nguyen*, respondent was required to maintain at least \$2,530.10 in his trust account on behalf of Bach.
22. To date, respondent has not paid any portion of the \$2,530.10 to Bach.
23. On November 5, 2007, respondent closed his trust account at Bank of America.
24. From August 12, 2005 through November 5, 2007, the balance in respondent's trust account fell below the \$2,530.10 he was required to maintain in trust on behalf of Bach as follows:

(Do not write above this line.)

DATE	BALANCE
9/28/05	\$110.33
9/30/05	\$149.58
12/21/05	\$119.76
12/30/05	\$123.54
1/17/06	\$108.57
1/19/06	\$33.57
1/27/06	\$52.57
1/30/06	\$33.57
1/31/06	\$34.60
2/1/06	\$1,033.57
2/8/06	\$33.57
6/14/06	\$2,451.93
6/15/06	\$451.93
6/16/06	\$351.93
7/17/06	\$196.93
7/19/06	\$11.93
7/27/06	\$1,511.93
8/1/06	\$1,011.93
8/2/06	\$811.93
8/4/06	\$211.93
8/8/06	\$171.93
8/9/06	\$131.93
8/15/06	\$101.93
8/21/06	\$21.93
8/24/06	\$2,329.66

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

8/28/06	\$2,072.66
8/29/06	\$72.66
9/5/06	\$12.66
9/19/06	\$1,861.74
9/27/06	\$1,061.74
2/20/07	\$2,279.43
2/22/07	\$1,679.43
3/2/07	\$1,659.43
4/30/07	\$846.17
5/3/07	\$646.17
7/9/07	\$1,392.58
7/10/07	\$57.58
8/27/07	\$30.58
8/30/07	\$40.58
9/20/07	\$1,437.30
11/5/07	\$0

25. On February 7, 2008, State Bar Investigator Lisa Edwards sent respondent a letter regarding the allegations in the complaint. Respondent received a copy of Edwards' February 7, 2008 letter. Edwards' February 7, 2008 letter requested that respondent provide a written explanation regarding the allegations in the complaint and his trust account records from the receipt of funds on behalf of Bach to present.

26. On March 13, 2008, respondent sent a letter responding to Edwards' February 7, 2008 letter. In the March 13, 2008 letter, respondent stated: "Ms. Bach's \$2530.10 proceeds from the settlement is still in my trust account because she told me she did not want it. She said I had to collect the \$250,207.00."

27. In truth and in fact, respondent did not maintain Bach's \$2,530.10 in his trust account.

28. On July 9, 2007, respondent's trust account had a balance of \$1,392.58.

29. On July 9, 2007, respondent issued check number 1415 from his trust account made payable to himself in the amount of \$1,500.00, causing an overdraft of \$107.42 on the trust account. At the time of the withdrawal, respondent knew or reasonably should have known that there were insufficient funds in the account to satisfy payment of check number 1415.

30. On July 10, 2007, respondent made a \$200.00 cash deposit of non-client funds into his trust account, thereby commingling these funds in his trust account.

CONCLUSIONS OF LAW.

By misappropriating at least \$2,530.10 of Bach's settlement funds, and by falsely stating to the State Bar that he maintained Bach's \$2,530.10 in his trust account when respondent knew or should have known that he failed to maintain Bach's \$2,530.10 in his trust account, respondent intentionally or with gross negligence committed an act or acts involving moral turpitude and dishonesty in violation of Business and Professions Code section 6106.

By depositing and commingling \$200 in funds belonging to respondent in his trust account, respondent willfully violated Rules of Professional Conduct, rule 4-100(A).

By not maintaining at least \$2,530.10 received on behalf of Bach in his trust account, respondent wilfully failed to maintain client funds in a trust account in violation of Rules of Professional Conduct, rule 4-100(A).

By issuing check number 1415 to himself from the trust account when he knew or reasonably should have known that there were insufficient funds in the account to satisfy the charge against the account, respondent intentionally or with gross negligence committed an act involving moral turpitude, and dishonesty in violation of Business and Professions Code section 6106.

PENDING PROCEEDINGS.

The disclosure date referred to, on page two, paragraph A.(7), was March 23, 2009.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of March 23, 2009, the prosecution costs in this matter are \$2,360.93. 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.

Standard 2.2(a) – "Culpability of a member of willful misappropriation of entrusted funds or property shall result in disbarment. Only if the amount of funds or property misappropriated is insignificantly small or if the most compelling mitigating circumstances clearly predominate, shall disbarment not be imposed. In those latter cases, the disciple shall not be less than a one-year actual suspension, irrespective of mitigating circumstances.

An intentional misappropriation generally results in disbarment, even when the respondent has no prior record of discipline. (See *In re Abbott* (1977) 19 Cal.3d 249; *Kaplan v. State Bar* (1991) 52 Cal.3d 1067; *Chang v. State Bar* (1989) 49 Cal.3d 114; *Kelly v. State Bar* (1988) 45 Cal.3d 649; *In the Matter of Spaith* (Review Dept. 1996) 3 Cal.State Bar Ct.Rptr. 511; *In the Matter of Keuker* (Review Dept. 1991) 1 Cal.State Bar Ct.Rptr. 583.)

Even with an extensive showing of mitigation, misappropriation will generally result in a long actual suspension. (*Howard v. State Bar* (1990) 51 Cal.3d 215) [six months' actual suspension; mitigation including restitution and a history of alcohol and chemical dependency and psychological problems]; *McKnight v. State Bar* (1991) 53 Cal.3d 1025 [one year actual suspension; mitigation including a history of manic depression].)

The proper discipline for a wilful violation of rule 4-100 is an actual suspension. (See *In the Matter of Koehler* (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr. 615 [six months' actual suspension for wilful violation of former rule 8-101; prior record of discipline]; *In the Matter of Doran* (Review Dept. 1998) 3 Cal. State Bar Ct. Rptr 871 [six months' actual suspension for wilful violation of rule 4-100; no prior record of discipline]).

AGGRAVATING CIRCUMSTANCES.

Dishonesty – Respondent lied to the State Bar of California when asked about Bach's funds which were to be held in trust.

Trust Violation – Respondent misappropriated Bach's funds for his own use and benefit.

Harm – Respondent harmed Bach by misappropriating her funds and depriving her of those funds for a substantial period of time.

MITIGATING CIRCUMSTANCES.

Emotional/Physical Difficulties – Respondent is currently under the care and treatment of a neuro-psychiatrist, which believes that respondent's conduct is directly related to his personal issues. (See letter of Dr. Robert Pavy, M.D..)

Family Problems – Respondent's wife was diagnosed with cancer in November 2003. She underwent treatment and later developed post operative complications, which left her bed-bound for six months. In late 2004 respondent's wife underwent a second major surgery. (See letter of Dr. Robert Pavy, M.D..)

Respondent's daughter was age 9 through 11 during the time period of his wife's cancer treatment. Respondent was primarily responsible for caring for both his wife and daughter during this time period.

Good Character – **See attached letters from Michael Grimes, Esq.; Miriam Hughes; Howard Johnson; and Honorable Leonard Sprinkles, Retired.**

STATE BAR ETHICS SCHOOL.

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

FINANCIAL CONDITIONS, RESTITUTION.

Within 30-days from the effective date of discipline in this matter, respondent must make restitution to Ghislaine Nguyet Thai Bach or the Client Security Fund if it has paid, in the principal amount of \$2,530.10 plus interest at the rate of 10% per annum from August 12, 2005 and furnish satisfactory evidence of restitution to the Office of Probation. Respondent shall include, in each quarterly report required herein, satisfactory evidence of all restitution payments made by him or her during that reporting period.

FINANCIAL CONDITIONS, RESTITUTION.

Respondent waives any objection to payment by the State Bar Client Security Fund upon a claim for the principal amount of restitution set forth herein.

Neither this Stipulation, nor participation in the Attorney Diversion and Assistance Program precludes or stays the independent review and payment of applications for reimbursement filed against the Respondent pursuant to the Rules of Procedure, Client Security Fund Matters.

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.

LAW OFFICES OF
MICHAEL C. GRIMES
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Redwood City, CA 94063-3936
(650) 261-1754
Fax 261-1755
mgrimes@sbcglobal.net
Member, California Applicants' Attorneys Association

March 31, 2009

To whom it may concern:

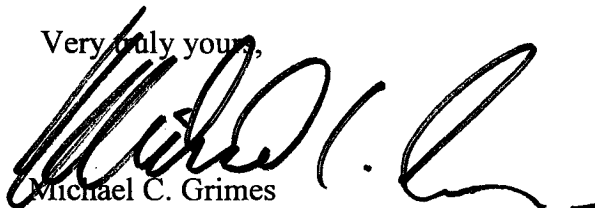
Mr. Newhouse has provided me with a copy of the draft Stipulation Re Facts, Conclusions of Law and Disposition regarding his State Bar suspension. Having read the draft stipulation and being informed of the facts surrounding the incident, I provide this recommendation on his behalf:

I attended law school with Mr. Newhouse in the late 1970s. We have since remained acquainted both in personal and professional capacities, both consulting on cases on the telephone or by e-mail and referring cases within our respective areas to each other.

I have never, during my acquaintance with Mr. Newhouse, had reason to question whether he was anything but fair and evenhanded in his dealings with me or clients I referred to him. I was very surprised to learn of the difficulty he is presently having with the State Bar.

Please feel free to contact me if you have additional questions.

Very truly yours,



Michael C. Grimes

MCG:sw

MIM'S SECRETARIAL SERVICE
483 Seaport Court, Suite 103
Redwood City, CA 94063

April 3, 2009

To whom it may concern:

Mr. Newhouse has provided me with a copy of the draft Stipulation Re Facts, Conclusions of Law and Disposition regarding his State Bar suspension, and, having read the draft stipulation and also having personal knowledge of the facts surrounding the incident, I provide this recommendation on his behalf.

I began working for Mr. Newhouse on a contract basis in 1994. In 1997 I started my own secretarial service, rented office space from Mr. Newhouse, and was his only legal assistant for five years, in addition to handling my own clientele. When Mr. Newhouse's practice grew to require a full-time legal assistant, I continued, to this day, share office space with him.

My observation over these many years has been that Mr. Newhouse is always fair and evenhanded in handling his clients. He deposits settlement proceeds in his trust account immediately upon receipt. He also quickly negotiates any required lien reductions and disperses settlement proceeds to his clients and to lien holders quickly.

To my observation, Mr. Newhouse has good relationships with all his clients and handles client inquiries promptly. I have never, in my time with his office, observed clients who are ultimately dissatisfied with his representation or disbursement of trust funds.

I was Mr. Newhouse's legal assistant in 2004 when the events described in the Stipulation Re Facts, Conclusions of Law and Disposition occurred. My recollection is that Ms. Bach, as she called herself then, was a very difficult and demanding client.

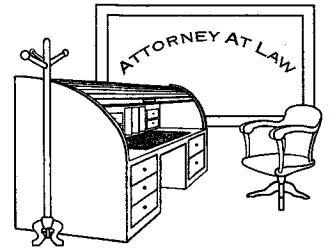
My recollection is also that she came into the office to sign the settlement check. I recall that when she left after endorsing the check that I was relieved she would not be coming around anymore.

Please contact me if you have additional questions.

Sincerely


Miriam Hughes

Norman Newhouse



March 31, 2009

State Bar of California
180 Howard St.
San Francisco, CA 94105-1639

Re: Case number(s): 07-O-11608; 08-O-10353 & 09-O-10581

To whom it may concern:

I have read the draft Stipulation Re Facts, Conclusions of Law and Disposition given me by Norman Newhouse and, being aware of the facts involved, provide this recommendation for reconsideration on his behalf:

I have been Mr. Newhouse's legal assistant and paralegal for over a year. My observation has been that he is always fair and evenhanded in handling his clients. He deposits settlement proceeds in his trust account immediately upon receipt. He also quickly negotiates any required lien reductions and disperses settlement proceeds to his clients and to lien holders as soon as possible.

To my observation, Mr. Newhouse has good relationships with all his clients and handles client inquiries promptly. I have never, in my time with his office, observed clients who are dissatisfied with his representation or disbursement of trust funds.

Please contact me if you have additional questions.

Sincerely,


Howard L. Johnson
Staff Paralegal

Cell Ph: (650) 630-5616

hjohnson@normannewhouse.com



M E D I A T I O N M A S T E R S

April 1, 2009

To Whom It May Concern:

Mr. Newhouse has provided me with a copy of the draft Stipulation Re Facts, Conclusions of Law and Disposition regarding his State Bar suspension, and, having read the draft stipulation and being informed of the facts surrounding the incident, I provide this recommendation on his behalf:

I first met Mr. Newhouse after I retired from the bench and became a mediator associated with Mediation Masters in San Jose, California. Over the years, I have been a mediator in several of his cases and became acquainted with him in that context.

I have never, during my acquaintance with Mr. Newhouse, had reason to question whether he was anything but fair and evenhanded in his dealings with me or his clients. I was surprised to learn of problems he is presently having with the State Bar.

Please contact me if you have additional questions.

Very truly yours,

LEONARD B. SPRINKLES

LBS:tk

Robert N. Pavy, M.D.

Adult and Child Neurology

133 Arch Street, Suite 4
Redwood City, CA 94062
(650) 365-5850
Fed. ID #: 438-50-3440

March 24, 2009

To Whom It May Concern:

I am Norman Newhouse's treating neurologist, and have been for the last three years. A copy of my curriculum vitae is attached.

In late 2003 Mr. Newhouse's wife was diagnosed with breast cancer. In November of 2003 she underwent right breast radical mastectomy surgery. She developed postoperative complications including a serious infection and was bedridden for six months. For about four months after that, she was able get out of bed, but her activity level was restricted. In late 2004, Terry Newhouse underwent a second surgery to remove her left breast. The Newhouse's daughter, during the above described medical infirmity, was age 9 through 11.

Mr. Newhouse was preoccupied during the above described ordeal, and with the possibility that his wife would die. He was unable to sleep more than two hours a night, could not concentrate on his work, and felt "afraid all the time."

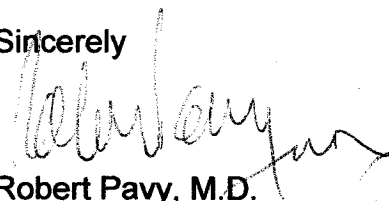
I have diagnosed Mr. Newhouse with a condition sometimes called mixed anxiety-depression. Symptoms include disrupted sleep or insomnia, low energy, tension, palpitations, and restlessness.

Based on my observations and history, my opinion is that Mr. Newhouse's mixed anxiety-depression, had a direct effect on his practice of law and the problems he is presently having with the State Bar. I believe that he has suffered from mixed anxiety depression since at least 2003, and probably earlier than that.

Mr. Newhouse has responded well to the Paxil and trazodone I prescribe and is presently functioning at a much higher level.

Please contact me if you have questions.

Sincerely



Robert Pavy, M.D.

Curriculum Vitae

Robert N. Pavy, M.D.

133 Arch Street
Redwood City, CA 94062
(650) 365-5850
(650) 365-8406

Training And Professional Experience

1951-54	Louisiana State University – B.S. degree
1954-58	Louisiana State University Medical School – M.D.
1958-59	Rotating internship San Joaquin County Hospital
1959-61	Resident Neurologist Louisiana State University Medical School and Charity Hospital, New Orleans, LA
1961-62	Chief Resident Stanford at VA – Palo Alto Hospital
1962-63	Full-time faculty instructor, Department of Neurology, Stanford University School of Medicine
1962-64	Instructor, Department of Neurology – Stanford
1963-91	Chief, Division of Neurology, San Mateo County Hospital
1963-93	Chief, Neurology Department, San Mateo County General Hospital
1964-71	Clinic Instructor – Stanford
1968-present	Chief, Division of Neurology, Sequoia Hospital
1986-present	Neurologist as the Sequoia Hospital Sleep Lab
1989-present	Neurology Consultant to Sequoia Hospital Pain Treatment Center
1991-present	Co-Director of Sequoia Hospital Rehabilitation Unit
1996-present	Director of Sequoia Hospital Sub-Acute Care Center

Certification

American Board of Neurology and Psychiatry; in Neurology, 1966
Special Competency in Child Neurology, 1969

Curriculum Vitae

Robert N. Pavy, M.D.

Page 2

Societies

California Medical Society, 1963-present

American Medical Association, 1963-present

Pan American Medical Association, 1971-present

San Mateo County Medical Society, 1963-present

American Academy of Neurology, Active member 1967

American Academy of Neurology, Fellow 1971

American Electroencephalographic Society, Member, 1975-present

Western Electroencephalographic Society, Member, 1968-present

Peninsula Sleep Association, Member, 1986-present

American Academy of Pain Management, Diplomate, 1990-present

Appointments

Sequoia Hospital, Redwood City, CA

San Mateo County General Hospital, San Mateo, CA

Peninsula Hospital, Burlingame, CA

Mills Hospital, San Mateo, CA

In the Matter of
Newhouse

Case number(s):
07-O-11608,

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
Ghislain Nguyen Thai Bach	\$2,530.10	August 12, 2005

- ☒ Respondent must pay above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than **30-day after the effective date of the Supreme Court order imposing discipline.**

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:
- 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.

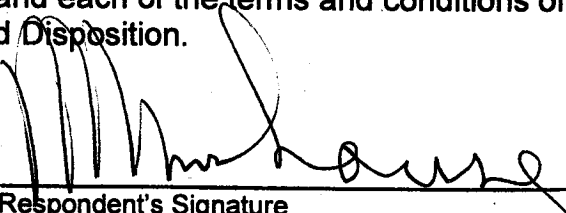
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In the Matter of Newhouse	Case number(s): 07-O-11608
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SIGNATURE OF THE PARTIES

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.

4-7-09
Date


Respondent's Signature

Norman Newhouse
Print Name

4/10/09
Date

Robert Henderson
Deputy Trial Counsel's Signature

N/A
Print Name

Robert Henderson
Print Name

(Do not write above this line.)

In the Matter Of Newhouse	Case Number(s): 07-O-11608
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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.)**

Date

April 21, 2009

Pat McElroy
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 April 21, 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 San Francisco, California, addressed as follows:

NORMAN CHARLES NEWHOUSE
483 SEAPORT CT STE 103
REDWOOD CITY, CA 94063

- ☐ 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:

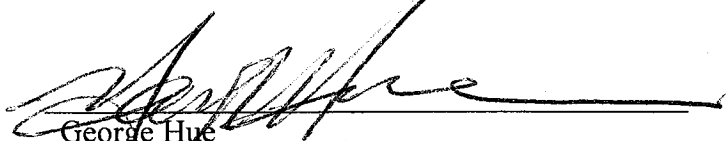
- ☐ by fax transmission, at fax number . No error was reported by the fax machine that I used.

- ☐ 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:

Robert Henderson, Enforcement, San Francisco

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on April 21, 2009.


George Hue
Case Administrator
State Bar Court