

# PUBLIC MATTER

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**FILED**

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STATE BAR COURT CLERK'S OFFICE  
SAN FRANCISCO

## STATE BAR COURT

### HEARING DEPARTMENT - SAN FRANCISCO

In the Matter of:

RONI DEUTCH,  
No. 152429,

A Member of the State Bar

Case Nos.:

07-O-11668; 07-O-14240; 07-O-14391;  
07-O-14942; 08-O-10254; 08-O-10964;  
08-O-11372; 08-O-11595; 08-O-12349;  
08-O-12902; 08-O-13326; 08-O-14361;  
08-O-14905; 09-O-10705; 09-O-11248;  
09-O-11945; 09-O-12344; 09-O-12408;  
09-O-14286; 09-O-15128; 09-O-15405;  
09-O-15407; 09-O-15951; 09-O-16655;  
09-O-16806; 10-O-00331; 10-O-05574;  
11-O-12999

NOTICE OF DISCIPLINARY CHARGES

### NOTICE - FAILURE TO RESPOND!

IF YOU FAIL TO FILE A WRITTEN ANSWER TO THIS NOTICE  
WITHIN 20 DAYS AFTER SERVICE, OR IF YOU FAIL TO APPEAR AT  
THE STATE BAR COURT TRIAL:

- (1) YOUR DEFAULT WILL BE ENTERED;
- (2) YOUR STATUS WILL BE CHANGED TO INACTIVE AND YOU  
WILL NOT BE PERMITTED TO PRACTICE LAW;
- (3) YOU WILL NOT BE PERMITTED TO PARTICIPATE FURTHER IN  
THESE PROCEEDINGS UNLESS YOU MAKE A TIMELY MOTION  
AND THE DEFAULT IS SET ASIDE, AND;
- (4) YOU SHALL BE SUBJECT TO ADDITIONAL DISCIPLINE.  
SPECIFICALLY, IF YOU FAIL TO TIMELY MOVE TO SET ASIDE  
OR VACATE YOUR DEFAULT, THIS COURT WILL ENTER AN  
ORDER RECOMMENDING YOUR DISBARMENT WITHOUT

1                   **FURTHER HEARING OR PROCEEDING. SEE RULE 5.80 ET SEQ.,**  
2                   **RULES OF PROCEDURE OF THE STATE BAR OF CALIFORNIA.**

3                   The State Bar of California alleges:

4                                   JURISDICTION

5                               1. Roni Deutch ("Respondent") was admitted to the practice of law in the State  
6 of California on June 6, 1991 was a member at all times pertinent to these charges, and is  
7 currently a member of the State Bar of California.

8                                   COUNT ONE

9   Case No. 11-O-12999  
10    Business and Professions Code, section 6103  
  [Failure to Obey a Court Order]

11                               2. Respondent wilfully violated Business and Professions Code, section 6103,  
12 by wilfully disobeying or violating an order of the court requiring her to do or forbear an act  
13 connected with or in the course of Respondent's profession which she ought in good faith to do  
14 or forbear, as follows:

15                               3. On or about August 23, 2010 the Attorney General of the State of California  
16 (hereinafter, "the Attorney General") filed a 27 page complaint against respondent, *People v.*  
17 *Roni Deutch*, case no. 34-2010-00085933, in the Superior Court, County of Sacramento,  
18 seeking civil penalties, permanent injunction, and equitable relief pursuant to Business and  
19 Professions Code, §17500, et al., alleging that respondent violated the law by advertising untrue  
20 or misleading statements (Business and Professions Code, §17535); and is committing unfair  
21 competition (Business and Professions Code, §17203). In the complaint, the Attorney General  
22 is seeking disgorgement of \$33,945,000 (Business and Professions Code, §17203) and civil  
23 penalties of \$2,500 for each violation (Business and Professions Code, §17206).

24                               4. On or about August 31, 2010, the Court issued an Order to Show Cause  
25 (hereinafter, "OSC") re Preliminary Injunction against the respondent, specifically ordering  
26 respondent to "take reasonable steps to preserve every document in [her] possession, custody or  
27 control, containing information that is relevant to, or may reasonably lead to the discovery of  
28

1 information relevant to, the subject matter involved in the pending litigation...Preservation  
2 includes taking reasonable steps to prevent the ...shredding ...of such material.”

3 5. The Court’s August 31, 2010 OSC Order is final and in full force and  
4 effect.

5 6. A true and correct copy of the August 31, 2010 OSC Order was served on  
6 respondent’s counsel in the Attorney General’s proceedings on or about August 31, 2010. At  
7 all times thereafter respondent was aware of the Court’s OSC order of August 31, 2010.

8 7. Shortly after the Court issued its August 31, 2010 OSC, on or about  
9 September 1, 2010, respondent had American Mobile Shredding, Inc. place eight executive  
10 consoles in various locations throughout respondent’s law firm. Each console can hold up to  
11 thirty gallons, or approximately 100 pounds, of paper.

12 8. Between on or about September 1, 2010 until on or about March 24, 2011,  
13 American Mobile Shredding visited respondent’s law office on a weekly basis to remove paper  
14 out of the eight consoles. Respondent, or her employees on her behalf, filled each console  
15 anywhere from one-half full to full prior to pick up (50-100 pounds of paper).

16 9. Respondent also had American Mobile Shredding purge large amounts of  
17 documents from respondent’s firm’s storage facility. American Mobile Shredding purged 1,962  
18 pounds of paper from respondent’s storage facility on or about September 1, 2010; and purged  
19 3,824 pounds of paper from respondent’s storage facility on or about January 27, 2011.  
20 American Mobile, at respondent’s direction, thereafter shredded the purged material obtained  
21 from the storage facility.

22 10. Between September 1, 2010, and on or about March 24, 2010, American  
23 Mobile Shredding shredded approximately 1,643,600 to 2,708,600 pages of paper, or from  
24 16,436 to 27,086 pounds of paper, from respondent.

25 11. Respondent’s office shredding policy directs staff to shred client’s names,  
26 client’s addresses, telephone numbers, social security numbers, financial information and  
27 banking information.  
28

12. Some, if not all, of the documents respondent shredded were shredded in violation of the Court's August 31, 2010 OSC Order.

13. On or about April 19, 2011, the AG filed an Ex Parte Application for OSC Re Contempt against respondent for several actions, including her violation of the Court's August 31, 2010 OSC Order.

14. On or about April 20, 2011, in response to the hearing on the Ex-Parte OSC, the Court froze respondent's assets and appointed a receiver until the hearing on the Order to Show Cause. This hearing is currently scheduled for July, 2011.

15. By violating the August 31, 2010 OSC order, by shredding documents containing information that is relevant to, or may reasonably lead to the discovery of information relevant to, the subject matter involved in the pending Attorney General litigation, respondent wilfully disobeyed and violated an order of the court requiring her to do or forbear an act connected with or in the course of respondent's profession which she ought in good faith to do or forbear, in willful violation of Business and Professions Code, Section 6103.

COUNT TWO

Case No. 11-O-12999  
Business and Professions Code, section 6103  
[Failure to Obey a Court Order]

16. Respondent wilfully violated Business and Professions Code, section 6103, by wilfully disobeying or violating an order of the court requiring her to do or forbear an act connected with or in the course of respondent's profession which she ought in good faith to do or forbear, as follows:

17. The allegations of Count One are hereby incorporated by reference.

18. On or about November 17, 2010, the Court issued a Preliminary Injunction (hereinafter, “Order”) in the Attorney General action. The Order prohibited respondent from failing to refund all unearned fees to clients, even if a client has not requested a refund, within

1 60 days of either (1) the date the client terminated the respondent's<sup>1</sup> representation or (2) the  
2 date the respondent resigned from the client's representation.

3 19. The Court clerk served respondent's counsel in the Attorney General action  
4 with a true and correct copy of the Court's Order on the preliminary injunction on or about  
5 November 17, 2010. Respondent was aware of the Court's November 17, 2010 Order.

6 20. On or about December 2, 2010, the Court issued a final order on the  
7 preliminary injunction. The Court's December 2, 2010 Order is final and in full force and effect.

8 21. The Attorney General served a true and correct copy of the December 2,  
9 2010 Order on respondent's counsel in the Attorney General action. At all times thereafter  
10 respondent was aware of the Court's December 2, 2010 Order.

11 22. Respondent failed to abide by the Court's November 17, 2010/December 2,  
12 2010 Order, by failing to refund over \$400,000 in refunds within sixty days.

13 23. On or about April 5, 2011, respondent (through counsel) wrote to the  
14 Attorney General and admitted she had 423 outstanding refund requests totaling \$442,309.79.  
15 Of those requests, \$114,997 in outstanding refund requests were 120 days old; \$151,883 in  
16 outstanding refund requests were 90 days old; and \$168,448 in refund requests were sixty days  
17 old.

18 24. The outstanding refund requests were valid and a large portion, if not all, of  
19 the refund requests were due and payable by respondent.

20 25. Respondent had the ability to refund a large portion, if not all, of the refund  
21 requests. In the first ten weeks after the Court issued its Preliminary Injunction on November  
22 17, 2010, respondent withdrew over \$66,000 in cash from her personal account, authorized  
23 almost \$55,000 in cash withdrawals from her law firm's accounts, and took \$120,000 in draws  
24 from the law firm's account. In this same period, respondent gave friends, family, and a  
25 NASCAR team payments totaling \$21,000.

26  
27  
28 <sup>1</sup> In the AG pleadings, the respondent is identified as the "defendant".

1           26. By failing to refund the clients within sixty days as ordered by the Court on  
2 December 2, 2010, respondent wilfully disobeyed or violated an order of the court requiring her  
3 to do or forbear an act connected with or in the course of Respondent's profession which she  
4 ought in good faith to do or forbear, in willful violation of Business and Professions Code,  
5 section 6103.

6  
7                                   COUNT THREE

8                                   Case No. 11-O-12999  
9                                   Business and Professions Code, section 6106  
                                  [Moral Turpitude]

10           27. Respondent wilfully violated Business and Professions Code, section 6106,  
11 by committing an act involving moral turpitude, dishonesty or corruption, as follows:

12           28. The allegations of Counts One and Two are hereby incorporated by  
13 reference.

14           29. Respondent shredded documents in order to evade the ongoing discovery in  
15 an action brought against her by the Attorney General.

16           30. In the first ten weeks after the Court issued its Preliminary Injunction on  
17 November 17, 2010, respondent withdrew over \$66,000 in cash from per personal account,  
18 authorized almost \$55,000 in cash withdrawals from her law firm's accounts, and took  
19 \$120,000 in draws from the law firm's account. In this same period, respondent gave friends,  
20 family, and a NASCAR team payments totaling \$21,000.

21           31. On or about April 5, 2011, respondent had over \$400,000 in outstanding  
22 refund requests.

23           32. On or about April 11, 2011, respondent moved the Court to amend the  
24 Preliminary Injunction Order based upon her claim of financial hardship.

25           33. Respondent diverted monies from her law firm and paid family and friends  
26 and shortly thereafter sought relief from the Preliminary Injunction Order based upon her claim  
27 of financial hardship.

1           34. By shredding documents in violation of the Court's August 31, 2010 Order,  
2 and thereby seeking to circumvent the discovery in the AG action; and by failing to refund  
3 clients in excess of \$400,000 in over sixty days, yet diverting a large portion of the firm  
4 resources to herself, and thereafter claiming financial hardship to the Court, respondent  
5 committed acts of moral turpitude, dishonesty and corruption, in willful violation of Business  
6 and Professions Code, section 6106.

7  
8                                   COUNT FOUR

9                                   Case No. 11-O-12999  
10                                  Rules of Professional Conduct, rule 3-700(D)(2)  
                                    [Failure to Refund Unearned Fees]

11           35. Respondent wilfully violated Rules of Professional Conduct, rule 3-  
12 700(D)(2), by failing to refund promptly any part of a fee paid in advance that has not been  
13 earned, as follows:

14           36. The allegations of Counts One through Three are hereby incorporated by  
15 reference.

16           37. By failing to refund over \$400,000 in client refunds in over sixty days,  
17 respondent failed to refund promptly any part of a fee paid in advance that has not been earned,  
18 in willful violation of Rules of Professional Conduct, rule 3-700(D)(2).

19  
20                                   COUNT FIVE

21                                  Case nos. 11-O-12999  
22                                  Business and Professions Code, section 6106  
                                    [Moral Turpitude]

23           38. Respondent willfully violated Business and Professions Code, section 6106,  
24 by committing acts involving moral turpitude, dishonesty or corruption, amounting to a scheme  
25 to defraud, as follows:

26           39. At all times pertinent to this complaint, respondent had a nationwide tax  
27 business, based on television, radio, and internet advertising. Respondent offered her services as  
28 an attorney at law.

1           40. Respondent offered to negotiate, on behalf of the client, one of three ways to  
2 resolve the client's tax liabilities with the IRS: (1) a CNC, (currently not collectible status), in  
3 which the IRS agrees to cease collection efforts against the client until the client's financial  
4 circumstances change; (2) an IA, (installment agreement) wherein the IRS forgoes collection  
5 actions in return for stipulated installment payments; and; (3) an OIC (offer in compromise)  
6 wherein the client makes one lump sum payment, usually at a greatly reduced amount, which  
7 resolves all back taxes.

8           41. Respondent's charge for her legal services generally ranged from \$1,600 to  
9 \$4,700.

10           42. For the year 2009, approximately 12,787 clients hired respondent, including  
11 3,339 clients that retained respondent to obtain an IAs; 3,866 clients that retained respondent to  
12 obtain an OIC; 5,003 clients that retained respondent to obtain a CNC status, and 188 clients that  
13 hired respondent for some other service.<sup>2</sup> Respondent had approximately 9,599 new clients in  
14 2008 and 6,283 new clients in 2007.

15           43. When a prospective client called in response to respondent's advertisements,  
16 respondent arranged for the call to be received by a call center, which forwarded the messages to  
17 respondent.

18           44. A sales agent employed by respondent returned the initial phone call from the  
19 prospective client.<sup>3</sup> The sales agent conducted a brief interview of the client, and filled out a one  
20 page worksheet on the client's financial circumstances. Respondent did not require the  
21 salesperson to obtain verification (such as a review of the client's paystubs or tax records) of the  
22 client's financial information for the one page worksheet.

23  
24  
25  
26 <sup>2</sup> These figures are taken from responses to Interrogatories numbers 164,172, 180 and 188 as attached to the  
27 Declaration of Conor P. Moore in the *People v. the State of California v. Roni Deutch*, case no. 34-2010-00085933,  
Paradoxically, respondent reported only 5,897 clients for 2009, (interrogatory 35) which is 6, 311 less than the  
number obtained by adding each CNC, OIC, or IA client for 2009.

28 <sup>3</sup> Respondent call's these salespersons "Client Intake Directors" or "Client Intake Representatives"



1           45. After completing the worksheet,<sup>4</sup> the sales agent advised the prospective  
2 client that, based upon the financial information the prospective client provided, the prospective  
3 client was "eligible" for one of respondent's legal services, a legal services contract for a CNC,  
4 OIC, or IA. The salesperson then encouraged the client to "elect" one of the services, based upon  
5 their "eligibility." By indicating that the client was eligible for one of respondent's legal services  
6 for a CNC, OIC, or IA, the salesperson deliberately gave the client the impression that the client  
7 was more likely to prevail with the IRS for a CNC, OIC, or IA.

8           46. Respondent cannot assure that the client is eligible for a CNC, OIC, or IA. It  
9 is only the IRS, not respondent, that can compromise a tax payer's tax liability and accept an  
10 OIC, CNC, or IA on behalf of a tax payer.

11           47. Respondent's sales pitch regarding the client's "eligibility" for a legal  
12 services contract with respondent for a CNC, OIC, or IA was a misleading sales technique  
13 designed to encourage the prospective client to utilize respondent's services. Respondent knew  
14 or should have known that her representations, made through her sales agents, regarding the  
15 client's likelihood of prevailing with an OIC, CNC, or IA, were inaccurate, because she had  
16 insufficient information from which to make an assessment of the prospective client's likelihood  
17 of prevailing with an OIC, CNC, or IA.

18           48. After the client hired respondent, respondent sent the client a 46 page  
19 questionnaire and required the client to provide written documentation and evidentiary support  
20 for all financial information presented in the questionnaire. It is only after receiving this  
21 subsequent information from the client that respondent rendered her legal opinion as to whether  
22 the client would likely prevail with a CNC, OIC, or IA with the IRS.

23           49. Respondent's system of payment to her sales agents, amounted to fee  
24 splitting and encouraged the sales agents to make a sale regardless of accuracy.  
25  
26

27  
28 <sup>4</sup> An Intake Attorney generally approved the sales agent's worksheet. The Intake Attorney did not speak directly to the client to verify or review the information in the worksheet.

1           50. After the sales agent obtained the prospective client's commitment to a legal  
2 services contract, the sales agent referred the call to a closer, who closed the sale by obtaining  
3 the prospective client's credit card information.<sup>5</sup>

4           51. Regardless of the prospective client's election of CNC, OIC, or IA "services"  
5 respondent's fee agreement specified that the client paid a \$300 an hour default rate for  
6 respondent's services, regardless of outcome. The language for the default rate in respondent's  
7 fee agreement for each client stated as follows:

8                   Client understands that if client cancels Attorney's services, Attorney shall  
9 bill at the rate of \$300 per hour for services rendered. Additionally, Client  
10 understands that if Attorney resigns, Attorney shall bill at the rate of \$300 per hour  
for services rendered.

11           52. Respondent retained her "default" fees regardless of the client's "eligibility"  
12 for any of her legal services, whether or not they in fact obtain an OIC, CNC, or IA, and whether  
13 or not respondent makes a presentation, or submission, to the IRS on behalf of the client.

14           53. Respondent terminated her services to a large number of clients, as follows:  
15 (1) In 2009, respondent terminated her representation of 3,403 clients; (2) in 2008, respondent  
16 terminated her representation of 3,628 clients; (3) in 2007, respondent terminated 2,667 clients.

17           54. Many clients also terminated respondent's services, as follows: (1) In 2009,  
18 3,157 clients terminated respondent's services; (2) in 2008, 2,436 clients terminated respondent's  
19 services; (3) in 2007, 1,573 clients terminated respondent's services.<sup>6</sup>

20           55. The total number of respondent's clients who terminated (either by  
21 respondent terminating the client, or the client terminating respondent) for 2007 through 2009 is  
22 as follows: (1) 2009: 6,560; (2) 2008: 6,064; (3) 2007: 4, 240.

23           56. The number of clients who terminated (either by the client or by the firm) in  
24 any given year, compared to the total number of clients, per year, who hire respondent for an  
25 OIC, CNC, or IA, generate the following approximate termination rates: (1) for 2009, 6,590  
26 clients terminated out of 12, 787, for a 51% termination rate; (2) for 2008, 6,064 terminated out

27 \_\_\_\_\_  
28 <sup>5</sup> This sales technique, of employing a sales person, and a closer, is used by many car dealerships.

<sup>6</sup> These statistics were taken from respondent's interrogatories 199 and 200.

1 of 9,599 for a 63% termination rate; (3) for 2007, 4,240 clients terminated out of 6,283, for a  
2 termination rate of 67%. <sup>7</sup>

3 57. A large number of respondent's clients requested refunds, as follows: (1) in  
4 2009, 2,151 clients requested a refund; (2) in 2008, 1,270 clients requested a refund; (3) in 2007,  
5 928 clients requested a refund.

6 58. A much larger number of clients terminated the firm than requested a refund:  
7 (1) In 2009, 3,157 clients terminated respondent's services, and 2,151 requested a refund,  
8 indicating that 68% of respondent's terminating clients requested a refund, or 17% of  
9 respondent's clients for that year; (2) In 2008, 2,436 clients terminated respondent's services,  
10 and 1,270 requested a refund, representing 52% of respondent's terminating clients requested a  
11 refund, or 13% of her clients for 2008; (3) in 2007, 1,573 clients terminated respondent's  
12 services, of which 928 requested a refund, representing 59% of respondent's terminating clients  
13 requested a refund, or 15% of her clients for that year.

14 59. Respondent did not accept verbal requests for a refund, but required the  
15 client to notify her in writing.

16 60. With termination rates ranging from 51% to 67% of respondent's total  
17 clients, and with refund requests ranging from 52% to 68% of the total client terminations (which  
18 are only roughly half of the total terminations) respondent kept a significant amount of client  
19 funds pursuant to her default rates.

20 61. When a client defaulted, and requested a refund, respondent provided the  
21 client with a default accounting statement in which she indicated the tasks performed on behalf  
22 of the client. Each task purportedly correlated to a specified allotment of time which respondent  
23 indicated was expended to complete the task.

24 62. Respondent's default accounting statements were inaccurate because  
25 respondent (with an exception, for the time recorded for telephone calls) did not document or  
26 record the actual time expended for any task identified on an individual client accounting in a  
27

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28 <sup>7</sup> These statistics were also taken from respondent's interrogatories.

1 refund client matter. Respondent selected an assigned time amount for each task identified on her  
2 default accounting rate, without any actual knowledge as to the time spent on any individual  
3 client matter.

4 63. Respondent did not identify, on any of the default accounting statements,  
5 which employee performed which task on the client's behalf, between time spent by an attorney,  
6 paralegal or clerical staff member, nor did respondent provide the name or initials of the  
7 employee who performed the task.

8 64. Respondent called this method of accounting "value billing".

9 65. Respondent did not advise any of her default clients that she was using a  
10 "value billing" method. Respondent told the clients she was charging \$300 an hour.

11 66. Many of respondent's tasks, identified on her default accounting statements,  
12 involved repeated requests to the client for financial information. While respondent generally  
13 attributed .35 hour (\$105) to these tasks, a more accurate time would be five to ten minutes  
14 (\$50). By increasing her time allotment by as much as fifty percent, respondent padded her  
15 default accounting/billing.

16 67. Many of respondent's tasks involved mailing standardized form letters to the  
17 client, advising them of issues of general interest related to the IRS process, which may or may  
18 not be applicable to that individual client's situation. Respondent attributed .35 hour (\$105) to  
19 these tasks. A more accurate time would be one to four minutes (\$5-20). By increasing her time  
20 allotment by as much as eighty percent, respondent padded her default accounting/ billing.

21 68. By enticing clients with representations that they would be eligible for her  
22 services for a CNC, OIC, or IA, when respondent knew or should have known the information  
23 she obtained from the client was insufficient to make an accurate assessment of the client's  
24 likelihood of prevailing with a CNC, OIC, or IA; by splitting fees with her sales agents; by  
25 committing to a fee contract with a \$300 per hour default rate; and by thereafter failing to  
26 document or record hours spent on the client's matter, but nonetheless presenting the client with  
27 an accounting with falsified hourly time allotments indicated as a basis for justifying the  
28

1 retention of her fees in default matters, respondent committed acts involving moral turpitude,  
2 dishonesty or corruption, amounting to a scheme to defraud her clients, in willful violation of  
3 Business and Professions Code, section 6106.

4  
5 COUNT SIX

6 Case No. 10-O-05574  
7 Rules of Professional Conduct, Rule 1-400(D)(1) & (2)  
8 [False Advertising]

9 69. Respondent willfully violated Rules of Professional Conduct, rule 1- 400(D),  
10 by communicating an offer for professional employment which contained matter which was  
11 false, deceptive, and which tended to confuse, deceive, or mislead the public as follows:

12 70. The allegations of Count One through Five are hereby incorporated  
13 by reference.

14 71. In or about October 19, 2009, through in or about April 1, 2010, respondent  
15 ran advertisements on the television and radio, in 56 markets throughout the country, identified  
16 as 'It's Your Turn' <sup>8</sup>, a sixty second spot including brief testimonials from four former clients.  
17 The client testimonials in the full length ad, which did not identify the client by name, state the  
18 following:

- 19 i) Testimonial 1: "Roni bailed me out, she saved me \$12,000."  
20 ii) Testimonial 2: "Roni saved me nearly \$40,000":  
21 iii) Testimonial 3: "Roni really bailed me out. Roni saved me \$35,000."  
22 iv) Testimonial 4: "Roni saved me \$150,000. Call her folks!"

23 72. The four testimonials in the "It's Your Turn" advertisement were false and  
24 misleading for the following reasons:  
25

26 <sup>8</sup> There were several additional, ten second spot variations of this advertisement, including "Tax Bailout A"; "Tax  
27 Bailout B"; "Why Not You"; "Why Not You DXD"; and "It's Your Turn DXD". Each of these advertisements  
28 included portions of the same material in the "It's Your Turn" sixty second advertisement, and, to the extent they  
incorporate portions of the misleading information from the "Its Your Turn" advertisement, they are misleading as  
well.

1           i)       As to Testimonial 1, respondent obtained a "Currently Not  
2 Collectible" (hereinafter, "CNC") status with the IRS, for a client who owed  
3 \$13,051.29. This client still owes this money to the IRS, and has obtained only a  
4 temporary abatement of collection efforts. The IRS is at liberty to collect until the  
5 statute of limitations expires on the debt. Interest and penalties from the IRS  
6 continue to accrue on the debt even if it is in CNC status. If the client's financial  
7 circumstances change, the IRS could and would proceed with debt collection.  
8 Respondent did not "save" this client money, she negotiated an abatement of  
9 collection activity that the IRS could resume in the event the client's financial  
10 circumstances changed.

11           ii)       As to Testimonial 2, respondent obtained a CNC status with the  
12 IRS for a client who owed \$42,981.86. This client still owes this money to the  
13 IRS, and has obtained only a temporary abatement of collection efforts. The IRS  
14 is at liberty to collect until the statute of limitations expires on the debt. Interest  
15 and penalties from the IRS continue to accrue on the debt even if it is in CNC  
16 status. If the client's financial circumstances change, the IRS could and would  
17 proceed with debt collection. Respondent did not "save" this client money, she  
18 negotiated an abatement of collection activity that the IRS could resume in the  
19 event the client's financial circumstances changed.

20           iii)       As to Testimonial 3, respondent obtained a CNC status with the  
21 IRS for a client who owed \$37,595.44. This client still owes this money to the  
22 IRS, and has obtained only a temporary abatement of collection efforts. The IRS  
23 is at liberty to collect until the statute of limitations expires on the debt. Interest  
24 and penalties from the IRS continue to accrue on the debt even if it is in CNC  
25 status. If the client's financial circumstances changed, the IRS could and would  
26 proceed with debt collection. Respondent did not "save" this client money, she  
27  
28

1 negotiated an abatement of collection activity that the IRS could resume in the  
2 event the client's financial circumstances change.

3 iv) As to Testimonial 4, respondent obtained an Offer in Compromise  
4 (hereinafter, "OIC") for a client, who negotiated a payment of \$859.00 to satisfy  
5 in full an IRS debt of \$105,254.43. This client saved \$104,395.43. This amount  
6 falls short of the \$150,000 in savings that was stated in the testimonial.

7 v) As to all of the testimonials, the clients indicated that "Roni"  
8 (respondent) obtained the results. In fact, respondent employed 120 employees  
9 and very few, if any, of respondent's clients spoke to respondent directly. Each  
10 advertisement implies that "Roni" worked on their cases or that all potential  
11 clients can call and speak to respondent directly. In fact, when they call, potential  
12 clients speak to non-attorney sales agents.

13 73. By advertising that she had saved clients money, when in fact they still owed  
14 these sums and were still accruing interest and penalties; and by advertising that she had saved a  
15 client \$150,000 when the amount was \$104,000; and by advertising that she works on the cases  
16 herself, and is easily accessible by a phone call, when in fact respondent's sales agents respond  
17 to the initial phone calls, and respondent's staff handles the majority of the work and interaction  
18 with the clients, respondent communicated an offer for professional employment containing  
19 matter which was false, deceptive, and which tended to confuse, deceive, or mislead the public,  
20 in willful violation of Rules of Professional Conduct, rule 1-400(1)&(2).

21  
22  
23 COUNT SEVEN

24 Case nos.

25 09-O-14286; 08-O-10254; 09-O-16655;  
26 09-O-15951; 09-O-12408; 09-O-11945;  
27 09-O-12344; 08-O-11372; 09-O-11248;  
28 08-O-10964; 10-O-00331

Rules of Professional Conduct, rule 3-110(A)  
[Failure to Perform with Competence]

1                   74. Respondent willfully violated Rules of Professional Conduct, rule 3-110(A),  
2 by intentionally, recklessly, and repeatedly failing to perform legal services with competence, as  
3 follows:

4                   75. The allegations of Counts One through Six are hereby incorporated by  
5 reference.

6                   76. In the following cases, respondent's sales agent (hereinafter, "SA") gave the  
7 client inaccurate information on behalf of respondent, as follows:

Case Number	Client Name	Inaccurate Information
09-O-14286	Galazin	On or about 4/3/09 <sup>9</sup> SA told client not to send \$200 monthly payments to the IRS on the current IA; SA guaranteed to client that he could get client on CNC status. <sup>10</sup>
08-O-10254	Bainer	In 9/07 SA told client to stop making monthly payments to IRS on the current IA; SA also told client that respondent could obtain a 60% reduction in client's tax liability and that the client would only have to pay \$200 a month <sup>11</sup>
09-O-16655	Sanders	On or about 2/13/09 SA told client that there was no hurry for respondent to complete the back tax filings for 2006, 2007 and 2008. <sup>12</sup>
09-O-15951	Seals	In 2/08, SA told client that client's back taxes would be reduced.
09-O-12408	Millman	In 1/08 SA told client that the IRS rarely rejects an OIC. <sup>13</sup>
09-O-11945	Acevedo	On or about 11/8/06, SA told client that his tax liability would be reduced to pennies on the dollar; that respondent would be able to eliminate all interest and penalties and respondent would not allow the IRS to place a lien on client's assets.

24 <sup>9</sup> All dates in all charts are "on or about". Due to space constraints, the "on or about" is designated herein in this footnote.

25 <sup>10</sup> The IRS is unlikely to accept a CNC if the client is on a current IA; the IRS will likely go forward with collection action when a client fails to make payment under an IA.

26 <sup>11</sup> Client was already on an IA for \$600 a month and told this to the SA

27 <sup>12</sup> The IRS will not negotiate any tax resolution unless the client has filed all tax returns.

28 <sup>13</sup> Respondent reports a 29% success rate for OICs submitted in 2008; a 43% success rate for OICs submitted in 2006 and a 38% success rate for OICs submitted in 2007. (interrogatory 1650 and supplemental interrogatory 201). This amounts to a success rate far less than 90%.



09-O-12344	Beavers	On or about 9/18/07 SA told client to stop paying \$550 current IA because respondent would be able to reduce his taxes and reduce his monthly payments. <sup>14</sup>
08-O-11372	Porras	On or about 11/07 SA told client that R would be able to settle her \$20K debt for \$100-\$600.
09-O-11248	Pegram	In 5/07, SA told Client he was "eligible" for CNC. In fact, the client had not yet filed 2006 tax returns and was ineligible on that basis.
08-O-10964	Thomas	In 3/07 SA told Client that R would reduce Client's penalties and interest so that he could focus on paying the principal debt with the IRS.
10-O-00331	Garcia	In 6/08 SA told client that R would reduce the amount of taxes the client owed, and would be able to cut her debt in half.

77. On or about December 28, 2009, Ilene Stein (hereinafter, "Stein") a program analyst for the Office of the Attorney General, placed an "undercover" phone call to respondent's law offices. Stein posed as a potential client and sought information regarding respondent's services. In response, Stein received a return call on or about December 31, 2009 from one of respondent's sales agents, Shaun Starbuck (hereinafter, "Starbuck"). Stein spoke to Starbuck again on or about June 11, 2011. Starbuck told Stein that respondent had a 98% success rate in obtaining OICs for clients. Starbuck also indicated to Stein that she could stop paying her IA because respondent would have an OIC filed for her by February 1, 2010.

78. On or about January 25, 2010, Stein made another "undercover" phone call to respondent. In response, she received a return call on January 26, 2010. Stein again posed as a potential client and sought information regarding respondent's services. Stein spoke to one of respondent's sales agents, Evan Bateman (hereinafter, "Bateman"). Bateman told Stein that respondent could settle her \$33,000 of outstanding tax debt for \$2,000 or less.

79. On or about January 28, 2010, Stein made another "undercover" phone call to the respondent. In response, she received a return call on January 29, 2010. Stein again posed as a potential client and sought information regarding respondent's services. Stein spoke to

<sup>14</sup> The IRS will start collection action if no IA payment is received. Eventually the IRS garnished this client's wages and R advised the client to accept an IA for \$1,000 a month when she had previously been paying \$550 a month.

one of respondent's sales agents, Steven Cotton (hereinafter, "Cotton"). Cotton told Stein that respondent would structure her tax solution so that her payments would go to principal instead of interest and penalties. Cotton told Stein that she "would not have any payment at all" to the IRS. Cotton told Stein that respondent had a 95% success rate. Cotton told Stein that her anticipated inheritance of \$10,000 would not impact her tax solution because respondent would have it resolved prior to her receiving her inheritance (Stein said she was going to receive it in two to three months time).

80. On or about January 28, 2010, Stein made another "undercover" phone call to the respondent. She called again on or about February 10, 2010. Stein again posed as a potential client and sought information regarding respondent's services. Stein spoke to one of respondent's sales agents, Brandon Funk (hereinafter, "Funk"). Funk told Stein that it would take fifteen minutes to walk her through a financial analysis. Funk told Stein that if she could not continue to make her monthly payments to the IRS, that respondent would step in and prove that she could not make the payments.

81. The sales agents' statements to Stein were misrepresentations.

82. Respondent's system of payment to the sales agents encouraged sales agents to make false statements to the clients in order to complete the "sales" of obtaining the client's commitment to a legal services contract with respondent.

83. By failing to assure that her employee sales agents made accurate and complete statements on her behalf, respondent failed to supervise her staff, and thereby intentionally, recklessly, or repeatedly failed to perform legal services with competence, in willful violation of Rules of Professional Conduct, rule 3-110(A).

COUNT EIGHT

Case Nos.  
09-0-15405; 08-O-11372; 07-O-14240;  
09-O-11945;  
Rules of Professional Conduct, rule 3-110(A)  
[Failure to Perform with Competence]

84. Respondent willfully violated Rules of Professional Conduct, rule 3-110(A), by intentionally, recklessly, or repeatedly failing to perform legal services with competence, as follows:

85. The allegations of Counts One through Seven are hereby incorporated by reference.

86. In the following cases, respondent's sales agents failed to ascertain crucial information during their interview of the prospective clients, resulting in respondent providing the client with an inaccurate opinion of the client's likelihood of prevailing with the IRS with a CNC, OIC, or IA:

Case	Client	Service hired	Issue
09-O-15405	Brown	CNC	On or about 3/28/08 Client reported receiving \$200 a month from a member of her household. SA failed to get clarification on this contribution or change the allowable deductions accordingly. SA used \$2053 as an allowable expense when the correct number was \$542. Client ultimately found ineligible for CNC based on this information.
08-O-11372	Porras	OIC	On or about 11/07, Client told SA that she had \$500 left over every month. SA did not accurately indicate this in his worksheet. The money left over (net gain) rendered the client ineligible for an OIC.
07-O-14240	Rubenstein	OIC	On or about 2/6/08, Client reported to SA that she had a 401K but that it had been borrowed against. Regardless of the status of the 401K, IRS considers full sum of 401K to be an asset. This asset rendered client ineligible for OIC. SA told client she was 'eligible' for OIC. Client would not have hired firm had he known that he in fact was not eligible. SA did not appropriately credit 401K information on the worksheet as an asset.
09-O-11945	Acevedo	CNC	On or about 11/8/06, SA advised client that he was eligible for a CNC. However, he had outstanding back tax returns which were not filed, and this rendered him ineligible for an OIC. He was not informed of this at the outset.

87. By failing to assure that her sales agents accurately represented to the clients their likelihood of prevailing with an IA, CNC, or OIC with the IRS, respondent intentionally,

1 recklessly, or repeatedly failed to perform legal services with competence, in willful violation of  
2 Rules of Professional Conduct, rule 3-110(A).

3  
4 COUNT NINE

5 Case Nos.

6 07-O-14240; 08-O-11595; 08-O-10965;

7 07-O-14942; 08-O-14361; 09-O-15405;

8 09-O-10705; 08-O-12349; 09-O-11945;

9 09-O-12344; 07-O-14931

10 Rules of Professional Conduct, rule 3-110(A)

11 [Failure to Perform with Competence]

12  
13 88. Respondent willfully violated Rules of Professional Conduct, rule 3-110(A),  
14 by intentionally, recklessly, or repeatedly failing to perform legal services with competence, as  
15 follows:

16 89. The allegations of Counts One through Eight are hereby incorporated by  
17 reference.

18 90. Respondent's stated goal is to obtain tax relief for her clients within six  
19 months of their retention of her firm for legal services.

20 91. The IRS generally considers information that is more than 90 days old, as  
21 outdated. Therefore, if respondent collects financial information from her client, but there is a  
22 delay of more than ninety days, respondent must re-collect updated information from the client,  
23 or the information is "stale" and cannot be used. Therefore, even thirty days of delay can have a  
24 significant impact on the case, as one or more of these delays can impel the client into a cyclical  
25 round of repeated requests for information.

26 In the following cases, delay on the part of respondent amounted to failure to  
27 perform:

Case	Client/Hire date	Service	Delay
07-O-14240	Rubenstein	OIC	On 2/15/06 R sent client letter "we want to protect you against IRS collection action so you can have peace of mind." On 2/17/06 R sent client letter stating that client should notify her if they receive an IRS collection notice and that the firm would contact the IRS and request a hold. Client sent R information she had received from the IRS about enforcement action 8/1/06. The IRS notice requested a response within ten days to avoid enforcement action. R did not respond to the IRS notice on behalf of client, and did not request a collection hold. Thereafter, on or about 9/6/09, IRS placed a lien on client's property. On 2/10/06 R requested information from CW. CW provided the info on 2/6/06. R asked for additional info of CW on 3/2/06. CW provided all material requested by 4/18/06. Thereafter, respondent failed to take any substantive action on CW's case until 6/20/06, a delay of over one month.
08-O-11595	Waddell	IA	R received client's tax transcripts in 6/06 but delayed review until 8/31/06, a delay of two months, and then took until 11/06, an additional three months, before asking client for updated pay stubs. Client financial circumstances changed and client notified R in 12/07 and sent follow up information in 3/07 with confirming phone call. R claims not to have received information and terminated Client in 6/07. Client sent more information 7/07. Firm took no action. Client requested reinstatement 11/07. Respondent did not respond until 1/31/ 08, a delay of two months.
08-O-10964	Thomas	IA	Client sent respondent a copy of IRS notice of intent to levy in 6/07 and also agreed to terms of IA in 6/07. R requested follow up information. Client sent it in 8/07. R took no further action on behalf of client until 10/07, a delay of two months. Client's wages were garnished in 10/07.

07-O-14942	Reid	IA	Client sent R information in 4/07, which the firm received on 4/19/07. R requested additional information six weeks later, on 6/11/07, and again on 6/26/07. The IRS sent a notice of intent to levy to R on 6/27/07. R requested a collection hold. Client sent the follow up information to R on 7/20/07. On or about 8/20/07 an IRS agent spoke to R and requested additional financial information by 9/7/07. IRS sent a second notice of intent to levy on or about 9/24/07. R did not re contact Client until 9/27/07, after the IRS deadline of 9/7/07 and two months after the client last sent information in 7/07. The IRS sent a second notice of intent to levy on 11/26/07. R delayed from 7/20/07 to 9/27/07, a period of two months.
08-O-14361	Garcia	OIC	Client provided all paperwork requested by 4/08. Respondent did not take action thereafter until 9/08, a delay of seven months.
09-O-15405	Brown	CNC	Client provided information on 4/21/08. Respondent did not respond with request for supplemental information until 6/6/08, a delay of six weeks. Client sent additional information on 6/20/08. R did not analyze information until 8/16/08, a delay of seven weeks.
09-O-10705	Wallace	CNC	Client sent information packet back on 6/9/08. R did not contact the IRS on the client's behalf until 8/5/08, a two month delay.
08-O-12349	Broadhag	OIC	R took four months to request Clients tax transcripts-Client advised R of new corporation 12/20/06, R requested corporation tax transcripts from IRS in 5/07, a delay of four months. This request was rejected by the IRS in 9/07 due to errors in the request.
09-O-011945	Acevedo	CNC	Client sent material requested 12/10/07. R confirmed receipt of client information 1/11/07. R did not review the information until 5/2/07, a delay of five months, and then requested that the client return the information by way of overnight delivery.

09-O-12344	Beavers	IA	Client verbally agreed to IA recommended by respondent on 3/18/08. R did not take any action to submit IA in the six months following receipt of this information. The next action occurred on 9/5/08 when the Client then reported a change in his financial information. On 10/20/08, client approved respondent's revised IA proposal. R did not seek to negotiate the IA with the IRS until 12/10/08, an additional two month delay. The IRS levied against Client on 12/3/08.
07-O-14931	SBI (Churchwell)	OIC	Client hired R in 4/05 and provided documents in 5/05, client provided additional follow up documents in 7/05. R received the documents 7/22/05. R did not take further action on case until 5/06, a five and a half month delay.

92. By failing to provide timely legal services in the aforementioned matters, respondent willfully, recklessly, and repeatedly failed to perform with competence, in violation of Rules of Professional Conduct, rule 3-110(A).

#### COUNT TEN

##### Case Nos.

07-O-11668; 08-O-11595; 08-O-10964;  
08-O-14361; 08-O-12349; 09-O-14286;  
08-O-10245; 09-O-15406; 09-O-10705;  
09-O-16655; 09-O-15951; 09-O-11945;  
09-O-15128; 09-O-15407; 09-O-12344;  
09-O-12408; 08-O-14905; 08-O-11372;  
07-O-14942; 07-O-14240; 09-O-16806;  
09-O-11248; 08-O-12344; 08-O-13266;  
08-O-12902

Rules of Professional Conduct, rule 4-100(B)(3)  
[Failure to Render Accounts of Client Funds]

93. Respondent willfully violated Rules of Professional Conduct, rule 4-100(B)(3), by failing to render appropriate accounts to a client regarding all funds coming into Respondent's possession, as follows:

94. The allegations of Counts One through Nine are hereby incorporated by reference.

1           95. Each of the following clients [ SEE TABLE] (hereinafter, "refund clients")  
2 employed respondent for legal services on or between January 1, 2007 and January 1, 2011.

3           96. Each refund client (with the exception of Baxter, Valdez-Flores Porras,  
4 Ehimika, and Sanders) signed a fee agreement for one of respondent's standard legal services,  
5 paid respondent her fee, and sent respondent a written request for a refund.

6           97. In response to each client, respondent sent the client a written accounting of  
7 her default fees.

8           98. In addition, on many occasions, respondent also sent the State Bar a default  
9 accounting of fees for the refund client.

10           99. A compilation of the case number, name of the client, date the fee agreement  
11 was signed, the section of the fee agreement (if applicable) that specifies the default rate, the date  
12 the client requested a refund, the date that the respondent sent the client (or a third party on  
13 behalf of the client) the default accounting, and the date respondent sent the default accounting to  
14 the State Bar is as follows:

15

16 Case no.	Client	Fee "A" signed	§	Date of request	Date accounting	Recipient of accounting	Date account - ing to bar
19 08-O-14361	Garcia	3/7/08 OIC	9.04	9/24/08 (phone); 11/12/08 written	1/8/09	client	3/19/09
22 07-O-14942	Reid	2/16/07 IA	9.04	11/6/07	12/26/07 <sup>15</sup>	client	7/14/08

23  
24  
25  
26  
27

28 <sup>15</sup> In the Reid case respondent made a full refund of fees 12/27/07.



1	07-O-11668	Baxter <sup>16</sup>	No. phone contact 8/11/05 CNC	N/A	5/16/2006 ; again on 3/6/07 thru counsel, Parker Stanbury	6/23/06; on 4/12/07 R stated they would refund; partial refund sent 5/10/07	Client	5/23/08
2								
3								
4								
5								
6	07-O-14240	Ruben- stein <sup>17</sup>	OIC 2/8/06	9.04	9/30/06; 10/18/06	11/17/06	Client	6/5/08 to Bar
7	09-O-15128	Simms <sup>18</sup>	IA 10/17/0 8	9.04	8/18/09	9/28/09	Better Business Bureau of North East California Obo Simms	2/4/10 <sup>19</sup>
8								
9								
10								
11	09-O-15407	Mapp	1/19/09 CNC	8.04	On or about 1/4/2010	1/26/10	Unknown or n/a	1/26/10
12								
13	09-O-11945	Acevedo <sup>20</sup>	11/08/0 6 CNC	9.04	10/22/08	12/8/08	Client	7/16/09
14								
15	09-O-16806	Valdez- Flores	11/7/08 CNC	No FA- \$300 an hour confir med in phone call	1/21/09	10/05/09	Better Business Bureau of NE Sacramento	2/24/10
16								
17								
18								
19	09-O-15951	Seals	2/6/08 IA	8.04 on K of 9/12/0 8; 9.04 on K of 2/6/08	11/17/08 and again 12/28/08	1/26/09	Better Business Bureau West Sacramento California	2/18/10
20								
21								
22								
23								

<sup>16</sup> Baxter never signed the fee agreement, or Power of Attorney for R to contact the IRS on her behalf, she never sent in any financial information. The firm charged her \$105 per letter for a series of standardized form letters.

<sup>17</sup> Respondent's accounting for this client charged client \$105 a letter for eight standardized form letters, respondent ultimately gave this client a full refund of \$3,250.00.

<sup>18</sup> This client never responded to R's request for additional information. R charged this respondent \$105 (.35) a letter for 16 letters to the client requesting follow up information.

<sup>19</sup> Respondent gave this client a full refund after State Bar investigation.

<sup>20</sup> The client also made a verbal request for refund on 11/3/08.

09-O-11248	Pegram	2/21/07 CNC	9.04	On or about 1/8/09	2/7/09	Client	7/14/09
08-O-12349	Broadhag	8/7/06 OIC	9.04	2/26/07	4/1/08 <sup>21</sup>	Client	
09-O-12344	Beavers	9/18/07	8.04	(by phone 2/26/09)	N/A	N/A	9/22/09
08-O-11372	Porras	11/6/07 OIC	None	3/2/2008 complaint letter	3/20/08	Arizona Attorney general's office	4/18/08
08-O-13226	Ehimika	9/2007 IA	N/A	10/18/07 and 2/20/08 and 3/30/08	7/8/08	Client	11/6/08
08-O-11595	Waddell	4/4/06 IA	9.04	4/2/08 (through Attorney General of Maryland)	4/14/08	Attorney General of Maryland	11/4/08
08-O-12902	Black- burn	4/16/07 IA	8.04	6/27/08	8/26/08	Client	12/16/0 8
09-O-12408	Millman	1/24/08 OIC	9.04	3/31/09 Attorney Roger Jaffe obo Millman	9/4/09	Better Business Bureau of NE Sacramento	9/4/09
08-O-14905	Rosario	6/9/08 CNC	9.04	11/10/08	1/6/09	Client	3/31/09
08-O-10254	Bainer	IA 9/28/07	9.04	11/15/07	12/20/07	client	9/19/08
09-O-14286	Galazin	CNC 4/3/09	9.04	6/22/09 (phone call)	8/10/09	client	4/1/10
09-O-10705	Wallace <sup>22</sup>	CNC 6/2/08	8.04	10/14/08	11/24/08	client	7/29/09
09-O-15405	Brown	CNC 3/28/08	8.04	3/14/09	5/4/09	client	2/16/10
09-O-16655	Sanders	OIC 2/13/09	N/A	5/12/2009	6/30/09	client	2/23/10

///

<sup>21</sup> This is a one year delay to respond.

<sup>22</sup> In the two month period that the Client hired respondent (6/2/08-10/14/08) Respondent sent this client thirty letters, 13 of which she billed the standard \$105 (.35 hour)

1           100. Respondent used a standard fee agreement for each of the refund clients, and  
2 respondent's standard fee agreement specified that the original flat fee converted to a default  
3 hourly rate of \$300 per hour if either the client or the firm terminated the legal services prior to  
4 their completion (Sections 9.04 or 8.04 of the fee agreement). The language for the default rate  
5 in respondent's fee agreement for each of the clients stated as follows:

6           Client understands that if client cancels Attorney's services, Attorney shall  
7 bill at the rate of \$300 per hour for services rendered. Additionally, Client  
8 understands that if Attorney resigns, Attorney shall bill at the rate of \$300 per  
hour for services rendered.

9           101. Each of the refund clients defaulted from respondent's representation.  
10 Therefore, respondent's "default rate" of \$300 per hour applied to their fee for legal services.

11           102. Each of the refund clients requested a refund from respondent. [SEE TABLE,  
12 noted above].

13           103. Respondent provided each refund client, or a third party who contacted  
14 respondent on behalf of the client [SEE TABLE, noted above] with a letter which included her  
15 accounting of the legal work performed on their case. For each task identified in the  
16 accounting, respondent represented to the refund client, or a third party who contacted  
17 respondent on behalf of the client, that she had expended a corresponding allotment of time. For  
18 example, on many of respondent's default accountings, she indicated that a request for follow up  
19 financial information amounted to a .35 hour (\$105) allotment of time.

20           104. Respondent did not identify, on any of the refund accountings, which  
21 employee performed which task on the client's behalf. Respondent did not distinguish, on the  
22 refund accountings, between time spent by an attorney, paralegal or clerical staff member, nor  
23 did respondent provide the name or initials of the employee who performed the task that was  
24 indicated on the refund accounting.

25           105. As to each of the refund clients, respondent applied her \$300 an hour default  
26 rate to tasks performed by any member of her staff, regardless of their level of education,  
27 training, or expertise, or the income that they receive as an employee.

106. As to each of the refund client matters, respondent did not require any of her staff, legal or non-legal, to record their time on cases, (with the exception, of telephone calls between clients and staff). Respondent did not document, nor prepare, contemporaneously made time records for each of the clients. Respondent selected a time amount to each task identified on her default accounting rate, without any knowledge as to the actual time spent on any individual client matter. Respondent generally identified .35 minutes (\$105) for every letter sent to a client.

107. Because respondent did not require her staff to keep data on their time, respondent's default accounting, with the exception of the time allotted for telephone calls, are inaccurate because respondent, in fact, did not document or know the actual time expended for each refund client matter. Therefore, each of the aforementioned refund clients did not receive an accurate accounting of their fees.

108. By failing to document and record the actual time she spent on each refund client's case, in order to account for her retention of client funds under the \$300 an hour default rate, respondent failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession, in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

COUNT ELEVEN

Case Nos.

07-O-11668; 08-O-11595; 08-O-10964;  
08-O-14361; 08-O-12349; 09-O-14286;  
08-O-10254; 09-O-15406; 09-O-10705;  
09-O-16655; 09-O-15951; 09-O-11945;  
09-O-15128; 09-O-15407; 09-O-12344;  
09-O-12408; 08-O-14905; 08-O-11372;  
07-O-14942; 07-O-14240; 09-O-16806;  
09-O-11248; 08-O-12344; 08-O-13266;  
08-O-12902

Business and Professions Code, section 6106  
[Moral Turpitude]

109. Respondent willfully violated Business and Professions Code, section 6106,  
by committing an act involving moral turpitude, dishonesty or corruption, as follows:

1 110. The allegations of Counts One through Ten are hereby incorporated by  
2 reference.

3 111. By giving to the refund clients, either directly, or to a third party on their  
4 behalf, (Better Business Bureau, Attorney General) a default accounting statement identifying  
5 hourly, or fraction of an hour, time expenditures on tasks associated with their case, when in fact  
6 respondent did not keep hourly time records and did not know the hourly, or fraction of an hour,  
7 expended on any one individual case, respondent misrepresented her accounting to the clients.

8 112. By making these misrepresentations, respondent committed acts of moral  
9 turpitude, involving moral turpitude, dishonesty or corruption, in willful violation of Business  
10 and Professions Code, section 6106.

11 COUNT TWELVE

12 Case Nos.

13 07-O-11668; 08-O-11595; 08-O-10964;  
14 08-O-14361; 08-O-12349; 09-O-14286;  
15 08-O-10245; 09-O-15406; 09-O-10705;  
16 09-O-16655; 09-O-15951; 09-O-11945;  
17 09-O-15128; 09-O-15407; 09-O-12344;  
18 09-O-12408; 08-O-14905; 08-O-11372;  
19 07-O-14942; 07-O-14240; 09-O-16806;  
20 09-O-11248; 08-O-12344; 08-O-13266;

21 08-O-12902

22 Business and Professions Code, section 6106

23 [Moral Turpitude]

24 113. Respondent willfully violated Business and Professions Code, section 6106,  
25 by committing an act involving moral turpitude, dishonesty or corruption, as follows:

26 114. The allegations of Counts One through Eleven are hereby incorporated by  
27 reference.

28 115. As to each of the refund clients in which respondent sent a her default  
accounting to the State Bar, respondent represented to the State Bar that she had expended  
hourly, or fraction of an hour, time expenditures on tasks associated with their case, when in fact  
respondent did not keep hourly time records and did not know the hourly, or fraction of an hour,  
expended on any individual case.

1 116. By the aforementioned misrepresentations, respondent committed acts of  
2 moral turpitude, in willful violation of Business and Professions Code, section 6106.

3  
4 COUNT THIRTEEN

5 Case Nos.  
6 07-O-11668; 08-O-11595; 08-O-10964;  
7 08-O-14361; 08-O-12349; 09-O-14286;  
8 08-O-10245; 09-O-15405; 09-O-10705;  
9 09-O-16655; 09-O-15951; 09-O-11945;  
10 09-O-15128; 09-O-15407; 09-O-12344;  
11 09-O-12408; 08-O-14905; 08-O-11372;  
12 09-O-11248; 08-O-13326; 08-O-12902; 09-O-11248  
13 Rules of Professional Conduct, rule 3-700(D)(2)  
14 [Failure to Refund Unearned Fees]

15 117. Respondent wilfully violated Rules of Professional Conduct, rule 3-  
16 700(D)(2), by failing to refund promptly any part of a fee paid in advance that has not been  
17 earned, as follows:

18 118. The allegations of Counts One through Twelve are hereby incorporated by  
19 reference.

20 119. Each of the refund clients requested a refund of their fees.

21 120. As to each of the refund clients, respondent claimed that she earned all fees  
22 under her hourly default rate. However, she did not document the actual hours spent on any  
23 given matter.

24 121. As to some of the refund clients, respondent refunded a portion of their fees.

Case #	Name	Amount Paid	Amount refunded	Amount respondent still owes as refund
07-O-11668	Baxter	2,400	1,200	1,200
08-O-11595	Waddell	2,722.25	802.25	1,920
08-O-14361	Garcia	3,445	160	3,285
08-O-12349	Broadhag	4,000	0	4,000
09-O-14286	Galazium	900	0	900
08-O-10245	Bainer	865	385	480
09-O-15405	Brown	1,900	0	1,900

09-O-10705	Wallace	3,330	0	3,330
09-O-16655	Sanders	2,625	720	1,905
09-O-15951	Seals	2,540	147	2393
09-O-11945	Acevedo	2,862.05	0	2,862.05
09-O-15128	Simms	3,200	245	2,955
09-O-15407	Mapp	2,000	0	2,000
09-O-12344	Beavers	2,500	0	2,500
09-O-12408	Millman	3,650	0	3,650
08-O-14905	Rosario	1,605	0	1,605
08-O-11372	Porras	4,000	610	3,390
09-O-11248	Pegram	2,148.20	0	2,148.20
08-O-13326	Ehimika	1,975	0	1,975
08-O-12902	Blackburn	2,500	0	2,500

122. As to the portion of the fees respondent retained, respondent retained the client's fees under false pretenses, because respondent falsely represented to each client that she had expended an hourly time allotment for each of the tasks for the client, when in fact respondent did not document, and did not record with specificity, and did not know, the time expended for any given client for any given task, aside from phone calls.

123. Because respondent cannot accurately account for the time she spent on the client's case pursuant to her \$300 billing rate, a full refund is warranted to each client, as follows:

124. As to those clients to whom respondent did issue a refund, she delayed significantly her response to the refund requests (See dates on Table, Count Seven). A response in excess of thirty days is unreasonable.

125. By failing to provide a full refund in the aforementioned cases, respondent failed to refund promptly any part of a fee paid in advance that has not been earned, and by

1 failing to provide refunds in a timely fashion, respondent willfully violated of Rules of  
2 Professional Conduct, rule 3-700(D)(2).

3  
4 COUNT FOURTEEN

5 07-O-11668; 08-O-11595; 08-O-10964;  
6 08-O-14361; 08-O-12349; 09-O-14286;  
7 08-O-10245; 09-O-15405; 09-O-10705;  
8 09-O-16655; 09-O-15951; 09-O-11945;  
9 09-O-15128; 09-O-15407; 09-O-12344;  
10 09-O-12408; 08-O-14905; 08-O-11372;  
11 09-O-11248; 08-O-13326; 08-O-12902; 09-O-11248  
12 Rules of Professional Conduct, rule 4-200(A)  
13 [Unconscionable Fee]

14 126. Respondent wilfully violated Rules of Professional Conduct, rule 4-200(A),  
15 by collecting an unconscionable fee, as follows:

16 127. The allegations of Counts One through Thirteen are hereby incorporated by  
17 reference.

18 128. By collecting a fee contrary to her own default billing rate of \$300, in that  
19 she did not in fact record, document, or account for the hours spent on any default billing matter,  
20 but nonetheless represented to the clients that she had expended hourly increments of time on  
21 their behalf, respondent collected an unconscionable fee, in willful violation of Rules of  
22 Professional Conduct, rule 4-200(A).

23 COUNT FIFTEEN

24 Case Nos.  
25 07-O-14942; 09-O-15128; 09-O-11945  
26 08-O-12349; 08-O-13709; 09-O-12408  
27 08-O-14905; 09-O-10705  
28 Business and Professions Code, section 6068(m)  
[Failure to Respond to Client Inquiries]

129. Respondent wilfully violated Business and Professions Code, section  
6068(m), by failing to respond promptly to reasonable status inquiries of a client in a matter in  
which Respondent had agreed to provide legal services, as follows:

///



130. The allegations of Counts One through Fourteen are hereby incorporated by reference.

131. Many of respondent's clients state they were unable to speak to attorneys, as follows:

Case	Client	Service	Communication Issue
07-O-14942	Reid	IA 2/16/07	On or about 9/27/07 Client called and asked to speak to an attorney, was not permitted to do so; on or about 11/1/07 Client again called and asked to speak to an attorney, R set up a phone appointment for 11/5/07, no phone call received; on 11/6/07 Client faxed in termination letter; on 11/7/07 attorney called Client.
09-O-15128	Simms	10/17/08 IA	Client received notice from IRS that R's atty (Matthew Johnson) would no longer be representing him: Client called firm to speak to R about Power of Attorney, Client unable to speak to an attorney.
09-O-11945	Acevedo	11/3/08	Client requested to speak to attorney Matt Ritchie specifically regarding refund. R's staff told CW to place all requests in writing and that attorney would provide written response.
08-O-12349	Broadhag	OIC hired 8/7/06	Client asked to speak to an attorney on 12/7/06 and again 12/12/06 and 12/13/06 but was unable to do so until 12/20/06.
08-O-13709	Stevenson	OIC hired 2/9/07	Client wrote on 6/28/08 and again 6/30/08 asking to speak to an attorney.
09-O-12408	Millman	OIC hired 1/2008	Client called on several occasions and unable to speak to attorney, Client was told that all messages would be relayed to an attorney but that she was not allowed to speak to one directly.
08-O-14905	Rosario	CNC hired 6/08	Unable to speak to an attorney but always directed to non-attorney staff.
09-O-10705	Wallace	CNC hired 6/2/08	Unable to speak to an attorney. Client asked to speak to an attorney 10/1/08 and was unable to do so; on 10/13/08 Client asked again and was told she could not speak to an attorney.

1 132. By not allowing her clients to speak to her, respondent failed to respond  
2 promptly to reasonable status inquiries of client in matters in which Respondent had agreed to  
3 provide legal services, in willful violation of Business and Professions Code, section 6068(m).  
4

5 **NOTICE - INACTIVE ENROLLMENT!**

6 **YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE STATE**  
7 **BAR COURT FINDS, PURSUANT TO BUSINESS AND PROFESSIONS**  
8 **CODE SECTION 6007(c), THAT YOUR CONDUCT POSES A**  
9 **SUBSTANTIAL THREAT OF HARM TO THE INTERESTS OF YOUR**  
10 **CLIENTS OR TO THE PUBLIC, YOU MAY BE INVOLUNTARILY**  
11 **ENROLLED AS AN INACTIVE MEMBER OF THE STATE BAR. YOUR**  
12 **INACTIVE ENROLLMENT WOULD BE IN ADDITION TO ANY**  
13 **DISCIPLINE RECOMMENDED BY THE COURT.**

14 **NOTICE - COST ASSESSMENT!**


15 **IN THE EVENT THESE PROCEDURES RESULT IN PUBLIC**  
16 **DISCIPLINE, YOU MAY BE SUBJECT TO THE PAYMENT OF COSTS**  
17 **INCURRED BY THE STATE BAR IN THE INVESTIGATION, HEARING**  
18 **AND REVIEW OF THIS MATTER PURSUANT TO BUSINESS AND**  
19 **PROFESSIONS CODE SECTION 6086.10.**

20 Respectfully submitted,

21 THE STATE BAR OF CALIFORNIA  
22 OFFICE OF THE CHIEF TRIAL COUNSEL  
23

24 DATED: June 3, 2011

25 BY:

26   
27 Robin Brune  
28 Deputy Trial Counsel

1 **DECLARATION OF SERVICE BY CERTIFIED MAIL**

2 **CASE NUMBERS:** 07-O-11668; 07-O-14240; 07-O-14391;  
3 07-O-14942; 08-O-10254; 08-O-10964;  
4 08-O-11372; 08-O-11595; 08-O-12349;  
5 08-O-12902; 08-O-13326; 08-O-14361;  
6 08-O-14905; 09-O-10705; 09-O-11248;  
7 09-O-11945; 09-O-12344; 09-O-12408;  
8 09-O-14286; 09-O-15128; 09-O-15405;  
9 09-O-15407; 09-O-15951; 09-O-16655;  
10 09-O-16806; 10-O-00331; 10-O-05574;  
11 11-O-12999

12 I, the undersigned, over the age of eighteen (18) years, whose business address and place of  
13 employment is the State Bar of California, 180 Howard Street, San Francisco, California 94105,  
14 declare that I am not a party to the within action; that I am readily familiar with the State Bar of  
15 California's practice for collection and processing of correspondence for mailing with the United  
16 States Postal Service; that in the ordinary course of the State Bar of California's practice,  
17 correspondence collected and processed by the State Bar of California would be deposited with  
18 the United States Postal Service that same day; that I am aware that on motion of party served,  
19 service is presumed invalid if postal cancellation date or postage meter date on the envelope or  
20 package is more than one day after date of deposit for mailing contained in the affidavit. That in  
21 accordance with the practice of the State Bar of California for collection and processing of mail,  
22 I deposited or placed for collection and mailing in the City and County of San Francisco, on the  
23 date shown below, a true copy of the within

24 **NOTICE OF DISCIPLINARY CHARGES**

25 in a sealed envelope placed for collection and mailing as certified mail, return receipt requested,  
26 Article No.: 7160 3901 9849 1845 7754 at San Francisco, on the date shown below, addressed  
27 to:

28 **Roni Deutch**  
**4815 Watt Avenue**  
**North Highlands, CA 95660**

**Courtesy Copy**  
**Roni Deutch**  
**2795 E. Bidwell St., Suite 100-118**  
**Folsom, CA 95630**

in an inter-office mail facility regularly maintained by the State Bar of California addressed to:

N/A

I declare under penalty of perjury under the laws of the State of California that the foregoing is  
true and correct. Executed at San Francisco, California, on the date shown below.

DATED: 6/3/11

SIGNED: Kes 2 Kehoe  
Kathleen N. Kehoe  
Declarant