

(Do not write above this line.)

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

<p>Counsel For The State Bar</p> <p>Jean Cha  Deputy Trial Counsel  1149 S. Hill Street  Los Angeles, CA 90015  (213) 765-1000</p> <p>Bar # 228137</p>	<p>Case Number (s)  07-O-12913;  08-O-11661 &amp;  08-O-14847-PEM</p>	<p>(for Court's use)</p> <p align="center"><b>PUBLIC MATTER</b></p> <p align="center"><b>FILED</b></p> <p align="center">MAR 17 2010</p> <p align="center"><b>STATE BAR COURT CLERK'S OFFICE</b>  <b>SAN FRANCISCO</b></p>
<p>Counsel For Respondent</p> <p>Arthur Margolis  Margolis &amp; Margolis LLP  2000 Riverside Drive  Los Angeles, CA 90039  (323) 953-8996</p> <p>Bar # 57703</p>	<p>Submitted to: <b>Settlement Judge</b></p> <p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND  DISPOSITION AND ORDER APPROVING</p> <p><b>ACTUAL SUSPENSION</b></p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	
<p>In the Matter Of:  Keith M. Davidson</p> <p>Bar # 212216</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 5, 2000.
- (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 20 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: Two billing cycles following the effective date of the Supreme Court order.  
(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.
- (3) ☐ **Trust Violation:** Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.
- (4) ☐ **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice.
- (5) ☐ **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
- (6) ☐ **Lack of Cooperation:** Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.

- (7) ☐ **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct.
- (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.
- (9) ☐ **Severe Financial Stress:** At the time of the misconduct, Respondent suffered from severe financial stress which resulted from circumstances not reasonably foreseeable or which were beyond his/her control and which were directly responsible for the misconduct.
- (10) ☐ **Family Problems:** At the time of the misconduct, Respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature.
- (11) ☒ **Good Character:** Respondent's good character is attested to by a wide range of references in the legal and general communities who are aware of the full extent of his/her misconduct. Respondent has presented character letters from a variety of individuals in the community attesting to their respective faith in Respondent and his overall honesty. These character references expressed their belief in Respondent's integrity even with the knowledge of the misconduct and believe that the conduct will not recur. (Std. 1.2(e)(vi).)

- (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**

From March 2007 to May 2007, Respondent was in the process of moving office locations from Calabasas to Los Angeles. The move was necessitated because the partnership that prompted Respondent's initial move to Calabasas in 2006 was dissolved. This disruption caused calendaring problems for Respondent and contributed to the delay in filing a motion to set aside the dismissal in the Forsyth matter.

**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 Three 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 90 Days.
- i. ☐ and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct
- ii. ☐ and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
- iii. ☐ and until Respondent does the following:

**E. Additional Conditions of Probation:**

(Do not write above this line.)

- (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 checked="" 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 9.10(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.**
- ☐ No MPRE recommended. Reason:
- (2) ☒ **Rule 9.20, California Rules of Court:** Respondent must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (3) ☐ **Conditional Rule 9.20, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 120 and 130 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (4) ☐ **Credit for Interim Suspension [conviction referral cases only]:** Respondent will be credited for the period of his/her interim suspension toward the stipulated period of actual suspension. Date of commencement of interim suspension:
- (5) ☐ **Other Conditions:**

Attachment language begins here (if any):

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

IN THE MATTER OF:      KEITH M. DAVIDSON, 212216  
CASE NUMBERS:          07-O-12913; 08-O-11661; 08-O-14847 – PEM

Respondent admits the facts set forth in the stipulation are true and that he is culpable of violations of the specified statutes and Rules of Professional Conduct.

**Forsyth Matter (07-O-12913)**

**FACTS**

1. In May 2006, Charles Forsyth and Bernadine Forsyth employed Respondent to represent their son in a medical malpractice matter. The Forsyths' son suffered from complications stemming from a brain injury.
2. On September 20, 2006, Respondent filed a civil action entitled, *Charles Forsyth, as Conservator and Guardian Ad Litem for Ronald Forsyth, et. al. v. Metropolitan State Hospital, Steve Gholamhosein Rahimi, M.D. et. al.*, Los Angeles County Superior Court case number VC047329 (the medical malpractice action).
3. On September 20, 2006, the court issued a notice setting a case management conference in the medical malpractice action for January 23, 2007. Respondent received proper notice of the Case Management Conference.
4. On November 27, 2006, the California Office of Attorney General (the Attorney General's office) filed a Notice of Hearing on Demurrer and Motion to Dismiss on behalf of defendant Metropolitan State Hospital in the medical malpractice action. Pursuant to the notice, the hearing on the Demurrer was scheduled for January 29, 2007. On November 27, 2006, the Attorney General's office properly served Respondent with the Notice of Hearing on Demurrer and Motion to Dismiss. Respondent received the Notice of Hearing on Demurrer and Motion to Dismiss.

5. On December 1, 2006, the Attorney General's office filed a Notice of Hearing on Demurrer and Motion to Dismiss on behalf of defendant Dr. Steve Gholamhosein Rahimi in the medical malpractice action. Pursuant to the notice, the hearing on the second demurrer also was scheduled for January 29, 2007. On December 1, 2006, the Attorney General's office properly served Respondent with the second Notice of Hearing on Demurrer and Motion to Dismiss. Respondent received the second Notice of Hearing on Demurrer and Motion to Dismiss.

6. On January 16, 2007, Respondent filed a First Amended Complaint in the medical malpractice action.

7. On January 23, 2007, the court held the Case Management Conference in the medical malpractice action. Respondent failed to appear at the Case Management Conference. During the Case Management Conference, the defendants acknowledged receiving the First Amended Complaint and therefore would be taking the January 29, 2007 hearing regarding the demurrers and motions to dismiss off calendar. During the January 23, 2007 hearing, the court set an Order to Show Cause (OSC) regarding dismissal for plaintiff's failure to appear at the Case Management Conference. The hearing on the OSC was scheduled for March 12, 2007. The court also continued the Case Management Conference to March 12, 2007.

8. On January 26, 2007, the Attorney General's office properly served Respondent with notice of the continuance of the Case Management Conference and with notice of the OSC. Specifically, the notice stated that the Case Management Conference had been continued to March 12, 2007. The notice also stated that the OSC regarding dismissal for plaintiff's failure to appear at the January 23, 2007 Case Management Conference had also been scheduled for March 12, 2007. Respondent received notice of the Case Management Conference and notice of the OSC regarding dismissal.

9. On February 21, 2007, the Attorney General's office filed a Notice of Hearing on Demurrer to the First Amended Complaint and Motion to Dismiss on behalf of the defendants in the medical malpractice action. Pursuant to the notice, the hearing on the demurrer and motion



to dismiss was scheduled for March 28, 2007. On February 21, 2007, the Attorney General's office properly served Respondent with the Notice of Hearing on Demurrer and Motion to Dismiss. Respondent received the Notice of Hearing on Demurrer and Motion to Dismiss.

10. On March 12, 2007, Respondent appeared telephonically at the OSC regarding dismissal and Case Management Conference. During the March 12, 2007 hearing, Respondent told the court that his failure to appear on January 23, 2007 was due to a calendaring error. As a result, the court discharged the OSC regarding dismissal and scheduled the next hearing for April 30, 2007. During the March 12, 2007 hearing, the court noted that the hearing regarding defendants' demurrer was set for March 28, 2007.

11. As of on March 21, 2007, Respondent had not filed any opposition to the defendants' demurrer to the first amended complaint and motion to dismiss. As a result, on March 21, 2007, the Attorney General's office filed a Notice of No Receipt of Opposition to Defendants' Demurrer to First Amended Complaint and Motion to Dismiss in the medical malpractice action. On March 21, 2007, the Attorney General's office properly served Respondent with the notice. Respondent received the notice but still did not file any opposition to the demurrer or to the motion to dismiss.

12. On March 28, 2007, the court held a hearing on the defendants' demurrer and motion to dismiss. Respondent failed to appear at the hearing. On March 28, 2007, the court sustained the defendants' demurrer without leave to amend and dismissed the first amended complaint in the medical malpractice action. In sustaining the demurrer, the court noted that the plaintiff had not filed any opposition.

13. On March 29, 2007, the Attorney General's office properly served Respondent with the proposed judgment and order of dismissal in the medical malpractice action. Respondent received, and acknowledged receiving, the proposed judgment and order of dismissal but failed to take any action to prevent the order of dismissal from being entered against his clients.

14. On April 16, 2007, the court signed and filed the order dismissing the medical malpractice action.

15. Respondent did not immediately inform the Forsyths that the medical malpractice action had been dismissed.

16. As of April 2007, Charles Forsyth (Charles) had had little to no contact from Respondent regarding the medical malpractice action. However, Charles followed the proceedings in the medical malpractice action via the Los Angeles County Superior Court website. In April 2007, Charles saw that the defendants' demurrer had been granted and contacted Respondent.

17. On April 30, 2007, Charles and Bernadine Forsyth met with Respondent regarding the medical malpractice action. During the April 30, 2007 meeting, Respondent informed the Forsyths that the medical malpractice action had been dismissed. During the meeting, Respondent told the Forsyths that he would file a motion to set aside the dismissal.

18. On May 5, 2007, the Forsyths wrote Respondent confirming their April 30, 2007 discussion. In the May 5, 2007 letter, the Forsyths confirmed that Respondent would be filing a motion to set aside the dismissal right away in the medical malpractice action. In the May 5, 2007 letter, the Forsyths told Respondent that it was very important that he file the motion to set aside the dismissal immediately. On May 5, 2007, the Forsyths properly mailed the letter to Respondent. Respondent did not respond.

19. On June 25, 2007, the Forsyths wrote Respondent regarding the status of the medical malpractice action. In the June 25, 2007 letter, the Forsyths stated that they had stopped by his office to obtain the progress of the "473 pleading with the court."

20. On July 11, 2007, the Forsyths sent Respondent an email regarding the medical malpractice action. In the July 11, 2007 email, the Forsyths stated that they had been patiently waiting for Respondent to file the "473 motion." In the email, they asked Respondent to file the motion to set aside the dismissal immediately and let them know the status.

21. On August 7, 2007, Respondent filed a motion to set aside the dismissal in the medical malpractice action. In the motion to set aside the dismissal, Respondent stated that he had not filed a response to the defendants' Demurrer to the First Amended Complaint because of a calendaring error. The court scheduled the hearing regarding the motion to set aside the dismissal for September 17, 2007.

22. On September 17, 2007, the court in the medical malpractice action held a hearing regarding the motion to set aside the dismissal. Respondent appeared at the September 17, 2007 hearing. On September 17, 2007, the court granted the motion to set aside the dismissal. On September 19, 2007, Respondent filed two substitutions of attorney in the medical malpractice action substituting out as the counsel of record for Bernadine Forsyth and Charles Forsyth.

### **CONCLUSION OF LAW**

23. By failing to appear at the January 23, 2007 Case Management Conference, by failing to file opposition to the defendants' demurrer to the first amended complaint and motion to dismiss, by failing to appear at the March 28, 2007 hearing, by taking three months to file the motion to set aside the dismissal, or by otherwise failing to properly pursue the Forsyths' medical malpractice action, Respondent repeatedly failed to perform legal services with competence in willful violation of Rules of Professional Conduct, rule 3-110(A).

### **Linder Matter (08-O-11661)**

### **FACTS**

24. In August 2007, Ronald Linder (Linder) consulted with Respondent via telephone regarding a potential medical malpractice matter. Following their telephone conversation, Linder sent his medical records to Respondent for review. Respondent received the records.

25. Linder was later contacted by Respondent's secretary. During their conversation, the secretary informed Linder that Linder needed to pay \$750 to cover the expense of having his medical records reviewed by a medical expert.

26. On November 28, 2007, Linder issued a check made payable to Respondent in the amount of \$750 to pay the expert on Linder's behalf. Linder believed that he was paying to have his medical records reviewed by a doctor. Respondent did not inform Linder that the documents would be reviewed by a registered nurse who was not a doctor.

27. On December 10, 2007, Respondent deposited the check from Linder for \$750 into his general account rather than his client trust account.

28. As of December 2007, Respondent was still reviewing and investigating Linder's case and had not yet agreed to take the medical malpractice matter. Respondent did not make clear to Linder that Respondent was only evaluating the viability of the medical malpractice matter.

29. On January 7, 2008, Respondent purportedly wrote Linder advising Linder that he was declining to represent Linder in the medical malpractice matter. In the January 7, 2008 letter, Respondent stated that his office was discontinuing work on the matter and Linder's file was administratively closed.

30. From January 4, 2008 through February 14, 2008, Linder called Respondent's office twenty times inquiring about his medical malpractice matter believing that Respondent was still his attorney. Although Linder left a message each time with Respondent's secretary, Respondent failed to return Linder's calls believing that his January 7, 2008 letter was sufficiently responsive to Linder's voicemails.

31. On March 4, 2008, Linder went to Respondent's office and left a message asking Respondent to contact him. Respondent did not respond.

32. On March 10, 2008, Linder wrote Respondent regarding Respondent's lack of communication. In the March 10, 2008 letter, Linder told Respondent that he was seeking new counsel due to Respondent's lack of communication. In the letter, Linder requested all of his medical records and any information collected, including any filed lawsuits. On March 10, 2008,

Linder properly mailed the letter to Respondent via certified mail. On March 11, 2008, Respondent received Linder's letter.

33. In January 2010, Respondent made a \$750 refund to Linder.

### **CONCLUSIONS OF LAW**

34. By failing to adequately advise Linder that Respondent was merely evaluating the medical malpractice matter and not yet accepting to represent Linder in the medical malpractice matter, by ceasing all work on the medical malpractice matter without properly informing and making it clear to Linder that he would not be handling Linder's medical malpractice matter, by not responding to Linder's numerous messages, and by failing to inform Linder that Respondent's a registered nurse, who was not a doctor, would be the person reviewing his medical records, Respondent failed to inform Linder of significant developments in a matter in which Respondent had agreed to provide legal services in willful violation of Business and Professions Code section 6068(m).

35. By depositing the \$750 check from Linder issued for costs into his general account rather than his client trust account, Respondent failed to deposit and maintain funds received for the benefit of a client in a bank account labeled "Trust Account," "Client's Funds Account" or words of similar import, in willful violation of rule 4-100(A), Rules of Professional Conduct.

### **NSF Matter (08-O-14847)**

### **FACTS**

36. Respondent maintained a client trust account at Bank of America, account number ending in 00129.

37. Respondent's client, a member of the Screen Actor's Guild, had been involved in an automobile accident, and had received medical treatment under the Screen Actor's Guild's medical insurance policy for which he was required to reimburse the Screen Actor's Guild once his claim was resolved. In the summer of 2008, the client's matter was resolved and a settlement

draft was sent to Respondent. Respondent deposited those funds into his CTA. All appropriate disbursements were made in July and August 2008.

38. On August 21, 2008, Respondent issued CTA check number 2095 payable to the Screen Actor's Guild on behalf of his client.

39. On September 15, 2008, the check was presented for payment when the balance in the CTA was insufficient to cover the full amount. Bank of America returned check number 2095 unpaid due to insufficient funds in the CTA and charged an insufficient funds fee to the CTA.

40. On September 23, 2008, Respondent deposited funds into his CTA from his general operating account to replenish the shortfall in his CTA. Respondent promptly rectified the full satisfaction of the Screen Actor's Guild's lien on behalf of his client.

#### **CONCLUSION OF LAW**

41. By failing to maintain the balance of funds received for the benefit of a client and deposited in a bank account labeled "Trust Account," "Client's Funds Account" or words of similar import, Respondent wilfully violated Rules of Professional Conduct, rule 4-100(A).

#### **WAIVER OF VARIANCE BETWEEN NOTICE OF DISCIPLINARY CHARGES AND STIPULATED FACTS AND CULPABILITY.**

The parties waive any variance between the Notice of Disciplinary Charges filed on June 3, 2009 and the facts and/or conclusions of law contained in this stipulation. Additionally, the parties waive the issuance of an amended Notice of Disciplinary Charges. The parties further waive the right to the filing of a notice of Disciplinary Charges and to a formal hearing on any charge not included in the pending Notice of Disciplinary Charges.

#### **MITIGATION.**

Respondent cooperated during the pendency of the instant proceedings by stipulating. He also recognized his wrongdoing and admitted culpability. His candor and cooperation are mitigating factors. (Std. 1.2(e)(v).)

Respondent has fully refunded the \$750.00 fee to Linder and acknowledges his fiduciary obligations to his client which supports Respondent's rehabilitation. (*In the Matter of Taggart* (Review Dept. 2001) 4 Cal. State Bar Ct. Rptr. 302, 312.)

## AUTHORITIES.

The purpose of State Bar disciplinary proceedings is not to punish the attorney, but to protect the public, to preserve public confidence in the profession, and to maintain the highest possible professional standards for attorneys. (*Chadwick v. State Bar* (1989) 49 Cal.3d 103, 111; *Cooper v. State Bar* (1987) 43 Cal.3d 1016, 1025; Std. 1.3.)

Standard 2.2(b) of the Standards for Attorney Sanctions for Professional Misconduct, Rules Proc. Of State Bar, Title IV, provides that a violation of rule 4-100 shall result in at least a three-month suspension, irrespective of mitigation circumstances. Standard 2.4(b) provides that a violation of 3-100(A) and 6068(m) shall result in reproof or suspension. Here, suspension is sufficient to serve the purposes of attorney discipline. (*In the Matter of Bouyer* (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr. 404.)

Thus, 3-months actual suspension is sufficient to serve the purposes of attorney discipline.

## DISMISSALS.

The parties respectfully request the Court dismiss six alleged violations in the interest of justice:

<u>Case No.</u>	<u>Count</u>	<u>Alleged Violation</u>
07-O-12913	Two	Section 6068(m), Business and Professions Code
08-O-11661	Three	Rule 3-700(A)(2), Rules of Professional Conduct
08-O-11661	Four	Section 6068(m), Business and Professions Code
08-O-11661	Six	Rule 3-700(D)(1), Rules of Professional Conduct

## PENDING PROCEEDINGS.

The disclosure date referred to, on page one, paragraph A.(7), was January 22, 2010.

## COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed Respondent that as of January 22, 2010, the estimated prosecution costs in this matter are approximately \$4,892.00. Respondent acknowledges that this figure is an estimate only and that it might not include State Bar Court costs that will be included in any final cost assessment (see Bus. & Prof. Code section 6068.10(c)) or taxable costs (see C.C.P. section 1033.5(a)), which will be included in any final cost assessment. 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. It is also noted that if Respondent fails to pay any installment of disciplinary costs within the time provided herein or as may be modified by the State Bar Court pursuant to section 6086.10, subdivision(c), the remaining balance of the costs is due and payable immediately unless relief has been granted under the Rules of Procedure of the State Bar

of California (Rules Proc. of State Bar, rule 286). The payment of costs is enforceable both as provided in Business and Professions Code section 6140.7 and as a money judgment.

**STATE BAR ETHICS SCHOOL.**

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



In the Matter of  
Keith M. Davidson

Case number(s):  
07-O-12913; 08-O-11661 & 08-O-14847-PEM

A Member of the State Bar

### Law Office Management Conditions

- a. ☐ Within        days/        months/        years of the effective date of the discipline herein, Respondent must develop a law office management/organization plan, which must be approved by the Office of Probation. This plan must include procedures to (1) send periodic reports to clients; (2) document telephone messages received and sent; (3) maintain files; (4) meet deadlines; (5) withdraw as attorney, whether of record or not, when clients cannot be contacted or located; (6) train and supervise support personnel; and (7) address any subject area or deficiency that caused or contributed to Respondent's misconduct in the current proceeding.
- b. ☒ Within **0** days/**SIX** months/**0** years of the effective date of the discipline herein, Respondent must submit to the Office of Probation satisfactory evidence of completion of no less than **SIX** hours of Minimum Continuing Legal Education (MCLE) approved courses in law office management, attorney client relations and/or general legal ethics. This requirement is separate from any MCLE requirement, and Respondent will not receive MCLE credit for attending these courses (Rule 3201, Rules of Procedure of the State Bar.)
- c. ☐ Within 30 days of the effective date of the discipline, Respondent must join the Law Practice Management and Technology Section of the State Bar of California and pay the dues and costs of enrollment for        year(s). Respondent must furnish satisfactory evidence of membership in the section to the Office of Probation of the State Bar of California in the first report required.

In the Matter of  
Keith M. Davidson

Case number(s):  
07-O-12913; 08-O-11661 & 08-O-14847-PEM

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

- ☐ Respondent must pay above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than

#### b. Installment Restitution Payments

- ☐ Respondent must pay the above-referenced restitution on the payment schedule set forth below. Respondent must provide satisfactory proof of payment to the Office of Probation with each quarterly probation report, or as otherwise directed by the Office of Probation. No later than 30 days prior to the expiration of the period of probation (or period of reproval), Respondent must make any necessary final payment(s) in order to complete the payment of restitution, including interest, in full.

Payee/CSF (as applicable)	Minimum Payment Amount	Payment Frequency

#### 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:
- a. 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.

(Do not write above this line.)

In the Matter of Keith M. Davidson	Case number(s): 07-O-12913 & 08-O-11661-PEM
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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.

2/24/10  
Date

2/27/10  
Date

3/2/10  
Date

  
Respondent's Signature

  
Respondent's Counsel Signature

  
Deputy Trial Counsel's Signature

Keith M. Davidson  
Print Name

Arthur Margolis  
Print Name

Jean Cha  
Print Name

(Do not write above this line.)

In the Matter Of  
Keith M. Davidson

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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

3-16-10

Judge of the State Bar Court

**RICHARD A. HONN**

## 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 March 17, 2010, I deposited a true copy of the following document(s):

### STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING

in a sealed envelope for collection and mailing on that date as follows:

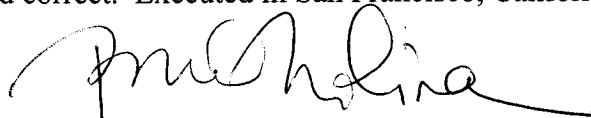
- ☒ by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at San Francisco, California, addressed as follows:

**ARTHUR LEWIS MARGOLIS  
MARGOLIS & MARGOLIS LLP  
2000 RIVERSIDE DR  
LOS ANGELES, CA 90039**

- ☐ 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:

**JEAN H. CHA**, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on March 17, 2010.



Bernadette C.O. Molina  
Case Administrator  
State Bar Court