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State Bar Court of California Hearing Department San Francisco		
Counsel For The State Bar Allen Blumenthal Supervising Trial Counsel 180 Howard St. San Francisco, CA 94105 (415) 538-2000 Bar # 110243	Case Number (s) 07-O-13875	(for Court's use) <div style="text-align: center; font-size: 1.2em; font-weight: bold;">PUBLIC MATTER</div> <div style="text-align: center; font-size: 1.5em; font-weight: bold;">FILED </div> JAN 13 2009 STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO
Counsel For Respondent Kara E. Farmer Hinshaw & Culbertson, LLP One California St., 18 th floor San Francisco, CA 94111 (415) 362-6000 Bar # 233373	Submitted to: Assigned Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING ACTUAL SUSPENSION <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	
In the Matter Of: Laura A. Thompson Bar # 219999 A Member of the State Bar of California (Respondent)		

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

A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted June 5, 2002.
- (2) The parties agree to be bound by the factual stipulations contained herein even if conclusions of law or disposition are rejected or changed by the Supreme Court.
- (3) All investigations or proceedings listed by case number in the caption of this stipulation are entirely resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of 15 pages, not including the order.
- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."
- (5) Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law".
- (6) The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."



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- (7) No more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.
- (8) Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):
- until costs are paid in full, Respondent will remain actually suspended from the practice of law unless relief is obtained per rule 284, Rules of Procedure.
- costs to be paid in equal amounts prior to February 1 for the following membership years: 2009, 2010, and 2011. However, should the 2009 installment become due during respondent's first 90 days of actual suspension, the costs would be paid in equal amounts prior to February 1 of the following years: 2010, 2011 and 2012.
(hardship, special circumstances or other good cause per rule 284, Rules of Procedure)
- costs waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs"
- costs entirely waived

B. Aggravating Circumstances [for definition, see Standards for Attorney Sanctions for Professional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances are required.

- (1) Prior record of discipline [see standard 1.2(f)]
- (a) State Bar Court case # of prior case
- (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. Respondent's misuse of the trust account placed her client's funds at risk.
- (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

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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. **Once respondent understood the misconduct, she took steps to rectify the 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. **A number of respondent's clients attested not only to her good character, but also to the quality of her work.**
- (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.

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Additional mitigating circumstances

Although her misconduct was serious and she was not an attorney for very long at the time of her misconduct, respondent's six years of practicing with no priors is entitled to minimal mitigation. Her lack of knowing the rules regarding how to manage a trust account and a law office also contributed to her misconduct. No client was harmed or taken advantage of by respondent's misconduct.

D. Discipline:

(1) **Stayed Suspension:**

(a) Respondent must be suspended from the practice of law for a period of 3 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 5 years, which will commence upon the effective date of the Supreme Court order in this matter. (See rule 9.18, California Rules of Court)

(3) **Actual Suspension:**

(a) Respondent must be actually suspended from the practice of law in the State of California for a period of 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: Respondent must hire and pay Rita DeAngelis or other law office management expert acceptable to the State Bar, to create an office management plan that respondent agrees to implement within 60 days of her resuming the practice of law.

E. Additional Conditions of Probation:

(1) If Respondent is actually suspended for two years or more, he/she must remain actually suspended until he/she proves to the State Bar Court his/her rehabilitation, fitness to practice, and learning and ability in general law, pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.

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- (2) During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3) Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.
- (4) Within thirty (30) days from the effective date of discipline, Respondent must contact the Office of Probation and schedule a meeting with Respondent's assigned probation deputy to discuss these terms and conditions of probation. Upon the direction of the Office of Probation, Respondent must meet with the probation deputy either in-person or by telephone. During the period of probation, Respondent must promptly meet with the probation deputy as directed and upon request.
- (5) Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, Respondent must state whether Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of probation during the preceding calendar quarter. Respondent must also state whether there are any proceedings pending against him or her in the State Bar Court and if so, the case number and current status of that proceeding. If the first report would cover less than 30 days, that report must be submitted on the next quarter date, and cover the extended period.

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

- (6) Respondent must be assigned a probation monitor. Respondent must promptly review the terms and conditions of probation with the probation monitor to establish a manner and schedule of compliance. During the period of probation, Respondent must furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Office of Probation. Respondent must cooperate fully with the probation monitor.
- (7) Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the probation conditions.
- (8) Within one (1) year of the effective date of the discipline herein, Respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the Ethics School, and passage of the test given at the end of that session.
- No Ethics School recommended. Reason:
- (9) Respondent must comply with all conditions of probation imposed in the underlying criminal matter and must so declare under penalty of perjury in conjunction with any quarterly report to be filed with the Office of Probation.
- (10) The following conditions are attached hereto and incorporated:
- | | |
|-----------------------------------------------------|-----------------------------------------------------------|
| <input type="checkbox"/> Substance Abuse Conditions | <input type="checkbox"/> Law Office Management Conditions |
| <input type="checkbox"/> Medical Conditions | <input checked="" type="checkbox"/> Financial Conditions |

F. Other Conditions Negotiated by the Parties:

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- (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:** In respondent's probation reports she must state under penalty of perjury whether Ms. Hardy has worked at her law firm in any capacity, and that respondent has supervised Ms. Hardy and her work. Respondent must join for the first two years of her probation the Law Practice Management section of the State Bar or a local bar association and provided satisfactory proof of this to the Office of Probation in her quarterly reports.

LAW OFFICE MANAGEMENT CONSULTANT

Respondent will engage the services of Rita DeAngelis ("DeAngelis"), a professional law office management consultant, at his own expense. Promptly upon execution of this stipulation, respondent will schedule all necessary meetings and appointments with DeAngelis, to allow her to evaluate respondent's office practices and to recommend policies and procedures for her to follow to ensure that "best practices" for operating a law office are followed by her and her staff. At a minimum, DeAngelis' recommended policies and procedures, will include procedures to: (1) send periodic reports to clients based on regular file review; (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 personal, including when respondent is away from the office engaged in court proceedings; (7) review, operate and maintain a client trust account; and (8) address any other subject area or deficiency that caused or contributed to respondent's misconduct in the current matter. Respondent will cooperate fully with DeAngelis to allow her to evaluate her office policies and procedures, including by granting her access to her bookkeeping, record keeping, and file keeping systems, allowing her to interview any and all staff members, and allowing her to review his trust accounting practices.

Within 60 (sixty) days of the effective date of respondent's suspension, DeAngelis will provide respondent with a written report and recommendation, including recommended office policies and procedures. A copy of this report and recommendation, with recommended office policies and procedures, will be simultaneously provided by DeAngelis to the Office of Probation and Supervising Trial Counsel, Allen Blumenthal. By executing this stipulation, respondent agrees that DeAngelis may disclose copies of her report and recommendation, with recommended office policies and procedures, as described in this paragraph.

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In all quarterly reports due to be filed beginning 90 (ninety) days after the effective date of respondent's suspension and continuing until the end of the probation period, respondent will declare under penalty of perjury that she is managing her office in conformity with DeAngelis' written report and recommendation, with recommended office policies and procedures.

By executing this stipulation, respondent agrees: (1) that the Office of the Chief Trial Counsel may provide a copy of this stipulation to DeAngelis; and (2) that the Office of the Chief Trial Counsel and the Office of Probation may freely discuss any issues related to respondent's law office management with DeAngelis.

By executing this stipulation, respondent agrees that DeAngelis may report to the Office of Probation and the Office of the Chief Trial Counsel failures by respondent to comply with the conditions of this suspension known to her.

ATTACHMENT TO
STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: Laura A. Thompson

CASE NUMBER: 07-O-13875

FACTS AND CONCLUSIONS OF LAW.

Facts:

1. Respondent was admitted to the practice of law in California on June 5, 2002 and was a member of the State Bar at all times pertinent herein and is currently a member of the State Bar.
2. In or about November 2004, respondent opened her own law firm, the Law Offices of Laura Thompson. Respondent specialized in and held herself as experienced in business law. Prior to becoming an attorney respondent had worked as a paralegal for various law firms.
3. In late 2006, Mary L. Hardy began working for Ms. Thompson. Although Ms. Hardy attended and graduated law school, she is not and has never been an attorney in California or any other jurisdiction. At all relevant times, respondent knew that Ms. Hardy was not and has never been an attorney.
4. In January 2007, respondent formed a law partnership with Ms. Hardy. At that time, Respondent renamed her law firm Hardy and Thompson and began claiming that the law firm was a law partnership. Respondent was the only attorney associated with or working for the law firm. The only other person associated with or working for the law firm was Ms. Hardy. Ms. Hardy was not issued a salary. Respondent gave Ms. Hardy access to her business and personal accounts.
5. On January 25, 2007, respondent filed an application, on behalf of Hardy & Thompson, with the Secretary of State for Hardy & Thompson to be registered as a limited liability partnership (LLP). The application listed Hardy & Thompson, LLP as a partnership organized under California law, that it was a limited liability partnership, and that the business it would engage in was the practice of law. Respondent signed the application form with the Secretary of State. Respondent issued check No. 1151 in the amount of \$70 from her client trust account to the California Secretary of State to pay for the registration fee for the formation of Hardy & Thompson's LLP. In May 2007, respondent obtained malpractice insurance for Hardy & Thompson, LLP.
6. California law defines a partnership as two or more partners to carry on as co-owners of a business for profit. (Corp. Code sec. 16202; *Nelson v. Abraham* (1947) 29 Cal.2d 745; *Chambers v. Kay* (2002) 29 Cal.4th 142, 151. See also Corporations Code sec. 16100(8)(A) and 16100(9).)
7. Respondent formed this law partnership with Ms. Hardy even though respondent knew that Ms. Hardy was not an attorney and, thus, not permitted to practice law.

8. Respondent failed to apply to register with the State Bar as an LLP. A law firm cannot be an LLP unless it is registered by the State Bar of California as one. Hardy & Thompson was never certified by the State Bar as a limited liability partnership. Further, Hardy & Thompson was not eligible to be registered by the State Bar as an LLP since Ms. Hardy was not an attorney and Respondent was the only attorney owner affiliated with the law firm. State Bar rules require that for an LLP to be registered by the State Bar each partner must be an active member of the State Bar or is licensed and entitled to practice law in another jurisdiction. (See Rules 2.1 and 3.0 of the Cal. State Bar Limited Liability Partnership Rules and Regulations.) Ms. Hardy was not a licensed attorney in California or any other jurisdiction.

9. Beginning in late January 2007 until in or about January 2008, respondent, in her fee agreements and other forms of correspondence communicated with her clients and others as the law firm of Hardy & Thompson, LLP. This was a false statement as Hardy & Thompson was not and could not be a LLP and, further, Ms. Hardy was not an attorney. These communications also falsely stated or created the impression that Ms. Hardy was an attorney entitled to practice law in California. Respondent knew or should have known that it was improper to list her firm as Hardy & Thompson, LLP when Ms. Hardy was not an attorney, the law firm was not a proper partnership, and not a proper LLP. As someone who listed herself as experienced in business law, Respondent knew or should have known this.

10. Respondent also advertised and otherwise held her firm out to the public as a partnership and an LLP in such various forums as craigslist.org, LinkedIn.net, the Grand Expo, the San Francisco Chamber of Commerce annual networking event, and in Hardy & Thompson's web site.

11. In her communications and advertisements, Respondent misrepresented to her clients and the public that there were at least two partners by naming the firm Hardy & Thompson, LLP and holding it out as a partnership. Respondent also had Ms. Hardy listed as an associate attorney on the firm website, <http://www.hardythompson.com>, when Ms. Hardy was not an attorney in California or any other jurisdiction.

12. In California, the practice of law includes the mere holding out by a layman or a suspended attorney that he or she is practicing law or entitled to practice law. (Bus. & Prof. Code secs. 6125 & 6126; *Farnham v. State Bar* (19) 17 Cal.3d 605, 612.)

13. In advertising for the law firm, respondent claimed to have over ten years of experience at a top tier firm. In fact, as respondent knew, she had only been practicing five years and had not been an attorney at a top tier law firm. She had worked at some top tier law firms as a paralegal, but not as an attorney.

14. On or about May 25, 2007, the State Bar received a complaint about respondent's activities. During the State Bar investigation into respondent's activities, respondent sent the State Bar a letter misrepresenting that she had worked as an associate attorney at Gray, Cary, Ware & Freidenrich (Gray, Cary). In truth and in fact, respondent worked at Gray, Cary as a paralegal and as a law clerk awaiting bar exam results and not as an associate attorney. Respondent asserts that she understood and believed that the term "associate" could refer to a law school graduate who has not been admitted to practice law. She now understands that is not true. Respondent further claimed that Ms. Hardy was a salaried employee of Hardy & Thompson, that she did not aid Ms. Hardy in the unauthorized practice of law, and that Ms. Hardy did not have a partnership interest in the LLP. These statements were false and intended to mislead the State Bar. Ms. Hardy was not paid a salary; respondent had not worked at Gray,

but as a paralegal; respondent had aided Ms. Hardy in practicing law by advertising her as a partner in the law firm and by allowing Hardy & Thompson's website to classify Ms. Hardy as an associate attorney; and respondent had formed a partnership with Ms. Hardy.

15. Since at least November 1, 2007 to the present, respondent maintained a client trust account with Citibank, account no. xxxxxx (hereinafter "respondent's CTA").¹

16. During the period of at least November 1, 2007 through May 2007, respondent had her own funds in respondent's CTA and did not promptly remove them from her client trust account. She commingled her funds with client trust funds.

17. Between at least November 1, 2007 through May 2007, respondent used her client trust account as an operating account for her firm, to pay personal and business expenses, including the home owners association fees for her home, the fee for the application to register her law firm as an LLP with the Secretary of State, her State Bar membership fees, her membership fees in the Bar Association of San Francisco, newspaper subscriptions, gasoline bills for her automobile, and other business and personal expenses. Respondent used her CTA to pay her personal and business expenses.

Conclusion of Law:

By forming a partnership with a non-lawyer, by having the firm's name include Ms. Hardy, a non-attorney in it, by communicating with her clients and others as an LLP, and by lending her name to be used as an attorney by another person who is not an attorney, respondent held or assisted Ms. Hardy in holding herself out as an attorney and entitled to practice law and, as such, respondent willfully violated rules 1-300(A) and 1-310 of the Rules of Professional Conduct and Business & Professions Code section 6105.

By making or causing to be made communications containing untrue statements, including naming the law firm Hardy & Thompson when Ms. Hardy was not an attorney and there was only one lawyer in the firm; by making and causing communications that Hardy & Thompson was an LLP when it was not and had not been certified by the State Bar; by making and causing communications that Ms. Hardy was an associate attorney when she was not; by making and causing communications that stated or implied that respondent had over ten years of experience as a lawyer with a top tier firm when respondent had only practiced for five years, none of which were at a top tier firm; respondent made or caused communications that contained untrue statements, contained matters that were presented or arranged in a manner or format that was false, deceptive, or which tended to confuse, deceive, or mislead the public; and, as such, respondent willfully violated rule 1-400(D) of the Rules of Professional Conduct and Business & Professions Code section 6106.

By placing or not promptly withdrawing earned funds belonging to respondent or her law firm from her CTA and by issuing checks to pay for business and personal expenses from her client trust account, respondent commingled client funds with her personal or business funds and not trust funds and improperly used her CTA to pay for personal and business expenses and, as such,

¹ The actual account number is excluded to protect the account from identity theft.

respondent willfully violated rule 4-100(A) of the Rules of Professional Conduct.

By making or causing to be made communications that contained untrue statements; by misrepresenting to the State Bar that respondent worked as an associate attorney for Gray, Cary; that Ms. Hardy was a salaried employee of Hardy & Thompson, LLP, that she did not aid Ms. Hardy in the unauthorized practice of law, and that Ms. Hardy did not have a partnership interest in the LLP; and by commingling and misusing her CTA, respondent committed an act or acts of moral turpitude, dishonesty, or corruption and, as such, willfully violated section 6106 of the Business & Professions Code.

PENDING PROCEEDINGS.

The disclosure date referred to, on page one, paragraph A.(7), was October 29, 2008.

AUTHORITIES SUPPORTING DISCIPLINE.

Standard 2.2(b) recommends at least a three month actual suspension, irrespective of mitigating circumstances, for commingling or the commission of a violation of rule 4-100 which does not amount to a willful misappropriation. Standard 2.3 recommends an actual suspension for a finding of moral turpitude, dishonesty, or corruption. Finally, Standard 2.10 recommends reproof or suspension for any violation of the Rules of Professional Conduct and the Business & Professions Code not specified in any other Standard.

The Supreme Court recently re-affirmed that great weight is to be given the Standards and that they should be followed whenever possible. (*In re Silvertown* (2005) 36 Cal.4th 81, 92.)

Thus, while the Standards are not mandatory, the Supreme Court has held that they should be followed unless the charged attorney can demonstrate the existence of extraordinary circumstances justifying a lesser sanction. (*In re Silvertown*, supra, 36 Cal.4th at 92.) That is, it is Respondent's burden to demonstrate that there are extraordinary circumstances justifying a lesser sanction than that recommended by the Standards.

Although there is no precedent with the precise facts and collection of violations committed by respondent, a review of cases separately involving the individual counts of misconduct strongly supports at least a three month period of actual suspension, especially given the series of violations present here.

The discipline imposed on attorneys who have formed partnerships with non-attorneys, lent their names to non-attorneys, or aided in the unauthorized practice of law has varied from public reproof to disbarment. In *In the Matter of Jones* (Review Dept., 1993) 2 Cal. State Bar Ct. Rptr., an actual suspension of two years was imposed on an attorney who permitted an attorney to misuse his name to conduct a large personal injury practice. In *Townsend v. State Bar* (1930), 210 Cal. 362, an attorney was suspended for one year for allowing a non-attorney organization to use his license to represent injured persons. In *Bluestein v. State Bar* (1974), 13 Cal.3d 162, an attorney was actually suspended for six months for using extortion to obtain payment of a fee

and aiding in the unauthorized practice of law. Bluestein aided an individual licensed in another country to practice law in California. He also included that person's names as of counsel on his letterhead. He had previously been publicly reprovved. In *Crawford v. State Bar* (1960) 54 Cal.2d 659, an attorney was publicly reprovved for forming a partnership with his father, a disbarred attorney, and allowing the father to be listed on the name of the firm.

Misleading communications have also resulted in long actual suspension to admonitions. In *In re Morse* (1995) 11 Cal.4th 184, the Supreme Court actually suspended an attorney for three years (with the possibility of reducing it to two years) for mass mailings of unlawful and misleading advertisements. In *In the Matter of Respondent V* (Review Dept. 1995) 3 Cal. State Bar Ct. Rptr. 442, an attorney was admonished for illegally using the Great Seal of California on his letterhead.

Cases involving moral turpitude for misrepresentations have generally resulted in a variety of actual suspensions. In *Davis v. State Bar* (1983), 33 Cal.3d 231, an attorney was given a one year actual suspension after he was found to have willfully failed to perform and made a misrepresentation to a court by filing a verified answer denying that he represented the client. The attorney had two prior records of discipline, both for stayed suspensions.

In a case with some similarities to the instant matter, *In the Matter of Mitchell* (Review Dept., 1991) 1 Cal. State Bar Ct. Rptr. 33, an attorney was suspended for one year, stayed on condition of one year probation and 60 days actual suspension for lying on his resume. He also lied in his responses to the State Bar. He had no priors, but began his misconduct after only six years of practice.

In commingling cases, the discipline has generally ranged from six months actual suspension to 60 days actual suspensions when there are no other violations. For example, in *In the Matter of Doran* (Review Dept. 1998) 3 Cal. State Bar Ct. Rptr. 871, an attorney was suspended for 18 months, stayed, 3 years probation, and six months actual suspension for repeated violations of rule 4-100 over three years by depositing personal funds into the attorney's CTAs and using these accounts for personal expenses. Moral turpitude was found for using the CTA for expenses and repeatedly issuing NSF checks. The attorney had no prior record of discipline, but the misconduct began within two years of being admitted. In *In the Matter of Bleecker* (Review Dept. 1991) an attorney was actually suspended for sixty days for commingling, using his CTA to avoid a tax levy, writing CTA checks for personal and business matters, and for misappropriating \$240.

Respondent claims ignorance and inadvertence as the reasons behind her misconduct, but the numerous violations nonetheless warrant at least a three month period of actual suspension. The recommended discipline for respondent is three year suspension, stayed, with five years probation and three months actual suspension and the conditions stated elsewhere as a means to protect the public, maintain high professional standards, and preserve public confidence in the legal profession. Respondent is aware that a violation of the conditions of this discipline or future misconduct may result in a more significant actual suspension or disbarment.

In the Matter of LAURA A. THOMPSON No. 219999	Case number(s): 07-O-13875
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 reprobation), Respondent must make any necessary final payment(s) in order to complete the payment of restitution, including interest, in full

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

c. Client Funds Certificate

- 1. If Respondent possesses client funds at any time during the period covered by a required quarterly report, Respondent must file with each required report a certificate from Respondent and/or a certified public accountant or other financial professional approved by the Office of Probation, certifying that:
 - 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",

(Financial Conditions form approved by SBC Executive Committee: 10/16/2000. Revised 12/16/2004; 12/13/2006)

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 LAURA A. THOMPSON No. 219999	Case number(s): 07-O-13875
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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.

19 DEC 08
Date


Respondent's Signature

LAURA THOMPSON
Print Name

12/30/08
Date


Respondent's Counsel Signature

Kara Elizabeth Farmer
Print Name

1/2/09
Date


Deputy Trial Counsel's Signature

Allen Blumenthal
Print Name

(Do not write above this line)

In the Matter Of
LAURA A. THOMPSON
No. 219999

Case Number(s)
07-O-13875

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.)

Jan 9, 2009
Date

[Signature]
Judge of the State Bar Court
W. Armendariz

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 January 13, 2009, I deposited a true copy of the following document(s):

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

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

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

**KARA E. FARMER
HINSHAW & CULBERTSON LLP
1 CALIFORNIA ST 18TH FL
SAN FRANCISCO, CA 94111**

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:

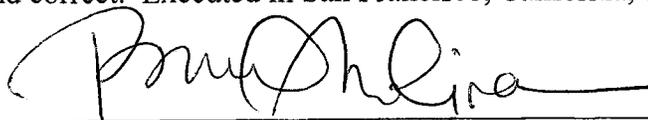
by fax transmission, at fax number . No error was reported by the fax machine that I used.

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:

ALLEN BLUMENTHAL, Enforcement, San Francisco

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on January 13, 2009.



Bernadette C.O. Molina
Case Administrator
State Bar Court