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

<p>Counsel For The State Bar</p> <p>Dane C. Dauphine, No. 121606 Supervising Trial Counsel 1140 South Hill Street Los Angeles, CA 90015 (213) 765-1000</p> <p>Bar # 121606</p>	<p>Case Number(s):</p> <p>07-O-14994 08-O-11564 08-O-10037</p> <p align="center">PUBLIC MATTER</p>	<p>For Court use only</p> <p align="center">FILED JUL -5 2011 <i>[Signature]</i></p> <p align="center">STATE BAR COURT CLERK'S OFFICE LOS ANGELES</p>
<p>In Pro Per Respondent</p> <p>Joseph Louis Lisoni PO Box 1614 Buellton, CA 93427</p> <p>Bar # 55051</p>	<p>Submitted to: Settlement Judge</p> <p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING</p>	
<p>In the Matter of: Joseph Louis Lisoni</p> <p>Bar # 55051</p> <p>A Member of the State Bar of California (Respondent)</p>	<p>ACTUAL SUSPENSION</p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</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 January 8, 1973.
- (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 **19** 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."

(Effective January 1, 2011)



- (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 5.130, Rules of Procedure.
 - Costs are to be paid in equal amounts prior to February 1 for the following membership years: (Hardship, special circumstances or other good cause per rule 5.132, Rules of Procedure.) If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.
 - Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
 - Costs are 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. Barela was significantly harmed as a result of Respondent's misconduct. He has been deprived of \$53,678 in settlement funds that have been owed to him since 2004.
- (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. Respondent engaged in multiple acts of misconduct in three matters.
- (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.

- (12) **Rehabilitation:** Considerable time has passed since the acts of professional misconduct occurred followed by convincing proof of subsequent rehabilitation.
- (13) **No mitigating circumstances** are involved.

Additional mitigating circumstances:

Respondent was admitted to the practice of law in California in 1973 and has no prior record of discipline. He cooperated with the State Bar in entering into this Stipulation.

Respondent represents that: In 2004 and/or 2005, he suffered from a complete mental and physical breakdown; during portions of the period from 2004 to 2008, he was addicted to prescription and illegal drugs (including Vicodin and cocaine), engaged in excessive gambling, participated in a 30-day detoxification program, was hospitalized for seven days on an involuntary psychiatric hold, and lived for 17 months in a sober living facility where he was actively involved in an Alcoholics Anonymous and Cocaine Anonymous program; as a result of the treatment that he received, he has not been addicted to any drug since 2008; he has not had any alcohol to drink since 1981; in January 2008, he was diagnosed with bipolar disorder and depression; in about March 2008, he was found to be disabled by the Social Security Administration due to mental health reasons (bipolar disorder and depression) and has been receiving Social Security Disability benefits; and he is currently being treated by a psychiatrist (on a monthly basis) and a psychologist (on a weekly basis).

D. Discipline:

(1) **Stayed Suspension:**

- (a) Respondent must be suspended from the practice of law for a period of **THREE (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 **FOUR (4) 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 **TWO (2) 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: Pays one-half of the restitution as set forth in the Financial Conditions form attached to this stipulation.

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 the 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: .

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- (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 checked="" 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 5.162(A) & (E), 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:**

8. Pursuant to their fee agreement, the Lisonis were entitled to receive \$96,000 in attorneys' fees (40 percent of \$240,000) from the Barela settlement, and to be reimbursed for costs, but never sought reimbursement of any costs.

9. Barela was entitled to receive \$144,000 as his share of the settlement.

10. In June 2004, Respondent notified Barela of his receipt of Barela's settlement funds and asked Barela to lend him those funds for the purpose of funding another lawsuit in which Respondent was seeking or intended to seek class certification, *Martin Frosini et al. v. Bridgestone Firestone North American Tire ("Bridgestone"), et al.*, USDC, CD Cal, Case No. CV05-00578-CAS-RZ (the "Class Action").

11. Respondent did not memorialize in writing the terms of the loan that he requested from Barela.

12. Barela did not agree to lend any funds to Respondent. However, based on Respondent's discussions with Barela, Respondent had a good faith belief that Barela agreed to the loan. Respondent's belief was unreasonable, in part because the alleged agreement was not memorialized in writing and no agreement was reached regarding the interest rate and terms for repayment.

13. From July 13, 2000 to June 17, 2004, prior to their receipt of the settlement check, the Lisonis loaned funds to Barela as advances against any future settlement.

14. From June 18, 2004 to March 2, 2007, the Lisonis continued to make payments to Barela, which Barela believed to be additional advances against his settlement.

15. To date, the Lisonis have paid a total of \$90,322 to Barela (against the \$144,000 to which Barela was entitled from the settlement funds) and still owe him \$53,678, which they were required to maintain in the CTA.

16. On May 10, 2005, the CTA balance was \$17,230.48.

17. On May 8, 2007, the CTA balance was \$4,941.33.

18. On May 9, 2007, the CTA balance was \$7,458.85.

19. On August 15, 2007, the CTA balance was negative \$15.95.

20. In February 2008, the Lisonis closed the CTA.

21. The Lisonis did not maintain in the CTA the sum of \$53,678 on behalf of Barela because Respondent had a good faith belief that Barela had agreed to lend the settlement funds to Respondent. However, since Barela had not agreed to any loan and Respondent's belief that Barela had agreed to the loan was unreasonable, Respondent, with gross negligence, misappropriated \$53,678 of Barela's funds.

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22. On May 9, 2007, Barela met with the Lisonis and demanded that they pay him his share of the settlement funds.

23. During the May 9, 2007 meeting, the Lisonis and Barela reached an agreement by which Barela agreed to lend to Respondent the entire settlement in the amount of \$240,000.

24. Respondent then signed and provided Barela a document in which, among other things, Respondent acknowledged receipt of a non-recourse loan from Barela in the amount of \$240,000 with interest at 10 percent per annum, payable from the attorneys' fees due from the anticipated settlement of the Class Action; and waived all payments made to Barela to date (the "Barela Loan Agreement").

25. On May 9, 2007, Barela agreed to the terms of the Barela Loan Agreement but did not sign it and was not asked to do so.

26. The terms of the Barela Loan Agreement were not fair and reasonable to Barela, in part because they provided for a non-recourse loan, with security limited to the attorneys' fees from an anticipated settlement of the Class Action; and did not provide any due date for repayment of the entire loan or for periodic payments by dates certain.

27. The terms of the Barela Loan Agreement were not fully disclosed and transmitted in writing to Barela in a manner which should reasonably have been understood. Respondent did not inform Barela that the class had not yet been certified, that it might not be certified, and that there might not be any attorneys' fees awarded to them.

28. Respondent did not advise Barela in writing that he may seek the advice of an independent lawyer of his choice, and consequently, did not give him a reasonable opportunity to seek that advice.

29. On August 24, 2007, the court granted defendant Bridgestone's motion for summary adjudication in the Class Action and denied plaintiffs' motion for class certification. The court dismissed the Class Action.

30. As a result, Respondents did not collect any attorneys' fees in the Class Action and the \$240,000 loan from Barela was not repaid.

CONCLUSIONS OF LAW:

31. By not maintaining the settlement funds to which Barela was entitled in a trust account on behalf of Barela, Respondent failed 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, in willful violation of Rules of Professional Conduct, rule 4-100(A).

32. By misappropriating settlement funds owed to Barela, due to gross negligence, Respondent willfully committed acts involving moral turpitude, dishonesty or corruption, in willful violation of Business and Professions Code, section 6106.

33. By providing the Barela Loan Agreement to Barela, pursuant to terms that were not fair and reasonable and that were not fully disclosed and transmitted in writing in a manner which should reasonably have been understood, and by not advising Barela that he may seek the advice of an independent lawyer of his choice and consequently not giving him a reasonable opportunity to seek that advice before agreeing to the terms of the Agreement, Respondent entered into a business transaction with a client, in willful violation of Rules of Professional Conduct, rule 3-300.

CASE NO. 08-O-11564

(COMPLAINANT: ADAM ROLLINS ON BEHALF OF SALVADOR ARIAS)

FACTS:

34. On March 7, 2000, Salvador Luis Arias ("Arias") hired Lisoni & Lisoni to represent him and his minor daughter, Lisa Marie Arias ("Lisa") in a civil rights matter on a contingency basis, and entered into a written fee agreement providing in part that Arias would pay attorney's fees in the amount of 40 percent of any recovery after the case was filed with the court, and reimburse any costs paid on his behalf.

35. The Lisonis both worked on Arias's case and Lisa's case.

36. On September 27, 2000, Gail Lisoni filed a lawsuit on Arias's behalf, in *Salvador Luis Arias v. City of Los Angeles, et al.*, USDC, CD Cal., Case No. CV00-10366-GAF (AJWx) (the "Arias matter").

37. On November 20, 2000, after the court appointed Arias as guardian ad litem for Lisa, Gail Lisoni filed a lawsuit on Lisa's behalf, in *Lisa Marie Arias, a minor, by and through her guardian ad litem, Salvador Luis Arias v. City of Los Angeles, et al.*, USDC, CD Cal., Case No. CV00-12275-GAF (AJWx) ("Lisa's matter").

38. On December 3, 2001, the Lisonis settled Arias's matter for \$350,000 and Lisa's matter for \$10,000, totaling \$360,000, and signed Arias's name to the Release of All Claims and Parent's Indemnification Agreement (the "Release") on behalf of Arias and Lisa.

39. On January 4, 2002, Gail Lisoni prepared a Petition of Guardian Ad Litem for Compromise of Disputed Claim of Minor ("Petition"), seeking court approval of a \$10,000 settlement in Lisa's matter. The Petition, which was filed on or about January 8, 2002, bears a signature that purports to be that of Arias. On January 10, 2002, the court authorized Respondent to be paid \$2,500 in attorneys' fees from Lisa's settlement.

40. The court further ordered in part that a check was to be issued for Lisa's share of the settlement, in the amount of \$7,500, made payable both to Arias, as trustee for Lisa, and to Bank of America, bearing an endorsement on the face or reverse side of such check to the effect that the check was for deposit in a federally insured blocked account in the name of Arias as trustee for Lisa.

41. The court further ordered that within 48 hours of receiving the check for Lisa's share of the settlement, Arias and Respondent must deposit the check in Arias's name, as trustee for Lisa, in

Bank of America, Lake and Colorado, Pasadena, CA, and that Respondent must deliver to the bank three copies of the Order to Deposit Money; and that Arias may make no withdrawal from Lisa's account without first obtaining an order from the Court authorizing such withdrawal.

42. The City of Los Angeles (the "City") issued one settlement check in the amount of \$360,000, in settlement of both Arias's matter and Lisa's matter.

43. On January 11, 2002, the Lisonis received the \$360,000 settlement check from the City and deposited it in the CTA.

44. Pursuant to their fee agreement with Arias, the Lisonis were entitled to receive \$140,000 in attorneys' fees (40 percent of \$350,000) for the Arias matter, and were entitled to be reimbursed for costs, but never sought reimbursement of any costs from Arias.

45. Arias was entitled to receive \$210,000 as his share of the \$350,000 settlement.

46. In January 2003, Respondent notified Arias of his receipt of the settlement funds for Arias's case and Lisa's case and asked Arias to lend him those settlement funds for the purpose of funding the Class Action.

47. Respondent did not memorialize in writing the terms of the loan he requested from Arias.

48. Arias did not agree to lend any funds to Respondent. However, based on Respondent's discussions with Arias, Respondent had a good faith that Arias agreed to the loan. Respondent's belief was unreasonable, in part because the alleged agreement was not memorialized in writing and no agreement was reached regarding the interest rate and terms for repayment.

49. From April 4, 2000 to January 10, 2002, prior to their receipt of the settlement check in the Arias matter, the Lisonis loaned funds to Arias as advances against any future settlement.

50. From January 11, 2002 to March 9, 2007, the Lisonis continued to make payments to Arias, which he believed to be additional advances against his future settlement.

51. The Lisonis were required to maintain the settlement funds to which Arias was entitled in the CTA.

52. As of May 28, 2004, the Lisonis had paid \$158,630 to Arias (against the \$210,000 to which Arias was entitled from his settlement funds) and still owed him \$51,370, which Respondents were required to maintain in the CTA. On May 28, 2004, the balance in the CTA was \$12,330.90, which was \$39,039 less than the amount still owed to Arias at that time.

53. As of June 10, 2004, the Lisonis had paid a total of \$162,130 to Arias and still owed him \$47,870 from his settlement, which they were required to maintain in the CTA. On June 10, 2004, the balance in the CTA was \$5,518.90, which was \$42,351 less than the amount still owed to Arias at that time.

54. The Lisonis did not maintain in the CTA the settlement funds to which Arias was entitled because Respondent had a good faith belief that Arias had agreed to lend the settlement funds to Respondent. However, since Arias had not agreed to any loan and Respondent's belief that Arias had agreed to the loan was unreasonable, Respondent, with gross negligence, misappropriated \$42,351 of Arias's funds.

55. On May 9, 2007, Arias met with the Lisonis and demanded that they pay him his share of the settlement funds.

56. By that time, the Lisonis had paid over \$300,000 to Arias.

57. During the May 9, 2007 meeting, the Lisonis and Arias reached an agreement by which Arias agreed to lend to Respondent the entire settlement in the amount of \$360,000. Respondent then signed and provided Arias a document in which, among other things, Respondent acknowledged receipt of a non-recourse loan from Arias in the amount of \$360,000 with interest at 10 percent per annum, payable from the attorneys' fees due from the anticipated settlement of the Class Action; and waived all payments made to Arias to date (the "Arias Loan Agreement").

58. On May 9, 2007, Arias agreed to the terms of the Arias Loan Agreement but did not sign it and was not asked to do so.

59. The terms of the Arias Loan Agreement were not fair and reasonable to Arias, in part because they provided for a non-recourse loan, with security limited to the attorneys' fees from an anticipated settlement of the Class Action; and did not provide any due date for repayment of the entire loan or for periodic payments by dates certain.

60. The terms of the Arias Loan Agreement were not fully disclosed and transmitted in writing to Arias in a manner which should reasonably have been understood. Respondent did not inform Arias that the class had not yet been certified, that it might not be certified, and that there might not be any attorneys' fees awarded to them.

61. Respondent did not advise Arias in writing that he may seek the advice of an independent lawyer of his choice, and consequently, did not give him a reasonable opportunity to seek that advice.

62. Respondents did not collect any attorneys' fees in the Class Action and the \$360,000 loan from Arias was not repaid.

63. The Lisonis failed to issue a check for Lisa's share of the settlement in the amount of \$7,500 made payable both to Arias, as trustee for Lisa, and to the bank; failed to deposit a check in Arias's name, as trustee for Lisa, in the bank; and failed to deliver to the bank three copies of the Order to Deposit Money.

CONCLUSIONS OF LAW:

64. By not maintaining the settlement funds to which Arias was entitled in a trust account on behalf of Arias, Respondent failed 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, in willful violation of Rules of Professional Conduct, rule 4-100(A).

65. By misappropriating settlement funds to which Arias was entitled, due to gross negligence, Respondent willfully committed acts involving moral turpitude, dishonesty or corruption, in willful violation of Business and Professions Code, section 6106.

66. By failing to issue a \$7,500 check for Lisa's share of the settlement, made payable both to Arias, as trustee for Lisa, and to the bank, bearing the endorsement required by the court; deposit the check in Arias's name, as trustee for Lisa; and deliver to the bank three copies of the Order to Deposit Money, Respondent willfully disobeyed or violated an order of the court requiring him to do or forbear an act connected with or in the course of Respondent's profession which he ought in good faith to do or forbear, in willful violation of Business and Professions Code, section 6103.

67. By providing the Arias Loan Agreement to Arias, pursuant to terms that were not fair and reasonable and that were not fully disclosed and transmitted in writing in a manner which should reasonably have been understood, and by not advising Arias that he may seek the advice of an independent lawyer of his choice and consequently not giving him a reasonable opportunity to seek that advice before agreeing to the terms of the Agreement, Respondent entered into a business transaction with a client, in willful violation of Rules of Professional Conduct, rule 3-300.

CASE NO. 08-O-10037 (COMPLAINANT: A STATE BAR INVESTIGATION)

FACTS:

68. On August 1, 2007, the CTA balance was \$58.85, which consisted of personal funds belonging to the Lisonis that were maintained in the CTA.

69. On August 2, 2007, Respondent wrote CTA Check Number 7333, in the amount of \$39.80, payable to Fair Oaks Pharmacy (the "Pharmacy"), as payment for a personal prescription.

70. On August 2, 2007, Check number 7333 was presented for payment to Bank of America and paid on or about August 6, 2007, resulting in a CTA balance of \$19.05.

71. Subsequently, in August 2007, Respondent authorized the Pharmacy to deduct \$356.42 from the CTA, as payment for another personal prescription. At that time, the CTA balance was \$19.05.

72. The CTA balance of \$19.05 was insufficient to cover the payment due. As a result, a returned item fee ("NSF fee") in the amount of \$35.00 was charged to the CTA by the Bank, resulting in a balance of negative \$15.95.

73. Respondent was grossly negligent in not knowing that there were insufficient funds in the CTA to honor the \$356.42 charge.

74. Subsequently, the Pharmacy unsuccessfully attempted to process the charge on several other occasions, which resulted in an additional NSF fee in the amount of \$35.00 for each attempt, which resulted in a CTA balance of negative \$120.95 as of September 25, 2007.

75. On December 6, 2007, the CTA remained overdrawn with a balance of negative \$120.95.

76. On December 28, 2007, Gail Lisoni deposited \$120.95 of her personal funds into the CTA, which resulted in a zero balance.

77. On January 8, 2008, another NSF fee in the amount of \$35.00 was charged to the CTA by the Bank. On January 29, 2007, another NSF fee in the amount of \$35.00 was charged to the CTA by the Bank.

78. On January 31, 2008, the CTA remained overdrawn with a balance of negative \$70.00.

79. On February 12, 2008, Gail Lisoni deposited \$70.00 of her personal funds into the CTA, which resulted in a zero balance, and the account was closed.

CONCLUSIONS OF LAW:

80. By maintaining personal funds in the CTA and by withdrawing or attempting to withdraw funds from the CTA to pay personal expenses, Respondent willfully commingled funds belonging to him in a bank account labeled "Trust Account," "Client's Funds Account" or words of similar import, in willful violation of Rules of Professional Conduct, rule 4-100(A).

81. By charging \$356.42 against the CTA at a time when, due to gross negligence, Respondent did not know that there were insufficient funds in the CTA to honor that charge, Respondent committed an act involving moral turpitude, dishonesty or corruption, in willful violation of Business and Professions Code, section 6106.

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was May 12, 2011.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of May 6, 2011, the prosecution costs in this matter are \$4,796.59. Respondent further acknowledges that should this stipulation be rejected or should relief from the stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

AUTHORITIES SUPPORTING DISCIPLINE.

Standard 1.3, Standards for Attorney Sanctions for Professional Misconduct (the "Standards"), provides that the primary purposes of disciplinary proceedings conducted by the State Bar of California and of sanctions imposed are the protection of the public, the courts, and the legal profession; the maintenance of high professional standards by attorneys; and the preservation of public confidence in the legal profession.

Standard 1.6 (a) provides that if different sanctions are prescribed for two or more acts of professional misconduct, the sanction imposed shall be the more or most severe of the different applicable sanctions.

Standard 2.2(a) provides for disbarment for willful misappropriation of entrusted funds or property, unless the amount misappropriated is insignificantly small or the most compelling mitigating circumstances exist, in which case the discipline will be at least a one-year actual suspension, irrespective of mitigating circumstances.

Standard 2.6 provides for actual suspension or disbarment for a violation of Business and Professions Code, section 6103, depending on the gravity of the offense or the harm, if any, to the victim, with due regard to the purposes of imposing discipline.

Standard 2.8 provides for suspension for a violation of Rules of Professional Conduct, rule 3-300, unless the extent of the misconduct and the harm to the client are minimal, in which case, the degree of discipline shall be reproof.

While the Standards should be afforded great weight, we are not bound to follow them in talismanic fashion. *In the Matter of Conner* (Review Dept. 2008) 2 Cal. State Bar Ct. Rptr 93, 107 [Citations.] Each case should be decided on its own facts. *Ibid.* [Citations.]

The stipulated discipline is appropriate in this matter. Respondent has agreed to pay restitution to Barela. The public is adequately protected because respondent may not return to active status with the State Bar until he demonstrates his rehabilitation, present fitness to practice and learning and ability in the general law pursuant to Standard 1.4(c)(ii). (See *In the Matter of Davis* (Review Dept. 2003) 4 Cal. State Bar Ct. Rptr. 576, 587-589 [The court recommended two years actual suspension and until payment of restitution, four years stayed suspension, and four years probation, after finding in part that respondent committed acts of moral turpitude in violation of section 6106, Business & Professions Code, by willfully misappropriating funds by gross negligence.]

(Do not write above this line.)

In the Matter of: Joseph Louis Lisoni	Case Number(s): 07-O-14994, 08-O-11564, 08-O-10037
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Medical Conditions

- a. Unless Respondent has been terminated from the Lawyer Assistance Program ("LAP") prior to respondent's successful completion of the LAP, respondent must comply with all provisions and conditions of respondent's Participation Agreement with the LAP and must provide an appropriate waiver authorizing the LAP to provide the Office of Probation and this court with information regarding the terms and conditions of respondent's participation in the LAP and respondent's compliance or non-compliance with LAP requirements. Revocation of the written waiver for release of LAP information is a violation of this condition. However, if respondent has successfully completed the LAP, respondent need not comply with this condition.
- b. Respondent must obtain psychiatric or psychological help/treatment from a duly licensed psychiatrist, psychologist, or clinical social worker at respondent's own expense a minimum of four (4) times per month and must furnish evidence to the Office of Probation that respondent is so complying with each quarterly report. Help/treatment should commence immediately, and in any event, no later than thirty (30) days after the effective date of the discipline in this matter. Treatment must continue for ---- days or ---- months or four (4) years or, the period of probation or until a motion to modify this condition is granted and that ruling becomes final.

If the treating psychiatrist, psychologist, or clinical social worker determines that there has been a substantial change in respondent's condition, respondent or Office of the Chief Trial Counsel may file a motion for modification of this condition with the Hearing Department of the State Bar Court, pursuant to rule 5.300 of the Rules of Procedure of the State Bar. The motion must be supported by a written statement from the psychiatrist, psychologist, or clinical social worker, by affidavit or under penalty of perjury, in support of the proposed modification.

- c. Upon the request of the Office of Probation, respondent must provide the Office of Probation with medical waivers and access to all of respondent's medical records. Revocation of any medical waiver is a violation of this condition. Any medical records obtained by the Office of Probation are confidential and no information concerning them or their contents will be given to anyone except members of the Office of Probation, Office of the Chief Trial Counsel, and the State Bar Court, who are directly involved with maintaining, enforcing or adjudicating this condition.

Other:

(Do not write above this line.)

In the Matter of: Joseph Louis Lisoni	Case Number(s): 07-O-14994, 08-O-11564, 08-O-10037
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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
Rene Barela Mationg	\$53,678	June 18, 2004

- Respondent must pay above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than the end of the period of probation. As set forth in Section D, supra, Respondent shall remain actually suspended until he has paid one-half of the restitution.

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

- If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.

c. Client Funds Certificate

JLL

DCD

- 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~~ 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: Joseph Louis Lisoni	Case number(s): 07-O-14994, 08-O-11564, 08-O-10037
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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 Facts, Conclusions of Law, and Disposition.

5-22-11 Joseph Louis Lisoni Joseph Louis Lisoni
Date Respondent's Signature Print Name

6-8-11 Dane C. Dauphine Dane C. Dauphine
Date Deputy Trial Counsel's Signature Print Name

(Do not write above this line.)

In the Matter of: Joseph Louis Lisoni	Case Number(s): 07-O-14994, 08-O-11564, 08-O-10037
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ACTUAL SUSPENSION ORDER

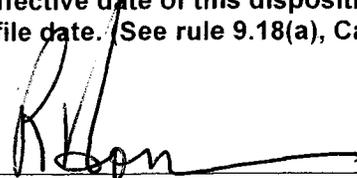
Finding the stipulation to be fair to the parties and that it adequately protects the public, IT IS ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without prejudice, and:

- 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.

See attached Modifications to Stipulation.

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 5.58(E) & (F), 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 7-1-11



Judge of the State Bar Court
RICHARD A. HONN

MODIFICATIONS TO STIPULATION

1. On page 5 of the stipulation, all of the text in subdivision D(3)(a)(iii) is DELETED, and the following text is INSERTED in its place:

and until respondent pays restitution to Rene Barela Mationg in the amount of \$26,839 plus 10 percent interest per year from June 18, 2004 (or reimburses the Client Security Fund to the extent of any payment from the fund to Rene Barela Mationg in accordance with Business and Professions Code section 6140.5) and furnishes satisfactory proof of payment to the State Bar's Office of Probation in Los Angeles. Any restitution to the Client Security Fund is enforceable as provided in Business and Professions Code section 6140.5, subdivisions (c) and (d).

2. On page 17 of the stipulation ("Financial Conditions"), all of the text in subdivision (a) ("Restitution") is DELETED, and the following text is INSERTED in its place:

Respondent owes in restitution, to Rene Barela Mationg (or the Client Security Fund if it has paid), \$53,678 together with 10 percent interest thereon per year from June 18, 2004. Under subdivision D(3)(a)(iii) above, respondent must pay one-half of that sum (i.e., \$26,839 plus interest) before respondent's suspension can terminate. Respondent must pay the remaining one-half during the period of his probation as follows:

Respondent must pay restitution to Rene Barela Mationg in the amount of \$26,839 plus 10 percent interest per year from June 18, 2004 (or reimburse the Client Security Fund to the extent of any payment from the fund to Rene Barela Mationg in accordance with Business and Professions Code section 6140.5) during the period of his probation and furnish satisfactory proof of payment to the State Bar's Office of Probation in Los Angeles within that same time period. Any restitution to the Client Security Fund is enforceable as provided in Business and Professions Code section 6140.5, subdivisions (c) and (d).

-x-x-x-x-

CERTIFICATE OF SERVICE

[Rules Proc. of State Bar; Rule 5.27(B); Code Civ. Proc., § 1013a(4)]

I am a Case Administrator of the State Bar Court of California. I am over the age of eighteen and not a party to the within proceeding. Pursuant to standard court practice, in the City and County of Los Angeles, on July 5, 2011, I deposited a true copy of the following document(s):

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

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

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

JOSEPH LOUIS LISONI
JOSEPH LISONI
PO BOX 1614
BUELLTON, CA 93427

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:

Dane C. Dauphine, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on July 5, 2011.



Cristina Potter
Case Administrator
State Bar Court