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State Bar Court of California Hearing Department Los Angeles		
<p>Counsel For The State Bar</p> <p>Bitu Shasty Deputy Trial Counsel 1149 S. Hill Street Los Angeles, California 90015-1162 Telephone: (213) 765-1491</p> <p>Bar # 225177</p>	<p>Case Number (s) 08-H-10482 08-O-10678</p> <p style="text-align: center; font-size: 1.2em;">PUBLIC MATTER</p>	<p>(for Court's use)</p> <p style="text-align: center; font-size: 1.5em;">FILED</p> <p style="text-align: center;">JUL 17 2008 <i>[Signature]</i></p> <p style="text-align: center; font-size: 0.8em;">STATE BAR COURT CLERK'S OFFICE LOS ANGELES</p>
<p>In Pro Per Respondent</p> <p>John T. Coates 555 E. Pacific Coast Hwy, #218 Long Beach, California 90806</p> <p>Bar # 207175</p>	<p>Submitted to: Assigned Judge</p>	
<p>In the Matter Of: JOHN T. COATES</p> <p>Bar # 207175</p> <p>A Member of the State Bar of California (Respondent)</p>	<p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING</p> <p>ACTUAL SUSPENSION</p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	

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 2, 2000**.
- (2) The parties agree to be bound by the factual stipulations contained herein even if conclusions of law or disposition are rejected or changed by the Supreme Court.
- (3) All investigations or proceedings listed by case number in the caption of this stipulation are entirely resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of **12** 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: **Three billing cycles following the effective date of the Supreme Court Order.**
(hardship, special circumstances or other good cause per rule 284, Rules of Procedure)
 - costs waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs"
 - costs entirely waived

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

- (1) **Prior record of discipline** [see standard 1.2(f)]
- (a) State Bar Court case # of prior case **06-O-11558**
 - (b) Date prior discipline effective **May 13, 2007**
 - (c) Rules of Professional Conduct/ State Bar Act violations: **3-110(A), 3-500, and 1-110**
 - (d) Degree of prior discipline **two years stayed suspension, two years probation**
 - (e) If Respondent has two or more incidents of prior discipline, use space provided below.

Case No. 05-O-00327 RAP
Effective Date: May 3, 2005
Violations: Business and Professions Code 6068(i), 6068(m)
Rules of Professional Conduct 3-110(A)
Discipline: Public Reprimand

- (2) **Dishonesty:** Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
- (3) **Trust Violation:** Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.
- (4) **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice.
- (5) **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
- (6) **Lack of Cooperation:** Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.

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- (7) **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct.
- (8) **No aggravating circumstances** are involved.

Additional aggravating circumstances:

C. Mitigating Circumstances [see standard 1.2(e)]. Facts supporting mitigating circumstances are required.

- (1) **No Prior Discipline:** Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.
- (2) **No Harm:** Respondent did not harm the client or person who was the object of the misconduct.
- (3) **Candor/Cooperation:** Respondent displayed spontaneous candor and cooperation with the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings.
- (4) **Remorse:** Respondent promptly took objective steps spontaneously demonstrating remorse and recognition of the wrongdoing, which steps were designed to timely atone for any consequences of his/her misconduct.
- (5) **Restitution:** Respondent paid \$ _____ on _____ in restitution to _____ without the threat or force of disciplinary, civil or criminal proceedings.
- (6) **Delay:** These disciplinary proceedings were excessively delayed. The delay is not attributable to Respondent and the delay prejudiced him/her.
- (7) **Good Faith:** Respondent acted in good faith.
- (8) **Emotional/Physical Difficulties:** At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical disabilities which expert testimony would establish was directly responsible for the misconduct. The difficulties or disabilities were not the product of any illegal conduct by the member, such as illegal drug or substance abuse, and Respondent no longer suffers from such difficulties or disabilities.
- (9) **Severe Financial Stress:** At the time of the misconduct, Respondent suffered from severe financial stress which resulted from circumstances not reasonably foreseeable or which were beyond his/her control and which were directly responsible for the misconduct.
- (10) **Family Problems:** At the time of the misconduct, Respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature.
- (11) **Good Character:** Respondent's good character is attested to by a wide range of references in the legal and general communities who are aware of the full extent of his/her misconduct.
- (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

(Stipulation form approved by SBC Executive Committee 10/16/00. Revised 12/16/2004; 12/13/2006.)

Actual Suspension

D. Discipline:

(1) **Stayed Suspension:**

(a) Respondent must be suspended from the practice of law for a period of

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:** *NONE - SEE DISCUSSION ON PAGE*

Respondent must be placed on probation for a period of , 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 **60 DAYS**.

i. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct

ii. and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.

iii. and until Respondent does the following:

E. Additional Conditions of Probation:

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

(2) During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.

(3) Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.

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- (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: **Respondent completed Ethics School in past 3 years. Furthermore, no probation is being imposed.**
- (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 type="checkbox"/> Financial Conditions |

F. Other Conditions Negotiated by the Parties:

- (1) **Multistate Professional Responsibility Examination:** Respondent must provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National Conference of Bar Examiners, to the Office of Probation during the period of actual suspension or within one year, whichever period is longer. **Failure to pass the MPRE results in actual suspension without further hearing until passage. But see rule 9.10(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.**

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No MPRE recommended. Reason: **Respondent took and passed the MPRE on August 4, 2006 in connection with case number 05-O-00327-RAP.**

- (2) **Rule 9.20, California Rules of Court:** Respondent must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (3) **Conditional Rule 9.20, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 120 and 130 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (4) **Credit for Interim Suspension [conviction referral cases only]:** Respondent will be credited for the period of his/her interim suspension toward the stipulated period of actual suspension. Date of commencement of interim suspension:
- (5) **Other Conditions:**

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: JOHN T. COATES

CASE NUMBER(S): 08-H-10482, 08-O-10678

FACTS AND CONCLUSIONS OF LAW.

Respondent John T. Coates ("Respondent") admits that the following facts are true and that he is culpable of violations of the specified statutes and/or Rules of Professional Conduct.

Case No. 08-H-10482

FACTS

1. On April 5, 2005, Respondent entered into a Stipulation Re Facts, Conclusions of Law And Disposition ("Stipulation") with the State Bar of California in Case No. 05-O-00327-RAP. On April 6, 2005, the Hearing Department of the State Bar Court filed an Order approving the Stipulation and imposing upon Respondent a public reproof with conditions (the "Reproof Order"). On April 12, 2005, the Order was properly served by mail upon Respondent. Respondent received the Order.

2. The Order and the public reproof became effective on May 3, 2005.

3. Pursuant to the Reproval Order, Respondent was required to comply with certain terms and conditions attached to the public reproof for a period of one year.

4. On May 15, 2006, the Hearing Department of the State Bar Court filed an Order approving a stipulation by the parties to extend the reproof period to September 2, 2006.

5. As part of his Reproval conditions, Respondent was required comply with the following conditions:

- (a) to submit to the Probation Unit quarterly reports on each January 10, April 10, July 10, and October 10 during the conditions period attached to the reproof certifying under penalty of perjury whether Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of reproof during the preceding calendar quarter.

6. On April 15, 2005, the Probation Unit of the Office of the Chief Trial Counsel of the State Bar of California wrote and mailed a letter to Respondent in which it reminded Respondent of the terms and conditions of his reproof. Respondent received the April 15, 2005 letter from the Probation Unit.

7. As set forth below Respondent was late in filing six of his required Quarterly Reports:

Quarterly Report due on July 10, 2005 was filed on November 1, 2005;
Quarterly Report due on October 10, 2005 was filed on November 1, 2005;
Quarterly Report due on January 10, 2006 was filed on March 2, 2006;
Quarterly Report due on July 10, 2006 was filed on May 15, 2008;
Quarterly Report due on September 2, 2006 was filed on April 11, 2008.

CONCLUSIONS OF LAW

8. By failing to comply with the conditions of his reproof as forth in the Stipulation, Respondent willfully violated California Rules of Professional Conduct, Rule 1-110.

Case No. 08-O-10678

FACTS

1. On November 10, 2006, Respondent entered into a Stipulation Re Facts, Conclusions of Law and Disposition ("Stipulation") with the State Bar of California in Case No. 06-O-11558. On April 13, 2007, in case number S150149, the Supreme Court of California issued an Order (the "Disciplinary Order") imposing on Respondent the discipline recommended by the State Bar Court on December 12, 2006, in case number 06-O-11558. In the Disciplinary Order, the Court ordered that Respondent be suspended from the practice of law for two years 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, that execution of the suspension be stayed, and that he be placed on probation for two years subject to the conditions of probation recommended by the State Bar Court Hearing Department.

2. Respondent was properly served with the Disciplinary Order.

3. On May 13, 2006, the Disciplinary Order became effective.

4. As part of his Probation conditions, Respondent was required comply with the following conditions:

(a) to submit to the Probation Unit quarterly reports on each January 10, April

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Attachment Page 2

10, July 10, and October 10 during the conditions period attached to the reprobation certifying under penalty of perjury whether Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of reprobation during the preceding calendar quarter.

5. On August 2, 2007, the Probation Unit of the Office of the Chief Trial Counsel of the State Bar of California wrote and faxed a letter to Respondent in which it reminded Respondent of the terms and conditions of his probation. Respondent received the August 2, 2007 letter from the Probation Unit.

6. As set forth below Respondent was late in filing three of his required Quarterly Reports:

Quarterly Report due on July 10, 2007 was filed on May 15, 2008;
Quarterly Report due on October 10, 2007 was filed on May 15, 2008;
Quarterly Report due on January 10, 2008 was filed on May 15, 2008.

CONCLUSIONS OF LAW:

12. By failing to comply with the conditions of his probation in the Disciplinary Order issued by the Supreme Court of California in case number S150149, Respondent was in wilful violation of Business and Profession Code section 6068(k).

WAIVER OF VARIANCE BETWEEN NOTICE OF DISCIPLINARY CHARGES AND STIPULATED FACTS AND CULPABILITY

The parties waive any variance between the Notice of Disciplinary Charges filed on May 2, 2008, and the facts and/or conclusions of law contained in this stipulation. Additionally, the parties waive the issuance of an amended Notice of Disciplinary Charges. The parties further waive the right to a formal hearing on any charge not included in the pending Notice of Disciplinary Charges.

PENDING PROCEEDINGS.

The disclosure date referred to, on page one, paragraph A.(7), was June 2, 2008.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of June 6, 2008, the costs in this matter are \$2,296 . Respondent further acknowledges

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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, Title IV, Standards for Attorney Sanctions for Professional Misconduct, provides that the primary purposes of the disciplinary system 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."

Recently, the Supreme Court emphasized the importance of the standards and held that great weight should be given to the application of the standards in determining the appropriate level of discipline. The Court indicated that unless it has "grave doubts as to the propriety of the recommended discipline," it will uphold the application of the standards. *In re Silvertan* (2005) 36 Cal. 4th 81, 91-92.

Standard 2.9 states "Culpability of a member of a willful violation of rule 1-110, Rules of Professional Conduct shall result in suspension."

Standard 2.6(a) provides that an attorney's violation of Business and Professions Code section 6068 shall result in disbarment or suspension depending on the gravity of the offense or harm to the victim, if any, with due regard to the purposes of imposing discipline. Thus, Standard 2.6(a) calls for suspension, which could be entirely stayed, on up to significant actual suspension.

Standard 1.7(b) addresses the effect of prior discipline and states

"If a member is found culpable of professional misconduct in any proceeding in which discipline may be imposed and the member has a record of two prior impositions of discipline as defined by Standard 1.2(f), the degree of discipline in the current proceeding **shall be disbarment** unless the most compelling mitigating circumstances clearly predominate."

Respondent has cured all late reports and is currently in compliance and understands and is committed to the successful completion of the remaining terms of his probation. As such, it would be inappropriate to disbar Respondent.

Respondent has failed to follow the terms of his probation in the two underlying matters in this case. The State Bar believes further imposition of probation would lead to further failures to meet his conditions of probation. Therefore, the State Bar is not recommending imposition of a new probationary period but rather sixty days actual suspension.

MITIGATING CIRCUMSTANCES.

Respondent did not harm any clients as his violations are based on his non-compliance with his terms of reproof and probation conditions.

Respondent was cooperative with the State Bar during the disciplinary proceedings.

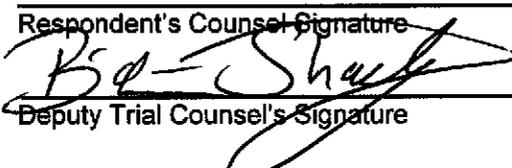
Respondent demonstrated genuine remorse and recognition of his wrongdoing and has taken appropriate steps to be in compliance with the terms of his reproof and probation conditions.

(Do not write above this line.)

In the Matter of JOHN T. COATES	Case number(s): 08-H-10482 08-O-10678
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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.

<u>6-17-08</u> Date	 Respondent's Signature	<u>JOHN T. COATES</u> Print Name
<u>6-17-08</u> Date	 Deputy Trial Counsel's Signature	<u>BITA SHASTY</u> Print Name

(Do not write above this line.)

In the Matter Of JOHN T. COATES	Case Number(s): 08-H-10482 08-O-10678
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ORDER

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

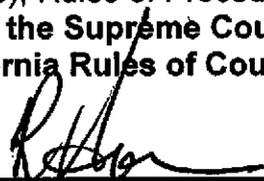
- The stipulated facts and disposition are APPROVED and the DISCIPLINE RECOMMENDED to the Supreme Court.
- The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the DISCIPLINE IS RECOMMENDED to the Supreme Court.
- All Hearing dates are vacated.

The "X"s in the first boxes of paragraph E(8) and F(1) are removed to reflect that it is not recommended that Respondent be required to take and pass Ethics School or the MPRE.

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.)**

July 17, 2008

Date


Richard A. Honn
Judge of the State Bar Court

CERTIFICATE OF SERVICE
[Rule 62(b), Rules Proc.; Code Civ. Proc., § 1013a(4)]

I am a Case Administrator of the State Bar Court of California. I am over the age of eighteen and not a party to the within proceeding. Pursuant to standard court practice, in the City and County of Los Angeles, on July 17, 2008, 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:

**JOHN T. COATES
555 E PACIFIC COAST HWY #218
LONG BEACH, CA 90806**

- by interoffice mail through a facility regularly maintained by the State Bar of California addressed as follows:

Bitu Shasty, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on **July 17, 2008**.



Cristina Potter
Case Administrator
State Bar Court