State Bar Court of California **Hearing Department** San Francisco **ACTUAL SUSPENSION** Counsel For The State Bar Case Number(s): For Court use only Mark P. Hartman 08-O-11776 Deputy Trial Counsel 09-O-14785 180 Howard Street, 7th Floor **PUBLIC MATTER** 09-O-16805 San Francisco, California 94105 10-0-05632 Telephone: (415)538-2558 Bar # 114925 Counsel For Respondent JUN 0 2 2011 Howard R. Melamed STATE BAR COURT CLERK'S OFFICE 319 Lennon Lane SAN FRANCISCO Walnut Creek, California 94598 Telephone: (925)932-0417 Submitted to: Bar # 40962 STIPULATION RE FACTS, CONCLUSIONS OF LAW AND **DISPOSITION AND ORDER APPROVING** In the Matter of **ACTUAL SUSPENSION** SEAN P. GJERDE PREVIOUS STIPULATION REJECTED Bar # 217467 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 December 11, 2001.
- (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.

(Do 1	ot writ	e above this line.)				
(4)	A s	A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."				
(5)	Co	Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law".				
(6)	The "Su	The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."				
(7)	No per	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)	Pay 614	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".				
ŀ	rote	avating Circumstances [for definition, see Standards for Attorney Sanctions for essional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances equired.				
(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. See page 11.				
(F#						

ot write	above this line.)
	Indifference: Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
	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.
\boxtimes	Multiple/Pattern of Misconduct: Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct.
	No aggravating circumstances are involved.
itiona	al aggravating circumstances:
	ating Circumstances [see standard 1.2(e)]. Facts supporting mitigating mstances are required.
	No Prior Discipline: Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.
	No Harm: Respondent did not harm the client or person who was the object of the misconduct.
\boxtimes	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. See page 11.
	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.
	Restitution: Respondent paid \$ on in restitution to without the threat or force of disciplinary, civil or criminal proceedings.
	Delay: These disciplinary proceedings were excessively delayed. The delay is not attributable to Respondent and the delay prejudiced him/her.
	Good Faith: Respondent acted in good faith.
	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.
	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.
	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.
\boxtimes	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. See page 11.
	ditional distribution of the control

(Do no	ot writ	e abov	e this li	ne.)	
(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.			
Addi	ition	al mit	tigatin	g circumstances:	
D. D)isc	iplin	e:		
(1)	\boxtimes	Stayed Suspension:			
	(a)	\boxtimes	Res	condent must be suspended from the practice of law for a period of one year.	
		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)	\boxtimes	The	above-referenced suspension is stayed.	
(2)	\boxtimes	☑ Probation:			
	Res date	spond e of th	ent m ne Sup	ust be placed on probation for a period of two years, which will commence upon the effective preme Court order in this matter. (See rule 9.18, California Rules of Court)	
(3)	<u> </u>		spension:		
	(a)		Resp of six	condent must be actually suspended from the practice of law in the State of California for a period 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. A	ddi	tiona	il Co	nditions 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)	\boxtimes	Durir Profe	ng the ession	probation period, Respondent must comply with the provisions of the State Bar Act and Rules of al Conduct.	

(Do n	ot writ	e above	e this line.)		<u> </u>		
(3)		State	e Bar and to the Office of Probation (of the State B ess and telep	report to the Membership Records Office of the ar of California ("Office of Probation"), all changes of hone number, or other address for State Barness 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					
(5)		promptly meet with the probation deputy as directed and upon request. 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 ad	ldition to all quarterly reports, a final ity (20) days before the last day of th	report, containe period of p	ining the same information, is due no earlier than robation 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)	\boxtimes	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 Probation satisfactory proof of attendance at a session of the Ethics School, and passage of the at the end of that session.		ne herein, Respondent must provide to the Office of n of the Ethics School, and passage of the test given				
			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 t	following conditions are attached he	reto and inco	rporated:		
			Substance Abuse Conditions		Law Office Management Conditions		
			Medical Conditions		Financial Conditions		
F. O	the	r Cor	nditions Negotiated by the P	arties:			
(1)	\boxtimes	the Cor	Multistate Professional Responsibilingerence of Bar Examiners, to the Of	ity Examination ffice of Proba	on: Respondent must provide proof of passage of on ("MPRE"), administered by the National tion during the period of actual suspension or within as the MPRE results in actual suspension without		

California Rules of Court, and perform the a	
(2) Rule 9.20, California Rules of Court: Res California Rules of Court, and perform the a	lle 9.10(b), California Rules of Court, and rule 5.162(A) &
California Rules of Court, and perform the a	
and 40 calendar days, respectively, after th	spondent must comply with the requirements of rule 9.20 , acts specified in subdivisions (a) and (c) of that rule within 30 e effective date of the Supreme Court's Order in this matter.
days or more, he/she must comply with the	of Court: If Respondent remains actually suspended for 90 requirements of rule 9.20, California Rules of Court, and a) and (c) of that rule within 120 and 130 calendar days, Supreme Court's Order in this matter.
(4) Credit for Interim Suspension [conviction period of his/her interim suspension toward commencement of interim suspension:	n referral cases only]: Respondent will be credited for the the stipulated period of actual suspension. Date of
(5) Other Conditions:	

ATTACHMENT TO STIPULATION AS TO FACTS, CONCLUSIONS OF LAW, AND DISCIPLINE

In the Matter of:

Sean P. Gjerde

Membership No.:

217467

State Bar Case Nos.: 08-O-11776, 09-O-14785, 09-O-16805, and 10-O-05632

RESOLUTION OF THE CURRENT CASES

The State Bar of California ("the State Bar") and respondent Sean P. Gjerde enter into this Stipulation As to Facts, Conclusions of Law, and Discipline ("Stipulation") in order to resolve case numbers 08-O-11776, 09-O-14785, and 09-O-16805, and 10-O-05632 ("the current cases").

DISMISSALS

The State Bar dismisses Counts Two, Four, Five, and Six of the Notice of Disciplinary Charges ("NDC") filed against respondent in case numbers 08-O-11776, 09-O-14785, and 09-O-16805.

WAIVERS

The parties waive all variances between the facts and conclusions of law asserted in the NDC and the facts and conclusions of law contained in this Stipulation.

FACTS

Respondent admits that the following facts are true:

Case Number 08-O-11776

- 1. ARAG Insurance Company ("ARAG") provides group legal insurance plans which are offered through employers as an employee benefit. If an employee has a legal need during the term of his or her policy, he or she can access ARAG's legal plan for services. If the matter is covered by the legal plan and the person uses a Network Attorney, ARAG pays the attorney's fees.
 - 2. In December 2010, respondent became an ARAG Network Attorney.

- 3. Respondent knowingly submitted false billings to ARAG and obtained reimbursement from ARAG for legal services which he did not perform. The false billings included the following:
 - (a) In December 2005, Ms. Debbie Barker ("Barker") contacted ARAG and sought legal services pursuant to her Group Legal Services Insurance Plan. In March 2006, Barker met with respondent for representation in an uncontested legal separation, and respondent agreed to represent her. About a year later, he met with her again. Respondent submitted a bill to ARAG for the following legal services: preparation of a complex will, preparation of a living will, preparation of a health care power of attorney, preparation of a durable power of attorney, and eight hours of unspecified "preventative matters." Barker did not receive any services other than assistance with her separation. On July 12, 2007, ARAG paid respondent \$940.00 for falsely billed services to Barker.
 - (b) In October 2007, Mr. James Villapudua ("Villapudua") contacted ARAG to receive legal services from an attorney according to his Group Legal Services Insurance Plan. In October or November 2007, Villapudua met with respondent regarding representation in a dissolution matter, and respondent agreed to represent him. Respondent submitted a bill to ARAG for the following legal services: property transfer, preparation of a complex will, preparation of a health care power of attorney, and preparation of a durable power of attorney. Villapudua did not receive any services other than assistance with his dissolution. On November 8, 2007, ARAG paid respondent \$970.00 for falsely billed services to Villapudua.
 - (c) In July 2007, Ms. Cynthia English ("English") contacted ARAG to receive legal services from an attorney according to her Group Legal Services Insurance Plan. In July 2007, English met with respondent regarding representation in a spousal and child support matter, and he agreed to represent her. Respondent submitted a bill to ARAG for the following legal services: preparation of a will, preparation of a living will, preparation of a health care power of attorney, and preparation of a durable power of attorney. English did not receive any services other than assistance with her spousal and child support matter. On July 23, 2007, ARAG paid respondent \$505.00 for falsely billed services to English.
 - (d) In November 2007, Mr. George Watt ("Watt") contacted ARAG to receive legal services from an attorney according to his Group Legal Services Insurance Plan. In November 2007, Watt met with respondent regarding representation in a dissolution matter, and he agreed to represent Watt. Respondent submitted a bill to ARAG for the following legal services: preparation of a complex will, preparation of a living will, preparation of a health care power of attorney, preparation of a durable power of attorney, and attendance at a dissolution hearing. Watt did not receive any services from respondent. In November 2007, ARAG paid respondent \$550.00 for falsely billed services to Watt.

Case Number 09-O-14785

- 4. On March 27, 2008, Mr. Edward Abellera hired respondent to represent him in his dissolution proceeding: *Yvonne Abellera v. Edward Abellera*, case no. 07FL04182, filed in Sacramento Superior Court.
 - 5. On August 28, 2008, Mr. Abellera and his wife, Mrs. Yvonne Abellera, sold their marital home.
 - 6. On September 22, 2008, respondent established a client trust account for the Abelleras ("Abellera CTA") to hold the community property proceeds from the home sale. A few days later, he received escrow funds and deposited them into the Abellera CTA.
 - 7. On July 29, 2009, the Abelleras obtained a dissolution judgment, which ordered respondent to disburse the funds in the Abellera CTA as follows: (1) \$19,414.89 to attorney James Gordon, Mr. Abellera's counsel, on behalf of Mr. Abellera; (2) \$20,360.89 to attorney Mary Molinaro ("Molinaro"), Mrs. Abellera's counsel, on behalf of Mrs. Abellera; and (3) \$2,500 to the firm of Schwartz, Moon, and Madden.
 - 8. On July 29, 2009, Molinaro provided a copy of the judgment to respondent and requested that he disburse the funds as the court ordered.
 - 9. On July 30, 2009, respondent informed Molinaro (1) that he was billing \$8,451.00 as a trustee for holding the funds from September 2008 to July 2009 and (2) that he refused to distribute the funds until this bill was paid.
 - 10. On August 6, 2009, Molinaro faxed respondent a letter rejecting respondent's claim for \$8,451.00 and demanding payment in accordance with the judgment of July 29, 2009.
 - 11. In order to receive most of her funds, Mrs. Abellera let respondent deduct \$500.00 from the funds which belonged to her.
 - 12. On September 1, 2009, respondent sent Molinaro a check payable to Mrs. Abellera for \$500.00 less than the amount ordered by the court.
 - 13. Respondent moved for reconsideration of the judgment, and the court denied his motion.
 - 14. Respondent did not reimburse Mrs. Abellera for the \$500.00 withheld from her.

Case Number 09-O-16805

- 15. On March 26, 2009, Ms. Elizabeth Ybanez ("Ybanez") hired respondent to negotiate a mortgage loan modification on her behalf and paid him \$2,500.00 as an advance fee.
 - 16. On May 27, 2009, Ybanez paid him an additional \$2,350.00.

17. Respondent performed no services of value to Ybanez, who terminated respondent's employment and requested the return of the \$4,850.00 paid to him.

Case Number 10-0-05632

- 18. In March 2010, Mrs. Anna Gildersleeve ("Gildersleeve") hired respondent to represent her in an unlawful detainer proceeding.
 - 19. The court ordered respondent to appear at a hearing on April 26, 2010; but he failed to do so.

CONCLUSIONS OF LAW

Respondent admits that the following conclusions of law are true:

Case Number 08-O-11776

1. By falsely billing ARAG for services which he knew that he did not provide to Barker, Villapudua, English, and Watt, respondent committed acts involving moral turpitude and dishonesty, in willful violation of section 6106 of the Business and Professions Code.

Case Number 09-O-14785

2. By failing to reimburse Mrs. Abellera for the \$500.00 withheld from her, respondent did not pay promptly, as requested by her, funds in his possession which she was entitled to receive, in willful violation of rule 4-100(B)(4) of the Rules of Professional Conduct.

Case Number 09-O-16805

3. By failing to refund \$4,850.00 to Ybanez, respondent did not refund promptly an unearned advance fee upon termination of employment, in willful violation of rule 3-700(D)(2) of the Rules of Professional Conduct.

Case Number 10-O-05632

4. By failing to appear as ordered at the hearing on April 26, 2010, respondent failed to obey a court order in the course of his profession which he ought in good faith to have obeyed, in willful violation of section 6103 of the Business and Professions Code.

AGGRAVATION

Multiple Acts

Respondent committed multiple acts of wrongdoing.

Harm

Respondent significantly harmed ARAG by obtaining unwarranted payments, Mrs. Abellera by withholding funds belonging to her, and Ybanez by failing to return an unearned advance fee. As a requirement for entering into this Stipulation, respondent made the following reimbursement payments: (1) \$4,051.00 to ARAG, (2) \$548.00 to Mrs. Abellera, and (3) \$5,869.00 to Ms. Ybanez. These payments covered the principal amounts owed plus interest.

MITIGATION

Candor/Cooperation

Respondent has displayed candor to, and cooperation with, the State Bar in resolving the current cases by entering into this Stipulation.

Character References

Respondent provided the State Bar with letters attesting to his good character from 19 people, including 16 clients, 2 attorneys, and 1 person from the general community.

SUPPORTING AUTHORITY

Standards 2.2(b), 2.3, 2.4(b), and 2.6(b) support the stipulated discipline. Although the State Bar has found no cases on point with the current cases, *McMahon v. State Bar* (1952) 39 Cal.2d 367 and *Wren v. State Bar* (1983) 34 Cal.3d 81 provide guidance.

ESTIMATED PROSECUTION COST

The estimated prosecution cost of the current cases is approximately \$5,841.00. This sum is only an estimate, and the final cost may differ from the estimated cost. If this Stipulation is rejected or if relief from this Stipulation is granted, the prosecution cost of the current case may increase because of the cost of further proceedings.

DATE OF DISCLOSURE OF ANY PENDING INVESTIGATION OR PROCEEDING

On May 9, 2011, the State Bar sent a disclosure letter by e-mail and fax to respondent's counsel. In this letter, the State Bar advised respondent's counsel of any pending investigations or proceedings against respondent other than the current cases.

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In the Matter of:	Case number(s):
SEAN P. GJERDE, No. 217467,	08-O-11776 09-O-14785 09-O-16805
A Member of the State Bar.	10-O-05632

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.

5-16-2011	AM	Sean P. Gjerde
Date /	Respondent's Signature	Print Name
5/17/2001	+auca Dulaned	Howard R. Melamed
Date	Respondent's Counsel Signature	Print Name
5/19/01	Mark Hartman Deputy Trial Counsel's Signature	Mark Hartman
Date	Deputy Trial Counsel's Signature	Print Name

09-O-16805

10-O-05632

ACTUAL SUSPENSION ORDER

Finding the stipulation to be fair to the parties and that it adequately protects the public, I'	T 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.

A Member of the State Bar.

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.)

June 2, 2011

Date

Judge of the State Bar Court

LUCY ARMENDARIZ

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 San Francisco, on June 2, 2011, I deposited a true copy of the following document(s):

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

in a sea	aled envelope for collection and mailing on that date as follows:
\boxtimes	by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at San Francisco, California, addressed as follows:
	HOWARD RICHARD MELAMED 319 LENNON LN WALNUT CREEK, CA 94598 - 2418
	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:
\boxtimes	by interoffice mail through a facility regularly maintained by the State Bar of California addressed as follows:
	Mark Hartman, Enforcement, San Francisco
	by certify that the foregoing is true and correct. Executed in San Francisco, California, on , 2011.

Case Administrator State Bar Court