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State Bar Court of California
Hearing Department
Los Angeles

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Bar # 132699

In the Matter Of:
 Jay Michael Tenenbaum

Bar # 134221

A Member of the State Bar of California
 (Respondent)

Case Number (s)

08-O-14710
 09-O-10094
 09-O-10096
 09-O-10133
 09-O-10416
 09-O-10465
 09-O-10922
 09-O-11190
 09-O-11192
 09-O-11293
 09-O-11440
 09-O-11724
 09-O-12730
 09-O-14085
 09-O-15136
 10-O-03433

(for Court's use)

PUBLIC MATTER**FILED**

JAN 10 2011

STATE BAR COURT
 CLERK'S OFFICE
 LOS ANGELES

Submitted to: **Settlement Judge**

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

ACTUAL SUSPENSION
☐ PREVIOUS STIPULATION REJECTED

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 14, 1988.
- (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 37 pages, not including the order.

- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."
- (5) Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law".
- (6) The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."
- (7) No more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.
- (8) Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):
 - ☐ until costs are paid in full, Respondent will remain actually suspended from the practice of law unless relief is obtained per rule 284, Rules of Procedure.
 - ☒ costs to be paid in equal amounts prior to February 1 for the following membership years: two years following the effective date of the Supreme Court order of discipline.
(hardship, special circumstances or other good cause per rule 284, Rules of Procedure)
 - ☐ costs waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs"
 - ☐ costs entirely waived

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

- (1) ☐ **Prior record of discipline** [see standard 1.2(f)]
 - (a) ☐ State Bar Court case # of prior case
 - (b) ☐ Date prior discipline effective
 - (c) ☐ Rules of Professional Conduct/ State Bar Act violations:
 - (d) ☐ Degree of prior discipline
 - (e) ☐ If Respondent has two or more incidents of prior discipline, use space provided below.
- (2) ☐ **Dishonesty:** Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
- (3) ☒ **Trust Violation:** Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property. Respondent failed to properly maintain his client trust account and cost account, which afforded his office manager/bookkeeper the opportunity to misuse client funds in the accounts.
- (4) ☐ **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice.

- (5) ☐ **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
- (6) ☐ **Lack of Cooperation:** Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.
- (7) ☒ **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct. Respondent's failure to adequately supervise his office manager/bookkeeper and failure to regularly reconcile his client trust account and cost account resulted in the misappropriation of entrusted funds from several clients.
- (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. Throughout this proceeding, Respondent cooperated fully with the State Bar, answered the questions that were posed by the State Bar, and entered into this comprehensive stipulation acknowledging his misconduct and settling this case pre-filing.
- (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. Respondent and his wife/law partner have taken steps to resolve the outstanding disputes with the clients whose funds were misused by their office manager/bookkeeper. Most of the litigation stemming from the closing of their practice has been settled.
- (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. At the time of the onset of the misconduct, Respondent began to experience severe financial stress (which resulted from his office manager/bookkeeper's misuse of his firm's funds). Respondent invested over \$ 525,000.00 of his own funds in a futile effort to keep his firm afloat. It was not until after his firm was closed that Respondent discovered his former office manager/bookkeeper's misuse of firm and client funds.

- (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. At the time of the onset of the misconduct, Respondent's wife/ law partner became debilitated by her Hepatitis C condition. His wife/law partner was also pregnant with twins, and experienced a high-risk pregnancy, which made it impossible for her to work. Respondent was forced to take on his wife's work load, which led him to place more reliance on his office manager/bookkeeper to monitor the firm's accounts. This set of circumstances made it possible for the office manager/bookkeeper to misuse funds in the accounts without detection for a significant period of time.
- (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 in 1988 and had almost twenty years of discipline-free practice before the onset of the misconduct.

D. Discipline:

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

- (a) ☒ Respondent must be actually suspended from the practice of law in the State of California for a period of 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:

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

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

- (6) ☐ Respondent must be assigned a probation monitor. Respondent must promptly review the terms and conditions of probation with the probation monitor to establish a manner and schedule of compliance. During the period of probation, Respondent must furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Office of Probation. Respondent must cooperate fully with the probation monitor.
- (7) ☒ Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the probation conditions.

- (8) ☒ Within one (1) year of the effective date of the discipline herein, Respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the Ethics School, and passage of the test given at the end of that session.
- ☐ No Ethics School recommended. Reason: .
- (9) ☐ Respondent must comply with all conditions of probation imposed in the underlying criminal matter and must so declare under penalty of perjury in conjunction with any quarterly report to be filed with the Office of Probation.
- (10) ☒ The following conditions are attached hereto and incorporated:
- | | |
|---|---|
| <input type="checkbox"/> Substance Abuse Conditions | <input type="checkbox"/> Law Office Management Conditions |
| <input type="checkbox"/> Medical Conditions | <input checked="" type="checkbox"/> Financial Conditions |

F. Other Conditions Negotiated by the Parties:

- (1) ☒ **Multistate Professional Responsibility Examination:** Respondent must provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National Conference of Bar Examiners, to the Office of Probation during the period of actual suspension or within one year, whichever period is longer. **Failure to pass the MPRE results in actual suspension without further hearing until passage. But see rule 9.10(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.**
- ☐ No MPRE recommended. Reason: .
- (2) ☒ **Rule 9.20, California Rules of Court:** Respondent must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (3) ☐ **Conditional Rule 9.20, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 120 and 130 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (4) ☐ **Credit for Interim Suspension [conviction referral cases only]:** Respondent will be credited for the period of his/her interim suspension toward the stipulated period of actual suspension. Date of commencement of interim suspension: .
- (5) ☒ **Other Conditions:** Before the expiration of each year of his probation, Respondent must provide to the Office of Probation satisfactory proof of attendance and completion of five (5) hours of participatory live instruction courses in attorney/client relations or Ethics, for a total of 25 hours.

The Attachment to the Stipulation re Facts, Conclusions of Law and Disposition comprises pages 9 to 36.

In the Matter of
Jay Michael Tenenbaum

A Member of the State Bar

Case number(s):
08-O-14710, 09-O-10094, 09-O-10096, 09-O-10133
09-O-10416, 09-O-10465, 09-O-10922, 09-O-11190
09-O-11192, 09-O-11293, 09-O-11440, 09-O-11724
09-O-12730, 09-O-14085, 09-O-15136, 10-O-03433

Financial Conditions

a. Restitution

- ☐ Respondent must pay restitution (including the principal amount, plus interest of 10% per annum) to the payee(s) listed below. If the Client Security Fund ("CSF") has reimbursed one or more of the payee(s) for all or any portion of the principal amount(s) listed below, Respondent must also pay restitution to CSF in the amount(s) paid, plus applicable interest and costs.

Payee	Principal Amount	Interest Accrues From

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

b. Installment Restitution Payments

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

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

c. Client Funds Certificate

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

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF:

Jay Michael Tenenbaum

CASE NUMBERS:

08-O-14710, 09-O-10094, 09-O-10096, 09-O-10133,
09-O-10416, 09-O-10465, 09-O-10922, 09-O-11190,
09-O-11192, 09-O-11293, 09-O-11440, 09-O-11724,
09-O-12730, 09-O-14085, 09-O-15136, 10-O-03433

PENDING PROCEEDINGS:

The disclosure date referred to, on page two, paragraph A.(7), was December 3, 2010.

Respondent admits that the following facts are true and that he is culpable of violations of the specified Rules of Professional Conduct and Business and Professions Code sections.

General Facts Applicable to All Matters

1. Respondent and his wife/law partner operated a law practice entitled Seals & Tenenbaum ("S&T") from 1990 until November 2008.
2. Respondent was the managing partner of S&T. Respondent had primary responsibility for overseeing the administrative side of their joint practice and reconciling the firm's business accounts.
3. Respondent's wife/law partner did not personally handle, reconcile or review the statements, ledgers or payment histories related to any of the matters assigned to S&T. All administrative duties were entrusted to Respondent.
4. Up until 2008, S&T experienced no problems related to its administration or financial accounts. During the entire time period from 1990 when S&T was formed, up to 2008, Respondent was responsible for the administration of the firm.
5. In late 2007, Respondent's wife/law partner became debilitated by her Hepatitis C condition which exacerbated her difficult, high-risk pregnancy with their now two and one-half year old twins.
6. Respondent's wife/law partner was unable to work in the office, and Respondent was forced to take on her work at S&T.
7. Respondent was distracted from his administrative duties at S&T, due to his commitment to cover for his wife/law partner's absence from the office and the consequent increase of his workload.
8. These circumstances afforded S&T's long-time office manager/bookkeeper the opportunity to misuse the firm's accounts without detection for a significant period of time.

9. Respondent and his wife/law partner invested over \$525,000 of their own funds to cover the unexplained shortfalls in the firm's accounts in 2008.

10. Respondent and his wife/ law partner closed S&T in November 2008, when they were unable to continue to pay for the firm's expenses.

11. At that time, Respondent and his wife/law partner discovered their trusted office manager/bookkeeper's misuse of the firm's accounts.

Case No. 08-O-14710

FACTS:

Respondent was hired by H&K, LLC ("H&K"), through H&K principal Jeffrey Berenholz, for several collection matters, including the accounts of debtors Dennis Williamson, David Good, Maria Magallanes-Lupian, Rebecca Tate-Lacroix and George Thomas.

Dennis Williamson Matter

1. On May 6, 2008, Berenholz forwarded the collections matter to Respondent to collect a debt owed by Dennis Williamson.
2. On June 10, 2008, Respondent sent a letter to Berenholz requesting \$450.00 in advanced costs for court filing fees for the Williamson matter.
3. On August 22, 2008, H&K sent check no. 196669 for \$450.00 to Respondent.
4. On August 28, 2008, Respondent received and deposited the \$450.00 check into a trust account Respondent maintained at CalNational Bank, CalNational Bank account xxxxx7006 (the "CalNational cost account").
5. On October 8, 2008, Respondent filed a suit in Riverside Superior Court entitled *Hudson v. Williamson*, case no. CIVVS806156. The cost to file the complaint was \$195.00. Respondent filed no other documents and incurred no other costs related to the Williamson matter.
6. On November 14, 2008, Respondent closed his law firm and did not return the unused advanced costs of \$255.00 to Berenholz.
7. Respondent failed to maintain the unused advanced costs in a trust account.

David Good Matter

8. On March 4, 2008, Berenholz forwarded the collections matter to Respondent to collect a debt owed by David Good.
9. On May 29, 2008, Respondent notified Berenholz that he would need \$375.00 in advanced costs for the filing fee.

10. On August 22, 2008, H&K sent check no. 196657 for \$375.00 to Respondent.
11. On August 28, 2008, Respondent deposited the check into his CalNational cost account.
12. After receiving the funds, Respondent did not file a lawsuit in the David Good matter and did not return the unused advanced costs. The balance in the CalNational trust account went to zero by the end of November 2008.
13. Respondent failed to maintain the unused advanced costs in a trust account.

Maria Magallanes-Lupian Matter

14. On June 9, 2008, Berenholz forwarded the collections matter to Respondent to collect a debt owed by Maria Magallanes-Lupian.
15. On July 29, 2008, Respondent notified Berenholz that the statute of limitations was set to run on July 30, 2008, and that Berenholz needed to send \$450.00 to file the lawsuit.
16. On July 30, 2008, Berenholz sent \$450.00 to Respondent.
17. On August 4, 2008, Respondent deposited the cost check into his CalNational cost account.
18. On August 5, 2008, Respondent notified Berenholz stating that the suit was not filed because the statute had run. Respondent closed his file.
19. On August 8, 2008, Berenholz requested the return of \$450.00 advanced costs since the lawsuit was not filed. Respondent did not return the unused advanced costs to H&K.
20. Respondent failed to maintain the unused advanced costs in a trust account.

Rebecca Tate-Lacroix Matter

21. On April 2, 2008, Berenholz forwarded the collections matter to Respondent to collect a debt owed by Rebecca Tate-Lacroix.
22. On May 8, 2008, Respondent requested Berenholz provide a check for costs in the amount of \$375.00.
23. On May 16, 2008, Berenholz sent \$375.00 to Respondent.
24. On May 19, 2008, Respondent filed a lawsuit in Los Angeles Superior Court. *H&K v Tate-Lacroix*, case no. 08B02583.
25. On May 23, 2008, Respondent deposited the check into his CalNational cost account.

26. Respondent only used \$40.00 to file the suit and \$38.00 for service. Respondent failed to return the outstanding \$270.00 in unused advanced costs to Berenholz.

27. Respondent failed to maintain the unused advanced costs in a trust account.

George Thomas Matter

28. Respondent filed a lawsuit on behalf of H&K against George Thomas. Pursuant to the retainer agreement with H&K, Respondent was entitled to collect a 25% contingency fee from the proceeds of any judgment or settlement he collected on behalf of H&K.

29. On May 10, 2005, a judgment for H&K was entered in the amount of \$7,036.53.

30. On January 5, 2007, the debtor sent a check to Respondent for \$8,477.65 to pay off the judgment.

31. On January 8, 2007, Respondent received the debtor's check for \$8,477.65.

32. At no time after receiving the debtor's check did Respondent remit any of the funds to H&K. Respondent owed H&K 75% of the payment from the debtor, or \$6,358.24.

33. Respondent failed to maintain the funds owed to H&K for its portion of the Thomas judgment in a trust account.

CONCLUSIONS OF LAW

By failing to maintain the unused advanced costs and the portion of the Thomas settlement owed to H&K in a client trust account, Respondent failed to maintain all funds received or held on behalf of a client, including advances for costs, in a client trust account in wilful violation of Rule of Professional Conduct 4-100(A).

By failing to promptly pay to H&K the unused advanced costs and H&K's portion of the Thomas judgment to H&K, as requested by the client, Respondent failed to promptly pay to H&K any funds in Respondent's possession which the client is entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

Case No. 09-O-10094

FACTS

1. Respondent maintained a Client Trust Account ("CTA") at California National Bank ("CalNational"), account no. xxxxxx8426 (the "CalNational client trust account").

2. On January 26, 2007, Eckert & Associates retained Respondent to handle a collection case (the "Eckert matter"). Pursuant to the retainer agreement with Eckert, Respondent was to receive 35% of all monies collected from the debtor after unused costs were reimbursed to Eckert's client.

3. In December 2007, Respondent contacted Eckert stating that the debtor's attorney offered \$9,624.70, or 58% of the outstanding debt, to settle the Eckert collection matter. Eckert approved the potential settlement. Respondent settled the Eckert collection matter for \$9,624.70.

4. On December 28, 2007, Respondent deposited \$9,624.70 into the CalNational client trust account.

5. On January 30, 2008, Respondent remitted \$6,222.80 to Eckert and enclosed an accounting. Although Respondent received \$9,624.70 from the debtor, the accounting stated that Respondent had collected only \$8,297.17. The accounting stated that Respondent's contingency fee was \$2,074.29, the remittance being the difference, \$6,222.80.

6. In late October 2008, Eckert received an anonymous tip about the discrepancy in the amount of the settlement in the Eckert collection matter.

7. Eckert conducted an in-house audit and obtained a copy of the debtor's agreement and settlement check stating the actual settlement amount of \$9,624.70.

8. Eckert then faxed Respondent a letter requesting an explanation of the discrepancy.

9. On November 10, 2008, nearly a year after the account settled, Respondent sent Eckert the difference in the settlement, \$995.68.

CONCLUSIONS OF LAW

By delaying payment to Eckert of the full amount due from the settlement of the Eckert matter until November 2008, Respondent failed to promptly pay, as requested by the client, any funds in the possession of the member which the client was entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

Case No. 09-O-10096

FACTS

1. On March 25, 2010, Respondent was hired by Receivables Control Corporation, LLC ("RCC") to collect a \$48,000 debt from debtor Larry Lanzrath d/b/a American Investment Exchange ("Lanzrath"). Respondent's engagement letter provided for payment of \$950.00 in advanced fees to Respondent and a 15% contingency fee.

2. On October 15, 2008, Respondent faxed RCC the Settlement Agreement and Mutual Release in the amount of \$32,500.00. Respondent handwrote a rough accounting and circled \$27,625.00, the amount to be paid out to RCC.

3. On October 17, 2008, Respondent received a wire transfer of \$32,500.00 from Lanzrath into his CalNational client trust account.

4. Respondent did not notify RCC of receipt of the funds and did not pay out any funds to RCC.

5. In November 2008, a representative from RCC visited Respondent and inquired about the status of RCC's portion of the settlement proceeds of the Lanzrath settlement, which totaled \$27,625.00. Respondent told the RCC representative that he no longer had any money to pay RCC.

6. In December 2008, the balance in Respondent's CalNational client trust account fell below the amount owed to RCC. Respondent eventually closed the account with a zero balance by the end of December 2008. Respondent did not pay out to RCC the funds owed to RCC.

CONCLUSIONS OF LAW

By failing to pay out to RCC its portion of the Lanzrath settlement in the amount of \$27,625.00, Respondent failed to promptly pay, as requested by the client, any funds in the possession of the member which the client was entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

Case No. 09-O-10133

FACTS

1. On March 3, 2007, Johnson & Rountree ("J&R") hired Respondent to handle a collection matter. Pursuant to the retainer agreement with J&R, Respondent was entitled to receive a 25% contingency on all debts collected on J&R matters.

2. On September 11, 2007, Respondent filed a collections case suit entitled *St. Paul Fire & Marine Insurance v. Jessica Garcia*, in Los Angeles Superior Court, case no. 07A04681 (the "Garcia matter").

3. On January 11, 2008, Stuart Allan & Associates ("Allan") purchased J&R, and became Respondent's client for purposes of the Garcia matter.

4. On September 2, 2008, the court entered a default judgment in the principal amount of \$21,293.07, \$4,622.63 in interest, and \$370.00 in costs. Since the judgment was a "no-asset" judgment, Allan instructed Respondent to contact Allstate Insurance to settle the claim against Garcia. Garcia had filed the personal injury claim with Allstate Insurance.

5. On September 30, 2008, Respondent reached a settlement with Allstate Insurance in the Garcia matter in the amount of \$4,250.00. Allstate mailed the settlement draft of 4,250.00 to Respondent.

6. On October 1, 2008, Respondent deposited the \$4,250.00 draft into his CalNational client trust account.

7. Pursuant to his agreement with J&R, Respondent owed Allan \$3,187.50 from the Garcia settlement. Respondent did not pay out any monies in the Garcia matter to Allan.

CONCLUSIONS OF LAW

By failing to pay out to Allan its portion of the Garcia settlement in the amount of \$3,187.50, Respondent failed to promptly pay, as requested by the client, any funds in the possession of the member which the client was entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

Case No. 09-O-10416

1. On June 6, 2008, Respondent was hired by Alan Tabrizi ("Tabrizi"), on behalf of Raider Painting, for a collection matter against Scott Thomas Construction (the "Thomas matter"). Pursuant to the retainer agreement, Respondent was entitled to a 25% contingency fee and an advanced litigation cost deposit of \$450.00.
2. On June 10, 2008, Respondent filed a civil complaint in Riverside Superior Court entitled *Tabrizi Inc. v. Scott Thomas Construction*, case no. RIC501323.
3. On August 22, 2008, Respondent received and deposited the debtor's check for \$7,018.50. Respondent deposited the settlement check into his CalNational trust account.
4. Respondent did not pay out any of the settlement proceeds from the Thomas settlement to Tabrizi, even though Tabrizi was owed \$5,263.86.

CONCLUSIONS OF LAW

By failing to pay out to Tabrizi his portion of the Thomas settlement in the amount of \$5,263.86, Respondent failed to promptly pay, as requested by the client, any funds in the possession of the member which the client was entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

Case No. 09-O-10465

FACTS

On April 8, 2008, attorney Paul Kemeness, on behalf of his client Stag Parkway, Inc. ("Stag"), contacted Respondent for two collection matters.

Adventure RV Matter

1. Respondent was first hired on April 8, 2008 to pursue a collection matter against debtor Adventure RV, who owed \$15,099.59 plus attorney fees and costs to Stag (the "Adventure RV matter"). Pursuant to the retainer agreement with Kemeness, Respondent was entitled to a 33.3% contingency fee of collections received, with the client responsible to pay litigation costs.
2. On April 14, 2008, Respondent sent a letter acknowledging receipt of the matter. Respondent stated that he would notify Kemeness the status of the matter in the next 30 to 45 days, if not earlier.

3. On April 21, 2008, Kemeness requested that Respondent cease collection activity on the Adventure RV matter. Then on August 20, 2008, Kemeness requested that Respondent reopen the case. At that point, the debtor Adventure RV owed \$11,743.06.

4. On October 14, 2008, Respondent received a check for \$1,000.00 from Adventure RV dated October 13, 2008. Respondent then deposited the check into his CalNational client trust account that same day.

5. Respondent never notified Kemeness that he received and deposited the Adventure RV check. Respondent did not pay out any monies from the Adventure RV check to Kemeness, although Kemeness was entitled to receive \$670.00 from the Adventure RV check.

RV Super Center Matter

6. On October 23, 2008, Kemeness sent a letter to Respondent regarding a new collection matter. In the new case the debtor, RV Super Center, owed \$65,314.72 plus attorney fees and costs. This time, pursuant to the retainer agreement with Kemeness, Respondent was entitled to receive a 25% contingency fee. Kemeness requested that Respondent file a claim immediately.

7. On October 31, 2008, Respondent sent a letter acknowledging receipt of the new matter and stated that he would notify Kemeness the status in the next 30 to 45 days.

8. On November 3, 2008, Respondent sent a letter to the debtor RV Super Center, confirming that Kemeness would accept the sum of \$20,000.00 as settlement in full.

9. On November 11, 2008, Respondent received a \$5,000.00 payment from the debtor RV Super Center.

10. On November 13, 2008, Respondent deposited the check into his CalNational client trust account. At no time did Respondent notify Kemeness or his client of that he received and deposited this check. Respondent did not remit any monies to Kemeness from the RV Super Center check, although Kemeness was entitled to receive \$3,750 from the RV Super Center check.

11. On December 29, 2008, Respondent's CalNational client trust account balance was \$211.52. Then the account closed with a zero balance the next day.

CONCLUSIONS OF LAW

By failing to pay out to Kemeness his portion of the Adventure RV check and the RV Super Center check, Respondent failed to promptly pay, as requested by the client, any funds in the possession of the member which the client was entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

FACTS

1. On January 14, 2008, Respondent, on behalf of Educap, filed a complaint in Los Angeles Superior Court entitled *Educap Inc v. Andrea Barba and Samara Rodgers*, case no. 08K00767 (the "Educap matter")
2. Respondent failed to file a proof of service ("POS") for both defendants in the Educap matter.
3. On January 15, 2008, the court ordered Respondent to appear at an Order to Show Cause ("OSC") hearing to explain why sanctions should not be imposed for failing to file the proof of service. The hearing was set for July 17, 2008.
4. On March 11, 2008, Respondent filed a proof of service reflecting service on defendant Barba, but failed to file a proof of service reflecting service on defendant Rodgers.
5. On July 17, 2008, Respondent failed to appear at the OSC hearing. The court ordered Respondent to file a declaration regarding his failure to appear. The court sanctioned Respondent \$750.00 and set an OSC hearing date for August 7, 2008. The sanctions order was properly served on Respondent, who actually received the order.
6. On August 7, 2008, the court sanctioned Respondent \$250.00 for his failure to timely file a proof of service reflecting service on both defendants. Respondent engaged an appearance attorney to appear at the hearing. At the August 7, 2008 hearing, the court set an OSC re dismissal for November 5, 2008. Respondent received proper notice of the court's November 5, 2008 OSC.
7. Respondent filed a Request for Entry of Default as to defendant Barba. Respondent paid the \$250.00 sanction.
8. On October 28, 2008, Respondent filed a Request for Entry of Default as to defendant Rodgers.
9. At the OSC hearing on November 5, 2008, the court imposed a \$500.00 sanction against Respondent for failing to have default judgment entered as ordered on August 7, 2008. Respondent engaged an appearance attorney to appear at the November 5, 2008 hearing. The court then set an OSC re dismissal for February 19, 2009 and ordered Respondent to have a default judgment entered prior to the hearing. Respondent received proper notice of the court's November 5, 2008 order.
10. Respondent failed to have the default judgment entered in the Educap matter.
11. At the hearing on February 19, 2009, the court imposed \$1,000.00 sanction against Respondent for failure to have the default judgment entered as ordered on November 5, 2008. Respondent failed to appear at the hearing. Respondent received proper notice of the court's February 19, 2009 sanctions order.

12. Respondent has not complied with the court's February 19, 2009 sanction order.

CONCLUSIONS OF LAW

By failing to pay the court ordered sanctions pursuant to the court's February 19, 2009 sanctions order, Respondent violated an order of the court requiring him to do or forbear an act connected with or in the course of his profession, which he ought in good faith to do or forbear, in wilful violation of Business and Professions Code section 6103.

Case No. 09-O-11190

FACTS:

Respondent was hired by Donald Wilbur of the Wilbur Law Firm, on behalf of Wilbur's client AMEX Assurance Company, for several collection matters, including the accounts of debtors Tabitha Owen, Keith Bean and Luke Milner, and on behalf of client Mitsui Insurance Company of America, for a collection matter involving debtor Maldonado Vineyard Management.

Tabitha Owen Matter

1. On June 26, 2008, Wilbur contacted Respondent for the Owen matter and enclosed a \$400.00 advanced cost check per Respondent's request. Respondent's contingency fee was 25%. Pursuant to the agreement, Respondent was required to remit 75% of collections. Wilbur requested Respondent immediately file litigation and forward a stamped complaint and provide status updates.
2. On July 4, 2008, Respondent deposited Wilbur's check of \$400.00 into his CalNational cost account.
3. On July 16, 2008, Respondent completed and returned Wilbur's receipt confirming acceptance of advanced costs and the Owen matter.
4. On September 25, 2008, Wilbur contacted Respondent requesting a status update and the civil case number in the Owen matter. Respondent did not respond.
5. On October 3, 2008, Wilbur sent another email requesting a status update. Respondent responded stating that the civil complaint would be ready in two weeks. After this email, Respondent did not provide anymore updates to Wilbur on the Owen matter.
6. On November 14, 2008, Respondent closed his law firm. Respondent did not return the unused advanced costs to Wilbur.
7. Respondent failed to maintain the unused advanced costs in a trust account.

Keith Bean Matter

8. On August 25, 2008, Wilbur sent a letter to Respondent confirming acceptance of the Bean matter. Wilbur also enclosed a \$450.00 advanced cost check. Wilbur requested

Respondent to file litigation immediately and forward a file-stamped complaint and provide status updates.

9. On August 29, 2008, Respondent confirmed acceptance of the case and the receipt of \$450.00. Respondent stated that litigation would begin shortly and would update Wilbur within 30 to 45 days, if not earlier.

10. On September 3, 2008, Respondent deposited the \$450.00 into his CalNational cost account.

11. On November 14, 2008, Respondent closed his law firm. Respondent did not return the unused advanced costs to Wilbur. Respondent did not commence any litigation in the Bean matter.

12. Respondent failed to maintain the unused advanced costs in a trust account.

Luke Milner Matter

13. On December 15, 2007, Wilbur sent a confirmation letter and a \$400.00 advanced costs check to Respondent. Respondent was to handle the Milner matter on a 25% contingency fee basis.

14. On December 28, 2007, Respondent faxed a letter to Wilbur confirming receipt of the letter and check. He stated he would commence litigation shortly.

15. On May 14, 2008, Respondent filed a suit in Riverside Superior Court entitled *Amex Assurance Company v. Miller*, case no. TEC086469.

16. On July 24, 2008, Respondent requested a settlement release of all claims for \$4,395.77 and property damage release for \$4,395.77. Both releases were notarized and executed by Debra Johnson of AMEX.

17. On August 1, 2008, Respondent received and deposited the debtor's check for \$4,395.77 for final property damage. Respondent deposited the check into his CalNational client trust account. The other half of the settlement, \$4,395.77, was still outstanding.

18. On August 7, 2008, Respondent received and deposited the second half of the settlement for \$4,395.77. Wilbur was unaware that Respondent received the settlement checks.

19. On September 29, 2009, Respondent paid out to Wilbur \$3,296.83, which was 75% of the property damage check.

20. On October 1, 2008, Respondent sent a letter to Wilbur stating that the matter was paid in full, but that Wilbur owed an additional \$16.00 in other costs. Wilbur had not received the other half of the settlement or had knowledge that Respondent received the other half.

21. On October 3, 2008, Wilbur inquired about the second half of the settlement. Respondent emailed back stating that he had received the second half and would remit it at the end of October 2008.

22. On December 15, 2008, Wilbur inquired again about the second half of the settlement. Respondent did not respond.

23. On December 23, 2008, Wilbur resent the email but still did not receive a response. Respondent did not pay out the additional portion of the settlement owed to Wilbur in the amount of \$3,296.83.

Maldonado Vineyard Management Matter

24. On April 1, 2008, Wilbur sent a letter to confirm Respondent's acceptance and enclosed a \$500 advanced costs check.

25. On April 8, 2008, Respondent confirmed receipt of the case and check. Respondent stated that he would commence litigation shortly and would update Wilbur within 30 to 45 days, if not earlier.

26. On April 9, 2008, Respondent deposited the \$500.00 into his CalNational cost account.

27. On November 14, 2008, Respondent closed his law firm. Respondent did not file any litigation suit regarding the Maldonado Vineyard matter. Respondent did not return the unused advanced costs to Wilbur.

CONCLUSIONS OF LAW

By failing to maintain the unused advanced costs owed to Wilbur in a client trust account, Respondent failed to maintain all funds received or held on behalf of a client, including advances for costs, in a client trust account in wilful violation of Rule of Professional Conduct 4-100(A).

By failing to promptly pay to Wilbur the unused advanced costs and Wilbur's portion of the Milner settlement to Wilbur, as requested by the client, Respondent failed to promptly pay to Wilbur any funds in Respondent's possession which the client is entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

Case No. 09-O-11192

12. On July 9, 2007, Respondent was retained by Richard Crowther, on behalf of CA Screen Pros, for a collection matter (the "Screen Pros matter"). The amount of the debt was \$10,406.63. Pursuant to the retainer agreement with Screen Pros, Respondent was entitled to a 20% contingency fee from the amount collected from the debtor.

13. The client paid advanced costs of \$450.00 to Respondent, which was deposited into Respondent's CalNational cost account.

14. On June 26, 2008, Respondent filed a lawsuit in Orange County Superior Court entitled *California Screen Pros, Inc. v. Dutch Bros.*, case no. 30-2008-00079570-CL-CL-NJC.

15. By October 2008, Respondent settled the Screen Pros matter for payment of \$5,900.00. On October 20, 2008, Dutch Bros. provided the settlement check to Respondent. Respondent deposited the settlement check in his CalNational trust account on October 22, 2008.

16. Respondent did not pay out any portion of the Screen Pros settlement check to the client, even though the client was entitled to receive \$4,720.00 from the settlement.

CONCLUSIONS OF LAW

By failing to promptly pay to Screen Pros the portion of the Screen Pros settlement owed to Screen Pros in the amount of \$4,750.00, as requested by the client, Respondent failed to promptly pay to Screen Pros any funds in Respondent's possession which the client is entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

Case No. 09-O-11293

FACTS

Respondent was hired in August 2008 by Marc Norych for several collection matters against debtors CR Management, Ross and Michelle Hashemi, Kevin and Keith Presley, Corinthian International Parking Service, Mitchell Bailey and Jeffrey Winters, Richard Burdick, Eddie Vicenty and Joe Pena.

CR Management Matter

1. In August 2008, Respondent was hired for a collection matter against CR Management and Time Warner. The balance due was \$11,044.49 (the "CR Management matter"). Pursuant to the retainer agreement with Norych, Respondent was entitled to receive a 20% contingency fee for the monies collected in the CR Management matter.

2. Respondent settled the CR Management matter for \$11,294.49. The debtor provided the settlement check to Respondent, who deposited it into his CalNational trust account on October 8, 2008.

3. By November 2008, the balance in Respondent's CalNational trust account dropped to zero.

4. At no time has Respondent paid out to Norych the amount of the CR Management settlement due American Bankers, even though the client was due \$9,035.60 of the settlement proceeds.

Hashemi Matter

5. On August 6, 2008, Respondent sent a letter to Norych confirming his retention in the collection matter against Ross and Michelle Hashemi.
6. On September 5, 2008, Respondent sent a letter to Norych requesting a payment for advanced costs in the amount of \$450.00, which was received. Respondent deposited the advanced cost into Respondent's CalNational cost account on October 29, 2008.
7. Respondent did not file a lawsuit or undertake any legal work with respect to the Hashemi matter.
8. Respondent failed to maintain the advanced costs of \$450.00 in a trust account.
9. Respondent failed to pay out to Norych the advanced costs of \$450.00 after he closed his law firm in November 2008.

Presley Matter

1. On July 20, 2007, Respondent sent a letter to Norych confirming his retention in the collection matter against Kevin and Keith Presley.
2. On August 15, 2007, Respondent sent a letter to Norych requesting a payment for advanced costs in the amount of \$450.00, which was received. On November 14, 2008, Respondent deposited the advanced costs into Respondent's CalNational cost account.
3. Respondent did not file a lawsuit or undertake any legal work with respect to the Presley matter.
4. Respondent failed to maintain the advanced costs of \$450.00 in a trust account.
5. Respondent failed to pay out to Norych the advanced costs of \$450.00 after he closed his law firm in November 2008.

Corinthian Matter

1. On November 2, 2007, Respondent sent a letter to Norych confirming his retention in the collection matter against Corinthian International Parking Service.
2. On December 6, 2007, Respondent sent a letter to Norych requesting a payment for advanced costs in the amount of \$375.00, which was received. On January 18, 2008, Respondent deposited the advanced costs into Respondent's CalNational cost account.
3. Respondent did not file a lawsuit or undertake any legal work with respect to the Corinthian matter.
4. Respondent failed to maintain the advanced costs of \$375.00 in a trust account.

5. Respondent failed to pay out to Norych the advanced costs of \$375.00 after he closed his law firm in November 2008.

Bailey/Winters Matter

1. On November 8, 2007, Respondent sent a letter to Norych confirming his retention in the collection matter against Mitchell Bailey and Jeffrey Winters.

2. On November 12, 2007, Respondent sent a letter to Norych requesting a payment for advanced costs in the amount of \$495.00, which was received. On January 31, 2008, Respondent deposited the advanced costs into Respondent's CalNational cost account.

3. Respondent did not file a lawsuit or undertake any legal work with respect to the Bailey/Winters matter.

4. Respondent failed to maintain the advanced costs of \$495.00 in a trust account.

5. Respondent failed to pay out to Norych the advanced costs of \$495.00 after he closed his law firm in November 2008.

Burdick Matter

1. On November 19, 2007, Respondent sent a letter to Norych confirming his retention in the collection matter against Richard Burdick.

2. On January 11, 2008, Norych sent a check for advanced costs in the Burdick matter of \$330.00, which was received. On January 29, 2008, Respondent deposited the advanced costs into Respondent's CalNational cost account.

3. Respondent did not file a lawsuit or undertake any legal work with respect to the Burdick matter.

4. Respondent failed to maintain the advanced costs of \$330.00 in a trust account.

5. Respondent failed to pay out to Norych the advanced costs of \$330.00 after he closed his law firm in November 2008.

Vicenty Matter

1. On February 22, 2008, Respondent sent a letter to Norych confirming his retention in the collection matter against Eddie Vicenty.

2. On March 19, 2008, Respondent sent a letter requesting the payment of advanced costs in the amount of \$450.00, which was received. On April 25, 2008, Respondent deposited the advanced costs into Respondent's CalNational cost account.

3. Respondent did not file a lawsuit or undertake any legal work with respect to the Vicenty matter.

4. Respondent failed to maintain the advanced costs of \$450.00 in a trust account.
5. Respondent failed to pay out to Norych the advanced costs of \$450.00 after he closed his law firm in November 2008.

Pena Matter

1. On August 6, 2008, Respondent sent a letter to Norych confirming his retention in the collection matter against Joe Pena.
2. On September 5, 2008, Respondent requested a payment of advanced costs in the amount of \$550.00, which was received. On October 24, 2008, Respondent deposited the advanced costs into Respondent's CalNational cost account.
3. Respondent did not file a lawsuit or undertake any legal work with respect to the Pena matter.
4. Respondent failed to maintain the advanced costs of \$550.00 in a trust account.
5. Respondent failed to pay out to Norych the advanced costs of \$550.00 after he closed his law firm in November 2008.

CONCLUSIONS OF LAW

By failing to maintain the unused advanced costs owed to Norych in a client trust account, Respondent failed to maintain all funds received or held on behalf of a client, including advances for costs, in a client trust account in wilful violation of Rule of Professional Conduct 4-100(A).

By failing to promptly pay to Norych the portion of the CR Management settlement owed to American Bankers in the amount of \$9,035.60, and the unused advanced costs owed to Norych, as requested by the client, Respondent failed to promptly pay to American Bankers any funds in Respondent's possession which the client is entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

Case No. 09-O-11440

FACTS

6. On November 5, 2008, Respondent was retained by Patrick Davidson to enter a sister-state judgment against a debtor located in California (the "Davidson matter").
7. Respondent requested a payment of advanced costs in the amount of \$450.00, which was received. On November 14, 2008, Respondent deposited the advanced costs into Respondent's CalNational cost account.
8. At no time did Respondent file any documents or perform any legal services related to the Davidson matter.

9. Respondent failed to maintain the advanced costs of \$450.00 in a trust account.

10. Respondent failed to pay out to Davidson the advanced costs of \$450.00 after he closed his law firm in November 2008.

CONCLUSIONS OF LAW

By failing to maintain the unused advanced costs owed to Davidson in a client trust account, Respondent failed to maintain all funds received or held on behalf of a client, including advances for costs, in a client trust account in wilful violation of Rule of Professional Conduct 4-100(A).

By failing to promptly pay to Davidson the unused advanced costs owed to Davidson, as requested by the client, Respondent failed to promptly pay to American Bankers any funds in Respondent's possession which the client is entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

Case No. 09-O-11724

FACTS

1. On February 7, 2007, Respondent was retained by Peregrine Financial Group ("PFG") for a collection matter against debtors Paul and Ernestine Scott. Pursuant to the contingency agreement with PFG Respondent was entitled to collect 25% of the monies collected from the debtor.

2. Respondent filed a lawsuit in Riverside Superior Court entitled *Peregrine Financial Group v. Scott*, case no. RIC294363 (the "PFG matter").

3. The PRG matter resulted in a judgment against the Scotts.

4. In fall 2007, Respondent identified debtor Paul Scott's employer and initiated garnishment proceedings. The first garnishment occurred in November 2007.

5. In March 2008, Respondent made the first remittance to the client. The monthly remittance continued until July 2008. Thereafter, despite his receipt of garnishment checks from the debtor's employer, Respondent failed to make any additional payments to PFG.

6. Before Respondent closed down his law office in November 2008, Respondent received and deposited into his CalNational trust account five garnishment checks totaling \$8,709.35, received during the time period from August 26, 2008 through November 5, 2008.

7. Respondent failed to maintain the \$6,532.01 owed to PFG from the garnishment checks in a trust account.

8. Respondent did not pay out to PFG the \$6,532.01 owed from the garnishment checks.

CONCLUSIONS OF LAW

By failing to promptly pay to PFG the portion of the garnishment checks owed to PFG in the amount of \$6,532.01, as requested by the client, Respondent failed to promptly pay to American Bankers any funds in Respondent's possession which the client is entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

Case No. 09-O-12730

FACTS

1. On September 23, 2005, Edward Flaherty, on behalf of his client Signation Sign Group, aka Sign Zone, forwarded a collections matter to Respondent to collect a debt owed by Exhibit Deal, LLC (the "Sign Zone matter").
2. On October 5, 2005, Respondent sent a letter confirming his retention in the Sign Zone matter.
3. On November 1, 2005, Respondent sent a letter confirming that he was entitled to a 22.5% contingency fee, and a payment of advanced costs of \$450.00.
4. On December 15, 2005, Respondent acknowledged receipt of the advanced costs and stated that litigation had commenced. The next day, Respondent filed a complaint in Orange County Superior Court entitled *Signation Sign Group, Inc. dba Edge Exhibits v. ExhibitDeal, LLC*, case no. 05CC13205.
5. On February 21, 2007, by stipulation, judgment was entered in favor of the plaintiff in the sum of \$353,780.68. Pursuant to the stipulated judgment, the defendant was to make several payments varying in amount over time which were made payable to Respondent. As the payments were made by the debtor, Respondent deposited the payments into his CalNational client trust account. Respondent made regular remittances to Sign Zone for their portion of the periodic payments from the debtor.
6. From August 2008 through November 2008, the debtor made a series of payments in a cumulative sum of \$10,000, which was received and deposited into Respondent's CalNational client trust account.
7. Respondent did not pay out any portion of the payments received from August 2008 through November 2008 from the debtor to Sign Zone, even though Sign Zone was entitled to receive \$7,750 of the payment.

CONCLUSIONS OF LAW

By failing to promptly pay to Sign Zone the portion of the payments received from August 2008 through November 2008 owed to Sign Zone in the amount of \$7,750, as requested by the client, Respondent failed to promptly pay to Sign Zone any funds in Respondent's possession which the client is entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

FACTS

Respondent was retained by La-Z-Boy, Inc, though attorney Andrew Lasine, for collection matters against debtors LAK Inc. and SPARKS & Co.

LAK Inc. Matter

1. On April 7, 2008, Lasine sent a letter to Respondent regarding the collection claim against LAK Inc. in the amount of \$11,825.51 (the "LAK matter").
2. On April 15, 2008, Respondent sent a letter acknowledging the receipt of the LAK matter, stating that he would provide a progress update within 30 to 45 days, if not earlier.
3. On June 26, 2008, Respondent requested \$450.00 in advanced costs for filing and services fees in the LAK matter. This was the last correspondence Lasine received regarding the LAK matter.
4. On July 21, 2008, Lasine sent the \$450.00 advanced costs check to Respondent.
5. On July 25, 2008, Respondent deposited the check into his CalNational cost account. Respondent failed to maintain the unused advanced costs in his CalNational cost account after November 2008.
6. Respondent never filed a lawsuit in the LAK matter, and never incurred any costs. Respondent never refunded the unused advanced costs to Lasine.

SPARKS & Co Matter

7. On June 27, 2008, Lasine mailed Respondent an exemplified North Carolina Judgment for enforcement and collection in the amount of \$35,524.25 against SPARKS & Co. (the "SPARKS matter").
8. On July 7, 2008, Respondent sent a letter confirming acceptance of the SPARKS matter. Respondent stated that he would update Lasine within 30 to 45 days, if not earlier.
9. On July 22, 2008, Respondent sent a letter requesting Lasine to pay \$2,326.21, \$550.00 in advanced costs and \$1,776.21 for attorney fees.
10. On August 7, 2008, Lasine sent a check for \$2,326.21.
11. On August 15, 2008, Respondent deposited the check from Lasine into his general account. The \$500.00 for advanced costs was not maintained in a trust account.
12. Respondent never undertook any legal work to enforce the judgment in the SPARKS matter.

13. Respondent has not refunded the unearned fees or the unused advanced costs to Lasine.

CONCLUSIONS OF LAW

By failing to maintain the unused advanced costs owed to Lasine in a client trust account, Respondent failed to maintain all funds received or held on behalf of a client, including advances for costs, in a client trust account in wilful violation of Rule of Professional Conduct 4-100(A).

By failing to promptly pay to Lasine the unused advanced costs in the LAK and SPARKS matters, and the unearned advanced fees in the SPARKS matter, as requested by the client, Respondent failed to promptly pay to Lasine any funds in Respondent's possession which the client is entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

Case No. 09-O-14085

FACTS

In September 2008, Respondent was retained by Robert Whaley, on behalf of two of his clients, CBS Personnel Services (successor to Venturi Staffing Partners) and Staffmark Investment, to pursue collection matters.

Venturi matter

1. On July 15, 2008, Whaley sent a letter to Respondent regarding a collection matter for Venturi (the "Venturi matter").
2. On July 24, 2008, Respondent sent a letter to Whaley acknowledging receipt of the Venturi matter.
3. On August 13, 2008, Respondent sent a letter to Whaley requesting \$550.00 in advanced costs.
4. On September 3, 2008, the client sent a \$550.00 check to Respondent.
- 5.
6. On September 10, 2008, Respondent deposited the check into his CalNational cost account.
7. Respondent provided no legal services of value related to the Venturi matter, and closed his law firm on November 14, 2008. Respondent did not return the unused advanced costs to Whaley paid for the Venturi matter.
8. Respondent failed to maintain the unused advanced costs in a trust account.

Staffmark matter

9. On July 7, 2008, Whaley sent a letter to Respondent regarding a collection matter for Staffmark (the "Staffmark matter").
10. On July 15, 2008, Respondent sent a letter to Whaley acknowledging receipt of the Staffmark matter.
11. On August 14, 2008, Respondent requested a \$550.00 cost deposit for filing and services fees.
12. On September 4, 2008, the client sent a \$550.00 check to Respondent.
13. On September 10, 2008, Respondent deposited the check into his CalNational cost account.
14. Respondent provided no legal services of value related to the Staffmark matter, and closed his law firm on November 14, 2008. Respondent did not return the unused advanced costs to the client.
15. Respondent failed to maintain the unused advanced costs in a trust account.

CONCLUSIONS OF LAW

By failing to maintain the unused advanced costs owed to Whaley in a client trust account, Respondent failed to maintain all funds received or held on behalf of a client, including advances for costs, in a client trust account in wilful violation of Rule of Professional Conduct 4-100(A).

By failing to promptly pay to Whaley the unused advanced costs in the Venturi and Staffmark matters, as requested by the client, Respondent failed to promptly pay to Whaley any funds in Respondent's possession which the client is entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

Case No. 10-O-3433

FACTS

Respondent was retained by the Florida law firm of Douglas, Knight & Associates, Inc. ("Douglas") to pursue four subrogation claims on behalf of Douglas clients against debtors Attic Busters, Inc., Edrulfo Testa, Timothy Long and Rita Magallanes.

Attic Busters Matter

1. On December 12, 2007, Respondent sent a letter to Douglas acknowledging receipt of the Attic Busters matter.
2. On January 9, 2008, Respondent requested a \$450.00 cost deposit for filing and services fees.

3. On January 21, 2008, the client sent a \$450.00 check to Respondent.
4. On January 30, 2008, Respondent deposited the check into his CalNational cost account.
5. Respondent provided no legal services of value related to the Attic Busters matter, and closed his law firm on November 14, 2008. Respondent did not return the unused advanced costs to the client.
6. Respondent failed to maintain the unused advanced costs in a trust account.

Edrulfo Testa Matter

1. On May 2, 2008, Respondent sent a letter to Douglas acknowledging receipt of the Testa matter.
2. On May 27, 2008, Respondent requested a \$550.00 cost deposit for filing and services fees.
3. On May 28, 2008, the client sent a \$550.00 check to Respondent.
4. On June 4, 2008, Respondent deposited the check into his CalNational cost account.
5. Respondent provided no legal services of value related to the Testa matter, and closed his law firm on November 14, 2008. Respondent did not return the unused advanced costs to the client.
6. Respondent failed to maintain the unused advanced costs in a trust account.

Timothy Long Matter

1. On August 13, 2008, Respondent sent a letter to Douglas acknowledging receipt of the Timothy Long matter.
2. On August 26, 2008, the client sent a \$550.00 check for advanced costs to Respondent.
3. On September 3, 2008, Respondent deposited the check into his CalNational cost account.
4. Respondent provided no legal services of value related to the Timothy Long matter, and closed his law firm on November 14, 2008. Respondent did not return the unused advanced costs to the client.
5. Respondent failed to maintain the unused advanced costs in a trust account.

Magallanes Matter

1. On August 20, 2008, Respondent sent a letter to Douglas acknowledging receipt of the Magallanes matter.
2. On September 18, 2008, Respondent requested a \$550.00 cost deposit for filing and services fees.
3. On October 9, 2008, the client sent a \$550.00 check to Respondent.
4. On October 15, 2008, Respondent deposited the check into his CalNational cost account.
5. Respondent provided no legal services of value related to the Magallanes matter, and closed his law firm on November 14, 2008. Respondent did not return the unused advanced costs to the client.
6. Respondent failed to maintain the unused advanced costs in a trust account.

CONCLUSIONS OF LAW

By failing to maintain the unused advanced costs owed to Douglas in a client trust account, Respondent failed to maintain all funds received or held on behalf of a client, including advances for costs, in a client trust account in wilful violation of Rule of Professional Conduct 4-100(A).

By failing to promptly pay to Douglas the unused advanced costs in the Attic Busters, Tesa, Timothy Long and Magallanes matters, as requested by the client, Respondent failed to promptly pay to Douglas any funds in Respondent's possession which the client is entitled to receive in wilful violation of Rule of Professional Conduct 4-100(B)(4).

RESTITUTION

Respondent acknowledges that he owes restitution (including the principal amount, plus interest of 10 percent per annum) to the payees listed below. If the Client Security Fund ("CSF") has reimbursed one or more of the payees for all or any portion of the principal amounts listed below, Respondent must also pay restitution to CSF in the amounts paid, plus applicable interest and costs. To the extent Respondent has already made any restitution payments, he will submit satisfactory proof of his restitution payments with his first quarterly report required pursuant to the disciplinary order resulting from this stipulation. Where Respondent has entered a compromise and release with any of the payees, full compliance with the compromise and release constitutes satisfactory proof of restitution.

Respondent must pay the restitution owed pursuant to the disciplinary order resulting from this stipulation and provide satisfactory proof of payment to the Office of Probation not later than three (3) years from the effective date of the disciplinary order resulting from this stipulation.

Case No. 08-O-14710

Client H&K

Client Matter	Principal Amount	Interest Accrues From
Dennis Williamson	\$450.00	August 22, 2008
David Good	\$375.00	August 22, 2008
Maria Magallanes-Lupian	\$450.00	July 30, 2008
Rebecca Tate-Lacroix	\$375.00	May 16, 2008
George Thomas	\$6,358.24	January 8, 2007

Case No. 09-O-10096

Client Receivables Control Corporation

Client Matter	Principal Amount	Interest Accrues From
Larry Lanzrath	\$27,625.00	October 17, 2008

Base No. 09-O-10133

Client J&R

Client Matter	Principal Amount	Interest Accrues From
Jessica Garcia	\$3,187.50	October 1, 2008

Case No. 09-O-10416

Client Alan Tabrizi

Client Matter	Principal Amount	Interest Accrues From
Scott Thomas Construction Co.	\$5,263.86	August 22, 2008

Case No. 09-O-10465

Client Paul Kemeness

Client Matter	Principal Amount	Interest Accrues From
Adventure RV	\$670.00	October 14, 2008
RV Super Center	\$3,750.00	November 13, 2008

Case No. 09-O-11190

Client Donald Wilbur

Client Matter	Principal Amount	Interest Accrues From
Tabitha Owen	\$400.00	July 4, 2008
Keith Bean	\$450.00	September 3, 2008
Luke Milner	\$3,296.83	August 7, 2008
Maldonado Vineyard	\$500.00	April 9, 2008

Case No. 09-O-11192

Client Screen Pros

Client Matter	Principal Amount	Interest Accrues From
Dutch Bros.	\$4,720.00	October 22, 2008

Case No. 09-O-11293

Client Marc Norych

Client Matter	Principal Amount	Interest Accrues From
CR Management	\$9,035.60	October 8, 2008
Hashemi	\$450.00	October 29, 2008
Presley	\$450.00	November 14, 2008
Corinthian International Parking Service	\$375.00	January 18, 2008
Bailey/Winters	\$450.00	January 31, 2008
Burdick	\$330.00	January 29, 2008
Vicenty	\$450.00	April 25, 2008
Pena	\$550.00	October 24, 2008

Case No. 09-O-11440

Client Patrick Davidson

Client Matter	Principal Amount	Interest Accrues From
Patrick Davidson	\$450.00	November 14, 2008

Case No. 09-O-11724

Client Peregrine Financial Group

Client Matter	Principal Amount	Interest Accrues From
Paul Scott	\$6,532.01	November 5, 2008

Case No. 09-O-12730

Client Signation Sign Group

Client Matter	Principal Amount	Interest Accrues From
Exhibit Deal, LLC	\$7,750.00	November 29, 2006

Case No. 09-O-14085

Client La-Z-Boy, Inc.

Client Matter	Principal Amount	Interest Accrues From
LAK Inc.	\$450.00	July 25, 2008
SPARKS & Co.	\$2,326.21	August 15, 2008

Case No. 09-O-14085

Client Robert Whaley

Client Matter	Principal Amount	Interest Accrues From
Venturi	\$550.00	September 10, 2008
Staffmark	550.00	September 10, 2008

Case No. 10-O-03433

Client Douglas

Client Matter	Principal Amount	Interest Accrues From
Attic Busters	\$450.00	January 30, 2008
Edrulfo Testa	\$550.00	June 4, 2008
Timothy Long	\$550.00	September 3, 2008
Magallanes	\$550.00	October 15, 2008

AUTHORITIES SUPPORTING DISCIPLINE:**Standards:**

Pursuant to Standard 1.3 of the Standards for Attorney Sanctions for Professional Misconduct:

The primary purposes of disciplinary proceedings conducted by the State Bar of California and of sanctions imposed upon a finding or acknowledgment of a member's professional misconduct 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.

To determine the appropriate level of discipline, the standards provide guidance. *Drociak v. State Bar* (1991) 52 Cal.3d 1085; *In the Matter of Sampson*, 3 Cal. State Bar Ct. Rptr. 119. A

disciplinary recommendation must be consistent with the discipline in similar proceedings. See *Snyder v. State Bar* (1990) 49 Cal.3d 1302. Moreover, the recommended discipline must rest upon a balanced consideration of relevant factors. *In the Matter of Sampson*, 3 Cal. State Bar Ct. Rptr. 119.

Pursuant to Standard 2.6 of the Standards for Attorney Sanctions for Professional Misconduct:

Culpability of a member of a violation of any of the following provisions of the Business and Professions code shall result in disbarment or suspension depending on the gravity of the offense or harm, if any, to the victim, with due regard to the purposes of imposing discipline set forth in standard 1.3.

- (a) Sections 6067 and 6068;
- (b) Sections 6103 through 6105;
- (c) Sections 6106.1.

Pursuant to Standard 2.2(a) of the Standards for Attorney Sanctions for Professional Misconduct:

Culpability of a member of wilful misappropriation of entrusted funds or property shall result in disbarment. Only if the amount of the funds or property misappropriated is insignificantly small or if the most compelling circumstances clearly predominate, shall disbarment not be imposed. In those latter cases, the discipline shall not be less than one-year actual suspension, irrespective of mitigating circumstances

Pursuant to Standard 2.2(b) of the Standards for Attorney Sanctions for Professional Misconduct:

Culpability of a member of commingling of entrusted funds or property with personal property or the commission of another violation of rule 4-100, Rules of Professional Conduct, none of which offenses result in the wilful misappropriation of entrusted funds or property shall result in at least a three month actual suspension from the practice of law, irrespective of mitigating circumstances.

Where Respondent's misappropriation was the result of Respondent's gross negligence, rather than intentional dishonesty, and there is compelling mitigation, discipline less than disbarment is an appropriate sanction. *In the Matter of Robins* (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr. 708); *In the Matter of Lilly* (Review Dept. 1992) 2 Cal. State Bar Ct. Rptr. 185.

The stipulated discipline of a three year actual suspension, and five year stayed suspension is the appropriate discipline in these matters to protect the public. Respondent has established compelling mitigating circumstances which led directly to his inattention to his office's accounts. Respondent's mismanagement of his trust and cost accounts resulted from gross

negligence and too heavy reliance on non-attorney accounting staff who misappropriated firm and client funds. Disbarment is not necessary to protect the public in these matters.

COSTS OF DISCIPLINARY PROCEEDINGS:

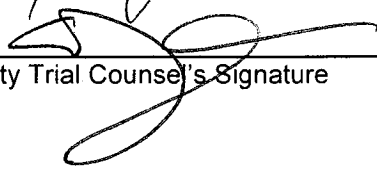
Respondent acknowledges that the Office of the Chief Trial Counsel has informed Respondent that as of December 3, 2010, the prosecution costs in this matter are \$15,035.55. Respondent further acknowledges that should this stipulation be rejected or should relief from the stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

(Do not write above this line.)

In the Matter of Jay Michael Tenenbaum	Case number(s): 08-O-14710, 09-O-10094, 09-O-10096, 09-O-10133 09-O-10416, 09-O-10465, 09-O-10922, 09-O-11190 09-O-11192, 09-O-11293, 09-O-11440, 09-O-11724 09-O-12730, 09-O-14085, 09-O-15136, 10-O-03433
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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>12/13/10</u> Date	 Respondent's Signature	<u>Jay Michael Tenenbaum</u> Print Name
<u>12/13/10</u> Date	 Respondent's Counsel Signature	<u>Edward O. Lear</u> Print Name
<u>12-13-10</u> Date	 Deputy Trial Counsel's Signature	<u>Erin McKeown Joyce</u> Print Name

(Do not write above this line.)

In the Matter Of
Jay Michael Tenenbaum

Case Number(s):

08-O-14710, 09-O-10094, 09-O-10096, 09-O-10133
09-O-10416, 09-O-10465, 09-O-10922, 09-O-11190
09-O-11192, 09-O-11293, 09-O-11440, 09-O-11724
09-O-12730, 09-O-14085, 09-O-15136, 10-O-03433

ORDER

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

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

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify
the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies
or further modifies the approved stipulation. (See rule 135(b), Rules of Procedure.) **The
effective date of this disposition is the effective date of the Supreme Court order herein,
normally 30 days after file date. (See rule 9.18(a), California Rules of Court.)**

Date

1/10/11

Judge of the State Bar Court

DONALD F. MILES

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 January 10, 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:

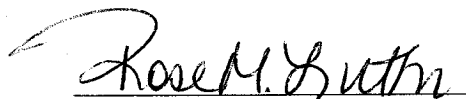
- ☒ by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

EDWARD O. LEAR, ESQ.
CENTURY LAW GROUP LLP
5200 W CENTURY BLVD #345
LOS ANGELES, CA 90045

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

ERIN JOYCE, ESQ., Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on January 10, 2011.



Rose Luthi
Case Administrator
State Bar Court