## State Bar Court of California Hearing Department Los Angeles Counsel For The State Bar Case Number (s) (for Court's use) 08-PM-12565 Terrie Goldade 1149 South Hill St. Los Angeles, CA 90015 OCT 20 2fna Bar # 155348 Counsel For Respondent STATE BAR COURT CLERK'S OFFICE LOS ANGELES **Arthur Margolis** 2000 Riverside Dr. PUBLIC MATTER Los Angeles, CA 90039 Submitted to: Settlement Judge Bar # 57703 In the Matter Of: STIPULATION RE FACTS, CONCLUSIONS OF LAW AND Russell H. Takasugi DISPOSITION AND ORDER APPROVING Bar # 118792 PROBATION VIOLATION—"PM" PROCEEDING A Member of the State Bar of California ☐ PREVIOUS STIPULATION REJECTED (Respondent)

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

# A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted June 11, 1985.
- (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 **11** 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.

(Stipulation for approved by SBC Executive Committee 10/16/2000. Rev. 12/1/2005; 12/13/2006.)

Probation Violation

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		misconduct or to the State Bar during disciplinary investigation or proceedings.		
(7)	$\boxtimes$	Multiple/Pattern of Misconduct: Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct. Respondent had multiple violations of his probation conditions.		
(8)		No aggravating circumstances are involved.		
Add	lition	al aggravating circumstances:		
		pating Circumstances [see standard 1.2(e)]. Facts supporting mitigating umstances are required.		
(1)		<b>No Prior Discipline:</b> 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)		<b>Candor/Cooperation:</b> Respondent displayed spontaneous candor and cooperation with the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings.		
(4)		<b>Remorse:</b> Respondent promptly took objective steps spontaneously demonstrating remorse and recognition of the wrongdoing, which steps were designed to timely atone for any consequences of his/her misconduct.		
(5)		<b>Restitution:</b> Respondent paid \$ on in restitution to without the threat or force of disciplinary, civil or criminal proceedings.		
(6)		<b>Delay:</b> 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)		<b>Emotional/Physical Difficulties:</b> 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)		<b>Severe Financial Stress:</b> At the time of the misconduct, Respondent suffered from severe financial stress which resulted from circumstances not reasonably foreseeable or which were beyond his/her control and which were directly responsible for the misconduct.		
(10)		<b>Family Problems:</b> At the time of the misconduct, Respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature.		
(11)		<b>Good Character:</b> 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)		No mitigating circumstances are involved.		

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Add	dition	al mitigating circumstances:
	Se	e attachment.
D.	Disc	cipline (choose only one):
(1)		Probation extended: Respondent's probation in is extended for .
(2)		Probation revoked; Probation Reinstated; Actual Suspension: Respondent's probation is revoked and reinstated for 2 years and until he provides proof to the satisfaction of the State Bar Court of his rehabilitation, fitness to practice and learning and ability in the general law pursuant to standard 1.4(ii) of the Standards for Attorney Sanctions for Professional Misconduct on the same terms and conditions as previously imposed in State Bar Court Case No. 05-O-01451. The terms of probation remain the same as in the prior order except as indicated below. In addition, Respondent must be actually suspended from the practice of law for 30 days and until Respondent provides satisfactory evidence to the Office of Probation of his completion of the remaining one hour of live instruction continuing legal education course in the areas of law office management and/or attorney client relations ordered in State Bar Court Case No. 05-O-01451.
(3)		<b>Probation revoked; Probation Reinstated; No Actual Suspension:</b> Respondent's probation is revoked and reinstated for on the same terms and conditions as previously imposed in probation remain the same as in the prior order except as indicated below.
(4)		<b>Probation revoked; Probation not Reinstated; Actual Suspension:</b> Respondent's probation is revoked Respondent must be suspended from the practice of law for
		dition to conditions previously imposed by the Supreme court in its prior order, the wing new conditions are recommended by this stipulation:
(1)		During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
(2)		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.
(3)		Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar <b>and</b> 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

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		whe num	ther there are any proceedings pen	ding against leeding. If the f	r quarter. Respondent must also state in each report nim or her in the State Bar Court and if so, the case irst report would cover less than 30 days, that report er the extended period.
		In a twe	ddition to all quarterly reports, a fina nty (20) days before the last day of t	l report, conta he period of p	aining the same information, is due no earlier than 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 he	reto and inco	rporated:
			Substance Abuse Conditions		Law Office Management Conditions
			Medical Conditions		Financial Conditions
F. O	ther	r Cor	nditions Negotiated by the P	arties:	
	Se	ee att	achment.		
(1)		Pro	bation Conditions Deleted or Mod	dified:	:

(2) Rule 9.20, California Rules of Court: Respondent must comply with the provisions of subdivisions (a) and (c) of rule 9.20, California Rules of Court, within 30 and 40 days, respectively, from the effective date of the Supreme Court order herein.

(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 provisions of subdivisions (a) and (c) of rule 9.20, California Rules of Court, within 120 and 130 days, respectively, from the effective date of the Supreme Court order herein.

Attachment language (if any):

## FACTS AND CONCLUSIONS OF LAW.

Respondent admits that the following facts are true and that he is culpable of violations of the specified statute.

- 1. On November 8, 2006, Respondent executed a Stipulation re Facts, Conclusions of Law and Disposition with the State Bar in State Bar Court Case No. 05-O-01451 ("Stipulation"). The Hearing Department of the State Bar Court filed an order approving the Stipulation on November 30, 2006.
- 2. On March 29, 2007, the California Supreme Court filed an Order in Case No. S149864 (State Bar Court Case No. 05-O-01451) that Respondent be suspended from the practice of law for a period of two years and until he provides proof to the satisfaction of the State Bar Court of his rehabilitation, fitness to practice and learning and ability in the general law pursuant to standard 1.4(c)(ii) of the Standards for Attorney Sanctions for Professional Misconduct, that execution of suspension be stayed and that Respondent be placed on probation for a period of two years subject to the conditions of probation as recommended by the Hearing Department of the State Bar Court in its order approving the Stipulation filed on November 30, 2006 and that he be actually suspended for 30 days. Respondent was ordered to comply with the following terms and conditions of probation, among others:
  - a. As a condition of probation, Respondent was ordered to comply with the Rules of Professional Conduct and the State Bar Act and report such compliance quarterly on each January 10, April 10, July 10, and October 10 under penalty of perjury ("quarterly report"). Respondent filed his first four quarterly reports late:

<u>Due</u>	<u>Filed</u>	
7/10/07	7/16/07	
10/10/07	10/12/07	
1/10/08	1/11/08	
4/10/08	9/26/08	

- b. As a condition of probation, Respondent was ordered to successfully complete six hours of live instruction continuing legal education courses in the areas of law office management and/or attorney client relations. Respondent was to provide proof of completion to the Office of Probation within six months of the effective date of the disciplinary order—by September 28, 2007. On October 1, 2008, Respondent provided proof to the Office of Probation that he had completed five hours of live instruction continuing legal education courses in the areas of law office management and/or attorney client relations.
- 3. On April 9, 2007, the Office of Probation mailed an initial letter to Respondent at his membership records address outlining the terms and condition of his probation. The letter enclosed numerous attachments including a quarterly report instructions form which instructed that "[t]he report with any attachments should be mailed on the last day of the month of each

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calendar quarter (i.e., March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> and December 31<sup>st</sup>)." The quarterly report instructions form also include a chart setting forth the dates for each report period with the corresponding date each report was due. Respondent received the letter.

- 4. On April 27, 2007, Respondent telephoned the Office of Probation and a telephonic initial meeting was held during which the conditions of Respondent's probation, including their deadlines, were reviewed. It was the testimony of the Probation Deputy that, among other things, Respondent was reminded that his quarterly reports were due in the Office of Probation by each January 10, April 10, July 10, and October 10. Respondent stated that he would contact the Office of Probation so that a future initial meeting could be held in person.
- 5. On May 25, 2007, the Office of Probation conducted an initial meeting with Respondent during which all of the conditions of Respondent's probation, including their deadlines, were reviewed. It was the testimony of the Probation Deputy that, among other things, Respondent was reminded that his quarterly reports were due in the Office of Probation by each January 10, April 10, July 10, and October 10.
- 6. On July 16, 2007, the Office of Probation left a telephonic voice mail message for Respondent at his membership records telephone number stating that the Office of Probation had not received his quarterly report due July 10, 2007. On July 18, 2007, the Office of Probation received a telephonic voice mail message from Respondent stating that he would mail in his quarterly report due July 10, 2007.
- 7. On August 12, 2008, the Office of Probation suggested to Respondent that he complete his MCLE at the State Bar's annual convention and reviewed courses with him that might meet the requirements of his stipulation.
- 8. On August 21, 2008, Respondent submitted courses for the Office of Probation's review; a telephone call was placed to Respondent that day, but he was unavailable. Respondent left a voice mail message with the Office of Probation the next day.
- 9. On August 25, 2008, Respondent and the Office of Probation again reviewed courses offered at the State Bar's annual convention that might meet the requirements of his stipulation. Because it did not appear that there would be six hours of courses that would satisfy his probation condition, Respondent was advised that he might want to contact attorneys who are approved MCLE providers to determine whether they could provide him with the remaining hour requirement of law office management and/or attorney client relations MCLE. Respondent was advised that approved MCLE providers are listed on the State Bar's website.
- 10. On September 25, 2008, Respondent contacted the Office of Probation to again go over courses offered at the State Bar's annual convention that might meet the requirements of his

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stipulation. On that day, he faxed to the Office of Probation the courses he proposed to take at the State Bar's annual convention.

- 11. On September 26, 2008, the Office of Probation faxed Respondent confirmation that four of Respondent's proposed courses would meet his probation condition requiring live attendance at MCLE in the areas of law office management and/or attorney client relations.
- 12. On October 1, 2008, the Office of Probation received satisfactory evidence that Respondent completed four courses satisfying five hours credit toward his probation condition requiring live MCLE in the areas of law office management and/or attorney client relations.

Legal Conclusion: By failing to timely file his Quarterly Reports due July 10, 2007, October 10, 2007, January 10, 2008, and April 10, 2008; and by failing to timely complete five hours of live instruction continuing legal education courses in the areas of law office management and/or attorney client relations; and by failing to ever complete one hour of live instruction of continuing legal education courses in the areas of law office management and/or attorney client relations, Respondent wilfully violated Business and Professions Code, section 6068(k).

#### PENDING PROCEDURES.

The disclosure date referred to, on page one, paragraph A.(7) was October 8, 2008.

#### COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of Probation has informed respondent that as of October 8, 2008, the estimated prosecution costs in this matter are approximately \$1,546. Respondent acknowledges that this figure is an estimate only and that it does not include State Bar Court costs which will be included in any final cost assessment. Respondent further acknowledges that should this stipulation be rejected or should relief from the stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

#### AUTHORITIES SUPPORTING DISCIPLINE.

Standard 2.6, subsection (a), states that culpability of a member of a violation of Business and Professions Code, section 6068(k), shall result in disbarment or suspension depending upon the gravity of the offense or the harm, if any, to the victim, with due regard to the purposes of imposing discipline set forth in standard 1.3.

An attorney who violated his probation by failing to timely complete restitution and by failing to timely attend Ethics School, received two years' probation with a condition that he was to be actually suspended for the first 30 days. *In the Matter of Gorman* (Review Dept. 2003) 4 Cal. State Bar Ct. Rptr. 567. Neither bad purpose nor intentional evil is required to establish willful violations of disciplinary probation. *Id.* at 572. An attorney's cooperation in stipulating to facts warrants some mitigative consideration. *Id.* More serious sanctions are assigned to probation violations closely related to reasons for imposition of previous discipline or to rehabilitation. *Id.* at 573-574.

In this matter, Respondent's underlying disciplinary violation was in relation to failing to cooperate with the State Bar in the investigation of a disciplinary matter. After the Notice of Disciplinary Charges was filed, he located his file and provided the State Bar with all relevant documentation and information. The probation conditions violated were related to his original misconduct, important for his rehabilitation, and were intended to assist the State Bar in monitoring Respondent's rehabilitation. However, in light of Respondent's circumstances set forth below, the Office of Probation is willing to request 30 days actual suspension in relation to standard 2.6 based upon Respondent's belated compliance in relation to most of his conditions, his stipulation to his violations, and his agreement to reinstate his probation, including that his actual suspension will continue until he completes the remaining one hour of live instruction of continuing legal education courses in the areas of law office management and/or attorney client relations imposed in relation to State Bar Court Case No. 05-O-01451.

## OTHER CIRCUMSTANCES CONSIDERED IN RESOLVING THIS MATTER

Respondent contends that he timely completed and mailed his quarterly report due April 10, 2008, and that it must have been lost by the United States Postal Service. Respondent also contends that he did not understand that his quarterly reports were due in the Office of Probation on or before each January 10, April 10, July 10, and October 10; Respondent contends that he thought mailing his quarterly reports by the 10<sup>th</sup> was compliance. Respondent asserts that he now understands this obligation and, in fact, has timely filed his quarterly reports due July 10, 2008 and October 10, 2008.

Respondent contends that he searched for a program offering live instruction in the areas of law office management and/or attorney client relations, but that he was unable to locate such a program. On April 30, 2008 (after the deadline), Respondent did complete one hour of non-live instruction in the area of law office management and/or attorney client relations to show his good faith; he acknowledges that this hour does not satisfy his probation condition. Additionally, although Respondent was late in passing the MPRE (his deadline was April 28, 2008), he passed the August 8, 2008 MPRE with a scaled score of 102. An 86 is required for passage.

### OTHER PROBATION CONDITIONS NEGOTIATED BY THE PARTIES.

1. <u>Initial Meeting</u>: Within 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.

2. Law Office Management Plan: Within 30 days of the effective date of the discipline herein, Respondent must develop a law office management/organization plan, which must be approved by the Office of Probation within those 30 days. This plan must include procedures to (1) send periodic reports to clients; (2) document telephone messages received and sent; (3) maintain files; (4) meet deadlines; (5) withdraw as attorney, whether of record or not, when clients cannot be contacted or located; (6) train and supervise support personnel; and (7) address any subject area or deficiency that caused or contributed to Respondent's misconduct in the current proceeding.

During the period of probation imposed as a result of this stipulation, Respondent must comply with the law office management/organization plan developed by Respondent and approved by the Office of Probation. With each quarterly report required during the period of probation, Respondent shall aver under penalty of perjury whether he has complied with the law office management/organization plan during the period covered by the report.

- 3. MCLE: Within one year of the effective date of the discipline herein, Respondent must submit to the Office of Probation satisfactory evidence of completion of no less than six hours of participatory Minimum Continuing Legal Education (MCLE) approved courses in law office management and/or attorney client relations. This requirement is separate from any MCLE requirement, and Respondent will not receive MCLE credit for attending these courses (Rule 3201, Rules of Procedure of the State Bar.) Respondent will not receive credit for any MCLE courses in which he is an instructor.
- 4. <u>Law Practice Management and Technology Section</u>: Within 30 days of the effective date of the discipline, Respondent must join the Law Practice Management and Technology Section of the State Bar of California and pay the dues and costs of enrollment for **two years**. Respondent must furnish satisfactory evidence of membership in the section to the Office of Probation in the first report required. If Respondent is not permitted to pay for two years, he must renew his membership within 30 days prior to its termination and provide proof of such renewal in the first quarterly report due after such renewal.

#### WAIVER OF ANY VARIANCES

The parties stipulate to waive any variance in the language, allegations, and conclusions of law between this stipulation and the Notice of Motion and Motion to Revoke Probation filed on July 1, 2008. Respondent acknowledges that this stipulation contains language, allegations, and a conclusion of law which may differ from the language, allegations, and conclusion of law contained in the Notice of Motion and Motion to Revoke Probation filed on July 1, 2008. The parties further stipulate to waive the right to have any amendment to the Notice of Motion and Motion to Revoke Probation.

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In the Matter of Russell H. Takasugi	Case number(s): 08-PM-12565	

# 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.

10/14/08	MSMM Clary	Russell H. Takasugi	
Date	Respondent's Signature	Print Name	
10/15/08	taller Margolis	Arthur Margolis	
Date /	Respondent's Counsel Signature	Print Name	
10/16/08	Terrie Goldade	Terrie Goldade	
Date	Deputy Trial Counsel's Signature Supervising Attorney	Print Name	

In the Matte Russell H.		Case Number(s): 08-PM-12565
		ORDER
	ERED that the requested o	e parties and that it adequately protects the public, lismissal of counts/charges, if any, is GRANTED without
Ø	The stipulated facts and on RECOMMENDED to the	disposition are APPROVED and the DISCIPLINE Supreme Court.
	The stipulated facts and obelow, and the DISCIPLII	disposition are APPROVED AS MODIFIED as set forth NE IS RECOMMENDED to the Supreme Court.
	All Hearing dates are vac	ated.
The parties	are bound by the etinulation	
he stipulati or further m <b>late of this</b>	on, filed within 15 days aftondering the odifies the approved stipule disposition is the effect	on as approved unless: 1) a motion to withdraw or modify er service of this order, is granted; or 2) this court modifies lation. (See rule 135(b), Rules of Procedure.) The effective live date of the Supreme Court order herein, normally 30 ), California Rules of Court.)
10	-14-08	KHon
Date		Judge of the State Bar Court  RICHARD A. HONN

## CERTIFICATE OF SERVICE

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

I am a Case Administrator of the State Bar Court of California. I am over the age of eighteen and not a party to the within proceeding. Pursuant to standard court practice, in the City and County of Los Angeles, on October 20, 2008, I deposited a true copy of the following document(s):

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

in a sealed envelope for collection and mailing on that date as follows:  $\boxtimes$ by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows: ARTHUR LEWIS MARGOLIS, ESO. MARGOLIS & MARGOLIS LLP 2000 RIVERSIDE DR LOS ANGELES, CA 90039 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: X by interoffice mail through a facility regularly maintained by the State Bar of California addressed as follows: TERRIE GOLDADE, ESQ., Office of Probation, Los Angeles I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on

October 20, 2008.

Rose Luthi

Case Administrator State Bar Court

ne M. Luthi"