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State Bar Court of California Hearing Department Los Angeles			kwiktag® 018 040 041 
Counsel For The State Bar Margaret P. Warren 1149 S. Hill Street Los Angeles, CA 90015-2299 (213) 765-1342 Bar # 108774	Case Number (s) 09-C-12715-RAP	(for Court's use) <div style="text-align: center;"> FILED OCT 28 2010  STATE BAR COURT CLERK'S OFFICE LOS ANGELES </div>	
Counsel For Respondent Arthur L. Margolis Margolis & Margolis LLP 2000 Riverside Drive Los Angeles, CA 90039 (323) 953-8996 Bar # 57703	<div style="text-align: center;"> PUBLIC MATTER </div>		
In the Matter Of: Eric A. Forstrom Bar # 237695 A Member of the State Bar of California (Respondent)	Submitted to: Assigned Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING ACTUAL SUSPENSION <input type="checkbox"/> 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 September 6, 2005.
- (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.
- (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: Costs to be paid in equal amounts prior to February 1 for the following two billing cycles following the effective date of the Supreme Court order: 2012 and 2013.
(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.
- (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. Please see Attachment, p. 9, under "Aggravating Circumstances"
- (8) ☐ **No aggravating circumstances** are involved.

Additional aggravating circumstances:

Please see Attachment, p. 9, under "Aggravating Circumstances"

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

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

Additional mitigating circumstances

Please see Attachment, p. 9, under "Mitigating Circumstances"

D. Discipline:

(1) ☒ **Stayed Suspension:**

(a) ☒ Respondent must be suspended from the practice of law for a period of two (2) years.

- i. ☐ and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii) Standards for Attorney Sanctions for Professional Misconduct.
- ii. ☐ and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
- iii. ☐ and until Respondent does the following:

(b) ☒ The above-referenced suspension is stayed.

(2) ☒ **Probation:**

Respondent must be placed on probation for a period of two (2) 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 one (1) year.
- i. ☐ and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct
 - ii. ☐ and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
 - iii. ☐ and until Respondent does the following:

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 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: September 28, 2009.
- (5) ☐ **Other Conditions:**

ATTACHMENT TO
STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: ERIC A. FORSTROM

CASE NUMBER(S): 09-C-12715-RAP

PROCEDURAL BACKGROUND IN CONVICTION PROCEEDING.

1. This is a proceeding pursuant to sections 6101 and 6102 of the Business and Professions Code and rule 9.10 of the California Rules of Court.
2. On April 28, 2009, respondent was convicted, following his plea pursuant to *People v. West*, of violating Penal Code section 550(b)(1).
3. Effective September 28, 2009, respondent was placed on interim suspension following his conviction of violating Penal Code section 550, subdivision (b)(1) (insurance fraud), a felony involving moral turpitude.
4. On December 8, 2009, the criminal court reduced respondent's conviction to a misdemeanor.
5. On May 21, 2010, the Review Department of the State Bar Court issued an order referring the matter to the Hearing Department "for a hearing and decision recommending the discipline to be imposed for Eric Arthur Forstrom's misdemeanor violation of Penal Code section 550, subdivision (b)(1) (insurance fraud), which involves moral turpitude."

FACTS AND CIRCUMSTANCES SURROUNDING RESPONDENT'S CONVICTION

Respondent admits that the following facts are true:

6. At approximately 2:30 a.m. on March 23, 2008, Respondent was driving his car when he collided with another car occupied by a driver and passenger. Both vehicles were damaged. The driver and passenger of the car Respondent collided with both got out of their vehicle, and Respondent got out of his car. Respondent remained at the accident scene for a few minutes, then walked away, leaving the scene and abandoning his car.
7. On March 24, 2008, Respondent went to the Los Angeles Police Department's West Traffic Division police station, and reported that his car had been stolen. Respondent denied having driven the car at the time of the collision. Respondent then provided the police with a written statement and permitted the police to take his photograph. The police did not take a stolen vehicle report from Respondent at that time, however, because they knew that Respondent's car had been involved in a hit-

and-run collision and had been impounded by LAPD.¹ The LAPD investigated the accident and identified Respondent as the owner of the automobile involved in the hit-and-run collision.

8. On March 24, 2008, Respondent reported his car stolen to his insurance company, and a claim was initiated thereafter. Respondent claimed he had not seen his car since the evening before the hit-and-run accident occurred.

9. On April 4, 2008, a Special Investigation Claims Representative ("Claims Representative") from Respondent's insurance company met with Respondent at her office. At that time, Respondent provided the Claims Representative with a notarized Affidavit of Theft ("Affidavit") and a recorded statement regarding his automobile which he had reported stolen. Respondent's written and oral statements contained knowing misstatements of material facts. After Respondent submitted his Affidavit and made his recorded statement, the Claims Representative told Respondent that the other driver and passenger involved in the collision, as well as other witnesses at the scene, could identify the driver of the vehicle that hit them; and reminded Respondent that he had collision coverage. Respondent indicated that he wished to pursue his theft claim.

10. On May 30, 2008, Respondent's attorney wrote to Respondent's insurance company, notifying the company that Respondent was withdrawing his theft claim and would "hold his insurance company harmless."

11. On September 9, 2008, the Los Angeles County District Attorney's Office filed a two-count criminal complaint against Respondent, charging him with one count of violating Penal Code section 550(a)(1), a felony; and one count of violating Penal Code section 550 (a)(5), a felony.

12. On April 28, 2009, the criminal complaint was amended to add violation of Penal Code section 550(b)(1), a felony, as Count Three. On that same date, Respondent pled guilty (pursuant to *People v. West* (1970) 3 Cal.3d 595) to violating Penal Code section 550(b)(1). Respondent was ordered to enroll in the Mothers Against Drunk Driving program and complete 250 hours of community service.

13. On May 25, 2009, Respondent reported himself to the State Bar in writing, notifying the State Bar of his plea of guilty to a violation of Penal Code section 550(b)(1).

14. On December 8, 2009, because Respondent successfully completed the Mothers Against Drunk Driving program and 250 hours of community service, he was allowed to withdraw his plea of guilty and enter a plea of guilty, pursuant to *People v. West*, to a misdemeanor violation of Penal Code section 550(b)(1) [Count Three of the criminal complaint]. Counts One and Two of the criminal complaint were

¹ The make, model, model year, and license plate number of Respondent's car were at all relevant times known to the police and Respondent's insurance company.

dismissed. Respondent was placed on summary probation for a period of twelve (12) months. Respondent may move to expunge the matter following completion of the summary probation.

FACTS AND CIRCUMSTANCES INVOLVING MORAL TURPITUDE.

15. Respondent admits and acknowledges that he lied to both the police and to his insurance company. Respondent admits and acknowledges that his conduct involved moral turpitude.

AGGRAVATING CIRCUMSTANCES.

16. Respondent committed multiple acts of misconduct: he left the scene of the accident; and his communications with both the police and his insurance company contained multiple, intentional misstatements.
17. Respondent did not withdraw his claim that his car had been stolen until approximately two months after the date of the accident.

MITIGATING CIRCUMSTANCES.

18. Respondent cooperated with the State Bar by entering into a stipulation that the facts surrounding his crime involved moral turpitude. (Std. 1:2(e)(v).) This stipulation assisted the State Bar's prosecution by obviating the need for a trial on the merits as to culpability and by allowing the parties and the court to focus on the appropriate discipline. (*In the Matter of Johnson* (Review Dept. 2000) 4 Cal. State Bar Ct. Rptr. 179, 190.)
19. Respondent did withdraw his claim that his car had been stolen approximately two (2) months after the incident, and well before any criminal charges were filed against him.
20. Respondent has no prior discipline.
21. Five people, including three attorneys and a businessman/longtime friend, submitted letters to the State Bar on behalf of Respondent, attesting to his good character.

STATE BAR ETHICS SCHOOL.

Respondent has agreed to attend State Bar Ethics School as part of this stipulation. This requirement is separate from any Minimum Continuing Legal Education ("MCLE") requirement, and he shall not receive MCLE credit for attending Ethics School. (Rules Proc. of State Bar, rule 3201.)

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was October 12, 2010.

AUTHORITIES SUPPORTING DISCIPLINE

Standard 1.3 provides:

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. Rehabilitation of a member is a permissible object of a sanction imposed upon the member but only if the imposition of rehabilitative sanctions is consistent with the above-stated primary purposes of sanctions for professional misconduct.

Respondent has admitted his misconduct; he understands how serious that misconduct is; and he is remorseful. Respondent's plea of guilty to the criminal violation, and his cooperation with the State Bar in entering into a stipulated disposition of these disciplinary proceedings, demonstrate Respondent's recognition of wrongdoing.

The parties are mindful of the applicability of Std. 3.2 to this matter, but submit that reliance on Std. 3.2 would result in an injustice. The parties submit that the protection of the public, the courts and the legal profession, and the preservation of public confidence in the legal profession, will be served by the disposition in this matter, which focuses on the rehabilitation of Respondent through the imposition of a substantial period of actual suspension, coupled with a substantial period of probation. The parties submit that the disposition herein is consistent with the fundamental purpose of disciplinary proceedings, as articulated in Standard 1.3; and submit that the stipulated period of actual suspension and probationary conditions in this matter are sufficient assurance that Respondent will conform his future conduct to ethical standards and adequate protection of the public, courts and profession.

(Do not write above this line.)

In the Matter of
ERIC A FORSTROM, #237695

Case number(s):
09-C-12715-RAP

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.

10/7/2010
Date

Eric A. Forstrom
Respondent's Signature

Eric A. Forstrom
Print Name

10/8/2010
Date

Arthur L. Margolis
Respondent's Counsel Signature

Arthur L. Margolis
Print Name

10/12/2010
Date

Margaret P. Warren
Deputy Trial Counsel's Signature

Margaret P. Warren
Print Name

(Do not write above this line.)

In the Matter Of
ERIC A. FORSTROM, #237695

Case Number(s):
09-C-12715-RAP

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.)**

10-27-10
Date


Judge of the State Bar Court

RICHARD A. PLATEL

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 28, 2010, 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:

ARTHUR MARGOLIS
MARGOLIS & MARGOLIS LLP
2000 RIVERSIDE DRIVE
LOS ANGELES CA 90039

- ☐ by certified mail, No. , with return receipt requested, through the United States Postal Service at , California, addressed as follows:

- ☐ by overnight mail at , California, addressed as follows:

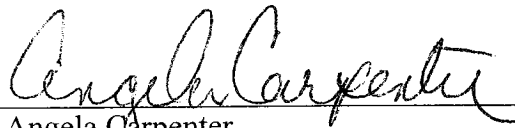
- ☐ by fax transmission, at fax number . No error was reported by the fax machine that I used.

- ☐ By personal service by leaving the documents in a sealed envelope or package clearly labeled to identify the attorney being served with a receptionist or a person having charge of the attorney's office, addressed as follows:

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

MARGARET WARREN, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on October 28, 2010.


Angela Carpenter
Case Administrator
State Bar Court