(Do not write above this line.)

State Bar Court of California **Hearing Department** San Francisco (for Court's use) Counsel For The State Bar Case Number (s) 09-C-13147 and 10-N-Christine Souhrada 08536 -PUBLIC MATTER Deputy Trial Counsel 180 Howard Street San Francisco, CA 94105 (415) 538-2183 FILED Bar # 228256 NOV 1 6 2010 in Pro Per Respondent STATE BAR COURT CLERK'S OFFICE Kenneth Melvin Bareilles SAN FRANCISCO Law Office of Kenneth M. Bareilles 533 E St Eureka, CA 95501-0313 Submitted to: Assigned Judge (707) 443-9338 STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING Bar # 44816 in the Matter Of: Kenneth Melvin Bareilles ACTUAL SUSPENSION PREVIOUS STIPULATION REJECTED Bar # 44816

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:

A Member of the State Bar of California

(Respondent)

- Respondent is a member of the State Bar of California, admitted January 15, 1970.
- (2) The parties agree to be bound by the factual stipulations contained herein even if conclusions of law or disposition are rejected or changed by the Supreme Court.
- (3) All investigations or proceedings listed by case number in the caption of this stipulation are entirely resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of 12 pages, not including the order.
- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."
- (5) Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law".

(Stipulation form approved by SBC Executive Committee 10/16/00. Revised 12/15/2004; 12/13/2006.)

Actual Suspension

(Do	not wri	te abov	this (ine.)
(5)	Th "Si	e parti upport	es must include supporting authority for the recommended level of discipline under the heading ing Authority."
(7)	No per	more nding	than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any investigation/proceeding not resolved by this stipulation, except for criminal investigations.
(8)	Pa 61-	yment 40.7. (of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & Check one option only):
		reid COS C'Y' (had COS	il costs are paid in full, Respondent will remain actually suspended from the practice of law unless ef is obtained per rule 284, Rules of Procedure. Its to be paid in equal amounts prior to February 1 for the following membership years: two billing cles following the effective date of the Supreme Court Order diship, special circumstances or other good cause per rule 284, Rules of Procedure) Its waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs" Its entirely waived
	Prof	ravat essic equi	ing Circumstances [for definition, see Standards for Attorney Sanctions for mail Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances red.
(1)	×	Prio	record of discipline [see standard 1.2(f)]
	(a)	\boxtimes	State Bar Court case # of prior case 90-O-11538
	(b)	\boxtimes	Date prior discipline effective May 1, 1991
	(c)	\boxtimes	Rules of Professional Conduct/ State Bar Act violations: Unlawful practice of law (Business and Professions Code, section 6125/6126)
	(d)	X	Degree of prior discipline 120 days actual suspension
	(e)		If Respondent has two or more incidents of prior discipline, use space provided below.
(2)		Dish	onesty: Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, ealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
(3)		Trus to the prope	t Violation: Trust funds or property were involved and Respondent refused or was unable to account election or person who was the object of the misconduct for improper conduct toward said funds or exty.
(4)		Harm	Respondent's misconduct harmed significantly a client, the public or the administration of justice.
(5)		Indiff cons	ference: Respondent demonstrated indifference toward rectification of or atonement for the equences of his or her misconduct.
(6)		Lack	of Cooperation: Respondent displayed a lack of candor and cooperation to victims of his/her and cooperation to victims of his/her and uct or to the State Bar during disciplinary investigation or proceedings.

(Do no	(Do not write above this line.)				
(7)		Multiple/Pattern of Misconduct: Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct.			
(8)		No aggravating circumstances are involved.			
Addi	ition	al aggravating circumstances:			
		ating Circumstances [see standard 1.2(e)]. Facts supporting mitigating imstances 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.			
(8)		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. Respondent has provided 35 reference letters attesting to Respondent's good character from a variety of people, attorneys who had worked with him, clients, individuals who had bought land from him, and other members of the community. Most of those providing the letters indicated that they had known Respondent for many years.			
(12)		Rehabilitation: Considerable time has passed since the acts of professional misconduct occurred followed by convincing proof of subsequent rehabilitation.			

(Do no	Do not write above this line.)				
(13)		No n	nitigal	ting circumstances are involved.	
Addi	tiona	al miti	gatin	g circumstances	
				lent displayed spontaneous candor and cooperation with the State Bar during the present arry proceedings.	
D. !	Disc	iplin	e;		
(1)	\boxtimes	Stay	ed Su	spension:	
	(a)	\boxtimes	Resp	condent must be suspended from the practice of law for a period of three years.	
		1.		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.	X	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)	Ø	The	above-referenced suspension is stayed.	
(2)	☑ Probation:				
	Res date	spond e of th	ent m ie Sup	ust be placed on probation for a period of five years, which will commence upon the effective preme Court order in this matter. (See rule 9.18, California Rules of Court)	
(3) Actual Suspension:			spension:		
	(3)	X		condent must be actually suspended from the practice of law in the State of California for a period ne year.	
		Ĭ.		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.	\boxtimes	and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.	
		ŭi.		and until Respondent does the following:	
E. #	\ddi	tiona	al Co	nditions of Probation:	
(1)	Ø	he/s	ne pro	dent is actually suspended for two years or more, he/she must remain actually suspended until oves to the State Bar Court his/her rehabilitation, fitness to practice, and learning and ability in w, pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.	
(2)	X	During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.			
/Stine	Istian		20.001404	Thy SBC Executive Committee 10/16/00 Revised 12/18/2004: 12/13/2006)	

F. Other Conditions Negotiated by the Parties:

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

(Do no	ot write a	above this line.)
		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)	X	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: July 23, 2010.
(5)		Other Conditions:

In the Matter of	Case number(s):
Kenneth Melvin Bareilles	09-C-13147 and 10-N-08536
A Member of the State Bar	

Financial Conditions

a. Restitution

Respondent must pay restitution to any and all individuals or entities as ordered by the Humboldt County Superior Court ("Superior Court") including any interest ordered by the Superior Court. Respondent must pay the restitution by the due-date ordered by the Superior Court or on the payment schedule as set by the Superior Court. If no payment due-date or payment schedule is set by the Superior Court, Respondent must pay the restitution within six months from the date of the Superior Court order. Respondent must provide satisfactory proof of payment of any ordered restitution to the State Bar's Office of Probation with his next scheduled quarterly report.

If any motion for an order of restitution, suit for restitution, or any other request for restitution from Respondent is made to the Superior Court, Respondent must notify the State Bar Office of Probation in his next scheduled quarterly report and include a copy of the request or motion.

If Respondent is ordered to pay any restitution by the Superior Court, Respondent must notify the State Bar Office of Probation in his next scheduled quarterly report and include a copy of the order.

If any Individual who purchased land from Respondent requests (formally or informally, in writing or orally) restitution of any kind from Respondent, Respondent must report this request in writing to the Humboldt County District Attorney's Office and the Superior Court within 30 days of the time Respondent becomes aware of the request for appropriate action, and provide proof of this reporting to the State Bar's Office of Probation with his next scheduled quarterly report.

In each quarterly report, Respondent must report whether any motion for an order of restitution, suit for restitution, or any other request (whether formal or informal, written or oral) for restitution from Respondent has been made; if such a request or motion has been made, the status of the request or motion; and whether any restitution has been ordered.

Should no restitution be ordered by the time Respondent's probationary period ends, this restitution requirement will terminate with the successful termination of Respondent's probation.

Respondent must pay above-referenced restitution and provide satisfactory proof of
payment to the Office of Probation not later than 30 days before the termination of his
probationary period.

Humboldt County has requested restitution to be ordered by the Superior Court. However, on June 18, 2010, finding the direct victims to be the property owners and not the county, the Superior Court denied the county's request for restitution without prejudice, explicitly allowing for the request to be made again in case property owners come forward and want restitution.

(Financial Conditions form approved by SBC Executive Committee 10/18/2000. Revised 12/18/2004; 12/13/2008.)

b. Installment Acaditution 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
reproval), 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 Cortificate

- 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:
 - a. 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:
 - A written ledger for each client on whose behalf funds are held that sets forth;
 - 1. the name of such client:
 - the date, amount and source of all funds received on behalf of such client:
 - 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:
 - 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.

(Financial Conditions form approved by SBC Executive Committee 10/16/2000. Revised 12/16/2004; 12/13/2006.)

- 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.
- 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.

F.010

Attachment to Stipulation Re Facts, Conclusions of Law and Disposition in the Matter of Kenneth Melvin Bareilles Case nos. 09-C-13147 and 10-N-08536

I. FACTS AND CONCLUSIONS OF LAW

Facts:

- 1. On May 15, 2009, Respondent was convicted, by plea of nolo contendere, for violating Government Code section 66499.30(b) (the Subdivision Map Act) for making an unlawful land sales transaction, a felony.
- 2. Specifically, Respondent owned a large tract of rural land in Humboldt County, which he illegally subdivided and sold parcels of. Respondent, who owned the land for several decades, initially subdivided and sold the land as large legal "patent parcels". However, in 1992 he began illegally subdividing the patent parcels and selling the illegally subdivided land. The transfer of these illegal parcels was done via written sales agreement and was recorded with Humboldt County. Respondent continued these illegal sales until he was criminally prosecuted in 2008. Respondent illegally subdivided and sold approximately 33 parcels, but the statute of limitations had expired on the vast majority of these sales by the time Respondent was prosecuted in 2008.
- 3. A number of the individuals who purchased the illegally subdivided land grew marijuana on their land and did not obtain permits for the structures they built or the roads they graded.
- 4. Humboldt County has requested restitution to be ordered by the Humboldt County Superior Court ("Superior Court"). However, on June 18, 2010, finding the direct victims to be the property owners and not the county, the Superior Court denied the county's request for restitution without prejudice, explicitly allowing for the request to be made again in case property owners come forward and want restitution.
- 5. On July 23, 2010, after Respondent's criminal conviction was transmitted to the State Bar Court, the Review Department of the State Bar Court issued an order ("Review Department Order") placing Respondent on interim suspension pending final disposition of this disciplinary proceeding. In addition, the Review Department Order required Respondent to comply with rule 9.20 of the California Rules of Court, which among other requirements, required that Respondent file an affidavit of compliance with rule 9.20 by September 1, 2010.
- 6. On August 28, 2010, Respondent filed an affidavit of compliance indicating that he was in compliance except that he still had one client file belonging to a pro bono client who lived in Europe and for whom he had not yet been able to secure other counsel. Respondent's affidavit was rejected by Probation because the affidavit admitted that Respondent was not in compliance. Respondent mailed the file to his client in Europe and refiled his 9.20 affidavit on September 8, 2010.

Conclusions of Law:

- 7. By violating Government Code section 66499.30(b), Respondent did not commit an act of moral turpitude; however, he committed other misconduct warranting discipline.
- 8. By failing to timely return all clients files in conformity with the requirements of Rule 9.20(a), Respondent failed to timely comply with the provisions of the Review Department Order requiring compliance with Rule 9.20, California Rules of Court thereby willfully violating rule 9.20, California Rules of Court.

II. SUPPORTING AUTHORITY

Although the parties are unaware of any State Bar case law involving violations of the Subdivision Map Act, an analogy can be drawn to disciplinary cases involving securities law violations, including Chadwick v. State Bar (1989) 49 Cal. 3d 103; In Re Murphy (1975) 14 Cal. 3d 533; In Re Langford (1966) 64 Cal. 2d 489; and In Re Clark (1959) 52 Cal. 2d 322. The discipline in these cases ranged from one to three years actual suspension. However, unlike securities law violations which involve grave financial harm to duped purchasers, there are indications in the record that many of Respondent's buyers were aware the property was illegally subdivided, and there does not appear to be evidence in the criminal record of harm to individual purchasers.

In assessing the level of discipline in a criminal conviction case, even where those convictions do not directly involve the practice of law, the court has found it to be its duty to impose a discipline that will protect the public from potential harm. In re Kelley (1990) 52 Cal. 3d 487, 496. Given the significant period of actual suspension, and long probationary and stayed suspension periods, the stipulated discipline is sufficient to assure that Respondent will conform his future conduct to ethical standards and, therefore, protect the public, courts and profession. This is consistent with Standard 1.3 and Kelly.

HL PENDING PROCEEDINGS

The disclosure date referred to in paragraph A(7) of this stipulation, was October 6, 2010.

IV. ESTIMATE OF COSTS OF DISCIPLINARY PROCEEDINGS

Respondent acknowledges that the Office of the Chief Trial Counsel has informed Respondent that as of October 6, 2010, the estimated prosecution costs in this matter are approximately \$3,277. Respondent acknowledges that this figure is an estimate only. 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 Kenneth Melvin Bareilles	Case number(s):
	Lamen, Mêranî Dêlâniêê	09-C-13147 and 10-N-08536
-		

IME STATE DAR OF CALIF.

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.

Λ

00. 25,2010	Kennoth BARcilles	Kenneth Melvin Bareilles
Date	Respondent's Signature	Print Name
杨	· ·	
Date	Respondent's Coupsel Signature	Print Name
10/27/10	Mulu Sala	Christine Souhrada
Date /	Deputy Trial Counsel's Signature	Print Name

(Do not write above this line.) In the Matter Of Kenneth Melvin Bareilles				Case Number(s): 09-C-13147 and 10	Case Number(s): 09-C-13147 and 10-N-08536		
			·	ORDER '			
Findir IT IS prejud	ORD	ERED that the re	e fair to the part equested dismis	ies and that it adequately sal of counts/charges, if	y protects the public, any, is GRANTED without		
	Ø	The stipulated		sition are APPROVED at eme couπ.	nd the DISCIPLINE		
		The stipulated below, and the	facts and dispos DISCIPLINE IS	sition are APPROVED A	S MODIFIED as set forth e Supreme Court.		
	X	All Hearing date	es are vacated.				
•	i	·			e e e e e e e e e e e e e e e e e e e		
		e e e e e e e e e e e e e e e e e e e					
or furt	her n live d	nodifies the appr	oved stipulation	rvice of this order, is gra	motion to withdraw or modify inted; or 2) this court modifies s of Procedure.) The preme Court order herein, iles of Court.)		
<u>n</u>	· 40	16, 2016		_ h A			
	e e e e e e e e e e e e e e e e e e e	•		Judge of the State	Ber Court		
Ction de se				LUCY ARM	ENDARIZ		
au puist	en rom	approved by SBC Exec	utive Committee 10/16/	00. Revised 12/16/2004; 12/13/2004	9.) Actual Suspension Order		

Page 13

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 San Francisco, on November 16, 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 San Francisco, California, addressed as follows:

KENNETH MELVIN BAREILLES LAW OFFICE OF KENNETH M. BAREILLES 533 E ST EUREKA, CA 95501 - 0313

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

CHRISTINE SOUHRADA, Enforcement, San Francisco

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on November 16, 2010.

Laine Silber

Case Administrator

State Bar Court