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<b>State Bar Court of California Hearing Department San Francisco ACTUAL SUSPENSION</b>		<b>ORIGINAL PUBLIC MATTER</b>
<b>Counsel For The State Bar</b>  Donald R. Steedman 180 Howard St. San Francisco, CA 94105  Bar # 104927	<b>Case Number(s):</b> 09-O-11763 [09-O-12254; 09-O-12976; 09-O-13654; 09-O-14685; 09-O-18009; 10-O-03756; 10-O-08919; 11-O-11505]	<b>For Court use only</b>  <b>FILED</b>   JAN 11 2012  STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO
<b>In Pro Per Respondent</b>  Warren W. Quann 54 Springbrook Circle Sacramento, CA 95831  Bar # 140032	<b>Submitted to: Assigned Judge</b>  STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING  <b>ACTUAL SUSPENSION</b>  <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	
<b>In the Matter of:</b> <b>WARREN W. QUANN</b>  Bar # 140032  A Member of the State Bar of California (Respondent)		

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

**A. Parties' Acknowledgments:**

- (1) Respondent is a member of the State Bar of California, admitted June 6, 1989.
- (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 14 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".

(Effective January 1, 2011)



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- (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 5.130, Rules of Procedure.
  - Costs are to be paid in equal amounts prior to February 1 for the following membership years: (Hardship, special circumstances or other good cause per rule 5.132, Rules of Procedure.) If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.
  - Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
  - Costs are 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 10-C-00922
  - (b)  Date prior discipline effective August 7, 2011
  - (c)  Rules of Professional Conduct/ State Bar Act violations: Bus. & Prof. Code 6106
  - (d)  Degree of prior discipline One year suspension, stayed, probation for two years on conditions including seven-month actual suspension.
  - (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. Respondent has not yet made restitution.
- (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.

(Effective January 1, 2011)

Actual Suspension

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- (7)  **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct. This case involves multiple client matters.
- (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. Respondent has been cooperative with the State Bar in this matter.
- (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.**

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(Effective January 1, 2011)

**Additional mitigating circumstances:**

**D. Discipline:**

(1)  **Stayed Suspension:**

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

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- (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: Respondent was previously ordered to take Ethics School in case number 10-C-00922.
- (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 5.162(A) & (E), Rules of Procedure.**

No MPRE recommended. Reason: Respondent was previously ordered to pass the examination in case number 10-C-00922.

(Effective January 1, 2011)

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- (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:**

(Do not write above this line.)

Attachment language (if any):

**PENDING INVESTIGATIONS:**

The disclosure mentioned in paragraph A7 of the stipulation was made on November 22, 2011.

**STATEMENT OF FACTS AND CONCLUSIONS OF LAW  
COUNT ONE**

Case Nos. 09-0-11763; 09-0-12254; 09-0-12976; 09-0-13654; 09-0-14685; 09-0-18009; 10-0-03756; 10-0-08919; 11-0-11505

Rules of Professional Conduct, Rule 1-300(A)  
[Aiding in the Unauthorized Practice of Law]

1. Respondent willfully violated Rules of Professional Conduct, rule 1-300(A), by aiding a person or entity in the unauthorized practice of law, as follows:
2. At all relevant times, Second Chance Negotiations, Inc., also known as Second Chance Legal Services ("Second Chance"), was a business enterprise providing mortgage loan modification and restructuring services constituting the practice of law.
3. At all relevant times, Second Chance was incorporated and controlled entirely by individuals who were not lawyers as defined by rule 1-100(B)(3), Rules of Professional Conduct, including Christopher James Mesunas ("Mesunas") and Michael Garcia ("Garcia").
4. By on or about December 15, 2008, respondent entered into an agreement with Mesunas and Garcia to provide services to the clients of Second Chance. Specifically, respondent agreed to "handle client in take [sic], review client file[s], make assessment of client file[s] to determine if the client is a candidate for loss mitigation services from [Second Chance]; if necessary, refer client[s] to the negotiations division of [Second Chance] for loan modification negotiations and services; and handle client complaints." These services constituted the practice of law.
5. At all relevant times, respondent reasonably should have known that Second Chance held itself out as providing the services of a law firm.
6. At all relevant times, respondent reasonably should have known that Second Chance employed a number of individuals, referred to herein collectively as "negotiators," who were not entitled to practice law. Respondent provided processes and procedures for the negotiators to follow and established criteria for the types of cases to be accepted by Second Chance, but did not otherwise supervise or control the work of the negotiators. Second Chance negotiators were responsible for securing the loan modifications and respondent did not participate in attempting to secure the loan modifications.
7. Respondent received \$125.00 from Second Chance for each Second Chance client file respondent reviewed, including another client named Carolyn Raimondi (whose small claims action against respondent was dismissed on the grounds that respondent did not receive any fees from Raimondi and Raimondi did not engage the services of respondent). The respondent received the following payments from Second Chance:

December 2008	\$5,000.00
January 2009	\$18,200.00
February 2009	\$29,000.00
March, 2009	\$20,000.00
8. At all relevant times, the negotiators engaged in the practice of law in relation to the Second Chance legal clients.

(Effective January 1, 2011)

Actual Suspension

(Do not write above this line.)

9. By allowing and assisting the negotiators to engage in the practice of law, respondent aided a person or entity in the unauthorized practice of law in violation of rule 1-300.

#### COUNT TWO

Case No. 09-0-12976

Rules of Professional Conduct, rule 3-700(D)(2)

[Failure to Refund Unearned Fees]

10. Respondent willfully violated Rules of Professional Conduct, rule 3-700(D)(2), by failing to refund promptly any part of a fee paid in advance that has not been earned, as follows:

11. The allegations of Count One are incorporated by this reference.

12. On or about February 18, 2009, Jeffrey and Kari Turney ("the Turneys") hired Second Chance to perform mortgage loan modification and restructuring services and paid Second Chance \$2,500. The Turneys did not pay the respondent; however, the Turneys signed a Second Chance agreement with respondent's name as the attorney responsible for performing legal services in relation to the Turneys' matter.

13. Respondent acknowledges that the Turneys reasonably believed that they had hired and paid respondent to provide legal services on their behalf.

14. On or about May 12, 2009 the Turneys sought a refund from Second Chance and Second Chance refused to refund the Turneys their funds. Subsequently, Second Chance filed bankruptcy.

15. As sole attorney responsible for performing legal services for the Turneys, respondent was obligated to refund any unearned attorney's fees paid by them to Second Chance.

16. No portion of the \$2,500 in fees paid by the Turneys was earned by respondent and respondent agrees to refund the \$2,500 fee paid by the Turneys.

17. By failing to refund the \$2,500 in fees paid by the Turneys, all of which were unearned by respondent, respondent failed to refund promptly any part of a fee paid that has not been earned.

#### COUNT THREE

Case No. 09-0-13654

Rules of Professional Conduct, rule 3-700(D)(2)

[Failure to Refund Unearned Fees]

18. Respondent willfully violated Rules of Professional Conduct, rule 3-700(D)(2), by failing to refund promptly any part of a fee paid in advance that has not been earned, as follows:

19. The allegations of Count One are incorporated by this reference.

20. On or about January 20, 2009, Vada T. Lee ("Lee") and Starshima Placide ("Placide") were solicited by Garret Reese and hired Second Chance to perform mortgage loan modification and restructuring services and paid Second Chance \$1,100. Lee and Placide did not pay the respondent, however, Lee and Placide signed a Second Chance agreement with respondent's name as the attorney responsible for performing legal services in relation to the Lee and Placide matter.

21. Respondent acknowledges that Lee and Placide reasonably believed that they had hired and paid respondent to provide legal services on their behalf.

22. Lee and Placide sought a refund from Second Chance and Second Chance refused to refund Lee and Placide their funds. Subsequently, Second Chance filed bankruptcy.

23. As sole attorney responsible for performing legal services for Lee and Placide, respondent was obligated to refund any unearned attorney's fees paid by them to Second Chance.

24. No portion of the \$1,100 in fees paid by Lee and Placide was earned by respondent and respondent agrees to refund the \$1,100 fee paid by Lee and Placide.



(Do not write above this line.)

25. By failing to refund the \$1,100 in fees paid by Lee and Placide, all of which were unearned by respondent, respondent failed to refund promptly any part of a fee paid that has not been earned.

#### COUNT FOUR

Case No. 09-0-14685

Rules of Professional Conduct, rule 3-700(D)(2)

[Failure to Refund Unearned Fees]

26. Respondent willfully violated Rules of Professional Conduct, rule 3-700(D)(2), by failing to refund promptly any part of a fee paid in advance that has not been earned, as follows:

27. The allegations of Count One are incorporated by this reference.

28. On or about January 14, 2009, David and Cynthia Blackburn ("the Blackburns") were solicited by Tim Gibson and hired Second Chance to perform mortgage loan modification and restructuring services and paid Second Chance \$2,500. The Blackburns did not pay the respondent; however, the Blackburns signed a Second Chance agreement with respondent's name as the attorney responsible for performing legal services in relation to the Blackburns matter.

29. Respondent acknowledges that the Blackburns reasonably believed that they had hired and paid respondent to provide legal services on their behalf.

30. Blackburns sought a refund from Second Chance and Second Chance refused to refund Lee and Placide their funds. On May 15, 2009 the Blackburns filed a small claims suit against including Christopher James Mesunas ("Mesunas") and Michael Garcia ("Garcia") for refund of their money and received a judgment. Mesunas paid the Blackburns \$200 on December 10, 2009 and \$200 on January 14, 2010 and subsequently filed bankruptcy. The Blackburns are owed \$2,100.

31. As sole attorney responsible for performing legal services for the Blackburns, respondent was obligated to refund any unearned attorney's fees paid by them to Second Chance.

32. No portion of the \$2,500 in fees paid by the Blackburns was earned by respondent and respondent agrees to refund the \$2,100 fee paid by the Blackburns.

33. By failing to refund the \$2,100 in fees paid by the Blackburns, all of which were unearned by respondent, respondent failed to refund promptly any part of a fee paid that has not been earned.

#### COUNT FIVE

Case No. 09-0-18009

Rules of Professional Conduct, rule 3-700(D)(2)

[Failure to Refund Unearned Fees]

34. Respondent willfully violated Rules of Professional Conduct, rule 3-700(D)(2), by failing to refund promptly any part of a fee paid in advance that has not been earned, as follows:

35. The allegations of Count One are incorporated by this reference.

36. On or about January 24, 2009, Joanne and Michael Coleman ("the Colemans") were solicited by Nancy Bandettini and hired Second Chance to perform mortgage loan modification and restructuring services and paid Second Chance \$4,000. Bandettini's contact at Second Chance was Peter G. Galvez. The Colemans did not pay the respondent; however, the Colemans signed a Second Chance agreement with respondent's name as the attorney responsible for performing legal services in relation to the Colemans matter.

37. Respondent acknowledges that the Colemans reasonably believed that they had hired and paid respondent to provide legal services on their behalf.

38. The Colemans sought a refund from Second Chance and Second Chance refused to refund the Colemans their funds.

(Do not write above this line.)

39. As sole attorney responsible for performing legal services for the Colemans, respondent was obligated to refund any unearned attorney's fees paid by them to Second Chance.
40. No portion of the \$4,000 in fees paid by the Colemans was earned by respondent and respondent agrees to refund the \$4,000 fee paid by the Colemans.
41. By failing to refund the \$4,000 in fees paid by the Colemans, all of which were unearned by respondent, respondent failed to refund promptly any part of a fee paid that has not been earned.

#### COUNT SIX

Case No. 10-0-08919

Rules of Professional Conduct, rule 3-700(D)(2)

[Failure to Refund Unearned Fees]

42. Respondent willfully violated Rules of Professional Conduct, rule 3-700(D)(2), by failing to refund promptly any part of a fee paid in advance that has not been earned, as follows:
43. The allegations of Count One are incorporated by this reference
44. On or about February 3, 2009, Gloria J. Peppers ("Peppers") was solicited by "Edward G." and hired Second Chance to perform mortgage loan modification and restructuring services and paid Second Chance \$2,500. Peppers did not pay the respondent; however, Peppers signed a Second Chance agreement with respondent's name as the attorney responsible for performing legal services in relation to the Peppers matter.
45. Respondent acknowledges that Peppers reasonably believed that she had hired and paid respondent to provide legal services on her behalf.
46. Peppers sought a refund from Second Chance and Second Chance refused to refund Peppers her funds.
47. As sole attorney responsible for performing legal services for Peppers, respondent was obligated to refund any unearned attorney's fees paid by her to Second Chance.
48. No portion of the \$2,500 in fees paid by Peppers was earned by respondent and respondent agrees to refund the \$2,500 fee paid by Peppers.
49. By failing to refund the \$2,500 in fees paid by Peppers, all of which were unearned by respondent, respondent failed to refund promptly any part of a fee paid that has not been earned.

#### COUNT SEVEN

Case No. 10-0-03756

Rules of Professional Conduct, rule 3-700(D)(2)

[Failure to Refund Unearned Fees]

50. Respondent willfully violated Rules of Professional Conduct, rule 3-700(D)(2), by failing to refund promptly any part of a fee paid in advance that has not been earned, as follows:
51. The allegations of Count One are incorporated by this reference.
52. On or about December 3, 2009, Christina Huckaby was solicited by an unknown third party and hired Second Chance to perform mortgage loan modification and restructuring services and paid Second Chance \$2,885. Huckaby did not pay the respondent and did not sign an Second Chance agreement with respondent's name as the attorney responsible for performing legal services in relation to the Huckaby matter. Huckaby signed a Second Chance agreement with another attorney's name, Marc A. Caraska, as the attorney responsible for performing legal services in relation to the Huckaby matter. Huckaby paid Second Chance \$2,885 on December 28, 2008 and by the date the funds were received, respondent was the responsible attorney with Second Chance.

53. Respondent acknowledges that, by the time the \$2,885 was removed from her account, Huckaby could have reasonably believed that she had hired and paid respondent to provide legal services on her behalf.

54. Huckaby sought a refund from Second Chance and Second Chance refused to refund Huckaby her funds.

55. As sole attorney responsible for performing legal services for Huckaby, respondent was obligated to refund any unearned attorney's fees paid by her to Second Chance.

56. No portion of the \$2,885 in fees paid by Huckaby was earned by respondent and respondent agrees to refund the \$2,885 fee paid by Huckaby.

57. By failing to refund the \$2,885 in fees paid by Huckaby, all of which was unearned by respondent, respondent failed to refund promptly any part of a fee paid that has not been earned.

#### COUNT SEVEN

Case No. 11-0-11505

Rules of Professional Conduct, rule 3-700(D)(2)

[Failure to Refund Unearned Fees]

58. Respondent willfully violated Rules of Professional Conduct, rule 3-700(D)(2), by failing to refund promptly any part of a fee paid in advance that has not been earned, as follows:

59. The allegations of Count One are incorporated by this reference.

60. On or about February 13, 2009, Diana Krkljus ("Krkljus") responded to a flyer listing Gerard and Marylou Ladalrdo as agents for Second Chance. She received this flier from friends. Marylou Ladalrdo solicited her, and she hired Second Chance to perform mortgage loan modification and restructuring services and paid Second Chance \$5,995. Krkljus did not pay the respondent; however, Krkljus signed a Second Chance agreement with respondent's name as the attorney responsible for performing legal services in relation to the Krkljus matter.

61. Respondent acknowledges that Krkljus reasonably believed that she had hired and paid respondent to provide legal services on her behalf.

62. Krkljus sought a refund from Second Chance and Second Chance refused to refund Krkljus her funds.

63. As sole attorney responsible for performing legal services for Krkljus, respondent was obligated to refund any unearned attorney's fees paid by her to Second Chance.

64. No portion of the \$5,995 in fees paid by Krkljus was earned by respondent and respondent agrees to refund the \$5,995 fee paid by Krkljus.

65. By failing to refund the \$5,995 in fees paid by Krkljus, all of which were unearned by respondent, respondent failed to refund promptly any part of a fee paid that has not been earned.

#### SUPPORTING AUTHORITY

Respondent's conduct in assisting in the unauthorized practice of law and failing to return unearned fees is cause for significant discipline (compare In the Matter of Jones (Review Dept. 1993) 2 Cal. State Bar Ct. Rptr. 411 (2-year suspension for partnership with non attorney), especially in light of respondent's prior record of discipline (Std. 1.7, Standards for Attorney Sanctions).

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In the Matter of: Warren W. Quann	Case Number(s): 09-O-12976 et al.
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### 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
Jeffrey and Kari Turney	\$2,500	Not required
Vada T. Lee and Starshim Placide	\$1,100	Not Required
David and Cynthia Blackburn	\$2,500	Not Required
Joanne and Michael Coleman	\$4,000	Not Required
Gloria J. Peppers	\$2,500	Not Required
Christina Huckaby	\$2,885	Not Required
Diana Krkljus	\$5,995	Not Required

- 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

- If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.

#### c. Client Funds Certificate

(Effective January 1, 2011)

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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";

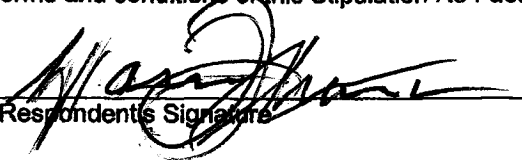
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In the Matter of: Warren W. Quann	Case number(s): 09-O-12976 et al.
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**SIGNATURE OF THE PARTIES**

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 Facts, Conclusions of Law, and Disposition.

12/19/2011  
Date

  
Respondent's Signature

Warren W. Quann  
Print Name

12/27/2011  
Date

  
Respondent's Counsel Signature

Donald R. Steedman  
Print Name

Deputy Trial Counsel's Signature  
Print Name

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In the Matter of: Warren W. Quann	Case Number(s): 09-O-12976
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### ACTUAL SUSPENSION ORDER

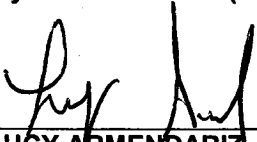
Finding the stipulation to be fair to the parties and that it adequately protects the public, IT IS ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without prejudice, and:

- 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.

1. P. 4 – Delete the “x” from the box next to subparagraph (a) (ii) under the heading, “Actual Suspension.”
2. p. 12 – In the paragraph under the heading “a. Restitution, ” Delete the words “plus interest of 10% per annum” from the paragraph, and also Delete the words “applicable interest.”
3. p. 12 – In the chart that appears under the heading, “Financial Conditions,” in the column indicating the principal amount that respondent must pay to David and Cynthia Blackburn, Delete the amount of “\$2,500,” and in its place Insert the amount, \$2,100.”

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies or further modifies the approved stipulation. (See rule 5.58(E) & (F), Rules of Procedure.) **The effective date of this disposition is the effective date of the Supreme Court order herein, normally 30 days after file date. (See rule 9.18(a), California Rules of Court.)**

Jan 11, 2012  
Date

  
LUCY ARMENDARIZ  
Judge of the State Bar Court

## CERTIFICATE OF SERVICE

[Rules Proc. of State Bar; Rule 5.27(B); Code Civ. Proc., § 1013a(4)]

I am a Case Administrator of the State Bar Court of California. I am over the age of eighteen and not a party to the within proceeding. Pursuant to standard court practice, in the City and County of San Francisco, on January 11, 2012, 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:

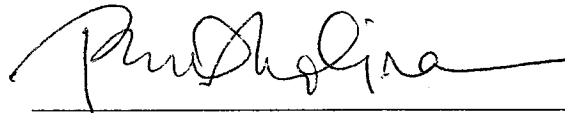
- by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at San Francisco, California, addressed as follows:

WARREN W. QUANN  
LAW OFFICE OF WARREN W QUANN  
54 SPRINGBROOK CIR  
SACRAMENTO, CA 95831

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

DONALD STEEDMAN, Enforcement, San Francisco

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on January 11, 2012.



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Bernadette C.O. Molina  
Case Administrator  
State Bar Court