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<b>State Bar Court of California</b> <b>Hearing Department</b> <b>Los Angeles</b> <b>ACTUAL SUSPENSION</b>		<b>PUBLIC MATTER</b>
<b>Counsel For The State Bar</b>  Michael J. Glass Senior Trial Counsel 1149 S. Hill Street Los Angeles, CA 90015-2299 (213) 765-1254  Bar # 102700	<b>Case Number(s):</b> 09-O-14024; 09-O-14474; 09-O-14565; 09-O-14669; 09-O-14689; 09-O-14715; 09-O-14741; 09-O-14851; 09-O-14911; 09-O-15068; 09-O-15449; 09-O-15727; 09-O-16466; 09-O-16532; 09-O-17498; 09-O-19318; 10-O-00926; 10-O-02344; 10-O-02449; 10-O-03570; 10-O-04408; and 11-O-10133	For Court use only   <div style="text-align: center;"> <b>FILED</b>  <b>FEB 15 2012</b>  STATE BAR COURT  CLERK'S OFFICE  LOS ANGELES </div>
<b>Counsel For Respondent</b>  Arthur L. Margolis Margolis & Margolis LLP 2000 Riverside Drive Los Angeles, CA 90039 (323) 953-8996  Bar # 57703	Submitted to: <b>Assigned Judge</b>  STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING  <b>ACTUAL SUSPENSION</b>  <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	
In the Matter of: <b>BRANDON L. MORENO</b>  Bar # 233750  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 December 7, 2004.
- (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 \_\_\_\_\_ 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 5.130, Rules of Procedure.
  - ☒ Costs are to be paid in equal amounts prior to February 1 for the following membership years: February 1 in three billing cycles following the effective date of discipline. (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
  - (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. Please see Attachment Page 4
- (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.
- (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.
- (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 Pages 3 and 4.

**D. Discipline:**

- (1) ☒ **Stayed Suspension:**
- (a) ☒ Respondent must be suspended from the practice of law for a period of four (4) 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 four (4) 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 (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:

**E. Additional Conditions of Probation:**

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- (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.
- (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:
  - ☐ Substance Abuse Conditions ☒ Law Office Management Conditions
  - ☐ Medical Conditions ☒ Financial Conditions

#### **F. Other Conditions Negotiated by the Parties:**

(Effective January 1, 2011)

Actual Suspension

- (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: \_\_\_\_\_
- (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:** \_\_\_\_\_

In the Matter of:  
BRANDON L. MORENO

Case Number(s):  
09-O-14024; 09-O-14474; 09-O-14565;  
09-O-14669; 09-O-14689; 09-O-14741;  
09-O-14851; 09-O-14911; 09-O-15068;  
09-O-15449; 09-O-15727; 09-O-16466;  
09-O-16532; 09-O-17498; 09-O-19318;  
10-O-00926; 10-O-02344; 10-O-02449;  
10-O-03570; 10-O-04408; and 11-O-10133

## 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
Please see Attachment for required Restitution.		

- ☐ 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

- ☐ 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:

(Do not write above this line.)

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- 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:

- i. A written ledger for each client on whose behalf funds are held that sets forth:
  1. the name of such client;
  2. the date, amount and source of all funds received on behalf of such client;
  3. the date, amount, payee and purpose of each disbursement made on behalf of such client; and,
  4. the current balance for such client.
- ii. a written journal for each client trust fund account that sets forth:
  1. the name of such account;
  2. the date, amount and client affected by each debit and credit; and,
  3. the current balance in such account.
- iii. all bank statements and cancelled checks for each client trust account; and,
- iv. each monthly reconciliation (balancing) of (i), (ii), and (iii), above, and if there are any differences between the monthly total balances reflected in (i), (ii), and (iii), above, the reasons for the differences.

c. Respondent has maintained a written journal of securities or other properties held for clients that specifies:

- i. each item of security and property held;
- ii. the person on whose behalf the security or property is held;
- iii. the date of receipt of the security or property;
- iv. the date of distribution of the security or property; and,
- v. the person to whom the security or property was distributed.

2. If Respondent does not possess any client funds, property or securities during the entire period covered by a report, Respondent must so state under penalty of perjury in the report filed with the Office of Probation for that reporting period. In this circumstance, Respondent need not file the accountant's certificate described above.
3. The requirements of this condition are in addition to those set forth in rule 4-100, Rules of Professional Conduct.

d. **Client Trust Accounting School**

- ☒ Within one (1) year of the effective date of the discipline herein, Respondent must supply to the Office of Probation satisfactory proof of attendance at a session of the Ethics School Client Trust Accounting School, within the same period of time, and passage of the test given at the end of that session.

In the Matter of: BRANDON L. MORENO	Case Number(s): 09-O-14024; 09-O-14474; 09-O-14565; 09-O-14669; 09-O-14689; 09-O-14741; 09-O-14851; 09-O-14911; 09-O-15068; 09-O-15449; 09-O-15727; 09-O-16466; 09-O-16532; 09-O-17498; 09-O-19318; 10-O-00926; 10-O-02344; 10-O-02449; 10-O-03570; 10-O-04408; and 11-O-10133
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### Law Office Management Conditions

- a. ☐ Within        days/        months/        years 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. 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.
- b. ☒ Within        days/six (6) months/        years 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 (6) hours of Minimum Continuing Legal Education (MCLE) approved courses in law office management, attorney client relations and/or general legal ethics. 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.)
- c. ☐ 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 year(s). Respondent must furnish satisfactory evidence of membership in the section to the Office of Probation of the State Bar of California in the first report required.

Other:

**ATTACHMENT TO**  
**STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION**

IN THE MATTER OF:

Brandon L. Moreno

CASE NUMBER(S):

09-O-14024, 09-O-14474, 09-O-14565, 09-O-14669,  
09-O-14689, 09-O-14715, 09-O-14741, 09-O-14851,  
09-O-14911, 09-O-15068, 09-O-15449, 09-O-15727,  
09-O-16466, 09-O-16532, 09-O-17498, 09-O-19318,  
10-O-00926, 10-O-02344, 10-O-02449, 10-O-03570,  
10-O-04408, and 11-O-10133.

**FACTS AND CONCLUSIONS OF LAW.**

Respondent admits that the following facts are true and that he is culpable of violations of the specified statutes and/or Rules of Professional Conduct.

**STATEMENT OF FACTS**

1. In April 2009, Respondent opened a loan modification company entitled Homeowners Legal Assistance ("HOLA"). HOLA was controlled by non-attorneys.
2. HOLA advertised on radio and television throughout various markets in the United States, and advertised on the internet.
3. Respondent was employed by the following clients to represent them in order to negotiate with their home mortgage lender and obtain a modification of their home mortgage loans:

Case Number	Client	Date Client Employed Respondent	Advanced Fees Client Paid to Respondent	Client's State of Residence and Location of Property
09-O-14024	Hossein Gharanjanloo	5/12/09	\$1,500 (paid to HOLA)	Michigan
09-O-14474	Rebecca Giles	4/09	2,500 (paid to HOLA)	Connecticut
09-O-14565	Karen Gill	6/22/09	2,500 (paid to HOLA)	Michigan
09-O-14669	Larry Capots	5/12/09	2,500 (paid to HOLA)	California
09-O-14689	Shirley Ramsey	6/10/09	1,400 (paid to HOLA)	Michigan
09-O-14715	John Gonzalez	6/16/09	1,000 (paid to HOLA)	Washington
09-O-14741	Walter Shearrow	6/19/09	3,750 (paid to HOLA)	Virginia
09-O-14851	Jose	6/25/09	5,000 (paid to	California

	Hernandez		HOLA)	
09-O-14911	Aleck Syms	6/1/09	2,000 (paid to HOLA)	California
09-O-15068	Dora Cooney	5/15/09	2,500 (paid to HOLA)	Rhode Island
09-O-15449	Kecia Mohsenko	6/7/09	2,500 (paid to HOLA)	California
09-O-15727	Donna Bechan	5/09	2,500 (paid to HOLA)	Massachusetts
09-O-16466	Barbara Agler	5/11/09	2,500 (paid to HOLA)	California
09-O-16532	Aaron Socia	4/24/09	2,500 (paid to HOLA)	Michigan
09-O-17498	William Wilson	6/23/09	2,000 (paid to HOLA)	California
09-O-19318	Joyce Warren	6/8/09	2,500 (paid to HOLA)	South Dakota
10-O-00926	Gayle Johnson	6/8/09	1,750 (paid to HOLA)	Washington
10-O-02344	Donald Regula	4/28/09	2,500 (paid to HOLA)	Ohio
10-O-02449	Sherrie Sanchez	5/15/09	4,300 (paid to HOLA)	Utah
10-O-03570	Leticia Heredia	5/30/09	2,500 (paid to HOLA)	California
10-O-04408	Paul Scott	7/15/09	3,000 (paid to HOLA)	Minnesota
11-O-10133	Javier Romero	6/11/09	2,500 (paid to HOLA)	California

4. Respondent received a fee of \$250 from HOLA for each of the clients listed above.

5. Each of those clients listed above who resided outside the state of California entered into a contract for legal services with Respondent whereby Respondent agreed to modify their home mortgage loans on properties in the states where they resided. Respondent is not presently, and has never been, licensed to practice law in any state other than California. Respondent knew that the clients and their properties were located in jurisdictions in which he was not entitled to practice law.

6. Numerous clients were told by Respondent or Respondent's representatives at HOLA that Respondent would refund their advance legal fees if Respondent did not obtain a loan modification for the clients. This provision was also in most of the retainer agreements signed by the above clients.

7. Respondent failed to obtain loan modifications for the clients listed above, and failed to perform any other legal services of any value to the clients listed above in connection with negotiating or obtaining home mortgage loan modifications. Thus, Respondent did not earn the advanced fees collected from the clients.

8. On July 7, 2009, the Federal Trade Commission took control of the business pursuant to a Temporary Restraining Order ("TRO"), issued in *Federal Trade Commission, the People of the State of California, and the State of Missouri v. U.S. Foreclosure Relief Corp., et al.*, case number SACV-09-768JVS (MLGX).

### CONCLUSIONS OF LAW

The parties hereby stipulate and Respondent specifically admits that by his conduct described above, Respondent engaged in acts of serious misconduct warranting the discipline described herein as follows:

1. By failing to obtain loan modifications or perform any other legal services of value in the representation of the above-listed clients in California, Respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence in willful violation of rule 3-110(A) of the Rules of Professional Conduct.
2. By failing to obtain loan modifications for the above-listed clients in California, failing to perform any other legal services of value for those clients in connection with negotiating and obtaining a home mortgage loan modification, and conducting himself in a manner which allowed the Federal Trade Commission to obtain a TRO and take control of the business, Respondent effectively withdrew from representation of his clients, and failed, upon termination of employment to take reasonable steps to avoid reasonably foreseeable prejudice to his clients, hereby improperly withdrawing from representation and abandoning the above-listed clients in California in willful violation of rule 3-700(A)(2) of the Rules of Professional Conduct.
3. By failing to refund promptly any part of the advanced fees paid to Respondent each of the clients listed above, despite not having earned that fee, Respondent willfully violated rule 3-700(D)(2) of the Rules of Professional Conduct.
4. By entering into contracts for legal services with clients in states in which Respondent was not entitled to practice, to obtain modifications of home mortgage loans on properties located in those states, Respondent practiced law in jurisdictions where to do so would be a violation of the regulations of the profession in those jurisdictions, in willful violation of rule 1-300(B) of the Rules of Professional Conduct.
5. By entering into agreements for, charging, and collecting legal fees for services from the clients listed above in states other than California, where Respondent was not entitled to practice law, Respondent willfully entered into agreements for, charged, and collected illegal fees in willful violation of rule 4-200(A) of the Rules of Professional Conduct.

### **FACTORS IN MITIGATION**

### **ADDITIONAL MITIGATING CIRCUMSTANCES**

Respondent cooperated fully with the FTC in the prosecution of their matter and on September 15, 2010, entered into a Stipulated Final Judgment for Permanent Injunction and Settlement of Claims.

Respondent also displayed candor and cooperation with the State Bar throughout these proceedings and by entering into this Stipulation.

If Respondent were to testify he would state:

I voluntarily paid \$131,134 to the Receiver for the FTC action and as part of the settlement with the FTC, I agreed to waive any right to those funds. I delivered the funds to the Receiver shortly after the Receiver took control of the business and before I was named as a defendant and against the advice of counsel. I did not intend to retain any unearned client funds.

### **FACTORS IN AGGRAVATION**

Under standard 1.4(b)(iv), Respondent's clients were seriously harmed by the above described misconduct. Most, if not all, of the clients who hired Respondent to assist them with their home loan modification did so because they were financially distressed. Thus, the loss of the use of the money they paid to Respondent for services that were not performed, caused significant harm to Respondent's clients.

### **RESTITUTION**

Pursuant to the Stipulated Judgment with the FTC, Respondent's clients were able to make a claim for attorney fees through July 2010 through a court-appointed receiver. Pursuant to Court Order of March 24, 2011, the following clients have received payment from the receiver from the settlement for their fees paid to HOLA:

09-O-14024	Hossein Gharajanloo
09-O-14474	Rebecca Giles
09-O-14565	Karen Gill
09-O-14669	Larry Capots
09-O-14689	Shirley Ramsey
09-O-14715	John Gonzalez
09-O-14851	Jose Hernandez
09-O-14911	Aleck Syms
09-O-15068	Dora Cooney
09-O-15727	Donna Bechan
09-O-16466	Barbara Agler
09-O-17498	William Wilson
09-O-19318	Joyce Warren
10-O-00926	Gayle Johnson
10-O-02344	Donald Regula
10-O-02449	Sherrie Sanchez
10-O-03570	Leticia Heredia

Accordingly, Respondent is not responsible for any restitution payments to these clients.

Respondent must pay restitution (including the principal amount, plus interest of 10% per annum) to the payees listed below. If the client Security Fund ("CSF") has reimbursed one or more of the payees

for all or any portion of the principal amounts listed below, Respondent must also pay restitution to CSF in the amounts paid, plus applicable interest and costs.

PAYEE	PRINCIPAL AMOUNT	INTEREST ACCRUES FROM
Walter Shearrow	\$250	6/19/09
Kecia Mohsenko	250	6/7/09
Aaron Socia	250	4/24/09
Paul Scott	250	7/15/09
Javier Romero	250	6/11/09

Respondent must pay the above-referenced restitution and provide satisfactory proof of payment to the Office of Probation prior to the termination of his four year stayed suspension.

Respondent waives any objection to payment by the State Bar Client Security Fund of the above-stated amounts upon a claim by any of the five above-referenced clients to the unearned attorney fees paid by those clients.

### **DISCUSSION RE STIPULATED DISCIPLINE**

Standard 1.3 of the *Standards For Attorney Sanctions For Professional Misconduct* provides that the primary purpose of discipline is the protection of the public, the courts and legal profession; maintenance of high professional standards; and the preservation of public confidence in the legal profession.

Standard 2.4 states that reproof or suspension is the appropriate discipline, with due regard to the extent of the misconduct and the degree of harm to the client, for violations of rule 3-110(A) of the Rules of Professional Conduct.

Standard 2.7 states that a violation of rule 4-200 of the Rules of Professional Conduct shall result in at least a six-month actual suspension, irrespective of mitigating circumstances.

The parties submit that the stipulated discipline in this matter complies with the Standards both specifically and with regard to the general purposes and goals of the disciplinary process.

Respondent's misconduct is aggravated by the fact that it harmed his clients and deprived them of funds they could have used for their mortgages for a substantial period of time. However, Respondent cooperated with the FTC and entered into a stipulated judgment with that office.

Given the aggravating and mitigating circumstances present in this case, a two year suspension, along with the probationary conditions set forth herein, is consistent with the Standards.

Finally, the parties submit that given Respondent's recognition of wrongdoing, along with his conduct in attempting to rectify the harm he caused, the stipulated discipline and probationary conditions in this matter are 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.

## **PENDING PROCEEDINGS.**

The disclosure date referred to, on page 2, paragraph A(7), was January 19, 2012.

## **COSTS OF DISCIPLINARY PROCEEDINGS.**

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of January 20, 2012, the prosecution costs in this matter are \$22,156.18. 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.

## **STATE BAR ETHICS AND CLIENT TRUST ACCOUNT SCHOOL**

Because Respondent has agreed to attend State Bar Ethics School and State Bar Client Trust Account School as part of this stipulation, Respondent may receive Minimum Continuing Legal Education credit upon the satisfactory completion of State Bar Ethics and Client Trust Account School.

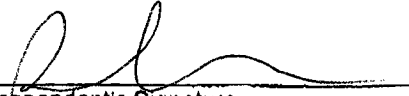
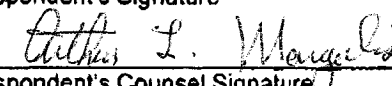
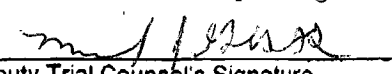


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In the Matter of: <b>BRANDON L. MORENO</b>	Case number(s): 09-O-14024; 09-O-14474; 09-O-14565; 09-O-14669; 09-O-14689; 09-O-14741; 09-O-14851; 09-O-14911; 09-O-15068; 09-O-15449; 09-O-15727; 09-O-16466; 09-O-16532; 09-O-17498; 09-O-19318; 10-O-00926; 10-O-02344; 10-O-02449; 10-O-03570; 10-O-04408; and 11-O-10133
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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.

<u>January 21, 2012</u> Date	 Respondent's Signature	<u>Brandon L. Moreno</u> Print Name
<u>1/29/ , 2012</u> Date	 Respondent's Counsel Signature	<u>Arthur L. Margolis</u> Print Name
<u>January 30, 2012</u> Date	 Deputy Trial Counsel's Signature	<u>Michael J. Glass</u> Print Name

(Do not write above this line.)

In the Matter Of  
**BRANDON L. MORENO**

Case Number(s):

**09-O-14024 (09-O-14474; 09-O-14565; 09-O-14669;  
09-O-14689; 09-O-14715; 09-O-14741; 09-O-14851;  
09-O-14911; 09-O-15068; 09-O-15449; 09-O-15727;  
09-O-16466; 09-O-16532; 09-O-17498; 09-O-19318;  
10-O-00926; 10-O-02344; 10-O-02449; 10-O-03570;  
10-O-04408; 11-O-10133**

## 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:

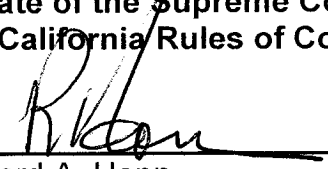
- ☐ The stipulated facts and disposition are APPROVED and the DISCIPLINE  
RECOMMENDED to the Supreme Court.
- ☒ The stipulated facts and disposition are APPROVED AS MODIFIED as set forth  
below, and the DISCIPLINE IS RECOMMENDED to the Supreme Court.
- ☐ All Hearing dates are vacated.

On p. 2, (8) Payment of Disciplinary Costs - "February 1 in three billing cycles following the effective  
date of discipline" is deleted. In its place is added "2013, 2014, and 2015."

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

Date

2-15-12

  
Richard A. Honn

Judge of the State Bar Court

## 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 February 15, 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 Los Angeles, California, addressed as follows:

ARTHUR LEWIS MARGOLIS  
MARGOLIS & MARGOLIS LLP  
2000 RIVERSIDE DR  
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:

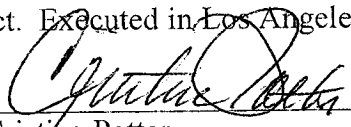
- ☐ by fax transmission, at fax number . No error was reported by the fax machine that I used.

- ☐ 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:

Michael John Glass, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on February 15, 2012.

  
\_\_\_\_\_  
Cristina Potter  
Case Administrator  
State Bar Court