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**State Bar Court of California
Hearing Department
San Francisco
ACTUAL SUSPENSION**

Counsel For The State Bar Robin Brune Deputy Trial Counsel 180 Howard Street San Francisco, California 94105 Bar # 149481	Case Number(s): 09-O-16075;09-O-7300;10-O-02477; 10-O-05455;11-O-10756	For Court use only PUBLIC MATTER FILED NOV 21 2011 STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO
In Pro Per Respondent John Villines JV Law 726 14th Street, Suite E Modesto, California 95354 Bar # 193672	Submitted to: Settlement Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING ACTUAL SUSPENSION <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	
In the Matter of: John Villines Bar # 193672 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 January 5, 1998.
- (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 19 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."



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- (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: 2013; 2014; 2015. (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. Respondent's clients are owed significant sums in unearned fees.
- (5) ☐ **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.

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- (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. There are five client matters in which unearned fees are owed.
- (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 in reaching a stipulation 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. Respondent made restitution of \$4,000 to one client. These funds were paid after the State Bar disciplinary matter was instituted.
- (5) ☐ **Restitution:** Respondent paid \$ _____ on F 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.

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(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:

D. Discipline:

(1) ☒ **Stayed Suspension:**

(a) ☒ Respondent must be suspended from the practice of law 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:

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

(2) ☒ **Probation:**

Respondent must be placed on probation for a period of four 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 nine months.

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.

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- (3) ☒ Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.
- (4) ☒ Within thirty (30) days from the effective date of discipline, Respondent must contact the Office of Probation and schedule a meeting with Respondent's assigned probation deputy to discuss these terms and conditions of probation. Upon the direction of the Office of Probation, Respondent must meet with the probation deputy either in-person or by telephone. During the period of probation, Respondent must promptly meet with the probation deputy as directed and upon request.
- (5) ☒ Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, Respondent must state whether Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of probation during the preceding calendar quarter. Respondent must also state whether there are any proceedings pending against him or her in the State Bar Court and if so, the case number and current status of that proceeding. If the first report would cover less than 30 days, that report must be submitted on the next quarter date, and cover the extended period.

In addition to all quarterly reports, a final report, containing the same information, is due no earlier than twenty (20) days before the last day of the period of probation and no later than the last day of probation.

- (6) ☐ Respondent must be assigned a probation monitor. Respondent must promptly review the terms and conditions of probation with the probation monitor to establish a manner and schedule of compliance. During the period of probation, Respondent must furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Office of Probation. Respondent must cooperate fully with the probation monitor.
- (7) ☒ Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the probation conditions.
- (8) ☒ Within one (1) year of the effective date of the discipline herein, Respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the Ethics School, and passage of the test given at the end of that session.
- ☐ No Ethics School recommended. Reason: .
- (9) ☐ Respondent must comply with all conditions of probation imposed in the underlying criminal matter and must so declare under penalty of perjury in conjunction with any quarterly report to be filed with the Office of Probation.

- (10) ☒ The following conditions are attached hereto and incorporated:

- | | |
|---|---|
| <input type="checkbox"/> Substance Abuse Conditions | <input type="checkbox"/> Law Office Management Conditions |
| <input type="checkbox"/> Medical Conditions | <input 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:

- (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:**

ATTACHMENT TO
STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF:

John Villines

CASE NUMBER(S):

09-O-16075; 09-O-17300; 10-O-02477; 10-O-05455;
11-O-10756; 11-O-14623

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.

Case No. 09-O-16075 (Complainant: Eduard Vera)

FACTS:

1. On or about October 24, 2008, Eduardo Vera employed respondent.
2. The parties executed a fee agreement for "Mortgage Relief" Respondent agreed to conduct a loan audit and bring suit on Vera's behalf if warranted by the audit. Vera paid respondent a total of \$7,500.00, on or between 10/24/2009 and 5/5/09.
3. The written fee agreement provided that the initial \$1,000.00 payment was for a foreclosure audit, but that the \$2,500.00 payment and the following monthly payments were for prosecution of litigation against Vera's lender.
4. Respondent, or his staff, prepared a JV Law Audit report on Vera's matter.
5. Respondent electronically filed a lawsuit on behalf of Vera on or about January 31, 2009, entitled *Vera v. Impac Funding*, case no. 1:09-at-84. At the time he filed suit, the trustee's sale on Vera's home was scheduled to take place in about one week. Respondent subsequently did not complete the electronic filing process, resulting in the cancellation of the suit on or about February 4, 2009. Respondent states he cancelled the suit because he discovered that he had not named the proper defendants.
6. On or about February 27, 2009, the lender foreclosed upon Vera's home.
7. On or about March 4, 2009, Vera received a Notice to Vacate the Premises.
8. On or about March 25, 2009, the Deutsche Bank National Trust Company, represented by David Endres, sued Vera for unlawful detainer (eviction).
9. On April 1, 2009, respondent filed an Answer to the unlawful detainer matter on behalf of Vera. Respondent allocated a portion of Vera's payments to him to pay for the court fee for filing an Answer.

10. On May 12, 2009, respondent arranged for Ben Rowe to make a special appearance on behalf of Vera at the trial date for the unlawful detainer. Rowe appeared and had the matter continued to May 21, 2009. Respondent allocated a portion of the fees he received from Vera to pay for the special appearance counsel.

11. On May 21, 2009 respondent appeared for Vera and negotiated a stay of execution of the eviction, for Vera. Vera was allowed to stay in the residence until June 18, 2009 in exchange for a payment of \$1,200.00. Vera moved out of the home on or about the agreed date. Respondent paid \$1,200 of the funds he received from Vera to Vera's lender for the stay.

12. After he cancelled the lawsuit, respondent continued to collect attorney fees from Vera, in the amounts noted above, by means of charges to Vera's credit card. Respondent took no further action to renew the lawsuit or reverse the foreclosure. Respondent did assist Vera with the unlawful detainer matter.

13. In respondent's billing statements, respondent charged Vera the following charges related to the cancelled lawsuit: \$1,386.50 on 1/31/09; \$265.50 on 2/2/09; \$385.00 on 2/4/09; and \$59 on 2/5/09.

14. Vera terminated respondent's employment on or about June 1, 2009.

15. Respondent's lawsuit on behalf of Vera did not provide any services of value to Vera. Respondent cancelled the suit. Vera's home was foreclosed upon and he was evicted. The fees respondent charged in connection with the Vera lawsuit provided no value to Vera and were unearned.

CONCLUSIONS OF LAW:

16. By failing to file suit against the proper parties, and by failing to bring a lis pendens to prevent foreclosure while the suit was pending, respondent willfully failed to perform in the Vera matter, in willful violation of Rules of Professional Conduct, rule 3-110(A).

17. By failing to refund unearned fees, respondent willfully violated Rules of Professional Conduct, rule 4-100(B)(3).

Case No. 09-O-17300 (Complainant: Zelda Brown)

FACTS:

18. On or about July 17, 2008, Zelda Brown employed respondent to obtain a modification of her home loan and to prevent the loss of her home through foreclosure. Brown paid respondent at least \$14,280 in attorney's fees between 11/19/08 and 7/2009. Respondent collected these funds in an arrangement whereby he submitted monthly debits of \$1,500 a month against Brown's bank debit card.

19. On August 16, 2008, respondent prepared, or caused to be prepared, a Memo "Grounds for Lawsuit" in the Brown matter. In an August 23, 2008 email, respondent stated to Brown:

"I know you called to check on the status of filing your lawsuit. We are working on it, and it looks like we will get it filed by the end of the next week." Respondent did not file suit "next week". Respondent filed suit one year later, and after Brown lost her home to foreclosure.

20. On February 2, 2009, respondent sent a letter to Home Eq, titled "Notice of Rescission." In the letter, respondent indicated that he would be filing suit. Thereafter, he did not file suit in a timely fashion.

21. On or about April 27, 2009, Home Eq sent a response to the respondent's "Notice of Rescission". Respondent disputes that he received this letter in a timely fashion.

22. On May 12, 2009, Brown lost her home in a foreclosure sale.

23. On May 21, 2009, Wells Fargo sued Brown for unlawful detainer (eviction).

24. On May 26, 2009, respondent filed an Answer on behalf of Brown, to the unlawful detainer. Respondent allocated a portion of the fees he received from Brown to cover the court cost for filing an Answer. Respondent hired an attorney to make a special appearance on his behalf at the unlawful detainer hearing which was held on August 17, 2009. Respondent allocated a portion of the fees he received from Brown to pay for the special appearance attorney.

25. On August 17, 2009, respondent filed a lawsuit on Brown's behalf, *Zelda Brown v. Barclays Capital Real Estate, Inc. dba HomeQ Servicing, et al.*, case no. C09-02261, filed in Superior Court, County of Contra Costa. On September 24, 2009, Quality Loan Service Corp. filed a Declaration of Non-Monetary Status and Declaration of David Owen in Support of Quality's Declaration of Nonmonetary status. In October 2009, the case was removed to federal court. On October 29, 2009, the defendants filed a Motion to Dismiss with supporting documentation, including a Request for Judicial Notice and a Proposed Order Granting Defendant's Motion to Dismiss. In the Motion to Dismiss, the defendant claimed that plaintiff did not allege tender on the amount owing on her loan, and that the TILA claims were time-barred. Respondent did not file a response to the Motion to Dismiss. On or about October 21, 2009 respondent filed a lis pendens on the property. He gave notice to the Court of the lis pendens on November 2, 2009.

26. Zelda Brown was prosecuted for unlawful detainer (eviction). On or about September 21, 2009 there was an ex-parte hearing on the unlawful detainer matter. Respondent hired a special appearance counsel, Vincent Jamison, who appeared at the ex-parte hearing on Brown's behalf. Respondent allocated a portion of the fees he received from Brown for the cost of the special appearance counsel. On November 6, 2009, respondent prepared and filed a Declaration of Zelda Brown in Support of Defendant's Ex Parte Application for Order Staying Eviction and Execution of Judgment and Writ of Possession in the unlawful detainer matter.

27. On or about January 6, 2010, respondent voluntarily dismissed the lawsuit he had filed on Brown's behalf. Respondent signed the pleadings for the voluntary dismissal. Respondent did not obtain Brown's consent before dismissing the suit on her behalf. The dismissal was without prejudice.

28. On February 6, 2010, Brown terminated respondent's employment. Respondent received notification of his termination of employment on or before February 8, 2010.

29. On February 2, 2010, Brown send an email to respondent, requesting "copies of all payments made to you along with documentation of the work you have done on my case."

30. Respondent did not account to Brown for the funds he received from her.

31. Respondent refunded Brown \$4,000 in April, 2011, after the State Bar matter was pending.

32. Respondent's suit did not provide any benefit to Brown. He filed suit after the foreclosure. His actions were time-barred. Respondent's fees for the suit were not earned.

CONCLUSIONS OF LAW:

33. By failing to take competent and prompt action to obtain the loan modification and prevent the foreclosure, including waiting over one year after he was retained, and after the property had been foreclosed upon, to file suit, respondent willfully failed to perform competent legal services, in violation of Rules of Professional Conduct, rule 3-110(A).

34. By failing to account for his funds in the Brown matter, respondent wilfully violated Rules of Professional Conduct, rule 4-100(B)(3).

35. By failing to refund unearned fees to Brown, respondent willfully violated Rules of Professional Conduct, rule 3-700(D)(2).

Case No. 10-O-02477 (Complainant: David Gazard)

FACTS:

36. On August 4, 2008, David and Sally Gazard, a married couple, employed respondent to file a wrongful foreclosure action. At the time of employment, the lender had already foreclosed on the Gazards' residence.

37. The Gazards paid respondent an initial attorney fee of \$2,500.00, plus two monthly installments of \$1,500, one in September 2008 and one in October 2008.

38. In or about September, 2008, the Gazards were served with an unlawful detainer action. Respondent filed an Answer on behalf of Gazards on October 2, 2008 and appeared at the trial on October 28, 2008. On October 29, 2008, the court entered an eviction judgment against the Gazards. Thereafter, respondent performed no further services for the Gazards and they were evicted from the residence.

39. On or about December 2, 2008, the Gazards terminated respondent's employment.

40. As of the date his employment was terminated, respondent had not earned all of the fees he had received and he owed Gazards a substantial refund. While he appeared for them in the unlawful detainer matter, he did not file suit for them in the foreclosure matter. To date, respondent has not made any refund to the Gazards, nor accounted to them for the funds he received.

41. In or about April 2009, the Gazards sued respondent in small claims court for a return of their fees.

42. On or about September 22, 2009, the Gazards obtained a small claims court default judgment against respondent in the amount of \$5,535.00 representing the fees that they had paid respondent. Respondent failed to appeal and the judgment became final.

43. Thereafter, respondent failed to pay any part of the judgment and failed to return any part of the unearned fee.

CONCLUSIONS OF LAW:

44. By failing to make a refund, respondent failed to refund promptly any part of a fee paid in advance that has not been earned, in willful violation of Rules of Professional Conduct, rule 3-700(D)(2).

45. By failing to render an account of the funds he received from Gazard, respondent wilfully violated Rules of Professional Conduct, rule 4-100(B)(3).

Case No. 10-O-05455 (Complainant: Mark Bradbury)

FACTS:

46. On March 3, 2009, Mark Bradbury employed respondent to obtain a modification of his residential home loan. Bradbury paid respondent initial advance fees of \$1,250.00 (on March 3, 2009) and \$2,595.00 (on June 3, 2009). Bradbury also signed an agreement whereby respondent could make monthly \$1,750.00 charges to Bradbury's credit card. Beginning on July 15, 2009, and continuing until March 15, 2010, respondent made nine of these monthly credit card charges and thus received a total of \$19,595.00 in advanced fees.

47. On June 11, 2009, respondent filed a lawsuit on behalf of Bradbury against Bradbury's lender, *Bradbury v. Wachovia Mortgage*, case no. C09-02594, filed in the United States District Court for the Northern District of California. Respondent sued for rescission for an alleged TILA and Regulation Z violations. During this time period, Bradbury sought a modification of his loan by contacting the bank directly. On or about July 24, 2009, the bank wrote directly to Bradbury with a modification offer. Bradbury consulted with respondent's staff, who recommended that Bradbury continue to seek a better modification.

48. Respondent served the suit on November 5, 2009, four months and three weeks after he filed it.

49. On or about December 22, 2009, defendant Wachovia Mortgage filed a Motion to Dismiss the Complaint. In the Motion to Dismiss, Wachovia alleged that respondent's claims were time-barred, and that respondent failed to allege a violation of a material disclosure. Wachovia further claimed that respondent's client failed to tender the indebtedness and that there is no indication that he can repay the indebtedness. Respondent did not defend against the Motion to Dismiss.

50. On January 22, 2010, respondent filed for a voluntary dismissal, (without prejudice), of the lawsuit. The suit was dismissed without prejudice.

51. Respondent dismissed the lawsuit without Bradbury's knowledge or consent.

52. On or about March 29, 2010, Bradbury terminated respondent's services.

53. Thereafter, Bradbury completed a loan modification agreement with the bank without respondent's assistance.

54. Effective October 11, 2009, Civil Code section 2944.7 subdivision (a) provided in relevant part as follows:

"Notwithstanding any other provision of law, it shall be unlawful for any person who negotiates, attempts to negotiate, arranges, attempts to arrange, or otherwise offers to perform a mortgage loan modification or other form of mortgage loan forbearance for a fee or other compensation paid by the borrower, to do any of the following:

"(1) Claim, demand, charge, collect, or receive any compensation until after the person has fully performed each and every service the person contracted to perform or represented that he or she would perform...."

55. Respondent collected six of the above-mentioned credit card payments of \$1,750.00 (for a total of \$10,500.00) after the effective date of Section 2944.7 of the Civil Code. Respondent collected and received this \$10,500.00 for mortgage loan modification work. Respondent had not yet completed the mortgage loan modification work at the time he collected and received the \$10,500.00.

56. As of the date his employment was terminated, respondent had not earned all of the fees he had received and he owed Bradbury a refund of over \$15,000.00. Due an accounting oversight, respondent continued to take payments from Bradbury's credit card after he had dismissed Bradbury's lawsuit, including the \$1,750.00 credit card debit of February 15, 2010 and the \$1,750.00 credit card debit of March 15, 2010.

57. The suit respondent filed on behalf of Bradbury provided no services of benefit to Bradbury. Respondent delayed five months in serving the suit, the causes of action were time-barred, and respondent failed to notify Bradbury that he had dismissed the suit. Due an accounting error, respondent received two additional credit card payments from Bradbury after he had concluded his representation. Respondent's fees were not earned.

58. Thereafter, respondent failed to promptly refund these unearned fees and, to date, respondent still owes Bradbury a substantial refund.

CONCLUSIONS OF LAW:

59. By bringing a suit that was barred by the statute of limitations, by delaying over four months in serving the suit after he filed it, by failing to respond to the lender's motion to dismiss, and by dismissing the lawsuit without the client's knowledge or consent, respondent willfully failed to perform legal services with competence, in violation of Rules of Professional Conduct, rule 3-110(A).

60. By collecting and receiving \$10,500.00 from Bradbury for loan modification services after October, 2009, respondent violated Civil code section 2944.7, subdivision (a), and thereby violated Business and Professions Code section 6106.3.

61. By failing to refund unearned fees to Bradbury, respondent wilfully violated Rules of Professional Conduct, rule 3-700(D)(2).

Case No. 11-O-10756 (Complainant: Murphy)

FACTS:

62. Paul Murphy hired respondent in December, 2008 and paid respondent a total of \$7,295.00 for respondent to complete loan modification services and conduct litigation against Murphy's lenders if warranted.

63. In or about April, 2009, Murphy paid respondent the sum of \$2,595 to file suit on his behalf.

64. Respondent did not file suit on behalf of Murphy.

65. On or about December 10, 2010, Murphy filed bankruptcy.

66. In or about January, 2011, Murphy requested an accounting of all fees, a complete copy of his client file, and a full refund.

67. Respondent provided no services of any value to Murphy. He did not file suit on Murphy's behalf. A full refund is owed.

68. Respondent failed to account to Murphy for the fees he received.

69. Murphy lost his home to a trustee sale in April, 2011.

70. The allegations are failure to perform, RPC 3-110(A); failure to refund unearned fee RPC 3-700(D)(2), failure to account for fee, RPC 4-100(B)(3). A refund of \$7,295 is owed plus interest at the rate of ten percent per annum since December, 2008.

CONCLUSIONS OF LAW:

71. By failing to take substantial action to obtain mortgage relief for Murphy, respondent failed to perform, in willful violation of Rules of Professional Conduct, rule 3-110(A).

72. By failing to account for his fees to Murphy, respondent willfully violated Rules of Professional Conduct, rule 4-100(B)(3).

73. By failing to refund monies to Murphy, respondent failed, to refund fees that were due upon termination of services, in willful violation of Rules of Professional Conduct, rule 3-700(D)(2).

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was October 26, 2011.

AUTHORITIES SUPPORTING DISCIPLINE.

The Standards for Attorney Sanctions for Professional Misconduct call for a three month actual suspension for any violations of Rule 4-100 of the Rules of Professional Conduct. (Standard 2.2) Culpability of a member of a violation of any provision of the Business and Professions Code not otherwise specified (here, Business and Professions Code, section 6106.3) shall result in reproof or suspension according to the gravity of the offense or the harm, if any, to the victim, with due regard for the purposes of imposing discipline. (Standard 2.10). Offenses involving willful failure to perform shall result in reproof or suspension depending upon the extent of the misconduct and the degree of harm to the client (Standard 2.4(b). If they rise to a pattern of misconduct, disbarment is warranted (Standard 2.4(a)).

In this case respondent promoted his loan modification services and advocated to his clients that filing lawsuits was a means to achieve loan modification. In the Vera matter, he filed and cancelled the suit. In the Brown matter, he delayed over a year before filing suit, and the client lost the house to foreclosure in the interim. He also dismissed the suit absent client Brown's consent. In the Bradbury matter, he filed and dismissed the suit. In all the suits that he served on the opposing side, the defense raised statute of limitations defenses. The suits had very little value, if any, for the clients. In the Murphy and Gazard matters, he never filed suit, yet retained the fees.

Case law for repeated performance issues and failure to refund fees warrants significant actual suspension. *Bernstein v. State Bar* (1990) 50 Cal. 3d. 221; *Nisinski v. State Bar* (1975) 14 Cal. 3d. 587; *In re Brockaway* (2006) 4 Cal. State Bar Ct. Rptr. 944. In *Bernstein*, the attorney failed to perform in three client matters and failed to refund fees. He had prior discipline. He received two years of actual suspension, five years of stayed suspension and five years of probation. He was suspended and until he paid restitution. In the *Nizinski* matter, the attorney failed to perform in four matters. He was suspended for two years and until he paid \$1,000 in restitution to a client. In the *Brockaway* matter, the attorney failed to perform in four immigration matters. He also failed to account and return unearned fees. He was suspended for two years.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of November 7, 2011, the prosecution costs in this matter are \$7,165.32. 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:
John Villines,
Member no. 193672

Case Number(s):
09-O-16075;09-O-17300;10-O-02477;10-O-05455;
11-O-10756

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
Eduardo Vera	3,500	5/5/2009
Zelda Brown	10,280	8/6/09
Michael Bradbury	19,595.00	3/15/2010
David & Sally Gazard	5,535.00	10/29/2008

- ☒ Respondent must pay above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than Respondent will remain suspended until all restitution is paid and proof provided to the Office of Probation.

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:
- 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.

(Do not write above this line.)

In the Matter of: John Villines, Member no. 193672	Case Number(s): 09-O-16075;09-O-17300;10-O-02477;10-O-05455;11-O-10756
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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
Paul Murphy	7,295.00	1/09/2011

- ☒ Respondent must pay above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than Respondent will remain suspended until all restitution is paid and proof provided to the Office of Probation.

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 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

- ☐ 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:
- 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**

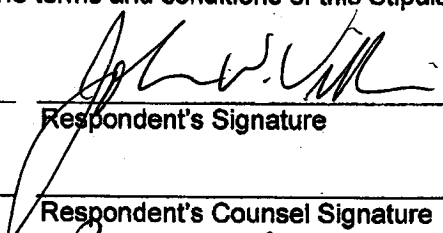
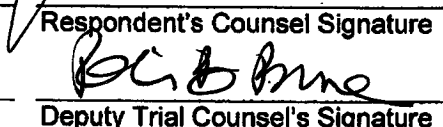
- ☐ Within one (1) year of the effective date of the discipline herein, Respondent must supply to the Office of Probation satisfactory proof of attendance at a session of the Ethics School Client Trust Accounting School, within the same period of time, and passage of the test given at the end of that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

(Do not write above this line.)

In the Matter of: John Villines, Member no. 193672	Case number(s): 09-O-16075;09-O-17300;10-O-02477;10-O-05455; 11-O-10756
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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>11-7-2011</u> Date	 Respondent's Signature	<u>JOHN VILLINES</u> Print Name
<u>11/9/2011</u> Date	 Respondent's Counsel Signature	<u>ROBIN BRUNE</u> Print Name
<u>11/9/2011</u> Date	<u>Deputy Trial Counsel's Signature</u>	<u>Print Name</u>

(Do not write above this line.)

In the Matter of:
John Villines,
Member no. 193672

Case Number(s):
09-O-16075;09-O-17300;10-O-02477;10-O-05455;
11-O-10756

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.

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.)

Date

Nov. 17, 2011

Judge of the State Bar Court

LUCY ARMENDARIZ

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 November 21, 2011, 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:

JOHN W. VILLINES
JV LAW
726 14TH STREET, STE E
PO BOX 580049
MODESTO, CA 95358

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

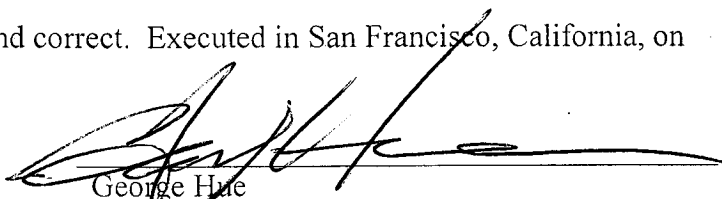
- ☐ by overnight mail at , California, addressed as follows:

- ☐ By 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:

Robin Brune, Enforcement, San Francisco

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on November 21, 2011.


George Hue
Case Administrator
State Bar Court