State Bar Court of California **Hearing Department** Los Angeles STAYED SUSPENSION Counsel For The State Bar Case Number(s): For Court use only 09-0-16851; Ashod Mooradian 10-O-04039 Deputy Trial Counsel 1149 S. Hill Street Los Angeles, CA 90015 MAY 04 2011 (213) 765-1004 STATE BAR COURT CLERK'S OFFICE LOS ANGELES Bar # 194283 Counsel For Respondent PUBLIC MATTER CENTURY LAW GROUP, LLP Edward O. Lear, Esq. 5200 West Century Blvd., Suite 345 Los Angeles, CA 90045 Submitted to: Settlement Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND Bar # 132699 **DISPOSITION AND ORDER APPROVING** In the Matter of: ANDREW F. BEACH STAYED SUSPENSION; NO ACTUAL SUSPENSION PREVIOUS STIPULATION REJECTED Bar # 227333 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 2, 2003.
- (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 13 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)	Cor Law	nclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of v".
(6)		e parties must include supporting authority for the recommended level of discipline under the heading pporting Authority."
(7)		more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any ding investigation/proceeding not resolved by this stipulation, except for criminal investigations.
(8)	Pay 614	ment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 0.7. (Check one option only):
		Costs are added to membership fee for calendar year following effective date of discipline. Costs are to be paid in equal amounts prior to February 1 for the following membership years: 2012, 2013. (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.
Pro	fess	avating Circumstances [for definition, see Standards for Attorney Sanctions for ional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances uired.
(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 or a separate attachment entitled "Prior Discipline.
(2)		Dishonesty: Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
(3)		Trust Violation: Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.
(4)		Harm: Respondent's misconduct harmed significantly a client, the public or the administration of justice.
(5)		Indifference: Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
(6)		Lack of Cooperation: Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.

<u>(Do n</u>	ot writ	e above this line.)
(7)	\boxtimes	Multiple/Pattern of Misconduct: Respondent's current misconduct evidences multiple acts of wrongdoin or demonstrates a pattern of misconduct. See Stipulation Attachment, section "C", page 9, paragraph 1.
(8)		No aggravating circumstances are involved.
Add	ition	al aggravating circumstances
	No	ne.
		ating Circumstances [see standard 1.2(e)]. Facts supporting mitigating stances 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)	\boxtimes	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. See Stipulation Attachment, section "D", page 9, paragraph 1.
(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. See Stipulation Attachment, section "D", page 10, paragraph 2.

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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.
Addition	al mitigating circumstances
No	ne.

D.	Dis	aio	lir	ie:
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(1)	\boxtimes	Staye	ed Su	spension:
	(a)	\boxtimes	Resp	ondent must be suspended from the practice of law for a period of one (1) year.
		i.		and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.
		ii.		and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
		iii.		and until Respondent does the following:
	The	abov	e-refe	renced suspension is stayed.
(2)	\boxtimes	Prob	ation	
				placed on probation for a period of two (2) years, which will commence upon the effective date Court order in this matter. (See rule 9.18 California Rules of Court.)
E. A	ddi	tiona	l Coi	nditions of Probation:
(1)	\boxtimes	Durin Profe	g the	probation period, Respondent must comply with the provisions of the State Bar Act and Rules of al Conduct.
(2)		State inform	Bar a	(10) days of any change, Respondent must report to the Membership Records Office of the and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of it, including current office address and telephone number, or other address for State Bar as prescribed by section 6002.1 of the Business and Professions Code.
(3)	\boxtimes	and s cond proba	schedu itions ation c	y (30) days from the effective date of discipline, Respondent must contact the Office of Probation ule a meeting with Respondent's assigned probation deputy to discuss these terms and of probation. Upon the direction of the Office of Probation, Respondent must meet with the leputy either in-person or by telephone. During the period of probation, Respondent must neet with the probation deputy as directed and upon request.
(4)		July wheth cond are a curre	10, an her Re itions ny pro nt stat	nt must submit written quarterly reports to the Office of Probation on each January 10, April 10, d October 10 of the period of probation. Under penalty of perjury, Respondent must state espondent has complied with the State Bar Act, the Rules of Professional Conduct, and all of probation during the preceding calendar quarter. Respondent must also state whether there occedings pending against him or her in the State Bar Court and if so, the case number and tus of that proceeding. If the first report would cover less than 30 days, that report must be on the next quarter date, and cover the extended period.
				to all quarterly reports, a final report, containing the same information, is due no earlier than days before the last day of the period of probation and no later than the last day of probation.
(5)		cond Durin in ad-	itions ig the dition	nt must be assigned a probation monitor. Respondent must promptly review the terms and of probation with the probation monitor to establish a manner and schedule of compliance. period of probation, Respondent must furnish to the monitor such reports as may be requested, to the quarterly reports required to be submitted to the Office of Probation. Respondent must fully with the probation monitor.

(Do r	ot write	e above	e this line.)		
(6)		inqui direc	iries of the Office of Probation and any pro	obation	lent must answer fully, promptly and truthfully any monitor assigned under these conditions which are g to whether Respondent is complying or has
(7)	\boxtimes	Prob			ne herein, Respondent must provide to the Office of n of the State Bar Ethics School, and passage of the
			No Ethics School recommended. Reas	on:	
(8)		must			ion imposed in the underlying criminal matter and n with any quarterly report to be filed with the Office
(9)	\boxtimes	The	following conditions are attached hereto a	and inco	rporated:
			Substance Abuse Conditions	\boxtimes	Law Office Management Conditions
			Medical Conditions		Financial Conditions
F. (Othe	r Coı	nditions Negotiated by the Partie	es:	
(1)		the Cor res Rui	Multistate Professional Responsibility Ex nference of Bar Examiners, to the Office of	camination of Proba ner hear	on: Respondent must provide proof of passage of on ("MPRE"), administered by the National tion within one year. Failure to pass the MPRE ring until passage. But see rule 9.10(b), California Procedure.
(2)		Oth	her Conditions:		

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF:

ANDREW F. BEACH

CASE NUMBER(S):

09-O-16851; 10-O-04039

A. WAIVER OF VARIANCE BETWEEN NOTICE OF DISCIPLINARY CHARGES AND STIPULATED FACTS AND CULPABILITY:

The parties waive any variance between the Notice of Disciplinary Charges filed on November 2, 2010 and the facts and/or conclusions of law contained in this stipulation. Additionally, the parties waive the issuance of an amended Notice of Disciplinary Charges. The parties further waive the right to the filing of a Notice of Disciplinary Charges and to a formal hearing on any charge not included in the pending Notice of Disciplinary Charges.

B. FACTS AND CONCLUSIONS OF LAW.

ANDREW F. BEACH ("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*.

Facts Supporting Culpability:

1. Respondent was admitted to the practice of law in the State of California on December 2, 2003, was a member at all times pertinent to these charges, and is currently a member of the State Bar of California.

Case No. 09-O-16851 (Complainant: James Nakama)

- 2. In March 2009 James Nakama & Mary Nakama (the "Nakamas"), California residents, were telephoned by a representative of Wisdom Financial Services a/k/a Community Helpline (herein "WFS"), who offered them services related to their mortgage loan. WFS is not a law firm, but its representative informed the Nakamas that it worked with Respondent.
- 3. Subsequently, on March 25, 2009, a representative of WFS visited the Nakamas at their home in Westminster, California. After speaking with the WFS representative, the Nakamas employed Respondent to represent them in certain matters relating to their home mortgage loan, including negotiations with the Nakamas' lender and a modification of their home mortgage loan.
- 4. The WFS representative was an agent of Respondent, for purposes of signing up new clients seeking mortgage loan-related services. Respondent's duty was to supervise all activities that WFS undertook on his behalf.

- 5. On March 25, 2009, the Nakamas signed an agreement for legal services to be performed by Respondent (the "Agreement"), provided by the WFS representative, and paid advance legal fees of \$3,500.00. The WFS representative instructed the Nakamas to make the check payable to Respondent.
- 6. The Agreement with Respondent was for legal services. It was entitled "Attorney Engagement Agreement." In it, the Agreement indicated, among other things: (1) that "The Law Offices of Andrew F. Beach ... will provide legal services to the person(s) signing this Agreement" (2) that the clients wish to employ the attorney (Respondent) to negotiate with the client's lenders, (3) that legal services would be performed, (4) that the client would be paying a "retainer fee," (5) there was an "attorney/client relationship," and (6) calculation of work performed shall be made at \$250.00 per hour if the client terminates the Agreement early. Respondent signed the Agreement as "Attorney."
- 7. Both the telephone and subsequent in-person solicitation by the WFS representative to the Nakamas were unsolicited. In addition, the Nakamas had no prior professional or family relationship with Respondent.
- 8. The WFS representative signed up the Nakamas as Respondent's client, and the advance fees were paid to Respondent. In return Respondent paid WFS approximately \$3,250.00 of the \$3,500.00 advance fee, as was his usual pattern and practice in the loan modification cases that he handled at that time.
- 9. Respondent was aware of, and approved, the arrangements whereby WFS acted as his agent in signing up clients and he knowingly entered into the arrangement to keep a nominal fee and pass the majority on to WFS.

Case No. 10-O-04039 (Complainant: Gregory B. Dahl)

- 10. In May 2009, Gregory Dahl and his wife, Kim Dahl (the "Dahls"), employed Respondent "to negotiate with Client's [the Dahl's] lenders with the goal of obtaining a loss mitigation solution such that client may be able to restructure Client's debt" with regard to real property.
- 11. The Agreement with Respondent was for legal services. It was entitled "Attorney Engagement Agreement." In it, the Agreement indicated, among other things: (1) that "The Law Offices of Andrew F. Beach ... will provide legal services to the person(s) signing this Agreement" (2) that the clients wish to employ the attorney (Respondent) to negotiate with the client's lenders, (3) that legal services would be performed, (4) that the client would be paying a "retainer fee," (5) there was an "attorney/client relationship," and (6) calculation of work performed shall be made at \$250.00 per hour if the client terminates the Agreement early. Respondent signed the Agreement as "Attorney."
- 12. At the time they employed Respondent, the Dahls paid an advance legal fee of \$2,900.00. In return, Respondent paid WFS approximately \$2,650.00 of the \$2,900.00 advance

fee, as was his usual pattern and practice in the loan modification cases that he handled at that time.

- 13. Over the course of the next several months the Dahls dealt exclusively with WFS with respect to their prospective loan modification.
- 14. WFS, and not Respondent, performed any work related to the loan modification process for the Dahls.

Conclusions of Law:

- 15. By failing to supervise WFS and allowing the telephonic and in-person solicitation of the Nakamas to occur, Respondent failed to perform legal services with competence in willful violation of Rules of Professional Conduct, rule 3-110(A).
- 16. By paying WFS the vast majority of fees paid for the Nakama's legal services, Respondent compensated and gave something of value to a person for securing his employment, Respondent wilfully violated Rules of Professional Conduct, rule 1-320(B).
- 17. By sharing the Nakamas legal fees with WFS, Respondent shared legal fees with a person who is not a lawyer, Respondent wilfully violated Rules of Professional Conduct, rule 1-320(A).
- 18. By sharing the Dahl's legal fees with WFS, Respondent shared legal fees with a person who is not a lawyer Respondent wilfully violated Rules of Professional Conduct, rule 1-320(A).

C. FACTS SUPPORTING AGGRAVATION.

1. Multiple Acts of Misconduct [Standard 1.2(b)(ii)]

Respondent's misconduct involved two (2) separate client matters and four violations of the Rules of Professional Conduct constitute multiple acts of misconduct.

D. FACTS SUPPORTING MITIGATION.

1. Candor/Cooperation [Standard 1.2(e)(v)]

Respondent cooperated in that he has stipulated to facts, conclusions of law and level of discipline.

2. Good Character [Standard 1.2(e)(vi)]

Respondent has provided to the State Bar references that demonstrate his good character, attested to by a range of references in the legal and general communities and who are aware of the full extent of the member's misconduct.

E. AUTHORITIES SUPPORTING DISCIPLINE.

Applicable Standards:

Standard 1.3 provides that the primary purposes of attorney discipline are, "the protection of the public, the courts and the legal profession; the maintenance of high legal professional standards by attorneys and the preservation of public confidence in the legal profession."

Standard 1.6(a) provides that if two or more acts of misconduct are found in the same proceeding, the sanction imposed shall be the more or most severe of the different applicable sanctions. Standard 1.6(b) provides that a greater or lesser degree of discipline than the appropriate sanction prescribed by these standards shall be imposed or recommended, depending on the net effect of the aggravating and mitigating circumstances, if any.

Standard 2.4(b), in relevant part, provides that culpability of a member of wilfully failing to perform services in an individual matter or matters not demonstrating a pattern of misconduct shall result in reproval or suspension depending upon the extent of the misconduct and the degree of harm to the client.

Standard 2.10 provides that the culpability of a member for violation of any provision of the Business and Professions Code or any Rule of Professional Conduct not specified in the Standards shall result in reproval or suspension, according to the gravity of the offense or harm, if any, to the victim, with due regard to the purposes of imposing discipline set forth in Standard 1.3.

Based on Standard 1.6(a), the most severe sanction for Respondent's misconduct herein is found in Standard 2.4(a) and in Standard 2.10. Here, Standard 2.4(a) applies because Respondent failed to perform services in the Nakama matter by failing to supervise WFS's activities. Also, Standard 2.10 applies because Respondent paid compensation to WFS for a referral of employment and shared his legal fees in the Nakama matter. In addition, Respondent shared his legal fees with WFS in the Dahl matter.

Moreover, the mitigating circumstances discussed above do not justify a deviation from the Standards or a discipline less than suspension. The parties acknowledge that Respondent's misconduct herein, and the aggravating circumstances surrounding that misconduct warrants suspension.

F. PENDING PROCEEDINGS.

The disclosure date referred to on page two, paragraph A. (7) was March 29, 2011.

G. COSTS.

Respondent acknowledges that the Office of Chief Trial Counsel has informed him that as of March 29, 2011, the estimated prosecution costs in this matter are approximately \$5,609.00. Respondent acknowledges that this figure is an estimate only. Respondent further acknowledges that should this stipulation be rejected or should relief from the stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

H. DISMISSALS.

The parties respectfully request the Court to dismiss the following alleged violations in the interest of justice:

<u>Case No.</u>	<u>Count</u>	Alleged Violation
10-O-04039	Five	Rule 3-110(A)
09-O-16851; 10-O-04039	Six	B&P §6106

In the Matter of: ANDREW F. BEACH	Case Number(s): 09-O-16851; 10-O-04039	

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/ months/one (1) 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 two (2) 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:

In the Matter of: ANDREW F. BEACH	Case number(s): 09-O-16851; 10-O-04039	

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.

4/12/11	JSBQ.	Andrew F. Beach
Date	Respondent's Signature	Print Name
4/14/11	- 1/M	Edward O. Lear
Date/	Respondent/s Counsel Signature	Print Name
4/14/11		Ashod Mooradian
Date	Deputy Trial Counsel's Signature	Print Name

In the Matt ANDREV	ter of: W F. BEACH	Case Number(s): 09-O-16851; 10-O-04039
	STA	YED SUSPENSION ORDER
inding the equested d	stipulation to be fair to the partie lismissal of counts/charges, if an	s and that it adequately protects the public, IT IS ORDERED that the y, is GRANTED without prejudice, and:
X	The stipulated facts and disposupreme Court.	sition are APPROVED and the DISCIPLINE RECOMMENDED to the
	The stipulated facts and dispo	sition are APPROVED AS MODIFIED as set forth below, and the DED to the Supreme Court.
	All Hearing dates are vacated	

4/29/11

Judge of the State Bar Court

Date

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 Los Angeles, on May 4, 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: \boxtimes by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows: EDWARD LEAR CENTURY LAW GROUP LLP 5200 W CENTURY BLVD #345 LOS ANGELES CA 90045 by certified mail, No. , with return receipt requested, through the United States Postal , California, addressed as follows: Service at , California, addressed as follows: by overnight mail at 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: \boxtimes by interoffice mail through a facility regularly maintained by the State Bar of California addressed as follows: ASHOD MOORADIAN, Enforcement, Los Angeles I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on May 4, 2011. vo, In Corporter

Angela Carpenter Case Administrator State Bar Court