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State Bar Court of California Hearing Department Los Angeles DISBARMENT			PUBLIC MATTER
Counsel For The State Bar AGUSTIN HERNANDEZ Deputy Trial Counsel 1149 South Hill St. Los Angeles, CA 90015-2299 (213) 765-1713 Bar # 161625	Case Number(s): 10-C-03543	For Court use only <div style="text-align: center;"> FILED SEP 19 2012 P.B. STATE BAR COURT CLERK'S OFFICE LOS ANGELES kwiktag® 152 141 863  </div>	
Counsel For Respondent ROXANNE CHUNG BONAR 1 Centerpointe Dr., Suite 100 La Palma, CA 90623 (714) 452-1428 Bar # 242925	Submitted to: Settlement Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING; ORDER OF INVOLUNTARY INACTIVE ENROLLMENT DISBARMENT <input type="checkbox"/> PREVIOUS STIPULATION REJECTED		
In the Matter of: SUSANA RAGOS CHUNG Bar # 177006 A Member of the State Bar of California (Respondent)			

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

A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted June 13, 1995.
- (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 resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of (10) 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):
- ☒ Costs to be awarded to the State Bar.
- ☐ Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
- ☐ Costs are entirely waived.
- (9) ORDER OF INACTIVE ENROLLMENT:
The parties are aware that if this stipulation is approved, the judge will issue an order of inactive enrollment under Business and Professions Code section 6007, subdivision (c)(4), and Rules of Procedure of the State Bar, rule 5.111(D)(1).

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**
- (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. See pages 7 and 8.
- (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. See page 8.
- (5) ☒ **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct. See page 8.

- (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. See page 7.
- (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.

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Additional mitigating circumstances:

See page 8.

D. Discipline: Disbarment.

E. Additional Requirements:

- (1) **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.
- (2) ☐ **Restitution:** Respondent must make restitution to in the amount of \$ plus 10 percent interest per year from . If the Client Security Fund has reimbursed for all or any portion of the principal amount, respondent must pay restitution to CSF of the amount paid plus applicable interest and costs in accordance with Business and Professions Code section 6140.5. Respondent must pay the above restitution and furnish satisfactory proof of payment to the State Bar's Office of Probation in Los Angeles no later than days from the effective date of the Supreme Court order in this case.
- (3) ☐ **Other:**

ATTACHMENT TO
STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: SUSANA RAGOS CHUNG

CASE NUMBER: 10-C-03543

FACTS AND CONCLUSIONS OF LAW.

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

Case No. 10-C-03543 (Conviction Proceedings)

PROCEDURAL BACKGROUND IN CONVICTION PROCEEDING:

1. This is a proceeding pursuant to sections 6101 and 6102 of the Business and Professions Code and rule 9.10 of the California Rules of Court.
2. On May 13, 2011, Respondent was convicted of two felony counts of violating Penal Code section 549 (unlawful solicitation, acceptance or referral of business with knowledge of, or reckless disregard of intent to file fraudulent claim) in the matter of *People of the State of California v. Susana Ragos Chung, et al.*, Alameda County Superior Court Complaint No. 425787.
3. On May 18, 2012, the Review Department of the State Bar Court issued an order referring the matter to the Hearing Department on the following issues: for a hearing and decision recommending discipline in the event that the Hearing Department finds that the facts and circumstances surrounding Respondent's two felony violations of Penal Code § 549 (false or fraudulent claims against insurers; solicitation, acceptance or referral of business) involved moral turpitude or other misconduct warranting discipline.

FACTS:

4. On March 25, 2010, a Warrant was filed against Respondent in Alameda County Superior Court entitled *People of the State of California v. Susana Ragos Chung, et al.*, Complaint No. 425787. Respondent was charged with 28 felonies: 12 counts of violating Penal Code § 549 (unlawful solicitation, acceptance or referral of business with knowledge of, or reckless disregard of intent to file fraudulent claim); 12 counts of violating Insurance Code § 750 (unlawful offer or receipt of consideration by claims handlers for referral or procurement of clients); one count of violating Penal Code § 115(a) (offering false or forged instrument); and three counts of violating Penal Code § 182(a)(1) (conspiracy to commit the crimes of: filing false and fraudulent claims in violation of Penal Code § 549; unlawful payments to or by claims processor in violation of Insurance Code § 750; and grand theft in violation of Penal Code § 487).
5. On May 13, 2011, Respondent entered a plea of no contest to two felony violations of Penal Code § 549. Pursuant to the plea agreement, the remaining charges were dismissed.

6. On August 19, 2011, Respondent was sentenced to two days in Alameda County Jail and five years of probation. Respondent was also ordered pay restitution in the amount of \$117,961.93 to the victims of her misconduct plus fines in the amount of \$117,911.93 to the court. To date, Respondent has failed to pay the required restitution to the victims of her misconduct or the fines to the court.

7. Respondent's conviction is the result of a four-year investigation called "Phantom Menace" that was conducted by the Alameda County District Attorney's Office, the California Department of Insurance, and the California Highway Patrol.

8. From 2003 through 2007, Respondent paid capping fees to capper Norberto "Chito" Mora ("Mora") for at least twelve cases involving staged automobile accidents with orchestrated and fraudulent chiropractic treatment and inflated and fraudulent property damage and estimates.

9. The Alameda County District Attorney's Office, the California Department of Insurance, and the California Highway Patrol confirmed that these accidents were in fact staged with information received from Mora, several chiropractors involved in this enterprise, and from individuals who participated as alleged drivers and passengers in these staged accidents. The Phantom Menace investigation resulted in an 8-year federal prison term for Mora. Three chiropractors and many individuals who participated as alleged drivers and passengers of this insurance scam were also convicted.

10. Respondent submitted false and fraudulent claims to insurance carriers based upon these staged accidents, false chiropractor bills and false property damage estimates.

11. Respondent profited by receiving and keeping portions of the payments received from the insurance carriers for these fraudulent claims. Respondent's purpose was solely for financial gain.

12. At all relevant times, Respondent knew that the cases she was purchasing from Mora were fraudulently staged accidents. Despite having this knowledge, Respondent continued paying Mora capping fees in order to generate additional staged accident claims.

CONCLUSIONS OF LAW:

13. The facts and circumstances surrounding the above-described violations involved moral turpitude.

FACTS RE AGGRAVATING CIRCUMSTANCES.

Respondent Committed Multiple Acts of Wrongdoing or Demonstration of a Pattern of Misconduct (Standard 1.2(b)(ii))

Respondent committed multiple acts of wrongdoing. Respondent purchased at least 12 fraudulent cases involving staged accidents from Mora, and she submitted claims based on these staged accidents to the insurance carriers.

Respondent's Misconduct was Surrounded by Bad Faith, Dishonesty, or Concealment (Standard 1.2(b)(iii))

Even though she knew that the claims generated by her capper were fraudulent, Respondent continued paying capping fees for fraudulent cases and kept submitting them to insurance companies. The sole purpose for Respondent's criminal activity was financial gain.

Respondent's Misconduct Significantly Harmed her Clients, Public, or the Administration of Justice (Standard 1.2(b)(iv))

Respondent's criminal acts caused significant harm to the public and the administration of justice. The Alameda County District Attorney's Office, the California Department of Insurance, and the California Highway Patrol had to expend significant resources conducting this investigation that lasted over four years. These resources were paid for by the public. The allocation of resources to this investigation also harmed the public by diverting limited resources from these agencies that could have been better utilized in protecting the public. Additionally, the insurance companies were fraudulently induced into paying for these fraudulent claims. The public at large is also harmed by having to pay increased insurance premiums due to Respondent's fraudulent conduct.

Respondent Demonstrated Indifference Toward Rectification of or Atonement for the Consequences of her Misconduct (Standard 1.2(b)(v))

Respondent has not paid the required restitution to the victims of her misconduct or the fines to the court.

ADDITIONAL FACTS RE MITIGATING CIRCUMSTANCES.

Respondent cooperated with the State Bar in these proceedings to the extent that she acknowledged her misconduct and entered into a stipulation of facts, conclusions of law and disposition without the necessity of having a trial on this matter. (*In the Matter of Johnson* (Review Dept. 2000) 4 Cal. State Bar Ct. Rptr. 179, 190.) However this mitigation is of very limited weight in light of the seriousness of Respondent's criminal acts which involve moral turpitude which would be easily proven.

AUTHORITIES SUPPORTING DISCIPLINE.

The Standards for Attorney Sanctions for Professional Misconduct provide a "process of fixing discipline" pursuant to a set of written principles to "better discharge the purposes of attorney discipline as announced by the Supreme Court." (Rules Proc. of State Bar, tit. IV, Stds. for Atty. Sanctions for Prof. Misconduct, Introduction (all further references to standards are to this source).) The primary purposes of disciplinary proceedings and of the sanctions imposed are "the protection of the public, the courts and the legal profession; the maintenance of high professional standards by attorneys and the preservation of public confidence in the legal profession." (*In re Morse* (1995) 11 Cal.4th 184, 205; std 1.3.)

Although not binding, the standards are entitled to "great weight" and should be followed "whenever possible" in determining level of discipline. (*In re Silverton* (2005) 36 Cal.4th 81, 92, quoting *In re Brown* (1995) 12 Cal.4th 205, 220 and *In re Young* (1989) 49 Cal.3d 257, 267, fn. 11.) Adherence to the standards in the great majority of cases serves the valuable purpose of eliminating

disparity and assuring consistency, that is, the imposition of similar attorney discipline for instances of similar attorney misconduct. (*In re Naney* (1990) 51 Cal.3d 186, 190.) Any discipline recommendation different from that set forth in the applicable standards should clearly explain the reasons for the deviation. (*Blair v. State Bar* (1989) 49 Cal.3d 762, 776, fn. 5.)

Standard 3.2 provides that disbarment is the required sanction that when a member is convicted of a crime which involves moral turpitude, either inherently or in the facts and circumstances surrounding the commission of the crime. Only if the most compelling mitigating circumstances clearly predominate, shall disbarment not be imposed. In those cases, the discipline shall not be less than a two-year actual suspension, irrespective of mitigating circumstances.

Respondent knowingly engaged in this fraudulent and criminal activity which involved moral turpitude warranting disbarment. There are no compelling mitigating circumstances to warrant anything less than disbarment.

In this matter, there are no mitigating circumstances present that justify anything less than disbarment. The limited mitigation of entering into this stipulation is substantially outweighed by the overwhelming aggravating circumstances. The criminal misconduct in which Respondent engaged in was committed knowingly and for financial gain, caused significant harm to the public and the administration of justice, and consisted of multiple acts of misconduct. Respondent has also failed to pay the required restitution and court fines. The standards and case law clearly indicate that disbarment is the only appropriate and sufficient sanction to protect the public, the courts and the integrity of the legal profession.

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was August 28, 2012.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of August 30, 2012, the prosecution costs in this matter are \$6,597. 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.



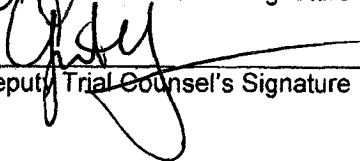
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In the Matter of: SUSANA RAGOS CHUNG	Case number(s): 10-C-03543
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SIGNATURE OF THE PARTIES

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>8/30/12</u> Date	 Respondent's Signature	<u>SUSANA RAGOS CHUNG</u> Print Name
<u>8/30/12</u> Date	 Respondent's Counsel Signature	<u>ROXANNE CHUNG BONAR</u> Print Name
<u>9/4/12</u> Date	 Deputy Trial Counsel's Signature	<u>AGUSTIN HERNANDEZ</u> Print Name

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In the Matter of: SUSANA RAGOS CHUNG	Case Number(s): 10-C-03543
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DISBARMENT 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.)**

Respondent Susana Ragos Chung is ordered transferred to involuntary inactive status pursuant to Business and Professions Code section 6007, subdivision (c)(4). Respondent's inactive enrollment will be effective three (3) calendar days after this order is served by mail and will terminate upon the effective date of the Supreme Court's order imposing discipline herein, or as provided for by rule 5.111(D)(2) of the Rules of Procedure of the State Bar of California, or as otherwise ordered by the Supreme Court pursuant to its plenary jurisdiction.

Date

09-18-2012


RICHARD A. PLATEL
Judge of the State Bar Court

RICHARD A. PLATEL

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 September 19, 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:

ROXANNE C. BONAR
ATTORNEY AT LAW
ROXANNE BONAR
1 CENTERPOINTE DR STE 100
LA PALMA, CA 90623

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

Agustin Hernandez, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on September 19, 2012.



Paul Barona
Case Administrator
State Bar Court