

ORIGINAL

State Bar Court of California
Hearing Department
Los Angeles

PUBLIC MATTER

<p>Counsel For The State Bar Christine A. Souhrada Deputy Trial Counsel 1149 South Hill Street Los Angeles, CA 90015-2299 213-765-1162</p>	<p>Case Number (s) 10-O-00264 et. al. (see attachment for full list of all included cases)</p>	<p>(for Court's use)</p> <p style="text-align: center;">FILED</p> <p style="text-align: center;">AUG 16 2010</p> <p style="text-align: center;">STATE BAR COURT CLERK'S OFFICE LOS ANGELES</p>
<p>Bar # 228256</p> <p>In Pro Per Respondent</p> <p>Matthew Michael McCormick Freedom Law Center 333 S Grand Ave 25th Fl PMB #353 Los Angeles, CA 90071 (888)788-4446</p>	<p>Submitted to: Settlement Judge</p> <p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING; ORDER OF INVOLUNTARY INACTIVE ENROLLMENT</p>	
<p>Bar # 182543</p> <p>In the Matter of: Matthew Michael McCormick</p> <p>Bar # 182543</p> <p>A Member of the State Bar of California (Respondent)</p>	<p>DISBARMENT</p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	

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 7, 1996**.
- (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 (14) pages, not including the order.
- (4) A statement of acts or omissions acknowledged by respondent as cause or causes for discipline is included under "Facts."



(Do not write above this line.)

- (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 waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs"
 - Costs 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 220(c).

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.
- (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 ATTACHMENT
- (5) **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
- (6) **Lack of Cooperation:** Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.

- (7) **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct. **SEE ATTACHMENT**
- (8) **No aggravating circumstances** are involved.

Additional aggravating circumstances:

C. Mitigating Circumstances [see standard 1.2(e)]. Facts supporting mitigating circumstances are required.

- (1) **No Prior Discipline:** Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.
- (2) **No Harm:** Respondent did not harm the client or person who was the object of the misconduct.
- (3) **Candor/Cooperation:** Respondent displayed spontaneous candor and cooperation with the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings.
- (4) **Remorse:** Respondent promptly took objective steps spontaneously demonstrating remorse and recognition of the wrongdoing, which steps were designed to timely atone for any consequences of his/her misconduct.
- (5) **Restitution:** Respondent paid \$ _____ on _____ in restitution to _____ without the threat or force of disciplinary, civil or criminal proceedings.
- (6) **Delay:** These disciplinary proceedings were excessively delayed. The delay is not attributable to respondent and the delay prejudiced him/her.
- (7) **Good Faith:** Respondent acted in good faith.
- (8) **Emotional/Physical Difficulties:** At the time of the stipulated act or acts of professional misconduct respondent suffered extreme emotional difficulties or physical disabilities which expert testimony would establish was directly responsible for the misconduct. The difficulties or disabilities were not the product of any illegal conduct by the member, such as illegal drug or substance abuse, and respondent no longer suffers from such difficulties or disabilities.
- (9) **Severe Financial Stress:** At the time of the misconduct, respondent suffered from severe financial stress which resulted from circumstances not reasonably foreseeable or which were beyond his/her control and which were directly responsible for the misconduct.
- (10) **Family Problems:** At the time of the misconduct, respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature.
- (11) **Good Character:** Respondent's good character is attested to by a wide range of references in the legal and general communities who are aware of the full extent of his/her misconduct.
- (12) **Rehabilitation:** Considerable time has passed since the acts of professional misconduct occurred followed by convincing proof of subsequent rehabilitation.
- (13) **No mitigating circumstances** are involved.

**Additional mitigating circumstances:
SEE ATTACHMENT**

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 **SEE ATTACHMENT** in the amount of \$ **SEE ATTACHMENT** plus 10 percent interest per year from **SEE ATTACHMENT**. If the Client Security Fund has reimbursed **SEE ATTACHMENT** 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) **Client Security Fund Reimbursement:** Respondent must also reimburse the Client Security Fund to the extent that the misconduct in this matter results in the payment of funds and such payment obligation is enforceable as provided under Business and Professions Code section 6140.5.

- (4) **Other: SEE ATTACHED FOR INFORMATION REGARDING RESTITUTION REQUIREMENTS**

In the Matter of
MATTHEW MICHAEL MCCORMICK

Case number(s):
**10-0-00264 ET AL. (See attachment for full list of
all included cases)**

A Member of the State Bar

NOLO CONTENDERE PLEA TO STIPULATION AS TO FACTS, CONCLUSIONS OF LAW AND DISPOSITION

Bus. & Prof. Code § 6085.5 Disciplinary Charges; Pleas to Allegations

There are three kinds of pleas to the allegations of a Notice of Disciplinary Charges or other pleading which initiates a disciplinary proceeding against a member:

- (a) Admission of culpability.
- (b) Denial of culpability.
- (c) **Nolo contendere, subject to the approval of the State Bar Court. The court shall ascertain whether the member completely understands that a plea of nolo contendere shall be considered the same as an admission of culpability and that, upon a plea of nolo contendere, the court shall find the member culpable. The legal effect of such a plea shall be the same as that of an admission of culpability for all purposes, except that the plea and any admission required by the court during any inquiry it makes as to the voluntariness of, or the factual basis for, the pleas, may not be used against the member as an admission in any civil suit based upon or growing out of the act upon which the disciplinary proceeding is based. (Added by Stats. 1996, ch. 1104.) (emphasis supplied)**

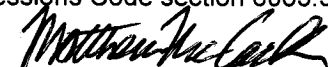
Rule 133, Rules of Procedure of the State Bar of California STIPULATION AS TO FACTS, CONCLUSIONS OF LAW AND DISPOSITION

(a) A proposed stipulation as to facts, conclusions of law, and disposition must set forth each of the following:

- (5) a statement that Respondent either
 - (i) admits the facts set forth in the stipulation are true and that he or she is culpable of violations of the specified statutes and/or Rules of Professional Conduct or
 - (ii) **pleads nolo contendere to those facts and violations. If the Respondent pleads nolo contendere, the stipulation shall include each of the following:**
 - (a) **an acknowledgement that the Respondent completely understands that the plea of nolo contendere shall be considered the same as an admission of the stipulated facts and of his or her culpability of the statutes and/or Rules of Professional Conduct specified in the stipulation; and**
 - (b) **if requested by the Court, a statement by the Deputy Trial Counsel that the factual stipulations are supported by evidence obtained in the State Bar investigation of the matter (emphasis supplied)**

I, the Respondent in this matter, have read the applicable provisions of Bus. & Prof. Code § 6085.5 and rule 133(a)(5) of the Rules of Procedure of the State Bar of California. I plead nolo contendere to the charges set forth in this stipulation and I completely understand that my plea must be considered the same as an admission of culpability except as state in Business and Professions Code section 6085.5(c).

Date 8/4/2010



Signature

Matthew McCormick
Print Name

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: Matthew Michael McCormick

CASES INCLUDED IN THIS STIPULATION: 10-O-00264, 10-O-00265, 10-O-00267, 10-O-00268, 10-O-00270, 10-O-00272, 10-O-00294, 10-O-01088, 10-O-01089, 10-O-01140, 10-O-01142, 10-O-01143, 10-O-01160, 10-O-01161, 10-O-02927, 10-O-02928, 10-O-02929, 10-O-02930, 10-O-02931, 10-O-02932, 10-O-02936, 10-O-03360, 10-O-03572, 10-O-03924, 10-O-03925, 10-O-04094, 10-O-04210, 10-O-04257, 10-O-04258, 10-O-04260, 10-O-04452, 10-O-04466, 10-O-04467, 10-O-04468, 10-O-04496, 10-O-04655, 10-O-04732, 10-O-04847, 10-O-04891, 10-O-04974, 10-O-04975, 10-O-05034, 10-O-05036, 10-O-05037, 10-O-05198, 10-O-05199, 10-O-05200, 10-O-05202, 10-O-05204, 10-O-05420, 10-O-05447, 10-O-05613, 10-O-05617, 10-O-05693, 10-O-05694, 10-O-05695, 10-O-05827, 10-O-05876, 10-O-06051, 10-O-06224, 10-O-06264, 10-O-06265, 10-O-06266, 10-O-06356, 10-O-06357, 10-O-06358, 10-O-06647, 10-O-06649, 10-O-06654, 10-O-06655, 10-O-06656, 10-O-06657, 10-O-06658, 10-O-06659, 10-O-06713, 10-O-06715, 10-O-06716

FACTS AND CONCLUSIONS OF LAW.

Respondent, Matthew Michael McCormick pleads *nolo contendere* to the following facts and violations. Respondent completely understands that the plea of *nolo contendere* shall be considered as set forth in the *Nolo Contendere* Plea form attached hereto.

Facts

1. Beginning in late 2008 to the present Respondent set up several law firms including at least Christian Lawyers of America ("CLA") and Freedom Law Center.
2. Between October 2008 and April 2010, Respondent's law firm was employed by each of the following individuals to attempt to negotiate a plan with each clients' lender(s) or creditor(s) that would enable each client to settle and/or restructure the clients' current or past mortgage payments or settle outstanding consumer debt.

Case No.	Client	Date client employed Respondent	Advanced Attorney fees client paid to Respondent
10-O-00264	Kimberly and James Hiigel	12/2008	\$7,500
10-O-00265	Sandra Williams	8/24/2009	\$15,000
10-O-00267	Leah Lalor	8/2009	\$3,595
10-O-00268	Richard Marcuson	1/15/09	\$9,500
10-O-00270	Ed Ibarra	6/8/2009	\$3,000
10-O-00272	Nvard Srmabuyukyan	9/7/2009	\$5,995
10-O-00294	Janelyne Y. Lara	2/25/2009	\$3,000
10-O-01088	Marvin & Bette Solis	5/15/09	\$1,800

10-O-01089	Craig Roberts	9/25/2009	\$5,874
10-O-01140	Susan K. Oda	10/30/2008	\$7,800
10-O-01142	Laura Ramirez	1/16/2009 (debt settlement); 3/5/2009 (loan modification)	\$3,500 (debt settlement); \$3,500 (loan modification)
10-O-01143	Marti Worswick	4/21/2009	\$8,500
10-O-01160	Johnette M. Rogers	3/18/2009	\$1,000 ¹
10-O-01161	Martin Garinger	12/15/2009	\$3,645 ²
10-O-02927	Leticia R. Vasquez	9/26/2009	\$2,510 ³
10-O-02928	Marcie Knoll	10/24/2009	\$2,500
10-O-02929	Patricia Robles	4/3/2009	\$2,400
10-O-02930	James Harper	06/2009	\$3,995
10-O-02931	Aaron Postier	6/15/2009	\$1,500
10-O-02932	Stacie and Shane Mosley	10/2009	\$7,040
10-O-02936	Liz Didier	10/2009	\$3,000 ⁴
10-O-03360	Chris Turner	9/18/2009	\$3,600
10-O-03572	Alberta Hall	10/30/2009	\$8,600
10-O-03924	Marco and Sandra De Leon	7/15/2009	\$3,995
10-O-03925	Doris Johnson-Bennett	7/2009	\$3,500
10-O-04094	Clara Bix	4/18/2009	\$3,995
10-O-04210	Pio Acayan	7/2009	\$3,595
10-O-04257	Brand and Michelle Andrus	5/11/2009	\$7,200
10-O-04258	Tammy McGregor	4/7/2009	\$6,450
10-O-04260	Victoria & John McCrary	11/27/2009	\$5,857
10-O-04452	James and Celenia Emmanuelli	12/17/2009	\$4,800
10-O-04466	Norma Vega	5/2009	\$3,495
10-O-04467	Chris Harvey	5/22/2009	\$12,495
10-O-04468	Gary Huizenga	9/25/2009	\$3,995
10-O-04496	Lisa Cortez	10/16/2009	\$5,665
10-O-04655	Scott & Susanne Harris	7/9/2009	\$21,695
10-O-04732	Conan A. and Carol A. Yates	8/31/2009	\$5,395 ⁵
10-O-04847	Sinatra Chan	9/14/2009	\$3,595
10-O-04891	Rick Sanchez	10/29/2008	\$12,000
10-O-04974	Hamilton Pham	8/1/2009	\$3,595
10-O-04975	Alan and Carol Camerano	8/27/2009	\$3,595
10-O-05034	Martin Borne	1/27/2009	\$5,595
10-O-05036	Johnny Smith and Jowanna Young-Smith	7/4/2009	\$3,500
10-O-05037	Cedrick Wilmott	8/19/2009	\$3,600
10-O-05198	Svetla Georgieff	3/25/2009	\$5,000
10-O-05199	O'Deal Johnson	7/27/2009	\$2,000

¹ Respondent refunded \$100 on January 6, 2010, and \$100 on February 6, 2010, for a total of \$200.

² Garinger received a full refund from Respondent.

³ Vasquez was awarded a judgment in small claims court for \$1,510 plus court costs.

⁴ Didier received a full refund from Respondent.

⁵ The fees paid by this client to Respondent were charged back to the client's credit card and thereby refunded to the client.

10-O-05200	Roberto Garza	2/9/2009	\$8,250 ⁶
10-O-05202	Rick and Cynthia Wolff	8/28/2009	\$3,595
10-O-05204	William and Jan Maynard	7/27/2009	\$9,760
10-O-05420	Annie V. Garwood	5/14/2009	\$2,500
10-O-05447	Kathleen Martin	10/1/2009	\$5,100
10-O-05613	Rhodora and Paulo Gallarde	4/4/2009	\$4,800
10-O-05617	Luz F. Mendoza	3/15/2009	\$3,460 ⁷
10-O-05693	Rota Toutlian	12/2/2008	\$15,010
10-O-05694	Andreas Lagapa	4/16/2009 (loan modification); 6/22/2009 (debt settlement)	\$3,995 (loan modification); \$1,380 (debt settlement)
10-O-05695	Naum Daou	6/20/2009	\$14,000
10-O-05827	Margaret Velez-Cruz	5/6/2009	\$5,495
10-O-05876	William & Jodi Taylor	7/6/09	\$3,700
10-O-06051	Hans and Elsie Ruf	4/20/09	\$4,500
10-O-06224	Mohannad Elhilu	12/11/08	\$18,500
10-O-06264	Kevin Sanusi	6/2/2009	\$4,595
10-O-06265	Noemi Torres	8/3/09	\$3,595
10-O-06266	Joan and Shawn Silver	10/14/09	\$6,500
10-O-06356	Wendy N. Quinonez	3/12/2009	\$2,000
10-O-06357	Robert Harrison	11/28/2006	\$50,805
10-O-06358	Carolyn Watts	3/6/2010	\$1850 ⁸
10-O-06647	Kosal San	9/25/2009	\$2,500
10-O-06649	Gerald and Lenore Borelli	6/18/2009	\$5,500
10-O-06654	Kimberly Gostowski	11/2008	\$41,150
10-O-06655	Primo Demontano	5/9/2009	\$15,000
10-O-06656	Steven Nabavi	5/25/2010	\$2,000
10-O-06657	Myrna L Tiangco	3/31/2009	\$3,995
10-O-06658	Igors Galickis	10/5/2009	\$12,000
10-O-06659	Robert and Josephine Butcher	5/27/2009	\$4,900
10-O-06713	Karla Jackson	3/31/2009	\$4,500
10-O-06715	Laura Zolaya	11/12/2009	\$4,500
10-O-06716	Alex Hernandez	8/19/2009	\$7,918

3. In many of the legal services contracts between Respondent's law firm and the above-listed clients, Respondent's law firm explicitly promised a 70% refund if he did not obtain a satisfactory loan modification or debt settlement agreement as specified in the contract.

4. Many of the above-listed clients were told by Respondent's representatives that Respondent would refund their advance attorney fees if Respondent's law firm did not obtain a loan modification or a debt settlement agreement.

⁶ Respondent refunded to Garza \$1,000 on January 5, 2010, \$100 on February 5, 2010, and \$300 on March 3, 2010, for a total of \$1,400.

⁷ Mendoza authorized Respondent's law firm to charge \$3,000 to her credit card. Respondent's law firm charged \$3,460.

⁸ Watts signed a payment authorization form on March 25, 2010 for \$1250. On the same day, that amount was charged to her credit card. An additional charge of \$635 was made on April 23, 2010, which was not authorized by Ms. Watts.

5. Many of the above-listed clients were also told by Respondent's representatives that they could expect their debt reduction or mortgage modification process to take 60-90 days or three to six months.
6. A number of the above-listed clients were either encouraged or outright instructed by Respondent's representatives to stop paying their mortgage or their debts. Many of the clients who were given this encouragement or direct instruction by Respondent's representatives did stop paying their mortgage or debts.
7. Many of these clients employed Respondent's law firm because they were in difficult financial situations and swift action by Respondent was necessary to protect the clients' interests. Many of the clients had creditors actively pursuing them or were in immediate danger of losing their homes. Respondent knew or was grossly negligent in not knowing that many of these clients were under great financial pressure and that their situation was precarious and required immediate action on his part.
8. CLA had two offices, one in La Mesa, California, and one in Woodland Hills, California. Respondent was only occasionally present in either of the CLA offices. There were times when Respondent's non-attorney staff needed the advice or assistance of an attorney to properly handle the client files, but Respondent was not present to assist them, nor did Respondent arrange for another attorney to oversee the office when Respondent was unavailable. Thus, Respondent did not properly supervise and direct his non-attorney staff at CLA.
9. Respondent did not properly supervise and direct his non-attorney staff at the Freedom Law Center.
10. Respondent and/or Respondent's law firm failed to obtain loan modifications or debt relief contracted for under his fee agreement for the clients listed above, and failed to perform other legal services of value for the clients listed above. Thus, Respondent did not earn the advanced fees collected from the clients.
11. In September or October of 2009, Respondent knew or was grossly negligent in not knowing that he had taken on more clients than he and his law firms could handle and that he and his law firms would be unable to competently represent any new clients in addition to the clients he already had. Nevertheless, Respondent continued to start new law firms and take on new clients.
12. Many of the above-listed clients have tried to communicate with Respondent or Respondent's staff without success. Many clients who called Respondent often found his voicemail box to be full or if they were able to leave a message for him, did not receive a response from Respondent. Some of the clients went to Respondent's office location and discovered that the office had been moved or closed, and the clients were not provided with another address to reach Respondent. Some clients who tried to reach Respondent at his office phone number discovered that the number had been disconnected and were not provided with another phone number at which to reach Respondent's law firm.
13. In at least one of the above-listed client matters, specifically in the Marvin Solis matter, Respondent's office gave the client's file, which included all of the clients personal information,

to an outside organization called Premiere. The client first learned his file had been given away when he was contacted by Premiere and asked to pay Premiere to handle his case. When the client told Premiere that he had already paid CLA, the client was told that that was between the client and CLA and it was not Premiere's problem.

14. In some of the above-listed client matters, Respondent or his law firm staff were informed of or served with civil suits brought against the client; however, Respondent failed to inform the client that a civil suit had been filed against them and/or failed to act or respond to the civil suit.
15. Respondent and Respondent's law firm did not refund the advanced fees paid to him by the clients listed above, except where indicated.
16. Some of the above-listed clients have requested the return of their file, papers, or documents from Respondent's law firm, but Respondent has not returned their files, papers, and documents to them.

Conclusions of Law

17. By failing to obtain loan modifications or debt settlements, or perform other legal services of value in the representation of the above-listed clients, Respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence in willful violation of Rules of Professional Conduct, rule 3-110(A).
18. By failing to refund promptly any part of the advanced fees paid to Respondent's law firm by the clients listed above, despite having not earned that fee and despite his agreement to return the fee if no loan modification or debt settlement was obtained, Respondent willfully violated Rules of Professional Conduct, rule 3-700(D)(2).
19. By failing to obtain loan modifications or debt settlements for the clients listed above, failing to perform other legal services of value for the clients listed above in connection with negotiating or obtaining a home mortgage loan modification or debt settlement, ceasing substantive communication with his clients, closing or moving his offices without notifying his clients of where they could reach him, and allowing the phone lines to be disconnected, Respondent effectively terminated representation of his clients, and failed, upon termination of employment, to take reasonable steps to avoid reasonably foreseeable prejudice to his clients, thereby Respondent improperly withdrew from representation and abandoned the above-listed clients in willful violation of Rules of Professional Conduct, rule 3-700(A)(2).
20. By failing to properly supervise and direct his non-attorney staff, Respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence in willful violation of Rules of Professional Conduct, rule 3-110(A).
21. By failing to return clients' files and papers to them, Respondent failed to release promptly, upon termination of employment, to the client, at the request of the client, all the client papers and property, in willful violation of Rules of Professional Conduct, rule 3-700(D)(1).
22. By releasing client files and revealing client information to unassociated third parties, Respondent failed to maintain inviolate the confidence, and at every peril to himself or herself to

preserve the secrets, of his or her client, in wilful violation of Business and Professions Code, section 6068(e).

23. By failing to respond to his clients' repeated inquiries about the status of their loan modification or debt settlement cases and/or by failing to inform his clients of significant developments in their cases, Respondent repeatedly failed to adequately communicate with clients in willful violation of Business and Professions Code, section 6060(m).

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was August 3, 2010.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed Respondent that as of July 14, 2010, the prosecution costs in this matter are \$56,698.46. 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.

This is an estimate only and is provided by the Chief Trial Counsel to Respondent for informational purposes. Respondent does not agree that he will not challenge the costs or that he will not seek to modify or to obtain any relief legally available from the costs.

AGGRAVATING CIRCUMSTANCES.

Some of Respondent's clients were seriously harmed by the above described misconduct. Most, if not all, of the clients who hired Respondent to assist them with their modification did so because they were financially distressed. Thus, the loss of the use of the money they had paid to Respondent for services which were not performed, caused significant harm to Respondent's clients. A number of the clients ultimately lost their homes, were sued by their lenders or, or declared bankruptcy.

Respondent's misconduct involving over 80 separate client matters constitutes multiple acts of misconduct and demonstrates a pattern of misconduct.

MITIGATING CIRCUMSTANCES.

Though the misconduct is serious, Respondent has had no prior discipline in the 14 years he has been admitted to the State Bar.

Respondent cooperated with the State Bar by entering into a stipulation with the State Bar before the filing of disciplinary charges.

As indicated in the above chart, Respondent already made restitution to some of the clients.

Respondent asked to resign from the State Bar rather than agree to disbarment; however the State Bar indicated that they would be compelled to recommend against acceptance based up the criteria of rule 9.21(d) of the California Rules of Court.

If called to testify, Respondent would testify as follows (the State Bar makes no representation regarding the veracity of the statement):

Respondent did not authorize his employees to tell clients that they could expect their debt reduction or mortgage modification process to take 60-90 days or three to six months, or to encouraged or outright instructed clients to stop paying their mortgage or their debts. Respondent would call his law offices every day to make sure that everything was alright and to check what was going on. Despite the large number of clients Respondent had, he continued to try and help his clients. In many loan modification cases applications were filed with the bank. Respondent tried to text and e-mail the clients in order to communicate with them. Respondent did not authorize client Marvin Solis's file to be given to Premiere, and the file was taken from the office without his knowledge or consent. Further Respondent was not personally served with the civil suits brought against his client described above. Respondent's law firm did about 95% of the loan modification work in most instances and much of the debt settlement work. Respondent wishes the best for all of Respondent's law firm's clients.

AUTHORITIES SUPPORTING DISCIPLINE.

Standard 2.4 of the Standards for Attorney Sanctions for Professional Misconduct addresses an attorney's failure to perform or failure to communicate:

- (a) Culpability of a member of a pattern of wilfully failing to perform services demonstrating the member's abandonment of the causes in which he or she was retained shall result in disbarment.

Where there are abandonments of numerous clients, disbarment has been determined by the Supreme Court to be the appropriate discipline, even when the attorney has no prior record of discipline. See *Coombs v. State Bar*, (1989) 49 Cal. 3d 679 [Disbarment was appropriate where the attorney was found culpable of misconduct in 13 separate client matter which included, among other violations, abandonment of clients, failure to return client files, false representations that services for which he had been retained had been performed, failure to provide an accounting of fees, and failure to return unearned fees.]

In *In re Ronald Robert Silverton*, (2005) 36 Cal. 4th 81, the Supreme Court discussed the fact that the Standards For Attorney Sanctions For Professional Misconduct are entitled to great weight and the State Bar Court should follow their guidance whenever possible. (*Id.* at 92)

In the present matter, Respondent's misconduct resulted in significant harm to multiple clients as discussed above. Coupled with Respondent's failure to perform, failure to communicate, failure to refund fees, and other misconduct, disbarment is appropriate.

FINANCIAL CONDITIONS, RESTITUTION.

Respondent must pay restitution to the clients listed in the above chart of the amounts they paid to Respondent as detailed in the chart including the principal amount, plus interest of 10 percent per annum calculated from the date the client paid Respondent. If the clients have already received a full refund from respondent, no further restitution will be due from Respondent pursuant to this stipulation. If the Client Security Fund ("CSF") has reimbursed any of the clients for all or any portion of the amounts listed above, Respondent must also pay restitution to CSF in the amounts paid, plus applicable interest and costs. To the extent any of these complaining clients receive their monies via chargeback

from their credit card companies or banks, no restitution is required. It is Respondent's burden to show a chargeback has been given.

Respondent believes that some or all of restitution may have been paid to Alberta Hall. If Respondent provides proof that full restitution has been paid to Ms. Hall, no additional restitution will be required. If Respondent provides proof that some restitution has been paid, Respondent will only be required to pay the balance.

VIII. 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 220(c).


(Do not write above this line.)

In the Matter of MATTHEW MICHAEL MCCORMICK Member #182543	Case number(s): 10-O-00264 et. al. (see attachment for full list of all included cases)
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SIGNATURE OF THE PARTIES

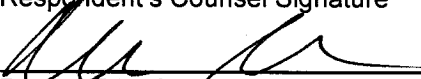
By their signatures below, the parties and their counsel, as applicable, signify their agreement with each of the recitations and each of the terms and conditions of this Stipulation Re Fact, Conclusions of Law and Disposition.

8/4/2010
Date


Respondent's Signature

MATTHEW MICHAEL MCCORMICK
Print Name

8/24/10
Date
CS


Respondent's Counsel Signature

CHRISTINE SOUHRADA
Print Name

Deputy Trial Counsel's Signature

(Do not write above this line.)

In the Matter of MATTHEW MICHAEL MCCORMICK Member #182543	Case Number(s): 10-O-00264 et. al. (see attachment for full list of all included cases)
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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 135(b), Rules of Procedure.) **The effective date of this disposition is the effective date of the Supreme Court order herein, normally 30 days after file date. (See rule 9.18(a), California Rules of Court.)**

Respondent **MATTHEW MICHAEL MCCORMICK, Member #182543** 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 490(b) of the Rules of Procedure of the State Bar of California, or as otherwise ordered by the Supreme Court pursuant to its plenary jurisdiction.

08-11-10
Date


Judge of the State Bar Court

RICHARD A. PLATEL

CERTIFICATE OF SERVICE

[Rule 62(b), Rules Proc.; Code Civ. Proc., § 1013a(4)]

I am a Case Administrator of the State Bar Court of California. I am over the age of eighteen and not a party to the within proceeding. Pursuant to standard court practice, in the City and County of Los Angeles, on August 16, 2010, 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:

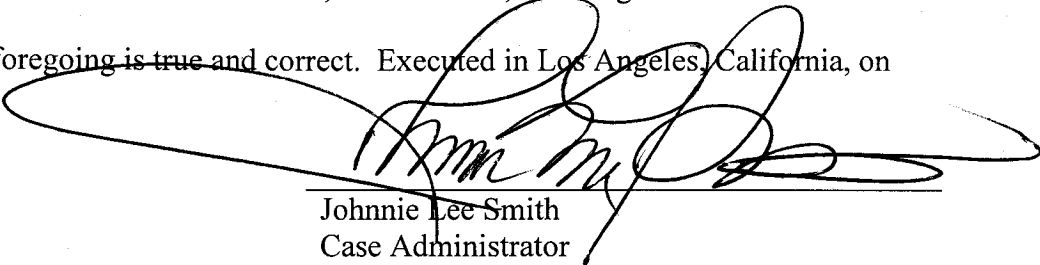
- by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

MATTHEW M. MCCORMICK
PO BOX 84785
SAN DIEGO, CA 92138

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

CHRISTINE SOUHRADA, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on August 16, 2010.



Johnnie Lee Smith
Case Administrator
State Bar Court