

PUBLIC MATTER

STATE BAR OF CALIFORNIA
OFFICE OF THE CHIEF TRIAL COUNSEL
JAYNE KIM, No. 174614
CHIEF TRIAL COUNSEL
JOSEPH R. CARLUCCI, No. 172309
DEPUTY CHIEF TRIAL COUNSEL
CHARLES A. MURRAY, No. 146069
ACTING ASSISTANT CHIEF TRIAL COUNSEL
ERIN McKEOWN JOYCE, No. 149946
ACTING SENIOR TRIAL COUNSEL
SEAN BECKLEY, No. 260003
DEPUTY TRIAL COUNSEL
1149 South Hill Street
Los Angeles, California 90015-2299
Telephone: (213) 765-1226

FILED

SEP 21 2012

STATE BAR COURT
CLERK'S OFFICE
LOS ANGELES



STATE BAR COURT

HEARING DEPARTMENT - LOS ANGELES

In the Matter of:	)	Case Nos.	10-O-5509
	)		10-O-6222
	)		11-O-11993
	)		11-O-18827
	)		12-O-10074
CHANCE EDWARD GORDON,	)		12-O-10539
No. 198512,	)		12-O-10634
	)		12-O-10940
	)		12-O-11881
	)		12-O-12061
	)		12-O-12422
	)		12-O-13166
	)		12-O-13268
A Member of the State Bar	)	NOTICE OF DISCIPLINARY CHARGES	

NOTICE - FAILURE TO RESPOND!

IF YOU FAIL TO FILE A WRITTEN ANSWER TO THIS NOTICE WITHIN 20 DAYS AFTER SERVICE, OR IF YOU FAIL TO APPEAR AT THE STATE BAR COURT TRIAL:

- (1) YOUR DEFAULT WILL BE ENTERED;**
- (2) YOUR STATUS WILL BE CHANGED TO INACTIVE AND YOU WILL NOT BE PERMITTED TO PRACTICE LAW;**
- (3) YOU WILL NOT BE PERMITTED TO PARTICIPATE FURTHER IN THESE PROCEEDINGS UNLESS YOU MAKE A TIMELY MOTION AND THE DEFAULT IS SET ASIDE, AND;**
- (4) YOU SHALL BE SUBJECT TO ADDITIONAL DISCIPLINE. SPECIFICALLY, IF YOU FAIL TO TIMELY MOVE TO SET ASIDE**

1 **OR VACATE YOUR DEFAULT, THIS COURT WILL ENTER AN**
2 **ORDER RECOMMENDING YOUR DISBARMENT WITHOUT**
3 **FURTHER HEARING OR PROCEEDING. SEE RULE 5.80 ET SEQ.,**
4 **RULES OF PROCEDURE OF THE STATE BAR OF CALIFORNIA.**

5 The State Bar of California alleges:

6 **JURISDICTION**

7 1. Respondent Chance Edward Gordon was admitted to the practice of law in the
8 State of California on December 7, 1998, was a member at all times pertinent to these charges,
9 and is currently a member of the State Bar of California.

10 **COUNT ONE**

11 **Case No. 10-O-5509**
12 **Business and Professions Code section 6106**
13 **[Moral Turpitude – Misappropriation]**

14 2. Respondent wilfully violated Business and Professions Code section 6106, by
15 committing an act involving moral turpitude, dishonesty or corruption, as follows:

16 3. At all times relevant in this Notice of Disciplinary Charges, Respondent
17 maintained a client trust account Bank of America, Account Number 16649-61XXX¹
18 (“Respondent’s Bank of America client trust account”).

19 4. On April 20, 2009, check no. 1088 from Respondent’s Bank of America client
20 trust account in the amount of \$1,100 was presented for payment. Check no. 1088 was returned
21 as written against insufficient funds and Respondent’s Bank of America client trust account was
22 assessed an overdraft fee of \$35. The balance in Respondent’s account at the time check no.
23 1088 was presented the first time was \$730.36.

24 5. On April 21, 2009, check no. 1088 was presented for payment a second time.
25 Check no. 1088 was again returned as written against insufficient funds and Respondent’s Bank
26 of America client trust account was assessed an overdraft fee of \$35. The balance in
27 Respondent’s account the second time check no. 1088 was presented for payment was \$695.36.

28 ¹ The last three digits of the account number of Respondent’s client trust account have been redacted for
 privacy considerations.

1 58. On August 26, 2010, the new owner of the Valdepenas' home filed an unlawful
2 detainer action against the Valdepenas. The Valdepenas provided the unlawful detainer
3 complaint to Respondent to file an answer on their behalf.

4 59. The time period to file an answer was only five days in the unlawful detainer
5 action.

6 60. Respondent failed to file an answer in the unlawful detainer action.

7 61. The plaintiff in the unlawful detainer action was able to proceed by default.

8 62. Despite receiving notice of the default in the unlawful detainer action from the
9 Valdepenas, Respondent did nothing to set aside the default or file a late answer before the
10 judgment was entered against the Valdepenas.

11 63. The court entered judgment against the Valdepenas in the unlawful detainer
12 action on October 18, 2010. The court issued a lock out order in the first part of November
13 2010.

14 64. On November 23, 2010, Respondent filed an *ex parte* application to vacate the
15 default judgment, claiming excusable neglect. The court denied Respondent's *ex parte*
16 application in the unlawful detainer action.

17 **District Court Action**

18 65. On August 23, 2010, Respondent filed a District Court complaint naming the
19 Valdepenas and several other unrelated plaintiffs in a lawsuit against Chase and unrelated
20 lenders (the "District Court action"). At the time Respondent filed the complaint, he received
21 the court's scheduling order.

22 66. On October 18, 2010 the court issued a notice re Respondent's failure to e-file
23 the complaint in the District Court action pursuant to court rules.

24 67. On February 9, 2011, Respondent filed a motion to appear at the case
25 management conference by phone in the District Court action, which was granted.

26 68. The court's scheduling order required Respondent to file a joint case
27 management statement ten days before the case management conference in the District Court
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1 action. Respondent failed to comply with the court's scheduling order by failing to file a joint
2 case management statement.

3 69. At the March 2, 2011 case management conference in the District Court action,
4 Respondent was ordered to serve all the defendants within forty-five days and to file a joint case
5 management statement ten days before the next case management conference set for May 25,
6 2011. Respondent received notice of the March 2, 2011 order.

7 70. Respondent failed to file a joint case management statement in advance of the
8 May 25, 2011 case management conference in the District Court action. The court continued
9 the case management conference to July 7, 2011 and specifically ordered Respondent to meet
10 and confer re the preparation of a joint case management statement and to certify that he had
11 served the defendants. Respondent received notice of the May 25, 2011 order.

12 71. In advance of the July 7, 2011 case management conference, Respondent failed
13 to comply with the order to file a joint case management statement and certify that he had
14 served the defendants. Accordingly, on June 30, 2011, the court dismissed the District Court
15 action.

16 72. Respondent received notice of the order dismissing the District Court action.
17 Respondent took no steps to reinstate the District Court action.

18 **State Court Action**

19 73. On January 27, 2011, Respondent filed a six page verified complaint against the
20 Federal National Mortgage Insurance Association (Fannie Mae) in state court on behalf of the
21 Valdepenas (the "state court action").

22 74. On June 7, 2011, at the case management conference in the state court action,
23 Respondent told the court that a lawsuit filed in federal court in Northern California was related
24 to the state court action, and that he would be consolidating the state court action with the
25 related lawsuit in federal court in Northern California. The court continued the case
26 management conference to August 10, 2011 and set that date for a hearing on an order to show
27 cause re service/answer/default.

1 75. At the August 10, 2011 order to show cause hearing, Respondent represented to
2 the court that the summons and complaint were out for service on Fannie Mae. The court
3 continued the hearing to September 29, 2011, along with the order to show cause.

4 76. At the September 29, 2011 order to show cause hearing, Respondent appeared
5 and told the court he was having trouble determining the agent for process for Fannie Mae. The
6 court continued the hearing and order to show cause to November 4, 2011.

7 77. At the November 4, 2011 order to show cause hearing, Respondent failed to
8 appear.

9 78. The court set a hearing on an order to show cause re dismissal for December 21,
10 2011. Respondent received notice of the November 4, 2011 order.

11 79. At the December 21, 2011 hearing, Respondent appeared and told the court he
12 was filing a motion to be relieved as counsel. At that point, Respondent had not notified the
13 Valdepenas he would be seeking to be relieved as their attorney.

14 80. On March 8, 2012, Respondent filed a motion to be relieved as the Valdepenas'
15 counsel. At the hearing on April 6, 2012, the court denied Respondent's motion to be relieved
16 as counsel. Up to that point, Respondent had still not effected service of the complaint on
17 Fannie Mae.

18 81. By failing to file an answer in the unlawful detainer action and allowing the
19 plaintiff to proceed in default, by failing to e-file the complaint in District Court, by failing to
20 obey a court order to file a joint case management statement and certify that he had served the
21 defendants, leading to dismissal of the District Court action, and by failing to serve the
22 complaint against Fannie Mae in the state court action, Respondent intentionally, recklessly, or
23 repeatedly failed to perform legal services with competence.

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COUNT NINE

**Case No. 11-O-18827
Rule of Professional Conduct 3-700(A)(2)
[Improper Withdrawal from Employment]**

82. Respondent wilfully violated Rule of Professional Conduct 3-700(A)(2), by failing, upon attempted termination of employment, to take reasonable steps to avoid reasonably foreseeable prejudice to his client, as follows:

83. The State Bar incorporates the allegations of Count Eight as though fully set forth at length.

84. By filing the motion to be relieved as counsel before serving Fannie Mae, and failing to take any steps to prosecute the state court action prior to filing the motion to be relieved as counsel, Respondent failed, upon termination of employment, to take reasonable steps to avoid reasonably foreseeable prejudice to his client.

COUNT TEN

**Case No. 11-O-18827
Business and Professions Code section 6068(m)
[Failure to Respond to Client Inquiries]**

85. Respondent wilfully violated Business and Professions Code section 6068(m), by failing to respond promptly to reasonable status inquiries of a client in a matter in which Respondent had agreed to provide legal services, as follows:

86. The State Bar incorporates the allegations of Counts Eight and Nine as though fully set forth at length.

87. During the time the Valdepenas employed Respondent, from later summer 2010 until early 2012, when they received notice of Respondent's motion to be relieved as counsel, the Valdepenas repeatedly called Respondent and left detailed messages requesting a status report on their legal matter.

88. During the same time period, the Valdepenas sent multiple emails requesting a status report on their legal matter.

1 lawyer, or a person the lawyer is assisting, is authorized by law or order to appear in such
2 proceeding or reasonably expects to be so authorized; (3) are in or reasonably related to a
3 pending or potential arbitration, mediation, or other alternative dispute resolution proceeding in
4 this or another jurisdiction, if the services arise out of or are reasonably related to the lawyer's
5 practice in a jurisdiction in which the lawyer is admitted to practice and are not services for
6 which the forum requires pro hac vice admission; or (4) are not within paragraphs (c)(2) or
7 (c)(3) and arise out of or are reasonably related to the lawyer's practice in a jurisdiction in which
8 the lawyer is admitted to practice. (d) A lawyer admitted in another United States jurisdiction,
9 and not disbarred or suspended from practice in any jurisdiction, may provide legal services in
10 this jurisdiction that: (1) are provided to the lawyer's employer or its organizational affiliates
11 and are not services for which the forum requires pro hac vice admission; or (2) are services that
12 the lawyer is authorized to provide by federal law or other law of this jurisdiction.”

13 94. Respondent is not now, nor has ever been, licensed to practice law in the State of
14 Illinois.

15 95. Respondent continued to represent Burchert throughout 2010 and 2011.

16 96. While representing Burchert to secure the loan modifications on his behalf,
17 Respondent prepared two draft civil complaints to be filed on Burchert's behalf in Cook County
18 Superior Court against Burchert's lenders.

19 97. The preparation of the draft civil complaints constitutes the practice of law in the
20 State of Illinois.

21 98. By preparing the two draft civil complaints to be filed in Cook County Superior
22 Court, Respondent practiced law in a jurisdiction where practicing is in violation of the
23 regulations of the profession in that jurisdiction.

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COUNT TWELVE

**Case No. 12-O-10074
Rule of Professional Conduct 4-200(A)
[Illegal Fee]**

99. Respondent wilfully violated Rule of Professional Conduct 4-200(A), by entering into an agreement for, charging, or collecting an illegal fee, as follows:

100. The State Bar incorporates the allegations of Count Eleven as though fully set forth at length.

101. Respondent was not authorized to charge or collect legal fees for preparing the draft civil complaints to be filed in Cook County Superior Court.

102. By charging and collecting an illegal fee from Burchert, Respondent entered into an agreement for, charged, or collected an illegal fee.

COUNT THIRTEEN

**Case No. 12-O-10539
Rule of Professional Conduct 1-300(B)
[Unauthorized Practice of Law in Another Jurisdiction]**

103. Respondent wilfully violated Rule of Professional Conduct 1-300(B), by practicing law in a jurisdiction where practicing is in violation of the regulations of the profession in that jurisdiction, as follows:

104. In June 2010, James Wall retained Respondent for loan modification services. Wall paid Respondent \$2,500 for loan modification services.

105. Wall is a resident of North Carolina and his residence, which is the subject property, is located in High Point, North Carolina.

106. North Carolina State Bar Rules, Ch. 2, rule 5.5, states that "(a) A lawyer shall not practice law in a jurisdiction where doing so violates the regulation of the legal profession in that jurisdiction. (b) A lawyer who is not admitted to practice in this jurisdiction shall not: (1) except as authorized by these Rules or other law, establish an office or other systematic and continuous presence in this jurisdiction for the practice of law; or (2) hold out to the public or otherwise represent that the lawyer is admitted to practice law in this jurisdiction. (c) A lawyer

1 admitted to practice in another jurisdiction, but not in this jurisdiction, does not engage in the
2 unauthorized practice of law in this jurisdiction if the lawyer's conduct is in accordance with
3 these Rules and: (1) the lawyer is authorized by law or order to appear before a tribunal or
4 administrative agency in this jurisdiction or is preparing for a potential proceeding or hearing in
5 which the lawyer reasonably expects to be so authorized; or (2) other than engaging in conduct
6 governed by paragraph (1); (A) the lawyer provides legal services to the lawyer's employer or
7 its organizational affiliates and the services are not services for which pro hac vice admission is
8 required; a lawyer acting pursuant to this paragraph is not subject to the prohibition in
9 Paragraph (b)(1); (B) the lawyer acts with respect to a matter that arises out of or is otherwise
10 reasonably related to the lawyer's representation of a client in a jurisdiction in which the lawyer
11 is admitted to practice; (C) the lawyer acts with respect to a matter that is in or is reasonably
12 related to a pending or potential arbitration, mediation, or other alternative dispute resolution
13 proceeding in this or another jurisdiction, if the services arise out of or are reasonably related to
14 the lawyer's representation of a client in a jurisdiction in which the lawyer is admitted to
15 practice and are not services for which pro hac vice admission is required; (D) the lawyer is
16 associated in the matter with a lawyer admitted to practice in this jurisdiction who actively
17 participates in the representation; or (E) the lawyer is providing services limited to federal law,
18 international law, the law of a foreign jurisdiction or the law of the jurisdiction in which the
19 lawyer is admitted to practice. (F) the lawyer is the subject of a pending application for
20 admission to the North Carolina State Bar by comity, having never previously been denied
21 admission to the North Carolina State Bar for any reason, and (i) is licensed to practice law in
22 a state with which North Carolina has comity in regard to admission to practice law; (ii) is a
23 member in good standing in every jurisdiction in which the lawyer is licensed to practice law;
24 (iii) has satisfied the educational and experiential requirements prerequisite to comity admission
25 to the North Carolina State Bar; (iv) is domiciled in North Carolina; (v) has established a
26 professional relationship with a North Carolina law firm and is actively supervised by at least
27 one licensed North Carolina attorney affiliated with that law firm; and (vi) gives written notice
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1 to the secretary of the North Carolina State Bar that the lawyer intends to begin the practice of
2 law pursuant to this provision, provides the secretary with a copy of the lawyer's application for
3 admission to the State Bar, and agrees that the lawyer is subject to these rules and the
4 disciplinary jurisdiction of the North Carolina State Bar. A lawyer acting pursuant to this
5 provision is not subject to the prohibition in Paragraph (b) (1), may not provide services for
6 which *pro hac vice* admission is required, and shall be ineligible to practice law in this
7 jurisdiction immediately upon being advised that the lawyer's application for comity admission
8 has been denied. (d) A lawyer shall not assist a another person in the unauthorized practice of
9 law. (e) A lawyer or law firm shall not employ a disbarred or suspended lawyer as a law clerk
10 or legal assistant if that individual was associated with such lawyer or law firm at any time on or
11 after the date of the acts which resulted in disbarment or suspension through and including the
12 effective date of disbarment or suspension. (f) A lawyer or law firm employing a disbarred or
13 suspended lawyer as a law clerk or legal assistant shall not represent any client represented by
14 the disbarred or suspended lawyer or by any lawyer with whom the disbarred or suspended
15 lawyer practiced during the period on or after the date of the acts which resulted in disbarment
16 or suspension through and including the effective date of disbarment or suspension.”

17 107. Respondent is not now, nor has ever he been, admitted to practice law in the
18 State of North Carolina.

19 108. Respondent violated North Carolina law by providing a legal analysis of Wall's
20 mortgage loan.

21 109. By providing a legal analysis regarding Wall's mortgage loan, Respondent
22 practiced law in a jurisdiction where practicing is in violation of the regulations of the
23 profession in that jurisdiction.

1 118. One set of defendants in the matter filed a demurrer to be heard on February 10,
2 2010. Respondent received the demurrer which was properly served by the defendants who
3 filed it.

4 119. Respondent secured a stipulation to continue the previously scheduled case
5 management conference to May 27, 2010 in the state court action.

6 120. One set of defendants filed a motion for judgment on the pleadings on May 14,
7 2010. Respondent received the motion for judgment on the pleadings, which was properly
8 served by the defendants who filed it.

9 121. On May 27, 2010, the court held the case management conference and the
10 hearing on the demurrer and motion for judgment on the pleadings. That day, Respondent filed
11 a first amended complaint. The case management conference was continued to October 4,
12 2010. Respondent was present and received actual notice of the October 4, 2010 hearing date.

13 122. On June 2, 2010, Respondent filed another *ex parte* application for a temporary
14 restraining order staying execution of a writ of possession. The *ex parte* application was
15 denied.

16 123. On June 9, 2010, one set of defendants led by Premier Escrow, filed motions to
17 compel production of documents, form interrogatory responses, special interrogatory responses,
18 and to establish admissions. The defendants had previously served Respondent with the
19 discovery, but despite his receipt of the discovery, Respondent failed to timely respond to the
20 discovery.

21 124. On June 25, 2010, another defendant, Rodeo Realty, filed a series of similar
22 motions to compel discovery. Respondent had received the discovery served by Rodeo Realty,
23 but failed to timely provide responses to the discovery.

24 125. Contemporaneously, the defendants filed motions to strike, a motion for
25 judgment on the pleadings and demurrers to the first amended complaint, which were properly
26 served on Respondent. Respondent received the motions to strike and the demurrers.

1 126. On July 15, 2010, the various discovery motions of the set of defendants led by
2 Premier Escrow came on for hearing. Respondent filed no oppositions to any of the discovery
3 motions. Respondent failed to provide belated discovery responses to the defendants. The
4 court granted the motion deeming the admissions admitted and imposed sanctions in the amount
5 of \$1,000 against the Gonzalezes.

6 127. On August 12, 2010, at the hearing on the motion of one set of the defendants for
7 judgment on the pleadings, the court granted the motion. Respondent failed to file any
8 opposition to the motion, despite his receipt of the motion.

9 128. On August 25, 2010, the court entered an order dismissing the entire matter as to
10 defendant One West Bank.

11 129. On August 30, 2010, Rodeo Realty's discovery motions came on for hearing.
12 Respondent filed no oppositions. The court imposed sanctions against the Gonzalezes in the
13 amount of \$1,500.

14 130. On October 1, 2010, Respondent filed an *ex parte* application for an order
15 continuing the demurrer hearings. The application was denied.

16 131. On October 4, 2010, Respondent failed to appear at the hearing on the demurrers,
17 despite having received notice of the hearing. The court granted the demurrers to all counts but
18 one count, involving one defendant. That day, the state court issued an order to show cause re
19 sanctions and dismissal for failure to comply with court orders regarding discovery.
20 Respondent received the order to show cause.

21 132. On October 5, 2010, Rodeo Realty filed a motion to dismiss for disobedience of
22 a court order or in the alternative, for sanctions of \$1,426. Respondent received the motion to
23 dismiss, but failed to file any opposition.

24 133. The defendants filed a series of requests for dismissal which Respondent did not
25 oppose.

26 134. On October 29, 2010, Respondent filed a request to dismiss the entire action
27 without prejudice.

1 135. The filing of the request for dismissal by Respondent did not prevent the state
2 court from entering judgment against the Gonzalezes for the amount of sanctions imposed
3 against them.

4 136. On January 3, 2011, the court entered judgment against the Gonzalezes for the
5 amount of sanctions imposed against them.

6 **District Court Action**

7 137. On March 2, 2011, Respondent filed a lawsuit on behalf of the Gonzalezes
8 against their lenders in U.S District Court (the "District Court action"). In the complaint,
9 Respondent alleged Racketeer Influenced and Corrupt Organizations Act ("RICO") violations.
10 Respondent did not e-file the complaint as required by court rules.

11 138. On March 3, 2011, the District Court issued a standing order which was properly
12 served on Respondent. Respondent received the standing order, which provided rules for
13 Respondent to follow in prosecuting the District Court action.

14 139. On March 10, 2011, the District Court issued an order requiring Respondent to
15 file a RICO statement by March 17, 2011. Respondent received the March 10, 2011 order.

16 140. On both March 10, 2011 and March 16, 2011, the District Court issued orders
17 reminding Respondent that all documents had to be e-filed pursuant to court rules. Respondent
18 received the orders dated March 10, 2011 and March 16, 2011.

19 141. On March 17, 2011, Respondent filed a RICO statement, but failed to e-file the
20 statement as required by court rules.

21 142. On May 9, 2011, the District Court issued an order to show cause regarding
22 Respondent's failure to comply with the March 3, 2011 standing order and the orders to file
23 documents by e-filing. Respondent was ordered to appear in person on May 23, 2011 regarding
24 why sanctions should not be imposed against him for failing to comply with court rules and
25 orders. Respondent was ordered to file a written response to the order to show cause by May
26 16, 2011. Respondent received the May 9, 2011 order and responded to the order to show
27 cause.

1 143. On August 16, 2011, the District Court discharged the order to show cause and
2 vacated the order to show cause hearing.

3 144. On September 23, 2011, the District Court issued an order to show cause re
4 dismissal for lack of prosecution. Respondent was ordered to show cause in writing by
5 September 29, 2011 as to why the matter should not be dismissed. Respondent was directed to
6 serve the proof of service of the summons and complaint by September 29, 2011. Respondent
7 received the September 23, 2011 order.

8 145. On September 29, 2011, Respondent filed a declaration in response to the order
9 to show cause, requesting more time to file the proof of service. The request for an extension of
10 time to file the proof of service was granted. Respondent still failed to file the proof of service
11 by the extended deadline.

12 146. On November 14, 2011, the District Court dismissed the case in its entirety since
13 Respondent failed to file the proof of service even after obtaining an extension of time.
14 Respondent received the November 14, 2011 dismissal order.

15 147. Despite his receipt of the November 14, 2011 dismissal order, Respondent failed
16 to take any steps to reinstate the District Court action on behalf of the Gonzalezes.

17 148. By failing in the Gonzalez legal matters to file any oppositions to the various
18 demurrers, motions to strike, motions for judgment on the pleadings and discovery motions
19 filed and properly served by the defendants in the state court action, by failing to respond to the
20 discovery properly served on Respondent in the state court action, failing to comply with the
21 court's orders in the District Court action, failing to serve the District Court action and failing to
22 take steps to reinstate the District Court action after the dismissal, Respondent intentionally,
23 recklessly, or repeatedly failed to perform legal services with competence.
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COUNT SIXTEEN

**Case No. 12-O-10634
Rule of Professional Conduct 3-700(A)(2)
[Improper Withdrawal from Employment]**

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149. Respondent wilfully violated Rule of Professional Conduct 3-700(A)(2), by failing, upon termination of employment, to take reasonable steps to avoid reasonably foreseeable prejudice to his client, as follows:

150. The State Bar incorporates the allegations of Count Fifteen as though fully set forth at length.

151. By failing to file the proof of service leading to the dismissal of the District Court action and failing to take any further action to reinstate the District Court action after the dismissal, Respondent failed, upon termination of employment, to take reasonable steps to avoid reasonably foreseeable prejudice to his client.

COUNT SEVENTEEN

**Case No. 12-O-10634
Business and Professions Code section 6068(m)
[Failure to Respond to Client Inquiries]**

152. Respondent wilfully violated Business and Professions Code section 6068(m), by failing to respond promptly to reasonable status inquiries of a client in a matter in which Respondent had agreed to provide legal services, as follows:

153. The State Bar incorporates the allegations of Counts Fifteen and Sixteen as though fully set forth at length.

154. During Respondent's representation of the Gonzalezes in their legal matters, the Gonzalezes made multiple phone calls to Respondent's office, and left detailed messages requesting a status report on their legal matters.

155. Despite his receipt of the messages from the Gonzalezes, Respondent did not respond to the Gonzalezes or otherwise communicate with the clients concerning the status of their legal matter.

1 *Florida Bar v. Gordon*, 661 So.2d 295, 296 (Fla. 1995), and “sending correspondence as the
2 representative of a client regarding legal matters,” *Id.* at 296.

3 163. Respondent is not, and never has been, admitted in the State of Florida.

4 164. By representing Senat, a Florida resident, in a matter involving loan modification
5 services for a Florida property, Respondent practiced law in a jurisdiction where practicing is in
6 violation of the regulations of the profession in that jurisdiction.

7 **COUNT NINETEEN**

8 **Case No. 12-O-10940**
9 **Rule of Professional Conduct 4-200(A)**
[Illegal Fee]

10 165. Respondent wilfully violated Rule of Professional Conduct 4-200(A), by
11 entering into an agreement for, charging, or collecting an illegal fee, as follows:

12 166. The State Bar incorporates the allegations of Count Eighteen as though fully set
13 forth at length.

14 167. Respondent was not authorized to charge or collect legal fees for the loan
15 modification work he performed for Senat in Florida.

16 168. By charging and collecting an illegal fee from Senat, Respondent entered into an
17 agreement for, charged, or collected an illegal fee.

18 **COUNT TWENTY**

19 **Case No. 12-O-11881**
20 **Rule of Professional Conduct 1-400(D)(2)**
[False Advertising]

21 169. Respondent wilfully violated Rule of Professional Conduct 1-400(D)(2), by
22 sending a communication or solicitation that contains matter which is false, deceptive, or which
23 tends to confuse, deceive, or mislead the public, as follows:

24 170. At all times relevant herein, until at least May 2012, when the website was
25 disabled, Respondent operated a website located on the internet at <http://resourcelawcenter.com>
26 (the “website”).

27 171. Respondent is the owner of the website’s domain name.

1 172. The website claims on its home page that Resource Law Center is California
2 SB94 and M.A.R.S. Rule compliant. This claim is false. Resource Law Center is not compliant
3 with either Business and Professions Code section 6106.3 (SB 94) or the M.A.R.S. Rule.

4 173. The website further claims that Resource Law Center provides nationwide real
5 estate legal services, when Respondent is only admitted in California, and many jurisdictions
6 require individuals providing loan modification services to be admitted in their state.

7 174. The website identifies 42 lenders on its client results page from which
8 Respondent claims Resource Law Center successfully obtained loan modifications.
9 Respondent's claim to have successfully negotiated loan modifications with all 42 lenders is
10 false.

11 175. By operating the website which contains multiple materially false
12 representations, Respondent sent a communication or solicitation which contains matter which
13 is false, deceptive, or which tends to confuse, deceive, or mislead the public.

14 **COUNT TWENTY ONE**

15 **Case No. 12-O-11881**
16 **Rule of Professional Conduct 1-400(D)(3)**
17 **[False Advertising – Failure to State Name**
18 **of Member Responsible for Communication]**

19 176. Respondent wilfully violated Rule of Professional Conduct 1-400(D)(3), by
20 sending a communication or solicitation which omits to state any fact necessary to make the
21 statements made, in the light of circumstances under which they are made, not misleading to the
22 public, as follows:

23 177. The State Bar incorporates the allegations of Count Twenty as though fully set
24 forth at length.

25 178. The website does not identify the member responsible for the website.
26 Respondent is the member responsible for the website.

27 179. By failing to state that Respondent is the member responsible for the website,
28 Respondent sent a communication or solicitation which omits to state a fact necessary to make

1 the statements made, in light of circumstances under which they are made, not misleading to the
2 public.

3 **COUNT TWENTY TWO**

4 **Case No. 12-O-12061**
5 **Rule of Professional Conduct 1-400(D)(2)**
6 **[False Advertising]**

7 180. Respondent wilfully violated Rule of Professional Conduct 1-400(D)(2), by
8 sending a communication or solicitation that contains matter which is false, deceptive, or which
9 tends to confuse, deceive, or mislead the public, as follows:

10 181. In July 2011, Baudelia Gonzalez received a post card from Respondent identified
11 as a Notice of HUD Rights, which used the official logo of HUD, the United States Department
12 of Housing and Urban Development. The post card provided an address in Washington D.C. as
13 a return address.

14 182. The post card implied that the mailing disseminated from HUD, was at minimum
15 approved by HUD, or that there was a relationship between Respondent and HUD.

16 183. HUD did not approve of Respondent's mailing the post card solicitation to
17 prospective clients, like Gonzalez. There was never any relationship between Respondent and
18 HUD.

19 184. By sending the post card to Gonzalez which contains materially false
20 representations and implies that HUD approves of the solicitation, or that there was a
21 relationship between Respondent and HUD, Respondent sent a communication or solicitation
22 which contains matter which is false, deceptive, or which tends to confuse, deceive, or mislead
23 the public.

24 **COUNT TWENTY THREE**

25 **Case No. 12-O-12061**
26 **Rule of Professional Conduct 3-700(D)(2)**
27 **[Failure to Refund Unearned Fees]**

28 185. Respondent wilfully violated Rule of Professional Conduct 3-700(D)(2), by
failing to refund promptly any part of a fee paid in advance that has not been earned, as follows:

1 186. The State Bar incorporates the allegations of Count Twenty Two as though fully
2 set forth at length.

3 187. Gonzalez responded to the post card solicitation and telephoned the number
4 listed on the post card to seek assistance for mortgage relief services.

5 188. The telephone number was answered by Respondent's Los Angeles law office.

6 189. In July 2011, Gonzalez hired Respondent and paid \$1,100 in advanced attorney
7 fees.

8 190. Gonzalez terminated Respondent in August 2011. At the time she terminated
9 Respondent, Gonzalez requested her file and a refund.

10 191. Respondent received Gonzalez' request for her file and for a full refund.

11 192. On August 24, 2011, Gonzalez went to a legal aid attorney who made repeated
12 requests on behalf of Gonzalez to Respondent for the return of Gonzalez' file, an itemization of
13 Respondent's time spent on the case, and a refund of any unearned fees.

14 193. Respondent received the additional requests for a refund and return of the file
15 from the legal aid attorney made on Gonzalez' behalf.

16 194. Respondent provided no legal services of value to Gonzalez.

17 195. To date, Gonzalez has not received a refund of unearned advanced attorney fees
18 from Respondent.

19 196. By failing to provide a refund of unearned advanced fees to Gonzalez after
20 receiving repeated requests, Respondent failed to refund promptly any part of a fee paid in
21 advance that has not been earned.

22 **COUNT TWENTY FOUR**

23 **Case No. 12-O-12061**

24 **Rule of Professional Conduct 4-100(B)(3)**
25 **[Failure to Render Accounts of Client Funds]**

26 197. Respondent wilfully violated Rule of Professional Conduct 4-100(B)(3), by
27 failing to render appropriate accounts to a client regarding all funds coming into Respondent's
28 possession, as follows:

1 198. The State Bar incorporates the allegations of Counts Twenty Two and Twenty
2 Three as though fully set forth at length.

3 199. Despite his receipt of the requests for an accounting from the legal aid attorney
4 on behalf of Gonzalez, Respondent has not provided any accounting to Gonzalez to date.

5 200. By failing to provide an accounting for work performed for Gonzalez after
6 receiving multiple requests, Respondent failed to render appropriate accounts to a client
7 regarding all funds coming into Respondent's possession.

8 **COUNT TWENTY FIVE**

9 **Case No. 12-O-12061**
10 **Rule of Professional Conduct 3-700(D)(1)**
11 **[Failure to Release File]**

12 201. Respondent wilfully violated Rule of Professional Conduct 3-700(D)(1), by
13 failing to release promptly, upon termination of employment, to the client, at the request of the
14 client, all the client papers and property, as follows:

15 202. The State Bar incorporates the allegations of Counts Twenty Two, Twenty Three
16 and Twenty Four as though fully set forth at length.

17 203. Despite his receipt of the requests for return of Gonzalez' file from the legal aid
18 attorney on behalf of Gonzalez, Respondent has not returned the file to Gonzalez to date.

19 204. By failing to return Gonzalez's file after repeated requests, Respondent failed to
20 release promptly, upon termination of employment, to the client, at the request of the client, all
21 the client papers and property.

22 **COUNT TWENTY SIX**

23 **Case No. 12-O-12422**
24 **Rule of Professional Conduct 3-110(A)**
25 **[Failure to Perform with Competence]**

26 205. Respondent wilfully violated Rule of Professional Conduct 3-110(A), by
27 intentionally, recklessly, or repeatedly failing to perform legal services with competence, as
28 follows:

1 206. In February 2010, Salvatore J. Arena hired Respondent for mortgage relief
2 services and paid \$3,000 in advanced attorney fees.

3 207. Arena was instructed to cease communicating with his lender, IndyMac, since
4 Respondent's office would be handling all aspects of the loan modification process.

5 208. Beginning in March 2010 and continuing through June 2011, Arena was in
6 constant email contact with representatives of Respondent's office. Respondent's office
7 repeatedly requested that Arena provide documentation that he had previously provided to
8 Respondent.

9 209. In May 2011, Respondent's staff contacted Arena explaining that Arena needed
10 to show an increase in Arena's monthly income by \$1,400 a month in order to qualify for a
11 modification. Respondent's office staff suggested that Arena take on a tenant to increase
12 Arena's income. Arena did not take on a tenant in response to this suggestion.

13 210. On June 1, 2011, Arena contacted Respondent's office because he was receiving
14 inquiries from IndyMac about his mortgage and Arena was concerned his matter was not being
15 handled properly. Arena was instructed not to communicate directly with IndyMac and that all
16 communications with his lender should be made through Respondent only.

17 211. On June 9, 2011, Arena attended a NACA convention being held in Los Angeles
18 and met with representatives of IndyMac to discuss his pending loan modification application.

19 212. At the conference, Arena learned that Respondent submitted a false room rental
20 agreement on Arena's behalf in support of Arena's application. The agreement detailed a \$700
21 a month room rental agreement from tenant Donald Green. At the time, Arena did not have a
22 tenant and was not receiving \$700 a month in rent. Arena did not know any Donald Green.
23 The agreement submitted by Respondent to IndyMac appeared to have Arena's signature, but
24 Arena never signed the agreement submitted by Respondent to his lender.

25 213. On June 9, 2011, Arena terminated Respondent's legal representation and
26 requested a refund.

1 monthly payment of \$11,738.55 (up from the former monthly payments of \$4,214.25) with a
2 down payment of \$12,000 due by August 9, 2011 from Robinson to start a trial loan
3 modification period.

4 223. At the time Respondent negotiated the workout agreement, he did not secure
5 Robinson's consent to the terms.

6 224. Robinson did not agree to the workout agreement, as the payments more than
7 doubled, and she was unable to pay the down payment for the trial loan modification.
8 Moreover, Respondent's workout agreement did not secure any reduction in the interest rate on
9 Robinson's mortgage loan.

10 225. Robinson contacted Respondent's office after receiving the workout agreement,
11 and told the office that she did not agree to the workout agreement.

12 226. Respondent prepared a draft civil complaint on behalf of Robinson, which was
13 not filed in any court.

14 227. On September 1, 2011, Robinson received a foreclosure notice from her lender.
15 She repeatedly emailed Respondent's office for a status report on her legal matter.

16 228. Robinson made multiple telephone calls and sent multiple emails requesting a
17 status report on her legal matter.

18 229. Despite his receipt of the multiple messages from Robinson, Respondent did not
19 respond to Robinson or otherwise communicate with Robinson to provide her with a status
20 report on her legal matter.

21 230. By failing to obtain Robinson's consent to the workout agreement before
22 negotiating the agreement with her lender, and by preparing the draft civil complaint, but then
23 undertaking no further action on Robinson's legal matter, Respondent intentionally, recklessly,
24 or repeatedly failed to perform legal services with competence.

COUNT TWENTY NINE

**Case No. 12-O-13166
Business and Professions Code section 6068(m)
[Failure to Respond to Client Inquiries]**

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231. Respondent wilfully violated Business and Professions Code section 6068(m), by failing to respond promptly to reasonable status inquiries of a client in a matter in which Respondent had agreed to provide legal services, as follows:

232. The State Bar incorporates the allegations of Count Twenty Eight as though fully set forth at length.

233. Respondent failed to respond to the multiple requests from Robinson for a status report on her legal matter.

234. By failing to respond to the numerous phone messages and emails from Robinson seeking a status report on her legal matter, Respondent failed to respond promptly to reasonable status inquiries of a client in a matter in which Respondent had agreed to provide legal services.

COUNT THIRTY

**Case No. 12-O-13268
Rule of Professional Conduct 1-320(B)
[Compensating Person for Employment Referral]**

235. Respondent willfully violated Rule of Professional Conduct 1-320(B), by compensating, giving, or promising something of value to a person or entity for the purpose of recommending or securing employment of Respondent or Respondent's law firm by a client or as a reward for having made a recommendation resulting in such employment, as follows:

236. The State Bar incorporates the allegations of Count Twenty Six as though fully set forth at length.

237. On February 18, 2010, Arena received a welcome package email from Respondent detailing the services that Respondent would provide.

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NOTICE - COST ASSESSMENT!

IN THE EVENT THESE PROCEDURES RESULT IN PUBLIC DISCIPLINE, YOU MAY BE SUBJECT TO THE PAYMENT OF COSTS INCURRED BY THE STATE BAR IN THE INVESTIGATION, HEARING AND REVIEW OF THIS MATTER PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 6086.10.

Respectfully submitted,

THE STATE BAR OF CALIFORNIA
OFFICE OF THE CHIEF TRIAL COUNSEL

DATED: September 21, 2012

By: 
Erin McKeown Joyce
ACTING SENIOR TRIAL COUNSEL

THE STATE BAR OF CALIFORNIA
OFFICE OF THE CHIEF TRIAL COUNSEL

DATED: September 21, 2012

By: 
Sean Beckley
DEPUTY TRIAL COUNSEL

DECLARATION OF SERVICE

by

U.S. FIRST-CLASS MAIL / U.S. CERTIFIED MAIL / OVERNIGHT DELIVERY / FACSIMILE-ELECTRONIC TRANSMISSION

CASE NUMBER(s): 10-O-05509, et al.

I, the undersigned, am over the age of eighteen (18) years and not a party to the within action, whose business address and place of employment is the State Bar of California, 1149 South Hill Street, Los Angeles, California 90015, declare that:

- on the date shown below, I caused to be served a true copy of the within document described as follows:

NOTICE OF DISCIPLINARY CHARGES

- By U.S. First-Class Mail: (CCP §§ 1013 and 1013(a))
By U.S. Certified Mail: (CCP §§ 1013 and 1013(a))
By Overnight Delivery: (CCP §§ 1013(c) and 1013(d))
By Fax Transmission: (CCP §§ 1013(e) and 1013(f))
By Electronic Service: (CCP § 1010.6)

(for U.S. First-Class Mail) in a sealed envelope placed for collection and mailing at Los Angeles, addressed to: (see below)
(for Certified Mail) in a sealed envelope placed for collection and mailing as certified mail, return receipt requested,
Article No.: 71969008911104423551 at Los Angeles, addressed to: (see below)
71969008911104423568

(for Overnight Delivery) together with a copy of this declaration, in an envelope, or package designated by UPS,
Tracking No.: addressed to: (see below)

Table with 4 columns: Person Served, Business-Residential Address, Fax Number, and Courtesy Copy to. Contains address information for CHANCE GORDON and ARTHUR MARGOLIS.

via inter-office mail regularly processed and maintained by the State Bar of California addressed to:

N/A

I am readily familiar with the State Bar of California's practice for collection and processing of correspondence for mailing with the United States Postal Service, and overnight delivery by the United Parcel Service (UPS).

I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date on the envelope or package is more than one day after date of deposit for mailing contained in the affidavit.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed at Los Angeles, California, on the date shown below.

DATED: September 21, 2012

SIGNED: [Signature]
JULI JENEWEIN
Declarant