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State Bar Court of California
Hearing Department
Los Angeles
ACTUAL SUSPENSION

PUBLIC MATTER

<p>Counsel For The State Bar</p> <p>Rizamari C. Sitton The State Bar of California Office of the Chief Trial Counsel 1149 S. Hill Street Los Angeles, CA 90015 (213) 765-1364</p> <p>Bar # 138319</p>	<p>Case Number(s):</p> <p>10-O-06262 10-O-07715 10-O-10209 10-O-10210 10-O-10215 11-O-10462 11-O-10463 11-O-10465 11-O-11550 11-O-11551 11-O-11597 11-O-12506 11-O-14302 11-O-15063</p>	<p>For Court use only</p> <p>FILED</p> <p>AUG 26 2011 <i>[Signature]</i></p> <p>STATE BAR COURT CLERK'S OFFICE LOS ANGELES</p> <p>kwiktag® 018 036 265</p> 
<p>Counsel For Respondent</p> <p>Thomas P. Hays 2129 Mariners Drive Newport Beach, CA 92660 (949) 645-4841</p> <p>Bar # 153187</p>	<p>Submitted to:</p> <p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING</p> <p>ACTUAL SUSPENSION</p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	
<p>In the Matter of:</p> <p>William Thomas Hays</p> <p>Bar # 20286</p> <p>A Member of the State Bar of California (Respondent)</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 January 11, 1949.
- (2) The parties agree to be bound by the factual stipulations contained herein even if conclusions of law or disposition are rejected or changed by the Supreme Court.
- (3) All investigations or proceedings listed by case number in the caption of this stipulation are entirely resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of 65 pages, not including the order.

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- (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):
 - Until costs are paid in full, Respondent will remain actually suspended from the practice of law unless relief is obtained per rule 5.130, Rules of Procedure.
 - Costs are to be paid in equal amounts prior to February 1 for the following membership years: (Hardship, special circumstances or other good cause per rule 5.132, Rules of Procedure.) If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.
 - Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
 - Costs are entirely waived.

B. Aggravating Circumstances [for definition, see Standards for Attorney Sanctions for Professional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances are required.

- (1) **Prior record of discipline** [see standard 1.2(f)]
 - (a) State Bar Court case # of prior case
 - (b) Date prior discipline effective
 - (c) Rules of Professional Conduct/ State Bar Act violations:
 - (d) Degree of prior discipline
 - (e) If Respondent has two or more incidents of prior discipline, use space provided below.
- (2) **Dishonesty:** Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
- (3) **Trust Violation:** Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.
- (4) **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice. Respondent's clients were seriously harmed by the misconduct described herein. The clients hired Respondent to assist them when they were financially distressed. For example, ten of the client-victims lost the use of the money they had paid for services that were not completed. In the

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Laswell, Lex, Borer, Butler, Snipes, Haddad, and Gonzalez matters, Respondent did not submit loan modification applications on behalf of the clients and he did not otherwise engage their lenders in any negotiations. In addition, Respondent's misconduct harmed the administration of justice in that he violated the law that was enacted expressly for the purpose of protecting client-borrowers from such harm.

- (5) **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct. To date, Respondent has not refunded any portion of the illegal or unconscionable fees funds to any client-victim.
- (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. Twelve (12) client-victims were harmed by Respondent's repeated conduct over a period of 14 months, between November 2009 and January 2011.
- (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.

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- (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:

Although the misconduct described herein is serious, Respondent has no prior record of discipline over 62 years of law practice in California.

D. Discipline:

- (1) **Stayed Suspension:**
- (a) Respondent must be suspended from the practice of law for a period of three (3) years.
- i. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii) Standards for Attorney Sanctions for Professional Misconduct.
- ii. and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
- iii. and until Respondent does the following:
- (b) The above-referenced suspension is stayed.
- (2) **Probation:**
- Respondent must be placed on probation for a period of three (3) years, which will commence upon the effective date of the Supreme Court order in this matter. (See rule 9.18, California Rules of Court)
- (3) **Actual Suspension:**
- (a) Respondent must be actually suspended from the practice of law in the State of California for a period of two (2) years.
- i. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct
- ii. and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
- iii. and until Respondent does the following:

E. Additional Conditions of Probation:

- (1) If Respondent is actually suspended for two years or more, he/she must remain actually suspended until he/she proves to the State Bar Court his/her rehabilitation, fitness to practice, and learning and ability in the general law, pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.
- (2) During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3) Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.
- (4) Within thirty (30) days from the effective date of discipline, Respondent must contact the Office of Probation and schedule a meeting with Respondent's assigned probation deputy to discuss these terms and conditions of probation. Upon the direction of the Office of Probation, Respondent must meet with the probation deputy either in-person or by telephone. During the period of probation, Respondent must promptly meet with the probation deputy as directed and upon request.
- (5) Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, Respondent must state whether Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of probation during the preceding calendar quarter. Respondent must also state whether there are any proceedings pending against him or her in the State Bar Court and if so, the case number and current status of that proceeding. If the first report would cover less than 30 days, that report must be submitted on the next quarter date, and cover the extended period.

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

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

Medical Conditions

Financial Conditions

F. Other Conditions Negotiated by the Parties:

- (1) **Multistate Professional Responsibility Examination:** Respondent must provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National Conference of Bar Examiners, to the Office of Probation during the period of actual suspension or within one year, whichever period is longer. **Failure to pass the MPRE results in actual suspension without further hearing until passage. But see rule 9.10(b), California Rules of Court, and rule 5.162(A) & (E), Rules of Procedure.**
- No MPRE recommended. Reason:
- (2) **Rule 9.20, California Rules of Court:** Respondent must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (3) **Conditional Rule 9.20, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 120 and 130 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (4) **Credit for Interim Suspension [conviction referral cases only]:** Respondent will be credited for the period of his/her interim suspension toward the stipulated period of actual suspension. Date of commencement of interim suspension:
- (5) **Other Conditions:** Respondent must cease to operate a loan modification practice, and he must not conduct nor engage in any loan modification business, in any role or capacity, during the term of the discipline herein.

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Attachment language (if any):

See, Financial Conditions, pages 8-10.

See, Statement of Facts, pages 11-49.

See, Conclusions of Law, pages 50-62.

See, Supporting Authority, pages 63-64.

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In the Matter of: William Thomas Hays, Sr.	Case Number(s): 10-O-06262, et al.
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Financial Conditions

a. Restitution

- Respondent must pay restitution (including the principal amount, plus interest of 10% per annum) to the payee(s) listed below. If the Client Security Fund ("CSF") has reimbursed one or more of the payee(s) for all or any portion of the principal amount(s) listed below, Respondent must also pay restitution to CSF in the amount(s) paid, plus applicable interest and costs.

Payee	Principal Amount	Interest Accrues From
See, page 10.	See, page 10.	See, page 10.

- Respondent must pay above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than

b. Installment Restitution Payments

- Respondent must pay the above-referenced restitution on the payment schedule set forth below. Respondent must provide satisfactory proof of payment to the Office of Probation with each quarterly probation report, or as otherwise directed by the Office of Probation. No later than 30 days prior to the expiration of the period of probation (or period of reprobation), Respondent must make any necessary final payment(s) in order to complete the payment of restitution, including interest, in full.

Payee/CSF (as applicable)	Minimum Payment Amount	Payment Frequency

- If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.

c. Client Funds Certificate

1. If Respondent possesses client funds at any time during the period covered by a required quarterly report, Respondent must file with each required report a certificate from Respondent and/or a certified public accountant or other financial professional approved by the Office of Probation, certifying that:
- Respondent has maintained a bank account in a bank authorized to do business in the State of California, at a branch located within the State of California, and that such account is designated as a "Trust Account" or "Clients' Funds Account";

- b. Respondent has kept and maintained the following:
 - i. A written ledger for each client on whose behalf funds are held that sets forth:
 - 1. the name of such client;
 - 2. the date, amount and source of all funds received on behalf of such client;
 - 3. the date, amount, payee and purpose of each disbursement made on behalf of such client; and,
 - 4. the current balance for such client.
 - ii. a written journal for each client trust fund account that sets forth:
 - 1. the name of such account;
 - 2. the date, amount and client affected by each debit and credit; and,
 - 3. the current balance in such account.
 - iii. all bank statements and cancelled checks for each client trust account; and,
 - iv. each monthly reconciliation (balancing) of (i), (ii), and (iii), above, and if there are any differences between the monthly total balances reflected in (i), (ii), and (iii), above, the reasons for the differences.
 - c. Respondent has maintained a written journal of securities or other properties held for clients that specifies:
 - i. each item of security and property held;
 - ii. the person on whose behalf the security or property is held;
 - iii. the date of receipt of the security or property;
 - iv. the date of distribution of the security or property; and,
 - v. the person to whom the security or property was distributed.
2. If Respondent does not possess any client funds, property or securities during the entire period covered by a report, Respondent must so state under penalty of perjury in the report filed with the Office of Probation for that reporting period. In this circumstance, Respondent need not file the accountant's certificate described above.
3. The requirements of this condition are in addition to those set forth in rule 4-100, Rules of Professional Conduct.

d. Client Trust Accounting School

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

ATTACHMENT:

Financial Conditions- Restitution

Payee	Principal	Interest Accrues From
Cory Adams	\$ 2,730	6/3/10
Leslie & Suzanne Laswell	\$ 1,748	9/15/10
Michael Lex	\$ 939	12/30/10
Timothy & Kimberly Borer	\$ 1,748	3/26/10
Milton Snipes	\$ 1,165	5/1/10
Amy Lanou	\$ 2,495	8/6/10
Marshall Hardy	\$ 3,195	11/23/09
John Haddad	\$10,800	5/1/10
Carlos & Sandra Gonzalez	\$ 3,195	2/12/10
Teresa Correa	\$ 3,495	2/18/10
Charles E. Jones	\$2,158	2/2/11
Joyce M. Simmons	\$2,518	2/2/11

STATEMENT OF FACTS

IN THE MATTER OF: WILLIAM THOMAS HAYS, SR.

CASE NUMBERS: 10-O-06262, 10-O-07715, 10-O-10209,
 10-O-10210, 10-O-10215, 11-O-10462,
 11-O-10463, 11-O-10465, 11-O-11550,
 11-O-11551, 11-O-11597, 11-O-12506
 11-O-14302, 11-O-15063

Case no. 10-O-10215 (Client George Head)

1. On August 16, 2010, George Head (“Head”) consulted with Respondent about loan modification services on a mortgage secured by his residential real property located in El Cajon, California. During the consultation, because he was told that the bank information was required before Respondent and his staff would discuss the matter with him, and after he received assurances that no fees would be withdrawn from the account prior to the performance of services, Head provided Respondent with his bank information, including account number and routing information for electronic transfers.

2. Prior to execution of the attorney-client agreement, and prior to performance of any services by Respondent, on August 18, 2010, Head terminated Respondent’s employment. Respondent received notice of the termination on August 18, 2010.

3. On September 1, 2010, Respondent collected and received \$874, by electronic transfer from Head’s bank account, without Head’s prior knowledge or consent.

4. Head requested a refund of \$874; Respondent denied the request.

5. Head filed a claim with his bank disputing the September 1, 2010, fund-transfer to Respondent. After the bank conducted its investigation, the transfer was reversed and Head’s account was credited \$874.

Case no. 11-O-10462 (Client Cory Adams)

6. On May 21, 2010, Cory Adams (“Adams”) hired Respondent to provide loan modification services on a mortgage secured by his residential real property located in Vacaville, California.

7. Respondent agreed to provide services including, “A) preparing, presenting, contacting, corresponding, and negotiating with Client’s lenders per agreement fee schedule; B) Request that the mortgage lenders contact HAYS LAW CENTER rather than CLIENT. C) Attempt to obtain the loss mitigation solution that is appropriate to CLIENT’S situation, specifically, a reduced mortgage payment based on current situation with a target payment of 35% of gross household income. D) Obtain, organize, package, and process all information and documents necessary to achieve the best result possible for client.”

8. Respondent negotiated, charged, and agreed to the following fee schedule:

“\$995	File Opening Fee. Includes Retainer agreement, file set up, consultation with Case Manager, set up for presenting case to lender. Case opened upon completion of Compliance Review.
\$250	Legal Staff Review. Review case for legal confirmation, eligibility criteria & hardship.
\$1400	Immediate Lender contact to Negotiate (sic) temporary delay of Sale date while we submit for a Modification
\$250	NOD-DocuSign documents pack. Prepare package for digital signature, Open DocuSign folder, copies. Present to DocuSign client, corrections as necessary. Process completed DocuSign pack. Advise client list of exact documents their lender will require.

\$245	Prepare Case Documents pack. Notary fees if necessary. Present required documents pack to client as needed. Schedule Notary if needed. FedEx, UPS, USPS as needed. Copies, fax as needed.
\$250	Notification to Lender of Attorney Representation. Present 3 rd Party Authorization to lender. Confirmation with Lender Loss Mitigation department of client's Attorney representation.
\$350	Stacking Case to lender requirements. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
\$500	Processing, QC, Underwriting case to lender requirements upon receipt of document pack. Legal Staff review of case. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
\$350	Submission of case to lender. Prepare Net Present Value test per Federal guidelines. Includes multiple submissions when lender requires.
\$1,250	Negotiating case with lender. Counseling client on accepting or rejecting lender offers.
<\$1750>	Negotiating & Other Fees are waived due to the strength of your case, your situation, receipt of all required documents in a timely manner and payment in per agreed upon timing.
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\$4,095	Total of Fees for above Retained services"

9. In negotiating his employment contract, Respondent charged Adams to pay three installments of \$1,365 each, due June 1, 2010, July 1, 2010, and August 2, 2010, respectively.

10. On May 21, 2010, because he was required by Respondent to provide his bank account information before any work could be performed, and after he received assurances that funds would not automatically be withdrawn from his account prior to the specified service being performed, Adams provided his bank account information to Respondent and his staff.

11. On June 3, 2010, Respondent electronically collected and received \$1,365, from Adams's bank account. As of June 3, 2010, Respondent's non-attorney staff had conducted an initial consultation by telephone and email, reviewed the file, and created and set up a client file and account. No other services had been performed as of June 3, 2010.

12. On June 4, 2010, Respondent contacted Adams and requested certain additional information and documents before they could begin to prepare his loan modification application.

13. On July 1, 2010, before Adams's loan modification application could be prepared and submitted, and before any negotiations with the lender had occurred, Adams terminated Respondent's employment, and requested a refund of fees advanced by Adams. Respondent assured Adams that no further payments will be collected from him.

14. On July 8, 2010, Respondent electronically collected and received \$1,365, from Adams's bank account, without Adams's prior knowledge and consent.

15. Respondent's acceptance of employment to handle Adam's loan modification did not preclude him from other employment.

16. The total amount of fees (\$2,730) that Respondent collected for an initial consultation by telephone or email between Respondent's non-attorney staff and Adams, for setting up his new client file, and for submitting to the lender a notice of representation is disproportioned to the value of such services.

17. Conducting the initial consultation by telephone or email between Adams and Respondent's non-attorney staff, creating a new client file, and submitting a notice of representation did not require any special skill, and the issues involved were not novel and difficult.

18. The amount of time and labor required in conducting the initial consultation by telephone or email between Respondent's non-attorney staff and Adams, creating a new client file for Adams, and submitting a notice of representation is minimal.

19. Respondent did not provide the following to Adams, prior to entering into a fee agreement, as a separate statement, in not less than 14-point bold type:

It is not necessary to pay a third party to arrange for a loan modification or other form of forbearance from your mortgage lender or servicer. You may call your lender directly to ask for a change in your loan terms.

Nonprofit housing counseling agencies also offer these and other forms of borrower assistance free of charge. A list of nonprofit housing counseling agencies approved by the United States Department of Housing and Urban Development (HUD) is available from your local HUD office or by visiting www.hud.gov.

20. Prior to demanding, charging, collecting or receiving any fees from Adams, Respondent had not fully perform each and every service he had contracted to perform or represented that he would perform for Adams.

21. Respondent was unable to perform any loan modification services for Adams, because he did not have adequate client/borrower information.

22. Respondent did not provide Adams any accounting of the fees he had received from Adams.

23. To date, Respondent has not refunded to Adams any portion of the advanced fees.

Case No. 11-O-11550 (Clients Leslie D. Laswell, Jr. & Suzanne R. Laswell)

24. On August 3, 2010, Leslie D. Laswell and Suzanne R. Laswell, husband and wife, (collectively "Laswells") hired Respondent to provide loan modification services on a mortgage secured by their residential real property located in Galt, California.

25. Respondent agreed to provide services including, “A) preparing, presenting, contacting, corresponding, and negotiating with Client’s lenders per agreement fee schedule; B) Request that the mortgage lenders contact HAYS LAW CENTER rather than CLIENT. C) Attempt to obtain the loss mitigation solution that is appropriate to CLIENT’S situation, specifically, a reduced mortgage payment based on current situation with a target payment of 35% of gross household income. D) Obtain, organize, package, and process all information and documents necessary to achieve the best result possible for client.”

26. Respondent negotiated, charged, and agreed to the following fee schedule:

- | | |
|--------|---|
| “\$995 | File Opening Fee. Includes Retainer agreement, file set up, consultation with Case Manager, set up for presenting case to lender. Case opened upon completion of Compliance Review. |
| \$350 | Legal Staff Review. Review case for legal confirmation, eligibility criteria & hardship. |
| \$350 | DocuSign documents pack. Prepare package for digital signature, Open DocuSign folder, copies. Present to DocuSign client, corrections as necessary. Process completed DocuSign pack. Advise client list of exact documents their lender will require. |
| \$350 | Prepare Case Documents pack. Notary fees if necessary. Present required documents pack to client as needed. Schedule Notary if needed. FedEx, UPS, USPS as needed. Copies, fax as needed. |
| \$250 | Notification to Lender of Attorney Representation. Present 3 rd Party Authorization to lender. Confirmation with Lender Loss Mitigation department of client’s Attorney representation. |
| \$350 | Stacking Case to lender requirements. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.) |

\$500	Processing, QC, Underwriting case to lender requirements upon receipt of document pack. Legal Staff review of case. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
\$350	Submission of case to lender. Prepare Net Present Value test per Federal guidelines. Includes multiple submissions when lender requires.
\$1,250	Negotiating case with lender. Counseling client on accepting or rejecting lender offers.
<\$1250>	Negotiating Fees are waived due to the strength of your case, your unemployed situation, receipt of all required documents in a timely manner and payment per agreed upon timing.
<hr/>	
\$3,495	Total of Fees for above Retained services”

27. In negotiating his employment contract, Respondent required the Laswells to pay his fees by immediately giving him four check payments, post-dated August 9, 2010, September 2, 2010, October 4, 2010, and November 4, 2010, respectively. He required that the first three checks each amount to \$874, and the fourth check amount to \$873; all four payments would total \$3,495.

28. On August 3, 2010, the Laswells gave Respondent the four post-dated check payments he had required.

29. Prior to September 15, 2010, Respondent presented for payment two of the checks, each amounting to \$874; Respondent received a total of \$1,748.

30. On October 15, 2010, the Laswells contacted their lender and learned that Respondent had not submitted any application or any other correspondence on their behalf.

31. On November 2, 2010, the Laswells terminated Respondent's employment and requested a refund of fees. Respondent received notice of the termination on November 2, 2010.

32. On November 2, 2010, the Laswells placed a stop-payment order on the two unpaid post-dated check payments they had given to Respondent.

33. On November 2, 2010, Respondent submitted to the Laswells's lender a notice of representation.

34. On November 3, 2010, Respondent informed the Laswells that he had completed all services as described in the fee schedule of their employment contract. Respondent knew that information was false.

35. Laswells's lender did not receive any application or any correspondence, except the notice of representation, from Respondent.

36. Respondent's acceptance of employment to handle the Laswells's loan modification did not preclude him from other employment.

37. The total amount of fees (\$1748) that Respondent collected for an initial consultation by Respondent's non-attorney staff with the Laswells, for setting up their new client file, and for submitting to the lender a notice of representation is disproportioned to the value of such services.

38. Conducting the initial consultation by telephone or email between the Laswells and Respondent's non-attorney staff, creating a new client file, and submitting a notice of representation did not require any special skill, and the issues involved were not novel and difficult.

39. The amount of time and labor required in conducting the initial consultation by telephone or email by Respondent's non-attorney staff, creating a new client file for the Laswells, and submitting a notice of representation is minimal.

40. Respondent did not provide the following to the Laswells, prior to entering into a fee agreement, as a separate statement, in not less than 14-point bold type:

It is not necessary to pay a third party to arrange for a loan modification or other form of forbearance from your mortgage lender or servicer. You may call your lender directly to ask for a change in your loan terms.

Nonprofit housing counseling agencies also offer these and other forms of borrower assistance free of charge. A list of nonprofit housing counseling agencies approved by the United States Department of Housing and Urban Development (HUD) is available from your local HUD office or by visiting www.hud.gov.

41. Prior to demanding, charging, collecting or receiving any fees from the Laswells, Respondent had not fully perform each and every service he had contracted to perform or represented that he would perform for the Laswells.

42. Respondent did not provide the Laswells any accounting of the fees he had received from the Laswells.

43. To date, Respondent has not refunded any portion of the advanced fees.

Case no. 11-O-12506 (Client Michael Lex)

44. On December 21, 2010, Michael Lex ("Lex") hired Respondent to provide loan modification services on a mortgage secured by his residential real property located in West Grove, Pennsylvania. At all times pertinent herein, Lex resided in the State of Pennsylvania.

45. Respondent is not, and never has been, licensed to practice law in Pennsylvania.

46. Respondent agreed to provide services including, "A) preparing, presenting, contacting, corresponding, and negotiating with Client's lenders per agreement fee schedule; B) Request that the mortgage lenders contact HAYS LAW CENTER rather than CLIENT. C) Attempt to obtain the loss mitigation solution that is appropriate to CLIENT'S situation, specifically, a reduced mortgage payment based on current situation with a target payment of 35% of gross household income. D) Obtain, organize, package, and process all information and documents necessary to achieve the best result possible for client."

47. Respondent negotiated, charged, and agreed to the following fee schedule:

- “\$995 File Opening Fee. Includes Retainer agreement, file set up, consultation with Case Manager, set up for presenting case to lender. Case opened upon completion of Compliance Review.
- \$550 Legal Staff Review. Review case for legal confirmation, eligibility criteria & hardship.
- \$250 DocuSign documents pack. Prepare package for digital signature, Open DocuSign folder, copies. Present to DocuSign client, corrections as necessary. Process completed DocuSign pack. Advise client list of exact documents their lender will require.
- \$250 Prepare Case Documents pack. Notary fees if necessary. Present required documents pack to client as needed. Schedule Notary if needed. FedEx, UPS, USPS as needed. Copies, fax as needed.
- \$250 Notification to Lender of Attorney Representation. Present 3rd Party Authorization to lender. Confirmation with Lender Loss Mitigation department of client’s Attorney representation.
- \$350 Stacking Case to lender requirements. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
- \$500 Processing, QC, Underwriting case to lender requirements upon receipt of document pack. Legal Staff review of case. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
- \$350 Submission of case to lender. Prepare Net Present Value test per Federal guidelines. Includes multiple submissions when lender requires.

\$1,250	Negotiating case with lender. Counseling client on accepting or rejecting lender offers.
<\$1250>	Negotiating Fees are waived due to the strength of your case, your unemployed situation, receipt of all required documents in a timely manner and payment in per agreed upon timing.
<hr/>	
\$3,495	Total of Fees for above Retained services”

48. In negotiating his employment contract, Respondent charged Lex to pay four installments: \$300 due on December 30, 2010; \$639 due on January 25, 2011; \$639 due on February 25, 2011; and \$639 due on March 25, 2011.

49. On December 21, 2010, because he was required by Respondent to provide his bank account information before any work could be performed, and after he received assurances that funds would not automatically be withdrawn from his account prior to the specified service being performed, Lex provided his bank account information to Respondent and his staff.

50. During the first week of January 2011, Lex learned about the law codified in California Civil Code section 2944.7, and determined that he should not have paid Respondent any fees in advance of services.

51. On January 15, 2011, Lex terminated Respondent’s employment and requested a refund of all fees he had advanced. Lex also requested a copy of his client file, including copies of all work purportedly performed on his behalf. Respondent assured Lex that no further payments would be collected from him.

52. Respondent electronically collected and received fees from Lex as follows:

<u>Date of Collection/Receipt</u>	<u>Amount</u>
December 30, 2010	\$ 300
January 28, 2011	\$ 639

53. On January 29, 2011, Lex contacted his lender directly, and learned that the bank had received only a notice of Respondent's representation, and it had not received any application nor any other correspondence from Respondent.

54. As of January 29, 2011, Respondent's non-attorney staff had conducted an initial consultation by telephone or email with Lex, reviewed his file, and submitted to the lender a notice of representation.

55. Respondent's acceptance of employment to handle Lex's loan modification did not preclude him from other employment.

56. The total amount of fees (\$939) that Respondent collected for an initial consultation by telephone or email between Lex and Respondent's non-attorney staff, for setting up his new client file, and for submitting to the lender a notice of representation is disproportioned to the value of such services.

57. Conducting the initial consultation by telephone or email by Respondent's non-attorney staff with Lex, creating a new client file, and submitting a notice of representation did not require any special skill, and the issues involved were not novel and difficult.

58. The amount of time and labor required in conducting the initial consultation by telephone or email with Respondent's non-attorney staff, creating a new client file for Lex, and submitting a notice of representation is minimal.

59. Respondent did not provide the following to Lex, prior to entering into a fee agreement, as a separate statement, in not less than 14-point bold type:

It is not necessary to pay a third party to arrange for a loan modification or other form of forbearance from your mortgage lender or servicer. You may call your lender directly to ask for a change in your loan terms.

Nonprofit housing counseling agencies also offer these and other forms of borrower assistance free of charge. A list of nonprofit housing counseling agencies approved by the United States Department of Housing and Urban

Development (HUD) is available from your local HUD office or by visiting www.hud.gov.

60. Prior to demanding, charging, collecting or receiving any fees from Lex, Respondent had not fully perform each and every service he had contracted to perform or represented that he would perform for Lex.

61. Respondent did not provide Lex any accounting of the fees he had received from Lex.

62. To date, Lex has not received from Respondent his client file, or any other documents purporting to be work performed by Respondent on behalf of Lex.

63. To date, Respondent has not refunded any portion of the advanced fees.

Case No. 10-O-06262 (Clients Timothy J. Borer & Kimberly R. Borer)

64. On March 15, 2010, Timothy J. Borer and Kimberly R. Borer, husband and wife, (collectively "Borers") hired Respondent to provide loan modification services on a mortgage secured by their residential real property located in Malabar, Florida. At all times pertinent herein, the Borers resided in the State of Florida.

65. Respondent is not, and never has been, licensed to practice law in Florida.

66. Respondent agreed to provide services including, "A) preparing, presenting, contacting, corresponding, and negotiating with Client's lenders per agreement fee schedule; B) Request that the mortgage lenders contact HAYS LAW CENTER rather than CLIENT. C) Attempt to obtain the loss mitigation solution that is appropriate to CLIENT'S situation, specifically, a reduced mortgage payment based on current situation with a target payment of 35% of gross household income. D) Obtain, organize, package, and process all information and documents necessary to achieve the best result possible for client."

67. Respondent negotiated, charged, and agreed to the following fee schedule:

"\$995	File Opening Fee. Includes Retainer agreement, file set up, consultation with Case Manager, set up for presenting case to lender. Case opened upon completion of Compliance Review.
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- \$550 Legal Staff Review. Review case for legal confirmation, eligibility criteria & hardship.
- \$250 DocuSign documents pack. Prepare package for digital signature, Open DocuSign folder, copies. Present to DocuSign client, corrections as necessary. Process completed DocuSign pack. Advise client list of exact documents their lender will required.
- \$250 Prepare Case Documents pack. Notary fees if necessary. Present required documents pack to client as needed. Schedule Notary if needed. FedEx, UPS, USPS as needed. Copies, fax as needed.
- \$250 Notification to Lender of Attorney Representation. Present 3rd Party Authorization to lender. Confirmation with Lender Loss Mitigation department of client's Attorney representation.
- \$350 Stacking Case to lender requirements. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
- \$500 Processing, QC, Underwriting case to lender requirements upon receipt of document pack. Legal Staff review of case. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
- \$350 Submission of case to lender. Prepare Net Present Value test per Federal guidelines. Includes multiple submissions when lender requires.
- \$1,250 Negotiating case with lender. Counseling client on accepting or rejecting lender offers.

<\$1250> Negotiating Fees are waived due to the strength of your case, your unemployed situation, receipt of all required documents in a timely manner and payment per agreed upon timing.

\$3,495 Total of Fees for above Retained services”

68. In negotiating his employment contract, Respondent required the Borers to immediately give him four post-dated check payments as his fees. He required that each check amount to \$874; all four payments would total \$3,495.

69. On March 15, 2010, the Borers sent Respondent four check payments, each in the amount of \$874. One check is dated March 15, 2010; the three remaining check payments were post-dated April 15, 2010, May 15, 2010, and June 15, 2010, respectively.

70. In late March 2010, Respondent informed the Borers that he had submitted their loan modification application to the lender. The information was not true.

71. On March 26, 2010, Respondent presented to the bank one of the Borers’ check payments, and he collected and received \$874.

72. In April 2010, after discovering that he had not submitted a loan modification application on behalf of the Borers, Respondent informed the Borers that his office had requested a new loan modification application.

73. On April 16, 2010, Respondent presented to the bank the second check payment from the Borers, and he collected and received approximately \$874.

74. Respondent’s acceptance of employment to handle the Borers’s loan modification did not preclude him from other employment.

75. The total amount of fees (\$1748) that Respondent collected for an initial consultation by telephone or email between Respondent’s non-attorney staff and the Borers, for setting up their new client file, and for submitting to the lender a notice of representation is disproportioned to the value of such services.

76. Conducting the initial consultation by telephone or email between Respondent's non-attorney staff and the Borers, creating a new client file, and submitting a notice of representation did not require any special skill, and the issues involved were not novel and difficult.

77. The amount of time and labor required in conducting the initial consultation by telephone or email with Respondent's non-attorney staff, creating a new client file for the Borers, and submitting a notice of representation is minimal.

78. In late April 2010, the Borers contacted their lender directly, and learned that the bank had received only a notice of Respondent's representation but it had not received any application or any other correspondence from Respondent.

79. In May 2010, the Borers terminated Respondent's employment and requested a refund of all fees.

80. Respondent did not submit any loan modification application, and he did not otherwise initiate the loan modification process on behalf of the Borers.

81. Respondent did not provide the following to the Borers, prior to entering into a fee agreement, as a separate statement, in not less than 14-point bold type:

It is not necessary to pay a third party to arrange for a loan modification or other form of forbearance from your mortgage lender or servicer. You may call your lender directly to ask for a change in your loan terms.

Nonprofit housing counseling agencies also offer these and other forms of borrower assistance free of charge. A list of nonprofit housing counseling agencies approved by the United States Department of Housing and Urban Development (HUD) is available from your local HUD office or by visiting www.hud.gov.

82. Prior to demanding, charging, collecting or receiving any fees from the Borers, Respondent had not fully perform each and every service he had contracted to perform or represented that he would perform for the Borers.

83. Respondent did not provide to the Borers any accounting of the fees that he had received from the Borers.

84. To date, Respondent has not refunded any portion of the advanced fees.

Case No. 10-O-07715 (Client Cassandra Butler)

85. On March 24, 2010, Cassandra Butler (“Butler”) hired Respondent to provide loan modification services on a mortgage secured by her residential real property located in North Las Vegas, Nevada. At all times pertinent herein, Butler resided in the State of Nevada.

86. On March 24, 2010, Butler informed Respondent that she did not hold title to the subject property, and that she was not identified as a borrower on the loan she wants modified. Respondent knew that the title to the subject property and the mortgage thereon were held in the name of Butler’s deceased mother.

87. Respondent is not, and never has been, licensed to practice law in Nevada.

88. Respondent agreed to provide services including, “A) preparing, presenting, contacting, corresponding, and negotiating with Client’s lenders per agreement fee schedule; B) Request that the mortgage lenders contact HAYS LAW CENTER rather than CLIENT. C) Attempt to obtain the loss mitigation solution that is appropriate to CLIENT’S situation, specifically, a reduced mortgage payment based on current situation with a target payment of 35% of gross household income. D) Obtain, organize, package, and process all information and documents necessary to achieve the best result possible for client.”

89. Respondent negotiated, charged, and agreed to the following fee schedule:

“\$995	File Opening Fee. Includes Retainer agreement, file set up, consultation with Case Manager, set up for presenting case to lender. Case opened upon completion of Compliance Review.
\$500	Legal Staff Review. Review case for legal confirmation, eligibility criteria & hardship.

\$250	DocuSign documents pack. Prepare package for digital signature, Open DocuSign folder, copies. Present to DocuSign client, corrections as necessary. Process completed DocuSign pack. Advise client list of exact documents their lender will required.
\$450	Prepare Case Documents pack. Notary fees if necessary. Present required documents pack to client as needed. Schedule Notary if needed. FedEx, UPS, USPS as needed. Copies, fax as needed.
\$200	Notification to Lender of Attorney Representation. Present 3 rd Party Authorization to lender. Confirmation with Lender Loss Mitigation department of client's Attorney representation.
\$100	Stacking Case to lender requirements. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
\$100	Processing, QC, Underwriting case to lender requirements upon receipt of document pack. Legal Staff review of case. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
\$100	Submission of case to lender. Prepare Net Present Value test per Federal guidelines. Includes multiple submissions when lender requires.
\$1,250	Negotiating case with lender. Counseling client on accepting or rejecting lender offers.
<\$1250>	Negotiating Fees are waived due to the strength of your case, your unemployed situation, receipt of all required documents in a timely manner and payment per agreed upon timing.
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\$2,695	Total of Fees for above Retained services"

90. In negotiating his employment contract, Respondent charged Butler to pay four installments of \$673, each due on the 25th of each consecutive month, beginning March 2010.

91. In negotiating his employment contract, Butler was informed that her monthly mortgage payment would be reduced by approximately 50%.

92. Respondent did not provide the following to Butler, prior to entering into a fee agreement, as a separate statement, in not less than 14-point bold type:

It is not necessary to pay a third party to arrange for a loan modification or other form of forbearance from your mortgage lender or servicer. You may call your lender directly to ask for a change in your loan terms.

Nonprofit housing counseling agencies also offer these and other forms of borrower assistance free of charge. A list of nonprofit housing counseling agencies approved by the United States Department of Housing and Urban Development (HUD) is available from your local HUD office or by visiting www.hud.gov.

93. Respondent collected and received fees from Butler as follows:

<u>Date of Collection/Receipt</u>	<u>Amount</u>
March 24, 2010	\$673
May 17, 2010	\$673
June 24, 2010	\$600

94. Between March 2010 and June 2010, inclusive, Butler repeatedly telephoned Respondent to inquire about the status of her loan modification matter. Each time, Butler left a message asking Respondent to call her back. Respondent did not return her calls, and he did not otherwise provide Butler with any information regarding the status of her matter.

95. In June 2010, Butler contacted her lender directly and was informed that the lender had received only a notice of representation from Respondent in May 2010; an application for

loan modification had not been submitted and the lender had not received any other correspondence from Respondent.

96. Respondent's acceptance of employment to handle Butler's loan modification did not preclude him from other employment.

97. The total amount of fees (\$1,946) that Respondent collected for an initial consultation by telephone or email between Respondent's non-attorney staff and Butler, for setting up her new client file, and for submitting to the lender a notice of representation is disproportioned to the value of such services.

98. Conducting the initial consultation by telephone or email between Respondent's non-attorney staff and Butler, creating a new client file and submitting a notice of representation did not require any special skill, and the issues involved were not novel and difficult.

99. The amount of time and labor required in conducting the initial consultation by telephone or email between Respondent's non-attorney staff and Butler, creating a new client file and submitting a notice of representation is minimal.

100. In June 2010, Butler terminated Respondent's employment and requested a refund of all fees.

101. Prior to demanding, charging, collecting or receiving any fees from Butler, Respondent had not fully perform each and every service he had contracted to perform or represented that he would perform for the Butler.

102. Respondent did not provide to Butler any accounting of the fees they had paid to him.

103. In July 2010, Butler filed a complaint with the State Bar and the State Bar initiated an investigation of Respondent's conduct.

104. On December 2, 2010, Respondent refunded \$1,950 to Butler.

Case no. 10-O-10210 (Client Milton E. Snipes)

105. In May 2010, Snipes hired Respondent to provide loan modification services on a mortgage secured by his residential real property located in Miami, Florida. At all times pertinent herein, Snipes resided in the State of Florida.

106. Respondent is not, and never has been, licensed to practice law in Florida.

107. There was no signed written fee agreement between Respondent and Snipes.

108. In May 2010, Snipes paid Respondent \$1,165.

109. Respondent's acceptance of employment to handle Snipes's loan modification did not preclude him from other employment.

110. The total amount of fees (\$1,165) that Respondent collected for an initial consultation by telephone or email between Respondent's non-attorney staff and Snipes and for setting up his new client file is disproportioned to the value of such services.

111. Conducting the initial consultation by telephone or email between Respondent's non-attorney staff and Snipes, and creating a new client file did not require any special skill, and the issues involved were not novel and difficult.

112. The amount of time and labor required in conducting the initial consultation by telephone or email between Respondent's non-attorney staff and Snipes, and creating a new client file for Snipes is minimal.

113. Respondent did not provide the following to Snipes, prior to entering into a fee agreement, as a separate statement, in not less than 14-point bold type:

It is not necessary to pay a third party to arrange for a loan modification or other form of forbearance from your mortgage lender or servicer. You may call your lender directly to ask for a change in your loan terms.

Nonprofit housing counseling agencies also offer these and other forms of borrower assistance free of charge. A list of nonprofit housing counseling agencies approved by the United States Department of Housing and Urban

Development (HUD) is available from your local HUD office or by visiting www.hud.gov.

114. Prior to demanding, charging, collecting or receiving any fees from Snipes, Respondent had not fully perform each and every service he had contracted to perform or represented that he would perform for Snipes.

115. After determining that there was no progress on his loan modification matter, Snipes terminated Respondent's employment in August 2010, and requested a refund of the advanced fees.

116. Respondent did not perform any loan modification services for or on behalf of Snipes.

117. Respondent did not provide Snipes an accounting of the fees he had received from Snipes.

118. To date, Respondent has not refunded any portion of the advanced fees.

Case No. 11-O-11551 (Client Amy Lanou)

119. In July 2010, Amy Lanou ("Lanou") hired Respondent to provide loan modification services on a mortgage secured by her residential real property located in Springfield, Massachusetts. At all times pertinent herein, Lanou resided in the State of Massachusetts.

120. Respondent is not, and never has been, licensed to practice law in Massachusetts.

121. Respondent agreed to provide services including, "A) preparing, presenting, contacting, corresponding, and negotiating with Client's lenders per agreement fee schedule; B) Request that the mortgage lenders contact HAYS LAW CENTER rather than CLIENT. C) Attempt to obtain the loss mitigation solution that is appropriate to CLIENT'S situation, specifically, a reduced mortgage payment based on current situation with a target payment of 35% of gross household income. D) Obtain, organize, package, and process all information and documents necessary to achieve the best result possible for client."

122. Respondent negotiated, charged, and agreed to the following fee schedule:
- “\$995 File Opening Fee. Includes Retainer agreement, file set up, consultation with Case Manager, set up for presenting case to lender. Case opened upon completion of Compliance Review.
 - \$550 NOD Legal Staff Review. Review case for legal confirmation, eligibility criteria & hardship.
 - \$250 DocuSign documents pack. Prepare package for digital signature, Open DocuSign folder, copies. Present to DocuSign client, corrections as necessary. Process completed DocuSign pack. Advise client list of exact documents their lender will required.
 - \$200 Prepare Case Documents pack. Notary fees if necessary. Present required documents pack to client as needed. Schedule Notary if needed. FedEx, UPS, USPS as needed. Copies, fax as needed.
 - \$200 Notification to Lender of Attorney Representation. Present 3rd Party Authorization to lender. Confirmation with Lender Loss Mitigation department of client’s Attorney representation.
 - \$100 Stacking Case to lender requirements. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
 - \$100 Processing, QC, Underwriting case to lender requirements upon receipt of document pack. Legal Staff review of case. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
 - \$100 Submission of case to lender. Prepare Net Present Value test per Federal guidelines. Includes multiple submissions when lender requires.

\$1,250	Negotiating case with lender. Counseling client on accepting or rejecting lender offers.
<\$1250>	Negotiating Fees are waived due to the strength of your case, your unemployed situation, receipt of all required documents in a timely manner and payment per agreed upon timing.
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\$2,495	Total of Fees for above Retained services”

123. In negotiating his employment contract, Respondent charged Lanou to pay five installments of \$499 each, between July 2010 and October 2010.

124. In negotiating his employment contract, Lanou was assured that the interest rate of her mortgage loan would be reduced from 5% to 2-3%.

125. Respondent collected and received fees from Lanou as follows:

<u>Date of Collection/Receipt</u>	<u>Amount</u>
August 6, 2010	\$499
August 17, 2010	\$499
September 17, 2010	\$499
October 18, 2010	\$499
December 3, 2010	\$499

126. In September 2010, Respondent submitted a loan workout package to Lanou’s lender.

127. On November 2, 2010, Respondent received notice (“foreclosure notice”) from Lanou’s lender that it was proceeding with foreclosure proceedings against Lanou’s property, and that a foreclosure sale date was scheduled for December 1, 2010.

128. Respondent did not inform Lanou of the foreclosure notice, and he did not inform Lanou that her property was scheduled for a foreclosure sale.

129. On December 1, 2010, Lanou learned of the foreclosure sale of her property when she read the notice of the public auction in the newspaper.

130. Respondent did not engage in any negotiations with Lanou's lender about a loan modification. Respondent communicated with the lender about postponement of the foreclosure sale date.

131. On December 1, 2010, Lanou's property was sold at a foreclosure sale. Respondent's employment terminated.

132. Respondent did not provide the following to Lanou, prior to entering into a fee agreement, as a separate statement, in not less than 14-point bold type:

It is not necessary to pay a third party to arrange for a loan modification or other form of forbearance from your mortgage lender or servicer. You may call your lender directly to ask for a change in your loan terms.

Nonprofit housing counseling agencies also offer these and other forms of borrower assistance free of charge. A list of nonprofit housing counseling agencies approved by the United States Department of Housing and Urban Development (HUD) is available from your local HUD office or by visiting www.hud.gov.

133. Prior to demanding, charging, collecting or receiving any fees from Lanou, Respondent had not fully perform each and every service he had contracted to perform or represented that he would perform for the Lanou.

134. Respondent did not provide to Lanou any accounting of the fees that he had received from Lanou.

135. To date, Respondent has not refunded any portion of the advanced fees.

Case No. 11-O-11597 (Client Marshall L. Hardy)

136. On November 20, 2009, Marshall L. Hardy ("Hardy") hired Respondent to provide loan modification services on a mortgage secured by his residential real property located in Kenbridge, Virginia. At all times pertinent herein, Hardy resided in the State of Virginia.

137. Respondent is not, and never has been, licensed to practice law in Virginia.

138. Respondent agreed to provide services including, “A) preparing, presenting, contacting, corresponding, and negotiating with Client’s lenders per agreement fee schedule; B) Request that the mortgage lenders contact HAYS LAW CENTER rather than CLIENT. C) Attempt to obtain the loss mitigation solution that is appropriate to CLIENT’S situation, specifically, a reduced mortgage payment based on current situation with a target payment of 35% of gross household income. D) Obtain, organize, package, and process all information and documents necessary to achieve the best result possible for client.”

139. Respondent negotiated, charged, and agreed to the following fee schedule:

“\$995	File Opening Fee. Includes Retainer agreement, file set up, consultation with Case Manager, set up for presenting case to lender. Case opened upon completion of Compliance Review.
\$250	Legal Staff Review. Review case for legal confirmation, eligibility criteria & hardship.
\$250	DocuSign documents pack. Prepare package for digital signature, Open DocuSign folder, copies. Present to DocuSign client, corrections as necessary. Process completed DocuSign pack. Advise client list of exact documents their lender will require.
\$250	Prepare Case Documents pack. Notary fees if necessary. Present required documents pack to client as needed. Schedule Notary if needed. FedEx,UPS, USPS as needed. Copies, fax as needed.
\$250	Notification to Lender of Attorney Representation. Present 3 rd Party Authorization to lender. Confirmation with Lender Loss Mitigation department of client’s Attorney representation.
\$350	Stacking Case to lender requirements. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)

\$500	Processing, QC, Underwriting case to lender requirements upon receipt of document pack. Legal Staff review of case. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
\$350	Submission of case to lender. Prepare Net Present Value test per Federal guidelines. Includes multiple submissions when lender requires.
\$1,250	Negotiating case with lender. Counseling client on accepting or rejecting lender offers.
<\$1250>	Negotiating Fees are waived due to the strength of your case, your unemployed situation, receipt of all required documents in a timely manner and payment per agreed upon timing.
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\$3,195	Total of Fees for above Retained services"

140. In negotiating his employment contract, Respondent charged Hardy to pay two installments: \$995 in November 2009, and \$2,200 in December 2009.

141. Respondent collected and received fees from Hardy as follows:

<u>Date of Collection/Receipt</u>	<u>Amount</u>
November 23, 2009	\$995
December 7, 2009	\$2,200

142. Respondent's acceptance of employment to handle Hardy's loan modification matters did not preclude him from other employment.

143. The total amount of fees (\$3,195) that Respondent collected for an initial consultation by telephone or email between Respondent's non-attorney staff and Hardy, for setting up his new client file, and for submitting to the lender a notice of representation is disproportioned to the value of such services.

144. Conducting the initial consultation by telephone or email between Respondent's non-attorney staff and Hardy, creating a new client file and submitting a notice of representation did not require any special skill, and the issues involved were not novel and difficult.

145. The amount of time and labor required in conducting the initial consultation by telephone and email between Respondent's non-attorney staff and Hardy, creating a new client file and submitting a notice of representation is minimal.

146. Respondent did not provide the following to Hardy, prior to entering into a fee agreement, as a separate statement, in not less than 14-point bold type:

It is not necessary to pay a third party to arrange for a loan modification or other form of forbearance from your mortgage lender or servicer. You may call your lender directly to ask for a change in your loan terms.

Nonprofit housing counseling agencies also offer these and other forms of borrower assistance free of charge. A list of nonprofit housing counseling agencies approved by the United States Department of Housing and Urban Development (HUD) is available from your local HUD office or by visiting www.hud.gov.

147. Prior to demanding, charging, collecting or receiving any fees from Hardy, Respondent had not fully perform each and every service he had contracted to perform or represented that he would perform for Hardy.

148. Respondent was unable to perform any loan modification services for Hardy because he did not have adequate client/borrower information.

149. In March 2010, before Hardy's loan modification application was prepared and submitted to the lender and before any negotiations with the lender occurred, Hardy terminated Respondent's employment and requested a refund of the advanced fees.

150. Respondent did not provide Hardy any accounting of the fees that he had received from Hardy.

151. To date, Respondent has not refunded to Hardy any portion of the advanced fees.

Case No. 10-O-10209 (Client John Haddad)

152. In January 2010, John Haddad ("Haddad") hired Respondent to provide loan modification services on mortgages secured by his four real properties: one principal residence and three rental properties, each located in California.

153. In negotiating his employment contract, Respondent required Haddad to pay him fees of \$2,700 for each property (total fees of \$10,800). Haddad paid all fees by the end of April 2010.

154. Respondent's acceptance of employment to handle Haddad's loan modification matters did not preclude him from other employment.

155. The total amount of fees (\$10,800) that Respondent collected for an initial consultation by telephone or email between Respondent's non-attorney staff and Haddad, for setting up his new client file, and for submitting to the lender a notice of representation is disproportioned to the value of such services.

156. Conducting the initial consultation by telephone or email between Respondent's non-attorney staff and Haddad, creating a new client file and submitting a notice of representation did not require any special skill, and the issues involved were not novel and difficult.

157. The amount of time and labor required in conducting the initial consultation by telephone and email between Respondent's non-attorney staff and Haddad, creating a new client file and submitting a notice of representation is minimal.

158. Between April 2010 and August 2010, Haddad repeatedly telephoned Respondent and inquired about the status of his loan modifications. Respondent did not return any of the calls, and he did not otherwise provide any information about the status of Haddad's matters.

159. In August 2010, Haddad terminated Respondent's employment and requested a refund of all fees.

160. Respondent did not submit a loan modification application and he did not otherwise initiate a loan modification application process on behalf of Haddad.

161. Respondent did not provide the following to Haddad, prior to entering into a fee agreement regarding Haddad's residential property, as a separate statement, in not less than 14-point bold type:

It is not necessary to pay a third party to arrange for a loan modification or other form of forbearance from your mortgage lender or servicer. You may call your lender directly to ask for a change in your loan terms.

Nonprofit housing counseling agencies also offer these and other forms of borrower assistance free of charge. A list of nonprofit housing counseling agencies approved by the United States Department of Housing and Urban Development (HUD) is available from your local HUD office or by visiting www.hud.gov.

162. Prior to demanding, charging, collecting or receiving any fees from Haddad for services relating to Haddad's residential property, Respondent had not fully perform each and every service he had contracted to perform or represented that he would perform for Haddad.

163. Respondent did not provide Haddad any accounting of the fees that he had received from Haddad.

164. Respondent did not earn the fees paid for services relating to the rental properties.

165. To date, Respondent has not refunded any portion of the advanced fees.

Case No. 11-O-10463 (Clients Carlos Gonzalez & Sandra Gonzalez)

166. On February 12, 2010, Carlos Gonzalez and Sandra Gonzales, husband and wife, (collectively "Gonzalezes") hired Respondent to provide loan modification services on a mortgage secured by their residential real property located in Anaheim, California.

167. Respondent agreed to provide services including, "A) preparing, presenting, contacting, corresponding, and negotiating with Client's lenders per agreement fee schedule;

B) Request that the mortgage lenders contact HAYS LAW CENTER rather than CLIENT. C) Attempt to obtain the loss mitigation solution that is appropriate to CLIENT'S situation, specifically, a reduced mortgage payment based on current situation with a target payment of 35% of gross household income. D) Obtain, organize, package, and process all information and documents necessary to achieve the best result possible for client."

168. Respondent negotiated, charged, and agreed to the following fee schedule:

- "\$995 File Opening Fee. Includes Retainer agreement, file set up, consultation with Case Manager, set up for presenting case to lender. Case opened upon completion of Compliance Review.
- \$250 Legal Staff Review. Review case for legal confirmation, eligibility criteria & hardship.
- \$250 DocuSign documents pack. Prepare package for digital signature, Open DocuSign folder, copies. Present to DocuSign client, corrections as necessary. Process completed DocuSign pack. Advise client list of exact documents their lender will require.
- \$250 Prepare Case Documents pack. Notary fees if necessary. Present required documents pack to client as needed. Schedule Notary if needed. FedEx, UPS, USPS as needed. Copies, fax as needed.
- \$250 Notification to Lender of Attorney Representation. Present 3rd Party Authorization to lender. Confirmation with Lender Loss Mitigation department of client's Attorney representation.
- \$350 Stacking Case to lender requirements. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
- \$500 Processing, QC, Underwriting case to lender requirements upon receipt of document pack. Legal Staff review of case. (Fees are

based on receiving ANY and ALL required documents on the documents check list within 5 working days.)

\$350	Submission of case to lender. Prepare Net Present Value test per Federal guidelines. Includes multiple submissions when lender requires.
\$1,250	Negotiating case with lender. Counseling client on accepting or rejecting lender offers.
<\$1250>	Negotiating Fees are waived due to the strength of your case, your situation, receipt of all required documents in a timely manner and payment in per agreed upon timing.
<hr/>	
\$3,195	Total of Fees for above Retained services”

169. In negotiating his employment contract, Respondent charged the Gonzalezes to pay four installments: three installments of \$798 each, due February 9, 2010, March 25, 2010, and April 25, 2010, respectively; and a fourth installment of \$801, due May 25, 2010.

170. On February 12, 2010, because they were required by Respondent to provide their bank account information before any work could be performed, and after they received assurances that funds would not automatically be withdrawn from their account prior to the specified service being performed, the Gonzalezes provided their bank account information to Respondent and his staff.

171. Respondent electronically collected and received fees from the Gonzalezes as follows:

<u>Date of Collection/Receipt</u>	<u>Amount</u>
February 12, 2010	\$798
March 12, 2010	\$798
April 12, 2010	\$798

May 12, 2010

\$801

172. In July 2010, the Gonzalezes began receiving notices of foreclosure of their property. Between July 2010 and December 2010, Respondent performed some services to try to postpone the foreclosure proceedings.

173. Respondent did not provide the Gonzalezes with loan modification services as specified in their employment agreement.

174. Respondent did not submit a complete loan modification application and he did not otherwise initiate the loan modification application process on behalf of the Gonzalezes.

175. Respondent's acceptance of employment to handle the Gonzalezes's loan modification did not preclude him from other employment.

176. The total amount of fees (\$3,195) that Respondent collected for an initial consultation by telephone or email between Respondent's non-attorney staff and the Gonzalezes, for setting up their new client file, and for submitting to the lender a notice of representation is disproportioned to the value of such services.

177. Conducting the initial consultation by telephone or email between Respondent's non-attorney staff and the Gonzalezes, creating a new client file, and submitting a notice of representation did not require any special skill, and the issues involved were not novel and difficult.

178. The amount of time and labor required in conducting the initial consultation by telephone and email between Respondent's non-attorney staff and the Gonzalezes, creating a new client file for the Gonzalezes, and submitting a notice of representation is minimal.

179. Respondent did not provide the following to the Gonzalezes, prior to entering into a fee agreement, as a separate statement, in not less than 14-point bold type:

It is not necessary to pay a third party to arrange for a loan modification or other form of forbearance from your mortgage lender or servicer. You may call your lender directly to ask for a change in your loan terms.

Nonprofit housing counseling agencies also offer these and other forms of

borrower assistance free of charge. A list of nonprofit housing counseling agencies approved by the United States Department of Housing and Urban Development (HUD) is available from your local HUD office or by visiting www.hud.gov.

180. Prior to demanding, charging, collecting or receiving any fees from the Gonzalezes, Respondent had not fully perform each and every service he had contracted to perform or represented that he would perform for the Gonzalezes.

181. In December 2010, Respondent employment terminated.

182. After December 2010, the Gonzalezes communicated and worked directly with their lender in obtaining a loan modification.

183. A dispute developed as to whether Respondent is entitled to fees for delaying the Gonzalezes's foreclosure proceedings.

184. Respondent did not provide the Gonzalezes any accounting of the fees he had received from the Gonzalezes.

185. To date, Respondent has not refunded any portion of the advanced fees.

Case No. 11-O-10465 (Client Teresa Correa)

186. On February 11, 2010, Teresa Correa ("Correa") hired Respondent to provide loan modification services on a mortgage secured by her residential real property located in Anaheim, California.

187. Respondent agreed to provide services including, "A) preparing, presenting, contacting, corresponding, and negotiating with Client's lenders per agreement fee schedule; B) Request that the mortgage lenders contact HAYS LAW CENTER rather than CLIENT. C) Attempt to obtain the loss mitigation solution that is appropriate to CLIENT'S situation, specifically, a reduced mortgage payment based on current situation with a target payment of 35% of gross household income. D) Obtain, organize, package, and process all information and documents necessary to achieve the best result possible for client."

188. Respondent negotiated, charged, and agreed to the following fee schedule:
- “\$995 File Opening Fee. Includes Retainer agreement, file set up, consultation with Case Manager, set up for presenting case to lender. Case opened upon completion of Compliance Review.
 - \$450 Legal Staff Review. Review case for legal confirmation, eligibility criteria & hardship.
 - \$450 NOD- DocuSign documents pack. Prepare package for digital signature, Open DocuSign folder, copies. Present to DocuSign client, corrections as necessary. Process completed DocuSign pack. Advise client list of exact documents their lender will require.
 - \$250 Prepare Case Documents pack. Notary fees if necessary. Present required documents pack to client as needed. Schedule Notary if needed. FedEx, UPS, USPS as needed. Copies, fax as needed.
 - \$250 Notification to Lender of Attorney Representation. Present 3rd Party Authorization to lender. Confirmation with Lender Loss Mitigation department of client’s Attorney representation.
 - \$350 Stacking Case to lender requirements. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
 - \$400 Processing, QC, Underwriting case to lender requirements upon receipt of document pack. Legal Staff review of case. (Fees are based on receiving ANY and ALL required documents on the documents check list within 5 working days.)
 - \$350 Submission of case to lender. Prepare Net Present Value test per Federal guidelines. Includes multiple submissions when lender requires.

\$1,250	Negotiating case with lender. Counseling client on accepting or rejecting lender offers.
<\$1250>	Negotiating Fees are waived due to the strength of your case, your situation, receipt of all required documents in a timely manner and payment in per agreed upon timing.
<hr/>	
\$3,495	Total of Fees for above Retained services”

189. In negotiating his employment contract, Respondent charged Correa to pay four installments: three installments of \$874 each, due February 18, 2010, March 18, 2010, and April 19, 2010, respectively; and a fourth installment of \$873, due May 17, 2010.

190. On February 11, 2010, because she was required by Respondent to provide her bank account information before any work could be performed, and after she received assurances that funds would not automatically be withdrawn from her account prior to the specified service being performed, Correa provided her bank account information to Respondent and his staff.

191. Respondent electronically collected and received fees from Correa as follows:

<u>Date of Collection/Receipt</u>	<u>Amount</u>
February 18, 2010	\$874
March 18, 2010	\$874
April 19, 2010	\$874
May 17, 2010	\$873

192. Respondent was unable to perform any loan modification services for Correa because he did not have adequate client/borrower information.

193. Respondent did not provide Correa with loan modification services as specified in their employment agreement.

194. On January 21, 2011, before Respondent could complete the services he had contracted to provide, Correa terminated Respondent's employment, and requested a refund of the fees she had advanced.

195. Respondent's acceptance of employment to handle Correa's loan modification did not preclude him from other employment.

196. The total amount of fees (\$3,495) that Respondent collected for an initial consultation by telephone or email between Respondent's non-attorney staff and Correa, for setting up her new client file, and for submitting to the lender a notice of representation is disproportioned to the value of such services.

197. Conducting the initial consultation by telephone or email between Respondent's non-attorney staff and Correa, creating a new client file, and submitting a notice of representation did not require any special skill, and the issues involved were not novel and difficult.

198. The amount of time and labor required in conducting the initial consultation by telephone and email between Respondent's non-attorney staff and Correa, creating a new client file for Correa, and submitting a notice of representation is minimal.

199. Respondent did not provide the following to Correa, prior to entering into a fee agreement, as a separate statement, in not less than 14-point bold type:

It is not necessary to pay a third party to arrange for a loan modification or other form of forbearance from your mortgage lender or servicer. You may call your lender directly to ask for a change in your loan terms.

Nonprofit housing counseling agencies also offer these and other forms of borrower assistance free of charge. A list of nonprofit housing counseling agencies approved by the United States Department of Housing and Urban Development (HUD) is available from your local HUD office or by visiting www.hud.gov.

200. Prior to demanding, charging, collecting or receiving any fees from Correa, Respondent had not fully perform each and every service he had contracted to perform or represented that he would perform for Correa.

201. A dispute developed as to whether Respondent is entitled to any fees for delaying Correa's foreclosure proceedings.

202. Respondent did not provide Correa any accounting of the fees he had received from Correa.

203. To date, Respondent has not refunded to Adams any portion of the advanced fees.

Case No. 11-O-14302 (Client Charles E. Jones)

204. On February 2, 2011, Charles E. Jones ("Jones") hired Respondent for loan modification services. Jones never received a written fee agreement.

205. On February 11, 2011, Jones paid Respondent advanced fees in the amount of \$994. At Respondent's instruction, Jones also gave four additional check-payments, post-dated, as follows:

<u>Date of Check</u>	<u>Check No.</u>	<u>Amount</u>
3/14/11	226	\$ 959
4/11/11	227	\$ 959
5/13/11	228	\$ 959
6/13/11	229	\$ 959

206. On March 15, 2011, Jones's check no. 226, in the amount of \$959, was presented for payment, and Respondent collected and received the proceeds.

207. In May 2011, after foreclosure proceedings, Jones lost his home.

208. Respondent did not perform any service for or on behalf of Jones.

209. Respondent did not refund to Jones any portion of the advanced fees.

Case No. 11-O-15063 (Client Joyce Simmons)

210. On February 2, 2011, Joyce Simmons (“Simmons”) hired Respondent for loan modification services. On February 2, 2011, Respondent charged Simmons \$4,795 for the services.

211. Between February 2, 2011 and April 26, 2011, Respondent collected and received from Simmons fees, as follows:

<u>Date of Collection/Receipt</u>	<u>Amount</u>
2/2/11	\$1,000
3/28/11	\$ 759
4/26/11	\$ 759

212. In early April 2011, Respondent submitted to Simmons’s lender a notice of representation.

213. In late April 2011, the lender denied Simmons’s loan modification application. Simmons received the notice of denial on April 28, 2011.

CONCLUSIONS OF LAW

IN THE MATTER OF: WILLIAM THOMAS HAYS, SR.

CASE NUMBERS: 10-O-06262, 10-O-07715, 10-O-10209,
 10-O-10210, 10-O-10215, 11-O-10462,
 11-O-10463, 11-O-10465, 11-O-11550,
 11-O-11551, 11-O-11597, 11-O-12506,
 11-O-14302, 11-O-15063

Case no. 10-O-10215 (Client George Head)

1. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Head, a borrower, and demanding, charging, collecting and receiving fees from Head prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

2. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Head, a borrower, in advance of any service and thereafter entering into a fee agreement with Head without providing him, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

Case No. 11-O-10462 (Client Cory Adams)

3. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Adams, a borrower, and demanding, charging, collecting and receiving fees from Adams prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

4. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Adams, a borrower, in advance of any service and thereafter entering into a fee

agreement with Adams without providing him, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

5. By failing to comply with Civil Code section 2944.6 and 2944.7, when he negotiated, arranged or offered to perform a mortgage loan modification for Adams, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

6. By charging and collecting from Adams at least \$2,730 for an initial consultation conducted by non-attorney staff, opening a new client file, and submitting a notice of representation, Respondent entered into an agreement for, charged, or collected an unconscionable fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

7. By not providing any accounting of the fees he received from Adams, Respondent failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession, in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

Case No. 11-O-11550 (Clients Leslie D. Laswell, Jr. & Suzanne R. Laswell)

8. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by the Laswells, borrowers, and demanding, charging, collecting and receiving fees from the Laswells prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

9. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by the Laswells, borrowers, in advance of any service and thereafter entering into a fee agreement with the Laswells without providing them, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of

Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

10. By failing to comply with Civil Code section 2944.6 and 2944.7, when he negotiated, arranged or offered to perform a mortgage loan modification for the Laswells, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

11. By charging and collecting from the Laswells at least \$1,748 for an initial consultation conducted by non-attorney staff by telephone or email, opening a new client file, and submitting a notice of representation, Respondent entered into an agreement for, charged, or collected an unconscionable fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

12. By not providing any accounting of the fees he received from the Laswells, Respondent failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession, in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

Case no. 11-O-12506 (Client Michael Lex)

13. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Lex, a borrower, and demanding, charging, collecting and receiving fees from Lex prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

14. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Lex, a borrower, in advance of any service and thereafter entering into a fee agreement with Lex without providing him, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

15. By failing to comply with Civil Code section 2944.6 and 2944.7, when he negotiated, arranged or offered to perform a mortgage loan modification for Lex, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

16. By charging and collecting from Lex at least \$ 939 for an initial telephone consultation by non-attorney staff by telephone or email, opening a new client file, and submitting a notice of representation, Respondent entered into an agreement for, charged, or collected an unconscionable fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

17. By not providing Lex with his client file and with documents that purports to be work performed on Lex's behalf, despite requests from Lex, Respondent failed to release promptly, upon termination of employment, to the client, at the request of the client, all client papers and property, in willful violation of Rules of Professional Conduct, rule 3-700(D)(1).

18. By not providing any accounting of the fees he received from Lex, Respondent failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession, in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

Case No. 10-O-06262 (Clients Timothy J. Borer & Kimberly R. Borer)

19. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from the Borers prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

20. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by a borrower in advance of any service and thereafter entering into a fee agreement with the Borers without providing them, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section

2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

21. By charging and collecting from the Borers at least \$1,748 for an initial consultation conducted by non-attorney staff by telephone or email, opening a new client file, and submitting a notice of representation, Respondent entered into an agreement for, charged, or collected an unconscionable fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

22. By failing to comply with Civil Code section 2944.6 and 2944.7, when he negotiated, arranged or offered to perform a mortgage loan modification for the Borers, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

23. By entering into a contract with the Borers in Florida to apply, negotiate and obtain a modification of their loan on a property in Florida when Respondent was not admitted in nor otherwise authorized to practice law in that state, Respondent practiced law in a jurisdiction where to do so is a violation of the regulations of the profession in that jurisdiction, in willful violation of Rules of Professional Conduct, rule 1-300(B).

24. By not providing any accounting of the fees he received from the Borers, Respondent failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession, in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

Case No. 10-O-07715 (Client Cassandra Butler)

25. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Butler prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

26. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by a borrower in advance of any service and thereafter entering into a fee agreement

with Butler without providing her, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

27. By charging and collecting from Butler at least \$1,946 for an initial consultation conducted by non-attorney staff by telephone or email, opening a new client file, and submitting a notice of representation, Respondent entered into an agreement for, charged, or collected an unconscionable fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

28. By failing to comply with Civil Code sections 2944.6 and 2944.7, when he negotiated with, arranged or offered to perform a mortgage loan modification for Butler, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

29. By entering into a contract with Butler in Nevada to apply, negotiate and obtain a modification of a loan on a property located in Nevada when Respondent was not admitted in nor otherwise authorized to practice law in that state, Respondent practiced law in a jurisdiction where to do so is a violation of the regulations of the profession in that jurisdiction, in willful violation of Rules of Professional Conduct, rule 1-300(B).

30. By not providing any accounting of the fees he received from Butler, Respondent failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession, in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

Case no. 10-O-10210 (Client Milton E. Snipes)

31. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Snipes prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

32. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by a borrower in advance of any service and thereafter entering into a fee agreement with Snipes without providing them, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

33. By charging and collecting from Snipes at least \$1,165 for an initial consultation conducted by non-attorney staff by telephone or email, opening a new client file, and submitting a notice of representation, Respondent entered into an agreement for, charged, or collected an unconscionable fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

34. By failing to comply with Civil Code section 2944.6 and 2944.7, when he negotiated, arranged or offered to perform a mortgage loan modification for Snipes, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

35. By entering into a contract with Snipes in Florida to apply, negotiate and obtain a modification of their loan on a property in Florida when Respondent was not admitted in nor otherwise authorized to practice law in that state, Respondent practiced law in a jurisdiction where to do so is a violation of the regulations of the profession in that jurisdiction, in willful violation of Rules of Professional Conduct, rule 1-300(B).

36. By not providing any accounting of the fees he received from Snipes, Respondent failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession, in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

Case No. 11-O-11551 (Client Amy Lanou)

37. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Lanou, and demanding, charging, collecting and receiving fees from Lanou prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

38. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Lanou in advance of any service and thereafter entering into a fee agreement with Lanou without providing her, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

39. By failing to comply with Civil Code sections 2944.6 and 2944.7, when he negotiated with, arranged or offered to perform a mortgage loan modification for Lanou, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

40. By entering into a contract with Lanou in Massachusetts to apply, negotiate and obtain a modification of a loan on a property located in Massachusetts when Respondent was not admitted in nor otherwise authorized to practice law in that state, Respondent practiced law in a jurisdiction where to do so is a violation of the regulations of the profession in that jurisdiction, in willful violation of Rules of Professional Conduct, rule 1-300(B).

41. By not informing Lanou that he had received notice of foreclosure proceedings against Lanou's property, and that a foreclosure sale date was scheduled for December 1, 2010, Respondent failed to keep a client reasonably informed of significant developments in matters with regard to which he had agreed to provide legal services, in willful violation of Business and Professions Code section 6068(m).

42. By not providing any accounting of the fees he received from Lanou, Respondent failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession, in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

Case No. 11-O-11597 (Client Marshall L. Hardy)

43. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Hardy, a borrower, and demanding, charging, collecting and receiving fees from Hardy prior to fully performing each and every service he had contracted to perform or

represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

44. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Hardy, a borrower, in advance of any service and thereafter entering into a fee agreement with Hardy without providing him, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

45. By failing to comply with Civil Code section 2944.6 and 2944.7, when he negotiated, arranged or offered to perform a mortgage loan modification for Hardy, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

46. By charging and collecting from Hardy \$10,800 for an initial consultation conducted by non-attorney staff by telephone or email, opening a new client file, and submitting a notice of representation, Respondent entered into an agreement for, charged, or collected an unconscionable fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

47. By entering into a contract with Hardy in Virginia to apply, negotiate and obtain a modification of their loan on a property in Virginia when Respondent was not admitted in nor otherwise authorized to practice law in that state, Respondent practiced law in a jurisdiction where to do so is a violation of the regulations of the profession in that jurisdiction, in willful violation of Rules of Professional Conduct, rule 1-300(B).

48. By not providing any accounting of the fees he received from Hardy, Respondent failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession, in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

Case No. 10-O-10209 (Client John Haddad)

49. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Haddad

prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

50. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by a borrower in advance of any service and thereafter entering into a fee agreement with Haddad without providing her, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

51. By charging and collecting from Haddad at least \$1,946 for an initial consultation conducted by non-attorney staff by telephone or email, opening a new client file, and submitting a notice of representation, Respondent entered into an agreement for, charged, or collected an unconscionable fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

52. By failing to comply with Civil Code sections 2944.6 and 2944.7, when he negotiated with, arranged or offered to perform a mortgage loan modification for Haddad, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

53. By not providing any accounting of the fees he received from Haddad, Respondent failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession, in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

Case No. 11-O-10463 (Clients Carlos Gonzalez & Sandra Gonzalez)

54. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by the Gonzalezes, borrowers, and demanding, charging, collecting and receiving fees from the Gonzalezes prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

55. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by the Gonzalezes, borrowers, in advance of any service and thereafter entering into a fee agreement with the Gonzalezes without providing him, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

56. By failing to comply with Civil Code section 2944.6 and 2944.7, when he negotiated, arranged or offered to perform a mortgage loan modification for the Gonzalezes, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

57. By charging and collecting from the Gonzalezes \$3,195 for an initial consultation conducted by non-attorney staff by telephone or email, opening a new client file, and submitting a notice of representation, Respondent entered into an agreement for, charged, or collected an unconscionable fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

58. By not providing any accounting of the fees he received from the Gonzalezes, Respondent failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession, in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

Case No. 11-O-10465 (Client Teresa Correa)

59. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Correa, a borrower, and demanding, charging, collecting and receiving fees from Correa prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

60. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Correa, a borrower, in advance of any service and thereafter entering into a fee agreement with Correa without providing her, prior to entering into the agreement, the separate

statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

61. By failing to comply with Civil Code section 2944.6 and 2944.7, when he negotiated, arranged or offered to perform a mortgage loan modification for Correa, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

62. By charging and collecting from Correa \$3,495 for an initial consultation conducted by non-attorney staff by telephone or email, opening a new client file, and submitting a notice of representation, Respondent entered into an agreement for, charged, or collected an unconscionable fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

63. By not providing any accounting of the fees he received from Correa, Respondent failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession, in willful violation of Rules of Professional Conduct, rule 4-100(B)(3).

Case No. 11-O-14302 (Client Charles Jones)

64. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Jones, a borrower, and demanding, charging, collecting and receiving fees from Jones prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

65. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Jones, a borrower, in advance of any service and thereafter entering into a fee agreement with Jones without providing him, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

66. By failing to comply with Civil Code section 2944.6 and 2944.7, when he negotiated, arranged or offered to perform a mortgage loan modification for Jones, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

Case No. 11-O-15063 (Client Joyce Simmons)

67. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Simmons, a borrower, and demanding, charging, collecting and receiving fees from Simmons prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

68. By negotiating, arranging or offering to perform a mortgage loan modification for a fee paid by Simmons, a borrower, in advance of any service and thereafter entering into a fee agreement with Simmons without providing her, prior to entering into the agreement, the separate statement, in not less than 14-point bold type, specifically required in subdivision (a) of Section 2944.6 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

69. By failing to comply with Civil Code section 2944.6 and 2944.7, when he negotiated, arranged or offered to perform a mortgage loan modification for Simmons, Respondent entered into an agreement for, charged or collected an illegal fee, in willful violation of Rules of Professional Conduct, rule 4-200(A).

SUPPORTING AUTHORITIES

IN THE MATTER OF: WILLIAM THOMAS HAYS, SR.

CASE NUMBERS: 10-O-06262, 10-O-07715, 10-O-10209,
 10-O-10210, 10-O-10215, 11-O-10462,
 11-O-10463, 11-O-10465, 11-O-11550,
 11-O-11551, 11-O-11597, 11-O-12506
 11-O-14302, 11-O-15063

In *In re Ronald Robert Silverton* (2005) 36 Cal.4th 81, the California Supreme Court clarified 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.

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

Standard 1.6(a) states that where two or more acts of professional misconduct are charged and different sanctions are prescribed by the standards for the acts, the sanction imposed shall be the more or most severe of the different applicable sanctions.

Standard 2.2(b) provides, “Culpability of a member of commingling of entrusted funds or property with personal property or the commission of another violation of rule 4-100, Rules of Professional Conduct, none of which offenses result in the willful misappropriation of entrusted funds or property shall result in at least a three month actual suspension from the practice of law, irrespective of mitigating circumstances.

Standard 2.7 provides, “ Culpability of a member of a willful violation of that portion of rule 4-200, Rules of Professional Conduct re entering into an agreement for, charging or collecting an unconscionable fee for legal services shall result in at least a six-month actual suspension from the practice of law, irrespective of mitigating circumstances.”

Standard 2.10: “Culpability of a member of a violation of any provision of the Business and Professions Code not specified in these standards or of a willful violation of any Rules of Professional Conduct not specified in these standards shall result in reproof or suspension according to the gravity of the offense or the harm, if any, to the victim, with due regard to the purposes of imposing discipline set forth in standard 1.3.

In *Lipson vs. State Bar* (1991) 53 Cal.3d 1010, the Supreme Court found misconduct including willful misappropriation of \$8,400. The respondent had no prior record of discipline in over 42 years of practice, was candid with the State Bar but had not made restitution. The Court recognized that misappropriation can be committed in different degrees of culpability, deserving of different discipline: “Even where the most compelling mitigating circumstances do not clearly

Supporting Authorities (continued)

predominate, we have recognized extenuating circumstances relating to the facts of the misappropriation that render disbarment inappropriate.”

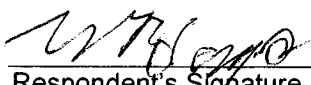
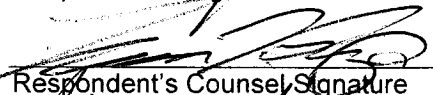
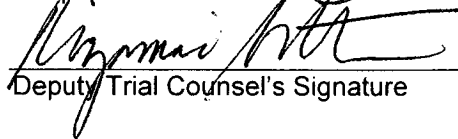
In *Lipson*, the court concluded that when a respondent can be adequately rehabilitated by lengthy suspension and strict conditions of rehabilitation, discipline short of disbarment would be appropriate.

(Do not write above this line.)

In the Matter of: William Thomas Hays, Sr.	Case number(s): 10-O-06262, et al.
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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>8-16-11</u> Date	 Respondent's Signature	<u>William T. Hays</u> Print Name
<u>8-16-11</u> Date	 Respondent's Counsel Signature	<u>Thomas P. Hays</u> Print Name
<u>8/17/11</u> Date	 Deputy Trial Counsel's Signature	<u>Rizamari C. Sitton</u> Print Name

(Do not write above this line.)

In the Matter of: William Thomas Hays, Sr.	Case Number(s): 10-O-06262, et al.
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ACTUAL SUSPENSION ORDER

Finding the stipulation to be fair to the parties and that it adequately protects the public, IT IS ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without prejudice, and:

- The stipulated facts and disposition are APPROVED and the DISCIPLINE RECOMMENDED to the Supreme Court.
- The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the DISCIPLINE IS RECOMMENDED to the Supreme Court.
- All Hearing dates are vacated.

PAGE 5 - E(1) - REMOVE CHECK MARK FROM BOX

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies or further modifies the approved stipulation. (See rule 5.58(E) & (F), Rules of Procedure.) **The effective date of this disposition is the effective date of the Supreme Court order herein, normally 30 days after file date. (See rule 9.18(a), California Rules of Court.)**

Date

08-24-11



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 August 26, 2011, I deposited a true copy of the following document(s):

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING

in a sealed envelope for collection and mailing on that date as follows:

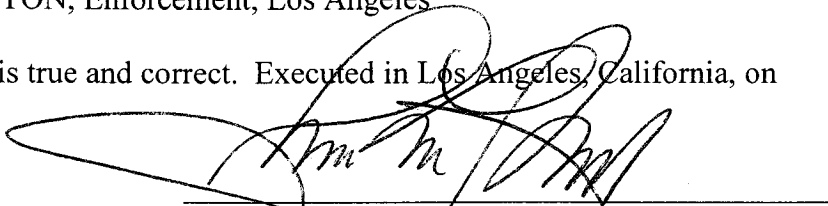
- by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

THOMAS P. HAYS
THOMAS HAYS
2129 MARINERS DR
NEWPORT BEACH, CA 92660

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

RIZAMARI C. SITTON, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on August 26, 2011.



Johnnie Lee Smith
Case Administrator
State Bar Court