State Bar Court of California **Hearing Department PUBLIC MATTER** Los Angeles ACTUAL SUSPENSION Counsel For The State Bar For Court use only Case Number(s): Erin McKeown Joyce 10-0-9741 Deputy Trial Counsel 11-O-10325 State Bar of California 11-0-10327 1149 South Hill Street 11-0-11345 APR 03 2012 Los Angeles, CA 90015-2299 11-0-11659 Telephone: (213) 765-1356 11-O-12188 STATE BAR COURT Facsimile: (213) 765-1319 CLERK'S OFFICE 11-0-15088 LOS ANGELES Bar # 149946 Counsel For Respondent Kevin Patrick Gerry The Law Office of Kevin Gerry 711 N Soledad Street Santa Barbara, CA 93103 Submitted to: Assigned Judge (805)899-2990 STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING Bar # 129690 In the Matter of: **ACTUAL SUSPENSION** JENNY SCOVIS □ PREVIOUS STIPULATION REJECTED Bar # 87026 A Member of the State Bar of California

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

A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted June 4, 1979.
- (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.

(Effective January 1, 2011)

(Respondent)

Actual Suspension

- (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 12 pages, not including the order.
- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."
- (5) Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law".
- (6) The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."
- (7) No more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.
- (8) Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):

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: commencing in 2013 to be paid in equal installments over three years. Respondent requires additional time to pay for the costs of these disciplinary proceedings due to her commitment to pay substantial restitution during her probation period. (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 1. 83-C-22 (Bar Misc. No. 4655); 2. 01-O-417 and 01-O-1135; 3. 05-O-933
 - (b) Date prior discipline effective 1. November 2, 1984; 2. August 16, 2001; 3. July 6, 2011
 - (c) Rules of Professional Conduct/ State Bar Act violations: 1. Business and Professions Code section 6068(a); 2. Rule of Professional Conduct 4-100(B)(4); 3. Business and Professions Code section 6068(m)
 - (d) Degree of prior discipline 1. thirty day actual suspension; 2. private reproval; 3. sixty day actual suspension
 - (e)
 If Respondent has two or more incidents of prior discipline, use space provided below.

(Do r	ot write	e above this line.)
(2)		Dishonesty: Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
(3)		Trust Violation: Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.
(4)		Harm: Respondent's misconduct harmed significantly a client, the public or the administration of justice.
(5)		Indifference: Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
(6)		Lack of Cooperation: Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.
(7)		Multiple/Pattern of Misconduct: Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct.
(8)		No aggravating circumstances are involved.
	_	ating Circumstances [see standard 1.2(e)]. Facts supporting mitigating mstances 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. Throughout this proceeding, Respondent cooperated fully with the State Bar, answered the questions that were posed by the State Bar, and entered into this comprehensive stipulation acknowledging her misconduct and settling these matters at the earliest opportunity.
(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)	\boxtimes	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

(Do n	ot writ	e abov	e this li	ne.)				
		any suff cor	illegal ers fro	was directly responsible for the misconduct. The difficulties or disabilities were not the product of conduct by the member, such as illegal drug or substance abuse, and Respondent no longer or such difficulties or disabilities. Respondent has been diagnosed with a serious heart in from which she suffered during the time period of her short involvement with Michael in the conduction of the short involvement with Michael involveme				
(9)		whic	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)				roblems: At the time of the misconduct, Respondent suffered extreme difficulties in his/her ife 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.						
Addi	ition	al mit	tigatin	g circumstances:				
D. C)isci	iplin	e:					
(1)	\boxtimes	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)	\boxtimes	The	above-referenced suspension is stayed.				
(2)	\boxtimes	Probation:						
		espondent must be placed on probation for a period of four (4) years, which will commence upon the effective ate of the Supreme Court order in this matter. (See rule 9.18, California Rules of Court)						
(3)	\boxtimes	Actu	ıal Su	spension:				
	(a)	\boxtimes		pondent must be actually suspended from the practice of law in the State of California for a period re (5) months.				

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

(Do not write above this line.)							
(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. O	ther	Con	ditions Negotiated by the Parties	s:			
(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.						
in Ca	ase N		No MPRE recommended. Reason: Respo -O-933.	ndent	was recently required take and pass the MPRE		
(2)	\boxtimes	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:				
The	Attac	hmer	at to the Stipulation re Facts, Conclusion	ons of l	Law and Disposition comprises pages 7 to 11.		
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ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

In the Matter of Jenny Scovis

Case Nos. 10-O-9741, 11-O-10325, 11-O-10327, 11-O-11345, 11-O-11659, 11-O-15088, 11-O-12188

PENDING PROCEEDINGS:

The disclosure date referred to on page two, paragraph A.(7), was January 26, 2012.

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

Case Nos. 10-O-9741, 11-O-10325, 11-O-10327, 11-O-11345, 11-O-11659 and 11-O-12188

FACTS

- 1. In late summer 2009, Respondent met Michael McDevitt, who operated a professional office in the same building as Respondent's daughter, Kim Scovis, who is also an attorney.
- 2. McDevitt represented to Respondent and her daughter that he was an experienced mortgage professional. McDevitt was the owner of Fidelity Financial, a company he represented was successful in loan modifications and other related real estate matters.
- 3. In September 2009, Respondent agreed to form Scovis Law Group and hired McDevitt as the office manager and human resources director of the firm. Respondent opened the office of Scovis Law Group next door to McDevitt's Fidelity Financial office. Respondent's daughter, Kim Scovis, was not involved in the operations of Scovis Law Group.
- 4. On September 10, 2009, Respondent opened a bank account at Wells Fargo Bank and made McDevitt an authorized signatory on the account. The account was intended to be the operating account for Scovis Law Group.
- 5. Respondent failed to properly supervise McDevitt in connection with the opening of the Scovis Law Group account and the maintenance of the Scovis Law Group account. In the exercise of proper supervision, Respondent would have known that McDevitt opened the Scovis Law Group account in her daughter's name, using the address of Fidelity Financial, instead of the address of Scovis Law Group.
- 6. Because Respondent failed to exercise proper supervision of McDevitt in connection with the opening of the Scovis Law Group account, she was unaware that McDevitt directed the statements to the Fidelity Financial office. Respondent did not review the statements of the Scovis Law Group account. When she asked McDevitt to review the statements of the account, he failed to provide the statements to her.

- 7. Respondent failed to properly supervise McDevitt during the approximately six months she employed him at Scovis Law Group.
- 8. When Respondent was unable to obtain sufficient information from McDevitt concerning the operations of Scovis Law Group, Respondent terminated her relationship with McDevitt and ceased the operations of Scovis Law Group. Respondent simultaneously closed the Scovis Law Group at the time she terminated McDevitt.
- 9. While he was employed by Scovis Law Group, and after he was terminated by Respondent, McDevitt accepted clients on behalf of the office which he failed to disclose to Respondent.
- 10. After he was terminated by Respondent, McDevitt continued to operate Scovis Law Group for a few months without Respondent's authority.
- 11. When she terminated McDevitt and closed Scovis Law Group, Respondent notified Wells Fargo and all of the clients of which she was aware of the closing of Scovis Law Group. She specifically directed Wells Fargo to close the Scovis Law Group account. Wells Fargo did not immediately close the account, and continued to allow McDevitt to access the Scovis Law Group account.
- 12. When she discovered McDevitt was still operating Scovis Law Group without authority, Respondent notified the criminal authorities of McDevitt's continued unauthorized operation of Scovis Law Group. Only after he was contacted by the criminal authorities did McDevitt cease his unauthorized operation of Scovis Law Group.
- 13. Because she failed to properly supervise McDevitt and the operations of Scovis Law Group, Respondent failed to uncover that McDevitt accepted clients without her knowledge and consent.
- 14. On May 3, 2010, McDevitt accepted David Ruble as a client of Scovis Law Group and took fees from the client without Respondent's knowledge or consent. Respondent did not receive any fees from Ruble. McDevitt took the fees paid by Ruble for his own use.
- 15. On June 8, 2010, McDevitt accepted John and Gloria Bennett as clients of Scovis Law Group and took fees from the clients without Respondent's knowledge or consent. Respondent did not receive any fees from the Bennetts. McDevitt took the fees paid by the Bennetts for his own use.
- 16. On September 24, 2009, McDevitt accepted Mark and Wendy Brinduse as clients of Scovis Law Group and took fees from the clients without Respondent's knowledge or consent. Respondent did not receive any fees from the Brinduses. McDevitt took the fees paid by the Brinduses for his own use.
- 17. On March 23, 2010, McDevitt accepted Dennis and LaWanda Long as clients of Scovis Law Group and took fees from the clients without Respondent's knowledge or consent. Respondent did not receive any fees from the Longs. McDevitt took the fees paid by the Longs for his own use.

- 18. On June 15, 2010, McDevitt accepted James and Sandra Gianforte as clients of Scovis Law Group and took fees from the clients without Respondent's knowledge or consent. Respondent did not receive any fees from the Gianforte. McDevitt took the fees paid by the Gianfortes for his own use.
- 19. On June 8, 2010, McDevitt accepted John and Gloria Bennett as clients of Scovis Law Group and took fees from the clients without Respondent's knowledge or consent. Respondent did not receive any fees from the Bennetts. McDevitt took the fees paid by the Bennetts for his own use.
- 20. On February 19, 2010, McDevitt accepted Susan Schweiker as a client of Scovis Law Group and took fees from the client without Respondent's knowledge or consent. Respondent did not receive any fees from Schweiker. McDevitt took the fees paid by Schweiker for his own use.

CONCLUSIONS OF LAW

By failing to properly supervise McDevitt and the operations of Scovis Law Group, Respondent intentionally, recklessly or repeatedly failed to perform legal services with competence in wilful violation of Rule of Professional Conduct 3-110(A).

Case No. 11-O-15088

FACTS

- 1. On October 28, 2009, Frank and Clara Arbizu hired Respondent to represent their son, Frank Jr. in a criminal matter and paid Respondent \$7,500 in attorney fees. In total the Arbizus paid Respondent \$34,700 in advanced attorney fees for the representation of Frank Jr.
- 2. In June 2010, the Arbizus terminated Respondent and requested an accounting and a full refund of the unearned fees. Respondent provided the Arbizus with an accounting, but did not refund any fees.
- 3. On February 17, 2011, the Arbizus were awarded \$34,700 at fee arbitration, and Respondent was ordered to refund unearned advanced fees to the Arbizus in the amount of \$34,700. The arbitration award is now final.
- 4. To date, Respondent has failed to refund to the Arbizus the unearned advanced fees of \$34,700.

CONCLUSIONS OF LAW

By failing to refund to the Arbizus the \$34,7000 she collected as advanced fees, when she failed to earn any of those funds, Respondent failed to refund promptly any part of a fee paid in advance that has not been earned in wilful violation of Rule of Professional Conduct 3-700(D)(2).

DISMISSALS

The State Bar dismisses Count One, Count Two, Count Three and Count Four of the Notice of Disciplinary Charges in the interests of justice.

AUTHORITIES SUPPORTING DISCIPLINE

STANDARDS FOR ATTORNEY SANCTIONS

To determine the appropriate level of discipline, the standards provide guidance. *Drociak v. State Bar* (1991) 52 Cal.3d 1085; *In the Matter of Sampson*, 3 Cal. State Bar Ct. Rptr. 119. A disciplinary recommendation must be consistent with the discipline in similar proceedings. *See Snyder v. State Bar* (1990) 49 Cal.3d 1302. Also, the recommended discipline must rest upon a balanced consideration of relevant factors. *In the Matter of Sampson*, 3 Cal. State Bar Ct. Rptr. 119.

Pursuant to Standard 1.3 of the Standards for Attorney Sanctions for Professional Misconduct:

The primary purposes of disciplinary proceedings conducted by the State Bar of California and of sanctions imposed upon a finding or acknowledgment of a member's professional misconduct are the protection of the public, the courts and the legal profession; the maintenance of high professional standards by attorneys and the preservation of public confidence in the legal profession.

Pursuant to Standard 1.5 of the Standards for Attorney Sanctions for Professional Misconduct:

Reasonable duties or conditions fairly related to the acts of professional misconduct and surrounding circumstances found or acknowledged by the member may be added to a recommendation or suspension or; pursuant to rule 9.19, California Rules of Court, to a reproval. Said duties may include, but are not limited to, any of the following:

- 1.5(b): a requirement that the member take and pass an examination in professional responsibility;
- 1.5(d): a requirement that the member undertake educational or rehabilitative work at his or her own expense regarding one or more fields of substantive law or law office management;
- 1.5(f): any other duty or condition consistent with the purposes of imposing a sanction for professional misconduct as set forth in standard 1.3.

Pursuant to Standard 2.4(b) of the Standards for Attorney Sanctions for Professional Misconduct:

Culpability of a member of a violation of rule 3-110(A) of the Rules of Professional Conduct shall result in reproval or suspension depending upon the extent of the misconduct and the degree of harm to the client.

Pursuant to Standard 2.10 of the Standards of Attorney Sanctions for Professional Misconduct:

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 Rule of Professional Conduct not specified in these standards shall result in reproval 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.

Respondent failed to perform with competence by failing to properly supervise her office staff in violation of Rule of Professional Conduct 3-110(A). She also failed to refund unearned fees in the amount of \$34,700 to the Arbizus, despite an arbitration award against her which is now final.

Respondent has three instances of prior discipline, which are considered aggravating under Standard 1.7(a).

The stipulated discipline of a five (5) month actual suspension, with conditions, including restitution, and the lengthy probation period are sufficient to protect the public and the profession in these matters.

FURTHER AGREEMENTS OF THE PARTIES

The factual statements contained in this Stipulation constitute admissions of fact and may not be withdrawn by either party, except with court approval.

RESTITUTION

Respondent acknowledges that she owes restitution (including the principal amount, plus interest of 10 percent per annum from November 22, 2009) to the Arbizus in the amount of \$34,700. If the Client Security Fund ("CSF") has reimbursed the Arbizus for all or any portion of the principal amount, Respondent must also pay restitution to CSF in the amounts paid, plus applicable interest and costs. Respondent must pay the restitution owed pursuant to the disciplinary order resulting from this stipulation and provide satisfactory proof of payment to the Office of Probation not later than three (3) years from the effective date of the disciplinary order resulting from this stipulation.

COSTS

Respondent acknowledges that the Office of the Chief Trial Counsel has informed her that as of January 26, 2012, the estimated costs in this matter are \$8,621. Respondent further acknowledges that, should this Stipulation be rejected or should relief from the Stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

Date

In the Matter of:	Case number(s):
Jenny Scovis	10-O-09741, 11-O-10325, 11-O-10327,
	11-O-11345, 11-O-11659, 11-O-15088,
	11-O-12188

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.

Print Name

Kevin P. Gerry

Print Name

Erin McKeown Joyce

Print Name

(Do not write above this line.)	
In the Matter Of JENNY SCOVIS	Case Number(s): 10-O-09741; 11-O-10325; 11-O-10327; 11-O-11345; 11-O-11659; 11-O-12188; 11-O-15088

	ORDER
IT IS	ng the stipulation to be fair to the parties and that it adequately protects the public, ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without dice, and:
. Ang	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.
1.	On page 6, at $E(10)$ of the stipulation, insert an "x" in the box that immediately follows the number (10) and precedes the words, "The following conditions"
2.	On page 6, within E(10), insert an "x" in box next to the words "Financial Conditions" and also insert the following parenthetical phrase after the words, Financial Conditions: (See page 11, "FINANCIAL CONDITIONS/RESTITUTION.)
3.	On page 11, insert the words , "FINANCIAL CONDITIONS" and a backslash before the headin "RESTITUTION," so that the new heading reads as follows: FINANCIAL CONDITIONS/RESTITUTION

(Do not write above this line.)	
The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or m	odify
the stipulation, filed within 15 days after service of this order, is granted; or 2) this court mo	odifies

or further modifies the approved stipulation. (See rule 135(b), Rules of Procedure.) The effective date of this disposition is the effective date of the Supreme Court order herein,

normally 30 days after file date. (See rule 9.18(a), California Rylles of Court.)

Date

Richard A. Honn

Judge of the State Bar Court

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 April 3, 2012, I deposited a true copy of the following document(s):

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

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

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

KEVIN P GERRY ESQ 711 N SOLEDAD ST SANTA BARBARA, CA 93103

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

Erin M. Joyce, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on April 3, 2012.

Julieta E. Gonzales

State Bar Court