State Bar Court of California **Hearing Department** Los Angeles **ACTUAL SUSPENSION** For Court use only Counsel For The State Bar Case Number(s): 11-C-13340-RAH Jessica A. Lienau FILET Office of the Chief Trial Counsel 1149 S. Hill St. DEC 2-7 2011 Los Angeles, CA 90015 PUBLIC MATTER (213) 765-1165 STATE BAR COURT CLERK'S OFFICE LOS ANGELES Bar # 269753 Counsel For Respondent Arthur L. Margolis Margolis & Margolis LLP 2000 Riverside Dr. Los Angeles, CA 90039-3758 Submitted to: Assigned Judge (323) 953-8996 STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING Bar # 57703 In the Matter of: **ACTUAL SUSPENSION** OWEN R. ONOUYE PREVIOUS STIPULATION REJECTED Bar # 174580 A Member of the State Bar of California (Respondent)

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

A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted Decemeber 12, 1994.
- (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 11 pages, not including the order.

(Do r	ot write	above this line.)					
(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):						
- 35		relief is obtained per rule 5.130, Rules of Procedure.					
1	Profe	avating Circumstances [for definition, see Standards for Attorney Sanctions for essional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances equired.					
(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.					

(Do no	t write	above this line.)					
(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)	\boxtimes	No aggravating circumstances are involved.					
Addi	tiona	al aggravating circumstances:					
	_	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.					
(4)		Remorse: Respondent promptly took objective steps spontaneously demonstrating remorse and recognition of the wrongdoing, which steps were designed to timely atone for any consequences of his/her misconduct.					
(5)		Restitution: Respondent paid \$ on in restitution to without the threat or force of disciplinary, civil or criminal proceedings.					
(6)		Delay: These disciplinary proceedings were excessively delayed. The delay is not attributable to Respondent and the delay prejudiced him/her.					
(7)		Good Faith: Respondent acted in good faith.					
(8)		Emotional/Physical Difficulties: At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical disabilities which expert testimony would establish was directly responsible for the misconduct. The difficulties or disabilities were not the product of any illegal conduct by the member, such as illegal drug or substance abuse, and Respondent no longer suffers from such difficulties or disabilities.					
(9)		Severe Financial Stress: At the time of the misconduct, Respondent suffered from severe financial stress which resulted from circumstances not reasonably foreseeable or which were beyond his/her control and which were directly responsible for the misconduct.					
(10)		Family Problems: At the time of the misconduct, Respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature.					
(11)		Good Character: Respondent's good character is attested to by a wide range of references in the legal and general communities who are aware of the full extent of his/her misconduct.					

(Do not write above this line.)					
(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	igatin	g circumstances:	
	Р	lease	see S	Stipulation Attachment, pages 8 and 9.	
D. C)isci	iplin	e:		
(1)	⊠ Stayed Suspension:			uspension:	
	(a)	\boxtimes	Resp	pondent must be suspended from the practice of law for a period of one (1) year.	
u ê		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:			
	Respondent must be placed on probation for a period of Two (2) 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)	\boxtimes	Actual Suspension:			
	(a)	(a) Respondent must be actually suspended from the practice of law in the State of California for a per of one (1) year.			
		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. A	ddi	tiona	ıl Co	nditions of Probation:	
(1)	\boxtimes	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)	\boxtimes	During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.			

(Do no	ot write	above	this line.)				
(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 o 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					
(5)		promptly meet with the probation deputy as directed and upon request. 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.					
					ning the same information, is due no earlier than obation 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)	\boxtimes	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)	\boxtimes	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. Re	eason:			
(9)	\boxtimes	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)	(10) The following conditions are attached hereto and incorporated:		porated:				
			Substance Abuse Conditions		Law Office Management Conditions		
			Medical Conditions		Financial Conditions		
F. O	ther	Con	ditions Negotiated by the Pa	rties:			
(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					

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF:

OWEN R. ONOUYE

CASE NUMBER(S):

11-C-13340-RAH

FACTS AND CONCLUSIONS OF LAW.

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

Case No. 11-C-13340 (Conviction Proceedings)

PROCEDURAL BACKGROUND IN CONVICTION PROCEEDING:

- 1. This is a proceeding pursuant to §§ 6101 and 6102 of the Business and Professions Code and rule 9.10 of the California Rules of Court.
- 2. On August 16, 2004, Respondent was convicted of violating Nebraska Revised Statutes § 28-416 (Possession of a Controlled Substance with Intent to Deliver- Marijuana, 48 Pounds).
- 3. On September 2, 2011, the Review Department of the State Bar Court issued an order referring the matter to the Hearing Department on the following issues: whether the facts and circumstances surrounding the violation of which Respondent was convicted involved moral turpitude or other misconduct warranting discipline, and if so found, the discipline to be imposed.

FACTS:

- 4. On March 21, 2002, Nebraska State Trooper Jeff Wilcynski ("Trooper Wilcynski") conducted a traffic stop of Respondent, who was driving a rental car, because Respondent drove the vehicle onto the shoulder of the interstate on two occasions.
- 5. Upon being stopped by Trooper Wilcynski, Respondent identified himself and provided Trooper Wilcynski with his rental car paperwork and driver's license.
- 6. Trooper Wilcynski notified Respondent that Trooper Wilcynski was going to issue Respondent a warning and asked Respondent to accompany Trooper Wilcynski to his patrol car where the warning would be issued.
- 7. During the course of Trooper Wilcynski issuing the warning, Respondent told Trooper Wilcynski that he was driving from Los Angeles to Cincinnati. Respondent told Trooper Wilcynski that he was an attorney and that his client paid for his trip. Trooper Wilcynski asked Respondent why Respondent did not fly and Respondent stated "because my client pays for everything."
- 8. Trooper Wilcynski told Respondent that Nebraska had a problem with people transporting large amounts of drugs via the interstate and asked Respondent whether he was aware of that. Trooper Wilcynski asked Respondent if he had any controlled substances in the rental car to which Respondent

responded that he was an attorney and he did not do "that sort of thing." Trooper Wilcynski asked Respondent for permission to search the rental car. Respondent said he had not done anything wrong, that he was an attorney and that he did not believe he had driven on the shoulder. Respondent did not answer yes or no when Trooper Wilcynski requested permission to search the rental car.

- 9. Trooper Wilcynski suspected that there were controlled substances in Respondent's rental car. Trooper Wilcynski called for a drug detection dog to come to the scene. Approximately 20 minutes later, the handler and drug detection dog arrived. Upon a search of the trunk, the officers located 48 pounds of marijuana, some in vacuum-sealed plastic bags and others wrapped in cellophane.
- 10. Respondent was arrested. Respondent waived his Miranda rights and gave an incriminating statement to the officers.
- 11. On May 17, 2002, Respondent was charged by information in the District Court of York County, State of Nebraska, Case No. 02-27, with possession of a controlled substance with the intent to distribute.
- 12. Following a stipulated trial on December 17, 2003, on August 16, 2004, the court found Respondent guilty of the charged offense and sentenced him to between five and ten years imprisonment, with credit for 4 days served.
- 13. On August 18, 2004, Respondent filed an appeal of the conviction and of the sentence with the Nebraska Court of Appeals. On April 8, 2005, the Nebraska Court of Appeals, in Case No. A-04-950, affirmed the lower court's finding of guilt and sentence.
 - 14. Respondent served two and one half years in a Nebraska state penitentiary.
- 15. Respondent was aware of the laws proscribing possession and distributing marijuana at the time of his offense.

CONCLUSIONS OF LAW:

16. The facts and circumstances surrounding the above-described violation involved moral turpitude.

MITIGATING CIRCUMSTANCES

ADDITIONAL MITIGATING CIRCUMSTANCES

Respondent is married and has two children, one born in 1995 and one born in 1997. Respondent asserts that he struggled financially at the beginning of his legal career, commencing in 1994 until 2000, when Respondent filed for bankruptcy relief. However, even after his bankruptcy proceedings, Respondent asserts that he was struggling financially to care for his family. Respondent asserts that his ongoing financial struggles made him moody and depressed. Respondent asserts that in 2004, an investment banker friend, who was aware of Respondent's dire financial condition, approached Respondent with an opportunity to make \$5,000 quickly by driving marijuana across country. Respondent asserts that prior to this time, he would never have considered such an offer, but that his financial situation made him vulnerable and desperate. Further, Respondent asserts that his depression led to his acceptance of his friend's offer.

Respondent has been a member of the State Bar of California for almost 17 years with no prior record of discipline.

Respondent has chosen to enter into a stipulation with the State Bar as early as possible.

Prior to his arrest, Respondent was active in his community. From 1997-2000, Respondent was a volunteer member of the Crescent Bay Optimist Club, where he helped raise money on several occasions for the Club's charity events, such as a charity golf tournament. Optimist Clubs throughout the world are dedicated to the scholastic, physical, moral, and civic developments of youth. Respondent was also a member from 1997-2000 of the Asian Business League of Southern California, where he helped raise money on several occasions for the Club's charity events, such as a charity golf tournament. The Asian Business League of Southern California is a non-profit, non-political organization which has worked with hundreds of individuals and corporations since its foundation in 1984 to provide quality educational programs that are relevant to the Southern California environment.

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was December 1, 2011.

AUTHORITIES SUPPORTING DISCIPLINE.

Standard 1.3, Title IV, Standards for Attorney Sanctions for Professional Misconduct, provides that the primary purposes of the disciplinary system 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."

Standard 3.2 states that the final conviction of an attorney of a crime which involves moral turpitude, either inherently or in the facts and circumstances surrounding the crime's commission, shall result in disbarment. Standard 3.2 further states that disbarment shall be the level of discipline unless the most compelling mitigating circumstances clearly predominate, in which case a two-year actual suspension should be imposed.

Caselaw clearly supports a finding that Respondent's misconduct involved moral turpitude. (See e.g. In re Kreamer (1975) 14 Cal. 3d 524, 530; In re Leardo (1991) 53 Cal. 3d 1, 10 (en banc); In re Higbie (1972) 6 Cal. 3d 562, 573 (en banc).)

Respondent's misconduct was serious and calls for disbarment in the absence of compelling mitigating circumstances. However, based on the caselaw and the facts and circumstances surrounding Respondent's misconduct, a one year suspension, stayed, on the condition that one year of the suspension be actual suspension and with two years of probation, is an appropriate level of discipline to protect the public, the profession and the courts. (See In re Leardo, 53 Cal. 3d at 10.)

In *In re Kreamer*, 14 Cal. 3d at 532, the Supreme Court of California held that three years of suspension, stayed, was adequate discipline of an attorney who pled guilty to the offenses of possessing marijuana and conspiracy to possess marijuana with intent to distribute. The Court noted as mitigating factors that the respondent did not have any prior discipline over the course of approximately ten years that the respondent's involvement in the marijuana offenses was motivated by a financial crisis and occurred during a time of emotional crisis when the respondent had in essence ceased practicing law. (*Id.* at 531.) The Court also noted that the respondent's post-conviction rehabilitative efforts that were

attested to be several members of his community. (*Id.*) The Court gave the respondent mitigation credit for having been candid and cooperative with the State Bar and the courts throughout the disciplinary proceedings. (*Id.*) In closing, the Court stated that the respondent "has already 'suffered the ignominy of a criminal conviction, (and) has served time in a penal institution and on parole ...". (*Id.* at 532 (internal citation omitted).)

Similarly, in *In re Cohen* (1974) 11 Cal. 3d 416, 422-23 (*en banc*), the Supreme Court of California held that a three year suspension, stayed, with two years of actual suspension was an adequate level of discipline for an attorney who was convicted of possession of marijuana for sale. The Court found that the respondent's excuse that he participated in the criminal acts with his friends out of a sense of adventure and friendship to merit little to no mitigation. (*Id.* at 420-22.) The Court found that the facts and circumstances surrounding the respondent's misconduct supported a finding of moral turpitude. (*Id.* at 421.) However, the Court held that the mitigating factors present supported discipline less than disbarment, which included no prior record of discipline, the fact that respondent's criminal acts "did not grow out of a motive for personal enrichment," and the respondent was cooperative and honest in his dealings with law enforcement. (*Id.* at 422-23.)

Respondent here has been cooperative with the State Bar and the Court since these disciplinary proceedings began. Respondent has no prior criminal or disciplinary record for almost 17 years. Respondent was experiencing emotional and financial issues at the time he became involved in the misconduct at issue. Respondent has served approximately two and one half years in state prison for his offenses. A one year suspension, stayed, with one year of actual suspension and two years of probation is an appropriate level of discipline in this matter based on the facts and circumstances surrounding the misconduct as well as the pertinent caselaw.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of December 1, 2011, the prosecution costs in this matter are \$2,287.00. 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.

(Do not write above this line.)	
In the Matter of: OWEN R. ONOUY	E Case number(s): 11-C-13340-RA	H
By their signatures bel	SIGNATURE OF THE I	le, signify their agreement with each of the
recitations and each of	the terms and conditions of this Stipulation F	te Facts, Conclusions of Law, and Disposition.
ec. 6,2011	Out of	Owen R. Onouye
Date	Respondent's Signature	Print Name
12/7/11	telley I Wargulis	Arthur L. Margolis
Date' /	Respondent's Counsel Signature	Print Name
12/11	O DILLA O DAD MOUN	Jessica A. Lienau

Print Name

Deputy Trial Counsel's Signature

(Effective January 1, 2011)

Page <u>|</u>

Signature Page

Date

(Do not write a	above this line.)					
In the Mat OWEN RI	ter Of KI ONOUYE	Case Number(s): 11-C-13340				
	ORE	DER				
		d that it adequately protects the public, counts/charges, if any, is GRANTED without				
	The stipulated facts and disposition are APPROVED and the DISCIPLINE RECOMMENDED to the Supreme Court.					
Ø	All Hearing dates are vacated.					
1) At page 4, paragraph E.(1), DELETE the "x" from the box preceding the words, "If Respondent is actually suspended for two years or more,".						
the stipular or further effective	ation, filed within 15 days after service of modifies the approved stipulation. (See	ve date of the Supreme Court order herein,				
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 December 27, 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:

ARTHUR LEWIS MARGOLIS MARGOLIS & MARGOLIS LLP 2000 RIVERSIDE DR LOS ANGELES, CA 90039

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

Jessica A. Lienau, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on December 27, 2011.

Cfistina Potter
Case Administrator
State Bar Court