

PUBLIC MATTER

FILED

1 STATE BAR OF CALIFORNIA
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AUG 18 2016
STATE BAR COURT
CLERK'S OFFICE
LOS ANGELES



8 STATE BAR OF CALIFORNIA
9 HEARING DEPARTMENT – LOS ANGELES

11 In the Matter of:

CASE NO. 11-O-11759

12 RITA MAHDESSIAN,
13 State Bar No. 141901

NOTICE OF DISCIPLINARY
CHARGES

14 A Member of the State Bar

15 **NOTICE—FAILURE TO RESPOND!**

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

- 19 (1) **YOUR DEFAULT WILL BE ENTERED;**
- 20 (2) **YOUR STATUS WILL BE CHANGED TO INACTIVE AND YOU WILL NOT BE**
21 **PERMITTED TO PRACTICE LAW;**
- 22 (3) **YOU WILL NOT BE PERMITTED TO PARTICIPATE FURTHER IN THESE**
23 **PROCEEDINGS UNLESS YOU MAKE A TIMELY MOTION AND THE**
24 **DEFAULT IS SET ASIDE, AND;**
- 25 (4) **YOU SHALL BE SUBJECT TO ADDITIONAL DISCIPLINE. SPECIFICALLY,**
26 **IF YOU FAIL TO TIMELY MOVE TO SET ASIDE OR VACATE YOUR**
27 **DEFAULT, THIS COURT WILL ENTER AN ORDER RECOMMENDING YOUR**
28 **DISBARMENT WITHOUT FURTHER HEARING OR PROCEEDING. SEE**
RULE 5.80 ET SEQ., RULES OF PROCEDURE OF THE STATE BAR OF
CALIFORNIA.

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CASE NO. 11-O-11759

NOTICE OF DISCIPLINARY CHARGES

1 The State Bar of California alleges:

2 **JURISDICTION**

3 1. Rita Mahdessian (“Respondent”) was admitted to the practice of law in the State of
4 California on November 20, 1989, was a member at all times pertinent to these charges and is
5 currently a member of the State Bar of California

6 **COUNT ONE**

7 Case No. 11-O-11759
8 Business and Professions Code section 6068(d)
9 Rule of Professional Conduct 5-200
[Mislead a Judge]

10 **The Armenian Genocide Insurance Class Actions**

11 2. Respondent was co-counsel of record in class actions brought in the United States
12 District Court for the Central District of California, including *Kyurkjian, et al. v. AXA, S.A., et al.*,
13 02-cv-1750 (AXA class actions).

14 3. The class actions were brought on behalf of heirs and descendants of persons who
15 had purchased life insurance policies that New York Life Insurance Company and AXA, S.A.
16 had sold throughout the Ottoman Empire, and who had been killed during the Armenian
17 Genocide of 1915-1918.

18 4. Those Armenian Genocide Insurance class actions were all assigned to the
19 Honorable Christine A. Snyder, District Judge.

20 **The New York Life Insurance Action Settlement**

21 5. Varteks Yeghiayan, with whom Respondent practiced at the variously named
22 Yeghiayan & Associates; Yeghiayan Law Corp., and Law Offices of Varteks Yeghiayan, was also
23 counsel of record and co-lead counsel in parallel Armenian Genocide class actions, including
24 *Marootian, et al. v. New York Live Insurance Company, 99-cv-12073* (NYLIC class action) as
25 well as the AXA class actions.

26 6. On July 30, 2004 (the court’s preliminary approval) and January 10, 2005 (the
27 court’s final order and judgment), the NYLIC class action settled for \$20 million. The district
28 court entered an order and judgment approving the settlement according to its terms.

1 Respondent's husband, as co-lead counsel in that class action, was responsible to carry out the
2 terms of the court's order and judgment approving the settlement.

3 7. The NYLIC class action settlement agreement created, *inter alia*, an "Unclaimed
4 Benefits Fund," with \$3,000,000 and nine specific, designated beneficiaries.

5 8. The settlement agreement further provided that, in addition, any amounts
6 remaining in either the Claim Fund (for payment of claims) or the Administrative Fund (for
7 payment of administrative expenses), after payment of all class members' claims and all
8 administrative expenses, would pour over into the Unclaimed Benefits Fund for distribution to
9 charitable organizations that class counsel should recommend to the district court.

10 9. The criteria for class counsel's selection of such organizations were: "only those
11 charitable organizations whose activities advance the charitable interests of the Armenian
12 community and [which] will use the distribution solely for such purposes."

13 **Center for Armenian Remembrance**

14 10. Three months after the court approved the NYLIC class action settlement, on
15 March 9, 2005, Respondent, alone or together with Vartkes Yeghiayan, established the Center for
16 Armenian Remembrance (CAR), a California non-profit, public corporation.

17 11. Respondent was variously CAR's executive director; its agent for service of
18 process; and the custodian of its records. CAR's physical address was the address of
19 Respondent's and Yeghiayan's law firm, 535 N. Brand Blvd., Suite 270, Glendale, California.

20 12. On November 14, 2006, Respondent opened a bank checking account in CAR's
21 name at Wells Fargo Bank, Account No. 336-7102229, listing herself as one of two primary
22 owners/key individuals, and also an authorized signer on the account. The address on the account
23 for CAR was 535 N. Brand Blvd., Suite 270, Glendale, California, Respondent's and her
24 husband's law firm's address.

25 13. On November 14, 2007, Respondent also opened a bank savings account savings
26 account in CAR's name at Wells Fargo Bank, Account No. 696-2270432, listing herself as one of
27 two primary owners/key individuals, and also an authorized signer on the account. The address on
28 the account for CAR was 535 N. Brand Blvd., Suite 270, Glendale, California, Respondent's law

1 firm's address.

2 14. In a document Vartkes Yeghiayan, filed on July 12, 2007, in *Marootian, et al v.*
3 *New York Life Insurance Company*, 99-cv-12073, on the letterhead of Yeghiayan & Associates,
4 Yeghiayan represented to the district court that CAR qualified as a charitable organization
5 eligible to receive a \$200,000 distribution from the "pour over" amounts of the Unclaimed
6 Benefits Fund in accordance with the NYLIC class action settlement agreement, and he sought an
7 order from the district court approving that \$200,000 payment. Based on Respondent's
8 representations, the court issued an order that enabled Respondent to transfer those settlement
9 funds to CAR..

10 **The Payment to CAR and Disappearance of the Funds**

11 15. On August 27, 2007, a check in the amount of \$200,000 payable to the order of
12 CAR, check no. 1008, was drawn on the account of the Armenian Insurance Settlement Fund,
13 Pacific Western Bank, acct. no. 122238200.

14 16. Yeghiayan then instructed Arthur Charchian, CAR's executive director at that
15 time, who worked in CAR's offices within the offices of Respondent's law firm, to endorse the
16 \$200,000 check for deposit into CAR's bank account at Wells Fargo Bank. Arthur Charchian is
17 the brother of Benjamin Charchian, then a lawyer-employee of Respondent's and Yeghiayan's
18 law firm.

19 17. Thus, on August 29, 2007, Vartkes Yeghiayan, caused the \$200,000 NYLIC
20 settlement payment to be deposited into CAR's checking account at Wells Fargo Bank, Account
21 No. 336-7102229. On August 28, 2007, immediately before the \$200,000 deposit, the checking
22 account had a balance of \$156.80.

23 18. On August 30, 2007, \$165,000 was withdrawn from CAR's Wells Fargo checking
24 account; \$65,000 of those funds went into CAR's Wells Fargo savings account; \$100,000 of the
25 funds went elsewhere. At the time only Respondent and Arthur Charchian had signature authority
26 on the Wells Fargo accounts. Mr. Charchian did not withdraw the \$165,000 nor deposit the
27 \$65,000.

28 19. The State Bar served a document subpoena on Respondent in her capacity as

1 CAR's executive director and custodian of its records (as shown, for example, on its federal tax
2 returns, Form 990, for 2009-2012), seeking financial records. Respondent has declared under
3 oath, now twice, that CAR has no general ledgers; no check books; and no income statements or
4 balance sheets for 2007-2011; and no federal tax returns (Form 990) for 2007, 2008 or 2009.

5 20. The \$65,000 deposited in the CAR savings account at Wells Fargo Bank on
6 August 30, 2007 was gone by January 2008 when the account had a balance of only \$.22. During
7 that period only Respondent and Arthur Charchian had signature authority on the Wells Fargo
8 accounts. Mr. Charchian did not withdraw the \$65,000, or any of it, from the CAR savings
9 account.

10 **AXA Class Action Settlement**

11 21. On May 15, 2006, the district court approved the AXA class actions settlement
12 (the court's final order and judgment). Respondent was co-counsel of record, along with her
13 husband, in the AXA class actions, specifically *Kurkuian, et al. v. AXA, S.A., et al.*, 02-cv-1750.

14 22. The AXA \$17,500,000 settlement was divided among a Claims Fund
15 (\$11,350,000), a Community Fund (\$3 million, and a Cost Fund (\$3,150,000)—to implement the
16 settlement and pay attorneys fees and costs.

17 23. Any part of the Cost Fund remaining after payment of expenses and attorneys fees,
18 costs and expenses was to be added to the Community Fund and distributed as Community Fund
19 proceeds.

20 24. The Community Fund "shall be contributed to a charitable foundation, based in
21 France and approved by AXA, S.A., whose activities advance the interests of the Armenian
22 community ... for the benefit of the needy, or for educational purposes, and not for political
23 purposes."

24 25. On June 11, 2008, Respondent, alone or with Vartkes Yeghiayan, caused,
25 according to representations to Wells Fargo Bank, Articles of Incorporation to be filed in
26 California for *Conservatoire de la Memoire Armenienne* (CMA), with the business address of 535
27 N. Brand Blvd., Suite 270, Glendale California, Respondent's law firm's address.

28 26. On June 12, 2008, Respondent opened bank accounts at Wells Fargo Bank for

1 CMA (including account no. 634\9500162), listing herself as one of two primary owners/key
2 individuals for the business, and also an authorized signer on the account.

3 27. A document Vartkes Yeghiayan filed, on the letterhead of Respondent's and
4 Yeghiayan's law firm, on July 23, 2007, in *Marootian, et al v. New York Live Insurance*
5 Company, 99-cv-12073, represented to the district court that CAR qualified as a charitable
6 organization eligible to receive a \$200,000 distribution from the "pour over" amounts of the
7 Unclaimed Benefits Fund in accordance with the NYLIC class action settlement agreement, and
8 sought an order from the district court approving that \$200,000 payment.

9 28. The State Bar is informed and believes that Respondent, along with Yeghiayan,
10 deliberately and willfully withheld from the district court, and thus misrepresented, the facts that
11 Respondent and Yeghiayan had caused CAR to come into existence in California on March 9,
12 2005, three months after the court had approved the NYLIC class action settlement; that
13 Respondent was CAR's agent for service of process; that its physical address was the address of
14 Respondent's and Yeghiayan's law firm, 535 N. Brand Street, Suite 270, Glendale, California;
15 that on November 14, 2006, Respondent had opened at Wells Fargo Bank both a checking
16 account and a savings account, in CAR's name, listing herself as one of two primary owners/key
17 individuals, and also an authorized signer on the account; and that the address on the account for
18 CAR was 535 N. Brand Blvd., Suite 270, Glendale, California, Respondent's and Yeghiayan's
19 law firm's address; that Respondent had control of CAR's checking account; and that CAR was
20 not qualified as a charitable organization eligible to receive the \$200,000 distribution from the
21 "pour over" amounts of the Unclaimed Benefits Fund in accordance with the NYLIC class action
22 settlement agreement.

23 29. A document filed with the district court on the letterhead of Respondent's and
24 Yeghiayan's law firm in *Kyurkjian, et al. v. AXA, S.A., et al.*, 02-cv-1750 on March 12, 2010, in
25 which Respondent was also co-lead counsel, represented to the court that *Conservatoire Memoire*
26 *Armenienne* (CMA) was an organization entitled, according to the AXA class action settlement
27 agreement, to receive a \$300,000 distribution from the Community Fund.

28 30. Respondent and Yeghiayan deliberately and willfully withheld from the district

1 court, and thus misrepresented, the facts that, on June 11, 2008, Respondent, alone or with
2 Yeghiayan had caused, according to representations to Wells Fargo Bank, Articles of
3 Incorporation to be filed in California for *Conservatoire de la Memoire Armenienne* (CMA), with
4 the business address of 535 N. Brand Blvd., Suite 270, Glendale California, Respondent's law
5 firm's address; that on June 12, 2008, Respondent opened bank accounts at Wells Fargo Bank for
6 CMA (including account no. 634\9500162), listing herself as one of two primary owners/key
7 individuals for the business and also an authorized signer on the account; that Respondent had
8 control of CMA's checking account; that CMA was inextricably linked with CAR, the other
9 entity that Respondent and Yeghiayan controlled and that *Conservatoire Memoire Armenienne*
10 was not an organization entitled, according to the AXA class action settlement agreement, to
11 receive a \$300,000 distribution from the Community Fund.

12 31. On October 26, 2010, a document on Respondent's and Yeghiayan's law firm's
13 letterhead filed in the district court in *Kyurkjian, et al. v. AXA, S. A., et al.* 02-cv-1750, an action
14 in which Respondent was also co-lead counsel, represented to the court that, between March 24,
15 2010 and September 30, 2010, Yeghiayan had made charitable distributions, in accord with the
16 AXA class action settlement agreement and the court's orders, from the AXA Community Fund,
17 to some of the following:

- 18 (a) \$90,000 to CAR;
- 19 (b) \$100,000 to Loyola Law School;
- 20 (c) \$75,000 to *Instituto Per Le Opere Di Religione* (Vatican Bank);
- 21 (d) \$75,000 to CAM.

22 32. Respondent and Yeghiayan deliberately and willfully withheld from the district
23 court, and thus misrepresented, the facts that, on April 6, 2010, Yeghiayan had transferred to
24 CAR \$125,000 from the AXA Trust Account; that on May 5, 2010, he had transferred another
25 \$20,000 to CAR from the AXA Trust Account; that between June 9 and July 9, 2010, he had
26 transferred another \$85,000 to CAR from the AXA Trust Account; that, on August 12, 2010, he
27 had transferred another \$50,000 to CAR from the AXA Trust Account; that, on August 23, 2010,
28 he had transferred another \$40,000 to CAR from the AXA Trust Account.

1 33. Yeghiayan also deliberately and willfully withheld from the district court, and thus
2 misrepresented to, the district court the facts that, on April 13 and September 24 and October 3,
3 2010, he had transferred \$31,000 directly to his law firm's bank account from the AXA Trust
4 Account. Respondent is shown as a co-signer on the AXA Trust Account and as a co-trustee with
5 Yeghiayan.

6 34. Respondent and Yeghiayan deliberately and willfully withheld from, and thus
7 misrepresented to, the district court that, between April 6, 2010 and August 23, 2010, Yeghiayan
8 had transferred \$320,000 from the AXA Trust Account to CAR, not merely the \$90,000
9 Yeghiayan represented to the court in the document he filed on October 26, 2010.

10 35. Respondent and Yeghiayan deliberately and willfully withheld from, and thus
11 misrepresented to, the district court that, between April, 2010 and September 26, 2010 (the date
12 of the representations to the court), while Yeghiayan was transferring \$320,000 from the AXA
13 Trust Account to CAR, Respondent had caused CAR to pay \$199,000 to her husband personally
14 or to their law firm and, in addition, and had caused CAR to pay \$11,000 to Loyola Law School
15 toward the first year law school tuition for their two children, Armen Yeghiayan and Tamar
16 Yeghiayan, and to pay another \$10,000 to Tamar Yeghiayan—thus, \$220,000 was paid from
17 CAR to Respondent, to Yeghiayan, to their law firm or for their family's benefit between April
18 2010 and September 26, 2010, in addition to another \$31,000 transferred directly to their law firm
19 bank account from the Yeghiayan's AXA Trust Account, for a total in excess of \$250,000.

20 36. Respondent and Yeghiayan also deliberately and willfully withheld from, and thus
21 misrepresented to, the district court that between January 1, 2009 and April 2010, Respondent had
22 caused CAR to pay \$26,500 to her husband, to herself or to their law firm and another \$30,000 to
23 their daughter, Tamar Yeghiayan—for a total of another \$56,500 before the transfers from the
24 AXA Trust Fund to CAR began.

25 37. Respondent and Yeghiayan deliberately and willfully withheld from, and thus
26 misrepresented to, the district court that the four organizations did not qualify, in accord with the
27 AXA settlement agreement, as proper beneficiaries for charitable distributions from the AXA
28 Community Fund.

1 Pacific Western Bank, acct. no. 122238200.

2 43. Vartkes Yeghiayan then instructed Arthur Charchian, CAR's executive director at
3 that time, who worked in CAR's offices within the offices of Respondent's law firm, to endorse
4 the \$200,000 check for deposit into CAR's bank account at Wells Fargo Bank. Arthur Charchian
5 is the brother of Benjamin Charchian, then a lawyer-employee of Respondent's and Yeghiayan's
6 law firm.

7 44. Thus, on August 29, 2007, Yeghiayan, caused the \$200,000 NYLIC settlement
8 payment to be deposited into CAR's checking account at Wells Fargo Bank, Account No. 336-
9 7102229. On August 28, 2007, immediately before the \$200,000 deposit, the checking account
10 had a balance of \$156.80.

11 45. On August 30, 2007, \$165,000 was withdrawn from CAR's Wells Fargo checking
12 account, \$65,000 of those funds went into CAR's Wells Fargo savings account; \$100,000 of the
13 funds went elsewhere. At the time only Respondent and Arthur Charchian had signature authority
14 on the Wells Fargo accounts. Mr. Charchian did not withdraw the \$165,000, nor deposit the
15 \$65,000.

16 46. The State Bar served a document subpoena on Respondent in her role as CAR's
17 executive director and custodian of its records (as shown, for example, on its federal tax returns,
18 Form 990, for 2009-2012), seeking financial records. Respondent has declared under oath, now
19 twice, that CAR has no general ledgers; no check books; and no income statements or balance
20 sheets for 2007-2011; and no federal tax returns (Form 990) for 2007, 2008 or 2009.

21 47. The \$65,000 deposited in the CAR savings account at Wells Fargo Bank on
22 August 30, 2007 was gone by January 2008 when the account had a balance of only \$.22. During
23 that period only Respondent and Arthur Charchian had signature authority on the Wells Fargo
24 accounts. Mr. Charchian did not withdraw the \$65,000, or any of it, from the CAR savings
25 account.

26 **Payments from CAR Bank Account and AXA Trust Account in 2009 and 2010**

27 48. Between **January 1, 2009 and December 31, 2009**, Respondent paid \$70,000
28 from the CAR Wells Fargo Bank account, as follows:

	DATE	CHECK NO.	AMOUNT	PAYEE
a.	1/16	2121	\$4,000	Vartkes Yeghiayan, "Repayment of Loan"
b.	2/5	2127	\$10,000	Law Offices of Vartkes Yeghiayan
c.	3/31	2139	\$2,000	Cash
d.	7/27	2164	\$5,000	Vartkes Yeghiayan
e.	10/20	2173	\$2,000	Rita Mahdessian
f.	10/20	2174	\$1,000	Rita Mahdessian
g.	10/30		\$30,000	Tamar Yeghiayan (daughter) "Sharebuilder transfer 0002167283"
h.	11/05	2176	\$1,000	Vartkes Yeghiayan
i.	11/12	2178	\$1,500	Rita Mahdessian

49. Between January 1, 2010 and December 31, 2010, Yeghiayan transferred \$240,000 from the "Vartkes Yeghiayan AXA Trust" (AXA Trust Account) into the CAR Wells Fargo Bank account and Respondent paid \$237,369.98 out of the CAR Wells Fargo Bank account and an additional \$31,000 directly into his and Respondent's law firm bank account.

Yeghiayan deposited \$125,000 into the CAR bank account on April 6, 2010 by wire transfer from the JPMorganChase account, "Vartkes Yeghiayan AXA Trust." Respondent is shown as a co-signatory and co-trustee on the AXA Trust Account. Respondent then caused CAR to pay out:

	DATE	CHECK NO.	AMOUNT	PAYEE
a.	4/6	2185	\$10,000	Dr. Vicken Manjiken "Return Loan"
b.	4/6	2186	\$80,000	Law Offices of Vartkes Yeghiayan
c.	4/8	2187	\$800	Friends of UCLA
d.	4/12	2190	\$5,000	Tamar Yeghiayan
e.	4/13	2192	\$5,000	Law Offices of Vartkes Yeghiayan

Yeghiayan transferred \$20,000 into the CAR bank account on May 5 from the AXA Trust Account. Respondent caused CAR to pay out:

	DATE	CHECK NO.	AMOUNT	PAYEE
f.	5/17	2207	\$2,000	Yeghiayan Law Firm
g.	5/24	2209	\$5,000	Yeghiayan Law Firm

Yeghiayan transferred \$10,000 on June 9, \$50,000 on July 6 and \$25,000 on July 9 from the AXA Trust Account. Respondent then caused CAR to pay out:

	DATE	CHECK NO.	AMOUNT	PAYEE
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h.	7/12	2224	\$5,000	Yeghiayan Law Firm
i.	7/16	2225	\$4,000	Yeghiayan Law Firm
j.	7/21	2227	\$4,000	Yeghiayan Law Firm

Yeghiayan transferred \$50,000 on August 12 and \$40,000 on August 23 into the CAR bank account from the AXA Trust Account. Respondent then cause CAR to pay out:

	DATE	CHECK NO.	AMOUNT	PAYEE
k.	8/6	2228	\$7,000	Yeghiayan Law Corp.
l.	8/10	2231	\$7,500	Yeghiayan Law Corp.
m.	8/16	2240	\$5,500	Loyola Law School ¹
n.	8/16	2241	\$5,500	Loyola Law School
o.	8/23	2242	\$5,000	Tamar Yeghiayan
p.	9/14	2248	\$69.98	Vartkes Yeghiayan
q.	9/17	2250	\$7,000	Yeghiayan Law Firm
r.	9/20	2251	\$5,000	Yeghiayan Law Firm
s.	11/24	2261	\$4000	Yeghiayan Law Firm

Yeghiayan transferred \$10,000 into the CAR bank account on December 3, 2010 from the AXA Trust Account. Respondent then caused CAR to pay out

	DATE	CHECK NO.	AMOUNT	PAYEE
t.	12/3	2264	\$10,000	Yeghiayan Law Firm
u.	12/8	w/d	\$10,000	Rita Mahdessian
v.	12/22	2265	\$5,000	Tamar Yeghiayan
w.	12/23	w/d	\$50,000	Rita Mahdessian

50. Respondent, together with Vartkes Yeghiayan, deliberately and willfully misappropriated for herself and for the benefit of her immediate family, in excess of \$385,000 from the AXA class action settlement or from CAR.

51. By misusing settlement funds from the AXA litigation that had been entrusted for the specific purpose of contributing to charitable French entities for the needs of the Armenian community and in the NYLIC litigation to other charitable entities to advance the charitable interests of the Armenian community, and other funds, for the benefit of Respondent's law practice and Respondent's family, Respondent willfully violated Rules of Professional Conduct

¹ The payments to Loyola Law School were for tuition for Respondent's children, Tamar and Armen Yeghiayan, students in their first year at the law school. The memo portion of the checks identified them by their student identification numbers: 7073988 (Armen Yeghiayan) and 7324939 (Tamar Yeghiayan). Rita Mahdessian signed both checks.

1 rule 4-100(A).

2
3 **COUNT THREE**

4 Business and Professions Code Section 6106
5 [Moral Turpitude—Misappropriation]

6 52. The State Bar incorporates by this reference paragraphs 1; 15 and 16; 29 through
7 40; and 42 through 51, as set forth above.

8 53. By misleading the judge in the NYLIC and AXA class action settlements; and by
9 misappropriating entrusted settlement funds, and other funds, Respondent committed multiple
10 acts involving moral turpitude, dishonesty and corruption in willful violation of Business and
11 Professions Code section 6106.

12 **COUNT FOUR**

13 Violation of Rule of Professional Conduct 1-120
14 [Assisting, Soliciting, or Inducing Violations of the Rules of Professional
15 Conduct or the State Bar Act]

16 54. The State Bar incorporates paragraphs 1; 15 through 17; 42 through 44; and 48
17 through 51, as set forth above.

18 55. To the extent that a portion of the misconduct relating to the activities of CAR and
19 CMA were predominantly caused by the lawyer with whom Respondent practiced, Vartkes
20 Yeghiayan, California State Bar membership number 41773, Respondent assisted Yeghiayan in
21 such conduct by enabling him to access funds entrusted to Respondent which were thereafter used
22 for improper expenditures as described above.

23 56. By enabling Vartkes Yeghiayan to have access to funds entrusted to Respondent
24 for other purposes, Respondent knowingly assisted, solicited and induced State Bar member
25 Vartkes Yeghiayan in his violations of the rules of Professional Conduct and the State Bar Act.

26 **NOTICE—INACTIVE ENROLLMENT!**

27 **YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE STATE BAR COURT
28 FINDS, PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 6007(C),
THAT YOUR CONDUCT POSES A SUBSTANTIAL THREAT OF HARM TO THE
INTERESTS OF YOUR CLIENTS OR TO THE PUBLIC, YOU MAY BE
INVOLUNTARILY ENROLLED AS AN INACTIVE MEMBER OF THE STATE BAR.**

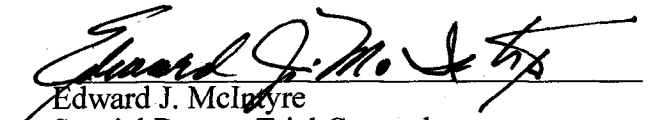
1 **YOUR INACTIVE ENROLLMENT WOULD BE IN ADDITION TO ANY DISCIPLINE**
2 **RECOMMENDED BY THE COURT.**

3 **NOTICE—COST ASSESSMENT!**
4 **IN THE EVENT THESE PROCEDURES RESULT IN PUBLIC DISCIPLINE, YOU MAY**
5 **BE SUBJECT TO THE PAYMENT OF COSTS INCURRED BY THE STATE BAR IN**
6 **THE INVESTIGATION, HEARING AND REVIEW OF THIS MATTER PURSUANT TO**
7 **BUSINESS AND PROFESSIONS CODE SECTION 6086.10.**

8 Dated: August 17, 2016

9 Respectfully submitted,

10 STATE BAR OF CALIFORNIA

11 
12 Edward J. McIntyre
13 Special Deputy Trial Counsel

PROOF OF SERVICE BY MAIL
C.C.P. 1013a

I declare that I am a resident of or employed in the County of San Diego, California. I am over the age of 18 years and not a party to the within entitled cause. The name and address of my residence or business is 750 B Street, Suite 2100, San Diego, CA 92101

I am readily familiar with the ordinary practice of the business of collecting, processing and depositing correspondence in the United States Postal Service and that the correspondence will be deposited the same day with postage thereon fully prepaid.

On August 17, 2016, I served the Notice of Disciplinary Charges in Case No. 11-O-11759

on the parties listed below by placing a true copy thereof enclosed in a sealed envelope for collection and mailing in the United States Postal Service following ordinary business practices at San Diego, CA, California addressed as follows:

By Registered Mail, Return Receipt Requested
Kevin P. Gerry, 711 Soledad Street, Santa Barbara, CA CA 93103
Attorney for Respondent Rita Mahdessian

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on August 17, 2016, at San Diego, CA, California.

Edward J. McIntyre

(Type or print name)


(Signature)