

PUBLIC MATTER

STATE BAR OF CALIFORNIA
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FILED

MAR 26 2015

STATE BAR COURT
CLERK'S OFFICE
LOS ANGELES

STATE BAR COURT

HEARING DEPARTMENT - LOS ANGELES

In the Matter of:

JOHN DOUGLAS JENNINGS, JR.,
No. 52504,

A Member of the State Bar.

) Case No. 11-O-12527
)
) NOTICE OF DISCIPLINARY CHARGES
)
)
)

NOTICE - FAILURE TO RESPOND!

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

- (1) YOUR DEFAULT WILL BE ENTERED;
- (2) YOUR STATUS WILL BE CHANGED TO INACTIVE AND YOU
WILL NOT BE PERMITTED TO PRACTICE LAW;
- (3) YOU WILL NOT BE PERMITTED TO PARTICIPATE FURTHER IN
THESE PROCEEDINGS UNLESS YOU MAKE A TIMELY MOTION
AND THE DEFAULT IS SET ASIDE, AND;
- (4) YOU SHALL BE SUBJECT TO ADDITIONAL DISCIPLINE.
SPECIFICALLY, IF YOU FAIL TO TIMELY MOVE TO SET ASIDE
OR VACATE YOUR DEFAULT, THIS COURT WILL ENTER AN
ORDER RECOMMENDING YOUR 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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1 The State Bar of California alleges:

2 JURISDICTION

3 1. John Douglas Jennings, Jr. (respondent) was admitted to the practice of law in the
4 State of California on June 2, 1972, 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-12527
8 Rules of Professional Conduct, rule 3-300
[Business Transaction with a Client]

9
10 2. On or about May 13, 2005, respondent entered into a business transaction with a
11 client, Samuel Robinson (Robinson), specifically, Robinson invested \$500,000 into Jackson
12 Hole, LLC. Jackson Hole, LLC was managed, administered, and controlled by La Jolla Equities,
13 Inc. Respondent is the president and owner of La Jolla Equities, Inc. The terms of the business
14 transaction were not fair and reasonable to Robinson in that respondent did not fully disclose in
15 writing to Robinson the terms of the business transaction in a manner which should reasonably
16 have been understood by Robinson and Respondent thereby willfully violated Rules of
17 Professional Conduct, rule 3-300.

18 COUNT TWO

19 Case No. 11-O-12527
20 Rules of Professional Conduct, rule 3-300
[Business Transaction with a Client]

21 3. On or about May 18, 2005, respondent entered into a business transaction with a
22 client, Samuel Robinson (Robinson), specifically, Robinson loaned \$500,000 to respondent
23 pursuant to a subscription agreement for La Jolla Equities Fund I, L.P. The terms of the business
24 transaction were not fair and reasonable to Robinson in that the subscription agreement
25 incorrectly stated that the transaction was an investment in a limited partnership when in fact the
26 transaction was a loan, respondent failed to provide any collateral for the loan, the terms of the
27 loan were not fully disclosed in writing to Robinson in a manner which should reasonably have
28 been understood by Robinson, respondent did not advise Robinson in writing that he may seek

1 the advice of an independent lawyer of the client's choice and did not give the client a reasonable
2 opportunity to seek that advice, and Robinson did not consent in writing to the terms of the
3 transaction, and respondent thereby willfully violated Rules of Professional Conduct, rule 3-300.

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5 COUNT THREE

6 Case No. 11-O-12527
7 Rules of Professional Conduct, rule 3-300
[Business Transaction with a Client]

8 4. On or about March 3, 2008, respondent entered into a business transaction with a
9 client, Samuel Robinson (Robinson), specifically, Robinson loaned \$60,000 to respondent
10 pursuant to a subscription agreement for La Jolla Equities Fund I, L.P. The terms of the business
11 transaction were not fair and reasonable to Robinson in that the subscription agreement
12 incorrectly stated that the transaction was an investment in a limited partnership when in fact the
13 transaction was a loan, respondent failed to provide any collateral for the loan, the terms of the
14 loan were not fully disclosed in writing to Robinson in a manner which should reasonably have
15 been understood by Robinson, respondent did not advise Robinson in writing that he may seek
16 the advice of an independent lawyer of the client's choice and did not give the client a reasonable
17 opportunity to seek that advice, and Robinson did not consent in writing to the terms of the
18 transaction, and Respondent thereby willfully violated Rules of Professional Conduct, rule 3-
19 300.

20 COUNT FOUR

21 Case No. 11-O-12527
22 Rules of Professional Conduct, rule 3-300
[Business Transaction with a Client]

23 5. On or about May 21, 2008, respondent entered into a business transaction with a
24 client, Samuel Robinson (Robinson), specifically, Robinson loaned \$90,000 to respondent. The
25 terms of the business transaction were not fair and reasonable to Robinson in that respondent did
26 not sign a promissory note for the loan, provide any collateral for the loan to Robinson, the terms
27 of the loan were not fully disclosed in writing to Robinson in a manner which should reasonably
28 have been understood by Robinson, respondent did not advise Robinson in writing that he may

1 seek the advice of an independent lawyer of the client's choice and did not give the client a
2 reasonable opportunity to seek that advice, and Robinson did not consent in writing to the terms
3 of the transaction, and Respondent thereby willfully violated Rules of Professional Conduct, rule
4 3-300.

5 COUNT FIVE

6 Case No. 11-O-12527
7 Rules of Professional Conduct, rule 3-300
[Business Transaction with a Client]

8 6. On or about July 10, 2008, respondent entered into a business transaction with a
9 client, Samuel Robinson (Robinson), specifically, Robinson loaned \$100,000 to respondent. The
10 terms of the business transaction were not fair and reasonable to Robinson in that respondent did
11 not sign a promissory note for the loan, provide any collateral for the loan to Robinson, the terms
12 of the loan were not fully disclosed in writing to Robinson in a manner which should reasonably
13 have been understood by Robinson, respondent did not advise Robinson in writing that he may
14 seek the advice of an independent lawyer of the client's choice and did not give the client a
15 reasonable opportunity to seek that advice, and Robinson did not consent in writing to the terms
16 of the transaction, and Respondent thereby willfully violated Rules of Professional Conduct, rule
17 3-300.

18 COUNT SIX

19 Case No. 11-O-12527
20 Rules of Professional Conduct, rule 3-300
[Business Transaction with a Client]

21 7. On or about July 25, 2008, respondent entered into a business transaction with a
22 client, Samuel Robinson (Robinson), specifically, Robinson loaned \$40,000 to respondent. The
23 terms of the business transaction were not fair and reasonable to Robinson in that respondent did
24 not sign a promissory note for the loan, provide any collateral for the loan to Robinson, the terms
25 of the loan were not fully disclosed in writing to Robinson in a manner which should reasonably
26 have been understood by Robinson, respondent did not advise Robinson in writing that he may
27 seek the advice of an independent lawyer of the client's choice and did not give the client a
28 reasonable opportunity to seek that advice, and Robinson did not consent in writing to the terms

1 of the transaction, and Respondent thereby willfully violated Rules of Professional Conduct, rule
2 3-300.

3 COUNT SEVEN

4 Case No. 11-O-12527
5 Rules of Professional Conduct, rule 3-300
6 [Business Transaction with a Client]

7 8. On or about August 12, 2008, respondent entered into a business transaction with a
8 client, Samuel Robinson (Robinson), specifically, Robinson loaned \$40,000 to respondent. The
9 terms of the business transaction were not fair and reasonable to Robinson in that respondent did
10 not sign a promissory note for the loan, provide any collateral for the loan to Robinson, the terms
11 of the loan were not fully disclosed in writing to Robinson in a manner which should reasonably
12 have been understood by Robinson, respondent did not advise Robinson in writing that he may
13 seek the advice of an independent lawyer of the client's choice and did not give the client a
14 reasonable opportunity to seek that advice, and Robinson did not consent in writing to the terms
15 of the transaction, and Respondent thereby willfully violated Rules of Professional Conduct, rule
16 3-300.

17 COUNT EIGHT

18 Case No. 11-O-12527
19 Rules of Professional Conduct, rule 3-300
20 [Business Transaction with a Client]

21 9. On or about December 9, 2008, respondent entered into a business transaction with a
22 client, Samuel Robinson (Robinson), specifically, Robinson loaned \$50,000 to respondent. The
23 terms of the business transaction were not fair and reasonable to Robinson in that respondent did
24 not sign a promissory note for the loan, provide any collateral for the loan to Robinson, the terms
25 of the loan were not fully disclosed in writing to Robinson in a manner which should reasonably
26 have been understood by Robinson, respondent did not advise Robinson in writing that he may
27 seek the advice of an independent lawyer of the client's choice and did not give the client a
28 reasonable opportunity to seek that advice, and Robinson did not consent in writing to the terms
of the transaction, and Respondent thereby willfully violated Rules of Professional Conduct, rule
3-300.

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COUNT NINE

Case No. 11-O-12527
Rules of Professional Conduct, rule 3-300
[Business Transaction with a Client]

10. On or about December 31, 2008 respondent entered into a business transaction with a client, Samuel Robinson (Robinson), specifically, Robinson loaned \$40,000 to respondent. The terms of the business transaction were not fair and reasonable to Robinson in that respondent did not sign a promissory note for the loan, provide any collateral for the loan to Robinson, the terms of the loan were not fully disclosed in writing to Robinson in a manner which should reasonably have been understood by Robinson, respondent did not advise Robinson in writing that he may seek the advice of an independent lawyer of the client's choice and did not give the client a reasonable opportunity to seek that advice, and Robinson did not consent in writing to the terms of the transaction, and Respondent thereby willfully violated Rules of Professional Conduct, rule 3-300.

COUNT TEN

Case No. 11-O-12527
Rules of Professional Conduct, rule 3-110(A)
[Failure to Perform with Competence]

11. In or about January 2004, Samuel Robinson (Robinson) employed respondent to perform legal services, namely to prepare an estate plan for him, which Respondent intentionally, recklessly or repeatedly failed to perform with competence in willful violation of Rules of Professional Conduct, rule 3-110(A), by creating an estate plan that consisted solely of Robinson loaning \$920,000 to respondent without promissory notes, without collateral to secure the debt, and without specified recourse or remedy in the event that respondent defaulted on the loans, and Robinson investing \$500,000 in Investments of Jackson Hole, LLC.

NOTICE - INACTIVE ENROLLMENT!

YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE STATE BAR COURT 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. YOUR INACTIVE ENROLLMENT WOULD BE IN ADDITION TO ANY DISCIPLINE

1 RECOMMENDED BY THE COURT.

2
3 **NOTICE - COST ASSESSMENT!**

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

9 Respectfully submitted,

10 THE STATE BAR OF CALIFORNIA
11 OFFICE OF THE CHIEF TRIAL COUNSEL

12 By: 

13 Drew D. Massey

14 Deputy Trial Counsel

15 Date

16 By: 

17 Anthony Garcia

18 Senior Trial Counsel

19 Date

20 3/26/15

DECLARATION OF SERVICE

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

CASE NUMBER(s): 11-O-12527

I, the undersigned, am over the age of eighteen (18) years and not a party to the within action, whose business address and place of employment is the State Bar of California, 845 S. Figueroa Street, Los Angeles, California 90017, declare that:

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

NOTICE OF DISCIPLINARY CHARGES

- ☐ **By U.S. First-Class Mail: (CCP §§ 1013 and 1013(a))**
- in accordance with the practice of the State Bar of California for collection and processing of mail, I deposited or placed for collection and mailing in the City and County of Los Angeles.
- ☒ **By U.S. Certified Mail: (CCP §§ 1013 and 1013(a))**
- in accordance with the practice of the State Bar of California for collection and processing of mail, I deposited or placed for collection and mailing in the City and County of Los Angeles.
- ☐ **By Overnight Delivery: (CCP §§ 1013(c) and 1013(d))**
- I am readily familiar with the State Bar of California's practice for collection and processing of correspondence for overnight delivery by the United Parcel Service ('UPS').
- ☐ **By Fax Transmission: (CCP §§ 1013(e) and 1013(f))**
Based on agreement of the parties to accept service by fax transmission, I faxed the documents to the persons at the fax numbers listed herein below. No error was reported by the fax machine that I used. The original record of the fax transmission is retained on file and available upon request.
- ☐ **By Electronic Service: (CCP § 1010.6)**
Based on a court order or an agreement of the parties to accept service by electronic transmission, I caused the documents to be sent to the person(s) at the electronic addresses listed herein below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

☐ (for U.S. First-Class Mail) in a sealed envelope placed for collection and mailing at Los Angeles, addressed to: (see below)

☒ (for Certified Mail) in a sealed envelope placed for collection and mailing as certified mail, return receipt requested,
Article No.: **9414 7266 9904 2010 0904 65** at Los Angeles, addressed to: (see below)

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

Person Served	Business-Residential Address	Fax Number	Courtesy Copy to:
ELLEN ANNE PANSKY	Pansky Markle Ham LLP 1010 Sycamore Ave Unit 308 South Pasadena, CA 91030	Electronic Address	

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

N/A


I am readily familiar with the State Bar of California's practice for collection and processing of correspondence for mailing with the United States Postal Service, and overnight delivery by the United Parcel Service ('UPS'). In the ordinary course of the State Bar of California's practice, correspondence collected and processed by the State Bar of California would be deposited with the United States Postal Service that same day, and for overnight delivery, deposited with delivery fees paid or provided for, with UPS that same day.

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

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

DATED: March 26, 2015

SIGNED:


LAURA JETT
Declarant

State Bar of California

DECLARATION OF SERVICE