

(Do not write above this line.)

State Bar Court of California Hearing Department Los Angeles REPROVAL		
Counsel For The State Bar Kimberly G. Anderson The State Bar of California 1149 S. Hill Street Los Angeles, CA 90015 (213)765-1083 Bar # 150359	Case Number(s): 11-O-13253 and 11-O-13280	For Court use only <div style="text-align: center;"> PUBLIC MATTER FILED NOV 08 2011 STATE BAR COURT CLERK'S OFFICE LOS ANGELES </div>
In Pro Per Respondent Michael B. Stone 3020 Old Ranch Pkwy., Ste. 300 Seal Beach, CA 90740 Bar # 160177	Submitted to: Settlement Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING PUBLIC REPROVAL <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	
In the Matter of: Michael B. Stone Bar # 160177 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 December 1, 1992.
- (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 13 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):
- ☒ Costs are added to membership fee for calendar year following effective date of discipline (public reproof).
 - ☐ Case ineligible for costs (private reproof).
 - ☐ Costs are to be paid in equal amounts prior to February 1 for the following membership years: (Hardship, special circumstances or other good cause per rule 5.132, Rules of Procedure.) If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.
 - ☐ Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
 - ☐ Costs are entirely waived.
- (9) The parties understand that:
- (a) ☐ A private reproof imposed on a respondent as a result of a stipulation approved by the Court prior to initiation of a State Bar Court proceeding is part of the respondent's official State Bar membership records, but is not disclosed in response to public inquiries and is not reported on the State Bar's web page. The record of the proceeding in which such a private reproof was imposed is not available to the public except as part of the record of any subsequent proceeding in which it is introduced as evidence of a prior record of discipline under the Rules of Procedure of the State Bar.
 - (b) ☐ A private reproof imposed on a respondent after initiation of a State Bar Court proceeding is part of the respondent's official State Bar membership records, is disclosed in response to public inquiries and is reported as a record of public discipline on the State Bar's web page.
 - (c) ☒ A public reproof imposed on a respondent is publicly available as part of the respondent's official State Bar membership records, is disclosed in response to public inquiries and is reported as a record of public discipline on the State Bar's web page.

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 09-O-11950, 09-O-15829 and 10-O-10835
 - (b) ☒ Date prior discipline effective April 23, 2011
 - (c) ☒ Rules of Professional Conduct/ State Bar Act violations: 3-700(d)(2), 4-100(b)(4), 3-700(a)(2), 6103, 3-110(a) and 6068(m).
 - (d) ☒ Degree of prior discipline one (1) year private reproof

- (e) ☐ If Respondent has two or more incidents of prior discipline, use space provided below or a separate attachment entitled "Prior Discipline."
- (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.

Additional aggravating circumstances:

C. Mitigating Circumstances [see standard 1.2(e)]. Facts supporting mitigating circumstances are required.

- (1) ☐ **No Prior Discipline:** Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.
- (2) ☐ **No Harm:** Respondent did not harm the client or person who was the object of the misconduct.
- (3) ☒ **Candor/Cooperation:** Respondent displayed spontaneous candor and cooperation with the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings. See Stipulation Attachment at page 10 (Stipulation Attachment page 3).
- (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.
- (12) ☐ **Rehabilitation:** Considerable time has passed since the acts of professional misconduct occurred followed by convincing proof of subsequent rehabilitation.
- (13) ☐ **No mitigating circumstances** are involved.

Additional mitigating circumstances:

D. Discipline:

- (1) ☐ **Private reproof (check applicable conditions, if any, below)**
- (a) ☐ Approved by the Court prior to initiation of the State Bar Court proceedings (no public disclosure).
- (b) ☐ Approved by the Court after initiation of the State Bar Court proceedings (public disclosure).

or

- (2) ☒ **Public reproof (Check applicable conditions, if any, below)**

E. Conditions Attached to Reproval:

- (1) ☒ Respondent must comply with the conditions attached to the reproof for a period of two (2) years.
- (2) ☒ During the condition period attached to the reproof, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3) ☒ Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.
- (4) ☒ Within thirty (30) days from the effective date of discipline, Respondent must contact the Office of Probation and schedule a meeting with Respondent's assigned probation deputy to discuss these terms and conditions of probation. Upon the direction of the Office of Probation, Respondent must meet with the probation deputy either in-person or by telephone. During the period of probation, Respondent must promptly meet with the probation deputy as directed and upon request.
- (5) ☒ Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10, and October 10 of the condition period attached to the reproof. 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 the reprobation during the preceding calendar quarter. Respondent must also state in each report 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 (thirty) days, that report must be submitted on the next following quarter date, and cover the extended period.

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

- (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 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 monitor.
- (7) ☒ Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the conditions attached to the reprobation.
- (8) ☐ Within one (1) year of the effective date of the discipline herein, Respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the Ethics School, and passage of the test given at the end of that session.
- ☒ No Ethics School recommended. Reason: Respondent has been ordered to attend Ethics School in his prior disciplinary case, Case No. 09-O-11950 et. al.
- (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) ☒ 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 within one year of the effective date of the reprobation.
- ☐ No MPRE recommended. Reason:
- (11) ☒ The following conditions are attached hereto and incorporated:
- | | |
|---|---|
| <input type="checkbox"/> Substance Abuse Conditions | <input type="checkbox"/> Law Office Management Conditions |
| <input type="checkbox"/> Medical Conditions | <input checked="" type="checkbox"/> Financial Conditions |

F. Other Conditions Negotiated by the Parties:

See OTHER PROBATION/REPROVAL CONDITIONS Re Fee Arbitration Conditions in the Stipulation Attachment at pages 11-13 (Stipulation Attachment pages 4-6).

(Do not write above this line.)

In the Matter of:
Michael B. Stone

Case Number(s):
11-O-13253 and 11-O-13280

Financial Conditions

a. Restitution

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

Payee	Principal Amount	Interest Accrues From

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

b. Installment Restitution Payments

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

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

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

c. Client Funds Certificate

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

b. Respondent has kept and maintained the following:

- i. A written ledger for each client on whose behalf funds are held that sets forth:
 1. the name of such client;
 2. the date, amount and source of all funds received on behalf of such client;
 3. the date, amount, payee and purpose of each disbursement made on behalf of such client; and,
 4. the current balance for such client.
- ii. a written journal for each client trust fund account that sets forth:
 1. the name of such account;
 2. the date, amount and client affected by each debit and credit; and,
 3. the current balance in such account.
- iii. all bank statements and cancelled checks for each client trust account; and,
- iv. each monthly reconciliation (balancing) of (i), (ii), and (iii), above, and if there are any differences between the monthly total balances reflected in (i), (ii), and (iii), above, the reasons for the differences.

c. Respondent has maintained a written journal of securities or other properties held for clients that specifies:

- i. each item of security and property held;
- ii. the person on whose behalf the security or property is held;
- iii. the date of receipt of the security or property;
- iv. the date of distribution of the security or property; and,
- v. the person to whom the security or property was distributed.

2. If Respondent does not possess any client funds, property or securities during the entire period covered by a report, Respondent must so state under penalty of perjury in the report filed with the Office of Probation for that reporting period. In this circumstance, Respondent need not file the accountant's certificate described above.
3. The requirements of this condition are in addition to those set forth in rule 4-100, Rules of Professional Conduct.

d. **Client Trust Accounting School**

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

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

Michael B. Stone

11-O-13253 and 11-O-13280

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.

FACTS:

1. On September 2, 2010, Maria Altieri (“Altieri”) hired Respondent to represent her in a Chapter 13 bankruptcy proceeding. On September 2, 2010, Altieri paid Respondent \$2,000 in advanced fees and \$274 as costs to file the bankruptcy case.
2. On September 7, 2010, Respondent filed the Chapter 13 bankruptcy case on behalf of Altieri in the case entitled *In the Matter of Maria Altieri*, United States Bankruptcy Court (Central District of California) Case No. LA10-48020-EC.
3. On November 18, 2010, the bankruptcy court held a confirmation hearing and rejected Altieri’s confirmation plan. At that time, Respondent agreed to file a second Chapter 13 bankruptcy petition on behalf of Altieri as no additional cost.
4. On December 13, 2010, the bankruptcy court issued an order dismissing Altieri’s Chapter 13 bankruptcy in Case No. LA10-48020-EC based upon the events at the November 18, 2010 confirmation hearing, and specifically finding that Altieri had failed to make all required pre-confirmation payments.
5. On December 18, 2010, Altieri emailed Respondent reminding him that he had promised to file a second Chapter 13 bankruptcy petition on her behalf at no additional cost. Respondent received the email and Respondent agreed to file a second Chapter 13 bankruptcy petition on behalf of Altieri as no additional cost.
6. Between December 18, 2010 and April 20, 2011, Respondent did not file the second Chapter 13 bankruptcy petition on behalf of Altieri. At no time between December 18, 2010 and April 20, 2011 did Respondent tell Altieri he would not be filing the second Chapter 13 bankruptcy petition on her behalf.
7. On April 20, 2011, Altieri submitted a complaint against Respondent to the State Bar in which she complained, among other things that Respondent did not file the second Chapter 13 bankruptcy petition on her behalf.

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8. On August 24, 2011, and again on September 9, 2011, a State Bar Investigator mailed letters to Respondent to his State Bar membership records address asking him for a written explanation to the allegations Altieri made in her complaint, including the allegations the Respondent did not file the second Chapter 13 bankruptcy petition on her behalf. Respondent received both letters.

9. On September 27, 2011, Respondent sent a letter to the State Bar in which he stated for the first time that he, "was unenthusiastic about refiling her case and the relationship ended." Respondent did not file the second bankruptcy petition for Altieri at any time and he did not tell Altieri that he would not file the second bankruptcy at any time.

CONCLUSIONS OF LAW:

10. By failing to file the second bankruptcy petition on behalf of Altieri at any time between December 18, 2010 and September 27, 2011 and by failing to communicate to Altieri that he was terminating his relationship with her without filing the second bankruptcy petition, Respondent willfully failed, upon termination of employment, to take reasonable steps to avoid reasonably foreseeable prejudice to his client in violation of rule 3-700(a)(2) of the Rules of Professional Conduct.

Case No. 11-O-13280 (Complainant: Bruce Thomas)

FACTS:

11. On April 5, 2011, Bruce Thomas ("Thomas") hired Respondent to draft and file a complaint for damages and injunctive relief on behalf of himself and his company Novel Wares Corporation against Snap-On, Inc. for alleged patent infringement and unfair competition. Respondent understood that time was of the essence and agreed to file the complaint within two weeks.

12. On April 5, 2011, Thomas paid Respondent \$2,500 in advanced fees and \$350 for filing fees to file the complaint in federal district court.

13. At no time did Respondent deposit the \$350 Thomas advanced to him for filing fees into a client trust account.

14. Respondent did not file the complaint on behalf of Thomas and Novel Wares, Inc.

15. On April 19, 2011 when Respondent had not filed the complaint, Thomas emailed Respondent a letter terminating his services, demanding a refund of the \$2,850 he paid to Respondent on April 5, 2011. Respondent received the email.

16. To date, Respondent did not refund any portion of the \$2,000 Thomas paid to him.

17. Respondent did not provide Thomas with an accounting for the \$2,000.

18. On September 26, 2011, after Thomas had complained to the State Bar, Respondent provided the State Bar and Thomas with a statement indicating he had spent six hours working on the case at a rate of \$325 per hour, and that he had earned \$1,950, but the statement did not provide an itemized accounting of services provided. Respondent did refund the filing fee of \$350 on September 26, 2011.

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19. Respondent did not provide any services of value to Thomas and Novel Wares, Inc. According to Respondent's September 26, 2011 statement, he owed Thomas at least \$50 for which he had not accounted.

CONCLUSIONS OF LAW:

20. By failing to deposit the \$350 Thomas advanced to him for filing fees into a client trust account, Respondent willfully failed to deposit funds received for the benefit of a client in a bank account labeled "Trust Account," "Client's Funds Account" or words of similar import in violation of rule 4-100(a) of the Rules of Professional Conduct.

21. By failing to provide Thomas with any accounting between on or about April 19, 2011 and on or about September 26, 2011, and by then failing to provide a proper itemized accounting, Respondent willfully failed to render appropriate accounts to a client regarding all funds coming into Respondent's possession in violation of rule 4-100(b)(3) of the Rules of Professional Conduct.

22. By failing to refund the unearned fees to Thomas, Respondent willfully failed to refund promptly any part of a fee paid in advance that has not been earned in violation of rule 4-100(b)(4) of the Rules of Professional Conduct.

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was October 28, 2011.

MITIGATION.

Candor and Cooperation (Standard 1.2(e)(v)):

Prior to the filing of the Notice of Disciplinary Charges, the Respondent met with the State Bar and admitted wrongdoing and offered to enter into an extensive stipulation to all facts and legal conclusions.

AUTHORITIES SUPPORTING DISCIPLINE.

Standard 2.2(b) of the Attorney Sanctions for Professional Misconduct is the applicable Standard, but the Standards are not necessarily applied in a talismanic form. *Dudugjian v. State Bar* (1991) 52 Cal.3d 1092 is instructive. In *Dudugjian*, the attorneys (Dudugjian and his partner) retained client settlement funds in their own account and refused to pay them out to the clients in the honest, but mistaken belief that the clients had authorized the application of these funds to the payment of attorneys' fees. The attorneys were found culpable of violating rules 4-100(a) and 4-100(b)(4) of the Rules of Professional Conduct. The attorneys received a public reproof.

In this case, Respondent does have a prior record of discipline, and therefore Standard 1.7(a) requires progressively greater discipline here. Respondent previously received a one-year private reproof.

Respondent has acknowledged wrongdoing and has been candid and cooperative and has agreed to resolve this matter prior to the filing of the Notice of Disciplinary Charges. Standard 1.2(e)(v) provides that candor and cooperation is a mitigating factor.

COSTS OF DISCIPLINARY PROCEEDINGS.

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Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of October 28, 2011, the prosecution costs in this matter are approximately \$3,689.00. 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.

OTHER PROBATION/REPROVAL CONDITIONS.

Fee Arbitration Conditions:

A. Duty to Notify Individuals of Right to Mandatory Fee Arbitration

Within thirty (30) days of the effective date of discipline, Respondent agrees to send a letter by certified mail, return receipt requested, to the individuals set forth below and agrees to therein offer to initiate, pay any costs and fees associated with the fee arbitration, and participate in binding fee arbitration with said individuals, upon the request of any such individuals, regarding fees respondent received for representation of the former clients set forth below, unless Respondent has previously sent such a written offer to said individuals. The letter shall include the address and phone number of the Office of Probation along with a statement that the Office of Probation will be monitoring his fee arbitration conditions and may be contacted by the individual.

Maria Altieri
1554 W. 179th Place
Gardena, CA 90248

Bruce Thomas
6742 Camino Del Prado
Carlsbad, CA 92011

B. Upon Individual's Consent to Mandatory Fee Arbitration, Duty to Initiate Fee Arbitration

Within forty (40) days after the effective date of discipline, Respondent agrees to provide the Office of Probation with a copy of the letters offering to initiate and participate in fee arbitration with the individuals set forth above, along with a copy of the return receipt from the U.S. Postal Service, or other proof of mailing.

Within sixty (60) days after the effective date of discipline, Respondent agrees to provide the Office of Probation a declaration from each of the individuals setting forth that a letter had been received from Respondent offering to initiate, pay any costs and fees associated with the fee arbitration, and participate in fee arbitration.

Respondent agrees to advise the Office of Probation, in writing, of any request to participate in fee arbitration made by any individual set forth above within fifteen (15) days after any such request or within sixty (60) days after the effective date of discipline, whichever is later. Respondent agrees to provide the Office of Probation with any information requested to verify Respondent's compliance, including submission of any written request for fee arbitration or the submission of a declaration from any individual setting forth the date arbitration was requested.

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Respondent agrees to initiate fee arbitration within fourteen (14) days of any request, including making any payment required by the organization conducting the fee arbitration. Respondent agrees to fully and promptly participate in the fee arbitration as directed by the organization conducting the fee arbitration. Respondent will not be permitted to raise the statute of limitations as a defense to the fee arbitration with respect to any of the above individuals.

Respondent further agrees to accept binding arbitration on the arbitration request form. If the arbitration proceeds as non-binding, however, Respondent hereby agrees to abide by the arbitration award and foregoes the right to file an action seeking a trial de novo in court to vacate the award.

C. Duty to Comply with the Arbitration Award

Within thirty (30) days after issuance of any arbitration award or judgment or agreement reflected in a stipulated award issued pursuant to a fee arbitration matter, or within sixty (60) days after the effective date of discipline, whichever is later, Respondent agrees to provide a copy of said award, judgment or stipulated award to the Office of Probation.

Respondent agrees to abide by any award, judgment or stipulated award of any such fee arbitrator and agrees to provide proof thereof to the Office of Probation within thirty (30) days after compliance with any such award, judgment or stipulated award. If the award, judgment or stipulated award does not set forth a deadline for any payment, Respondent is to make full payment within thirty (30) days of the issuance of any such award, judgment or stipulated award.

To the extent that Respondent has paid any fee arbitration award, judgment or stipulated award prior to the effective date of the Supreme Court's final disciplinary order in this proceeding, Respondent will be given credit for such payment(s) provided satisfactory proof of such payment(s) is or has been shown to the Office of Probation.

D. Obligation to Pay Restitution to the Client Security Fund.

If the State Bar Client Security Fund has reimbursed any of the above individuals for all or any portion of any award, judgment or stipulated award pursuant to fee arbitration, respondent agrees to pay restitution to the Client Security Fund of the amount paid, plus applicable interest and costs, in accordance with Business and Professions Code section 6140.5. To the extent the Client Security Fund has paid only principal amounts, Respondent will still be liable for interest payments to such individuals. Any restitution to the Client Security Fund is enforceable as provided in Business and Professions Code section 6140.5, subdivision (c) and (d).

E. Waiver of Objections

If the fee arbitration proceeding results in an award to any of the above individuals, Respondent waives any objections related to the Office of the Chief Trial Counsel, Client Security Fund or State Bar Court notification to any such individual regarding assistance in obtaining restitution or payment from the Client Security Fund or from Respondent.

F. Effect of Failure to Comply with Fee Arbitration Conditions

Respondent understands that failure to strictly comply with these conditions regarding fee arbitration may result in a motion to revoke his probation in this matter, the filing of new disciplinary charges

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and/or additional discipline. Respondent understands that failure to strictly comply with these conditions regarding fee arbitration may result in this Court ordering Respondent to pay back the full amount of attorneys' fees paid to Respondent by each of the individuals listed plus 10% interest from the date Respondent received the fees.

G. Disputed Funds Must be Held in Trust


Respondent must keep the disputed amount in a separate interest bearing trust account. If Respondent has removed the disputed amount from trust, Respondent must open a separate interest bearing trust account and deposit the disputed amount into such account within 30 days of the effective date of discipline. Respondent must provide evidence that the disputed amount of funds have remained in trust within 10 days of any request by the Office of Probation.

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In the Matter of: Michael B. Stone	Case number(s): 11-O-13253 and 11-O-13280
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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.

OCT 28, 2011
Date


Respondent's Signature

MICHAEL B STONE
Print Name

Date _____ Respondent's Counsel Signature _____ Print Name _____

Date 10/25/11 Deputy Trial Counsel's Signature [Signature] Print Name KIMBERLY G. ANDERSON

In the Matter of: Michael B. Stone	Case Number(s): 11-O-13253 and 11-O-13280
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REPROVAL ORDER

Finding that the stipulation protects the public and that the interests of Respondent will be served by any conditions attached to the reproof, IT IS ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without prejudice, and:

- ☐ The stipulated facts and disposition are APPROVED AND THE REPROVAL IMPOSED.
- ☒ The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the REPROVAL IMPOSED.
- ☐ All court dates in the Hearing Department are vacated.

Paragraph A (8) [page 2] is modified to provide that costs are to be added to the membership fee for the year 2013, not 2012.

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies or further modifies the approved stipulation. (See rule 5.58(E) & (F), Rules of Procedure.) **Otherwise the stipulation shall be effective 15 days after service of this order.**

Failure to comply with any conditions attached to this reproof may constitute cause for a separate proceeding for willful breach of rule 1-110, Rules of Professional Conduct.

Date

11/7/11



DONALD F. MILES

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 November 8, 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:

MICHAEL B. STONE
3020 OLD RANCH PKWY STE 300
SEAL BEACH, CA 90740

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

KIMBERLY ANDERSON, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on November 8, 2011.



Rose Luthi
Case Administrator
State Bar Court