

PUBLIC MATTER

ORIGINAL

1 STATE BAR OF CALIFORNIA  
 2 OFFICE OF THE CHIEF TRIAL COUNSEL  
 3 JAYNE KIM, No. 174614  
 4 ACTING CHIEF TRIAL COUNSEL  
 5 PATSY J. COBB, No. 107793  
 6 DEPUTY CHIEF TRIAL COUNSEL  
 7 ALAN B. GORDON, No. 125642  
 8 ASSISTANT CHIEF TRIAL COUNSEL  
 9 KRISTIN L. RITSEMA, No. 149966  
 10 SENIOR TRIAL COUNSEL  
 11 CYNTHIA REED, No. 232326  
 12 DEPUTY TRIAL COUNSEL  
 13 1149 South Hill Street  
 14 Los Angeles, California 90015-2299  
 15 Telephone: (213) 765-1204

FILED

FEB 14 2012

STATE BAR COURT  
CLERK'S OFFICE  
LOS ANGELES

STATE BAR COURT

HEARING DEPARTMENT - LOS ANGELES

13 In the Matter of: ) Case No. 11-O-14067  
 14 JAMES VINCENT REISS, )  
 15 No. 128020, ) NOTICE OF DISCIPLINARY CHARGES  
 16 A Member of the State Bar )  
 17 )

**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. James Vincent Reiss ("Respondent") was admitted to the practice of law in the State  
4 of California on June 17, 1987, was a member at all times pertinent to these charges, and is  
5 currently a member of the State Bar of California.

6 FACTS COMMON TO ALL COUNTS

7 2. In 2007, Sandra Chapman ("Chapman") hired Respondent to represent her in probate  
8 proceedings for the estate of her son Mark Hooper ("Mark"). Mark died on May 15, 2007.  
9 Chapman's son Eric Hooper ("Eric") was named executor of Mark's estate.

10 3. On June 11, 2007, Chapman and Eric signed a written retainer agreement with  
11 Respondent.

12 4. In September 2008, Chapman's former daughter-in-law Lisa Hughes-Hooper  
13 ("Hughes-Hooper") commenced a civil action claiming entitlement to \$1,000,000 in insurance  
14 proceeds, plus interest that went to Chapman due to a beneficiary change in a new life insurance  
15 policy held by Mark. Hughes-Hooper was Mark's beneficiary on a prior life insurance policy  
16 until February 5, 2007, when that policy expired and he changed the beneficiary from his wife  
17 (while their divorce was pending) to his mother on a new policy

18 5. The civil action, *Hughes-Hooper v. Penn Mutual Life Insurance Co. et al*, LASC  
19 Case No. KC 053809 (hereinafter "the insurance litigation") was assigned to The Honorable Dan  
20 Thomas Oki. Respondent filed an answer on behalf of Chapman, and appeared on her behalf in  
21 court. He also represented her at trial.

22 COUNT ONE

23 Business and Professions Code, section 6106  
24 [Moral Turpitude – Falsely Simulating Client Signature on Agreement  
with Penn Mutual Life Insurance Company]

25 6. Respondent willfully violated Business and Professions Code, section 6106, by  
26 committing an act involving moral turpitude, dishonesty or corruption, as follows:

27 7. The allegations of paragraphs two through five are incorporated by reference.  
28



1 17. By providing a falsified court order to Chapman in order to mislead her into believing  
2 that insurance funds were deposited with the court, Respondent committed an act involving  
3 moral turpitude, dishonesty or corruption.

4 COUNT THREE

5 Business and Professions Code, section 6106  
6 [Moral Turpitude – Misappropriation of Client Funds]

7 18. Respondent willfully violated Business and Professions Code, section 6106, by  
8 committing an act involving moral turpitude, dishonesty or corruption, as follows:

9 19. The factual allegations of Counts One and Two are incorporated by reference.

10 20. On December 19, 2008, Respondent deposited the \$534,356.64 insurance company  
11 check into his Client Trust Account (“CTA”) number ending 9423, raising the balance to  
12 \$575,410.41.

13 21. From December 19, 2008 through January 27, 2009, Respondent dispersed CTA  
14 funds to various individuals or entities but not to Chapman or on her behalf,

15 22. On December 31, 2008, Respondent paid another client Terri Walz (“Walz”)  
16 \$100,000.00, which reduced his CTA balance to \$295,556.13.

17 23. On January 26, 2009, Respondent made another payment of \$100,000 to client Walz,  
18 reducing his CTA balance to \$135,379.79. Thus, by that date, Respondent misappropriated  
19 \$398,976.85 from the insurance proceeds entrusted to his care on behalf of Chapman in the  
20 insurance litigation.

21 24. On January 27, 2009, the CTA balance dipped by another \$20,000, raising the  
22 amount of misappropriation to \$418,976.85.

23 25. On March 11, 2009, the CTA balance dropped to \$6,372.20, for a misappropriation of  
24 \$527,984.44 from the insurance proceeds entrusted to his care on behalf of Chapman in the  
25 insurance litigation.

26 26. On April 2, 2009, the CTA balance dipped to \$178.10, for a misappropriation of  
27 \$534,178.54.







1           52. Respondent willfully violated Business and Professions Code, section 6106, by  
2 committing an act involving moral turpitude, dishonesty or corruption, as follows:

3           53. The factual allegations of Counts One through Five are incorporated by reference.

4           54. On June 9, 2011, Chapman and Eric met with Respondent, at which time Respondent  
5 told her that Judge Oki had released one-half of the insurance proceeds which would be available  
6 immediately.

7           55. Respondent and Chapman communicated about the probate case in July 2011, and  
8 communicated about the insurance litigation in September, October and November 2011.

9           56. In written correspondence and electronic mail, Chapman made repeated requests for  
10 information about the status of the insurance litigation as well as when she would receive the  
11 one-half of the proceeds purportedly authorized for release by Judge Oki.

12           57. At no time did Respondent tell Chapman that the case was dismissed as a result of the  
13 January 21, 2011 Agreement.

14           58. Respondent made numerous false statements and misrepresentations that the  
15 insurance litigation was still pending and that the court would be issuing a ruling.

16           59. On October 7, 2011, Respondent mailed to Chapman a "proposed Statement of  
17 Decision" (hereinafter "proposed court order") that he stated had been issued by Judge Oki.

18           60. In a letter dated October 13, 2011, Respondent told Chapman that the parties would  
19 have 20 days to prepare objections to the proposed court order and 60 days after that in which to  
20 file an appeal. In this same letter, Respondent further indicated his intent to "file a Judgment and  
21 Notice of Entry of Judgment on October 14, 2011" and informed Chapman that "I have  
22 requested all of the accounting information concerning the insurance funds along with the  
23 documentation concerning the payment of the funds, interest earned. There have been no  
24 disbursements of these funds to date."

25           61. Respondent's verbal and written representations to Chapman were intentionally false  
26 and misleading as Respondent knew that he had settled the insurance litigation (and related  
27 aspects of the probate litigation) without Chapman's knowledge, permission or consent.  
28



1 Respondent made this representation with the intent to mislead Chapman and to conceal his  
2 misappropriation of the insurance proceeds.

3 62. By intentionally misinforming and misleading Chapman with regard to the status of  
4 the insurance litigation, Respondent committed acts involving moral turpitude, dishonesty or  
5 corruption.

6 COUNT SEVEN

7 Business and Professions Code, section 6106

8 [Moral Turpitude – Misrepresentation to Client]

9 63. Respondent willfully violated Business and Professions Code, section 6106, by  
10 committing an act involving moral turpitude, dishonesty or corruption, as follows:

11 64. The factual allegations of Counts One through Six are incorporated by reference.

12 65. On October 18, 2011, Respondent sent Chapman a check for \$388,000 with a cover  
13 letter stating that the funds represented one-half of the insurance proceeds plus accrued interest  
14 less \$100,000 in attorney's fees and \$100,000 equity interest to Hughes-Hooper for Mark's home  
15 ("the Dalton Avenue property") "pursuant to the initial settlement reached."

16 66. Chapman immediately responded in writing to ask questions about settlement because  
17 Respondent had never informed her of any settlement in the insurance litigation. Respondent has  
18 never directly addressed Chapman's questions.

19 67. On November 8, 2011, Respondent provided Chapman with a check for \$100,000  
20 stating that he would provide other requested documents concerning the probate and insurance  
21 litigation under separate cover. To date, Respondent has not provided such documents.

22 68. To-date, Respondent has never told Chapman about his false simulations of her  
23 signature on two agreements.

24 69. By making the false and misleading representation to Chapman, Respondent  
25 committed an act involving moral turpitude, dishonesty or corruption.

26 **NOTICE - INACTIVE ENROLLMENT!**

27 **YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE STATE BAR**  
28 **COURT FINDS, PURSUANT TO BUSINESS AND PROFESSIONS CODE**  
**SECTION 6007(c), THAT YOUR CONDUCT POSES A SUBSTANTIAL**

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**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 RECOMMENDED BY THE COURT.**


**NOTICE - COST ASSESSMENT!**

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

Respectfully submitted,

THE STATE BAR OF CALIFORNIA  
OFFICE OF THE CHIEF TRIAL COUNSEL

DATED: February 14, 2012

By:   
Cynthia Reed  
Deputy Trial Counsel

