

State Bar Court of California Hearing Department Los Angeles DISBARMENT		
Counsel For The State Bar Blithe C. Leece 1149 S. Hill Street Los Angeles, CA 90015 213-765-1161 Bar # 202208	Case Number(s): 11-O-15772	For Court use only <div style="text-align: center;"> FILED <i>Yre</i> JUN - 1 2012 STATE BAR COURT CLERK'S OFFICE LOS ANGELES </div> <div style="text-align: center; font-size: 1.5em; font-weight: bold; margin-top: 20px;"> PUBLIC MATTER </div>
In Pro Per Respondent Ali E. Galam 40675 California Oaks Road Suite C Murrieta, CA 92563 951-445-4890 Bar # 123778	Submitted to: Settlement Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING; ORDER OF INVOLUNTARY INACTIVE ENROLLMENT DISBARMENT <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	
In the Matter of: Ali E. Galam Bar # 123778 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 July 21, 1986.
- (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 resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of (10) pages, not including the order.



(Do not 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):
 - Costs to be awarded to the State Bar.
 - Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
 - Costs are entirely waived.
- (9) ORDER OF INACTIVE ENROLLMENT:
The parties are aware that if this stipulation is approved, the judge will issue an order of inactive enrollment under Business and Professions Code section 6007, subdivision (c)(4), and Rules of Procedure of the State Bar, rule 5.111(D)(1).

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**
 - (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. Respondent's refusal or inability to account for the Marples' settlement funds is a serious aggravating circumstance, in light of the fact that Respondent misappropriated \$32,267.00 of those funds. (Std. 1.2(b)(iii).)

(Do not write above this line.)

- (4) **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice. Respondent's misappropriation of the Marples' settlement funds has harmed them. (Std. 1.2(b)(iv).)
- (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.
- (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.

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- (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:

No Prior Discipline:

Although the misconduct is serious, Respondent has no prior record of discipline in 25 years of practice. Some mitigating credit for no prior record of discipline may be given even where the underlying misconduct is found to be serious or significant. (Std. 1.2(e)(1). See also, In the Matter of Stamper (Review Dept. 1990) 1 Cal. State Bar Ct. Rptr. 96, 106, ft. 13.)

Stipulation:

Respondent's stipulation to the facts, his culpability, and his disbarment is a mitigating circumstance. (Standard 1.2(e)(v). See also, In the Matter of Spaith (Review Dept. 1996) 3 Cal. State Bar Ct. Rptr. 511, 521.)

D. Discipline: Disbarment.

E. Additional Requirements:

- (1) **Rule 9.20, California Rules of Court:** Respondent must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (2) **Restitution:** Respondent must make restitution to Marixa and Chris Marple in the amount of \$32,267.00 plus 10 percent interest per year from July 21, 2005. If the Client Security Fund has reimbursed Marixa and Chris Marple for all or any portion of the principal amount, respondent must pay restitution to CSF of the amount paid plus applicable interest and costs in accordance with Business and Professions Code section 6140.5. Respondent must pay the above restitution and furnish satisfactory proof of payment to the State Bar's Office of Probation in Los Angeles no later than _____ days from the effective date of the Supreme Court order in this case.
- (3) **Other:**

(Do not write above this line.)

Attachment language (if any):

Please see attachment.

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: Ali E. Galam

CASE NUMBER(S): 11-O-15772

FACTS AND CONCLUSIONS OF LAW.

Respondent admits that the following facts are true and that he is culpable of violations of the specified statute.

Case No. 11-O-15772 (Complainant: Marixa Marple and Chris Marple)

Facts:

1. On May 3, 2004, Marixa Marple and her son, Chris Marple ("Marples"), were passengers on a bus that was struck by another vehicle. The Marples sustained injuries that required medical services.

2. On June 3, 2004, The Marples retained Respondent for their personal injury claims. Respondent was to be compensated through a 33 1/3 percent contingency fee for Chris Marple and Marixa Marple.

3. On July 21, 2005, Respondent settled the Marples claims with Allstate Insurance Company. Allstate issued a check made payable to Christopher Marple and the Law Office of A. Eli Galam in the amount of \$30,000 on July 21, 2005. Allstate issued a check made payable to Marixa Marple and the Law Office of A. Eli Galam in the amount of \$18,400 on July 21, 2005. On or about July 29, 2005, Respondent deposited both settlement checks into Respondent's client trust account, no. 24200XXXXX, at Union Bank ("CTA").¹

4. Respondent did not inform the Marples he had received the settlement funds and deposited them into his CTA. At no time did Respondent pay the Marples' outstanding medical liens.

5. At all times, Respondent was required to maintain \$32,267.00 in the client trust account on behalf of the Marples. However, On October 31, 2005, Respondent's balance in his client trust account was \$8458.12. On May 3, 2006, Respondent withdrew \$888.23 leaving an ending balance of zero in the client trust account. Respondent closed his CTA on or about May 31, 2006.

6. At no time did Respondent pay the Marples' outstanding medical liens, ~~nor disburse any settlement funds to the Marples.~~ *A.H.*
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7. On July 21, 2005, Allstate Indemnity Company sent out letters to Respondent and the Marples informing them that the settlement checks were issued and stating the corresponding settlement amounts for Chris Marple and Marixa Marple. On or about December 28, 2009, Chris Marple sent a letter to Respondent requesting an accounting of Respondent's fees and costs, and a copy of Chris Marple's settlement check.

¹ The account number for the Respondent's client trust account has been obscured for privacy reasons.

8. On April 30, 2010, the Marples hired attorney Michael A. Kaplan to assist them with obtaining settlement information. Mr. Kaplan wrote to Respondent on April 30, 2010, and requested an accounting of Respondent's fees and costs regarding the Marples' settlement. Respondent received the letter.

9. Respondent did not respond to the letters Chris Marple or Mr. Kaplan sent.

Conclusions of Law:

10. By either intentionally or with gross negligence misappropriating \$32,267.00 of the Marples' settlement funds, Respondent committed an act(s) of moral turpitude, dishonesty, or corruption in wilful violation of Business and Professions Code section 6106.

11. By failing to maintain a balance of funds received for the benefit of a client and deposited in a bank account labeled "Trust Account," "Client's Funds Account" or words of similar import Respondent wilfully violated Rules of Professional Conduct, rule 4-100(A).

12. By failing to render appropriate accounts to a client regarding all funds coming into Respondent's possession Respondent wilfully violated Rules of Professional Conduct, rule 4-100(B)(3).

13. By failing to inform the Marples that he had received their settlement funds Respondent wilfully violated Business and Professions Code section 6068(m).

PENDING PROCEEDINGS.

The disclosure date referred to on page 2, paragraph A(7), was April 17, 2012.

COSTS OF DISCIPLINARY PROCEEDINGS.

There are no disciplinary costs in this matter since the disposition was reached prior to the filing of the Notice of Disciplinary charges. 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.

FINANCIAL CONDITIONS, RESTITUTION.

Respondent waives any objection to payment by the State Bar Client Security Fund upon a claim for the principal amount of restitution of \$15,400.00

AUTHORITIES SUPPORTING DISCIPLINE.

1. Standards

Standard 2.2(a) provides that culpability of a member of wilful misappropriation of entrusted funds shall result in disbarment. Only if the amount of funds misappropriated is insignificantly small or if the most compelling mitigating circumstances clearly predominate, shall disbarment not be imposed.

Here, the amount of funds that Respondent misappropriated is not insignificant. The contrary is true. The mitigating circumstance discussed above is not sufficiently compelling to justify a deviation from the Standards. The parties submit that Respondent's misconduct, and the aggravating circumstances surrounding the misconduct, warrant disbarment.

2. Case Law

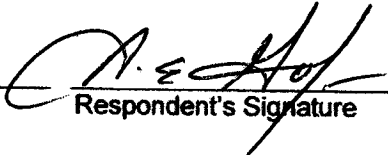

The Supreme Court has repeatedly held that disbarment is the usual discipline for the wilful misappropriation of client funds. (See, *Grim v. State Bar* (1991) 53 Cal.3d 21; *Edwards v. State Bar* (1990) 52 Cal.3d 28, 37; *Howard v. State Bar* (1990) 51 Cal.3d 215, 221;. and *Chang v. State Bar* (1989) 49 Cal.3d 114, 128)

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In the Matter of: Ali E. Galam	Case number(s): 11-O-15772
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SIGNATURE OF THE PARTIES

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.

<u>5-14-12</u> Date	 Respondent's Signature	<u>ALI E. GALAM</u> Print Name
<u>5/16/12</u> Date	 -Deputy Trial Counsel's Signature	<u>Bithe C. Leece</u> Print Name

(Do not write above this line.)

In the Matter of:
Ali E. Galam

Case Number(s):
11-O-15772

DISBARMENT ORDER

Finding the stipulation to be fair to the parties and that it adequately protects the public, 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 DISCIPLINE RECOMMENDED to the Supreme Court.
- The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the DISCIPLINE IS RECOMMENDED to the Supreme Court.
- All Hearing dates are vacated.

On p. 1, Respondent's address is listed as "Suite C," but his official membership record address is "Suite F." The official membership record address was changed on 4/5/12. The caption page is deemed amended accordingly.

On p. 5, E. (2) Restitution – The final sentence in that paragraph is deleted.

On p. 8, Costs of Disciplinary Proceedings: The first sentence of that paragraph is deleted and replaced with the following: "Costs are awarded to the State Bar in accordance with Business and Professions Code section 6086.10 and are enforceable both as provided in Business and Professions Code section 6140.7 and as a money judgment." (See Bus. & Prof. Code, § 6086.10, subd. (a).)

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.) **The effective date of this disposition is the effective date of the Supreme Court order herein, normally 30 days after file date. (See rule 9.18(a), California Rules of Court.)**

Respondent ^{Ali E. Galam} ↑ is ordered transferred to involuntary inactive status pursuant to Business and Professions Code section 6007, subdivision (c)(4). Respondent's inactive enrollment will be effective three (3) calendar days after this order is served by mail and will terminate upon the effective date of the Supreme Court's order imposing discipline herein, or as provided for by rule 5.111(D)(2) of the Rules of Procedure of the State Bar of California, or as otherwise ordered by the Supreme Court pursuant to its plenary jurisdiction.

Date

6/11/12


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 June 1, 2012, I deposited a true copy of the following document(s):

**STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND
ORDER APPROVING; ORDER OF INVOLUNTARY INACTIVE
ENROLLMENT**

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:

**ALI E. GALAM
GALAM LAW OFFICES
40675 CALIFORNIA OAKS RD
SUITE F
MURRIETA, CA 92563**

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

BLITHE LEECE, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on June 1, 2012.



Tammy Cleaver
Case Administrator
State Bar Court