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FILED

SEP 28 2012

STATE BAR COURT
CLERK'S OFFICE
LOS ANGELES

8 THE STATE BAR COURT
9 HEARING DEPARTMENT - LOS ANGELES

10 In the Matter of) Case Nos.: 11-O-18357;
11)) 12-O-10962;
12)) 12-O-14399
13 JOHN REFAAT HABASHY, Respondent) RESPONDENT'S ANSWER TO NOTICE
14) OF DISCIPLINARY CHARGES
15 No. 236708)
16 A Member of the State Bar)

17
18 TO THE HONORABLE RICHARD A. HONN, JUDGE OF THE STATE BAR
19 COURT OF THE STATE BAR OF CALIFORNIA, AND TO THE OFFICE OF THE
20 CHIEF TRIAL COUNSEL OF THE STATE BAR OF CALIFORNIA:

21 Pursuant to Rule 5.43 of the Rules of Procedure of the
22 State Bar of California, Respondent John Refaat Habashy, by and
23 through his attorney(s) of record, hereby submits the following
24 in response to the Notice of Disciplinary Charges (hereinafter
25 "NDC") on file herein:

26 Under the provisions of the Rules of Procedure of the
27 State Bar of California, Respondent John Refaat Habashy hereby
28 generally denies each and every allegation of the NDC and the
whole thereof and further denies the Respondent has violated any



1 Rule of Professional Conduct in any manner whatsoever. In
2 response to the specific allegations set forth in the NDC on
3 file herein, Respondent John Refaat Habashy asserts:

4 1. In response to Paragraph 1 of the NDC, Respondent
5 admits said allegations for jurisdictional purposes only.
6

7 Case No. 11-O-18357

8 COUNT ONE

9 2. In response to Paragraph 2 of the NDC, Respondent
10 denies said allegations.

11 3. In response to Paragraph 3 of the NDC, Respondent
12 denies said allegations in part and admits said allegations in
13 part. It is admitted that Jose Roman ("Roman") hired Respondent
14 on or about September 11, 2010. It is denied that Roman hired
15 Respondent for a residential mortgage loan modification. Roman
16 hired Respondent for loss mitigation services.

17 4. In response to Paragraph 4 of the NDC, Respondent
18 denies said allegations.

19 5. In response to Paragraph 5 of the NDC, Respondent
20 denies said allegations.
21

22 Case No. 12-O-10962

23 COUNT TWO

24 6. In response to Paragraph 6 of the NDC, Respondent
25 denies said allegations.

26 7. In response to Paragraph 7 of the NDC, Respondent
27 admits said allegations.
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1 8. In response to Paragraph 8 of the NDC, Respondent
2 denies said allegations in part and admits said allegations in
3 part. The allegations as to form of payment are denied.

4 Complainant's "cousin" offered payment through ACH.

5 9. In response to Paragraph 9 of the NDC, Respondent
6 denies said allegations in part and admits said allegations in
7 part. The allegations are denied as to the form of the payment.

8 10. In response to Paragraph 10 of the NDC, Respondent can
9 neither admit nor deny said allegations.

10 11. In response to Paragraph 11 of the NDC, Respondent
11 denies said allegations in part and admits said allegations in
12 part. It is admitted that the client file was placed on a "hold"
13 status based upon Respondent's evaluation and lack of
14 communication with the client directly.

15 12. In response to Paragraph 12 of the NDC, Respondent
16 denies said allegations.

17 13. In response to Paragraph 13 of the NDC, Respondent
18 denies said allegations in part and admits said allegations in
19 part. Respondent admits to receiving said letter dated October
20 12, 2011. Respondent denies he refused a refund. Respondent
21 offered to continue legal services or submit to voluntary
22 arbitration.

23 14. In response to paragraph 14 of the NDC, Respondent
24 denies said allegations. Salvador is not the client. Further,
25 the reason for the "hold" status on the file was due to the
26 unscrupulous characters surrounded by Ms. Arrellenaz, the true
27 client.

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1 15. In response to paragraph 15 of the NDC, the said
2 allegations are denied. In fact, pursuant to Respondent's
3 counsel's advice, and in effort to show good faith, Respondent
4 refunded the amount of \$1,149 on or about June 1, 2012, and not
5 the amount of \$2,399, as alleged.

6 16. In response to paragraph 16 of the NDC, Respondent
7 denies said allegations.

8
9 COUNT THREE

10 17. In response to paragraph 17 of the NDC, Respondent
11 denies said allegations.

12 18. In response to paragraph 18 of the NDC, the responses
13 to Count Two are incorporated by reference.

14 19. In response to paragraph 19 of the NDC, Respondent
15 denies said allegations. In fact, Respondent explained to a
16 paralegal of client's succeeding counsel, William Cort, that the
17 retainer fee was for an unlawful detainer defense and that the
18 retainer agreement contained an "earned upon receipt" clause
19 which Respondent had upheld in past litigation. Further, it was
20 explained to Mr. Cort that their services could "co-exist" as
21 the clients would ultimately face eviction in the near future.
22 Moreover, Respondent offered to arbitrate the fee dispute.

23 20. In response to paragraph 20 of the NDC, Respondent
24 denies said allegations.

25
26 Case No. 12-0-14399

27 COUNT FOUR

28 21. In response to paragraph 21 of the NDC, Respondent
denies said allegations.

1 22. In response to paragraph 22 of the NDC, Respondent
2 denies said allegations in part and admits said allegations in
3 part. Respondent admits he was retained by Salvador and Maria
4 Romo ("Romo") on or about June 7, 2011. But, Romo hired
5 Respondent in the event their pending foreclosure was not
6 mutually postponed. The Romo property was over-encumbered in
7 order to be considered an asset.

8 23. In response to paragraph 23 of the NDC, Respondent
9 admits said allegations in part and denies said allegations in
10 part. Respondent's retainer agreement with Romo clearly
11 describes the advances to be made by Romo. The advances included
12 a \$49 fee for credit counseling, a \$19 fee for a financial
13 management course, \$50 for credit report fees and a \$279 filing
14 fee.

15 24. In response to paragraph 24 of the NDC, Respondent
16 admits said allegations.

17 25. In response to paragraph 25 of the NDC, Respondent
18 admits said allegations.

19 26. In response to paragraph 26 of the NDC, Respondent can
20 neither admit nor deny said allegations.

21 27. In response to paragraph 27 of the NDC, Respondent can
22 neither admit nor deny said allegations. Romo's petition was
23 completed and ready shortly after Respondent was retained.

24 28. In response to paragraph 28 of the NDC, Respondent
25 denies said allegations. Respondent did explain to Romo that the
26 bankruptcy was appropriate but believed that Romo should attempt
27 all forms of mitigation prior to filing the petition so as not
28 to burden the court at that time. In order to preserve any

1 remaining creditworthiness, Respondent recommended a delay in
2 the filing to evaluate Romo's potential exposure of deficiencies
3 and tax consequences related to Romo's poor financial
4 investments in real property.

5 29. In response to paragraph 29 of the NDC, Respondent
6 denies said allegations.

7 30. In response to paragraph 30 of the NDC, Respondent
8 denies said allegations. Romo never requested a refund from
9 Respondent and, in fact, he requested additional services.

10 31. In response to paragraph 31 of the NDC, Respondent
11 denies said allegations.

12 COUNT FIVE

13 32. In response to paragraph 32 of the NDC, Respondent
14 denies said allegations.

15 33. In response to paragraph 33 of the NDC, the responses
16 to Count Four are incorporated by reference.

17 34. In response to paragraph 34 of the NDC, Respondent
18 denies said allegations. Respondent offered to provide alternate
19 services and attain Romo's goals. Romo did not make a written
20 request for a refund and instead expressed his desire to have
21 Respondent continue legal services.

22 35. In response to paragraph 35 of the NDC, Respondent
23 denies said allegations.

24 36. In response to paragraph 36 of the NDC, Respondent
25 denies said allegations.

26 37. In response to paragraph 37 of the NDC, Respondent
27 denies said allegations.

28 38. In response to paragraph 38 of the NDC, Respondent can
neither admit nor deny said allegations.

1 39. In response to paragraph 39 of the NDC, Respondent
2 denies said allegations in part and admits said allegations in
3 part. Respondent denies the allegation that there were unearned
4 fees. Respondent did refund the fees to Romo. Respondent spent
5 several months on the Romo file in order to garner good will and
6 to maintain a positive client-attorney relationship.

7 40. In response to paragraph 40 of the NDC, Respondent
8 denies said allegations.

9 COUNT SIX

10 41. In response to paragraph 41 of the NDC, Respondent
11 denies said allegations.

12 42. In response to paragraph 42 of the NDC, the responses
13 to Counts Four and Five are incorporated by reference.

14 43. In response to paragraph 43 of the NDC, Respondent
15 denies said allegations. This statement was not made by
16 Respondent. Romo requested additional legal services and
17 maintained an ongoing relationship with Respondent. No refund
18 request was made by Romo and, therefore, no counteroffer was
19 made by Respondent.

20 44. In response to paragraph 44 of the NDC, Respondent
21 denies said allegations.

22 COUNT SEVEN

23 45. In response to paragraph 45 of the NDC, Respondent
24 denies said allegations.

25 46. In response to paragraph 46 of the NDC, the responses
26 to Counts Four through Six are incorporated by reference.

27 47. In response to paragraph 47 of the NDC, Respondent
28 denies said allegations. The fees collected from Romo were
earned as the petition was completed and Respondent was on

1 "stand by" for Romo. Further the administrative fees were
2 outlined in the retainer agreement and the amounts alleged are
3 incorrect.

4 48. In response to paragraph 48 of the NDC, Respondent
5 admits to sending the amount alleged, but denies said
6 allegations as to the context of "unearned fees" and "filing
7 fees."

8 49. In response to paragraph 49 of the NDC, Respondent
9 denies said allegations.

10 COUNT EIGHT

11 50. In response to paragraph 50 of the NDC, Respondent
12 denies said allegations.

13 51. In response to paragraph 51 of the NDC, the responses
14 to Counts Four through Seven are incorporated by reference.

15 52. In response to paragraph 52 of the NDC, Respondent
16 admits said allegations.

17 53. In response to paragraph 52 of the NDC, Respondent
18 denies said allegations.

19 54. In response to paragraph 54 of the NDC, Respondent
20 denies said allegations. The release did not discuss or mention
21 the State Bar complaint. In fact, Respondent received the State
22 Bar complaint after sending the form release. Respondent acted
23 four days prior to receiving notice of Romo's bar complaint.

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Dated: September 28, 2012

Respectfully submitted,
CENTURY LAW GROUP

By: Paul J. Virgo
Paul J. Virgo, Of Counsel
Attorneys for Respondent
John Refaat Habashy

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DECLARATION OF SERVICE

Re: In the Matter of John Refaat Habashy

Case Nos.: 11-O-18357; 12-O-10962; 12-O-14399

I, Paul Virgo, declare:

I am over the age of 18 years and not a party to the within action. My business address is 9909 Topanga Canyon Blvd., #282, Chatsworth, California 91311, in the County of Los Angeles.

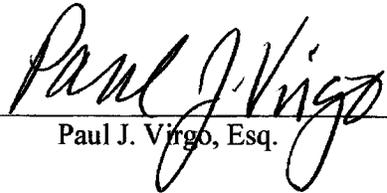
RESPONDENT'S ANSWER TO NOTICE OF DISCIPLINARY CHARGES

was hand delivered to:

State Bar Court-Hearing Department
State Bar of California
1149 S. Hill Street
Los Angeles, CA 90015-2299

Anand Kumar, Deputy Trial Counsel
OCTC, Enforcement
1149 S. Hill Street
Los Angeles, CA 90015-2299

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and this declaration was executed at Los Angeles, California, on September 28, 2012



Paul J. Virgo, Esq.