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FILED

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STATE BAR COURT
CLERK'S OFFICE
LOS ANGELES

PUBLIC MATTER

STATE BAR COURT
HEARING DEPARTMENT - LOS ANGELES

In the Matter of:) Case No. 11-O-18684
DANIEL L. PEARSON,)
No. 157206,) NOTICE OF DISCIPLINARY CHARGES
A Member of the State Bar)

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. Daniel L. Pearson ("Respondent") was admitted to the practice of law in the State of
4 California on December 18, 1991, was a member at all times pertinent to these charges, and is
5 currently a member of the State Bar of California.

6 GENERAL ALLEGATIONS

7 2. Between approximately 2009 and 2011, Respondent represented Louis Cohen
8 ("Louis") and Rochelle Cohen ("Rochelle"), collectively referred to as the Cohens, in several
9 legal matters, including three civil lawsuits:

- 10 a. *Louis Cohen and Rochelle Cohen vs. Diversified Products International, et al.*,
11 Riverside Superior Court Case no. RIC519567 ("DPI lawsuit");
12 b. *Louis Cohen and Rochelle Cohen vs. Ralph W. Haupt, Patricia L. Haupt, SLL*
13 *Services, Inc., BBF Ventures Inc., et al*, San Bernardino Superior Court Case no.
14 CIVHS 900202 ("Haupt lawsuit");
15 c. *Louis Cohen and Rochelle Cohen vs. Assured Lender Services*, Riverside County
16 Superior Court Case no. RIC 542644 ("ALS lawsuit").

17 COUNT ONE

18 Case No. 11-O-18684
19 Rules of Professional Conduct, rule 3-110(A)
[Failure to Perform with Competence]

20 3. Respondent wilfully violated Rules of Professional Conduct, rule 3-110(A), by
21 intentionally, recklessly, or repeatedly failing to perform legal services with competence, as
22 follows:

23 DPI LAWSUIT

24 4. In or about early 2009, the Cohens hired Respondent to initiate and pursue
25 foreclosure proceedings against Diversified Products International, Inc., Patrick L. Thompson,
26 John Palmieri, et al.

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1 5. On or about February 20, 2009, Respondent filed the lawsuit entitled, *Louis Cohen*
2 *and Rochelle Cohen vs. Diversified Products International, et al.*, Riverside Superior Court Case
3 no. RIC519567 ("DPI lawsuit"). Respondent filed an amended complaint on or about December
4 1, 2009.

5 6. On or about December 9, 2009, a demurrer was filed. A hearing on the demurrer was
6 held on or about May 21, 2010, at which the court sustained the demurrer as to all causes of
7 action, and gave Respondent and the Cohens 30 days leave to amend their complaint.
8 Respondent received notice of the court's ruling. Respondent did not inform the Cohens about
9 the demurrer, and he did not inform them that they had only 30 days to amend their lawsuit.

10 7. Respondent did not file another amended complaint.

11 8. On or about September 20, 2010, the court issued an Order to Show Cause (OSC)
12 why the DPI lawsuit should not be dismissed, and set the matter for a hearing (OSC hearing) to
13 be held on November 8, 2010. Respondent received notice of the OSC and of the OSC hearing.
14 Respondent did not inform the Cohens of the OSC and he did not inform them of the November
15 8, 2010, hearing.

16 9. On or about November 8, 2010, the court held the OSC hearing. Respondent did not
17 appear at the hearing. There were no appearances by or on behalf of the Cohens. As a result, the
18 court dismissed the DPI lawsuit in its entirety. Respondent received notice of the dismissal.
19 Respondent did not inform the Cohens of the dismissal.

20 HAUPT LAWSUIT

21 10. On or about July 10, 2009, the Cohens hired Respondent to represent their interests in
22 the commercial-property foreclosure proceedings ("Haupt foreclosure proceedings") initiated by
23 the first-lienholder, Ralph W. Haupt. The Cohens were the second-lien holders and were in
24 possession of the subject property.

25 11. In or about August 2009, the Cohens paid Respondent a flat fee of \$8796.77, to
26 obtain a temporary restraining order, and to delay the Haupt foreclosure proceedings for as long
27 as possible.

12. On or about August 11, 2009, Respondent filed a lawsuit to quiet title, entitled, *Louis Cohen and Rochelle Cohen vs. Ralph W. Haupt, Patricia L. Haupt, SLL Services, Inc., BBF Ventures Inc.*, et al, San Bernardino Superior Court Case no. CIVHS 900202 (“Haupt lawsuit”).

13. On or about August 11, 2009, Respondent also filed an ex parte application for a temporary restraining order to stop the Haupt foreclosure proceedings. On or about August 13, 2009, the court granted the ex parte application and issued a TRO, halting the Haupt foreclosure proceedings pending a hearing on the merits.

14. Respondent did not serve the summons and complaint on the defendants in the Haupt lawsuit.

15. On or about August 11, 2009, the court issued an Order to Show Cause why the Haupt lawsuit should not be dismissed for failure to serve the summons and complaint. A hearing on the OSC was set for November 6, 2009. Respondent received notice of the OSC and the hearing thereon. Respondent did not inform the Cohens about the OSC nor about the November 6, 2009, hearing.

16. On or about November 6, 2009, the court held the OSC hearing. Respondent did not appear. There were no appearances by or on behalf of the Cohens. The court issued an order to show cause requiring Respondent to appear on January 8, 2010, to show cause why sanctions should not be imposed for failure to file the required documents. Respondent received notice of the order and of the hearing on January 8, 2010. Respondent did not inform the Cohens of the order nor of the hearing.

17. Respondent appeared at the January 8, 2010, hearing, at which time the court set the Haupt lawsuit for a trial-setting-conference on March 10, 2010.

18. On or about November 3, 2010, the opposing party served notices of the depositions of Louis Cohen and Rochelle Cohen, setting their depositions for December 14, 2010.

Respondent received the notices. Respondent did not inform the Cohens of the notices nor of the setting of their depositions.

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1 19. On or about January 21, 2011, the opposing party filed and served a motion to compel
2 the Cohens to attend and testify at a deposition, and for monetary sanctions. A hearing on the
3 motion was set for March 8, 2011. Respondent received notice of the motion and the hearing
4 thereon. Respondent did not inform the Cohens of the motion nor of the hearing.

5 20. On or about March 8, 2011, after a hearing at which Respondent appeared, the court
6 issued an order compelling the Cohens to attend and testify at a deposition on April 5, 2011. The
7 court also imposed discovery sanctions on the Cohens and Respondent, in the amount of \$1,270.
8 Respondent received notice of the order requiring the Cohens to submit to a deposition; he also
9 received notice of the discovery sanctions. Respondent did not inform the Cohens of the order
10 compelling their depositions, and he did not inform them of the discovery sanctions.

11 21. On or about March 10, 2011, the court set the Haupt lawsuit for a jury trial on
12 October 11, 2011. Respondent received notice of the trial. Respondent did not inform the
13 Cohens of the trial date.

14 22. Respondent and the Cohens did not appear for the Cohens's depositions on April 5,
15 2011.

16 23. On or about April 21, 2011, the opposing party filed a motion for judgment on the
17 pleadings. A hearing on the motion was set for May 23, 2011. Respondent received notice of
18 the motion and of the hearing thereon. Respondent did not inform the Cohens of the motion nor
19 of the hearing on May 23, 2011.

20 24. On or about May 23, 2011, Respondent did not appear at the motion hearing. The
21 court granted the opposing party's motion for judgment on the pleadings, and gave the Cohens
22 20 days leave to amend their complaint. Respondent received notice of the Court's ruling
23 granting the motion for judgment. Respondent did not inform the Cohens of the court's ruling.

24 25. On or about May 26, 2011, the court imposed discovery sanctions on Respondent and
25 the Cohens, in the amount of \$1,270, for failure to attend their court-ordered depositions.
26 Respondent received notice of the sanctions. Respondent did not inform the Cohens of the
27 sanctions.

1 26. On or about July 12, 2011, the opposing party filed a motion to enter judgment on the
2 grounds that Respondent and the Cohens failed to file an amended complaint. A hearing on the
3 motion was set for August 9, 2011. Respondent received notice of the motion and of the hearing
4 thereon. Respondent did not inform the Cohens of the motion nor of the hearing.

5 27. On or about August 9, 2011, the court held a hearing on the motion to enter judgment.
6 Respondent did not appear; there were no appearances by or on behalf of the Cohens. The court
7 granted the motion to enter judgment. On or about August 15, 2011, the court issued a written
8 order dismissing the Haupt lawsuit, with prejudice, and declaring that the opposing party recover
9 costs in the amount of \$1,530. Respondent received notice of the order of dismissal and costs.
10 Respondent did not inform the Cohens of the dismissal nor of the order for costs.

11 ALS LAWSUIT

12 28. In or about late 2009, the Cohens hired Respondent to initiate a lawsuit and obtain a
13 temporary restraining order to stop certain foreclosure proceedings brought by Assured Lender
14 Services, Inc.

15 29. On or about December 21, 2009, Respondent filed a quiet title action, entitled, *Louis*
16 *Cohen and Rochelle Cohen vs. Assured Lender Services, Inc., et al.*, in the County of Riverside
17 Superior Court of California, Case no. RIC 542644.

18 30. On or about December 21, 2009, the court set a Non-Proof of Service Hearing for
19 March 22, 2010, and a Case Management Conference ("CMC") for June 21, 2010. Respondent
20 received notices of the hearing and of the CMC. Respondent did not inform the Cohens of the
21 CMC nor of the OSC hearing on June 21, 2010.

22 31. On or about December 21, 2009, Respondent also filed an ex parte application for a
23 temporary restraining order to stop the foreclosure proceedings.

24 32. On or about January 14, 2010, the court granted the application for a temporary
25 restraining order.

26 33. Respondent did not serve the summons and complaint on the defendants in the ALS
27 lawsuit.

1 34. On or about March 22, 2010, the court issued an order to show cause why sanctions
2 should not be imposed on the Cohens for failure to file proof of service of summons and
3 complaint. A hearing on the OSC was set for June 21, 2010. Respondent received notice of the
4 OSC and of the hearing thereon. Respondent did not inform the Cohens of the OSC nor of the
5 hearing.

6 35. Respondent did not appear at the CMC nor at the OSC hearing on or about June 21,
7 2010. There were no appearances by or on behalf of the Cohens. As a result, the Court imposed
8 sanctions upon Respondent in the amount of \$150. Respondent received notice of the sanctions.
9 Respondent did not inform the Cohens about the sanctions.

10 36. On or about June 21, 2010, the court also held a case management hearing of which
11 Respondent was notified. Respondent did not appear. There were no appearances by or on
12 behalf of the Cohens. The court issued an order to show cause why the action should not be
13 dismissed for failure to prosecute as to all defendants. A hearing on the OSC was set for
14 November 1, 2010. Respondent received notice of the OSC and of the hearing thereon.
15 Respondent did not inform the Cohens of the OSC nor of the hearing on November 1, 2010.

16 37. The OSC hearing was continued to February 7, 2011. Respondent received notice of
17 the new hearing date. Respondent did not inform the Cohens of the new hearing date.

18 38. Respondent did not appear at the February 7, 2011, OSC hearing. There were no
19 appearances by or on behalf of the Cohens. The court imposed sanctions upon Respondent n the
20 amount of \$500. The court also scheduled another hearing for May 10, 2011, on its order to
21 show cause why the action should not be dismissed. Respondent received notice of the hearing.
22 Respondent did not inform the Cohens of the hearing set for May 10, 2011.

23 39. On or about May 10, 2011, Respondent did not appear at the OSC hearing. There
24 were no appearances by or on behalf of the Cohens. As a result, the court dismissed the entire
25 lawsuit without prejudice. Respondent received notice of the dismissal. Respondent did not
26 inform the Cohens of the dismissal.

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1 DPI, HAUPT and ALS LAWSUITS

2 40. By not serving the summons and complaint on the defendants in the Haupt lawsuit
3 and in the ALS lawsuit; by not appearing at several court hearings including those on or about
4 November 6, 2009, November 8, 2010, June 21, 2010, February 7, 2011, May 10, 2011, May 23,
5 2011, and August 9, 2011; by not appearing at the Cohens's court-ordered depositions on or
6 about April 5, 2011; by not filing an amended complaint in the DPI lawsuit causing a dismissal
7 of his client's claims, Respondent intentionally, recklessly, or repeatedly failed to perform legal
8 services with competence.

9 COUNT TWO

10 Case No. 11-O-18684
11 Business and Professions Code, section 6068(m)
[Failure to Inform Client of Significant Development]

12 41. Respondent wilfully violated Business and Professions Code, section 6068(m), by
13 failing to keep a client reasonably informed of significant developments in a matter in which
14 Respondent had agreed to provide legal services, as follows:

15 42. The allegations of Count One are incorporated by reference.

16 43. Between approximately November 2009 and May 2011, Respondent did not inform
17 the Cohens of the significant developments in their three lawsuits, including court orders and
18 sanctions, and dismissal of their legal claims.

19 44. By not informing the Cohens of several significant developments in three lawsuits,
20 including court orders and sanctions, and dismissals of their legal claims, Respondent failed to
21 keep a client reasonably informed of significant developments in a matter in which Respondent
22 had agreed to provide legal services.

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COUNT THREE

Case No. 11-O-18684
Rules of Professional Conduct, rule 3-700(D)(1)
[Failure to Release File]

45. Respondent wilfully violated Rules of Professional Conduct, rule 3-700(D)(1), by failing to release promptly, upon termination of employment, to the client, at the request of the client, all the client papers and property, as follows:

46. The allegations of Count One are incorporated by reference.

47. In or about June 2011, Louis terminated Respondent's services, and asked him to release the Cohens's files and materials to their new attorney, David Libman.

48. Between approximately June 2011 and September 2011, the Cohens repeatedly asked Respondent to release their files. In or about August 2011, the Cohens filed a State Bar complaint.

49. Respondent did not release the Cohen files until in or about January 2012.

50. By not releasing to the Cohens all their files until approximately six months after his services were terminated, Respondent failed to release promptly, upon termination of employment, to the client, at the request of the client, all the client papers and property.

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 RECOMMENDED BY THE COURT.

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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: December 14, 2012

By: 

Rizamari C. Sitton
Senior Trial Counsel

DECLARATION OF SERVICE

by

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

CASE NUMBER(s): **11-O-18684**

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, 1149 South Hill Street, Los Angeles, California 90015, 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))

☐

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.: 7196 9008 9111 0443 2508 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:
Daniel L. Pearson, Respondent	Law Offices Of Daniel L. Pearson 1905 E Route 66 Ste 102 Glendora, CA 91740-4679	Electronic Address	

☐

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

N/A

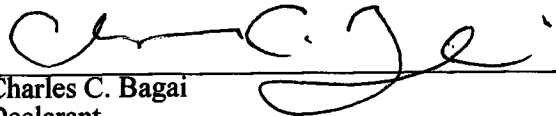
I am readily familiar with the State Bar of California's practice for collection and processing of correspondence for mailing with the United States Postal Service, and overnight delivery by the United Parcel Service ("UPS"). In the ordinary course of the State Bar of California's practice, correspondence 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: December 14, 2012

SIGNED:


Charles C. Bagai
Declarant