

1 STATE BAR OF CALIFORNIA
OFFICE OF THE CHIEF TRIAL COUNSEL
2 JAYNE KIM, No. 174614
ACTING CHIEF TRIAL COUNSEL
3 JOSEPH R. CARLUCCI, No. 172309
DEPUTY CHIEF TRIAL COUNSEL
4 CHARLES A. MURRAY, No. 146069
ACTING ASSISTANT CHIEF TRIAL COUNSEL
5 ERIN McKEOWN JOYCE, No. 149946
DEPUTY TRIAL COUNSEL
6 1149 South Hill Street
Los Angeles, California 90015-2299
7 Telephone: (213) 765-1091

FILED
OCT 24 2012
STATE BAR COURT
CLERK'S OFFICE
LOS ANGELES

8 STATE BAR COURT
9 HEARING DEPARTMENT - LOS ANGELES

10 In the Matter of:) Case No. 12-O-11669
11)
12) **NOTICE OF DISCIPLINARY CHARGES**
13 CHARLOTTE SPADARO,)
No. 47163,)
14)
15)
16 A Member of the State Bar.)

17 **NOTICE - FAILURE TO RESPOND!**

18 **IF YOU FAIL TO FILE A WRITTEN ANSWER TO THIS NOTICE**
19 **WITHIN 20 DAYS AFTER SERVICE, OR IF YOU FAIL TO APPEAR AT**
20 **THE STATE BAR COURT TRIAL:**

- 21 (1) **YOUR DEFAULT WILL BE ENTERED;**
- 22 (2) **YOUR STATUS WILL BE CHANGED TO INACTIVE AND YOU**
23 **WILL NOT BE PERMITTED TO PRACTICE LAW;**
- 24 (3) **YOU WILL NOT BE PERMITTED TO PARTICIPATE FURTHER IN**
25 **THESE PROCEEDINGS UNLESS YOU MAKE A TIMELY MOTION**
26 **AND THE DEFAULT IS SET ASIDE, AND;**
- 27 (4) **YOU SHALL BE SUBJECT TO ADDITIONAL DISCIPLINE.**
28 **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.

///



1 The State Bar of California alleges:

2 **JURISDICTION**

3 1. Respondent Charlotte Spadaro was admitted to the practice of law in the State of
4 California on June 26, 1970, was a member at all times pertinent to these charges, and is
5 currently a member of the State Bar of California.

6 **COUNT ONE**

7 **Case No. 12-O-11669**
8 **Business and Professions Code section 6106**
9 **[Moral Turpitude – Misappropriation]**

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

12 3. On December 29, 2010, Respondent opened a client trust account (“CTA”) at
13 Bank of America, titled “Charlotte Spadaro Attorney Client Trust Account,” Account Number
14 XXXX463960¹ (“Respondent’s Bank of America client trust account”). Both Respondent and
15 non-attorney Edgardo A. Flores, her office manager, were authorized signatories on
16 Respondent’s client trust account.

17 4. Respondent authorized Flores to deposit client funds into Respondent’s Bank of
18 America client trust account from the time the account was opened.

19 5. On August 15, 2011, Respondent authorized Flores to issue check no. 181 on
20 Respondent’s Bank of America client trust account payable to Law Office of Charlotte Spadaro
21 Inc. in the amount of \$50,000. Check no. 181 was notated in the memo line “New Account.”
22 The funds in Respondent’s Bank of America client trust account used to satisfy check no. 181
23 comprised solely client funds.

24 6. At the time Respondent authorized Flores to issue check no. 181, Respondent’s
25 Bank of America client trust account contained client funds in excess of \$50,000.

26 7. On August 15, 2011, Respondent authorized Flores to deposit check no. 181 into
27 a new account she and Flores set up at East West Bank, account no. XXXX001015, an account

28 ¹ The first four digits of the account number of Respondent’s Bank of America client trust account have
been redacted for privacy considerations.

1 opened by Respondent for the benefit of Flores (the "FBO Flores bank account")² None of the
2 funds from check no. 181 deposited into the FBO Flores account were funds belonging to Flores
3 or Respondent.

4 8. A few weeks earlier, in August 2011, Respondent and Flores opened the FBO
5 Flores bank account with both Respondent and Flores as signatories.

6 9. The FBO Flores bank account was not a client trust account.

7 10. Respondent authorized checks and insurance drafts jointly payable to
8 Respondent and her clients to be deposited into the FBO Flores bank account from August 2011
9 until at least June 2012.

10 11. By depositing check no. 181 from Respondent's Bank of America client trust
11 account into the FBO Flores bank account, which was not a client trust account, and depositing
12 other checks and insurance drafts jointly payable to Respondent and her clients into the FBO
13 Flores bank account, Respondent committed acts involving moral turpitude, dishonesty or
14 corruption.

15 **COUNT TWO**

16 **Case No. 12-O-11669**
17 **Rule of Professional Conduct 4-100(A)**
[Failure to Deposit Client Funds in Client Trust Account]

18 12. Respondent wilfully violated Rule of Professional Conduct 4-100(A), by failing
19 to deposit funds received for the benefit of a client in a bank account labelled "Trust Account,"
20 "Client's Funds Account" or words of similar import, as follows:

21 13. The State Bar incorporates the allegations of Count One as though fully set forth
22 at length.

23 14. By failing to deposit check no. 181 from Respondent's Bank of America client
24 trust account into a client trust account, but instead depositing that check into the FBO Flores
25 bank account, and by depositing checks and insurance drafts jointly payable to Respondent and
26 her clients into the FBO Flores bank account, Respondent failed to deposit funds received for
27

28 ² The first four digits of the account number of the FBO Flores bank accounts have been redacted for
privacy considerations.

1 the benefit of a client in a bank account labeled "Trust Account," "Client's Funds Account" or
2 words of similar import.

3 **COUNT THREE**

4 **Case No. 12-O-11669**
5 **Rule of Professional Conduct 4-100(B)(3)**
6 **[Failure to Maintain Records of Client Funds]**

7 15. Respondent willfully violated Rule of Professional Conduct 4-100(B)(3), by
8 failing to maintain, and to preserve for five years from final appropriate disposition, complete
9 records of all client funds coming into Respondent's possession, as follows:

10 16. The State Bar incorporates the allegations of Counts One and Two as though
11 fully set forth at length.

12 17. Respondent had not maintained the statements, the monthly reconciliations or
13 copies of the checks written on her Bank of America client trust account.

14 18. Respondent has not maintained client ledger cards for clients whose settlement
15 proceeds were deposited into her Bank of America client trust account.

16 19. By failing to maintain the statements, monthly reconciliations and client ledger
17 cards related to her Bank of America client trust account, Respondent failed to maintain, and to
18 preserve for five years from final appropriate disposition, complete records of all client funds
19 coming into Respondent's possession.

20 **COUNT FOUR**

21 **Case No. 12-O-11669**
22 **Rule of Professional Conduct 1-310**
23 **[Forming a Partnership with a Non-Lawyer]**

24 20. Respondent wilfully violated Rule of Professional Conduct 1-310, by forming a
25 partnership with a person who is not a lawyer where at least one of the activities of that
26 partnership consisted of the practice of law, as follows:

27 21. The State Bar incorporates the allegations of Counts One, Two and Three as
28 though fully set forth at length.

29 22. Respondent abdicated full responsibility of her Bank of America client trust
30 account and her law office to non-attorney Flores.

DECLARATION OF SERVICE

by

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

CASE NUMBER(s): 12-O-11669

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))
By U.S. Certified Mail: (CCP §§ 1013 and 1013(a))
By Overnight Delivery: (CCP §§ 1013(c) and 1013(d))
By Fax Transmission: (CCP §§ 1013(e) and 1013(f))
By Electronic Service: (CCP § 1010.6)

(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.: 71969008911104427511 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)

Table with 4 columns: Person Served, Business-Residential Address, Fax Number, Courtesy Copy to:.

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').

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: October 24, 2012

SIGNED: JULI JENEWEIN Declarant