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State Bar Court of California Hearing Department Los Angeles ACTUAL SUSPENSION		ORIGINAL
Counsel For The State Bar ANTHONY GARCIA Senior Trial Counsel 845 South Figueroa Street Los Angeles, CA 90017-2215 (213) 765-1089 Bar # 171419	Case Number(s): 12-O-14406-RAP 12-O-15267 12-O-15689 12-O-15871 12-O-17143 12-O-17158 12-O-18182 13-O-10034 13-O-12143 (12-O-11084) (12-O-15064) (12-O-15719) (12-O-16177)	For Court use only FILED FEB 21 2014 STATE BAR COURT CLERK'S OFFICE LOS ANGELES
In Pro Per Respondent VERNE CRAIG SCHOLL 5751 Palmer Way Ste A1 Carlsbad, CA 92010 (760) 473-6905 Bar # 48634	Submitted to: Assigned Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING ACTUAL SUSPENSION <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	
In the Matter of: VERNE CRAIG SCHOLL Bar # 48634 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 **January 7, 1971**.
- (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 entirely resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of **20** pages, not including the order.
- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."



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- (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):
- ☐ Until costs are paid in full, Respondent will remain actually suspended from the practice of law unless relief is obtained per rule 5.130, Rules of Procedure.
 - ☒ Costs are to be paid in equal amounts prior to February 1 for the following membership years: **two (2) billing cycles following the effective date of the Supreme Court order in this matter.** (Hardship, special circumstances or other good cause per rule 5.132, Rules of Procedure.) If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.
 - ☐ Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
 - ☐ Costs are entirely waived.

B. Aggravating Circumstances [Standards for Attorney Sanctions for Professional Misconduct, standards 1.2(f) & 1.5]. Facts supporting aggravating circumstances are required.

- (1) ☒ **Prior record of discipline**
- (a) ☒ State Bar Court case # of prior case **11-O-16820, 11-O-18691**
 - (b) ☒ Date prior discipline effective **The Supreme Court has not yet imposed discipline. See page 16.**
 - (c) ☒ Rules of Professional Conduct/ State Bar Act violations: **rules 1-300(B), 4-200(A), 4-100(A), and 4-100(B)(4) of the Rules of Professional Conduct and Business and Professions Code sections 6106 and 6068(m).**
 - (d) ☒ Degree of prior discipline **three years stayed suspension and two years probation with conditions including one year of actual suspension.**
 - (e) ☐ If Respondent has two or more incidents of prior discipline, use space provided below.
- (2) ☐ **Dishonesty:** Respondent's misconduct was intentional, 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.
- (4) ☒ **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice. **See page 17.**

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- (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. **See page 17.**
- (8) ☐ **Restitution:** Respondent failed to make restitution.
- (9) ☐ **No aggravating circumstances** are involved.

Additional aggravating circumstances:

C. Mitigating Circumstances [see standards 1.2(g) & 1.6]. 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, the public, or the administration of justice.
- (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 with a good faith belief that was honestly held and reasonable.
- (8) ☐ **Emotional/Physical Difficulties:** At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical or mental 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 the difficulties or disabilities no longer pose a risk that Respondent will commit misconduct.
- (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 extraordinarily 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. **See page 17.**
- (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:

Pre-trial Stipulation - see page 17.

D. Discipline:

- (1) ☒ **Stayed Suspension:**
- (a) ☒ Respondent must be suspended from the practice of law for a period of **2 years**.
- i. ☐ and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.2(c)(1) Standards for Attorney Sanctions for Professional Misconduct.
- ii. ☐ and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
- iii. ☐ and until Respondent does the following:
- (b) ☒ The above-referenced suspension is stayed.
- (2) ☒ **Probation:**
- Respondent must be placed on probation for a period of **two years**, which will commence upon the effective date of the Supreme Court order in this matter. (See rule 9.18, California Rules of Court)
- (3) ☒ **Actual Suspension:**
- (a) ☒ Respondent must be actually suspended from the practice of law in the State of California for a period of **one year**.
- i. ☐ and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.2(c)(1), Standards for Attorney Sanctions for Professional Misconduct
- ii. ☒ and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
- iii. ☐ and until Respondent does the following:

E. Additional Conditions of Probation:

- (1) ☒ If Respondent is actually suspended for two years or more, he/she must remain actually suspended until he/she proves to the State Bar Court his/her rehabilitation, fitness to practice, and learning and ability in the general law, pursuant to standard 1.2(c)(1), Standards for Attorney Sanctions for Professional Misconduct.

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- (2) ☒ During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3) ☒ Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.
- (4) ☒ Within thirty (30) days from the effective date of discipline, Respondent must contact the Office of Probation and schedule a meeting with Respondent's assigned probation deputy to discuss these terms and conditions of probation. Upon the direction of the Office of Probation, Respondent must meet with the probation deputy either in-person or by telephone. During the period of probation, Respondent must promptly meet with the probation deputy as directed and upon request.
- (5) ☒ Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, Respondent must state whether Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of probation during the preceding calendar quarter. Respondent must also state whether there are any proceedings pending against him or her in the State Bar Court and if so, the case number and current status of that proceeding. If the first report would cover less than 30 days, that report must be submitted on the next quarter date, and cover the extended period.

In addition to all quarterly reports, a final report, containing the same information, is due no earlier than twenty (20) days before the last day of the period of probation and no later than the last day of probation.

- (6) ☐ Respondent must be assigned a probation monitor. Respondent must promptly review the terms and conditions of probation with the probation monitor to establish a manner and schedule of compliance. During the period of probation, Respondent must furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Office of Probation. Respondent must cooperate fully with the probation monitor.
- (7) ☒ Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the probation conditions.
- (8) ☒ Within one (1) year of the effective date of the discipline herein, Respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the Ethics School, and passage of the test given at the end of that session.
- ☐ No Ethics School recommended. Reason: .
- (9) ☐ Respondent must comply with all conditions of probation imposed in the underlying criminal matter and must so declare under penalty of perjury in conjunction with any quarterly report to be filed with the Office of Probation.
- (10) ☐ The following conditions are attached hereto and incorporated:
- | | |
|-----------------------------------------------------|-----------------------------------------------------------|
| <input type="checkbox"/> Substance Abuse Conditions | <input type="checkbox"/> Law Office Management Conditions |
| <input type="checkbox"/> Medical Conditions | <input checked="" type="checkbox"/> Financial Conditions |

F. Other Conditions Negotiated by the Parties:

- (1) ☒ **Multistate Professional Responsibility Examination:** Respondent must provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National

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Conference of Bar Examiners, to the Office of Probation during the period of actual suspension or within one year, whichever period is longer. **Failure to pass the MPRE results in actual suspension without further hearing until passage. But see rule 9.10(b), California Rules of Court, and rule 5.162(A) & (E), Rules of Procedure.**

☐ No MPRE recommended. Reason:

- (2) ☒ **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.
- (3) ☐ **Conditional Rule 9.20, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she 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 120 and 130 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (4) ☐ **Credit for Interim Suspension [conviction referral cases only]:** Respondent will be credited for the period of his/her interim suspension toward the stipulated period of actual suspension. Date of commencement of interim suspension:
- (5) ☒ **Other Conditions:** In case nos. 11-O-16820 and 11-O-18691, the Review Department recommended that Respondent complete Ethics School and the Multistate Professional Responsibility Exam within one year of the effective date of that discipline. If Respondent provides satisfactory proof to the Office of Probation that he satisfied the Ethics School requirement of that order, he need not complete Ethics School again. If Respondent provides satisfactory proof to the Office of Probation that he satisfied the Multistate Professional Responsibility Examination requirement of that order, he need not complete the Multistate Professional Responsibility Examination again.

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In the Matter of: VERNE CRAIG SCHOLL	Case Number(s): 12-O-14406-RAP, 12-O-15267, 12-O-15689, 12-O-15871, 12-O-17143, 12-O-17158, 12-O-18182, 13-O-10034, 13-O-12143 (12-O-11084, 12-O-15064, 12-O-15719, 12-O-16177)
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Financial Conditions

a. Restitution

- ☒ Respondent must pay restitution (including the principal amount, plus interest of 10% per annum) to the payee(s) listed below. If the Client Security Fund ("CSF") has reimbursed one or more of the payee(s) for all or any portion of the principal amount(s) listed below, Respondent must also pay restitution to CSF in the amount(s) paid, plus applicable interest and costs.

Payee	Principal Amount	Interest Accrues From
Michael and Barbara Martin	\$3,000	December 13, 2010
Phillip and Loretta Cipolla	\$2,499	September 18, 2010
Karen Webb	\$1,800	January 11, 2011
Dana Stahr	\$3,495	September 6, 2011
Giovanna Gordillo and Hector Linares	\$3,595	October 28, 2011
Elizabeth and Michael Thompson	\$3,000	December 12, 2010
Samuel Rusnac	\$3,000	August 5, 2010
Holly Derryberry	\$3,000	October 31, 2011
Rhonda Curtis	\$2,895	April 23, 2012
Brad Hunter	\$1,500	August 10, 2010
John Canaris	\$765	November 3, 2011
Rick Worth	\$1,000	October 13, 2010
Verlin Strunk	\$2,895	October 31, 2011

- ☒ As set forth on page 4, section D(3)(a)(ii), Respondent will remain actually suspended from the practice of law until the restitution set forth above is paid.

b. Installment Restitution Payments

- ☐ Respondent must pay the above-referenced restitution on the payment schedule set forth below. Respondent must provide satisfactory proof of payment to the Office of Probation with each quarterly probation report, or as otherwise directed by the Office of Probation. No later than 60 days prior to the expiration of the period of probation (or period of reprobation), Respondent must make any necessary final payment(s) in order to complete the payment of restitution, including interest, in full.

Payee/CSF (as applicable)	Minimum Payment Amount	Payment Frequency

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In the Matter of:
VERNE CRAIG SCHOLL

Case Number(s):
12-O-14406-RAP,
12-O-15267, 12-O-15689, 12-O-15871, 12-O-17143,
12-O-17158, 12-O-18182, 13-O-10034, 13-O-12143
(12-O-11084, 12-O-15064, 12-O-15719, 12-O-16177)

- ☐ If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.

c. Client Funds Certificate

- ☐ 1. If Respondent possesses client funds at any time during the period covered by a required quarterly report, Respondent must file with each required report a certificate from Respondent and/or certified public accountant or other financial professional approved by the Office of Probation, certifying that:
- a. Respondent has maintained a bank account in a bank authorized to do business in the State of California, at a branch located within the State of California, and that such account is designated as a "Trust Account" or "Clients' Funds Account";
 - b. Respondent has kept and maintained the following:
 - i. A written ledger for each client on whose behalf funds are held that sets forth:
 - 1. the name of such client;
 - 2. the date, amount and source of all funds received on behalf of such client;
 - 3. the date, amount, payee and purpose of each disbursement made on behalf of such client; and,
 - 4. the current balance for such client.
 - ii. A written journal for each client trust account that sets forth:
 - 1. the name of such account;
 - 2. the date, amount and client affected by each debit and credit; and
 - 3. the current balance in such account.
 - iii. All bank statements and cancelled checks for each client trust account; and
 - iv. Each monthly reconciliation (balancing) of (i), (ii), and (iii) above, and if there are any differences between the monthly total balances reflected in (i), (ii), and (iii) above, the reasons for the differences.
 - c. Respondent has maintained a written journal of securities or other properties held for clients that specifies:
 - i. each item of security and property held;
 - ii. the person on whose behalf the security or property is held;
 - iii. the date of receipt of the security or property;
 - iv. the date of distribution of the security or property; and
 - v. the person to whom the security or property was distributed.
2. If Respondent does not possess any client funds, property or securities during the entire period covered by a report, Respondent must so state under penalty of perjury in the report filed with the

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In the Matter of: VERNE CRAIG SCHOLL	Case Number(s): 12-O-14406-RAP, 12-O-15267, 12-O-15689, 12-O-15871, 12-O-17143, 12-O-17158, 12-O-18182, 13-O-10034, 13-O-12143 (12-O-11084, 12-O-15064, 12-O-15719, 12-O-16177)
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Office of Probation for that reporting period. In this circumstance, Respondent need not file the accountant's certificate described above.

3. The requirements of this condition are in addition to those set forth in rule 4-100, rules of Professional Conduct.

d. Client Trust Accounting School

- ☐ Within one (1) year of the effective date of the discipline herein, Respondent must supply to the Office of Probation satisfactory proof of attendance at a session of the Ethics School Client Trust Accounting School, within the same period of time, and passage of the test given at the end of that session.

ATTACHMENT TO
STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: VERNE CRAIG SCHOLL

CASE NUMBERS: 12-O-14406, 12-O-15267, 12-O-15689, 12-O-15871, 12-O-17143,
12-O-17158, 12-O-18182, 13-O-10034, 13-O-12143
Unfiled cases: 12-O-11084, 12-O-15064, 12-O-15719, 12-O-16177

FACTS AND CONCLUSIONS OF LAW.

Respondent admits that the following facts are true and that he is culpable of violations of the specified statutes and/or Rules of Professional Conduct.

Case No. 12-O-14406 (Complainant: Martin)

FACTS:

1. On December 8, 2010, Michael and Barbara Martin retained Respondent for legal services in connection with obtaining a home mortgage loan modification on their residence.
2. On December 13, 2010, the Martins paid \$3,000 to Respondent in advance attorney fees for loan modification legal services.
3. At the time Respondent received the \$3,000 in advance attorney fees from the Martins, Respondent had not completed all of the home mortgage loan modification services that he agreed to perform on the Martins' behalf.
4. By accepting an advance fee for home mortgage loan modification services, Respondent violated Civil Code section 2944.7.
5. To date, Respondent has not refunded any of the Martins' advance fee.

CONCLUSION OF LAW:

6. By negotiating, arranging, or offering to perform a home mortgage loan modification or mortgage loan forbearance for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from the Martins prior to fully performing each and every service Respondent contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7 (a) (1), Respondent willfully violated Business and Professions Code section 6106.3.

Case No. 12-O-15267 (Complainant: Cipolla)

FACTS

7. On September 11, 2010, Michigan residents Phillip Cipolla and Loretta Cipolla retained Respondent for legal services in connection with obtaining a home mortgage loan modification for the Cipollas' Michigan residence.
8. On September 18, 2010, the Cipollas paid Respondent \$2,499 as an advance fee for Respondent's legal services.
9. Michigan law prohibits the practice of law in Michigan by persons not admitted to practice law in Michigan, other than with exceptions for circumstances not relevant in this matter.

10. Respondent is not now, nor ever has been, licensed to practice law in Michigan.

11. To date, Respondent has not refunded any of the Cipollas' money.

CONCLUSIONS OF LAW:

12. By accepting employment with the Cipollas to perform legal services in connection with a home mortgage loan modification for the Cipollas' Michigan property, Respondent held himself out as entitled to practice law and actually practiced law in Michigan and thereby wilfully violated the regulations of the profession in Michigan in willful violation of Rules of Professional Conduct, rule 1-300(B).

13. By entering into an agreement for, charging, and collecting legal fees from the Cipollas when he was not licensed to practice law in Michigan, Respondent entered into an agreement for, charged, and collected an illegal fee from the Cipollas in willful violation of Rules of Professional Conduct, rule 4-200(A).

Case No. 12-O-15689 (Complainant: Webb)

FACTS

14. On December 15, 2011, Karen Webb retained Respondent for legal services in connection with obtaining a home mortgage loan modification on her residence.

15. Between December 21, 2011 and January 11, 2011, Webb paid Respondent \$1,800 in advance attorney fees for loan modification legal services.

16. At the time Respondent received the \$1,800 in advance attorney fees from Webb, Respondent had not completed all of the home mortgage loan modification services that he agreed to perform on Webb's behalf.

17. By accepting an advance fee for home mortgage loan modification services, Respondent violated Civil Code section 2944.7.

18. To date, Respondent has not refunded Webb's advance fee.

CONCLUSION OF LAW

19. By negotiating, arranging, or offering to perform a home mortgage loan modification or mortgage loan forbearance for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Webb prior to fully performing each and every service Respondent contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7 (a) (1), Respondent willfully violated Business and Professions Code section 6106.3.

Case No. 12-O-15871 (Complainant: Stahr)

FACTS

20. On July 1, 2011, Dana Stahr retained Respondent for legal services in connection with obtaining a home mortgage loan modification on her residence.

21. Between July 5, 2011 and September 6, 2011, Stahr paid Respondent \$3,495 in advance attorney fees for loan modification legal services.

22. At the time Respondent received the \$3,495 in advance attorney fees from Stahr, Respondent had not completed all of the home mortgage loan modification services that he agreed to perform on Stahr's behalf.

23. By accepting an advance fee for home mortgage loan modification services, Respondent violated Civil Code section 2944.7.

24. To date, Respondent has not refunded any of Stahr's advance fee.

CONCLUSION OF LAW

25. By negotiating, arranging, or offering to perform a home mortgage loan modification or mortgage loan forbearance for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Stahr prior to fully performing each and every service Respondent contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7 (a) (1), Respondent willfully violated Business and Professions Code section 6106.3.

Case No. 12-O-17143 (Complainant: Gordillo/Linares)

FACTS

26. On October 28, 2011, Virginia residents Giovanna Gordillo and Hector Linares retained Respondent for legal services in connection with obtaining a home mortgage loan modification for Gordillo/Linares' Virginia residence.

27. On October 28, 2011, Gordillo/Linares paid Respondent \$3,595 as an advance fee for Respondent's legal services.

28. Virginia law prohibits the practice of law in Virginia by persons not admitted to practice law in Virginia, other than with exceptions for circumstances not relevant in this matter.

29. Respondent is not now, nor ever has been, admitted to practice law in the state of Virginia.

30. To date, Respondent has not refunded any of Gordillo/Linares' money.

CONCLUSIONS OF LAW:

31. By accepting employment with Gordillo/Linares to perform legal services in connection with a home mortgage loan modification for Gordillo/Linares' Virginia property, Respondent held himself out as entitled to practice law and actually practiced law in Virginia and thereby wilfully violated the regulations of the profession in Virginia in willful violation of Rules of Professional Conduct, rule 1-300(B).

32. By entering into an agreement for, charging, and collecting legal fees from Gordillo/Linares when he was not licensed to practice law in Virginia, Respondent entered into an agreement for, charged, and collected an illegal fee from Gordillo/Linares in willful violation of Rules of Professional Conduct, rule 4-200(A).

Case No. 12-O-17158 (Complainant: Thompson)

FACTS

33. On November 18, 2010, Washington residents Elizabeth and Michael Thompson retained Respondent for legal services in connection with obtaining a home mortgage loan modification for the Thompsons' Washington residence.

34. Between November 21, 2010 and December 12, 2010, the Thompsons paid Respondent \$3,000 as an advance fee for Respondent's legal services.

35. Washington law prohibits the practice of law in Washington by persons not admitted to

practice law in Washington, other than with exceptions for circumstances not relevant in this matter.

36. Respondent is not now, nor ever has been, admitted to practice law in the state of Washington.

37. To date, Respondent has not refunded any of the Thompsons' money.

CONCLUSIONS OF LAW:

38. By accepting employment with the Thompsons to perform legal services in connection with a home mortgage loan modification for the Thompsons' Washington property, Respondent held himself out as entitled to practice law and actually practiced law in Washington and thereby wilfully violated the regulations of the profession in Washington in willful violation of Rules of Professional Conduct, rule 1-300(B).

39. By entering into an agreement for, charging, and collecting legal fees from the Thompsons when he was not licensed to practice law in Washington, Respondent entered into an agreement for, charged, and collected an illegal fee from the Thompsons in willful violation of Rules of Professional Conduct, rule 4-200(A).

Case No. 12-O-18182 (Complainant: Rusnac)

FACTS

40. On August 1, 2010, Oregon resident Samuel Rusnac retained Respondent for legal services in connection with obtaining a home mortgage loan modification for Rusnac's Oregon residence.

41. Between August 3, 2010 and August 5, 2010, Rusnac paid Respondent \$3,000 as an advance fee for Respondent's legal services.

42. Oregon law prohibits the practice of law in Oregon by persons not admitted to practice law in Oregon, other than with exceptions for circumstances not relevant in this matter.

43. Respondent is not now, nor ever has been, admitted to practice law in the state of Oregon.

44. To date, Respondent has not refunded any of Rusnac's money.

CONCLUSIONS OF LAW:

45. By accepting employment with Rusnac to perform legal services in connection with a home mortgage loan modification for Rusnac's Oregon property, Respondent held himself out as entitled to practice law and actually practiced law in Oregon and thereby wilfully violated the regulations of the profession in Oregon in willful violation of Rules of Professional Conduct, rule 1-300(B).

46. By entering into an agreement for, charging, and collecting legal fees from Rusnac when he was not licensed to practice law in Oregon, Respondent entered into an agreement for, charged, and collected an illegal fee from Rusnac in willful violation of Rules of Professional Conduct, rule 4-200(A).

Case No. 13-O-10034 (Complainant: Derryberry)

FACTS

47. On August 26, 2011, Florida resident Holly Derryberry retained Respondent for legal services in connection with obtaining a home mortgage loan modification for Derryberry's Florida residence.

48. Between September 1, 2011 and October 31, 2011, Derryberry paid Respondent \$3,498 as an advance fee for Respondent's legal services.

49. Florida law prohibits the practice of law in Florida by persons not admitted to practice law in Florida, other than with exceptions for circumstances not relevant in this matter.

50. Respondent is not now, nor ever has been, admitted to practice law in the state of Florida.

51. To date, Respondent has not refunded any of Derryberry's money.

CONCLUSIONS OF LAW:

52. By accepting employment with Derryberry to perform legal services in connection with a home mortgage loan modification for Derryberry's Florida property, Respondent held himself out as entitled to practice law and actually practiced law in Florida, and thereby wilfully violated the regulations of the profession in Florida in willful violation of Rules of Professional Conduct, rule 1-300(B).

53. By entering into an agreement for, charging, and collecting legal fees from Derryberry when he was not licensed to practice law in Florida, Respondent entered into an agreement for, charged, and collected an illegal fee from Derryberry in willful violation of Rules of Professional Conduct, rule 4-200(A).

Case No. 13-O-12143 (Complainant: Curtis)

FACTS

54. On April 18, 2012, Indiana resident Rhonda Curtis retained Respondent for legal services in connection with obtaining a home mortgage loan modification for Curtis' Indiana residence.

55. On April 23, 2012, Curtis paid Respondent \$2,895 as an advance fee for Respondent's legal services.

56. Indiana law prohibits the practice of law in Indiana by persons not admitted to practice law in Indiana, other than with exceptions for circumstances not relevant in this matter.

57. Respondent is not now, nor ever has been, admitted to practice law in the state of Indiana.

58. To date, Respondent has not refunded any of Curtis' money.

59. Respondent entered into an agreement for, charged, and collected fees from Curtis in a jurisdiction in which he was not admitted to practice law.

CONCLUSIONS OF LAW:

60. By accepting employment with Curtis to perform legal services in connection with a home mortgage loan modification for Curtis' Indiana property, Respondent held himself out as entitled to practice law and actually practiced law in Indiana and thereby wilfully violated the regulations of the profession in Indiana in willful violation of Rules of Professional Conduct, rule 1-300(B).

61. By entering into an agreement for, charging, and collecting legal fees from Curtis when he was not licensed to practice law in Indiana, Respondent entered into an agreement for, charged, and collected an illegal fee from Curtis in willful violation of Rules of Professional Conduct, rule 4-200(A).

Unfiled Case No. 12-O-11084 (Complainant: Hunter)

FACTS

62. On July 4, 2010, Brad Hunter retained Respondent for legal services in connection with obtaining a home mortgage loan modification on his residence.

63. Between August 2, 2010 and August 10, 2010, Hunter paid \$3,000 to Respondent in advance

attorney fees for loan modification legal services.

64. At the time Respondent received the \$3,000 in advance attorney fees from Hunter, Respondent had not completed all of the home mortgage loan modification services that he agreed to perform on Hunter's behalf.

65. By accepting an advance fee for home mortgage loan modification services, Respondent violated Civil Code section 2944.7.

66. On March 28, 2012, Respondent refunded \$1,500 of Hunter's advance fee.

CONCLUSION OF LAW:

67. By negotiating, arranging, or offering to perform a home mortgage loan modification or mortgage loan forbearance for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Hunter prior to fully performing each and every service Respondent contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7 (a) (1), Respondent willfully violated Business and Professions Code section 6106.3.

Unfiled Case No. 12-O-15064 (Complainant : Canaris)

FACTS

68. On October 10, 2011, John Canaris retained Respondent for legal services in connection with obtaining a home mortgage loan modification on his residence.

69. Between October 20, 2011 and November 3, 2011, Canaris paid \$1,930 to Respondent in advance attorney fees for loan modification legal services.

70. At the time Respondent received the \$1,930 in advance attorney fees from Canaris, Respondent had not completed all of the home mortgage loan modification services that he agreed to perform on Canaris' behalf.

71. By accepting an advance fee for home mortgage loan modification services, Respondent violated Civil Code section 2944.7.

72. On May 30, 2012, Respondent refunded \$1,165 of Canaris' advance fee.

CONCLUSION OF LAW:

73. By negotiating, arranging, or offering to perform a home mortgage loan modification or mortgage loan forbearance for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Canaris prior to fully performing each and every service Respondent contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7 (a) (1), Respondent willfully violated Business and Professions Code section 6106.3.

Unfiled Case No. 12-O-15719 (Complainant: Worth)

FACTS

74. On September 9, 2010, Nevada resident Rick Worth retained Respondent for legal services in connection with obtaining a home mortgage loan modification for Worth's Nevada residence.

75. On October 13, 2010, Worth paid Respondent \$1,000 as an advance fee for Respondent's legal services.

76. Nevada law prohibits the practice of law in Nevada by persons not admitted to practice law in Nevada, other than with exceptions for circumstances not relevant in this matter.

77. Respondent is not now, nor ever has been, admitted to practice law in the state of Nevada.

78. To date, Respondent has not refunded any of Worth's money.

CONCLUSIONS OF LAW:

79. By accepting employment with Worth to perform legal services in connection with a home mortgage loan modification for Worth's Nevada property, Respondent held himself out as entitled to practice law and actually practiced law in Nevada and thereby wilfully violated the regulations of the profession in Nevada in willful violation of Rules of Professional Conduct, rule 1-300(B).

80. By entering into an agreement for, charging, and collecting legal fees from Worth when he was not licensed to practice law in Nevada, Respondent entered into an agreement for, charged, and collected an illegal fee from Worth in willful violation of Rules of Professional Conduct, rule 4-200(A).

Unfiled Case No. 12-O-16177 (Complainant: Strunk)

FACTS

81. On August 17, 2011, Arizona resident Verlin Strunk retained Respondent for legal services in connection with obtaining a home mortgage loan modification for Strunk's Arizona residence.

82. Between August 31, 2011 and October 31, 2011 Strunk paid Respondent \$2,895 as an advance fee for Respondent's legal services.

83. Arizona law prohibits the practice of law in Arizona by persons not admitted to practice law in Arizona, other than with exceptions for circumstances not relevant in this matter.

84. Respondent is not now, nor ever has been, admitted to practice law in the state of Arizona.

85. To date, Respondent has not refunded any of Strunk's money.

CONCLUSIONS OF LAW:

86. By accepting employment with Strunk to perform legal services in connection with a home mortgage loan modification for Strunk's Arizona property, Respondent held himself out as entitled to practice law and actually practiced law in Arizona and thereby wilfully violated the regulations of the profession in Arizona in willful violation of Rules of Professional Conduct, rule 1-300(B).

87. By entering into an agreement for, charging, and collecting legal fees from Strunk when he was not licensed to practice law in Arizona, Respondent entered into an agreement for, charged, and collected an illegal fee from Strunk in willful violation of Rules of Professional Conduct, rule 4-200(A).

AGGRAVATING CIRCUMSTANCES

Prior Record of Discipline:

Respondent has a prior imposition of discipline that is not yet final. In State Bar case nos. 11-O-16820 and 11-O-18691, the Review Department recommended that the Supreme Court suspend Respondent for three years, that the suspension be stayed, and that he be placed on probation for two years with the condition that Respondent be actually suspended for one year along with the standard conditions of probation including that Respondent take Ethics School and the MPRE during the period of his actual suspension. Respondent's prior misconduct, in two client matters, included a grossly negligent misappropriation of \$49,000 in violation of Business and Professions Code section 6106, failing to maintain funds in trust in violation of Rules of Professional Conduct, rule 4-100(A), failing to promptly return client funds in violation of Rules of Professional Conduct, rule 4-100(B)(4), committing the

unauthorized practice of law by practicing law in a state where he was not licensed in violation of Rules of Professional Conduct, rule 1-300(B), and for collecting an illegal fee in the other state where he was not authorized to practice law, in violation of Rules of Professional Conduct, rule 4-200(A). The Review Department opinion was issued on October 10, 2013, and filed with the Supreme Court on November 13, 2013.

The prior misconduct occurred in September 2010 through April 2011. In aggravation, the Review Department found two factors, multiple acts of misconduct and harm, to client. It found five factors in mitigation including no prior record of discipline, cooperation with the State Bar, good character, community service and remorse. The Review Department held that Respondent's mitigation was compelling and clearly predominated.

Multiple Acts of Misconduct (Std. 1.5 (b)):

The current matter involves 21 acts of misconduct in 13 client matters.

Harm (Std. 1.5 (f)):

The current misconduct caused significant harm to Respondent's clients who were in financial distress and were seeking modification of their home mortgage loans in an attempt to improve their financial situation. Respondent's clients lost the use of the funds that they paid to Respondent for between two and three years.

MITIGATING CIRCUMSTANCES.

Good Character:

Respondent has obtained statements from six references in the legal and general community who are aware of the full extent of his misconduct and who would testify regarding Respondent's good character at trial. In addition, Respondent has provided evidence that he has continued to provide extensive services to his community, including his work with Rotary International, Project Mercy, Boys and Girls clubs, and the YMCA. (*In the matter of Respondent E* (Review Dept. 1991) 1 Cal State Bar Ct. Rptr. 716, 729 [attorney given credit for good character plus additional mitigation for pro-bono and community service].)

Pretrial Stipulation:

Respondent admitted to the misconduct and entered into this stipulation fully resolving these matters prior to trial. Respondent's cooperation at this stage has saved the State Bar resources and time. Respondent is entitled to mitigation for his cooperation. (*Silva-Vidor v. State Bar* (1989) 49 Cal.3d 1071, 1079 [where mitigative credit was given for entering into a stipulation as to facts and culpability].)

AUTHORITIES SUPPORTING DISCIPLINE.

The Standards for Attorney Sanctions for Professional Misconduct "set forth a means for determining the appropriate disciplinary sanction in a particular case and to ensure consistency across cases dealing with similar misconduct and surrounding circumstances." (Rules Proc. of State Bar, tit. IV, Stds. for Atty. Sanctions for Prof. Misconduct, std. 1.1. All further references to Standards are to this source.)

The Standards help fulfill the primary purposes of discipline, which include: protection of the public, the courts and the legal profession; maintenance of the highest professional standards; and preservation of public confidence in the legal profession. (See std. 1.1; *In re Morse* (1995) 11 Cal.4th 184, 205.)

Although not binding, the Standards are entitled to "great weight" and should be followed "whenever possible" in determining level of discipline. (*In re Silvertown* (2005) 36 Cal.4th 81, 92, quoting *In re Brown* (1995) 12 Cal.4th 205, 220 and *In re Young* (1989) 49 Cal.3d 257, 267, fn. 11.) Adherence to the Standards in the great majority of cases serves the valuable purpose of eliminating disparity and assuring consistency, that is, the imposition of similar attorney discipline for instances of similar attorney misconduct. (*In re Naney* (1990) 51 Cal.3d 186, 190.) If a recommendation is at the high end or low end of a Standard, an explanation must be given as to how the recommendation was reached. (Std. 1.1.) Any disciplinary recommendation that deviates from the Standards must include clear reasons for the departure. (Std. 1.1; *Blair v. State Bar* (1989) 49 Cal.3d 762, 776, fn. 5.)

In determining whether to impose a sanction greater or less than that specified in a given Standard, in addition to the factors set forth in the specific Standard, consideration is to be given to the primary purposes of discipline; the balancing of all aggravating and mitigating circumstances; the type of misconduct at issue; whether the client, public, legal system or profession was harmed; and the member's willingness and ability to conform to ethical responsibilities in the future. (Stds. 1.7(b) and (c).)

Respondent admits to committing 21 acts of professional misconduct. Standard 1.7(a) requires that if a member commits two or more acts of misconduct, and the Standards specify different sanctions for each act, the most severe sanction must be imposed.

The most severe sanction applicable to Respondent's misconduct is found in Standard 2.14, which applies to Respondent's violations of Business and Professions Code section 6106.3. Standard 2.14 provides that disbarment or actual suspension is appropriate for a violation of a provision of the Business and Professions Code not otherwise specified in the Standards.

In Respondent's prior discipline matter he was actually suspended for one year for his misconduct in two cases that occurred between September 2010 through April 2011. In the instant matter Respondent committed misconduct in thirteen additional home mortgage loan modification cases. The misconduct in the present cases occurred between August 2010 and April 2012, a period that overlapped the period of misconduct in the prior discipline case. Further, all of the misconduct in the present cases occurred prior to the imposition of discipline in Respondent's prior discipline matter.

Under circumstances like this, the appropriate level of discipline is determined by considering "the totality of the findings in the two cases to determine what the discipline would have been had all the charged misconduct in this period been brought as one case." (*In the Matter of Sklar* (Review Dept. 1993) 2 Cal. State Bar Ct. Rptr. 602, 619.) The Review Department has already determined that the appropriate discipline for Respondent's prior misconduct, which included a grossly negligent misappropriation of client funds, should be three years of stayed suspension, two years of probation with conditions including one year of actual suspension. When Respondent's current misconduct that only involves loan modification cases and his prior misconduct are considered together, the *Taylor* case offers guidance regarding the level of discipline.

In the *Taylor* case, the Review Department suspended Taylor for six months for taking advance fees in loan modification cases in violation of Business and Professions Code section 6106.3 in eight client matters. (*In the Matter of Taylor* (Review Dept. 2012) 5 Cal. State Bar Ct. Rptr. 221.) In determining the appropriate level of discipline, the Review Department assigned significant weight to Taylor's failure to acknowledge, or take responsibility for, his culpability and his stated position that he should not be disciplined for violating a debatable point of law. (*Id.* at p. 235.)

stronger mitigation present in Respondent's case because, unlike Taylor, Respondent has accepted responsibility for his actions, has presented compelling evidence of good character, and has cooperated with the State Bar in entering into this stipulation to fully resolve the matter prior to trial. On balance, a total of 24 months of actual suspension would have been appropriate for the totality of Respondent's misconduct. Respondent will be suspended for one year in his prior discipline and an additional suspension of one year, and until restitution is paid, in the present matters will protect the public, the courts, and the legal profession, and serve the purposes of attorney discipline as announced in Standard 1.1.

COSTS OF DISCIPLINARY PROCEEDINGS.


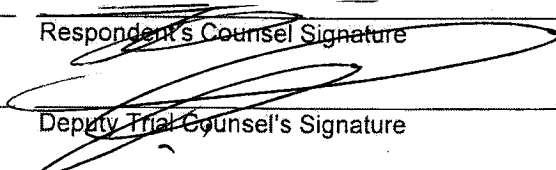
Respondent acknowledges that the Office of the Chief Trial Counsel has informed Respondent that as of February 4, 2014, the prosecution costs in this matter are approximately \$13,500. Respondent further acknowledges that should this stipulation be rejected or should relief from the stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

(Do not write above this line.)

In the Matter of: VERNE CRAIG SCHOLL	Case number(s): 12-O-14406-RAP, 12-O-15267, 12-O-15689, 12-O-15871, 12-O-17143, 12-O-17158, 12-O-18182, 13-O-10034, 13-O-12143, (12-O-11084), (12-O-15064), (12-O-15719) (12-O-16177)
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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.

2-4-2014		Verne Craig Scholl
Date	Respondent's Signature	Print Name
2/6/14		Anthony J. Garcia
Date	Deputy Trial Counsel's Signature	Print Name

(Do not write above this line.)

In the Matter of: VERNE CRAIG SCHOLL	Case Number(s): 12-O-14406-RAP, 12-O-15267, 12-O-15689, 12-O-15871, 12-O-17143, 12-O-17158, 12-O-18182, 13-O-10034, 13-O-12143 (12-O-11084), (12-O-15064), (12-O-15719) (12-O-16177)
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ACTUAL SUSPENSION 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:

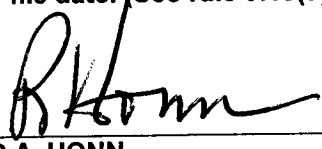
- ☐ The stipulated facts and disposition are APPROVED and the DISCIPLINE RECOMMENDED to the Supreme Court.
- ☒ The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the DISCIPLINE IS RECOMMENDED to the Supreme Court.
- ☐ All Hearing dates are vacated.

See attached Modifications to Stipulation.

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.)**

Date

2/14/14


RICHARD A. HONN
Judge of the State Bar Court

In the Matter of :
VERNE CRAIG SCHOLL
SBN 48634

Case Number(s):
12-O-14406-RAP,
12-O-15267, 12-O-15689, 12-O-15871,
12-O-17143, 12-O-17158, 12-O-18182,
13-O-10034, 13-O-12143
(12-O-11084), (12-O-15064), (12-O-15719)
(12-O-16177)

MODIFICATIONS TO STIPULATION

1. On page 1 of the stipulation, following the phrase "Submitted to," the title "Assigned Judge" is DELETED, and the title "Settlement Judge" is INSERTED in its place.
2. On page 2 of the stipulation, in subparagraph B(1)(b), the following two sentences are DELETED: "The Supreme Court has not yet imposed discipline. See page 16." And the following two sentences are INSERTED in their place: "On January 30, 2014, in case number S214624, the Supreme Court filed an order imposing, on respondent, the discipline recommended by the State Bar Court in its case number 11-O-16820, etc. See pages 16-17, post."
3. On page 4 of the stipulation, in paragraph D(2) the number "two" is changed to the number "three" to increase the period of probation from two years to three years.
4. On page 4 of the stipulation, an "X" is INSERTED in box D(3)(a)(i) so that respondent's actual suspension will continue until he complies with standard 1.2(c)(1). In light of the fact that respondent will also be actually suspended for one year under the Supreme Court's January 30, 2014, order in case number S214624, it is appropriate to require respondent to comply with standard 1.2(c)(1) before his one-year actual suspension in the present proceeding will terminate.
5. On page 4 of the stipulation, the "X" in box E(1) is DELETED to remove the conditional standard 1.2(c)(1) requirement, which is inappropriate in light of modification number 4, *ante*.
6. On page 5 of the stipulation: the "X" in the first box in paragraph E(8) is DELETED to remove the probation condition requiring that respondent successfully complete Ethics School; an "X" is INSERTED in the second box in paragraph E(8) to provide that no Ethics School is recommended; and the following text is INSERTED after the word "Reason:"

Respondent is required to successfully complete Ethics School as a condition of the two-year disciplinary probation imposed on him under the Supreme Court's January 30, 2014, order in case number S214624 (State Bar Court case number 11-O-16820, etc.). It would be redundant to require respondent to complete the school again in this proceeding.

In the Matter of :
VERNE CRAIG SCHOLL
SBN 48634

Case Number(s):
12-O-14406-RAP,
12-O-15267, 12-O-15689, 12-O-15871,
12-O-17143, 12-O-17158, 12-O-18182,
13-O-10034, 13-O-12143
(12-O-11084), (12-O-15064), (12-O-15719)
(12-O-16177)

7. On page 6 of the stipulation: the "X" in the first box in paragraph F(1) is DELETED to remove the requirement that respondent take and pass the Multistate Professional Responsibility Examination (MPRE); an "X" is INSERTED in the second box in paragraph F(1) to provide that no MPRE is recommended; and the following text is INSERTED after the word "Reason:"

Respondent was ordered to take and pass the MPRE in the Supreme Court's January 30, 2014, order in case number S214624 (State Bar Court case number 11-O-16820, etc.). It would be redundant to order him to take and pass the MPRE again in this proceeding.

8. On page 6 of the stipulation, the "X" in box F(5) and the text in paragraph F(5) are DELETED in light of modification numbers 6 and 7, *ante*.
9. On the top of page 17 of the stipulation, at the end of the fifth line, the following two sentences are INSERTED:

On January 30, 2014, the Supreme Court filed an order in case number S214624 imposing, on respondent, the discipline recommended by the review department. Unless the Supreme Court orders otherwise, its January 30, 2014, order will become final and the discipline imposed on respondent under it will become effective on March 1, 2014.

-X-X-X

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 February 21, 2014, I deposited a true copy of the following document(s):

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING

in a sealed envelope for collection and mailing on that date as follows:

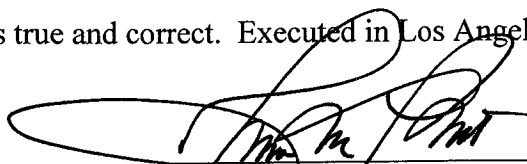
- ☒ by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

VERNE CRAIG SCHOLL
5751 PALMER WAY STE A1
CARLSBAD, CA 92010

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

ANTHONY GARCIA, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on February 21, 2014.



Johnnie Lee Smith
Case Administrator
State Bar Court