

PUBLIC MATTER

1 STATE BAR OF CALIFORNIA
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FILED

NOV 13 2013

STATE BAR COURT
CLERK'S OFFICE
LOS ANGELES

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STATE BAR COURT
HEARING DEPARTMENT - LOS ANGELES

In the Matter of:) Case No. 12-O-17451
WILLIAM BERNARD HANLEY,) NOTICE OF DISCIPLINARY CHARGES
No. 61409,)
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.**



1 The State Bar of California alleges:

2 JURISDICTION

3 1. WILLIAM BERNARD HANLEY ("Respondent") was admitted to the practice
4 of law in the State of California on December 20, 1974, was a member at all times pertinent to
5 these charges, and is currently a member of the State Bar of California.

6 COUNT ONE

7 Case No. 12-O-17451
8 Rules of Professional Conduct, rule 3-700(D)(2)
9 [Failure to Refund Unearned Fees]

10 2. From on or about November 25, 2008, until on or about December 4, 2009,
11 Respondent received advanced fees of approximately \$133,000 from a client, Nancy Lee, for
12 the purposes of prosecuting business litigation on Lee's behalf. Respondent was in possession
13 of a "credit balance" of unearned advanced fees on Lee's account in the amount of \$46,321.85
14 on February 1, 2010, approximately two weeks after Lee's case had settled. Respondent failed
15 to refund promptly, upon Respondent's termination of employment on or about February 2,
16 2010, any part of the \$46,321.85, in willful violation of Rules of Professional Conduct, rule 3-
17 700(D)(2).

18 COUNT TWO

19 Case No. 12-O-17451
20 Rules of Professional Conduct, rule 4-100(B)(1)
21 [Failure to Notify of Receipt of Client Funds]

22 3. On or about February 15, 2010, Respondent received on behalf of a client, Nancy
23 Lee, a refund of advanced litigation costs in the amount of \$9,725 that Lee had paid, through
24 Respondent, for the services of an expert witness in connection with Lee's case, and that the
25 expert witness had returned to Respondent as exceeding the amount he had earned. Respondent
26 failed to notify the client of Respondent's receipt of funds on the client's behalf until on or
27 about December 21, 2010, in willful violation of Rules of Professional Conduct, rule 4-
28 100(B)(1).

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COUNT THREE

Case No. 12-O-17451
Rules of Professional Conduct, rule 4-100(B)(3)
[Failure to Render Accounts of Client Funds]

4. From on or about November 25, 2008, until on or about December 4, 2009, Respondent received from Respondent's client, Nancy Lee, the sum of approximately \$133,000 as advanced fees for legal services to be performed. Respondent thereafter failed to render an appropriate accounting to the client regarding those funds following Lee's request for such accounting on or about December 6, 2010, in willful violation of the Rules of Professional Conduct, rule 4-100(B)(3).

COUNT FOUR

Case No. 12-O-17451
Business and Professions Code, section 6106
[Moral Turpitude - Misrepresentation]

5. On or about February 1, 2013, Respondent provided to State Bar investigator James Nelson a document that Respondent falsely represented to be a true and correct copy of a letter dated February 8, 2010, on Respondent's letterhead and bearing the apparent signature of Respondent's client, Nancy Lee, granting Respondent the right to keep an unexpended balance of the advanced fees Respondent had received from the client, when in fact the client had not authorized Respondent to keep any unexpended or unearned advanced fees, had not signed or authorized anyone to sign on her behalf any document stating that Respondent could keep unexpended advanced fees, and when Respondent knew or was grossly negligent in not knowing that the document he provided to Investigator Nelson and the purported signature of his client thereon were not genuine, and thereby committed an act involving moral turpitude, dishonesty or corruption in willful violation of Business and Professions Code, section 6106.

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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.

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: November 13, 2013

By: 
TIMOTHY G. BYER
Deputy Trial Counsel

DECLARATION OF SERVICE

by

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

CASE NUMBER(s): 12-O-17451

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)) [X] By U.S. Certified Mail: (CCP §§ 1013 and 1013(a)) [] By Overnight Delivery: (CCP §§ 1013(c) and 1013(d)) []

- 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.

[] (U.S. First-Class Mail) in a sealed envelope placed for collection and mailing at Los Angeles, addressed to: (see below)*

[X] (Certified Mail / Overnight Delivery) in a sealed envelope placed for collection and mailing as certified mail, return receipt requested,

Article / Tracking No.: 7196 9008 9111 6410 7095 at Los Angeles, addressed to: (see below)*

By Personal Delivery: (CCP §§ 1011)

[] (Personal Delivery) I personally served the following person(s) at the address, date and time stated below:

Table with 3 columns: Person Served, Business / Residential Address, Courtesy Copy to. Row 1: WILLIAM B. HANLEY, 5000 Birch Street, Suite 460 Newport Beach, California 92660, Enter Address Here.

On: Click v or Enter Date Here. at Enter Time. Enter a.m. or p.m. (for personal service)

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.

Facsimile Number: Enter Facsimile Number Here.

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.

Electronic Address: Enter Electronic Address Here

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

Select Judge.

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: November 13, 2013

SIGNED: [Signature] BERNARD PIMENTEL Declarant