

# PUBLIC MATTER

1 STATE BAR OF CALIFORNIA  
 2 OFFICE OF THE CHIEF TRIAL COUNSEL  
 JAYNE KIM, No. 174614  
 3 CHIEF TRIAL COUNSEL  
 JOSEPH R. CARLUCCI, No. 172309  
 4 DEPUTY CHIEF TRIAL COUNSEL  
 MELANIE J. LAWRENCE, No. 230102  
 5 ASSISTANT CHIEF TRIAL COUNSEL  
 ANTHONY GARCIA, No. 171419  
 6 SENIOR TRIAL COUNSEL  
 845 South Figueroa Street  
 Los Angeles, California 90017-2515  
 Telephone: (213) 765-1089

FILED

MAY 29 2014

STATE BAR COURT  
 CLERK'S OFFICE  
 LOS ANGELES

STATE BAR COURT

HEARING DEPARTMENT - LOS ANGELES

11 In the Matter of: ) Case No. 13-O-12005  
 12 )  
 13 BRUCE HOWARD HAGLUND, ) NOTICE OF DISCIPLINARY CHARGES  
 No. 92683, )  
 14 )  
 15 A Member of the State Bar. )

**NOTICE - FAILURE TO RESPOND!**

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

- 19 (1) **YOUR DEFAULT WILL BE ENTERED;**
- 20 (2) **YOUR STATUS WILL BE CHANGED TO INACTIVE AND YOU**  
**WILL NOT BE PERMITTED TO PRACTICE LAW;**
- 21 (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;**
- 22 (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.**

The State Bar of California alleges:

JURISDICTION

kwiktag® 048 638 842



26  
 27 1. Bruce Howard Haglund (Respondent) was admitted to the practice of law in the State  
 28 of California on May 30, 1980, was a member at all times pertinent to these charges, and is

1 currently a member of the State Bar of California.

2 COUNT ONE

3 Case No. 13-O-12005  
4 Business and Professions Code section 6068(a)  
5 [Failure to Comply With Laws]

6 2. In or about December 2009 through February 2010, Respondent and non-attorneys  
7 Francis Wilde (Wilde) and Mark Gelazela (Gelazela) worked in concert to cause David Goldberg  
8 to deposit \$300,000 into Respondent's client trust account (CTA) by falsely promising  
9 exceedingly high returns from a "prime bank" or "bank guarantee" investment scheme.

10 3. Prime bank or bank guarantee investment schemes are common frauds in which the  
11 perpetrators solicit investments by telling prospective investors that the investors' money will be  
12 invested in high-yield bank-issued securities that are not available or even known to the general  
13 public.

14 4. The investment scheme that Respondent, Wilde, and Gelazela promoted was an  
15 investment contract and thus as a matter of law was a "security" which was regulated by the  
16 Securities Act of 1933 (Securities Act) and the Securities Exchange Act of 1934 (Exchange Act).

17 5. Respondent, Wilde, and Gelazela promoted the investment schemes and made  
18 material misrepresentation to investors, including Goldberg, regarding the nature of their  
19 investments, in violation of the anti-fraud provisions of Section 17(a) of the Securities Act and  
20 Section 10(b) of the Exchange Act, and SEC Rule 10b-5.

21 6. Respondent knowingly aided and abetted the investment scheme by knowingly  
22 providing substantial assistance to Wilde and Gelazela, who committed the primary violations of  
23 Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and SEC Rule 10b-5, and  
24 Respondent thereby violated Section 10(b) of the Exchange Act and SEC Rule 10b-5.

25 7. Respondent allowed Wilde and Gelazela to tell Goldberg that his \$300,000 would be  
26 placed into Respondent's CTA until the funds were used to fund a bank guarantee in the amount  
27 of \$200,000,000 (two hundred million dollars) on behalf of Goldberg.

28 8. Respondent, Wilde and/or Gelazela made representations to Goldberg that  
Goldberg's \$300,000 would be used to fund a \$200,000,000 bank guarantee and due to

1 Goldberg's reliance upon the representations of Respondent, Wilde and/or Gelazela, Goldberg  
2 wired \$300,000 into Respondent's CTA.

3 9. Respondent knew that Wilde and Gelzela used Respondent's name, the fact that he  
4 was an attorney, and the fact that Goldberg's money would be deposited into Respondent's CTA  
5 to provide an air of legitimacy to the investment scheme and to give Goldberg a false sense of  
6 security.

7 10. Investors, including Goldberg, believed that their money would remain in  
8 Respondent's CTA until the financial instruments were obtained, and Respondent's participation  
9 was a critical reason that the investment scheme was successful.

10 11. A bank guarantee in the amount of \$200,000,000 was not funded with Goldberg's  
11 money. Instead, between on or about February 5, 2010 and February 12, 2010, Respondent  
12 personally wired Goldberg's funds to himself, Wilde, Gelazela, their associates, and their related  
13 business entities.

14 12. Respondent's sole control of the funds in the CTA and subsequent wire transfers that  
15 Respondent made allowed Wilde to utilize investors' funds, including Goldberg's funds, for  
16 purposes that were not disclosed to the investors.

17 13. Respondent knowingly aided and abetted Wilde and Gelazela, who were the primary  
18 violators of the anti-fraud provisions of Section 17(a) of the Securities Act, Section 10(b) of the  
19 Exchange Act, and SEC Rule 10b-5 through their promotion of a fraudulent bank guarantee  
20 scheme, while Respondent was aware that his role in the scheme furthered the purpose of the  
21 scheme and Respondent thereby willfully violated the anti-fraud provisions of Section 17(a) of  
22 the Securities Act, Section 10(b) of the Exchange Act, and SEC Rule 10b-5, in willful violation  
23 of Business and Professions Code section 6068(a).

24 COUNT TWO

25 Case No. 13-O-12005  
26 Business and Professions Code section 6106  
[Moral Turpitude - Misappropriation]

27 14. On or about February 3, 2010, Respondent, in concert with non-attorneys Frances  
28

1 Wilde (Wilde) and Mark Gelazela (Gelazela), caused David Goldberg to deposit \$300,000 into  
2 Respondent's client trust account (CTA) by leading Goldberg to believe that Respondent, Wilde,  
3 and Gelazela were going to use Goldberg's funds to fund a bank guarantee in the amount of  
4 \$200,000,000. However, within one week of the deposit, Respondent transferred all of  
5 Goldberg's funds from the CTA to himself, Wilde, Gelazela, and their associates or business  
6 interests and never used Goldberg's money to fund a bank guarantee for \$200,000,000, or any  
7 other amount, and never used any of the funds on behalf of or for the benefit of Goldberg,  
8 thereby misappropriating Goldberg's funds and committing an act involving moral turpitude,  
9 dishonesty or corruption, in willful violation of Business and Professions Code section 6106.

10 COUNT THREE

11 Case No. 13-O-12005  
12 Business and Professions Code section 6106  
13 [Moral Turpitude – Scheme to Defraud]

14 15. In or about December 2009 through February 2010, Respondent, Frances Wilde, and  
15 Mark Gelazela participated in, and promoted to David Goldberg, a fraudulent investment scheme  
16 that falsely promised exceedingly high returns from a "bank guarantee," caused Goldberg to  
17 deposit \$300,000 into Respondent's client trust account, made material misrepresentations to  
18 Goldberg regarding the nature of his investment, violated the anti-fraud provisions of Section  
19 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, and  
20 Securities and Exchange Commission Rule 10b-5, failed to use any portion of Goldberg's  
21 \$300,000 to fund a bank guarantee on behalf of Goldberg, failed to use any portion of  
22 Goldberg's \$300,000 on behalf of or for the benefit of Goldberg, and ultimately misappropriated  
23 Goldberg's \$300,000 for their own purposes, and thereby knowingly and willfully participated in  
24 a scheme to defraud Goldberg, which was an act involving moral turpitude, dishonesty, or  
25 corruption in willful violation of Business and Professions Code section 6106.

26 **NOTICE - INACTIVE ENROLLMENT!**

27 **YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE STATE BAR**  
28 **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**

1 THE PUBLIC, YOU MAY BE INVOLUNTARILY ENROLLED AS AN  
2 INACTIVE MEMBER OF THE STATE BAR. YOUR INACTIVE  
3 ENROLLMENT WOULD BE IN ADDITION TO ANY DISCIPLINE  
4 RECOMMENDED BY THE COURT.

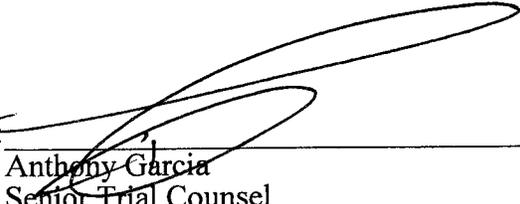
5 **NOTICE - COST ASSESSMENT!**

6 IN THE EVENT THESE PROCEDURES RESULT IN PUBLIC  
7 DISCIPLINE, YOU MAY BE SUBJECT TO THE PAYMENT OF COSTS  
8 INCURRED BY THE STATE BAR IN THE INVESTIGATION, HEARING  
9 AND REVIEW OF THIS MATTER PURSUANT TO BUSINESS AND  
10 PROFESSIONS CODE SECTION 6086.10.

11 Respectfully submitted,

12 THE STATE BAR OF CALIFORNIA  
13 OFFICE OF THE CHIEF TRIAL COUNSEL

14 DATED: May 29, 2014

15 By: 

16 Anthony Garcia  
17 Senior Trial Counsel

DECLARATION OF SERVICE

by

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

CASE NUMBER(s): 13-O-12005

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, 845 South Figueroa Street, Los Angeles, California 90017, 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 6409 9604 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 Via U.S. Mail 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: May 29, 2014

SIGNED:

Laura Jett
Declarant