

PUBLIC MATTER

1 STATE BAR OF CALIFORNIA
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FILED
FEB 11 2015
 STATE BAR COURT
 CLERK'S OFFICE
 LOS ANGELES

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 10 STATE BAR COURT

11 HEARING DEPARTMENT - LOS ANGELES

12
 13 In the Matter of:) Case No. 14-O-00897
 14 CARI DONAHUE,)
 No. 273436,) NOTICE OF DISCIPLINARY CHARGES
 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**
THE STATE BAR COURT TRIAL:

- 20 (1) **YOUR DEFAULT WILL BE ENTERED;**
 21 (2) **YOUR STATUS WILL BE CHANGED TO INACTIVE AND YOU**
WILL NOT BE PERMITTED TO PRACTICE LAW;
 22 (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;
 23 (4) **YOU SHALL BE SUBJECT TO ADDITIONAL DISCIPLINE.**
 24 **SPECIFICALLY, IF YOU FAIL TO TIMELY MOVE TO SET ASIDE**
 25 **OR VACATE YOUR DEFAULT, THIS COURT WILL ENTER AN**
ORDER RECOMMENDING YOUR DISBARMENT WITHOUT
 26 **FURTHER HEARING OR PROCEEDING. SEE RULE 5.80 ET SEQ.,**
RULES OF PROCEDURE OF THE STATE BAR OF CALIFORNIA.

27 The State Bar of California alleges:



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JURISDICTION

1. Cari Donahue ("respondent") was admitted to the practice of law in the State of California on December 6, 2010, was a member at all times pertinent to these charges, and is currently a member of the State Bar of California.

COUNT ONE

Case No. 14-O-00897
Business and Professions Code, section 6106.3
[Violation of Civil Code, section 2944.7(a)(1) - Illegal Advanced Fee]

2. On or about June 19, 2012, respondent agreed to perform a mortgage loan modification or other form of mortgage loan forbearance for a fee for her clients, Tony and Ghalia Karam, and thereafter from on or about June 19, 2012 to December 19, 2012, received a total of \$5,000 from her clients before respondent had fully performed each and every service respondent had been contracted to perform or represented to the clients that respondent would perform, in violation of Civil Code, section 2944.7, and in willful violation of Business and Professions Code, section 6106.3.

COUNT TWO

Case No. 14-O-00897
Rules of Professional Conduct, rule 4-100(A)
[Failure to Deposit and Maintain Client Funds in Trust Account]

3. On or about July 9, 2012, respondent received on behalf of respondent's clients, Tony and Ghalia Karam, an \$8,500 check earmarked for payment of the clients' second mortgage with J.P. Morgan Chase Bank. Respondent failed to deposit and maintain the \$8,500 in funds received for the benefit of the clients in a bank account labeled "Trust Account," "Client's Funds Account" or words of similar import, in wilful violation Rules of Professional Conduct, rule 4-100(A).

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COUNT THREE

Case No. 14-O-00897
Rules of Professional Conduct, rule 4-100(B)(4)
[Failure to Pay Client Funds Promptly]

4. On or about July 9, 2012, respondent received on behalf of respondent's clients, Tony and Ghalia Karam, an \$8,500 check earmarked for payment of the clients' second mortgage with J.P. Morgan Chase Bank. Of this sum, the clients were entitled to \$8,500, as none of the \$8,500 was used to pay the clients' second mortgage. In or about August 2013, the clients requested that respondent return the \$8,500 to the clients. To date, respondent has failed to pay promptly, as requested by respondent's clients, any portion of the \$8,500 in respondent's possession in willful violation of Rules of Professional Conduct, rule 4-100(B)(4).

COUNT FOUR

Case No. 14-O-00897
Business and Professions Code, section 6106
[Moral Turpitude - Misappropriation]

5. On or about July 9, 2012, respondent received on behalf of respondent's clients, Tony and Ghalia Karam, an \$8,500 check earmarked for payment of the clients' second mortgage with J.P. Morgan Chase Bank. Without depositing or maintaining the \$8,500 in a trust account and without paying any of the \$8,500 toward the clients' second mortgage, respondent dishonestly or grossly negligently misappropriated the \$8,500 for respondent's own purposes that respondent's clients were entitled to receive, 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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COUNT FIVE

Case No. 14-O-00897
Rules of Professional Conduct, rule 4-100(B)(3)
[Failure to Render Accounts of Client Funds]

6. On or about July 9, 2012, respondent received on behalf of respondent's clients, Tony and Ghalia Karam, an \$8,500 check earmarked for payment of the clients' second mortgage with J.P. Morgan Chase Bank and from on or about June 19, 2012 to December 19, 2012, received on behalf of her clients a total of \$5,000 as advanced fees. Respondent thereafter failed to render an appropriate accounting to the clients regarding those funds upon request on or about October 8, 2013, following termination of respondent's employment on or before August 15, 2013, in willful violation of the Rules of Professional Conduct, rule 4-100(B)(3).

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: February 11, 2015

By: 
Diane J. Meyers
Deputy Trial Counsel

DECLARATION OF SERVICE

by

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

CASE NUMBER(s): 14-O-00897

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.: 9414 7266 9904 2010 0866 97 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: Row 1: TERENCE J. WALKER, LAW OFC TERRY JOHN WALKER 3200 4TH AVE., STE. 208 SAN DIEGO, CA 92103, 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: February 11, 2015

SIGNED:

SANDRA JONES Declarant