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State Bar Court of California Hearing Department Los Angeles ACTUAL SUSPENSION		
Counsel For The State Bar Anthony J. Garcia Senior Trial Counsel 845 South Figueroa Street Los Angeles, CA 90017-2515 (213) 765-1089 Bar # 171419	Case Number(s): 14-O-03022 14-O-03733	For Court use only <div style="text-align: center; font-size: 1.2em; font-weight: bold;">FILED</div> <div style="text-align: center; font-size: 1.1em;">JAN 13 2015 <i>P.B.</i></div> <div style="text-align: center; font-weight: bold;">STATE BAR COURT CLERK'S OFFICE LOS ANGELES</div>
In Pro Per Respondent VERNE CRAIG SCHOLL 5751 Palmer Way, Suite A1 Carlsbad, CA 92010 (760) 473-6905 Bar # 48634	Submitted to: Settlement 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)	ACTUAL SUSPENSION <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	

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 **14** 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: (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 **12-O-14406, et. al**
 - (b) ☒ Date prior discipline effective **July 26, 2014**
 - (c) ☒ Rules of Professional Conduct/ State Bar Act violations: **1-300(B), (8 counts); 4-200(A) (8 counts); 6106.3 (5 counts); 11-O-16820, 11-O-18691, effective March 2, 2014, 1-300(B), 4-200(A).**
 - (d) ☒ Degree of prior discipline **one year actual suspension.**
 - (e) ☒ If Respondent has two or more incidents of prior discipline, use space provided below.

State Bar case nos. 11-O-16820, 11-O-16891, effective March 2, 2014, violations of Business and Professions Code, section 6106, Rules of Professional Conduct, rules 1-300(B) and 4-200(A).
Suspended for one year of actual suspension.
- (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.
- (5) ☐ **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.

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- (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 10.**
- (8) ☒ **Restitution:** Respondent failed to make restitution. **See page 10.**
- (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.
- (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.

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(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-filing Stipulation, See page 11.

D. Discipline:

(1) ☒ **Stayed Suspension:**

(a) ☒ Respondent must be suspended from the practice of law for a period of **two 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.

(2) ☒ During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.

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- (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: **Respondent is currently under Supreme Court order S217863, arising from a prior disciplinary matter, to complete Ethics School and provide proof of attendance and passage of the test given at the end of the session to the State Bar Office of Probation.**
- (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: **Respondent is currently under Supreme Court order S217863, arising from a prior disciplinary matter, to provide proof of passage of the MPRE to the State Bar Office of Probation.**

- (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:**

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In the Matter of: VERNE CRAIG SCHOLL	Case Number(s): 14-O-03022; 14-O-03733
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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
Patrick Jackson	\$2,500	November 1, 2009
Liza Miller	\$1,200	November 12, 2011

- ☐ Respondent must pay above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than

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 30 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

- ☐ 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 a certified public accountant or other financial professional approved by the Office of Probation, certifying that:
- 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 fund 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 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: 14-O-03022, 14-O-03733

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. 14-O-03022 (Complainant: Patrick Jackson)

FACTS:

1. In November 2009, Florida resident Patrick Jackson retained respondent for legal services in connection with obtaining a home mortgage loan modification for Jackson's Florida residence
2. Jackson paid respondent \$2,500 as an advance fee for respondent's legal services.
3. 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.
4. Respondent is not now, nor ever has been, licensed to practice law in Florida.
5. To date, respondent has not refunded any of Jackson's money.

CONCLUSIONS OF LAW:

6. By accepting employment with Jackson to perform legal services in connection with a home mortgage loan modification for Jackson'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).
7. By entering into an agreement for, charging, and collecting legal fees from Jackson when he was not licensed to practice law in Florida, respondent entered into an agreement for, charged, and collected an illegal fee from Jackson, in willful violation of Rules of Professional Conduct, rule 4-200(A).

Case No. 14-O-03733 (Complainant: Liza Miller)

FACTS:

8. On November 12, 2011, Maryland resident Liza Miller retained respondent for legal services in connection with obtaining a home mortgage loan modification for Miller's Maryland residence.
9. Miller paid respondent \$1,200 as an advance fee for respondent's legal services.

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

11. Respondent is not now, nor ever has been, licensed to practice law in Maryland

12. To date, respondent has not refunded any of Miller's money.

CONCLUSIONS OF LAW:

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

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

AGGRAVATING CIRCUMSTANCES.

Prior record of Discipline, (Std. 1.5(b)):

Case nos. 11-O-16820, 11-O-18691 (2 consolidated cases)

On January 30, 2014, the Supreme Court imposed 3 years of suspension, stayed, and 2 years of probation with conditions, including 1 year of actual suspension. At trial, respondent presented compelling evidence of good character. Respondent was ordered to comply with Rule of Court 9.20. The Court found violations of Rules of Professional Conduct, rule 1-300(B) (UPL in foreign jurisdiction), rule 4-200(A) (illegal fees), and Business and Professions Code, section 6106 (grossly negligent misappropriation). The misconduct in these cases occurred between September 2010 and April 2011.

Case Nos. 12-O-14406 et al. (13 consolidated cases)

On June 26, 2014, the Supreme Court imposed 3 years of suspension, stayed, and 2 years of probation with conditions, including 1 additional year of actual suspension continuing until all restitution is paid, based upon respondent's stipulation to facts and discipline. Respondent was ordered to comply with Rule of Court 9.20, to 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 the session, and to provide proof of passage of the Multistate Professional Responsibility Exam administered by the National Conference of Bar Examiners. Respondent stipulated to eight (8) violations of rule 1-300(B) (UPL in foreign jurisdiction), and rule 4-200(A) (illegal fees), and five (5) violations of California Business and Professions Code, section 6106.3. The misconduct in those cases overlapped the period of misconduct in the prior discipline case, and it all occurred prior to the imposition of discipline in Respondent's prior discipline matter. The misconduct in these matters occurred between August 2010 and April 2012.

Multiple Acts of Wrongdoing (Std. 1.5(b)): Respondent's misconduct involves four additional counts of misconduct in 2 client matters which evidences multiple acts of misconduct.

Failure to Pay Restitution (Std. 1.5(i)): Respondent has not refunded any money to Miller or Jackson.

MITIGATING CIRCUMSTANCES.

Prefiling Stipulation: Respondent admitted to the misconduct and entered into this stipulation fully resolving these matters prior to filing the Notice of Disciplinary Charges. 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 Silverton* (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).)

In this matter, respondent admits to committing four acts of professional misconduct. Standard 1.7(a) requires that where a Respondent "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.

The appropriate level of discipline in this matter is one year of actual suspension continuing until restitution is paid to Miller and Jackson. This level of discipline is within the Standards. A review of respondent's prior discipline is helpful when determining that an additional year of actual suspension is appropriate in this case.

In respondent's January 2014 discipline he was actually suspended for one year for his misconduct in two cases that occurred between September 2010 and April 2011. Respondent was found culpable of grossly negligent misappropriation and practicing law in a foreign jurisdiction (seeking to obtain a home loan modification for his client).

In respondent's June 2014 discipline he stipulated to misconduct in thirteen home mortgage loan modification cases and was suspended for an additional one year and will remain suspended until restitution is paid. The misconduct in those cases occurred between August 2010 and April 2012, a period that overlapped the period of misconduct in the January 2014 discipline case.

When determining the appropriate level of discipline for respondent's second prior discipline, the court considered the totality of the findings in all of the 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 Supreme Court has already determined that the appropriate discipline for Respondent's prior misconduct, which included a grossly negligent misappropriation of client funds and 14 loan modification cases, should be two years of actual suspension (one year of actual suspension for each prior), and three years of stayed suspension with two years of probation.

Respondent's current misconduct involves two additional client matters involving UPL in foreign jurisdictions (Maryland and Florida) and collecting \$3,700 in illegal fees from his clients. The misconduct in the Maryland case occurred more than 10 months before either of the two prior disciplines. When analyzing the totality of respondent's misconduct, it is apparent that respondent began practicing law without a license in foreign jurisdictions in November 2009 and continued to commit misconduct through April 2012. The now complete picture of respondent's misconduct shows that respondent committed misconduct for a period of 2 years and five months, not for only one year eight months as demonstrated in respondent's first two disciplines.

When respondent's current misconduct involving two additional cases of respondent offering loan modification services to clients where he is not licensed to practice law 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.)

On balance, a total of 36 months of actual suspension would have been appropriate for the totality of respondent's misconduct. Respondent is currently suspended for a total of two years and until restitution is paid. An additional suspension of one year of actual suspension with a condition that respondent remain suspended until restitution is paid 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 December 9, 2014, the prosecution costs in this matter are approximately \$4,000. 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.

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In the Matter of:
VERNE CRAIG SCHOLL

Case Number(s):
14-O-03022; 14-O-03733

ACTUAL SUSPENSION ORDER

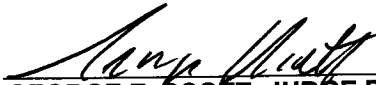
Finding the stipulation to be fair to the parties and that it adequately protects the public, IT IS ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without prejudice, and:

- ☒ 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.

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

1-12-15


GEORGE E. SCOTT, JUDGE PRO TEM
Judge of the State Bar Court

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 January 13, 2015, 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 J. Garcia, Enforcement, Los Angeles

Terrie Goldade, Probation, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on January 13, 2015.



Paul Barona
Case Administrator
State Bar Court