

PUBLIC MATTER

1 STATE BAR OF CALIFORNIA
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FILED

JAN 20 2015

STATE BAR COURT
 CLERK'S OFFICE
 LOS ANGELES

STATE BAR COURT

HEARING DEPARTMENT - LOS ANGELES

13 In the Matter of:) Case No. 14-O-03717
 14 ASHLEY C. L. BROWN ,) NOTICE OF DISCIPLINARY CHARGES
 15 No. 210159,)
 16 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:

- 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. 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.**



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The State Bar of California alleges:

JURISDICTION

1. Ashley C. L. Brown ("respondent") was admitted to the practice of law in the State of California on December 1, 2000, 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-03717
Rules of Professional Conduct, rule 4-100(A)
[Failure to Maintain Client Funds in Trust Account]

2. On or about October 18, 2013, respondent, acting in his capacity as an escrow agent for a real estate transaction between Wall Street Asset Alliance Corp. ("WSAAC"), respondent's client, and Moises and Mirna Barragan (collectively, "the Barragans"), received \$30,000 from the Barragans. On or about October 18, 2013, the \$30,000 was deposited into respondent's client trust account at Pacific Western Bank, account no. xxxxxx0228 ("respondent's client trust account").¹ Pursuant to the "Purchase Agreement With Joint Escrow Instructions" ("Purchase Agreement"), respondent was required to maintain the \$30,000 in respondent's client trust account on behalf of WSAAC and the Barragans until the close of escrow. Between on or about October 18, 2013, and in or about 2014, without occurrence of any of the exceptions identified in the Purchase Agreement, without the Barragans knowledge or consent, and prior to the close of escrow, respondent disbursed all \$30,000 to Robert Schaefer, the President of WSAAC, and thereby failed to maintain funds in respondent's client trust account, in willful violation of Rules of Professional Conduct, rule 4-100(A).

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¹ The full account number is omitted for privacy reasons.

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COUNT TWO

Case No. 14-O-03717
Business and Professions Code, section 6106
[Moral Turpitude-Misappropriation]

3. On or about October 18, 2013, respondent, acting in his capacity as an escrow agent for a real estate transaction between Wall Street Asset Alliance Corp. (“WSAAC”), respondent’s client, and Moises and Mirna Barragan (collectively, “the Barragans”), received \$30,000 from the Barragans. On or about October 18, 2013, the \$30,000 was deposited into respondent’s client trust account at Pacific Western Bank, account no. xxxxxx0228 (“respondent’s client trust account”).² Pursuant to the “Purchase Agreement With Joint Escrow Instructions” (“Purchase Agreement”), respondent was required to maintain the \$30,000 in respondent’s client trust account on behalf of WSAAC and the Barragans until the close of escrow. In his capacity as an escrow agent pursuant to the Purchase Agreement, respondent owed WSAAC and the Barragans a fiduciary duty to maintain the \$30,000 in his trust account in conformity with the Purchase Agreement. Instead, between on or about October 18, 2013, and in or about 2014, without occurrence of any of the exceptions identified in the Purchase Agreement, without the Barragans knowledge and consent, and prior to the close of escrow, respondent dishonestly or with gross negligence disbursed all \$30,000 to Robert Schaefer, the President of WSAAC, and thereby committed an act(s) of moral turpitude, dishonesty, or corruption in violation of Business and Professions Code section 6106.

COUNT THREE

Case No. 14-O-03717
Business and Professions Code, section 6068(a)
[Failure to Comply With Laws-Breach of Common Law Fiduciary Duty]

4. On or about October 18, 2013, respondent, acting in his capacity as an escrow agent for a real estate transaction between Wall Street Asset Alliance Corp. (“WSAAC”), respondent’s client, and Moises and Mirna Barragan (collectively, “the Barragans”), received \$30,000 from

² The full account number is omitted for privacy reasons.

1 the Barragans. On or about October 18, 2013, the \$30,000 was deposited into respondent's
2 client trust account at Pacific Western Bank, account no. xxxxxx0228 ("respondent's client trust
3 account").³ Pursuant to the "Purchase Agreement With Joint Escrow Instructions" ("Purchase
4 Agreement"), respondent was required to maintain the \$30,000 in respondent's client trust
5 account on behalf of WSAAC and the Barragans until the close of escrow. In his capacity as an
6 escrow agent pursuant to the Purchase Agreement, respondent owed WSAAC and the Barragans
7 a fiduciary duty to maintain the \$30,000 in his trust account in conformity with the Purchase
8 Agreement. Instead, between on or about October 18, 2013, and in or about 2014, without
9 occurrence of any of the exceptions identified in the Purchase Agreement, without the Barragans
10 knowledge and consent, and prior to the close of escrow, respondent dishonestly or with gross
11 negligence disbursed all \$30,000 to Robert Schaefer, the President of WSAAC, in breach of his
12 fiduciary duties, and thereby failed to support the Constitution and the laws of the United States
13 and of this state in willful violation of Business and Professions Code, section 6068(a).

14 COUNT FOUR

15 Case No. 14-O-03717
16 Rules of Professional Conduct, rule 4-100(B)(3)
[Failure to Render Accounts of Client Funds]

17 5. On or about October 18, 2013, respondent, acting in his capacity as an escrow agent
18 for a real estate transaction between Wall Street Asset Alliance Corp. ("WSAAC"), respondent's
19 client, and Moises and Mirna Barragan (collectively, "the Barragans"), received \$30,000 from
20 the Barragans. On or about October 18, 2013, the \$30,000 was deposited into respondent's
21 client trust account at Pacific Western Bank, account no. xxxxxx0228 ("respondent's client trust
22 account").⁴ Pursuant to the "Purchase Agreement With Joint Escrow Instructions" ("Purchase
23 Agreement"), respondent was required to maintain the \$30,000 in respondent's client trust
24 account on behalf of WSAAC and the Barragans until the close of escrow. The Purchase
25 Agreement also provided that if the conditions precedent to the close of escrow were not
26 satisfied, then respondent was required to return the \$30,000 to the Barragans, absent any of the

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³ The full account number is omitted for privacy reasons.

28 ⁴ The full account number is omitted for privacy reasons.

1 occurrences identified in the Purchase Agreement. In his capacity as an escrow agent,
2 respondent owed WSAAC and the Barragans a fiduciary duty to maintain the \$30,000 in his trust
3 account in conformity with the Purchase Agreement. On January 17, 2014, the sale of the
4 property was terminated by mutual agreement of the parties, and respondent agreed to refund the
5 \$30,000 to the Barragans. By on or about February 5, 2014, respondent had returned \$6,225 to
6 the Barragans. On or about April 1, 2014, Mr. Barragan mailed a letter to respondent, which
7 respondent received, requesting the return of the remaining \$23,775. To date, respondent has not
8 provided the Barragans with an accounting of their funds in willful violation of Rules of
9 Professional Conduct, rule 4-100(B)(3).

10
11 COUNT FIVE

12 Case No. 14-O-03717
13 Rules of Professional Conduct, rule 4-100(B)(4)
14 [Failure to Pay Client Funds Promptly]

15 6. On or about October 18, 2013, respondent, acting in his capacity as an escrow agent
16 for a real estate transaction between Wall Street Asset Alliance Corp. (“WSAAC”), respondent’s
17 client, and Moises and Mirna Barragan (collectively, “the Barragans”), received \$30,000 from
18 the Barragans. On or about October 18, 2013, the \$30,000 was deposited into respondent’s
19 client trust account at Pacific Western Bank, account no. xxxxxx0228 (“respondent’s client trust
20 account”).⁵ Pursuant to the “Purchase Agreement With Joint Escrow Instructions” (“Purchase
21 Agreement”), respondent was required to maintain the \$30,000 in respondent’s client trust
22 account on behalf of WSAAC and the Barragans until the close of escrow. The Purchase
23 Agreement also provided that if the conditions precedent to the close of escrow were not
24 satisfied, then respondent was required to return the \$30,000 to the Barragans, absent any of the
25 occurrences identified in the Purchase Agreement. In his capacity as an escrow agent,
26 respondent owed WSAAC and the Barragans a fiduciary duty to maintain the \$30,000 in his trust
27 account in conformity with the Purchase Agreement. On January 17, 2014, the sale of the

28 ⁵ The full account number is omitted for privacy reasons.

1 property was terminated by mutual agreement of the parties, and respondent agreed to refund the
2 \$30,000 to the Barragans. By on or about February 5, 2014, respondent had returned \$6,225 to
3 the Barragans. On or about April 1, 2014, Mr. Barragan mailed a letter to respondent, which
4 respondent received, requesting the return of the remaining \$23,775. To date, respondent has
5 failed to pay promptly, as requested by Mr. Barragan, any portion of the remaining \$23,775, in
6 willful violation of Rules of Professional Conduct, rule 4-100(B)(4).

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8 **NOTICE - INACTIVE ENROLLMENT!**

9 **YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE STATE BAR**
10 **COURT FINDS, PURSUANT TO BUSINESS AND PROFESSIONS CODE**
11 **SECTION 6007(c), THAT YOUR CONDUCT POSES A SUBSTANTIAL**
12 **THREAT OF HARM TO THE INTERESTS OF YOUR CLIENTS OR TO**
13 **THE PUBLIC, YOU MAY BE INVOLUNTARILY ENROLLED AS AN**
14 **INACTIVE MEMBER OF THE STATE BAR. YOUR INACTIVE**
15 **ENROLLMENT WOULD BE IN ADDITION TO ANY DISCIPLINE**
16 **RECOMMENDED BY THE COURT.**

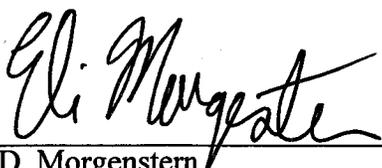
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18 **NOTICE - COST ASSESSMENT!**

19 **IN THE EVENT THESE PROCEDURES RESULT IN PUBLIC**
20 **DISCIPLINE, YOU MAY BE SUBJECT TO THE PAYMENT OF COSTS**
21 **INCURRED BY THE STATE BAR IN THE INVESTIGATION, HEARING**
22 **AND REVIEW OF THIS MATTER PURSUANT TO BUSINESS AND**
23 **PROFESSIONS CODE SECTION 6086.10.**

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25 Respectfully submitted,

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27 THE STATE BAR OF CALIFORNIA
28 OFFICE OF THE CHIEF TRIAL COUNSEL

DATED: January 20, 2014

By: 

Eli D. Morgenstern
Senior Trial Counsel

CASE NUMBER(s): 14-O-03717

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))**
- 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 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) to:**
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 0868 40 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)

Person Served	Business-Residential Address	Fax Number	Courtesy Copy via US Mail to:
PAUL VIRGO	9909 Topanga Blvd # 282 Chatsworth, CA 91311	CC via electronic address:	

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

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: January 20, 2015

SIGNED:


Ana Botosaru Nercessian
Declarant