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<p>State Bar Court of California Hearing Department Los Angeles ACTUAL SUSPENSION PUBLIC MATTER</p>		
<p>Counsel For The State Bar</p> <p>Charles T. Calix Deputy Trial Counsel 845 S. Figueroa Street Los Angeles, CA 90017 (213) 765-1255</p> <p>Bar # 146853</p>	<p>Case Number(s): 15-O-11693, 15-O-11783, 15-O-11816, 15-O-13125, 15-O-13479, 15-O-13595, 15-O-13793 - WKM and 15-O-15437 (INV)</p>	<p>For Court use only</p> <p style="text-align: center; font-size: 1.2em;">FILED</p> <p style="text-align: center; font-size: 1.2em;">MAY 04 2016 P.B.</p> <p style="text-align: center;">STATE BAR COURT CLERK'S OFFICE LOS ANGELES</p>
<p>In Pro Per Respondent</p> <p>William A. Vallejos Law Offices of William A. Vallejos 33 E. Alhambra Boulevard, Suite 202 Alhambra, CA 91801 (626) 380-0333</p> <p>Bar # 140110</p>	<p>Submitted to: Settlement Judge</p> <p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING</p> <p>ACTUAL SUSPENSION</p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	
<p>In the Matter of: William Arthur Vallegos</p> <p>Bar # 140110</p> <p>A Member of the State Bar of California (Respondent)</p>		

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 **June 6, 1989**.
- (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 **19** 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: **three billing cycles following the effective date of the discipline**. (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(h) & 1.5]. Facts supporting aggravating circumstances are required.

- (1) **Prior record of discipline**
- (a) State Bar Court case # of prior case
 - (b) Date prior discipline effective
 - (c) Rules of Professional Conduct/ State Bar Act violations:
 - (d) Degree of prior discipline
 - (e) If Respondent has two or more incidents of prior discipline, use space provided below.
- (2) **Intentional/Bad Faith/Dishonesty:** Respondent's misconduct was dishonest, intentional, or surrounded by, or followed by bad faith.
- (3) **Misrepresentation:** Respondent's misconduct was surrounded by, or followed by, misrepresentation.
- (4) **Concealment:** Respondent's misconduct was surrounded by, or followed by, concealment.
- (5) **Overreaching:** Respondent's misconduct was surrounded by, or followed by, overreaching.
- (6) **Uncharged Violations:** Respondent's conduct involves uncharged violations of the Business and Professions Code, or the Rules of Professional Conduct.

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- (7) **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.
- (8) **Harm:** Respondent's misconduct harmed significantly a client, the public, or the administration of justice.
- (9) **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
- (10) **Candor/Lack of Cooperation:** Respondent displayed a lack of candor and cooperation to victims of his/her misconduct, or to the State Bar during disciplinary investigations or proceedings.
- (11) **Multiple Acts:** Respondent's current misconduct evidences multiple acts of wrongdoing. See Attachment at page 15.
- (12) **Pattern:** Respondent's current misconduct demonstrates a pattern of misconduct.
- (13) **Restitution:** Respondent failed to make restitution.
- (14) **Vulnerable Victim:** The victim(s) of Respondent's misconduct was/were highly vulnerable.
- (15) **No aggravating circumstances** are involved.

Additional aggravating circumstances:

C. Mitigating Circumstances [see standards 1.2(i) & 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 likely to recur. **See Attachment at page 15.**
- (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 or to the State Bar during disciplinary investigations and proceedings.
- (4) **Remorse:** Respondent promptly took objective steps demonstrating spontaneous 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 objectively 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

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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. **See Attachment at page 16.**
- (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:

Candor: See Attachment at page 15.

Restitution: See Attachment at page 15.

Community Service: See Attachment at page 16.

Pretrial Stipulation: See Attachment at page 16.

D. Discipline:

- (1) **Stayed Suspension:**
- (a) Respondent must be suspended from the practice of law for a period of **one year**.
- i. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and fitness to practice and present learning and ability in the general 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 **90 days**.

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- i. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and fitness to practice and present learning and ability in the general 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 present 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.
- (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.

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- (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: **Ethics School is not recommended, because Respondent voluntarily attended a session of Ethics School and passed the test given at the end of that session on October 22, 2015, to raise his awareness of ethical issues to assist him in recognizing and handling them and therefore, additional attendance of Ethics School is not required for protection of the public.**
- (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 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: .
- (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: William Arthur Vallejos	Case Number(s): 15-O-11693, 15-O-11783, 15-O-11816, 15-O-13125, 15-O-13479, 15-O-13595, 15-O-13793, and 15-O-15437
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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
Liberty Orada	\$3,500	February 24, 2015
Mark Yohe	\$4,000	August 21, 2014

- Respondent must pay above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than **one year after the effective date of the discipline.**

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";

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- 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: WILLIAM ARTHUR VALLEJOS

CASE NUMBERS: 15-O-11693, 15-O-11783, 15-O-11816, 15-O-13125, 15-O-13479,
15-O-13595, 15-O-13793, and 15-O-15437

FACTS AND CONCLUSIONS OF LAW.

William Arthur Vallejos (“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. 15-O-11693 (Complainant: Marilyn G. Patterson)

FACTS:

1. On December 18, 2013, Marilyn G. Patterson (“Patterson”) employed Respondent for home mortgage loan modification services and other loan forbearance services.
2. On December 20, 2013, Patterson paid Respondent \$4,500 in advanced attorney’s fees.
3. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Patterson prior to accepting payment of his fees in violation of Civil Code section 2944.7.
4. On September 10, 2014, Patterson sent a letter to Respondent terminating his services and requesting a refund of the \$4,500 in advanced attorney’s fees. Respondent received the letter.
5. On October 22, 2015, Respondent paid \$2,500 to Patterson. On October 23, 2015, Respondent paid \$2,000 to Patterson.

CONCLUSIONS OF LAW:

6. By negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to perform a mortgage loan modification or other form of loan forbearance for a fee paid by his clients, and demanding, charging, collecting and receiving fees prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7, Respondent wilfully violated Business and Professions Code section 6106.3.

Case No. 15-O-11783 (Complainant: Clayton and Kimberly Younger)

FACTS:

7. In October 2014, Clayton and Kimberly Younger (the “Youngers”) received in the U.S. Mail a solicitation offering home mortgage loan modification services and other loan forbearance services to reduce their home mortgage payments from Respondent. The solicitation: (A) failed to bear

the word "Advertisement" or words of similar import on either side of the postcard; (B) failed to state the name of the member responsible for the solicitation; and (C) contained a guarantee or prediction regarding the results of the representation, to wit, that "your mortgage would have a new monthly payment of \$1,801.75 or less [and] a New Rate: 2.00% / 4.00% Fixed"; and (D) was presented or arranged in a manner or format that was false, deceptive, or tended to confuse, deceive or mislead the public, to wit, its title "Program Review Notification," its use of "Eligibility Code: 101006810," "Assigned Department: Home Retention," and claim that "Your J.P. Morgan Bank loan has been reviewed by our department ..."

8. On October 22, 2014, the Youngers employed Respondent for home mortgage loan modification services and other loan forbearance services.

9. On October 22, 2014, the Youngers paid Respondent \$1,750 in advanced attorney's fees. On November 18, 2014, the Youngers paid Respondent \$550 in advanced attorney's fees. Altogether, the Youngers paid Respondent \$2,300 in advanced attorney's fees.

10. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for the Youngers prior to accepting payment of his fees in violation of Civil Code section 2944.7.

11. On December 16, 2014, the Youngers sent a letter to Respondent terminating his services and requesting a refund of the \$2,300 in advanced attorney's fees. Respondent received the letter.

12. On October 22, 2015, Respondent paid \$2,300 to the Youngers.

CONCLUSIONS OF LAW:

13. By making a solicitation to prospective clients concerning his availability for professional employment that: (A) failed to indicate clearly, expressly, or by context, that it was a communication or solicitation; (B) failed to indicate the name of the member responsible for the communication; (C) contained guarantees, warranties or predictions regarding the results of the representation; and (D) contained, presented or arranged the matter in a manner or format that was false, deceptive, or which tended to confuse, deceive, or mislead the public, Respondent wilfully violated Rules of Professional Conduct, rule 1-400(D) (2), (3) and (4).

14. By negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to perform a mortgage loan modification or other form of loan forbearance for a fee paid by his clients, and demanding, charging, collecting and receiving fees prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7, Respondent wilfully violated Business and Professions Code section 6106.3.

Case No. 15-O-11816 (Complainant: Marjorie Lawrence)

FACTS:

15. On August 21, 2013, Marjorie Lawrence ("Lawrence") employed Respondent for home mortgage loan modification services and other loan forbearance services.

16. On August 21, 2013, Lawrence paid Respondent \$2,500 in advanced attorney's fees.

17. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Lawrence prior to accepting payment of his fees in violation of Civil Code section 2944.7.

18. On October 1, 2014, Lawrence sent a letter to Respondent requesting a refund of the \$2,500 in advanced attorney's fees. Respondent received the letter.

19. On October 22, 2015, Respondent paid \$2,500 to Lawrence.

CONCLUSIONS OF LAW:

20. By negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to perform a mortgage loan modification or other form of loan forbearance for a fee paid by his clients, and demanding, charging, collecting and receiving fees prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7, Respondent wilfully violated Business and Professions Code section 6106.3.

Case No. 15-O-13125 (Complainant: Liberty Orada)

FACTS:

21. On September 12, 2014, Liberty Oradea ("Orada") employed Respondent for home mortgage loan modification services and other loan forbearance services.

22. On September 16, 2014, Orada paid Respondent \$3,500 in advanced attorney's fees.

23. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Orada prior to accepting payment of his fees in violation of Civil Code section 2944.7.

24. On February 24, 2015 and April 3, 2015, Orada sent email to Respondent requesting a refund of the \$3,500 in advanced attorney's fees. Respondent received the letter.

25. On August 6, 2015 the State Bar mailed and faxed, and on September 8, 2015, the State Bar mailed and emailed, letters to Respondent notifying him of a disciplinary investigation of allegations concerning his representation of Orada, and requesting that he provide a written response concerning the investigation on or before August 20, 2015 and September 22, 2015, respectively. Respondent received the letters, but did not provide a response.

26. To date, Orada has not received a refund.

CONCLUSIONS OF LAW:

27. By negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to perform a mortgage loan modification or other form of loan forbearance for a fee paid by his clients, and demanding, charging, collecting and receiving fees prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7, Respondent wilfully violated Business and Professions Code section 6106.3.

28. By failing to provide a substantive response to the State Bar's letters of August 6, 2015 and September 8, 2015, respondent failed to respond to the allegations of misconduct being investigated in case number 15-O-13125 in willful violation of Business and Professions Code section 6068(i).

Case No. 15-O-13479 (Complainant: Maria Quintana)

FACTS:

29. In July 2014, Maria Quintana received in the U.S. Mail a solicitation offering home mortgage loan modification services and other loan forbearance services to reduce their home mortgage payments from Respondent. The solicitation: (A) failed to bear the word "Advertisement" or words of similar import on either side of the postcard; (B) failed to state the name of the member responsible for the solicitation; and (C) contained a guarantee or prediction regarding the results of the representation, to wit, that "your mortgage would have a new monthly payment of \$1,426.73 or less [and] a New Rate: 2.00% / 3.00% Fixed"; and (D) was presented or arranged in a manner or format that was false, deceptive, or tended to confuse, deceive or mislead the public, to wit, its title "Program Review Notification," its use of "Eligibility Code: 101006810," "Assigned Department: Home Retention," and claim that "Your Morgan Investors loan has been reviewed by our department ..."

30. On July 17, 2014, Quintana employed Respondent for home mortgage loan modification services and other loan forbearance services.

31. On July 29, 2014, Quintana paid Respondent \$1,000 in advanced attorney's fees. On August 26, 2014, Quintana paid Respondent \$1,000 in advanced attorney's fees. Altogether, Quintana paid Respondent \$2,000 in advanced attorney's fees.

32. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Quintana prior to accepting payment of his fees in violation of Civil Code section 2944.7.

33. On July 29, 2015 the State Bar mailed and faxed, and on August 18, 2015, the State Bar mailed and emailed, letters to Respondent notifying him of a disciplinary investigation of allegations concerning his representation of Quintana, and requesting that he provide a written response concerning the investigation on or before August 12, 2015 and September 2, 2015, respectively. Respondent received the letters, but did not provide a response.

34. On February 17, 2016, Respondent paid \$2,000 to Quintana.

CONCLUSIONS OF LAW:

35. By making a solicitation to prospective clients concerning his availability for professional employment that: (A) failed to indicate clearly, expressly, or by context, that it was a communication or solicitation; (B) failed to indicate the name of the member responsible for the communication; (C) contained guarantees, warranties or predictions regarding the results of the representation; and (D) contained, presented or arranged the matter in a manner or format that was false, deceptive, or which tended to confuse, deceive, or mislead the public, Respondent wilfully violated Rules of Professional Conduct, rule 1-400(D) (2), (3) and (4).

36. By negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to perform a mortgage loan modification or other form of loan forbearance for a fee paid by his clients, and demanding, charging, collecting and receiving fees prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7, Respondent wilfully violated Business and Professions Code section 6106.3.

37. By failing to provide a substantive response to the State Bar's letters of July 29, 2015, and August 18, 2015, Respondent failed to respond to the allegations of misconduct being investigated in case number 15-O-13479 in willful violation of Business and Professions Code section 6068(i).

Case No. 15-O-13479 (Complainant: Maria E. De la Torre)

FACTS:

38. On September 12, 2014, Maria E. De la Torre ("De la Torre") employed Respondent for home mortgage loan modification services and other loan forbearance services.

39. On October 9, 2014, De la Torre paid Respondent \$2,000 in advanced attorney's fees.

40. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for De la Torre prior to accepting payment of his fees in violation of Civil Code section 2944.7.

41. On December 16, 2014, De la Torre sent a letter to Respondent terminating his services and requesting a refund of the \$2,000 in advanced attorney's fees. Respondent received the letter.

42. On August 6, 2015 the State Bar mailed and faxed, and on September 8, 2015, the State Bar mailed and emailed, letters to Respondent notifying him of a disciplinary investigation of allegations concerning his representation of De la Torre, and requesting that he provide a written response concerning the investigation on or before August 20, 2015 and September 22, 2015, respectively. Respondent received the letters, but did not provide a response.

43. On February 17, 2016, Respondent paid \$2,000 to De la Torre.

CONCLUSIONS OF LAW:

44. By negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to perform a mortgage loan modification or other form of loan forbearance for a fee paid by his clients, and demanding, charging, collecting and receiving fees prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7, Respondent wilfully violated Business and Professions Code section 6106.3.

45. By failing to provide a substantive response to the State Bar's letters of July 29, 2015, and August 18, 2015, Respondent failed to respond to the allegations of misconduct being investigated in case number 15-O-13479 in willful violation of Business and Professions Code section 6068(i).

Case No. 15-O-13793 (Complainant: Lucia F. Nopales)

FACTS:

46. On September 4, 2014, Lucia F. Nopales employed Respondent for home mortgage loan modification services and other loan forbearance services.

47. On October 15, 2014, Nopales paid Respondent \$1,750 in advanced attorney's fees. On November 18, 2014, Nopales paid Respondent \$1,750 in advanced attorney's fees. Altogether, Nopales paid Respondent \$3,500 in advanced attorney's fees.

48. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Nopales prior to accepting payment of his fees in violation of Civil Code section 2944.7.

49. On August 25, 2015 the State Bar mailed and faxed, and on September 8, 2015, the State Bar mailed and emailed, letters to Respondent notifying him of a disciplinary investigation of allegations concerning his representation of Nopales, and requesting that he provide a written response concerning the investigation on or before September 8, 2015 and September 22, 2015, respectively. Respondent received the letters, but did not provide a response.

50. On February 17, 2016, Respondent paid \$3,500 to Nopales.

CONCLUSIONS OF LAW:

51. By negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to perform a mortgage loan modification or other form of loan forbearance for a fee paid by his clients, and demanding, charging, collecting and receiving fees prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7, Respondent wilfully violated Business and Professions Code section 6106.3.

52. By failing to provide a substantive response to the State Bar's letters of August 25, 2015, and September 8, 2015, Respondent failed to respond to the allegations of misconduct being investigated in case number 15-O-13793 in willful violation of Business and Professions Code section 6068(i).

Case No. 15-O-15437 (Complainant: Mark Yohe)

FACTS:

53. On August 21, 2014, Mark Yohe ("Yohe") employed Respondent for home mortgage loan modification services and other loan forbearance services.

54. On August 21, 2014, Yohe paid Respondent \$4,000 in advanced attorney's fees.

55. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Yohe prior to accepting payment of his fees in violation of Civil Code section 2944.7.

56. Between May 2015 and October 2015, Yohe called Respondent's office on four occasions and left messages on Respondent's voice message system terminating his services and requesting a refund of the \$4,000 in advanced attorney's fees. Respondent received the voice messages.

57. To date, Yohe has not received a refund.

CONCLUSIONS OF LAW:

58. By negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to perform a mortgage loan modification or other form of loan forbearance for a fee paid by his clients, and demanding, charging, collecting and receiving fees prior to fully performing each and every service he had contracted to perform or represented that he would perform, in violation of Civil Code section 2944.7, Respondent wilfully violated Business and Professions Code section 6106.3.

AGGRAVATING CIRCUMSTANCES.

Multiple Acts of Misconduct (Std. 1.5(b)): Respondent's accepting advance fees to provide home mortgage loan modification services and other loan forbearance services to eight clients, four failures to cooperate in State Bar investigations, and two counts of improper advertising constitute multiple acts of misconduct. (*In the Matter of Bach* (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr. 631, 646 [two counts of client abandonment and failing to cooperate in a State Bar investigation supported a finding of multiple acts of misconduct].)

MITIGATING CIRCUMSTANCES.

No Prior Discipline (Std. 1.6(a)): Respondent had been a member of the State Bar since June 6, 1989, and had no prior record of discipline before the misconduct began in August 2013. (See *Friedman v. State Bar* (1990) 50 Cal.3d 235, 242 [20 years in the practice of law without discipline is afforded significant weight in mitigation]; and *In the Matter of Riordan* (Review Dept. 2007) 5 Cal. State Bar Ct. Rptr. 41, 49 [attorney's practice of law for more than 17 years considered to be a significant mitigating circumstance even though the misconduct at issue was serious].)

Character Evidence (Std. 1.6(f)): Respondent presented letters attesting to his honesty, good character, knowledge, skill, professionalism, strong moral character, and dedication to his clients from four attorneys who have known Respondent for over seven, 10, 15 and 38 years, respectively. Each attorney attested to awareness of Respondent's misconduct, and praised his exceptional character. A former Mayor and Councilman of Alhambra who has known Respondent for over 20 years and was aware of his misconduct, praised Respondent's honesty, integrity, and selfless dedication to the better of the community. Respondent also presented letters from two administrators at Claremont University who have each known him for over 20 years and were aware of his misconduct attesting to his exceptional character, honesty, integrity and significant contribution to the University and community. Finally, a friend of over 40 years who was aware of his misconduct attested to Respondent's honesty, kindness, compassion and community involvement.

Restitution: Respondent has paid restitution to Patterson, the Youngers, Lawrence, Quintana, De la Torre, and Nopales. The mitigation is lessened by Respondent's failure to pay all eight former clients and payments after notice of their State Bar complaints. (*In the Matter of Mapps* (Review Dept. 1990) 1 Cal. State Bar Ct. Rptr. 1, 13 [payment of restitution reflects a recognition of misconduct and an attempt to atone in some manner for actions, and properly constitutes mitigating circumstances].)

Candor: Upon receiving notice of the complaints to the State Bar, Respondent immediately ceased accepting loan modification cases and admitted culpability for his misconduct to the State Bar. (See *In the Matter of Jensen* (Review Dept. 2013) 5 Cal. State Bar Ct. Rptr. 283, 291 [admitting culpability is entitled to considerable weight]; *In the Matter of Johnson* (Review Dept. 2000) 4 Cal. State Bar Ct. Rptr. 179, 190 [mitigation is accorded to those who willingly admit their culpability as well as the facts].)

Community Service: Respondent is entitled to significant mitigation for extraordinary community service. Respondent has been involved with the Chicano Latino Alumni Association at Claremont University for over 20 years, including ten years as its President. Respondent has donated countless hours to advance the Association, raise funds for scholarships, and counseling students, and has held numerous fund raising events for the Association in his home. Respondent served on Alhambra Transportation Commission for four years, on the Board of Education for the Alhambra Unified School District for four years, including serving as its President for two terms, and on the Alhambra Board of Library Trustees for three years, including serving as its Chairman for two terms. He has served on the Parent Board for the Bosco Tech High School Cheer Squad for five years, and assisted it in raising funds for the Squad, subsidizing families that were unable to afford the participation fee, and providing transportation to students whose parents were unable to provide transportation for their children. Respondent served on the Parent Board and provided pro bono legal services to the Alhambra Thunderbirds for over five years, which is an organization that provides football and cheerleading services to the youth of the greater Alhambra community. He has been recognized by the Lion's Club for his involvement in its Student's Speakers Program, and by the American Heart Association for his involvement in advancing the fight against heart disease and stroke. (See *Calvert v. State Bar* (1991) 54 Cal.3d 765, 785 [community service is mitigative factor entitled to considerable weight]; *In the Matter of Field* (Review Dept. 2010) 5 Cal. State Bar Ct. Rptr. 171, 185 [active participation in local bar associations and community associations promoting legal matters is a mitigative factor]; *In the Matter of Respondent K* (Review Dept. 1993) 2 Cal. State Bar Ct. Rptr. 335, 359 [civil service consisting of fundraising, organizational, educational, and lobbying work on behalf of a cause deserves recognition as a mitigating circumstances].)

Pretrial Stipulation: By entering into this stipulation prior to trial, Respondent has acknowledged his wrongdoing and conserved the time and resources of the State Bar Court and State Bar. (See *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 Silvertown* (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 14 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.”

Here, Respondent committed eight acts of misconduct by accepting advanced attorney’s fees for home mortgage loan modification services and other loan forbearance services from nine different clients. Standard 2.18 applies to Respondent’s violation of Business and Professions Code section 6106.3, and states that actual suspension to disbarment is the presumed sanction.

In aggravation, Respondent engaged in multiple acts of misconduct. In mitigation, Respondent’s lack of a prior record of discipline over his 26 year legal career, exceptional character, and extraordinary community services are entitled to significant weight. Respondent is also entitled to mitigation for his candor in admitting his misconduct, restitution and entering into this Stipulation. Balancing the two, Respondent’s mitigation far surpasses the aggravation.

Following Standard 2.18 and considering the gravity of the misconduct, the aggravating circumstances, and the significant mitigating circumstances, the imposition of a one-year suspension, stayed, and that he be placed on probation for two years on conditions, including a 90 day actual suspension and until he pays restitution to the remaining two clients, will be sufficient to protect the courts, public and legal profession as set forth in the Standard 1.1.

Those terms set forth above are consistent with *In the Matter of Taylor* (Review Dept. 2012) 5 Cal. State Bar Ct. Rptr. 221, wherein Taylor was found culpable of eight counts of violating Business and Professions Code section 6106.3, and received a six month actual suspension and until he paid full restitution to the eight former clients. The Review Department found modest mitigation for good character and significant aggravation for multiple acts of misconduct, significant harm and indifference/lack of remorse, because Taylor did not make full restitution to any of his clients and continued to deny any wrongdoing throughout trial. (*Id.* at p. 235). The Review Department found that Taylor’s lack of insight into his misconduct suggested that his misconduct may reoccur. (*Id.*) While he committed misconduct in the same number of matters, Respondent paid full restitution to all but two of his clients and will remain suspended until he has paid restitution to the last two, has admitted wrongdoing to the State Bar, and entered into this Stipulation resolving these disciplinary proceedings, which demonstrates that he recognized his wrongdoing and is unlikely to repeat it. Furthermore, he has substantial mitigation for lack of a prior record of discipline, exceptional character, and extraordinary

community services. Balancing the misconduct, aggravation, and mitigation, Respondent deserves a significantly shorter period of actual suspension than Taylor.

In consideration of the foregoing, one year suspension, stayed, and two year probation, including the condition that Respondent be suspended for the 90 days and until payment of restitution and compliance with rule 9.20, California Rules of Court is appropriate under the Standards and case law, and will serve the purpose of attorney discipline as set forth in Standard 1.1.

DISMISSAL.

The parties respectfully request the Court dismiss the following alleged violation in the interest of justice:

<u>Case No.</u>	<u>Count</u>	<u>Alleged Violation</u>
15-O-13595	Seven	Rule 3-110, Rules of Professional Conduct [Failure to Perform with Competence]

COSTS OF DISCIPLINARY PROCEEDINGS.

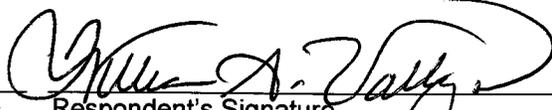
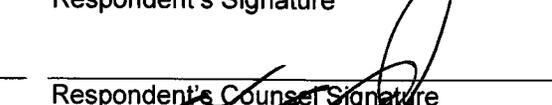
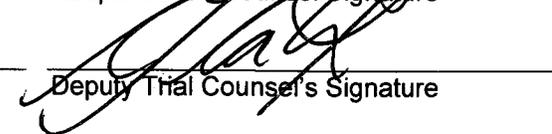
Respondent acknowledges that the Office of Chief Trial Counsel has informed respondent that as of April 11, 2016, the prosecution costs in this matter are approximately \$12,526. Respondent further acknowledges that should this stipulation be rejected or should relief from the stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

(Do not write above this line.)

In the Matter of: William Arthur Vallejos	Case number(s): 15-O-11693, 15-O-11783, 15-O-11816, 15-O-13125, 15-O-13479, 15-O-13595, 15-O-13793, and 15-O-15437
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SIGNATURE OF THE PARTIES

By their signatures below, the parties and their counsel, as applicable, signify their agreement with each of the recitations and each of the terms and conditions of this Stipulation Re Facts, Conclusions of Law, and Disposition.

<u>4/19/16</u> Date	 Respondent's Signature	<u>William A. Vallejos</u> Print Name
<u>4.19.16</u> Date	 Respondent's Counsel Signature	<u>Charles T. Calix</u> Print Name
<u>4.19.16</u> Date	 Deputy Trial Counsel's Signature	<u>Charles T. Calix</u> Print Name

(Do not write above this line.)

In the Matter of: William Arthur Vallejos	Case Number(s): 15-O-11693, 15-O-11783, 15-O-11816, 15-O-13125, 15-O-13479, 15-O-13595, 15-O-13793, and 15-O-15437
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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.

On page 1 of the Stipulation, under the heading "In the Matter of:," delete the name "Vallegos" and in its place insert the name "Vallejos."

On page 7 of the Stipulation, in the box under the heading "a. Restitution" and the sub-heading "Interest Accrues From," delete the date "February 24, 2015" and in its place insert the date "September 16, 2014."

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

5/3/16



DONALD F. MILES
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 May 4, 2016, 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:

**WILLIAM A. VALLEJOS
LAW OFFICES OF WILLIAM A VALLEJOS
33 E VALLEY BLVD STE 202
ALHAMBRA, CA 91801**

- by interoffice mail through a facility regularly maintained by the State Bar of California addressed as follows:

CHARLES T. CALIX, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on May 4, 2016.

Paul Barona

Paul Barona
Case Administrator
State Bar Court