

ORIGINAL

# State Bar Court of California Hearing Department Los Angeles

# **PUBLIC MATTER**

DISBARMENT Counsel For The State Bar Case Number(s): For Court use only 15-O-12559, 15-O-15548, Timothy G. Byer 15-0-15979 **Deputy Trial Counsel** 845 S. Figueroa Street Los Angeles, CA 90017-2515 (213) 765-1325 Bar # 172472 FEB 01 2017 STATE BAR COURT Counsel For Respondent CLERK'S OFFICE LOS ANGELES Paul J. Virgo 5200 West Century Blvd., Ste. 345 Los Angeles, CA 90045 (310) 666-9701 Submitted to: Assigned Judge Bar # 67900 STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING: ORDER OF In the Matter of: INVOLUNTARY INACTIVE ENROLLMENT **BOB GENE PIERCE, JR.** DISBARMENT Bar # 223942 PREVIOUS STIPULATION REJECTED A Member of the State Bar of California (Respondent)

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 **December 30, 2002**.
- (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 resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of (12) 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."
- (5) Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law."

(Do	not writ	e above this line.)				
(6)		e parties must include supporting authority for the recommended level of discipline under the heading				
(7)	No	more than 30 days prior to the filing of this stipulation, respondent has been advised in writing of any				
	per	nding investigation/proceeding not resolved by this stipulation, except for criminal investigations.				
(8)		yment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 10.7. (Check one option only):				
	$\boxtimes$	Costs to be awarded to the State Bar.  Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".  Costs are entirely waived.				
(9)	ORDER OF INACTIVE ENROLLMENT: The parties are aware that if this stipulation is approved, the judge will issue an order of inactive enrollment under Business and Professions Code section 6007, subdivision (c)(4), and Rules of Procedure of the State Bar, rule 5.111(D)(1).					
İ	Misc	avating Circumstances [Standards for Attorney Sanctions for Professional onduct, standards 1.2(h) & 1.5]. Facts supporting aggravating circumstances are ired.				
(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)		<b>Uncharged Violations:</b> Respondent's conduct involves uncharged violations of the Business and Professions Code or the Rules of Professional Conduct.				
(7)		<b>Trust Violation:</b> 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.				

(Do not write above this line.)				
(8)	$\boxtimes$	Harm: Respondent's misconduct harmed significantly a client, the public, or the administration of justice. See Attachment.		
(9)		<b>Indifference:</b> Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.		
(10)		<b>Lack of Candor/Cooperation:</b> 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)	$\boxtimes$	Multiple Acts: Respondent's current misconduct evidences multiple acts of wrongdoing. See Attachment.		
(12)		Pattern: Respondent's current misconduct demonstrates a pattern of misconduct.		
(13)	$\boxtimes$	Restitution: Respondent failed to make restitution. See Attachment.		
(14)		Vulnerable Victim: The victim(s) of Respondent's misconduct was/were highly vulnerable.		
(15)		No aggravating circumstances are involved.		
Addi	tiona	al aggravating circumstances:		
	_	ating Circumstances [see standards 1.2(i) & 1.6]. Facts supporting mitigating mstances are required.		
(1)		<b>No Prior Discipline:</b> Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not likely to recur.		
(2)		No Harm: Respondent did not harm the client, the public, or the administration of justice.		
(3)		<b>Candor/Cooperation:</b> Respondent displayed spontaneous candor and cooperation with the victims of his/her misconduct or to the State Bar during disciplinary investigations and proceedings.		
(4)		<b>Remorse:</b> 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)		<b>Restitution:</b> Respondent paid \$ on in restitution to without the threat or force of disciplinary, civil or criminal proceedings.		
(6)		<b>Delay:</b> 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)		<b>Emotional/Physical Difficulties:</b> 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.		

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(9)		<b>Severe Financial Stress:</b> 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)		<b>Family Problems:</b> 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)		<b>Good Character:</b> 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.
(12)		<b>Rehabilitation:</b> Considerable time has passed since the acts of professional misconduct occurred followed by subsequent rehabilitation.
(13)		No mitigating circumstances are involved.
,		

Additional mitigating circumstances: See Attachment.

(Do not write above this line.)			

D. Discipline: Disbarment.

# E. Additional Requirements:

(1) 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.

(2)	$\boxtimes$	Restitution: Respondent must make restitution to Glenn Estalilla in the amount of \$ 2,283.80 plus 10 percent interest per year from March 10, 2014. Respondent must make restitution to Downey Surgica
		Clinic in the amount of \$12,364 plus 10 percent interest per year from March 10, 2014. Respondent
		must make restitution to Santo Tomas Medical Clinic in the amount of \$6,687 plus 10 percent
		interest per year from March 10, 2014. Respondent must make restitution to Allan Segura in the amount of \$12,000 plus 10 percent interest per year from January 23, 2015. If the Client Security
		Fund has reimbursed <b>Estalilla or Segura</b> for all or any portion of the principal amount, respondent must pay restitution to CSF of the amount paid plus applicable interest and costs in accordance with Business
		and Professions Code section 6140.5. Respondent must pay the above restitution and furnish satisfactory
		proof of payment to the State Bar's Office of Probation in Los Angeles no later than <b>30</b> days from the effective date of the Supreme Court order in this case.
		enective date of the Supreme Court order in this case.

(3)	)	0	th	er

# **ATTACHMENT TO**

## STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF:

BOB GENE PIERCE, JR.

CASE NUMBER:

15-O-12559, 15-O-15548, 15-O-15979

#### 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. 15-O-12559 (Complainant: Tracy Hill-Hart)

## **FACTS:**

- 1. On May 5, 2015, the State Bar opened investigation no. 15-O-12559, based on allegations by respondent's former client Tracy Hill-Hart.
- 2. On October 6, 2015 and on December 2, 2015, a State Bar investigator mailed letters to respondent, which he received, requesting his response to the allegations made in State Bar investigation no. 15-O-12559. Respondent did not respond to either letter.

#### **CONCLUSIONS OF LAW:**

3. By failing to respond to the State Bar investigator's letters seeking his response to the allegations in State Bar investigation no. 15-O-12559, respondent failed to cooperate and participate in a disciplinary investigation pending against respondent, in willful violation of Business and Professions Code, section 6068(i).

# Case No. 15-O-15548 (Complainant: Allan Segura)

#### **FACTS:**

- 4. On January 16, 2014, Allan Segura employed respondent to represent him in a personal injury matter.
- 5. On January 23, 2015, respondent received a settlement check on behalf of Segura for \$20,000 from Stillwater Insurance Group. Respondent deposited the \$20,000 into a personal bank account, not a client trust account.
- 6. Of the \$20,000 respondent received on behalf of Segura on January 23, 2015, Segura was entitled to \$12,000.
- 7. After receiving Segura's settlement funds, respondent asserted to Segura that it would take him approximately six months to negotiate the payments to Segura's medical care providers, and then respondent would provide Segura with a check for Segura's portion of the settlement proceeds.

- 8. On August 17, 2015, Segura called respondent to request the status of the medical payments to his medical care providers and an accounting of his settlement funds. Respondent asserted that he had not been able to reach the medical care providers. Respondent then offered to send a partial payment of Segura's portion of the settlement funds, in the sum of \$6,000. Segura agreed.
- 9. Between January 23, 2015 and August 17, 2015, respondent failed to maintain a balance of \$12,000 on behalf of Segura in his CTA.
- 10. On August 31, 2015, Segura sent a text message to respondent to inform him that the check had not arrived. On September 9, 2015, respondent called Segura and informed him that respondent no longer was in possession of Segura's funds. Respondent admitted that he had intentionally misappropriated Segura's \$12,000 in settlement funds.
  - 11. Respondent promised to send Segura a check for \$6,000 in two weeks.
- 12. On September 22, 2015, respondent mailed Segura check no. 1092 in the sum of \$2,500, which Segura received on October 6, 2015. When Segura attempted to cash respondent's check at respondent's bank, there were insufficient funds.
- 13. At the time respondent sent check no. 1092 to Segura, he knew that there were insufficient funds in his bank account to pay it.
- 14. To date, Segura had not received any portion of his settlement proceeds or an accounting regarding the \$20,000 in settlement funds respondent had received on his behalf.

## **CONCLUSIONS OF LAW:**

- 15. By intentionally misappropriating \$12,000 of Segura's settlement funds, respondent committed an act involving moral turpitude, dishonesty or corruption in willful violation of Business and Professions Code, section 6106.
- 16. By issuing check no. 1092 to Segura when respondent knew that there were insufficient funds in his bank account to pay it, respondent committed an act involving moral turpitude, dishonesty or corruption in willful violation of Business and Professions Code, section 6106.
- 17. By failing to deposit Segura's settlement funds in trust and maintain a balance of \$12,000 on behalf of Segura in respondent's CTA, respondent failed to deposit and maintain his client's funds in trust, in willful violation of Rules of Professional Conduct, rule 4-100(A).
- 18. By failing to render an accounting to Segura regarding the settlement funds respondent had received on Segura's behalf, following Segura's request on August 17, 2015, respondent failed to render an appropriate accounting to the client, in willful violation of the Rules of Professional Conduct, rule 4-100(B)(3).

# Case No. 15-O-15979 (Complainant: Glenn Estalilla)

## **FACTS:**

- 19. On September 26, 2013, Glenn Estalilla employed respondent to represent him in a personal injury matter.
- 20. In March 2014, respondent received two settlement checks on behalf of Estalilla: \$15,000 from 21<sup>st</sup> Century Insurance, and \$15,000 from Wawanesa Insurance Company, which respondent deposited into his client trust account ("CTA") on behalf of the client.
- 21. Of the \$30,000 respondent received on behalf of Estalilla, Estalilla was entitled to \$2,283.80.
- 22. Of the \$30,000 deposited into respondent's CTA on behalf of Estalilla, Downey Surgical Clinic was entitled to \$12,364, pursuant to a lien held against Estalilla's recovery signed by respondent.
- 23. Of the \$30,000 deposited into respondent's CTA on behalf of Estalilla, Santo Tomas Medical Clinic was entitled to \$6,687, pursuant to a lien held against Estalilla's recovery signed by respondent.
- 24. On February 2, 2015, respondent closed his CTA, with a balance of \$0.00, representing an intentional misappropriation of \$21,334.80. Between March 2014 and February 2, 2015, he had made no payments to Estalilla, Downey Surgical Clinic, or Santo Tomas Medical Clinic.
- 25. Between March 2014 and February 2, 2015, respondent failed to maintain a balance of \$21,334.80 on behalf of Estalilla, Downey Surgical Clinic, and Santo Tomas Medical Clinic.
- 26. On May 5, 2015, the State Bar opened investigation no. 15-O-15979, based on a complaint by Estalilla.
- 27. In September 2015, Estalilla requested that respondent pay out all funds respondent was holding on his behalf and to provide an accounting for the \$30,000 in settlement funds respondent received on his behalf. Respondent failed to provide any accounting in response to Estalilla's request.
- 28. To date, respondent has failed to promptly pay out to Estalilla or on his behalf, as requested by Estalilla in September 2015, any portion of the \$21,334.80 respondent received on behalf of Estalilla.
- 29. On January 7, 2016 and on February 2, 2016, a State Bar investigator mailed letters to respondent, which he received, requesting his response to the allegations made in State Bar investigation no. 15-O-15979. Respondent did not respond to either letter.

## **CONCLUSIONS OF LAW:**

30. By intentionally misappropriating \$21,334.80 of Estalilla's settlement funds, respondent committed acts involving moral turpitude, dishonesty or corruption in willful violation of Business and Professions Code, section 6106.

- 31. By failing to maintain a balance of \$21,334.80 on behalf of Estalilla and his lienholders in respondent's CTA, respondent failed to maintain his client's funds in trust, in willful violation of Rules of Professional Conduct, rule 4-100(A).
- 32. By failing to render an accounting to Estalilla for the settlement funds respondent received on Estalilla's behalf, following Estalilla's request in September 2015, respondent failed to render an appropriate accounting to the client, in willful violation of the Rules of Professional Conduct, rule 4-100(B)(3).
- 33. By failing to pay Estalilla his portion of the settlement funds and to pay Downey Surgical Clinic and Santo Tomas Medical Clinic the funds to which they were entitled, in response to Estalilla's request in September 2015, respondent failed to pay promptly, as requested by his client, any portion of the \$21,334.80 in respondent's possession, in willful violation of the Rules of Professional Conduct, rule 4-100(B)(4).
- 34. By failing to respond to the State Bar investigator's letters seeking his response to the allegations in State Bar investigation no. 15-O-15979, respondent failed to cooperate and participate in a disciplinary investigation pending against respondent, in willful violation of Business and Professions Code, section 6068(i).

## AGGRAVATING CIRCUMSTANCES.

Multiple Acts of Misconduct (Std. 1.5 (b)): Respondent current misconduct evidences multiple acts of wrongdoing.

Significant harm to the client, the public, or the administration of justice (Std. 1.5(j)): Establia lost \$2,283.80 of his settlement funds to which he was entitled, Downey Surgical Clinic lost \$12,364 of reimbursement to which it was entitled, Santo Tomas Medical Clinic lost \$6,687 of reimbursement to which it was entitled, and Segura lost \$12,000 of his settlement funds to which he was entitled, to respondent's misappropriation.

Failure to Pay Restitution (Std. 1.5 (m)): Respondent has paid no portion of the misappropriated funds in restitution.

## MITIGATING CIRCUMSTANCES.

No Prior Discipline: Although Respondent's misconduct is serious, he is entitled to mitigation for having practiced law for 11 years without a prior record of discipline prior to the instant misconduct. (In the Matter of Riordan (Review Dept. 2007) 5 Cal. State Bar Ct. Rptr. 41, 49.)

**Pretrial Stipulation:** Respondent has entered into a full stipulation as to facts and culpability prior to trial. (*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 multiple 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 2.1(a), which applies to respondent's violations of Business and Professions Code, section 6106. Standard, 2.1(a) provides that "Disbarment is the presumed sanction for intentional or dishonest misappropriation of entrusted funds or property, unless the amount misappropriated is insignificantly small or sufficiently compelling mitigating circumstances clearly predominate, in which case actual suspension is appropriate." The aggregate misappropriation charged here is over \$33,000, which is by no means "insignificantly small." There are no mitigating circumstances presented that can be considered sufficiently compelling, as respondent has a mere 11 years of discipline-free practice and entered into this pretrial stipulation.

This disposition is also supported by case law on analogous facts. In Chang v. State Bar, 49 Cal.3d 114 (1989), the court disbarred an attorney who had been in practice eight years without a prior record of discipline, for his misappropriation of \$7,989.44 of a client's funds. The court reasoned that "misappropriation of a client's funds is a grievous breach of an attorney's professional ethics. Not only does it harm the individual client whose money has been taken, it also endangers the confidence of the public at large in the legal profession. In all but the most exceptional of cases, we must impose the harshest discipline for such a breach in order to safeguard the citizenry from unethical practitioners. [citations omitted.]" Id. at 128–29. The attorney's misappropriation was aggravated by his failure to make restitution, his failure to admit his misconduct, the intentional nature of the misappropriation, and his lack of candor to the State Bar. While respondent has admitted his misconduct and there are no instances of misrepresentation to the State Bar or to his clients, as in Chang, the amount and extent of respondent's intentional misappropriations were significantly greater, and multiple clients were harmed. Disbarment is supported by the Standards and case law, and is the appropriate disposition to protect the public.

# COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of Chief Trial Counsel has informed respondent that as of December 5, 2016, the prosecution costs in this matter are \$5,671. 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.

# 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.

12/5/16	RODI	Bob G. Pierce, Jr.
Date	Resperident's Signature	Print Name
12/29/2016	Paul IVWgD	Paul J. Virgo
Date /	Respondent's Zounsel Signature	Print Name
1/4/17	District the second of the sec	Timothy G. Byer
Date /	Deputy Trial Counsel's Signature	Print Name
	/	

#### DISBARMENT 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:

X

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.)

Respondent is ordered transferred to involuntary inactive status pursuant to Business and Professions Code section 6007, subdivision (c)(4). Respondent's inactive enrollment will be effective three (3) calendar days after this order is served by mail and will terminate upon the effective date of the Supreme Court's order imposing discipline herein, or as provided for by rule 5.111(D)(2) of the Rules of Procedure of the State Bar of California, or as otherwise ordered by the Supreme Court pursuant to its plenary jurisdiction.

YVETTE D. ROLAND

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 February 1, 2017, 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:

PAUL JEAN VIRGO 9909 TOPANGA BLVD # 282 CHATSWORTH, CA 91311

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

# TIMOTHY BYER, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on February 1, 2017.

Johnnie Lee Smith Case Administrator State Bar Court