State Bar Court of California Hearing Department Los Angeles **ACTUAL SUSPENSION** Counsel For The State Bar Case Number(s): For Court use only 15-0-14402 Timothy G. Byer **PUBLIC MATTER Deputy Trial Counsel** 845 S. Figueroa Street Los Angeles, CA 90017-2515 (213) 765-1325 FILEI Bar # 172472 DEC 20 **2016** Counsel For Respondent STATE BAR COURT CLERK'S OFFICE Michael V. Hesse LOS ANGELES 4515 Tyler Street Riverside, CA 92503 (951) 781-4700 Submitted to: Assigned Judge Bar # 91875 STIPULATION RE FACTS, CONCLUSIONS OF LAW AND **DISPOSITION AND ORDER APPROVING** In the Matter of: **RAE DIANE SHIRER** ACTUAL SUSPENSION Bar # 167137 ☐ 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 13, 1993.
- (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 11 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".

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(Do not write above this line.)						
(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					
	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: the billing cycles following the effective date of discipline herein. (Hardship, special circumstance other good cause per rule 5.132, Rules of Procedure.) If Respondent fails to pay any installment a 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.				
		ravating Circumstances [Standards for Attorney Sanctions for Professional				
		onduct, standards 1.2(h) & 1.5]. Facts supporting aggravating circumstances are ired.				
(1)	⊠ (a)	Prior record of discipline 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.				
		See Attachment.				
(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.				
(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.

(Do not write above this line.)							
(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					
(10)		consequences of his or her misconduct. 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.					
(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.					
Addi	itiona	al aggravating circumstances:					
	S	ee Attachment.					
	_	ating Circumstances [see standards 1.2(i) & 1.6]. Facts supporting mitigating mstances 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.					
(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 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.					

(Do no	ot write	e above	this line.)					
(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.					
(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.						
Addi	tiona	al mit	gating circumstances:					
	S	ee At	achment.					
D. D	isci	iplin):					
(1)	\boxtimes	Stay	ed Suspension:					
	(a)	\boxtimes	Respondent must be suspended from the practice of law for a period of 1 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)	\boxtimes	The above-referenced suspension is stayed.					
(2)	\boxtimes	Prot	ation:					
	Res	spond he Su	ent must be placed on probation for a period of 2 years , which will commence upon the effective date preme Court order in this matter. (See rule 9.18, California Rules of Court)					
(3)	\boxtimes	Actual Suspension:						
	(a)	\boxtimes	Respondent must be actually suspended from the practice of law in the State of California for a period of 30 days .					
		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:					

(Do not write above this line.)			
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)	\boxtimes	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.	
(8)	\boxtimes	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: .	
(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.	

Law Office Management Conditions

(10) The following conditions are attached hereto and incorporated:

Substance Abuse Conditions

(Do not write above this line.)						
			Medical Conditions		Financial Conditions	
F. C	ther	Con	nditions 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: Respondent is durrently under an order to com;lete an MPRE condition pursuant to the Supreme Court's Order No. S33105 (State Bar Case No. 15-O-11121), and compliance with that order will be deemed compliance with that condition here.						
(2)		Cal	ifornia Rules of Court, and perform the act	s spec	must comply with the requirements of rule 9.20 , ified in subdivisions (a) and (c) of that rule within 30 e date of the Supreme Court's Order in this matter.	
(3)		day per	s or more, he/she must comply with the re-	quirem and (c)	If Respondent remains actually suspended for 90 tents of rule 9.20 , California Rules of Court, and of that rule within 120 and 130 calendar days, Court's Order in this matter.	
(4)		per	edit for Interim Suspension [conviction radio of his/her interim suspension toward the name of interim suspension:	eferra e stipu	I cases only]: Respondent will be credited for the lated period of actual suspension. Date of	
(5)		Oth	ner Conditions:			

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF:

RAE DIANE SHIRER

CASE NUMBER:

15-O-14402

FACTS AND CONCLUSIONS OF LAW.

Respondent admits that the following facts are true and that she is culpable of violations of the specified statutes and/or Rules of Professional Conduct.

Case No. 15-O-14402 (State Bar Investigation)

FACTS:

- 1. As a member of the State Bar, respondent was required to complete 25 hours of minimum continuing legal education ("MCLE") during the period commencing on February 1, 2011 and ending on January 31, 2014 ("compliance period"). As of July 1, 2013, respondent had completed the required MCLE for the compliance period and had stored the records of her MCLE compliance on her computer hard drive.
- 2. On March 6, 2014, the hard drive on respondent's computer froze and was unrecoverable, resulting in the loss of all files stored on that hard drive, including her records of MCLE compliance.
- 3. On June 30, 2014, respondent reported under the penalty of perjury to the State Bar that she had fully complied with her MCLE requirements for the compliance period.
- 4. When respondent reported to the State Bar that she was in compliance with the MCLE requirements, respondent was grossly negligent in not knowing that she was not in full compliance, since Rule 2.90 of the Rules of the State Bar defines "noncompliance" with MCLE requirements as including "failure to … keep a record of MCLE compliance[.]"

CONCLUSIONS OF LAW:

5. By reporting to the State Bar, under penalty of perjury, that respondent had complied with all MCLE requirements when she was grossly negligent in not knowing that she was noncompliant, respondent committed an act of moral turpitude in willful violation of California Business and Professions Code section 6106.

AGGRAVATING CIRCUMSTANCES.

Prior Record of Discipline (Std. 1.5(a)): Respondent has twice been disciplined.

Respondent was privately reproved (06-O-12713), effective July 31, 2008, for a single charge of 3-110(A). As part of a business dissolution settlement, respondent's client made payments to respondent

on an informal installment payment plan for outstanding federal employment tax balance owed by the dissolving business. When the IRS stopped apportioning the client's payments in the manner contemplated by respondent and her client, respondent allowed the matter to lie dormant and unattended until contacted by the State Bar during the investigation.

Respondent was suspended for one year, stayed, in case number 15-O-11121, effective June 17, 2016, for violation of Rules of Professional Conduct, rules 3-110(A) and 4-100(B)(3), and Business and Professions Code, sections 6068(m) and 6068(i). Respondent's client had employed her on January 24, 2014, to incorporate and apply for 501(c)(3) status for his not-for-profit entity, and had paid a flat fee of \$2,500 for services (including preparation of state and federal applications for tax exempt status) and \$450 for advanced costs (filing fees for incorporation and tax exempt status applications). Respondent completed the incorporation, but lost her drafts of the tax exempt status applications when respondent suffered a computer crash which destroyed the work done on the applications and which required purchase of a new system, respondent was unable to afford that system. After preparing the application for non profit status, but before the tax exemption applications were filed, respondent stopped communicating. She also failed to respond to the investigator's letters. Respondent committed the misconduct between June 30, 2014, and May 14, 2015.

MITIGATING CIRCUMSTANCES.

Pretrial Stipulation: By entering into this stipulation, respondent has acknowledged misconduct and is entitled to mitigation for recognition of wrongdoing and saving the State Bar significant resources and time. (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]; In the Matter of Spaith (Review Dept. 1996) 3 Cal. State Bar Ct. Rptr. 511, 521 [where the attorney's stipulation to facts and culpability was held to be a mitigating circumstance].)

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).)

Respondent's misconduct in the current matter occurred at the same time as the misconduct in her most recent prior discipline. Rather than considering a strict application of the standards to the current misconduct as if it was subsequent and further misconduct committed by an attorney displaying an inability to conform her conduct to ethical norms, it is appropriate to consider the current misconduct together with her prior misconduct, all of which she committed during the same time period. This analysis is in accordance with the guidelines set forth in *In the Matter of Sklar* (Review Dept. 1993) 2 Cal. State Bar Ct. Rptr. 602.

The most severe standard applicable to respondent's misconduct committed in the instant matter together with her most recent prior discipline, is found in Standard 2.11, which applies to respondent's violation of Business and Professions Code section 6106. Standard 2.11 requires actual suspension.

Case law supports this resolution. In *In the Matter of Yee* (Rev. Dept. 2014) an attorney was disciplined with public reproval for a grossly negligent misrepresentation amounting to moral turpitude in her false report to the State Bar of MCLE compliance. The court in *Yee* found that the attorney there had been unable to recall the name of the MCLE course provider or locate evidence showing she paid for any courses, and admitted that she had failed to verify her compliance records (which she had lost in a computer crash) prior to affirming her compliance. The attorney in *Yee* had no prior record of discipline or other aggravating factors. That attorney's 10 1/2 years without discipline, plus other mitigating factors (candor and cooperation, good character testimony from 11 witnesses, remorse, community service) were considered by the court sufficiently compelling to deviate from the actual suspension called for in the standard.

As in Yee, respondent had lost her records in a computer crash before affirming that she had complied with her MCLE requirements, and as in Yee, her affirmation of compliance represented not only that she completed the required education but that she also had the records to prove it. However, respondent has presented less compelling evidence of mitigating factors than were presented in Yee, and, unlike in Yee, respondent's misconduct is aggravated by a prior record of discipline; it is not aberrational. As such, the departure from the Standard addressing Business and Professions Code section 6106 that was appropriate in Yee is not appropriate here. Thirty days of actual suspension and one year of stayed suspension, and two years of probation, is appropriate for this misconduct.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of Chief Trial Counsel has informed respondent that as of November 30, 2016, the prosecution costs in this matter are \$5,816. 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.

EXCLUSION FROM MINIMUM CONTINUING LEGAL EDUCATION ("MCLE") CREDIT

Respondent may <u>not</u> receive MCLE credit for completion of State Bar Ethics School ordered as a condition of suspension. (Rules Proc. of State Bar, rule 3201.)

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.

Respondent's Signature

Respondent's Counsel Signature

Counsel's Signature Deputy

Rae D. Shirer

Print Name

Michael V. Hesse

Print Name

Timothy G. Byer

Print Name

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 3 of the Stipulation, under "Additional aggravating circumstances," "See Attachment." is deleted, as no additional aggravating circumstances are set forth in the Stipulation. The prior discipline is already roted (See 7.2.)
- On page 6 of the Stipulation, at paragraph F.(1), at "No MPRE recommended," line 2, "S33105" is deleted, and in its place is inserted "S233105".
- On page 8 of the Stipulation, first full paragraph, line 1, "and placed on probation for two years" is inserted after "stayed,".

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.)

12/20/16

Date

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 December 20, 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:

MICHAEL V. HESSE 4515 TYLER ST RIVERSIDE, CA 92503

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

TIMOTHY G. BYER, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on December 20, 2016.

Mazie Yip

Case Administrator State Bar Court