PUBLIC MATTER

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FILED
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STATE BAR COURT
CLERK'S OFFICE
LOS ANGELES

STATE BAR COURT

HEARING DEPARTMENT - LOS ANGELES

In the Matter of: CODY JAY BROWNSTEIN, No. 269551, A Member of the State Bar	Case No. 16-O-10353 NOTICE OF DISCIPLINARY CHARGES

NOTICE - FAILURE TO RESPOND!

IF YOU FAIL TO FILE A WRITTEN ANSWER TO THIS NOTICE WITHIN 20 DAYS AFTER SERVICE, OR IF YOU FAIL TO APPEAR AT THE STATE BAR COURT TRIAL:

(1) YOUR DEFAULT WILL BE ENTERED;
(2) YOUR STATUS WILL BE CHANGED TO INACTIVE AND YOU WILL NOT BE PERMITTED TO PRACTICE LAW;
(3) YOU WILL NOT BE PERMITTED TO PARTICIPATE FURTHER IN THESE PROCEEDINGS UNLESS YOU MAKE A TIMELY MOTION AND THE DEFAULT IS SET ASIDE, AND;
(4) YOU SHALL BE SUBJECT TO ADDITIONAL DISCIPLINE. SPECIFICALLY, IF YOU FAIL TO TIMELY MOVE TO SET ASIDE OR VACATE YOUR DEFAULT, THIS COURT WILL ENTER AN ORDER RECOMMENDING YOUR DISBARMENT WITHOUT FURTHER HEARING OR PROCEEDING. SEE RULE 5.80 ET SEQ., RULES OF PROCEDURE OF THE STATE BAR OF CALIFORNIA.

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The State Bar of California alleges:

JURISDICTION

1. CODY JAY BROWNSTEIN ("respondent") was admitted to the practice of law in the State of California on May 21, 2010, was a member at all times pertinent to these charges, and is currently a member of the State Bar of California.

COUNT ONE

Case No. 16-O-10353
Rules of Professional Conduct, rule 3-110(A)
[Failure to Perform with Competence]

2. On or about December 6, 2013 Mikayel Mikayelyan and Artur Mikayelyan employed Respondent to perform legal services, namely to represent their family in a civil dispute, which Respondent intentionally, recklessly, or repeatedly failed to perform with competence, in willful violation of Rules of Professional Conduct, rule 3-110(A), by failing to appear at the hearing on February 6, 2014, of which Respondent had notice, of the Motion to Set Aside Default in *Akopian v. Mikayelyan*, Los Angeles Superior Court case no. BC480474, with the result that the motion was denied, judgments were entered against Respondent's clients, and the clients' bank accounts were levied to collect on the judgments.

COUNT TWO

Case No. 16-O-10353
Rules of Professional Conduct, rule 4-100(B)(4)
[Failure to Pay Client Funds Promptly]

3. On or about March 12, 2014 Respondent received on behalf of Respondent's clients, Mikayel Mikayelyan and Artur Mikayelyan, funds from the clients, for the purpose of settling post-default civil judgments against the clients, in the sum of $50,000. The matter did not settle. Accordingly, of this sum, the clients were entitled to $50,000. On or between April 29, 2014 and May 20, 2014, the clients requested on numerous occasions that Respondent return the entire balance of the funds. On or about May 2, 2014, Respondent issued payment of $25,000 to his client Artur Mikayelyan. To date, Respondent has failed to pay, as requested by Respondent's client, the remainder of the funds, in the amount of $25,000. By failing to pay, as requested by

his clients, the funds to which his clients were entitled, in the amount of $25,000, Respondent willfully violation of Rules of Professional Conduct, rule 4-100(B)(4).

COUNT THREE

Case No. 16-O-10353
Rules of Professional Conduct, rule 4-100(A)
[Failure to Maintain Client Funds in Trust Account]

4. On or about March 12, 2014, Respondent received on behalf of Respondent's clients, Mikayel Mikayelyan and Artur Mikayelyan, funds in the sum of $50,000 for the purpose of settling the clients' litigation. On or about March 12, 2014, Respondent deposited the $50,000 into Respondent's client trust account (CTA) at Wells Fargo Bank, account no. xxxxx42976 on behalf of the clients. Of this sum, the clients were entitled to $50,000. On March 13, 2016, Respondent withdrew $25,000 of the funds to which his clients were entitled for his own purposes. Between on March 12, 2014 and May 2, 2014, Respondent did not maintain $50,000 in his CTA. By failing to maintain on behalf of the clients a balance of $50,000 in Respondent's CTA between on or about March 12, 2014 and May 2, 2014, Respondent wilfully violated Rules of Professional Conduct, rule 4-100(A).

COUNT FOUR

Case No. 16-O-10353
Rules of Professional Conduct, rule 4-100(B)(3)
[Failure to Render Accounts of Client Funds]

5. On or about March 12, 2014, Respondent received on behalf of Respondent's clients, Mikayel Mikayelyan and Artur Mikayelyan, funds in the sum of $50,000 for the purpose of settling the clients' litigation. Respondent thereafter failed to render an appropriate accounting to the clients regarding those funds upon the termination of Respondent's employment on or about October 7, 2014 in willful violation of the Rules of Professional Conduct, rule 4-100(B)(3).

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COUNT FIVE

Case No. 16-O-10353
Business and Professions Code, section 6106
[Moral Turpitude - Misappropriation]

6. On or about March 12, 2014 Respondent received on behalf of Respondent's clients, Mikayel Mikayelyan and Artur Mikayelyan, funds in the sum of $50,000 for the purpose of settling the clients' litigation. On or about March 12, 2014, Respondent deposited the $50,000 into Respondent's CTA at Wells Fargo Bank, account no. xxxxx42976. On or about May 2, 2014, after the clients' civil matter did not settle, the clients were entitled to the entire sum of $50,000. On or about May 2, 2014, Respondent refunded to his clients $25,000, leaving a balance in his CTA of $638.54. Between on or about March 12, 2014 and May 2, 2014, Respondent dishonestly or grossly negligently misappropriated for Respondent's own purposes at least $24,361. By dishonestly or grossly negligently misappropriating for Respondent's own purposes at least $24,361, to which his clients were entitled, Respondent committed an act involving moral turpitude, dishonesty or corruption, in willful violation of Business and Professions Code, section 6106.

COUNT SIX

Case No. 16-O-10353
Business and Professions Code, section 6068(i)
[Failure to Cooperate in State Bar Investigation]

7. Respondent failed to cooperate and participate in a disciplinary investigation pending against Respondent by failing to provide a substantive response to the State Bar's letters of February 2, 2016 and April 4, 2016, and follow-up emails on February 17, 2016, March 23, 2016 and April 21, 2016, which Respondent received, that requested Respondent's response to the allegations of misconduct being investigated in case no. 16-O-10353, in willful violation of Business and Professions Code, section 6068(i).

NOTICE - INACTIVE ENROLLMENT!

YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE STATE BAR COURT FINDS, PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 6007(c), THAT YOUR CONDUCT POSES A SUBSTANTIAL THREAT OF HARM TO THE INTERESTS OF YOUR CLIENTS OR TO THE PUBLIC, YOU MAY BE INVOLUNTARILY ENROLLED AS AN

INACTIVE MEMBER OF THE STATE BAR. YOUR INACTIVE ENROLLMENT WOULD BE IN ADDITION TO ANY DISCIPLINE RECOMMENDED BY THE COURT.

NOTICE - COST ASSESSMENT!

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

Respectfully submitted,

THE STATE BAR OF CALIFORNIA
OFFICE OF CHIEF TRIAL COUNSEL

DATED: 9.9. 2016 By: _____

R. KEVIN BUCHER
Senior Trial Counsel

DECLARATION OF SERVICE

by

U.S. FIRST-CLASS MAIL / U.S. CERTIFIED MAIL / OVERNIGHT DELIVERY / FACSIMILE-ELECTRONIC TRANSMISSION

CASE NUMBER(s): **16-O-10353**

I, the undersigned, am over the age of eighteen (18) years and not a party to the within action, whose business address and place of employment is the State Bar of California, 845 South Figueroa Street, Los Angeles, California 90017-2515, declare that:

- on the date shown below, I caused to be served a true copy of the within document described as follows:

NOTICE OF DISCIPLINARY CHARGES

☐ **By U.S. First-Class Mail: (CCP §§ 1013 and 1013(a))**

☒ **By U.S. Certified Mail: (CCP §§ 1013 and 1013(a))**

- in accordance with the practice of the State Bar of California for collection and processing of mail, I deposited or placed for collection and mailing in the City and County
- of Los Angeles.

☐ **By Overnight Delivery: (CCP §§ 1013(c) and 1013(d))**

- I am readily familiar with the State Bar of California's practice for collection and processing of correspondence for overnight delivery by the United Parcel Service ('UPS').

☐ **By Fax Transmission: (CCP §§ 1013(e) and 1013(f))**

Based on agreement of the parties to accept service by fax transmission, I faxed the documents to the persons at the fax numbers listed herein below. No error was reported by the fax machine that I used. The original record of the fax transmission is retained on file and available upon request.

☐ **By Electronic Service: (CCP § 1010.6)**

Based on a court order or an agreement of the parties to accept service by electronic transmission, I caused the documents to be sent to the person(s) at the electronic addresses listed herein below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

☐ *(for U.S. First-Class Mail)* in a sealed envelope placed for collection and mailing at Los Angeles, addressed to: *(see below)*

☒ *(for Certified Mail)* in a sealed envelope placed for collection and mailing as certified mail, return receipt requested,
Article No.: 9414 7266 9904 2010 0632 61 at Los Angeles, addressed to: *(see below)*

☐ *(for Overnight Delivery)* together with a copy of this declaration, in an envelope, or package designated by UPS,
Tracking No.: addressed to: *(see below)*

Person Served	Business-Residential Address	Fax Number	
Cody Jay Brownstein	Law Offices of Cody J. Brownstein 8726 S. Sepulveda Blvd., Ste. D #289 Los Angeles, CA 90045	Electronic Address	

I am readily familiar with the State Bar of California's practice for collection and processing of correspondence for mailing with the United States Postal Service, and overnight delivery by the United Parcel Service ('UPS'). In the ordinary course of the State Bar of California's practice, correspondence collected and processed by the State Bar of California would be deposited with the United States Postal Service that same day, and for overnight delivery, deposited with delivery fees paid or provided for, with UPS that same day.

I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date on the envelope or package is more than one day after date of deposit for mailing contained in the affidavit.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed at Los Angeles, California, on the date shown below.

DATED: September 9, 2016

SIGNED: Sandra Reynolds
Sandra Reynolds
Declarant