
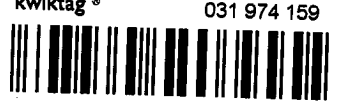


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| Counsel for the State Bar STATE BAR OF CALIFORNIA OFFICE OF THE CHIEF TRIAL COUNSEL CHARLES A. MURRAY, No. 146069 1149 S. HILL STREET LOS ANGELES CA 90015-2299 | Case number(s) 96-0-02896 96-0-02897 96-0-04513 96-0-04580 96-0-06314 96-0-08416 97-0-10248 97-0-11270 97-0-13160 97-0-13782 97-0-13923 97-0-14505 97-0-16780 | (for Court's use) <div style="text-align: center;"> PUBLIC MATTER FILED  MAR 26 2001 STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO </div> |
| Counsel for Respondent ROMAN SILBERFELD ROBINS, KAPLAN, et. al. 2049 CENTURY PARK EAST, #3700 LOS ANGELES, CA 90067-0130 | Submitted to <input type="checkbox"/> assigned judge <input checked="" type="checkbox"/> settlement judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING ACTUAL SUSPENSION <input checked="" type="checkbox"/> PREVIOUS STIPULATION REJECTED | |
| In the Matter of JOSEPH WALCH Bar # 56192 A Member of the State Bar of California (Respondent) | kwiktag® 031 974 159  | |

A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted June 29, 1973
 (date)
- (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 and order consist of 32 pages.
- (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."
- (6) 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.
- (7) 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 284, Rules of Procedure.
 - costs to be paid in equal amounts prior to February 1 for the following membership years:
2002, 2003, 2004 and 2005.
 (hardship, special circumstances or other good cause per rule 284, Rules of Procedure)
 - costs waived in part as set forth under "Partial Waiver of Costs"
 - costs entirely waived

Note: All information required by this form and any additional information which cannot be provided in the space provided, shall be set forth in the text component of this stipulation under specific headings, i.e. "Facts," "Dismissals," "Conclusions of Law."

B. Aggravating Circumstances (definition, see Standards for Attorney Actions for Professional Misconduct, standard 1.2(b).) Facts supporting aggravating circumstances are required.

- (1) Prior record of discipline [see standard 1.2(f)]
- (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 or under "Prior Discipline".
- (2) Dishonesty: Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
- (3) 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.
- (4) Harm: Respondent's misconduct harmed significantly a client, the public or the administration of justice.
- (5) Indifference: Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
- (6) Lack of Cooperation: Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.
- (7) Multiple/Pattern of Misconduct: Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct.
- (8) No aggravating circumstances are involved.

Additional aggravating circumstances:

See attached page 29.

C. Mitigating Circumstances [see standard 1.2(e).] 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 deemed serious.~~
- (2) No Harm: Respondent did not harm the client or person who was the object of the misconduct.
- (3) Candor/Cooperation: Respondent displayed spontaneous candor and cooperation to the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings.
- (4) Remorse: Respondent promptly took objective steps spontaneously demonstrating 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 in good faith.
- (8) Emotional/Physical Difficulties: At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical 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 Respondent no longer suffers from such difficulties or disabilities.~~
- (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 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.

Additional mitigating circumstances:

See attached pages 29 & 30.

D. Discipline

1. Stayed Suspension.

A. Respondent shall be suspended from the practice of law for a period of five (5) years.

- i. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct
- ii. and until Respondent pays restitution to _____ [payee(s)] (or the Client Security Fund, if appropriate), in the amount of _____, plus 10% per annum accruing from _____, and provides proof thereof to the Probation Unit, Office of the Chief Trial Counsel
- iii. and until Respondent does the following: _____

B. The above-referenced suspension shall be stayed.

2. Probation.

Respondent shall be placed on probation for a period of five (5) years, which shall commence upon the effective date of the Supreme Court order herein. (See rule 953, California Rules of Court.)

3. Actual Suspension.

A. Respondent shall be actually suspended from the practice of law in the State of California for a period of eighteen (18) months

- i. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct
- ii. and until Respondent pays restitution to _____ [payee(s)] (or the Client Security Fund, if appropriate), in the amount of _____, plus 10% per annum accruing from _____, and provides proof thereof to the Probation Unit, Office of the Chief Trial Counsel
- 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 shall remain actually suspended until he/she proves to the State Bar Court his/her rehabilitation, fitness to practice, and learning and ability in general law, pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.
- (2) During the probation period, Respondent shall comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3) Within ten (10) days of any change, Respondent shall report to the Membership Records Office of the State Bar and to the Probation Unit, 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) Respondent shall submit written quarterly reports to the Probation Unit on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, respondent shall 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, the first report would cover less than 30 days, that report shall 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.

- (5) Respondent shall be assigned a probation monitor. Respondent shall 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 shall furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Probation Unit. Respondent shall cooperate fully with the probation monitor.
- (6) Subject to assertion of applicable privileges, Respondent shall answer fully, promptly and truthfully any inquiries of the Probation Unit of the Office of the Chief Trial Counsel 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.
- (7) Within one (1) year of the effective date of the discipline herein, respondent shall provide to the Probation Unit 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.
- (8) Respondent shall comply with all conditions of probation imposed in the underlying criminal matter and shall so declare under penalty of perjury in conjunction with any quarterly report to be filed with the Probation Unit.
- (9) The following conditions are attached hereto and incorporated:
 - Substance Abuse Conditions Law Office Management Conditions
 - Medical Conditions Financial Conditions
- (10) Other conditions negotiated by the parties:
- Multistate Professional Responsibility Examination: Respondent shall provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National Conference of Bar Examiners, to the Probation Unit of the Office of the Chief Trial Counsel 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 951(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.
 - No MPRE recommended.
- Rule 955, California Rules of Court: Respondent shall comply with the provisions of subdivisions (a) and (c) of rule 955, California Rules of Court, within 30 and 40 days, respectively, from the effective date of the Supreme Court order herein.
 - Conditional Rule 955, California Rules of Court: If Respondent remains actually suspended for 90 days or more, he/she shall comply with the provisions of subdivisions (a) and (c) of rule 955, California Rules of Court, within 120 and 130 days, respectively, from the effective date of the Supreme Court order herein.
 - Credit for Interim Suspension [conviction referral cases only]: Respondent shall be credited for the period of his/her interim suspension toward the stipulated period of actual suspension.

In the Matter of

JOSEPH WALCH

Case Number(s):

A Member of the State Bar

56192

96-0-02896

Medical Conditions

- a. Respondent shall obtain psychiatric or psychological help/ treatment from a duly licensed psychiatrist, psychologist, or clinical social worker at respondent's own expense a minimum of _____ times per month and shall furnish evidence to the Probation Unit that respondent is so complying with each quarterly report. Help/treatment should commence immediately, and in any event, no later than thirty (30) days after the effective date of the discipline in this matter. Treatment shall continue for ____ days or ____ months or ____ years or, the period of probation or until a motion to modify this condition is granted and that ruling becomes final.

If the treating psychiatrist, psychologist, or clinical social worker determines that there has been a substantial change in respondent's condition, respondent or Office of the Chief Trial Counsel may file a motion for modification of this condition with the Hearing Department of the State Bar Court, pursuant to rule 550 of the Rules of Procedure of the State Bar. The motion must be supported by a written statement from the psychiatrist, psychologist, or clinical social worker, by affidavit or under penalty of perjury, in support of the proposed modification.

- b. Upon the request of the Probation Unit, respondent shall provide the Probation Unit with medical waivers and access to all of respondent's medical records. Revocation of any medical waiver is a violation of this condition. Any medical records obtained by the Probation Unit shall be confidential and no information concerning them or their contents shall be given anyone except members of the Office of the Chief Trial Counsel, including the Probation Unit, and the State Bar Court, who are directly involved with maintaining, enforcing or adjudicating this condition.

In the Matter of

JOSEPH WALCH

Case Number(s):

96.0.02896

A Member of the State Bar

56192

Financial Conditions

- a. Respondent shall pay restitution to _____ [payee(s)] (or the Client Security Fund, if appropriate), in the amount(s) of _____, plus 10% interest per annum accruing from _____, and provide proof thereof to the Probation Unit, Office of the Chief Trial Counsel,
- no later than _____
- or
- on the payment schedule set forth on the attachment under "Financial Conditions, Restitution."
- b. 1. If respondent possesses client funds at any time during the period covered by a required quarterly report, respondent shall file with each required report a certificate from respondent and/or a certified public accountant or other financial professional approved by the Probation Unit, certifying that:
- a. 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";
- 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 Probation Unit 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.
- c. Within one (1) year of the effective date of the discipline herein, respondent shall supply to the Probation Unit 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.

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| In the Matter of | JOSEPH WALCH | Case Number(s): |
| A Member of the State Bar | 56192 | 96.0.02896 96.0.06314 |

Financial Conditions

- a. Respondent shall pay restitution to BRUCE MASTERS [payee(s)] (or the Client Security Fund, if appropriate), in the amount(s) of \$ 5,142.00, plus 10% interest per annum accruing from July 31, 1995, and provide proof thereof to the Probation Unit, Office of the Chief Trial Counsel,
- no later than _____
- or
- on the payment schedule set forth on the attachment under "Financial Conditions, Restitution."
- b. 1. If respondent possesses client funds at any time during the period covered by a required quarterly report, respondent shall file with each required report a certificate from respondent and/or a certified public accountant or other financial professional approved by the Probation Unit, certifying that:
- a. 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";
 - 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 Probation Unit 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.
- c. Within one (1) year of the effective date of the discipline herein, respondent shall supply to the Probation Unit 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.

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| In the Matter of | JOSEPH WALCH | Case Number(s): |
| A Member of the State Bar | 56192 | 96-0-02896 96-0-08416 |

Financial Conditions

- a. Respondent shall pay restitution to RENE GONZALEZ [payee(s)] (or the Client Security Fund, if appropriate), in the amount(s) of \$ 4,367.25, plus 10% interest per annum accruing from AUGUST 31, 1995, and provide proof thereof to the Probation Unit, Office of the Chief Trial Counsel,
- no later than _____
- or
- on the payment schedule set forth on the attachment under "Financial Conditions, Restitution."
- b. 1. If respondent possesses client funds at any time during the period covered by a required quarterly report, respondent shall file with each required report a certificate from respondent and/or a certified public accountant or other financial professional approved by the Probation Unit, certifying that:
- a. 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";
 - 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 Probation Unit 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.
- c. Within one (1) year of the effective date of the discipline herein, respondent shall supply to the Probation Unit 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.

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| In the Matter of | JOSEPH WALCH | Case Number(s): |
| A Member of the State Bar | 56192 | 96-0-02896 97-0-13782 |

Financial Conditions

- a. Respondent shall pay restitution to BABE WAGNER [payee(s)] (or the Client Security Fund, if appropriate), in the amount(s) of \$ 13,333.33, plus 10% interest per annum accruing from MARCH 29, 1996, and provide proof thereof to the Probation Unit, Office of the Chief Trial Counsel,
- no later than _____
- or
- on the payment schedule set forth on the attachment under "Financial Conditions, Restitution."
- b. 1. If respondent possesses client funds at any time during the period covered by a required quarterly report, respondent shall file with each required report a certificate from respondent and/or a certified public accountant or other financial professional approved by the Probation Unit, certifying that:
- a. 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";
 - 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 Probation Unit 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.
- c. Within one (1) year of the effective date of the discipline herein, respondent shall supply to the Probation Unit 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.

(Financial Conditions form approved by SBC Executive Committee 10/16/00)

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| In the Matter of | JOSEPH WALCH | Case Number(s): |
| A Member of the State Bar | 56192 | 96-0-02896 97-0-13923 |

Financial Conditions

- a. Respondent shall pay restitution to LUPE CONTRERAS [payee(s)] (or the Client Security Fund, if appropriate), in the amount(s) of \$ 3,725.00, plus 10% interest per annum accruing from September 28, 1994, and provide proof thereof to the Probation Unit, Office of the Chief Trial Counsel,
- no later than _____
- ~~or~~
 on the payment schedule set forth on the attachment under "Financial Conditions, Restitution."
- b. 1. If respondent possesses client funds at any time during the period covered by a required quarterly report, respondent shall file with each required report a certificate from respondent and/or a certified public accountant or other financial professional approved by the Probation Unit, certifying that:
- a. 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";
 - 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 Probation Unit 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.
- c. Within one (1) year of the effective date of the discipline herein, respondent shall supply to the Probation Unit 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.

In the Matter of

JOSEPH WALCH

Case Number(s):

96.0.02896

A Member of the State Bar

56192

97.0.14505

Financial Conditions

- a. Respondent shall pay restitution to Leonara Parra [payee(s)] (or the Client Security Fund, if appropriate), in the amount(s) of \$ 570.00, plus 10% interest per annum accruing from June 30, 1996, and provide proof thereof to the Probation Unit, Office of the Chief Trial Counsel,
- no later than _____
- or
- on the payment schedule set forth on the attachment under "Financial Conditions, Restitution."
- b. 1. If respondent possesses client funds at any time during the period covered by a required quarterly report, respondent shall file with each required report a certificate from respondent and/or a certified public accountant or other financial professional approved by the Probation Unit, 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";
 - respondent has kept and maintained the following:
 - a written ledger for each client on whose behalf funds are held that sets forth:
 - the name of such client;
 - the date, amount and source of all funds received on behalf of such client;
 - the date, amount, payee and purpose of each disbursement made on behalf of such client; and,
 - the current balance for such client.
 - a written journal for each client trust fund account that sets forth:
 - the name of such account;
 - the date, amount and client affected by each debit and credit; and,
 - the current balance in such account.
 - all bank statements and cancelled checks for each client trust account; and,
 - 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.
 - respondent has maintained a written journal of securities or other properties held for clients that specifies:
 - each item of security and property held;
 - the person on whose behalf the security or property is held;
 - the date of receipt of the security or property;
 - the date of distribution of the security or property; and,
 - 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 Probation Unit 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.
- c. Within one (1) year of the effective date of the discipline herein, respondent shall supply to the Probation Unit 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.

(Financial Conditions form approved by SBC Executive Committee 10/16/00)

ATTACHMENT TO
STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: **JOSEPH WALCH** ("Respondent") #56192

CASE NUMBERS:

96-O-02896; 96-O-02897; 96-O-04513; 96-O-04580; 96-O-06314;
96-O-08416; 97-O-10248; 97-O-11270; 97-O-13160; 97-O-13782;
97-O-13923; 97-O-14505; 97-O-16780

PENDING PROCEEDINGS.

The disclosure date referred to, on page one, paragraph A.(6), was March 14, 2001.

COSTS OF DISCIPLINARY PROCEEDINGS:

Respondent acknowledges that the Office of the Chief Trial Counsel has informed Respondent that as of February 1, 2001, the estimated prosecution costs in this matter are approximately \$7,991.05.

Respondent acknowledges that this figure is an estimate only and may not include State Bar Court costs, which will be included in any final cost assessment. Respondent further acknowledges that should this stipulation be rejected, or should relief from this stipulation be granted, the costs in this matter may be increased due to the costs of further litigation.

PARTIES ARE BOUND BY THE STIPULATED FACTS:

The parties intend to be and are hereby bound by the stipulated facts contained in this stipulation. This stipulation as to facts and the facts so stipulated shall independently survive even if the conclusions of law and/or stipulated disposition set forth herein are rejected, modified or changed in any manner whatsoever by the Hearing Department or the Review Department of the State Bar Court, or by the California Supreme Court.

STIPULATION AS TO 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:

FACTS AS TO ALL MATTERS:

During the relevant time periods set forth in the matters described hereinbelow, Respondent was the sole proprietor and the named principal attorney responsible for the Law Offices of Joseph Walch (also sometimes herein "Respondent's office" or "his office").

During all times relevant to the misconduct set forth herein, Respondent was responsible for all matters pertaining to the Law Offices of Joseph Walch,

including the actions of his associates, independent contractors and employees and other such parties (hereinafter sometimes "agents").

Respondent claims to have become seriously ill in 1990, and that his illness prevented him from engaging in the day-to day practice of law through the period of time in which the misconduct occurred, though he did go to his office and work or attempt to work at varying intervals and for varying periods until sometime in 1996. During this time Respondent delegated the operation of his office to his wife, attorney Susanne Walch, who had only been an attorney since June, 1989. Respondent claims to have adequately trained his wife in the discharge of the duties of his practice, however, Respondent admits that he failed to supervise the activities of his wife or of his office during this time. Susanne Walch has since resigned with charges pending. Respondent's misconduct includes but is not limited to that, during all relevant times set forth in the Notice of Disciplinary Charges in this matter, he:

- (a) Did not notify clients that he was away from or not participating in the representation of clients of the Law Office of Joseph Walch;
- (b) Did not change or remove the name on the letterhead or forms of the Law Offices of Joseph Walch;
- (c) Did not supervise or oversee the representation of clients of the Law Offices of Joseph Walch;
- (d) Did not inspect, audit or verify the accounting of the business bank accounts of the Law Offices of Joseph Walch;
- (e) Did not inspect, audit or verify the accounting of the client trust account(s) for himself or the Law Offices of Joseph Walch;
- (f) Did not inspect, audit, or verify the accounting of the receipt, maintenance or distribution and payment of settlement money received on behalf of clients of the Law Offices of Joseph Walch;
- (g) Did not inspect, audit, or verify the accounting of the receipt of fees from clients of the Law Offices of Joseph Walch or earning and taking of client fees by the Law Offices of Joseph Walch.

All of the misconduct set forth immediately above are included in the description below of Respondent's failure to supervise his office. Respondent acknowledges that it was his responsibility to perform the acts which he did not as described in items (a) through (g) above, that these were non-delegable professional and fiduciary duties, and that his commissions and omissions in failing to supervise his office, including client fees, settlements and trust accounts, were reckless and/grossly negligent acts for which Respondent was responsible, whether or not he was an active participant.

In 1997, after receiving numerous complaints from clients of the Law Offices of Joseph Walch, the State Bar brought an action in the Superior Court

of the County of Los Angeles for assumption of jurisdiction over the law practice of Respondent Joseph Walch pursuant to Business and Professions Code, section 6190, et seq. This action was based in part upon the declarations of Lucien Jacobs, M.D., and Roman Silberfeld, Respondent's attorney then and now.

Dr. Jacobs declared that he was a specialist in gastroenerology and the attending physician for Respondent whom he had personally examined. Dr. Jacobs declared that Respondent had been medically diagnosed with a progressively degenerative disease known as Crohn's Disease and that Respondent had been afflicted with symptomology from that disease to such a degree that he had been hospitalized for extended periods of time. Dr. Jacobs declared that Respondent was then physically unable to engage in the regular activities involved in the practice of law.

Attorney Silberfeld declared that he was aware of Respondent's Crohn's Disease and his hospitalization on numerous occasions. Attorney Silberfeld represented that Respondent had informed him of the location of client files and given authorization to enter Respondent's office and retrieve those files.

On April 16, 1997 the Superior Court issued an order for the assumption of Respondent's law practice pursuant to Business and Professions Code, section 6190, et seq.

On July 7, 1997, upon the application of the State Bar which Respondent did not oppose, the State Bar Court issued an order effective July 10, 1997, transferring Respondent Joseph Walch to inactive enrollment under Business and Professions Code, section 6007(b)(2) and Rule 410, et seq., of the Rules of Procedure of the State Bar of California. Respondent has remained on inactive enrollment since that time pursuant to that order.

Case Nos. 96-0-02896 & 96-0-04580

FACTS:

In or about November 1992, Jessica Leigh hired the Law Offices of Joseph Walch to represent her in a personal injury matter. On or about February 1, 1993, Leigh signed a medical lien in favor of Elite Physical Therapy for treatment Leigh had received in conjunction with her injury. The lien also purportedly bore Respondent's signature. On October 1, 1993, a complaint purportedly bearing Respondent's signature was filed on Leigh's behalf in that matter entitled Jessica Heather Leigh v. Richard Stanley Flint, et al., Orange County Superior Court, Case No. 719103.

In or about June 1994, Leigh's claim with the Mercury Insurance Company was settled in the amount of \$15,000.00 without her knowledge or consent. On July 6, 1994, Leigh's name was placed on the settlement draft without her knowledge and the check was deposited in the client trust account no. 9-384774 that Respondent and attorney Susanne Walch maintained at the City National Bank. Said check was executed on behalf of the Law Offices of Joseph Walch. Leigh was not notified by Respondent nor anyone from Respondent's office that settlement funds had been received on

her behalf. On September 7, 1994, a Request for Dismissal purportedly bearing Respondent's signature was filed in the above entitled action as to Defendant Richard Flint.

In or about November 1994, Leigh's claim with 20th Century Insurance Company was settled in the amount of \$15,000 without her knowledge or consent. On November 10, 1994, Leigh's name was placed on the settlement draft without her knowledge and the funds were deposited in the client trust account no. 9-384774 that Respondent and attorney Susanne Walch maintained at the City National Bank. Said check was purportedly executed by Respondent on behalf of the Law Offices of Joseph Walch. Leigh was not notified by Respondent nor anyone from Respondent's office that settlement funds had been received on her behalf. On January 6, 1995, a Request for Dismissal purportedly bearing the signature of Respondent was filed with prejudice as to the entire action in the above entitled matter.

In January 1995, with no distribution of funds to Jessica Leigh or her medical provider, the balance in the aforementioned client dipped below the amount to which Respondent was entrusted on her behalf.

Subsequent to April 1994, Leigh contacted Respondent's office on numerous occasions in an effort to determine the status of her matter. She left messages for a return call. Neither Respondent nor anyone from Respondent's office responded to her inquiries.

In or about February 1996, Leigh hired new counsel to assist her in determining the status of her claim. Through said counsel, Leigh learned for the first time that her case had been settled over a year previous, that settlement funds had been received by Respondent or Respondent's office on her behalf, and that her medical provider had not been paid.

Subsequent to February 1993 and through 1996, representatives of Leigh's medical provider made periodic inquiries of the Law Offices of Joseph Walch regarding the status of Leigh's claim. Even though Leigh had executed a medical lien in their favor, at no time were they advised that the matter had settled and that funds had been received on Leigh's behalf. In or about June 1996, said provider was notified by Leigh's new counsel that Leigh's matter had been settled but that even she had not received the portion of the settlement funds to which she was entitled.

In or about January 1997, Leigh received her funds through the State Bar Client Security Fund.

CONCLUSIONS OF LAW:

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in the settling of Leigh's claims with the Mercury Insurance Company and the 20th Century Insurance Company without her knowledge and consent, Respondent engaged in acts involving moral turpitude as set forth in Business and Professions Code section 6106.

Respondent wilfully violated Business and Professions Code, section 6106, by committing an act involving moral turpitude, dishonesty or corruption.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in the failure to notify Leigh that settlement funds were received on her behalf from Mercury Insurance and 20th Century Insurance carriers, Respondent acted in wilful violation of rule 4-100(B)(1) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 4-100(B)(1), by failing to notify a client promptly of the receipt of the client's funds, securities, or other properties.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in the execution of Leigh's name on settlement checks made payable to her and depositing same without her knowledge and consent, Respondent engaged in acts involving moral turpitude as set forth in business and Professions Code section 6106. Respondent wilfully violated Business and Professions Code, section 6106, by committing an act involving moral turpitude, dishonesty or corruption.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in the balance in his client trust account dipping below the amount to which he was entrusted on behalf of Leigh, Respondent misappropriated client funds, an act involving moral turpitude as set forth in Business and Professions Code section 6106. Respondent wilfully violated Business and Professions Code, section 6106, by committing an act involving moral turpitude, dishonesty or corruption.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to notify Leigh of significant events that were occurring in conjunction with her matter and by failing to respond to her specific inquiries regarding the status of her case, Respondent acted in wilful violation of section 6068(m) of the Business and Professions Code. Respondent wilfully violated Business and Professions Code, section 6068(m), by failing to respond promptly to reasonable status inquiries of a client, and by failing to keep a client reasonably informed of significant developments in a matter in which Respondent had agreed to provide legal services.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to pay Leigh's medical provider after executing a lien requiring him to do so, Respondent acted in wilful violation of rule 4-100(B)(4) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 4-100(B)(4), by failing to pay promptly, as requested by a client, funds in Respondent's possession which the client is entitled to receive.

Case No. 96-0-02897

FACTS:

In or about December 1992, Julia Meijer hired the Law Offices of

Joseph Walch to represent her in a personal injury matter. During the representation, Meijer interacted principally with attorney Susanne Walch, Respondent's wife, who received permission from Meijer in November 1994 to settle her matter in the amount of \$10,500.

On or about November 9, 1994, a settlement draft in the aforementioned amount was sent to Meijer in care of the Law Offices of Joseph Walch. Over what was purportedly Respondent's signature, the check was deposited into the joint client trust account #009-384-774 maintained by Respondent and attorney Susanne Walch at the City National Bank.

Thereafter, in January 1995, one of Meijer's medical providers was sent a check in the amount of \$2,287 however, Meijer and her other provider were not sent their share of the settlement proceeds until August 1995 and only after the balance in the client trust account had dipped below the amount to which Respondent was entrusted on behalf of Meijer.

CONCLUSIONS OF LAW:

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting a failure to pay Meijer and her medical provider, that portion of the settlement funds to which they were entitled for nine months after the receipt of Meijer's settlement funds, Respondent failed to promptly pay out client funds in wilful violation of rule 4-100(B)(4) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 4-100(B)(4), by failing to pay promptly, as requested by a client, funds in Respondent's possession which the client is entitled to receive.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in the balance in his client trust account dipping below the amount to which he was entrusted on behalf of Meijer, Respondent misappropriated client funds, an act involving moral turpitude, as set forth in Business and Professions Code section 6106. Respondent wilfully violated Business and Professions Code, section 6106, by committing an act involving moral turpitude, dishonesty or corruption.

Case No. 96-0-4513

FACTS:

In or about April 1995, Cinthya Gutierrez hired the Law Offices of Joseph Walch to represent her in a personal injury matter.

In or about February 1996, Gutierrez' matter was settled in the amount of \$15,000. On February 15, 1995, over what was purportedly Respondent's signature, Gutierrez' funds were deposited into the client trust account no. 009-384774 that Respondent maintained at the City National Bank.

On February 29, 1996, with no funds having been distributed to Gutierrez or her medical providers, the balance in said client trust account

dropped to \$809.34, an amount below the amount to which Respondent was entrusted on behalf of Gutierrez.

Subsequent to February 1996, neither Gutierrez nor her medical providers received any part of the settlement monies that Respondent or Respondent's office had received on her behalf. Gutierrez attempted to contact Respondent on numerous occasions concerning the distribution of her funds, each time leaving a request for a return call. Neither Respondent nor anyone from his office responded to her inquiries.

CONCLUSIONS OF LAW:

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to maintain in trust, prior to distribution, those funds to which he had been entrusted on behalf of Cinthya Gutierrez, Respondent engaged in misappropriation, an act involving moral turpitude as set forth in Business and Professions Code section 6106. Respondent wilfully violated Business and Professions Code, section 6106, by committing an act involving moral turpitude, dishonesty or corruption.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to pay to Ms. Gutierrez and her medical providers, those portions of the settlement funds to which they were entitled, Respondent engaged in wilful violation of rule 4-100(B)(4) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 4-100(B)(4), by failing to pay promptly, as requested by a client, funds in Respondent's possession which the client is entitled to receive.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to communicate with Ms. Gutierrez and respond to her inquiries concerning the disposition of her funds, Respondent engaged in wilful violation of section 6068(m) of the Business and Professions Code. Respondent wilfully violated Business and Professions Code, section 6068(m), by failing to respond promptly to reasonable status inquiries of a client.

Case No. 96-0-06314

FACTS:

In or about June 1994, Bruce Masters hired the Law Offices of Joseph Walch to represent him in a personal injury matter. In or about June 1995, Masters matter settled in the amount of \$15,000 and on July 31, 1995, that amount was deposited by Respondent or someone from Respondent's office into the client trust account no. 009384774 that he maintained at City National Bank.

On or about August 16, 1995, check no.1715 was issued in the name of Respondent on said account in the amount of \$4,970.57 as partial fees on the Masters matter. Thereafter, with no other funds being distributed to or on

behalf of Masters, the amount in said client trust account fell to \$3,132.48, an amount below the \$10,029.43 he was required to maintain in trust on Masters behalf prior to further distribution of same.

On October 5, 1995 a distribution sheet was presented to Masters reflecting that a total of \$5,142 in funds would be paid to Masters' various medical providers and that Masters would receive \$4,400.07. On or about October 12, 1995, Masters received his share of the settlement funds.

Thereafter, in or about April 1996, Masters began receiving notifications from his medical providers that their medical liens had not been honored. Between April and December 1996, Masters called Respondent's office on numerous occasions, leaving messages for a return call, in an effort to clarify why his liens had not been paid. In December 1996, Masters died. Thereafter, his medical providers pursued Masters wife and collected the sums that Respondent had not paid.

CONCLUSIONS OF LAW:

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to maintain client funds in trust prior to distribution of same and by allowing his account to dip below the amount to which he was entrusted on Masters' behalf, Respondent engaged in misappropriation of client funds, an act involving moral turpitude as set forth in Business and Professions Code section 6106. Respondent wilfully violated Business and Professions Code, section 6106, by committing an act involving moral turpitude, dishonesty or corruption.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to pay Masters' medical providers after retaining the funds from Masters' settlement with which to do so, Respondent failed to promptly pay out client funds in wilful violation of rule 4-100(B)(4) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 4-100(B)(4), by failing to pay promptly, as requested by a client, funds in Respondent's possession which the client is entitled to receive.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to communicate with Masters and respond to his inquiries concerning the payment of his medical liens, Respondent acted in wilful violation of section 6068(m) of the Business and Professions Code. Respondent wilfully violated Business and Professions Code, section 6068(m), by failing to respond promptly to reasonable status inquiries of a client.

Case No. 96-0-08416

FACTS:

In or about May 1994, Rene Gonzalez hired the Law Offices of Joseph Walch to represent him in a personal injury matter. On July 11, 1994, a

complaint purportedly bearing Respondent's signature was filed on Gonzalez behalf in that matter entitled Gonzalez v. Baker, Los Angeles County Superior Court, Case No. BC108462.

Gonzalez received treatment from three medical providers, Roxsan Radiology, Dr. Field and Citizen Medical Group. A medical lien purportedly bearing Respondent's signature was executed in favor of Roxsan Radiology in August 1994.

In or about August 1995, Gonzalez' matter settled in the amount of \$14,900 and on August 31, 1995, Respondent or someone from Respondent's office deposited Gonzalez' funds in the client trust account no. 95-3625590 which he maintained at the City National Bank. On September 1, 1995, Respondent or someone from his office withdrew the sum of \$3,200 as partial fees in the Gonzalez matter. Thereafter, no funds having been distributed to Gonzalez or his medical providers on his behalf, the balance in the account dropped below the amount Respondent was obligated to hold in trust for Gonzalez on September 18, 1995.

On or about October 6, 1995, Respondent or someone from Respondent's office paid Rene Gonzalez the sum of \$5,566.08 as his share of the proceeds in the above entitled matter. Thereafter, Respondent failed to honor the medical lien he and Gonzalez had executed in favor of Roxsan Radiology or provide an accounting Gonzalez as to the disposition of the remaining funds he received on Gonzalez' behalf.

In November 1995, Gonzalez hired Respondent's office to represent him in a second personal injury matter. Thereafter, Gonzalez made numerous telephone calls to Respondent requesting a status update on this new matter. Each time Gonzalez left a message requesting a return call. Neither Respondent nor anyone from his office responded to Gonzalez's inquiries or otherwise advised him of the status of his matter with the result that Gonzalez hired new counsel to represent him. Thereafter, Gonzalez new counsel requested that Respondent turn over Gonzalez file. Neither Respondent nor anyone from his office complied with said counsel's request.

CONCLUSIONS OF LAW:

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in the balance in his client trust account falling below the amount he was obligated to hold in trust on behalf of Rene Gonzalez, Respondent engaged in misappropriation, an act involving moral turpitude as set forth in Business and Professions Code section 6106. Respondent wilfully violated Business and Professions Code, section 6106, by committing an act involving moral turpitude, dishonesty or corruption.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to honor the medical lien he had executed in favor of Gonzalez medical provider, Roxsan Radiology, Respondent acted in wilful violation of rule 4-100(B)(4) of the Rules of

Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 4-100(B)(4), by failing to pay promptly, as requested by a client, funds in Respondent's possession which the client is entitled to receive.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to provide Gonzalez with an accounting of the settlement funds he had received on Gonzalez' behalf, Respondent acted in wilful violation of rule 4-100(B)(3) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 4-100(B)(3), by failing to render appropriate accounts to a client regarding funds of the client coming into Respondent's possession.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to release Gonzalez file after being requested to do so, Respondent acted in wilful violation of rule 3-700(D)(1) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 3-700(D)(1), by failing to release promptly, upon termination of employment, to the client, at the request of the client, all the client papers and property.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to respond to Gonzalez inquiries regarding the status of his matter, Respondent acted in wilful violation of section 6068(m) of the Business and Professions Code. Respondent wilfully violated Business and Professions Code, section 6068(m), by failing to respond promptly to reasonable status inquiries of a client.

Case No. 97-0-10248

FACTS:

In or about September 1995, Alfonso Dailey hired the Law Offices of Joseph Walch to represent him in a personal injury matter. Subsequent to September 1995, Respondent or someone from Respondent's office wrote several letters on Dailey's behalf and in September 1996, filed a complaint on Dailey's behalf in that matter entitled Alphonse Dailey v. Kelly Lorene McFall, San Bernardino County Superior Court, Case No. RCV23840.

Subsequent to September 1996, Dailey heard nothing more from Respondent or anyone from Respondent's office and went to Respondent's office to determine the disposition of his matter. Upon arriving at Respondent's office, Dailey found that Respondent's office had closed without notification to Dailey.

In February 26, 1997, the San Bernardino County Superior Court noticed Respondent that the aforementioned matter had been set for an Order to Show Cause for failure to complete service. Respondent was served with said notice at the address that he or someone from his office had provided the court as his address of record. The matter was noticed for March 28, 1997. Neither Respondent nor anyone from his office appeared for said hearing and Dailey's matter was dismissed. Thereafter, neither Respondent nor anyone

from his office notified Dailey of this event.

CONCLUSIONS OF LAW:

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to perform the services for which he was hired by Alfonso Dailey, Respondent acted in wilful violation of rule 3-110(A) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 3-110(A), by intentionally, recklessly, or repeatedly failing to perform legal services with competence.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in the closing of his office and the failure to notify his client Dailey of his whereabouts, and resulting effectively in Respondent withdrawal from employment without taking reasonable steps to avoid reasonably foreseeable prejudice to his client in wilful violation of rule 3-700(A)(2) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 3-700(A)(2), by improperly withdrawing from representation of his client.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to communicate to Dailey that he had closed his office and that Dailey needed to find substitute counsel to represent him and by failing to notify Dailey of significant events happening in conjunction with his matter, Respondent acted in wilful violation of section 6068(m) of the Business and Professions Code. Respondent wilfully violated Business and Professions Code, section 6068(m), by failing to respond promptly to reasonable status inquiries of a client, and by failing to keep a client reasonably informed of significant developments in a matter in which Respondent had agreed to provide legal services.

Case No. 97-0-11270

FACTS:

In or about 1994, Michael Foss hired the Law Offices of Joseph Walch to represent him in a slip and fall matter. On or about October 1, 1994, a complaint purportedly bearing Respondent's signature was filed on Foss's behalf in that matter entitled Foss v. Longfellow, San Bernardino County Superior Court, Case No. VCV 007053. Foss signed medical liens in favor of three of the medical providers who treated Foss in conjunction with the accident. Those medical liens were purportedly signed by Respondent.

In August 1996, Foss agreed to settle his matter for \$11,000. He was told by Respondent or someone from Respondent's office that he would receive his funds in six weeks.

On August 30, 1996, Respondent or someone from Respondent's office deposited Foss's settlement draft into the client trust account no. 16648-07184 that he maintained at the Bank of America. Between August 21, 1996 and August 30, 1996, the balance in said account was a negative \$3,833.36

causing the balance in said account to be \$7,166.64 upon the deposit of Foss's check. Thereafter, between September 3, 1996 and September 10, 1996, with no distribution of funds to Foss or his medical providers, attorney Susanne Walch, Respondent's wife, withdrew \$6,538 from said account in fees, causing the account balance to dip below the amount entrusted to Respondent on behalf of Foss.

On October 25, 1996, Respondent or someone from Respondent's office filed a request for dismissal in Foss's matter. In or about November 1996, as Foss had not received his share of the settlement funds, he began contacting Respondent's office by telephone, leaving a message for a return call. Neither Respondent nor anyone from Respondent's office returned Foss's calls or otherwise responded to Foss's inquiries with the result that Foss contacted the opposing counsel and obtained the information that Foss's funds had been sent to Respondent at Respondent's office in August 1996 and had been deposited. Thereafter, Foss was unsuccessful in securing his funds or securing payment to his medical providers.

CONCLUSIONS OF LAW:

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to properly supervise the administration of his client trust account and a failure to properly maintain in trust, client funds to which he had been entrusted, Respondent acted in wilful violation of rule 4-100(A) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 4-100(A), by failing to maintain the balance of funds received for the benefit of a client and deposited in a bank account labeled "Trust Account," "Client's Funds Account" or words of similar import.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to respond to Foss's inquiries concerning the distribution of his funds, Respondent acted in wilful violation of section 6068(m) of the Business and Professions Code. Respondent wilfully violated Business and Professions Code, section 6068(m), by failing to respond promptly to reasonable status inquiries of a client.

Case No. 97-0-13160

FACTS:

On or about January 27, 1996, Jeffrey and Teri Garcia hired the Law Offices of Joseph Walch to represent them in a personal injury matter. The parties met with and discussed their case with attorney Susanne Walch, wife of Joseph Walch. Susanne Walch informed the Garcias that Joseph Walch would be their attorney. Although the parties witnessed a person they thought to be Joseph Walch in the office on several occasions, they had no contact with him and observed Susanne Walch signing Joseph's name to documents pertinent to their case, including medical liens.

Subsequent to January 1996, the Garcias had frequent contact with

Susanne Walch through January 1997 when they were no longer able to reach her and she failed to return their calls and answer their letters. Thereafter, in May 1997, they learned that an untimely complaint had been filed in their personal injury matter on January 28, 1997 purportedly bearing Respondent's signature and indicating that he was their attorney of record.

Subsequent to May 1997, their efforts to reach Respondent by any means were unsuccessful.

CONCLUSIONS OF LAW:

By failing to supervise the activities occurring in a law firm bearing his name with the result that court documents were filed reflecting him as attorney of record in client matters of which he had no knowledge, Respondent acted in wilful violation of rule 3-110(A) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 3-110(A), by intentionally, recklessly, or repeatedly failing to perform legal services with competence, as follows: allowing his staff to file court documents bearing his name of which he had no knowledge.

By failing to respond to the inquiries of the Garcias regarding the status of their matter, Respondent acted in wilful violation of section 6068(m) of the Business and Professions Code. Respondent wilfully violated Business and Professions Code, section 6068(m), by failing to respond promptly to reasonable status inquiries of a client.

Case No. 97-0-13782

FACTS:

In or about July 1994, Babe Wagner hired the Law Offices of Joseph Walch to represent her in a personal injury matter. On October 31, 1994, a complaint on her behalf purportedly signed by Respondent was filed in that matter entitled Wagner v. Western Realty, et al., Los Angeles County Superior Court, Case No. VC17509. Between October 1994 and March 1996, attorney Susanne Walch made appearances on Wagner's behalf. In or about March 1996, a settlement was reached by all parties whereby Wagner was to receive the sum of \$19,700. On April 1, 1996, attorney Susanne Walch filed a Request for Dismissal of Wagner's entire action with prejudice.

On or about March 15, 1996, attorney Susanne Walch received a check on behalf of Wagner from Fireman's Fund Insurance Co. in the amount of \$19,700. On or about March 29, 1996, the check was deposited by said attorney into the client trust account no. 009-384774 that Respondent and attorney Susanne Walch maintained at the City National Bank.

Subsequent to March 29, 1996, all funds in the account were withdrawn over Respondent's signature and no distribution of settlement funds were made to Wagner or to anyone on her behalf. Effective May 1, 1996 and through February 28, 1997, when the account was closed by the bank, the account held a negative balance.

Subsequent to March 1996, Wagner made numerous telephone calls to Respondent's office to inquire as to the disposition of her funds. Each time she requested a return call. Neither Respondent nor anyone from his office returned her calls or otherwise respond to her inquiries.

CONCLUSIONS OF LAW:

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to maintain Wagner's funds in trust prior to distribution of same to her and by misappropriating her funds, Respondent engaged in an act involving moral turpitude as set forth in Business and Professions Code section 6106. Respondent wilfully violated Business and Professions Code, section 6106, by committing an act involving moral turpitude, dishonesty or corruption, as follows: failure to maintain client funds in trust.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to communicate with Wagner and respond to her inquiries, Respondent acted in wilful violation of section 6068(m) of the Business and Professions Code. Respondent wilfully violated Business and Professions Code, section 6068(m), by failing to respond promptly to reasonable status inquiries of a client.

Case No. 97-0-13923

FACTS:

In or about November 1991, Lupe Contreras hired the Law Offices of Joseph Walch to represent her in a personal injury matter. In September 1994, Contreras' matter was settled in the amount of \$27,500. On September 28, 1994, Respondent or someone from Respondent's office deposited Contreras' funds into the client trust account no. 009-384774 which he maintained at the City National Bank.

On or about December 10, 1994, Contreras executed a settlement statement authorizing Respondent to retain the amount of \$1,725 to pay her medical providers and authorizing him to take \$11,000 as his fees and \$789.43 in cost reimbursement. Thereafter, Contreras received \$13,985.57 as her share of the settlement proceeds from Respondent or someone from Respondent's office on December 21, 1994.

Subsequent to September 28, 1994, and prior to any distributions being made to Contreras, the balance in the client trust account into which Respondent or someone from his office had deposited Contreras' funds dipped to an amount below which he was authorized to maintain on her behalf. Specifically the account dipped below the required amount from October 27, 1994 through November 9, 1994 and from November 14, 1994 through November 22, 1994.

In or about June 1997, Contreras was contacted by one of her medical providers, Dr. Eric Sabety and advised that he had never received payment

from Respondent or anyone from his office for the medical services rendered to her in conjunction with her accident even though funds were withheld from Contreras' settlement for that purpose. Thereafter, Contreras' efforts to contact Respondent regarding the matter were unsuccessful.

CONCLUSIONS OF LAW:

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to maintain client funds in trust prior to distribution of same, Respondent engaged in the misappropriation of client funds, an act involving moral turpitude as set forth in Business and Professions Code section 6106. Respondent wilfully violated Business and Professions Code, section 6106, by committing an act involving moral turpitude, dishonesty or corruption, as follows: failure to maintain client funds in trust.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in the withholding of funds from a client's settlement for the purpose of paying medical providers and then failing to pay said providers, Respondent acted in wilful violation of rule 4-100(B)(4) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 4-100(B)(4), by failing to pay promptly, as requested by a client, any funds in Respondent's possession which the client is entitled to receive.

Case No. 97-0-14505

FACTS:

In or about June 1996, Leonara Parra hired the Law Offices of Joseph Walch to represent her in a bankruptcy matter. Parra paid Respondent or someone at Respondent's office the sum of \$570 in advanced legal fees and provided Respondent or someone from Respondent's office with the information necessary to file the action on her behalf.

Subsequent to June 1996, neither Respondent nor anyone from Respondent's office filed Parra's bankruptcy with the result that Parra was sued by her creditors. Between June 1996 and May 1997, Parra attempted to reach Respondent by telephone, leaving requests for a return call. Neither Respondent nor anyone from his office returned her calls or respond to her inquiries.

In May 1997, Parra decided to go to Respondent's office since she was unable to reach him by telephone. When she reached Respondent's office, it was obvious that Respondent's office at that location was closed and had been moved without notification to Parra.

CONCLUSIONS OF LAW:

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to perform the services for

which he was retained by Leonara Parra, Respondent acted in wilful violation of rule 3-110(A) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 3-110(A), by intentionally, recklessly, or repeatedly failing to perform legal services with competence.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to communicate with Parra and in a failure to respond to her inquiries concerning the status of her case, Respondent engaged in the wilful violation of section 6068(m) of the Business and Professions Code. Respondent wilfully violated Business and Professions Code, section 6068(m), by failing to respond promptly to reasonable status inquiries of a client.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a termination of his representation without taking reasonable steps to avoid foreseeable prejudice to his client, Respondent acted in wilful violation of rule 3-700(A)(2) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 3-700(A)(2), by failing, upon termination of employment, to take reasonable steps to avoid reasonably foreseeable prejudice to his client.

Case No. 97-0-16780

FACTS:

In or about September 1994, John Morieko hired the Law Offices of Joseph Walch to represent him in a personal injury matter. It was explained to Morieko that Joseph Walch had been ill and that his wife, attorney Susanne Walch would be assisting Morieko in Respondent's absence. Morieko's agreement with Respondent was that Respondent would receive 33 1/3% of any recovery, not including a percentage of the recovery from the property damage portion of the settlement.

In or about July 1996, Morieko's matter settled in the amount of \$20,000 and Respondent or someone from his office received settlement drafts totaling that amount on behalf his behalf. On July 9, 1996, Respondent or someone from his office deposited Morieko's funds into the client trust account no. 16648-07184 that Respondent maintained at the Bank of America. Prior to the deposit of Morieko's funds, the balance in said client trust account was \$282.17.

Subsequent to the deposit of Morieko's funds and through August 21, 1996, no distributions were made to Morieko or on Morieko's behalf. By August 21, 1996, the balance in the aforementioned client trust account was - \$3,833.36.

Subsequent to July 1996, Morieko called and visited the Law Offices of Joseph on numerous occasions in an attempt to secure the distribution of his portion of the settlement funds. On each occasion, he requested that Respondent contact him regarding the disposition of his funds. Neither Respondent nor anyone from his office returned Morieko's calls or otherwise

respond to his inquiries.

CONCLUSIONS OF LAW:

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to properly administer his client trust account and secure the maintenance of Morieko's funds in trust pending distribution of same to Morieko, Respondent failed to safeguard client funds in wilful violation of rule 4-100(A) of the Rules of Professional Conduct. Respondent wilfully violated Rules of Professional Conduct, rule 4-100(A), by failing to maintain the balance of funds received for the benefit of a client and deposited in a bank account labeled "Trust Account," "Client's Funds Account" or words of similar import.

By his reckless and/or grossly negligent conduct in failing to supervise the operations of his office resulting in a failure to respond to Morieko's inquiries concerning the disposition of his settlement funds, Respondent acted in wilful violation of section 6068(m) of the Business and Professions Code. Respondent wilfully violated Business and Professions Code, section 6068(m), by failing to respond promptly to reasonable status inquiries of a client.

Additional Aggravating circumstances:

(9) Since learning of the misappropriation of client funds in his office due to his total lack of supervision of his office, Respondent has failed to investigate and/or enforce his community property interests or seek spousal support which might provide for repayment to the victims of his misconduct.

Additional Mitigating Circumstances:

Item C(8) Emotional/Physical Difficulties:

On March 27, 1997, a doctor specializing in gastroenterology who was then treating Respondent declared under penalty of perjury that he had personally examined Respondent, that Respondent was medically diagnosed with Crohn's Disease, a progressively degenerative condition, and that Respondent was so afflicted with symptomology from the Crohn's Disease to such a degree that he had been hospitalized for extended periods of time. This doctor went on to declare that Respondent was physically unable to engage in the regular activities involved in the practice of law.

Respondent has presented an copy of a Notice of a Social Security Administration decision dated August 4, 1999, which states that Respondent has the following medically determinable impairment which is considered to be "severe" under the Social Security Regulations: regional enteritis. The decision accepted Respondent's alleged date of onset of June 2, 1995 for this condition. The decision stated that

Respondent is disabled within the meaning of the Social Security Act and Regulations.

According to Respondent he remains totally disabled and the pain medication prescribed for his condition affects his mental acuity.

Dr. Lucien Jacobs, the medical doctor who has been caring for Respondent since March, 1993, has provided a declaration by which he describes medications prescribed to Respondent, a number of hospitalizations from 1993 to 1996 when Respondent first underwent a colonoscopy which confirmed ileitis (an inflammation of the gastrointestinal tract) and then a surgical resection due to Respondent's continuing Crohn's Disease. This doctor declares that since then Respondent has been severely incapacitated and unable to work due to malnutrition, esophageal stricture, difficulty eating, and generalized weakness, complications due to his Crohn's Disease and side effects of his medications. Further, the doctor declares that Respondent has developed major complications from years of corticosteroid drug use, including vertebral collapse and resulting spinal deformity. Respondent continues under this doctor's care for periodic management of his esophageal stricture. It is this doctor's medical opinion that from 1993 through 2000 that Respondent was so incapacitated by his illness due to complications from his Crohn's Disease and the side effects of his many medications that it would have been extremely difficult and perhaps impossible for him to adequately manage, supervise and maintain a law practice.

AUTHORITIES SUPPORTING DISCIPLINE:

Standards 1.2, 1.3, 1.4(c)(ii), 1.5, 1.6, 2.2, 2.3, 2.4, and 2.6(a) of the Standards of Attorney Sanctions for Professional Misconduct, Title IV, of the Rules of Procedure of the State Bar of California.

FINANCIAL CONDITIONS - RESTITUTION: Continued from pages 8 through 12:

All restitution set forth herein shall be paid by a single payment made payable to and delivered by the first day of each month to the Client Security Fund:

- **with monthly payments of at least \$50.00 per month, commencing with the first payment due first day of the first full calendar month after the effective date of this discipline;**
- **and the entire amount of restitution in all matters set forth herein, including interest, shall be paid within four (4) years of the effective date of the disciplinary order;**
- **Respondent shall provide proof to the satisfaction of the Probation Unit of all payments made in each calendar quarter with the**

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- **applicable written quarterly report submitted for that quarter as required by the conditions of this probation.**
- **Respondent waives any objection to payment by the State Bar Client Security Fund upon a claim for the principal amount of restitution set forth in this stipulation and Respondent agrees to pay all restitution set forth herein, both principal and interest.**

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Date 3/22/01

Joseph Walch
Respondent's signature

JOSEPH WALCH
print name

Date 3/21/01

[Signature]
Respondent's Counsel's signature

ROMAN SILBERFELD
print name

Date 3/22/01

Chas. Murray
Deputy Trial Counsel's signature

CHARLES A. MURRAY
print name

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.

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 135(b), 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 953(a), California Rules of Court.)

3-23-01
Date

Panel A Baigalupo
Judge of the State Bar Court

CERTIFICATE OF SERVICE
[Rule 62(b), Rules Proc.; Code Civ. Proc., § 1013a(4)]

I am a Case Administrator of the State Bar Court. 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 San Francisco, on March 26, 2001, 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:

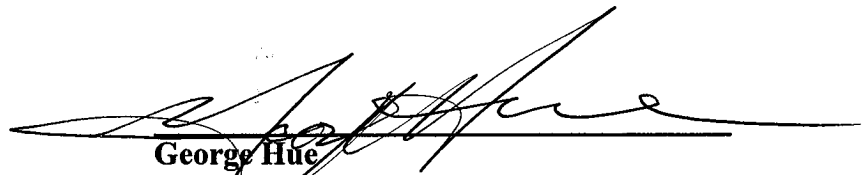
- by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at San Francisco, California, addressed as follows:

**ROMAN SILBERFELD
ROBINS KAPLAN MILLER ET AL
2049 CENTURY PARK EAST #3700
LOS ANGELES, CA 90067-0130**

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

CHARLES MURRAY, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on **March 26, 2001.**


George Hue
Case Administrator
State Bar Court