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**State Bar Court of California
Hearing Department
San Francisco
ACTUAL SUSPENSION**

<p>Counsel For The State Bar</p> <p>Christine Souhrada Deputy Trial Counsel State Bar of California 180 Howard Street San Francisco, CA 94105 (415) 538-2183</p> <p>Bar # 228256</p>	<p>Case Number(s): 10-O-07356; 10-O-08844; 10-O-09456; 10-O-10545; 11-O-10761; 11-O-13371; 11-O-13799; 11-O-14624</p>	<p>For Court use only</p> <p>PUBLIC MATTER</p> <p>FILED <i>AW</i></p> <p>DEC 16 2011</p> <p>STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO</p>
<p>Counsel For Respondent</p> <p>Scott John Drexel 1325 Howard Ave #151 Burlingame, CA 94010 (650) 918-8328</p> <p>Bar # 65670</p>	<p>Submitted to: Settlement Judge</p> <p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING</p> <p>ACTUAL SUSPENSION</p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	
<p>In the Matter of: Sally A. Reynoso</p> <p>Bar # 185037</p> <p>A Member of the State Bar of California (Respondent)</p>		

Note: All information required by this form and any additional information which cannot be provided in the space provided, must be set forth in an attachment to this stipulation under specific headings, e.g., "Facts," "Dismissals," "Conclusions of Law," "Supporting Authority," etc.

A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted November 28, 1996.
- (2) The parties agree to be bound by the factual stipulations contained herein even if conclusions of law or disposition are rejected or changed by the Supreme Court.
- (3) All investigations or proceedings listed by case number in the caption of this stipulation are entirely resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of 16 pages, not including the order.



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- (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) The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."
- (7) No more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.
- (8) Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):
- Until costs are paid in full, Respondent will remain actually suspended from the practice of law unless relief is obtained per rule 5.130, Rules of Procedure.
 - Costs are to be paid in equal amounts prior to February 1 for the following membership years: (Hardship, special circumstances or other good cause per rule 5.132, Rules of Procedure.) If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.
 - Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
 - Costs are entirely waived.

B. Aggravating Circumstances [for definition, see Standards for Attorney Sanctions 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.
- (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. See attachment

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- (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. See attachment
- (8) **No aggravating circumstances** are involved.

Additional aggravating circumstances:

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 with the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings. See attachment
- (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.

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(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

D. Discipline:

(1) **Stayed Suspension:**

(a) Respondent must be suspended from the practice of law for a period of three 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 as set forth in the Financial Conditions form attached to this stipulation.

iii. and until Respondent does the following:

(b) The above-referenced suspension is stayed.

(2) **Probation:**

Respondent must be placed on probation for a period of three years, which will commence upon the effective date of the Supreme Court order in this matter. (See rule 9.18, California Rules of Court)

(3) **Actual Suspension:**

(a) Respondent must be actually suspended from the practice of law in the State of California for a period of two 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 as set forth in the Financial Conditions form attached to this stipulation.

iii. and until Respondent does the following: and until Respondent pays restitution as set forth in the Financial Conditions section of the attachment to this stipulation.

E. Additional Conditions of Probation:

(1) If Respondent is actually suspended for two years or more, he/she must remain actually suspended until he/she proves to the State Bar Court his/her rehabilitation, fitness to practice, and learning and ability in the general law, pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.

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- (2) During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3) Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.
- (4) Within thirty (30) days from the effective date of discipline, Respondent must contact the Office of Probation and schedule a meeting with Respondent's assigned probation deputy to discuss these terms and conditions of probation. Upon the direction of the Office of Probation, Respondent must meet with the probation deputy either in-person or by telephone. During the period of probation, Respondent must promptly meet with the probation deputy as directed and upon request.
- (5) Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, Respondent must state whether Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of probation during the preceding calendar quarter. Respondent must also state whether there are any proceedings pending against him or her in the State Bar Court and if so, the case number and current status of that proceeding. If the first report would cover less than 30 days, that report must be submitted on the next quarter date, and cover the extended period.

In addition to all quarterly reports, a final report, containing the same information, is due no earlier than twenty (20) days before the last day of the period of probation and no later than the last day of probation.

- (6) Respondent must be assigned a probation monitor. Respondent must promptly review the terms and conditions of probation with the probation monitor to establish a manner and schedule of compliance. During the period of probation, Respondent must furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Office of Probation. Respondent must cooperate fully with the probation monitor.
- (7) Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the probation conditions.
- (8) Within one (1) year of the effective date of the discipline herein, Respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the Ethics School, and passage of the test given at the end of that session.
- No Ethics School recommended. Reason: .
- (9) Respondent must comply with all conditions of probation imposed in the underlying criminal matter and must so declare under penalty of perjury in conjunction with any quarterly report to be filed with the Office of Probation.
- (10) The following conditions are attached hereto and incorporated:
- | | |
|---|---|
| <input type="checkbox"/> Substance Abuse Conditions | <input type="checkbox"/> Law Office Management Conditions |
| <input type="checkbox"/> Medical Conditions | <input checked="" type="checkbox"/> Financial Conditions |

F. Other Conditions Negotiated by the Parties:

- (1) **Multistate Professional Responsibility Examination:** Respondent must provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National

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Conference of Bar Examiners, to the Office of Probation during the period of actual suspension or within one year, whichever period is longer. **Failure to pass the MPRE results in actual suspension without further hearing until passage. But see rule 9.10(b), California Rules of Court, and rule 5.162(A) & (E), Rules of Procedure.**

No MPRE recommended. Reason:

- (2) **Rule 9.20, California Rules of Court:** Respondent must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (3) **Conditional Rule 9.20, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 120 and 130 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (4) **Credit for Interim Suspension [conviction referral cases only]:** Respondent will be credited for the period of his/her interim suspension toward the stipulated period of actual suspension. Date of commencement of interim suspension:
- (5) **Other Conditions:**

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: Sally A. Reynoso

CASE NUMBER(S): 10-O-07356; 10-O-08844; 10-O-09456; 10-O-10545; 11-O-10761; 11-O-13371; 11-O-13799; 11-O-14624

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

FACTS AND CONCLUSIONS OF LAW.

Case Nos. 10-O -07356; 10-O- 09456; 10-O -10545; 11-O-10761; 11- O-13371; 11-O -13799; 11-O-14624

Facts

1. Prior to June 2009, respondent maintained an office in Visalia and Ahmad "Mike" Khatib maintained an office at 505 South Villa Real Drive, Suite 100, Anaheim, CA. In spring 2009, respondent agreed to form a partnership with non lawyers Mike and Nader Khatib. At the time she agreed to form the partnership, she understood that the Khatibs were associated with Fastlink Financial, which also operated out of 505 South Villa Real Drive. The purpose of the partnership was to provide legal services regarding loan modifications. The partnership was titled "Lenders Law Group" and its office was located at 505 South Villa Real Drive. On June 5, 2009, the Department of Real Estate issued an Order to Desist and Refrain to Fastlink Financial for misconduct involving its loan modification business.
2. In June 2009, Respondent agreed that in exchange for a \$3,000 per month "consulting fee" and the payment of the monthly rent on her Visalia office she would allow her name to be listed as the attorney associated with Lenders Law Group. The Khatibs created the fee agreement, maintained the files, marketed the law firm's services, located the clients, handled the client intake, handled all client communications, received and deposited client funds and maintained the bank accounts, including the Lenders Law Group's trust account. All the employees were located in Anaheim and were the Khatib's employees. Respondent had no contact with the clients prior to their execution of fee agreements with the Lenders Law Group and no contact with many of the clients after they signed fee agreements. All communications with clients occurred through the Anaheim office without respondent's knowledge or supervision. Respondent was unaware of the identity of Lenders Law Group's clients and unaware of the status of most clients' matters.
3. Mike Khatib and respondent were signatories on the attorney client trust account, which was titled "Sally Reynoso DBA Lenders Law Group." However, Khatib solely maintained all bank records, handled all client funds and received all bank statements. On December 9, 2009, Nader Khatib filed articles of incorporation for Lenders Law Group indicating that he was the sole incorporator and that the purpose of the corporation was to engage in the profession of law.

4. Between in June 2009 and in November 2010, the Khatibs engaged in the practice of law through the Lenders Law Group. Between in June 2009 and in November 2010, respondent permitted the Khatibs and others to engage in the practice of law.

5. Between in June 2009 and in November 2010, the Lenders Law Group charged clients thousands of dollars to obtain a loan modification, but failed to provide any services of value to many of the clients. The Khatibs withdrew the clients' funds from the Lenders Law Group's bank accounts and used them for their own use and benefit. The Lenders Law Group was not entitled to keep any of the fees they collected from several clients because they performed no services of value for many of the clients.

6. Between in June 2009 and in November 2010, several clients requested the refund of their funds and the Khatibs ignored the clients' requests. The clients have not received any refunds and still are owed a refund of the fees they paid Lenders Law Group since they received no legal services of value.

7. Respondent is unaware of how much many of the clients paid for legal services and is unable to determine what services, if any were provided, because she does not have access to the client files.

8. The Khatibs engaged in the unauthorized practice of law by meeting with the Lenders Law Group's clients, agreeing to provide legal services regarding loan modifications, responding to clients' inquiries regarding legal issues on their client matters and by otherwise providing clients with legal advice. Respondent knew that the Khatibs were engaging in the practice of law without her supervision or direction.

9. Respondent was obligated to provide legal services to the Lenders Law Group clients. Respondent failed to perform any services for most of the Lenders Law Group clients. Respondent relied upon the Khatibs and their employees to provide legal services to the Lenders Law Group clients. Respondent knew that she was unaware of the identity of many of the Lenders Law Group clients and that she failed to perform services for most of the Lenders Law Group clients. Many Lenders Law Group clients received no legal services.

10. The Lenders Law Group client legal fees were split between respondent and the Khatibs. Respondent received \$3,000 per month for providing consulting services from the legal fees paid by the Lenders Law Group clients. The Khatibs received the remainder of the funds. After accounting for respondent's consulting fee, the Khatibs collected the following legal fees in the following months:

February 2010	\$64,810
March 2010	\$75,621
April 2010	\$62,300
May 2010	\$75,066
June 2010	\$76,530
July 2010	\$65,801
August 2010	\$46,300
September 2010	\$45,400
October 2010	\$12,880

11. Respondent formed the Lenders Law Group, a partnership, with the Khatibs, who are not lawyers.

Conclusions of Law

12. By permitting the Khatibs to practice law, respondent aided a person or entity in the unauthorized practice of law, in wilful violation of Business and Profession Code section rule 1-300(A).

13. By relying upon the Khatibs and their employees to provide legal services and by failing to provide any loan modification services to most of the Lenders Law Group clients, respondent intentionally, recklessly, and repeatedly failed to perform legal services with competence, in wilful violation of Rules of Professional Conduct, rule 3-110(A).

14. By sharing the Lenders Law Group legal fees with the Khatibs, Respondent shared legal fees with persons who are not lawyers, in wilful violation of Rules of Professional Conduct, Rule 1-320(A).

15. By forming a partnership with the Khatibs, respondent formed a partnership with a person who is not a lawyer where at least one of the activities of that partnership consisted of the practice of law in willful violation of Rules of Professional Conduct, rule 1-310.

Lopez Matter- Case Number 10-O-7356

Facts

16. On September 3, 2009, Enrique Lopez employed respondent to provide legal services regarding four loan modifications, one primary residential property and three income properties. Lopez paid a total advanced fee of \$8,000 for the four matters. Only primary residences are eligible for loan modifications. Therefore, three of the loan modifications respondent agreed to handle were ineligible for loan modifications since they were not primary residences.

17. Thereafter, respondent failed to provide any legal services regarding Lopez's loan modifications. Any services that were provided were not legal services since they were not provided by an attorney and were not supervised by an attorney. Lopez received no legal services of value.

18. On January 6, 2010, Lopez terminated respondent and requested that she refund all of the advanced fees. Lopez was entitled to a refund of the \$8,000 since he received no legal services of value. Respondent received the request, but failed to provide Lopez with a refund. Respondent did not earn any of the advanced fee.

Conclusions of Law

19. By failing to provide any legal services to Lopez, respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence, in wilful violation of Rules of Professional Conduct, rule 3-110(A).

20. By failing to provide Lopez with a refund of \$8,000, respondent failed to refund promptly any part of a fee paid in advance that has not been earned, in wilful violation of Rules of Professional Conduct, rule 3-700(D)(2).

Almira Matter - Case Number 11-O-10761

Facts

21. On August 31, 2009, Carlos Almira employed respondent to provide legal services regarding a loan modification and paid an advanced fee of \$1,900. Thereafter, respondent failed to provide any legal services to Almira regarding his loan modification. Any services that were provided were not legal services since they were not provided by an attorney and were not supervised by an attorney.

22. On December 13, 2010, Almira sent respondent a letter terminating respondent and demanding a refund of his unearned fee of \$1,900. Almira was entitled to a refund of the \$1,900 since he received no legal services of value. Respondent received the request, but failed to provide Almira with a refund. Respondent did not earn any of the advanced fee.

Conclusions of Law

23. By failing to provide any legal services to Almira, Respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence, in wilful violation of Rules of Professional Conduct, rule 3-110(A).

24. By failing to provide Almira with a refund of \$1,900, respondent failed to refund promptly any part of a fee paid in advance that has not been earned, in wilful violation of Rules of Professional Conduct, rule 3-700(D)(2).

Martinez Matter - Case Number 10-O-09456

Facts

25. On September 5, 2009, Miguel Martinez employed respondent to provide legal services regarding a loan modification and paid an advanced fee of \$3,500. Thereafter, respondent failed to provide any legal services to Martinez regarding his loan modification. Any services that were provided were not legal services since they were not provided by an attorney and were not supervised by an attorney.

26. Prior to August 2, 2010, respondent constructively terminated her services by failing to communicate with Martinez and failing to provide any legal services to Martinez. Martinez was entitled to a refund of the \$3,500 since he received no legal services of value. Respondent failed to provide Martinez with a refund. Respondent did not earn any of the advanced fee.

Conclusions of Law

27. By failing to provide any legal services to Martinez, respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence, in wilful violation of Rules of Professional Conduct, rule 3-110(A).

28. By failing to provide Martinez with a refund of \$3,500, respondent failed to refund promptly any part of a fee paid in advance that has not been earned, in wilful violation of Rules of Professional Conduct, rule 3-700(D)(2).

Pedro Matter - Case Number 10-O-10545

Facts

29. On November 9, 2009, Deonora Pedro employed respondent to provide legal services regarding a loan modification. She paid a total advanced fee of \$3,400. Thereafter, respondent failed to provide any legal services to Pedro regarding her loan modification. Any services that were provided were not legal services since they were not provided by an attorney and were not supervised by an attorney.

30. On October 5, 2010, Pedro terminated respondent and requested the refund of the advanced fees she paid. Pedro was entitled to a refund of the \$3,400 since she received no legal services of value. Respondent failed to provide Pedro with a refund. Respondent did not earn any of the advanced fee.

Conclusions of Law

31. By failing to provide any legal services to Pedro, respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence, in wilful violation of Rules of Professional Conduct, rule 3-110(A).

32. By failing to provide Pedro with a refund of \$3,400, respondent failed to refund promptly any part of a fee paid in advance that has not been earned, in wilful violation of Rules of Professional Conduct, rule 3-700(D)(2).

Saavedra Matter - Case Number 11-O-13799

Facts

33. On January 23, 2010, Francisco Saavedra employed respondent to provide legal services regarding a loan modification. He paid a total advanced fee of \$4,000. Thereafter, respondent failed to provide any legal services to Saavedra regarding his loan modification. Any services that were provided were not legal services since they were not provided by an attorney and were not supervised by an attorney.

34. On April 15, 2010, Saavedra terminated respondent and requested the refund of the advanced fees he paid. Saavedra was entitled to a refund of the \$4,000 since he received no legal services of value. Respondent failed to provide Saavedra with a refund. Respondent did not earn any of the advanced fee.

Conclusions of Law

35. By failing to provide any legal services to Saavedra, respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence, in wilful violation of Rules of Professional Conduct, rule 3-110(A).

36. By failing to provide Saavedra with a refund of \$4,000, respondent failed to refund promptly any part of a fee paid in advance that has not been earned, in wilful violation of Rules of Professional Conduct, rule 3-700(D)(2).

Rivas Matter - Case Number 11-O-13371

Facts

37. On September 10, 2010, Maria Rivas employed respondent to provide legal services regarding a loan modification. She paid a total advanced fee of \$2,500. Thereafter, respondent failed to provide any legal services to Rivas regarding her loan modification. Any services that were provided were not legal services since they were not provided by an attorney and were not supervised by an attorney.

38. In January 2011, Rivas terminated respondent and requested the refund of the advanced fees she paid. Rivas was entitled to a refund of the \$2,500 since she received no legal services of value. Respondent failed to provide Rivas with a refund. Respondent did not earn any of the advanced fee.

Conclusions of Law

39. By failing to provide any legal services to Rivas, respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence, in wilful violation of Rules of Professional Conduct, rule 3-110(A).

40. By failing to provide Rivas with a refund of \$2,500, respondent failed to refund promptly any part of a fee paid in advance that has not been earned, in wilful violation of Rules of Professional Conduct, rule 3-700(D)(2).

Rodriguez Matter - Case Number 11-O-14624

Facts

41. On October 10, 2010, Hortensia Rodriguez employed respondent to provide legal services regarding a loan modification. She paid a total advanced fee of \$1,900. Thereafter, respondent failed to provide any legal services to Rodriguez regarding her loan modification. Any services that were provided were not legal services since they were not provided by an attorney and were not supervised by an attorney.

42. On May 17, 2011, Rodriguez terminated respondent and requested the refund of the advanced fees she paid. Rodriguez was entitled to a refund of the \$1,900 since she received no legal services of value. Respondent failed to provide Rodriguez with a refund. Respondent did not earn any of the advanced fee.

Conclusions of Law

43. By failing to provide any legal services to Rodriguez, respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence, in wilful violation of Rules of Professional Conduct, rule 3-110(A).

44. By failing to provide Rodriguez with a refund of \$1,900, respondent failed to refund promptly any part of a fee paid in advance that has not been earned, in wilful violation of Rules of Professional Conduct, rule 3-700(D)(2).

Facts

45. Lenders Law Group maintained a Wells Fargo Client Trust Account ending in numbers 2136 ("trust account.")
46. Respondent permitted the trust account to be used as a general business operating account. Client trust funds were not maintained in the trust account.
47. Respondent permitted clients' advanced fees to be deposited into the trust account. The advanced fees remained in the trust account until they were used to pay general operating expenses.
48. Respondent permitted the funds in the trust account to be used to pay commissions to the marketing companies and individuals who brought in the clients, consulting fees for respondent and her paralegal Diana Stevens, rent on respondent's Visalia office and transfers to other bank accounts controlled by Ahmad Khatib.

Conclusions of Law

49. By permitting the trust account to be used as a business operating account rather than as a client trust account, respondent deposited or commingled funds belonging to respondent in a bank account labeled "Trust Account," "Client's Funds Account" or words of similar import in wilful violation of Rules of Professional Conduct, rule 4-100(A),

WAIVER OF VARIANCE BETWEEN NOTICE OF DISCIPLINARY CHARGES AND STIPULATED FACTS AND CULPABILITY

The parties waive any variance between the Notices of Disciplinary Charges filed on September 19, 2011 and on October 28, 2011 and the facts and/or conclusions of law in this stipulation. Additionally, the parties waive the issuance of an amended Notice of Disciplinary Charges and to a formal hearing on any charge not included in the pending Notice of Disciplinary Charges.

DISMISSALS

The parties respectfully request that the Court dismiss count one of the Notice of Disciplinary Charges filed on September 19, 2011.

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was December 8, 2011.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of December 8, 2011, the prosecution costs in this matter are approximately \$9,746.80. Respondent further acknowledges that should this stipulation be rejected or should relief from the stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

AGGRAVATING CIRCUMSTANCES.

Harm (Standard 1.2(a)(v)). By participating in the scheme, respondent permitted many clients to be harmed. The clients believed that respondent was facilitating a loan modification when in fact the clients received no services. Respondent's clients lost thousands of dollars.

Multiple Acts (Standard 1.2(a)(ii)). Respondent engaged in multiple acts of wrongdoing involving multiple clients as detailed further in the statements of fact herein.

MITIGATING CIRCUMSTANCES.

Cooperation (Standard 1.2(e)(v)) Respondent agreed to the imposition of discipline without requiring a hearing.

Additional Mitigating Circumstances: During the time period of respondent's misconduct, Respondent suffered from significant health issues, which her neurologist, described as "a significant central nervous system structural abnormality which will require surgery", which was due to a degenerative disease of the spine. Her doctor reported that respondent's surgery was been delayed due to her insurance company, and that respondent is on medication which causes her to have difficulty with thinking and concentration due to the pain from the structural problem in her spinal cord. Her doctor reported that this would persist until the surgery occurs. Respondent also suffered from chronic migraines that can be incapacitating. If called to testify, respondent would testify that she was offered health insurance coverage that would not have excluded pre-existing conditions in exchange for working for the Lender's Law Group.

Financial Conditions

Restitution

Respondent must pay restitution (including the principal amount, plus 10% interest per annum) to the payees listed below. If the Client Security Fund ("CSF") has reimbursed one or more of the payees for all or any portion of the principal amounts listed below, respondent must also pay restitution to CSF in the amounts paid, plus applicable interest and costs.

Payee/CSF (as applicable)	Principal Amount	Interest Accrues From
Enrique Lopez	\$8,000	September 3, 2009
Carlos Almira	\$1,900	August 31, 2009
Miguel Martinez	\$3,500	September 5, 2009
Deonora Pedro	\$3,400	November 9, 2009
Francisco Saavedra	\$4,000	January 23, 2010
Maria Rivas	\$2,500	September 10, 2010
Hortensia Rodriguez	\$1,900	October 10, 2010

Installment Restitution Payments

Respondent must pay the above-referenced restitution on the payment schedule set forth below. Respondent must provide satisfactory proof of payment to the Office of Probation with each quarterly

probation report, or as otherwise directed by the office of Probation. No later than 30 days prior to the expiration of the period of probation (or period of reprobation), Respondent must make any necessary final payment(s) in order to complete the payment of restitution, including interest, in full.

Payee/CSF (as applicable)	Minimum Payment Amount	Payment Frequency
Enrique Lopez	\$70	First day of every month
Carlos Almira	\$70	First day of every month
Miguel Martinez	\$70	First day of every month
Deonora Pedro	\$70	First day of every month
Francisco Saavedra	\$70	First day of every month
Maria Rivas	\$70	First day of every month
Hortensia Rodriguez	\$70	First day of every month

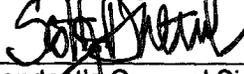
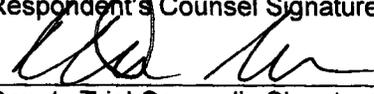
If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.

(Do not write above this line.)

In the Matter of: Sally A. Reynoso	Case number(s): 10-O-07356; 10-O-08844; 10-O-09456; 10-O-10545; 11-O-10761; 11-O-13371; 11-O-13799; 11-O-14624
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SIGNATURE OF THE PARTIES

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

<u>12-12-11</u> Date	<u></u> Respondent's Signature	<u>Sally A. Reynoso</u> Print Name
<u>12/12/11</u> Date	<u></u> Respondent's Counsel Signature	<u>Scott John Drexel</u> Print Name
<u>12/12/11</u> Date	<u></u> Deputy Trial Counsel's Signature	<u>Christine Souhrada</u> Print Name

(Do not write above this line.)

In the Matter of:
Sally A. Reynosos

Case Number(s):
10-O-07356 et al.

ACTUAL SUSPENSION ORDER

Finding the stipulation to be fair to the parties and that it adequately protects the public, IT IS ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without prejudice, and:

- The stipulated facts and disposition are APPROVED and the DISCIPLINE RECOMMENDED to the Supreme Court.
- The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the DISCIPLINE IS RECOMMENDED to the Supreme Court.
- All Hearing dates are vacated.

1. On page 4 of the stipulation, the "X" in the box next to paragraph D.(1)(a)(i) is deleted as it is not necessary;
2. On page 4 of the stipulation, the "X" in the box next to paragraph D.(3)(a)(iii) is deleted as the parties are stipulating to conflicting restitution orders. The payment schedule on page 15 says respondent can comply by making payments throughout probation. This conflicts with page 4 that states R must pay restitution w/in two years;
3. On page 4 of the stipulation, the "X" in the box next to paragraph E.(1) is deleted as the case does not call for a conditional 1.4(c)(ii); and
4. On page 13 of the stipulation, in the paragraph under the Waiver of Variance heading, "September 19, 201" is deleted, and in its place is inserted "September 19, 2011".

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies or further modifies the approved stipulation. (See rule 5.58(E) & (F), Rules of Procedure.) **The effective date of this disposition is the effective date of the Supreme Court order herein, normally 30 days after file date. (See rule 9.18(a), California Rules of Court.)**

December 16, 2011
Date


Judge of the State Bar Court

CERTIFICATE OF SERVICE

[Rules Proc. of State Bar; Rule 5.27(B); Code Civ. Proc., § 1013a(4)]

I am a Case Administrator of the State Bar Court of California. I am over the age of eighteen and not a party to the within proceeding. Pursuant to standard court practice, in the City and County of San Francisco, on December 16, 2011, 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:

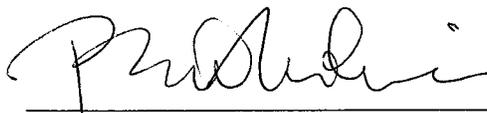
- by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at San Francisco, California, addressed as follows:

SCOTT JOHN DREXEL
1325 HOWARD AVE #151
BURLINGAME, CA 94010

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

CHRISTINE A. SOUHRADA, Enforcement, San Francisco

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on December 16, 2011.



Bernadette C.O. Molina
Case Administrator
State Bar Court