



CONFIDENTIAL ORIGINAL

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State Bar Court of California Hearing Department <input checked="" type="checkbox"/> Los Angeles <input type="checkbox"/> San Francisco PROGRAM FOR RESPONDENTS WITH SUBSTANCE ABUSE AND MENTAL HEALTH ISSUES		
Counsel for the State Bar OFFICE OF THE CHIEF TRIAL COUNSEL - ENFORCEMENT CHARLES A. MURRAY 1149 South Hill Street, 9 th Floor Los Angeles, CA 90015-2299 Telephone: (213) 765-1000 Bar # 146069	Case Number(s) 04-O-14456; 04-O-14909; 04-O-15387; 05-O-01313; 05-O-03005 06-O-11209 06-011029 <i>for</i>	(for Court use) FILED SEP 30 2010 <i>RZ</i> STATE BAR COURT CLERK'S OFFICE LOS ANGELES
<input checked="" type="checkbox"/> Counsel for Respondent <input type="checkbox"/> In Pro Per EDWARD O. LEAR Century Law Group 5200 W. Century Blvd., Suite 940 Los Angeles, California 90045 Telephone: (310) 642-6900 Bar # 132699	Submitted to Program Judge STIPULATION RE FACTS AND CONCLUSIONS OF LAW <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	
In the Matter of RONALD E. FAULK Bar # 68325 A Member of the State Bar of California (Respondent)	Submitted to Program Judge STIPULATION RE FACTS AND CONCLUSIONS OF LAW <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	

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 April 26, 1976 (date)
- (2) The parties agree to be bound by the factual stipulations contained herein even if conclusions of law or disposition (to be attached separately) are rejected or changed by the Supreme Court. However, if Respondent is not accepted into the Lawyer Assistance Program, this stipulation will be rejected and will not be binding on Respondent or the State Bar.
- (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, except for Probation Revocation Proceedings. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation and order consists of 18 pages.
- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts." See Attachment
- (5) Conclusions of law, drawn from and specifically referring to the facts, are also included under "Conclusions of Law." See Attachment

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- (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 and will pay timely any disciplinary costs imposed in this proceeding.

B. Aggravating Circumstances [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 00-0-12963
- (b) Date prior discipline effective 09/03/2002
- (c) Rules of Professional Conduct/State Bar Action violations RPC 3-700(D)(1)
- (d) Degree of prior discipline Public Reprimand
- (e) If Respondent has two or more incidents of prior discipline, use space provided below or under "Prior Discipline" (above)
- (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 the victims of his/her misconduct or the State Bar during disciplinary investigation or proceedings.
- (7) **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrong doing or demonstrates a pattern of misconduct.
- (8) **No aggravating circumstances are involved.**

Additional aggravating circumstances:

(Do not write above this line.)

C. Mitigating Circumstances [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 ~~victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings.~~ **spontaneous** candor and cooperation to the
- (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 of 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 were directly responsible for the misconduct. The difficulties or disabilities were not the product of any illegal conduct by the member, such as illegal drugs 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:

ATTACHMENT TO
ADP STIPULATION RE FACTS & CONCLUSIONS OF LAW

IN THE MATTER OF: **RONALD EDWARD FAULK** (Respondent"), #68325

CASE NUMBERS 04-O-14456; 04-O-14909; 04-O-15387;
 05-O-01313; 05-O-03005; 06-O-11029

PENDING PROCEEDINGS.

The disclosure date referred to, on page one, paragraph A.(6), was September 20, 2007.

STIPULATION AS TO FACTS AND CONCLUSIONS OF LAW:

Respondent waives objection to any variances between the facts and conclusions of law alleged in any Notice of Disciplinary Charges that may have been filed and the facts and conclusions of law stipulated to herein.

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, or has otherwise committed acts of misconduct warranting discipline:

04-O-14456

FACTS:

1. At all times mentioned herein, Respondent's client trust account was account number 1011302102 at Union Bank of California ("Respondent's CTA"), unless otherwise mentioned.
2. In April 2002, Catherine A. Encinas ("Encinas") employed Respondent to represent her in a personal injury matter. Respondent and Encinas agreed that Respondent would be compensated by a contingency fee. The agreement provided, among things, that Respondent would receive forty percent (40%) of the net recovery if the recovery was obtained at or after a settlement conference; and, that Respondent be reimbursed for any costs he advanced before any distribution to either himself or Encinas.
3. On February 2, 2003, Respondent filed a lawsuit on Encinas' behalf, entitled *Catherine A. Encinas v. Lana Marie Haltom, et al.* in Los Angeles Superior Court, Case Number VC039640.
4. On February 3, 2004, Encinas agreed to settle her case at a Mandatory Settlement Conference for \$82,500.
5. On February 4, 2004, Encinas received a letter from Allstate Insurance Company informing her that they had forwarded a settlement draft in the amount of \$82,500. to Respondent in settlement of her case.
6. On February 11, 2004, Respondent deposited the Allstate settlement draft into Respondent's CTA. On that date, Respondent issued check number 2502 from Respondent's CTA to himself for \$5,000., which stated in the memo section of the check, "Attorney Fee - Partial Encinas." At this time, pursuant to their agreement, Respondent was entitled to reimburse himself for costs advanced and withdraw \$33,000 (40% of the net recovery of \$82,500).
7. On February 17, 2004, Respondent issued check number 2504 from Respondent's CTA to himself for \$5,000., which stated in the memo section of the check, "Attorney Fee - Partial Encinas."

8. On February 17, 2004, Respondent sent Encinas a letter enclosing check number 2508 from Respondent's CTA in the amount of \$10,000. No accounting for settlement funds was included with the letter. The letter did not inform Encinas of the amount of settlement funds that had been received or of any other distributions that had been made, including his distribution of attorney fees to himself. In the letter, Respondent informed Encinas that he was waiting for the lien information from Medi-Cal and he would provide a complete accounting to her once he had all that information.

9. On February 20, 2004, Respondent issued check number 2509 from Respondent's CTA to himself for \$12,000, which stated in the memo section of the check, "Attorney Fee - Partial Encinas." Respondent did not inform Encinas that he had distributed a portion of her settlement funds to himself.

10. On February 24, 2004, Respondent issued check number 2511 from Respondent's CTA to himself for \$6,000, which stated in the memo section of the check, "Attorney Fee - Partial Encinas." At this time, Respondent had issued himself a total of \$28,000 for attorney fees. Respondent did not inform Encinas that he had distributed a portion of her settlement funds to himself.

11. On February 25, 2004, Respondent issued check number 2513 from Respondent's CTA to himself for \$3,000, which stated in the memo section of the check, "Attorney Fee - Partial Encinas." At this time, Respondent had issued himself a total of \$31,000 for attorney fees. Respondent did not inform Encinas that he had distributed a portion of her settlement funds to himself.

12. On March 3, 2004, Respondent issued check number 2515 from Respondent's CTA to himself for \$3,000, which stated in the memo section of the check, "Attorney Fee - Partial Encinas." At this time, Respondent issued himself checks from Respondent's CTA totaling \$34,000 in attorney fees in the Encinas case. Respondent should have taken fees totaling no more than \$33,000 or 40% of the settlement received. Though never identified as costs advanced prior to the filing of the Notice of Disciplinary Charges in this matter, at the time of this stipulation Respondent does show documentation of costs advanced of \$224.50 for the filing fee; two witness fees of \$45 each; and, a Federal Express charge of \$45.46; for a total of \$359.96 in costs advanced to which he would be entitled. All of the \$34,000 of Encinas's settlement funds that Respondent had paid to himself by this time had been documented and paid as attorney fees and no reimbursement had been claimed or made for costs advanced. Respondent did not reimburse himself for costs advanced before making distributions to himself and to Encinas. Respondent did not inform Encinas in writing or otherwise that he had distributed \$34,000 of her settlement funds to himself for attorney fees.

13. To date, Encinas has not received any further funds from Respondent and her medical providers and/or Medi-Cal have not been paid by Respondent from her settlement funds.

14. Based on the disbursements made or were allowable to make by Respondent from Respondent's CTA to himself for attorney fees (\$33,000) and to Encinas (\$10,000) from Encinas settlement funds and allowing for the only documented costs advanced (\$359.96), Respondent was required to maintain the minimum sum of \$39,140.04 in Respondent's CTA until he paid Encinas and/or her medical providers.

15. On May 4, 2004, the balance in Respondent's CTA fell to \$12,697.41 without Respondent having made any further distributions to Encinas and/or her medical providers. On August 4, 2004, the balance in Respondent's CTA fell to -\$4,313.26 without Respondent having made any further distributions to Encinas and/or her medical providers.

16. Between February 2004 and August 2004, Encinas attempted to reach Respondent by telephone several times at the telephone number he had given her. Encinas always left a message with the person who answered the telephone requesting that Respondent call her back

regarding the status of her settlement funds. Respondent did not return any of Encinas' telephone messages.

17. In August 2004, Encinas employed a new attorney, Gary Einstein ("Einstein") to assist her in retrieving her settlement funds from Respondent.

18. On August 26, 2004, Einstein re-sent the same letter to Respondent requesting status of Encinas' settlement funds and proof that the settlement funds were in Respondent's CTA. Einstein's letter was placed in a sealed envelope correctly addressed to Respondent at his State Bar membership records address. Einstein's letter was properly mailed by first class mail, postage prepaid, by depositing for collection by the United States Postal Service in the ordinary course of business on or about the date of the letter. The United States Postal Service did not return the letter as undeliverable or for any other reason. Respondent did not respond to Einstein's letter.

19. On September 10, 2004, Einstein sent a second letter to Respondent requesting status of Encinas' settlement funds and proof that the settlement funds were in Respondent's CTA. Einstein's letter was placed in a sealed envelope correctly addressed to Respondent at his State Bar membership records address. Einstein's letter was properly mailed by first class mail, postage prepaid, by depositing for collection by the United States Postal Service in the ordinary course of business on or about the date of the letter. The United States Postal Service did not return the letter as undeliverable or for any other reason. Respondent did not respond to Einstein's second letter.

20. On December 20, 2004, Medi-Cal sent a letter to Respondent notifying him of his reporting obligations under Welfare & Institutions Code section 14124.70 et seq., which included, among other things, that Respondent provide written notice to Medi-Cal within 30 days that an action had been filed and details of that filing, and the file proof of such notice in the action (section 14124.73); that he had an obligation to give Medi-Cal notice and opportunity to perfect and satisfy its lien prior to settling the Encinas matter; and, requesting additional information regarding the Encinas matter. On January 7, 2005, Medi-Cal sent Respondent a second letter itemizing certain payments it had made related to Encinas treatment, advising Respondent that Medi-Cal was waiting for additional payment data, and reminding Respondent that when settlement neared, he was required by Welfare & Institutions Code sections 14124.76 and 14124.79 to notify Medi-Cal so that it could update the lien amount. Cursory, handwritten notes that indicate that Respondent or someone from his office left messages with Medi-Cal on January 13 and 14, 2005, requesting a return call, and that on January 18, 2005, Claire from Respondent's office spoke with the Medi-Cal representative and that either Respondent or Medi-Cal needed 30 more days to get final figures. There is no showing that Respondent ever communicated with Medi-Cal prior to January 13, 2005 or again after January 18, 2005. Medi-Cal did send subsequent letters to Respondent, including letters on June 10, 2005 (similar to the January 7, 2005 letter) and on June 14, 2005 (providing the final Medi-Cal lien amount of \$1,201.26). By failing to follow through regarding the Medi-Cal lien information and/or otherwise complete the disbursement of Encinas' settlement funds on behalf of Encinas, Respondent constructively withdrew from representation of Encinas.

21. At no time did Respondent inform Encinas that he was withdrawing from employment in Encinas' case. Nor did Respondent take any other steps to avoid reasonably foreseeable prejudice to his client.

22. On September 13, 2004, the State Bar opened an investigation, case number 04-O-14456, pursuant to a complaint filed by Catherine A. Encinas (the "Encinas matter").

23. On October 25, 2004 and November 16, 2004, respectively, State Bar Investigator Joy Nunley wrote to Respondent regarding the Encinas matter. The investigator's letters were placed in a sealed envelope correctly addressed to Respondent at his State Bar of California membership records address. The letters were promptly mailed by first class mail, postage

prepaid, by depositing for collection by the United States Postal Service in the ordinary course of business. The United States Postal Service did not return the investigator's letters as undeliverable or for any other reason.

24. The investigator's letters requested that Respondent respond in writing to specified allegations of misconduct being investigated by the State Bar in the Encinas matter. Respondent did not respond to the investigator's letter or otherwise communicate with the investigator.

CONCLUSIONS OF LAW:

25. By not maintaining at least \$39,140.04 behalf of Encinas in Respondent's CTA until payment was made to Encinas and her medical providers, Respondent failed to maintain client funds in trust in wilful violation of Rules of Professional Conduct, rule 4-100(A).

26. Respondent dishonestly or with gross negligence misappropriated \$39,140.04 of Encinas' settlement funds, an act or acts of moral turpitude, dishonesty or corruption, in wilful violation of Business and Professions Code, section 6106.

27. By failing to respond to Encinas' and Einstein's repeated requests for status updates regarding Encinas' settlement funds, Respondent failed to respond to Encinas' reasonable status inquiries in wilful violation of Rules of Professions Code, section 6068(m).

28. By failing to communicate with Encinas, failing to complete the disbursement of Encinas' settlement funds, failing to inform Encinas of his intent to withdraw from employment, and failing to take any other steps to avoid prejudice to his client, Respondent wilfully failed, upon termination of employment, to take reasonable steps to avoid reasonably foreseeable prejudice to his client in wilful violation of Rules of Professional Conduct, rule 3-700(A)(2).

29. By not providing a written response to the allegations in the Encinas matter or otherwise cooperating in the investigation of the Encinas matter, Respondent failed to cooperate in a disciplinary investigation in wilful violation of Business and Professions Code, section 6068(i).

04-O-14909

FACTS:

30. On April 5, 1999, Olga Rosas ("Rosas") employed Respondent to represent her in a dispute with Kaiser Permanente over payment for emergency room treatment Rosas had received at St. Francis Hospital, a non-Kaiser facility. Rosas also employed Respondent to represent her in a collection action brought by Assetcare on behalf of the hospital for payment of the \$10,962.99 bill that Kaiser had denied to cover. Rosas paid Respondent at least \$1000 at that time. Rosas and Respondent do not agree as to what agreement, if any, they had for attorney fees and costs for this representation. Rosas contends that Respondent agreed to a flat fee of \$1000 and Respondent contends that the \$1000 was an advance on attorney fees, that he would be paid \$250 per hour, and that Rosas was responsible for costs incurred. They also do not agree whether there was a written agreement. Rosas contends there was not and Respondent contends there was but is unable to produce one. Respondent is unable to produce any written agreement or charging lien that would permit him to take attorney fees or costs advanced from any settlement he received on Rosas behalf.

31. An Arbitration was held in Rosas' matter on September 14, 2000 and on October 25, 2000. Respondent and Rosas attended both hearings of the Arbitration, however, due to his appearance in another matter, Respondent was three hours late for the September 14, 2000 Arbitration and causing it to be continued to October 25, 2000.

32. On October 27, 2000, the Arbitrator issued an award in Rosas' favor against Kaiser for \$10,962.99, the amount of Rosas' bill with St. Francis Hospital. A request for attorney fees and costs to also be paid by Kaiser to Rosas was denied.

33. On November 20, 2000, Kaiser issued a check payable to Rosas and Respondent in the amount of \$10,962.99. On or about December 1, 2000, Rosas endorsed the check and signed a release at Respondent's office. Rosas understood that Respondent would pay her debt to St. Francis Hospital with the settlement funds. Respondent did not provide a settlement disbursement statement to Rosas at this time.

34. On December 15, 2000, Respondent deposited the Kaiser check into Respondent's CTA. On that date, Respondent issued check number 1945 in the additional amount of \$3,735 from Respondent's CTA payable to Respondent in Rosas' matter. Respondent is unable to produce any written agreement or charging lien that would permit him to take attorney fees or costs advanced from any settlement he received on Rosas behalf.

35. To date, Respondent has not paid St. Francis Hospital or Assetcare on Rosas' behalf from Rosas' settlement funds. Respondent was required to maintain the sum of \$10,962.99 in Respondent's CTA until he paid St. Francis Hospital on behalf of Rosas.

36. On February 2, 2001, the balance in Respondent's CTA fell to -\$1,323.38.

37. On April 30, 2001 in the *Assetcare v. Rosas* matter, the Court ruled in favor of Assetcare and against Rosas, leaving her owing the \$10,962.99 hospital bill, plus interest.

38. Respondent received \$1000 from Rosas and \$10,962.99 from Rosas settlement from Kaiser. Respondent claims attorney fees and costs in the total sum of \$10,044.50, however he is unable to differentiate which of the two matters the claimed items pertain to and he fails to specify the date and description of work performed for attorney fees. Absent a written agreement or charging lien permitting him to withhold money from Rosas settlement to pay himself for attorney fees or costs advanced, Respondent is not permitted to do so.

39. Further, Respondent did not inform Rosas of his distribution of her settlement funds and during this entire period of representation, Respondent did not regularly provide Rosas with statements to inform her of the attorney fees and costs that were being assessed against her.

40. As of August 4, 2004, the balance in Respondent's CTA fell to -\$4,713.26, without Respondent having made any distributions to Rosas or on her behalf. Respondent's CTA should have held at least \$10,962.99 of Rosas settlement funds.

41. After Rosas endorsed the settlement check and signed the release, she understood that Respondent would pay the funds to St. Francis Hospital and that the matter had been concluded.

42. In late 2003, Rosas began to receive collection notices regarding the debt to St. Francis Hospital. After investigation of the collection notices, Rosas learned that Respondent had not paid the debt to St. Francis Hospital from her settlement funds.

43. Between in late 2003 and early 2004, Rosas made approximately 25 telephone calls to Respondent's office at the telephone number he had given her. Rosas always left a message with the person who answered the telephone or on Respondent's voice mail requesting that Respondent return her call regarding the status of her settlement funds. Respondent did not respond to any of Rosas telephone calls.

44. As a result of Rosas' hospital bill going unpaid her credit was damaged, a collection action was brought and judgment entered against her, and with interest Rosas now owes over \$20,000 instead of the original bill of \$10,962.99.

45. On October 13, 2004, the State Bar opened an investigation, case number 04-O-14909, pursuant to a complaint filed by Olga Rosas (the "Rosas matter").

46. On November 9, 2004 and on December 3, 2004, State Bar Investigator Joy Nunley wrote to Respondent regarding the Rosas matter. The investigator's letters were placed in a sealed envelope correctly addressed to Respondent at his State Bar of California membership records address. The letters were promptly mailed by first class mail, postage prepaid, by depositing for collection by the United States Postal Service in the ordinary course of business. The United States Postal Service did not return the investigator's letters as undeliverable or for any other reason.

47. The investigator's letters requested that Respondent respond in writing to specified allegations of misconduct being investigated by the State Bar in the Rosas matter. Respondent did not respond to the investigator's letter or otherwise communicate with the investigator.

CONCLUSIONS OF LAW:

48. By not maintaining at least \$10,962.99 on behalf of Rosas in Respondent's CTA Respondent failed to maintain client funds in trust in wilful violation of Rules of Professional Conduct, rule 4-100(A).

49. Respondent dishonestly or with gross negligence misappropriated Rosas' \$10,962.99 in settlement funds, an act or acts of moral turpitude, dishonesty or corruption, in wilful violation of Business and Professions Code, section 6106.

50. By failing to respond to Rosas' request for status updates regarding Rosas' settlement funds, Respondent failed to respond to Rosas' reasonable status inquiries in wilful violation of Business and Professions Code, section 6068(m).

51. By failing to send Rosas regular billing statements to keep her informed of the attorney fees and costs was assessing against her, and by not providing Rosas with a settlement distribution statement after he had concluded the Assetcare hearing, Respondent failed to inform Rosas of significant developments in her matters in wilful violation of Business and Professions Code, section 6068(m).

52. By not providing a written response to the allegations in the Rosas matter or otherwise cooperating in the investigation of the Rosas matter, Respondent failed to cooperate in a disciplinary investigation in wilful violation of Business and Professions Code section 6068(i).

04-O-15387

FACTS:

53. In early April 2004, Phillip D. Vigil ("Vigil") met with Respondent in a legal consultation to discuss a paternity action he wanted to file. Respondent charged and Vigil paid \$100 for the consultation.

54. On April 21, 2004, Vigil employed Respondent to handle the paternity action for him. Vigil and Respondent entered into a written retainer agreement by which, among other things, Vigil was to pay \$1,500 for fees in advance and Respondent would bill Vigil at an hourly rate for legal services. Vigil paid Respondent the \$1,500 that day. Vigil informed Respondent that he wanted to act as quickly as possible in this matter and Respondent assured him that he would.

55. Between in late April and early June 2004, Vigil telephoned Respondent's office about 5 times a week at the telephone number Respondent gave him, but was not able to speak with Respondent. Each time Vigil called Respondent's office, he would leave a message with the

person who answered the telephone requesting a call back from Respondent regarding the status of his case. Respondent did not respond to any of Vigil's telephone calls.

56. In early June 2004, Vigil telephoned Respondent's office and was able to speak with Claire Bloom ("Bloom") one of Respondent's secretaries. Bloom informed Vigil that the papers had been drafted and they had a court date scheduled for July 3, 2004. Bloom said that she would send Vigil a confirming letter with all the details.

57. In late June 2004, Vigil had not received any correspondence from Respondent's office, so he telephoned Respondent. Vigil was able to speak with Bloom again who informed him that the court date had been "pushed back" but did not give him any further details.

58. The next day, Vigil telephoned Respondent's office again and was able to speak with Respondent. Respondent informed him that the court date was September 16, 2004 and that Vigil need to come to the office to sign the paternity action so Respondent could file it with the court.

59. On June 30, 2004, Vigil met with Respondent at his office and signed the paternity paperwork. The Order to Show Cause showed a hand written hearing date of September 16, 2004. Vigil requested that Respondent notify him as soon as the documents had been filed with the Court.

60. Between early July 2004 and early November 2004, Vigil telephoned Respondent's office multiple times a week requesting the date the documents were filed and the case number of his matter. Vigil was not able to speak to Respondent or Bloom. Each time Vigil called Respondent's office, he left a message requesting that Respondent call him back with the date of filing and the case number. Respondent did not respond to any of Vigil's telephone calls.

61. On November 8, 2004, Vigil went to Respondent's office and was able to speak with Bloom. Bloom gave him part of his file, but did not give him any explanation as to what the status of his matter was. Respondent was not in the office that day and Bloom told Vigil that he needed to speak with Respondent regarding the status of him matter.

62. On November 9, 2004, Vigil went back to Respondent's office and was able to speak with Respondent. Respondent gave Vigil the remainder of his file and a check for \$1,600, but offered no explanation as to the failure to file the documents and initiate the paternity action.

63. In November 2004, Vigil employed another attorney to handle his paternity action.

64. When Bloom, on behalf of Respondent, informed Vigil that a court date had been scheduled for July 3, 2004, that the court date had been "pushed back" and when Respondent informed Vigil that the court date was scheduled for September 16, 2004, Respondent knew these statements were not true. In fact, these statements were not true as no court date was ever scheduled by Respondent in Vigil's paternity matter.

65. On November 18, 2004, the State Bar opened an investigation, case number 04-O-15387, pursuant to a complaint filed by Phillip D. Vigil (the "Vigil matter").

66. On December 28, 2004 and on January 12, 2005, State Bar Investigator Joy Nunley wrote to Respondent regarding the Vigil matter. The investigator's letters were placed in a sealed envelope correctly addressed to Respondent at his State Bar of California membership records address. The letters were promptly mailed by first class mail, postage prepaid, by depositing for collection by the United States Postal Service in the ordinary course of business. The United States Postal Service did not return the investigator's letters as undeliverable or for any other reason.

67. The investigator's letters requested that Respondent respond in writing to specified allegations of misconduct being investigated by the State Bar in the Vigil matter. Respondent did not respond to the investigator's letter or otherwise communicate with the investigator.

CONCLUSIONS OF LAW:

68. By failing to file the paternity action and take any action on Vigil's paternity matter, Respondent intentionally, recklessly or repeatedly failed to perform legal services with competence in wilful violation of Rules of Professional Conduct, rule 3-110(A).

69. By making these misrepresentations to Vigil, Respondent committed an act or acts involving moral turpitude, dishonesty and/or corruption in wilful violation of Business and Professions Code, section 6106.

70. By failing to respond to Vigil's telephone messages between April and June 2004, and between July and November 2004 regarding the status of his paternity action, Respondent failed to respond to Vigil's reasonable status inquiries in wilful violation of Business and Professions Code, section 6068(m).

71. By not providing a written response to the allegations in the Vigil matter or otherwise cooperating in the investigation of the Vigil matter, Respondent failed to cooperate in a disciplinary investigation in wilful violation of Business and Professions Code section 6068(i).

05-O-01313

FACTS:

72. In January 2003, Betty Sue Dawson ("Mrs. Dawson") employed Respondent to represent her in a dissolution matter.

73. On June 1, 2003, Harry V. Dawson, III ("Dawson") filed for dissolution of marriage in the matter *Harry V. Dawson III vs. Betty Sue Dawson*, in Los Angeles Superior Court, Case No. BD 390631.

74. On April 16, 2004, the Dawsons' condominium was sold. Mr. and Mrs. Dawson agreed that the proceeds were to be placed in Respondent's client trust account to be disbursed as part of the final settlement. On or about May 7, 2004, Respondent deposited check number 172536, from Design Escrow, Inc., payable to "The Law Offices of Ronald E. Faulk as Trustee for Betty Sue Dawson", in the amount of \$213,425.40, in his Client Trust Account Number 1011302102 ("Respondent's CTA") at Union Bank of California, Los Angeles, California.

75. On February 11, 2004, a Stipulation and Order on Order to Show Cause was filed in the Dawsons' dissolution matter. The Stipulation and Order on Order to Show Cause contained the statement "All monies from any sales shall be placed in an interest bearing trust account, subject to division on written agreement of the parties or further court order." The Stipulation and Order on Order to Show Cause was signed by Dawson, Mrs. Dawson, their respective attorneys and the Judge of the Superior Court.

76. Prior to any written agreement between the parties or court order, on or about May 14, 2004, Respondent issued Respondent's CTA check number 2593, payable to "Sue Dawson and/or Union Bank of CA", in the amount of \$110,000. If this had been a distribution by written agreement of the parties or court order, the balance of Respondent's CTA should have remained at \$103,425.40 on behalf of Dawson and Mrs. Dawson until any further disbursements were made on behalf of the Dawsons. However, according to the terms of the February 11, 2004 Stipulation and Order on Order to Show Cause, the entire \$213,425.40 should have remained in Respondent's CTA.

77. On June 14, 2004, the balance of Respondent's CTA dropped to \$100,791.81. On or about August 3, 2004, the balance of Respondent's CTA dropped to \$3,052.05, although no further disbursements had been made on behalf of the Dawsons.

78. On August 4, 2004, Respondent issued Respondent's CTA check number 2617, payable to Bank of America by agreement of the parties in the Dawson dissolution matter, in the amount of \$7,365.31. After that payment, the amount Respondent should have been holding in Respondent's CTA was \$96,060.09 if the distribution to Mrs. Dawson had been proper, and \$206,060.09. However, on or about August 4, 2004, the balance in the Respondent's CTA was a negative \$4,313.26.

79. On September 13, 2004, Respondent issued Respondent's CTA check number 2633 for \$3,000 payable to Dawson's attorney by agreement of the parties in the Dawson dissolution matter. After that payment, the amount Respondent should have been holding in Respondent's CTA was \$93,060.09 if the distribution to Mrs. Dawson had been proper, and \$203,060.09 according to the court order. However on September 13, 2004, the balance in Respondent's CTA was a negative \$6,725.92.

80. Respondent should have maintained at least \$93,060.90 in his CTA on behalf of Dawson and Mrs. Dawson if the distribution to Mrs. Dawson had been proper, and \$203,060.09 according to the court order.

81. Respondent dishonestly or with gross negligence misappropriated Dawson's and Mrs. Dawson's funds.

82. At all times relevant herein, Respondent had actual notice of the terms of the Stipulation and Order filed on February 11, 2004.

CONCLUSIONS OF LAW:

83. By failing to maintain the \$203,060.09 in his CTA for disbursement pursuant to the Stipulation filed with the Court in the Dawson dissolution, Respondent failed to maintain client funds in his CTA in wilful violation of Rules of Professional Conduct, rule 4-100(A).

84. By misappropriating at least \$93,060.90 of Dawson's and Mrs Dawson's funds, Respondent committed an act or acts involving moral turpitude, dishonesty and/or corruption in wilful violation of Business and Professions Code, section 6106.

85. By issuing CTA check number 2593 to Mrs. Dawson in the amount of \$110,000, without first obtaining the Dawsons' and/or the Court's approval, Respondent failed to abide by the Court's orders as set forth in the February 11, 2004 Stipulation filed with the Court in the Dawson dissolution matter in wilful violation of Business and Professions Code, section 6103.

05-O-03005

FACTS:

86. At all times mentioned herein, Respondent's Client Trust Account was located at Union Bank of California account number 1011302102 ("Respondent's CTA").

87. On June 13, 2001, Naimah Muhammad ("Muhammad") employed Respondent to represent her in a dissolution matter and he substituted into the ongoing dissolution matter filed in San Bernardino Superior Court, entitled *Akbar Muhammad v. Naimah Muhammad*, Case Number SBFSS35371 (the "Muhammad dissolution"), on behalf of Muhammad.

88. In June 2002, the Judge in the Muhammad dissolution ordered that the community property house be sold. Muhammad's husband was uncooperative in the sale of the house and the

house went into foreclosure. On January 1, 2003, the foreclosure was completed. The overage funds of \$55,703.35 from the foreclosure were held by the State Controller's office.

89. On April 8, 2003, the Judge in the Muhammad dissolution ordered that "the money from the property be transferred to attorney Faulk's trust account and no money is to be disbursed without a court order."

90. On June 13, 2003, Respondent deposited the check for \$55,703.35 from the State Controller's office into Respondent's CTA on behalf of Muhammad.

91. On May 14, 2004, the Judge in the Muhammad dissolution ordered that Muhammad receive all the proceeds from the foreclosure being held in Respondent's CTA. At this time, Respondent should have held \$55,703.35 in Respondent's CTA on behalf of Muhammad.

92. On November 17, 2003, the balance in Respondent's CTA fell to \$24,675.32. On or about December 22, 2003, the balance in Respondent's CTA fell to \$414.48. At this time, no funds had been paid out on behalf of Muhammad and the balance in Respondent's CTA should have been \$55,703.35 held on behalf of Muhammad.

93. Respondent should have maintained at least \$55,703.35 in his CTA on behalf of Muhammad until at least February 4, 2004, the date of the Court's first order of disbursement.

94. Respondent dishonestly or with gross negligence misappropriated at least \$55,288.87 of Muhammad's funds.

95. At all times relevant herein, Respondent had actual notice of the Court's Order of April 8, 2003.

96. In the Court's Order of May 14, 2004, the Court also ordered that Akbar Muhammad, Muhammad's ex-husband, pay Respondent a portion of his attorneys' fees in the amount of \$7,525.30.

97. On June 11, 2004, Respondent informed Muhammad that the total of his attorneys' fees for the Muhammad dissolution was \$22,974.05 (after crediting Muhammad for \$3,500 she had already paid during the course of representation) and that he would not distribute the funds he was to hold in Respondent's CTA to her unless she agreed to pay his attorneys' fees from the funds. Muhammad agreed because she needed the money, but wanted Respondent to subtract the amount her ex-husband had been ordered to pay. Respondent refused to subtract that amount and disbursed the entire amount of his attorneys' fees out of the funds he was to have held on behalf of Muhammad. Respondent failed to pursue Muhammad's ex-husband for the \$7,525.30 in attorney fees ordered by the court on May 14, 2004, to advise Muhammad of her right to pursue her ex-husband for reimbursement of the \$7,525.30 in attorney fees ordered by the court on May 14, 2004.

CONCLUSIONS OF LAW:

98. By failing to maintain \$55,288.87 in Respondent's CTA for disbursement pursuant to Court Order, Respondent failed to maintain client funds in Respondent's CTA in wilful violation of Rules of Professional Conduct, rule 4-100(A).

99. By misappropriating at least \$55,288.87 of Muhammad's funds, Respondent committed an act or acts involving moral turpitude, dishonesty and/or corruption in wilful violation of Business and Professions Code section 6106.

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100. By disbursing Muhammad's funds from Respondent's CTA without first obtaining the Court's approval, Respondent failed to abide by the Court Order of April 8, 2003 in wilful violation of Business and Professions Code section 6103.

101. By failing to pursue Muhammad' ex-husband for the \$7,525.30 in attorney fees ordered by the court on May 14, 2004, or to advise Muhammad of her right to pursue her ex-husband for reimbursement of the \$7,525.30 in attorney fees ordered by the court on May 14, 2004, Respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence in violation of Rules of Professional Conduct, rule 3-110(A).

06-O-11029

FACTS:

102. October 28, 2002, Lisa Hammack ("Hammack") and Gina Villines ("Villines") employed Respondent to represent them in a personal injury matter for injuries they sustained in the same automobile accident. Respondent agreed to represent Hammack and Villines on a contingency fee basis.

103. At no time did Respondent inform Hammack and/or Villines in writing of the potential conflict inherent in representing Hammack, the driver of the automobile involved in the accident, and Villines, a passenger in the car with Hammack.

104. Respondent represented both Hammack and Villines without obtaining their informed written consent as to the potential conflict of interest.

105. On October 31, 2002, Respondent filed a claim on behalf of Hammack and Villines with Hartford Insurance Company for the automobile accident.

106. On January 26, 2004, Respondent filed a complaint in the Los Angeles Superior Court, *Lisa Hammack and Gina Villines vs. Crittendon B. Davis*, Case No. BC309536 (the "lawsuit").

107. On March 26, 2004, the Court properly served notice on Respondent and counsel for the defendant of the Case Management Conference hearing to be held on or about June 1, 2004 in the lawsuit.

108. On May 28, 2004, Respondent filed the Case Management Conference Statement on behalf of Hammack and Villines with the Court in the lawsuit.

109. On June 1, 2004, the Court conducted the hearing of the Case Management Conference in the lawsuit. Respondent failed to appear at the hearing. The Court rescheduled the hearing for June 16, 2004 and added an Order to Show Cause re Sanctions and an Order to Show Cause re Dismissal for Failure to Prosecute to be heard the same date. The Court properly served Respondent with notice of the continued hearing date and the Orders to Show Cause.

110. On June 16, 2004, Respondent failed to appear at the hearing. The Court delayed the hearing to give Respondent an opportunity to appear or communicate with the Court. Respondent did not appear and did not telephone the Court. The Court ordered the case dismissed due to lack of prosecution. The Court properly served Respondent with notice of the dismissal.

111. Respondent failed to inform Hammack and Villines that hearings regarding the lawsuit were scheduled in court for on June 1, 2004 and on June 16, 2004.

112. Respondent also failed to inform Hammack and Villines that the lawsuit was dismissed by the Court due to Respondent's failure to appear at those hearings and his lack of prosecution.

113. After the court dismissed the case and served Respondent with notice thereof, Respondent failed to take any action for almost six months to set aside the dismissal.

114. On January 4, 2005, Respondent filed a Motion for Relief from Order of Dismissal of the Complaint in the lawsuit. The hearing was scheduled for February 14, 2005.

115. At the hearing on February 14, 2005, the Court denied Respondent's Motion, stating that Respondent was not diligent.

116. On March 13, 2005, Respondent informed Hammack that he failed to file a lawsuit on her behalf, that her claim was lost and that she should sue him for legal malpractice. At no time did Respondent inform Hammack that he had filed a lawsuit on her behalf, but allowed it to be dismissed for lack of prosecution.

117. By not informing Hammack of the filing and dismissal of the lawsuit filed on her behalf, and by telling Hammack instead that he had never filed a lawsuit on her behalf, Respondent made material misrepresentations to Hammack.

118. On or about April 6, 2005, Hammack sent a letter to Respondent informing him that she had employed attorney Alan C. Bail ("Bail") to represent her and also requesting that Respondent forward her entire original file to Bail. Hammack's letter was placed in a sealed envelope, addressed to Respondent at the address which he gave her, which was also his State Bar membership records address, and promptly mailed by first class mail, postage prepaid, by depositing for collection by the United States Postal Service in the ordinary course of business. The United States Postal Service did not return Hammack's letter as undeliverable or for any other reason. Respondent did not respond to Hammack's letter and did not forward her file to Bail.

CONCLUSIONS OF LAW:

119. By failing to appear at the scheduled hearings of June 1, 2004 and June 16, 2004, causing the lawsuit to be dismissed, and by failing to take any action for almost six months to set aside the dismissal, Respondent intentionally, recklessly or repeatedly failed to perform legal services with competence, in wilful violation of Rules of Professional Conduct, rule 3-110(A).

120. By making the misrepresentation regarding the lawsuit to Hammack, Respondent committed an act or acts of moral turpitude, dishonesty and/or corruption, in wilful violation of Business and Professions Code section 6106

121. By accepting and continuing representation of Hammack and Villines without their informed written consent regarding the potential conflict of interest, Respondent represented more than one client in a matter in which the interest of the clients potentially conflicted, in wilful violation of Rules of Professional Conduct, rule 3-310(C)(1).

122. By failing to inform Hammack and Villines of the scheduled hearings, and failing to inform them of the Court's dismissal of the lawsuit, Respondent failed to inform his clients of significant developments in the lawsuit filed on her behalf, in wilful violation of Business and Professions Code section 6068(m).

123. By failing to return or otherwise release Hammack's client file, Respondent failed upon termination of employment, to release promptly to a client, at the request of the client, all the client's papers and property, in wilful violation of Rules of Professional Conduct, rule 3-700(D)(1).

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AGGRAVATING CIRCUMSTANCES:

Prior Record of Discipline:

September 3, 2002 Public Repeval for failing to promptly return client file (rule 3-700(D)(1)).

Dishonesty:

Bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional misconduct were involved in the

Trust Violation:

Trust account funds were involved in the Encinas, Rosas, Dawson, and Muhammad matters.

Harm:

Clients were delayed or denied timely legal services they had hired Respondent to perform. Encinas has been denied over \$38,000 for three and one-half years. Rosas has been denied over \$10,000 for almost seven years and her credit has been damaged and a collection action brought resulting in a judgement against her that has now almost doubled the original amount.

Indifference:

Respondent has done nothing to atone or rectify the consequences of his misconduct.

Lack Cooperation:

Respondent did not cooperate with the victims of his misconduct and repeatedly failed to provide information and documentation to the State Bar in the process of resolving these matters.

Multiple Acts of Misconduct:

There are twenty-six stipulated violations, many of which are repeated, included in six separate client matters. Misconduct includes four misappropriations; five failures to communicate; two misrepresentations; two failures to obey court orders; three failures to perform; three failures to participate in State Bar investigations and four failures to maintain client funds in trust - evidencing multiple acts of wrongdoing and demonstrating a pattern of misconduct.

MITIGATING CIRCUMSTANCES:

None

RESTITUTION:

Respondent shall pay to the following persons (or CSF, to the extent it has paid), the following principal sums, plus interest at ten percent (10%) per annum from the date indicated:

<u>Person</u>	<u>Principal</u>	<u>Date Interest Accrues</u>
Catherine A. Encinas	\$ 38,185.50	February 11, 2004
Olga Rosas	\$ 10,962.99	December 1, 2000

(Do not write above this line.)

In the Matter of RONALD E. FAULK Bar # 68325	Case number(s): 04-O-14456; 04-O-14909; 05-O-03005 04-O-15387; 06-O-11209 05-O-01313;
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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 and Conclusions of Law.

Respondent enters into this stipulation as a condition of his/her participation in the Program. Respondent understands that he/she must abide by all terms and conditions of Respondent's Program Contract.

If the Respondent is not accepted into the Program or does not sign the Program contract, this Stipulation will be rejected and will not be binding on Respondent or the State Bar.

If the Respondent is accepted into the Program, upon Respondent's successful completion of or termination from the Program, this Stipulation will be filed and the specified level of discipline for successful completion of or termination from the Program as set forth in the State Bar Court's Statement Re: Discipline shall be imposed or recommended to the Supreme Court.

Date <u>9/26/07</u>	 Respondent's signature	RONALD E. FAULK Print name
Date <u>9/25/07</u>	 Respondent's Counsel's signature	EDWARD O. LEAR Print name
Date <u>9/26/07</u>	 Deputy Trial Counsel's signature	CHARLES A. MURRAY Print name

(Do not write above this line.)

In the Matter of RONALD E. FAULK Bar # 68325	Case number(s): 04-O-14456; 04-O-14909; 05-O-03005 04-O-15387; 06-O-11209 05-O-01313;
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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 stipulation as to facts and conclusions of law is APPROVED.
- The stipulation as to facts and conclusions of law is APPROVED AS MODIFIED as set forth below.
- All court dates in the Hearing Department are vacated.

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies or further modifies the approved stipulation; or 3) Respondent is not accepted for participation in the Program or does not sign the Program Contract. (See rule 135(b) and 802(b), Rules of Procedure.)

03-06-08
Date


Judge of the State Bar Court

RICHARD A. PLATEL

CERTIFICATE OF SERVICE

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

I am a Case Administrator of the State Bar Court of California. I am over the age of eighteen and not a party to the within proceeding. Pursuant to standard court practice, in the City and County of Los Angeles, on March 10, 2008, I deposited a true copy of the following document(s):

CONFIDENTIAL STATEMENT OF ALTERNATIVE DISPOSITIONS AND ORDERS; CONTRACT AND WAIVER FOR PARTICIPATION IN THE STATE BAR COURT'S ALTERNATIVE DISCIPLINE PROGRAM; STIPULATION RE FACTS AND CONCLUSIONS OF LAW

in a sealed envelope for collection and mailing on that date as follows:

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

**EDWARD LEAR
CENTURY LAW GROUP
5200 W CENTURY BLVD #940
LOS ANGELES CA 90045**

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 Los Angeles, California, on **March 10, 2008**.



Angela Owens-Carpenter
Case Administrator
State Bar Court