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State Bar Court of California  
Hearing Department  
Los Angeles

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In the Matter Of:  
JEREMIAS F. VALDEZ

Bar # 177675

A Member of the State Bar of California  
(Respondent)

Case Number (s)  
06-0-10213-RMT

(for Court's use)

**PUBLIC MATTER**

**FILED**

OCT 12 2006

STATE BAR COURT  
CLERK'S OFFICE  
LOS ANGELES

Submitted to: **Assigned Judge**

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND  
DISPOSITION AND ORDER APPROVING

**ACTUAL SUSPENSION**

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 **September 18, 1995**.
- (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 18 pages, not including the order.
- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."
- (5) Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law".
- (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.

(Stipulation form approved by SBC Executive Committee 10/16/00. Revised 12/16/2004.)

Actual Suspension



(Do not write above this line.)

(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 284, Rules of Procedure.

costs to be paid in equal amounts prior to February 1 for the following membership years:  
**2008 & 2009**

(hardship, special circumstances or other good cause per rule 284, Rules of Procedure)

costs waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs"

costs 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 **02-0-14743; 03-0-01767; 03-0-03059; 02-0-14077**

(b)  Date prior discipline effective **July 10, 2004**

(c)  Rules of Professional Conduct/ State Bar Act violations: **Rules of Professional Conduct, rule 3-110(A) in two client matters. Business and Professions Code, section 6068(a) and 6068(k).**

(d)  Degree of prior discipline **60 days actual suspension.**

(e)  If Respondent has two or more incidents of prior discipline, use space provided below.

See Prior Discipline at page 16.

(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.

(Stipulation form approved by SBC Executive Committee 10/16/00. Revised 12/16/2004.)

Actual Suspension

(Do not write above this line.)

- (5)  **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
- (6)  **Lack of Cooperation:** Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.
- (7)  **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct.
- (8)  **No aggravating circumstances** are involved.

**Additional aggravating circumstances:**

**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.
- (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.

(Stipulation form approved by SBC Executive Committee 10/16/00. Revised 12/16/2004.)

Actual Suspension

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- (10)  **Family Problems:** At the time of the misconduct, Respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature.
- (11)  **Good Character:** Respondent's good character is attested to by a wide range of references in the legal and general communities who are aware of the full extent of his/her misconduct.
- (12)  **Rehabilitation:** Considerable time has passed since the acts of professional misconduct occurred followed by convincing proof of subsequent rehabilitation.
- (13)  **No mitigating circumstances** are involved.

**Additional mitigating circumstances**

**See Mitigating and Other Circumstances at page 13.**

**D. Discipline:**

- (1)  **Stayed Suspension:**
- (a)  Respondent must be suspended from the practice of law for a period of **three (3) 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 **five (5) years** which will commence upon the effective date of the Supreme Court order in this matter. (See rule 953, Calif. Rules of Ct.)

(Stipulation form approved by SBC Executive Committee 10/16/00. Revised 12/16/2004.)

Actual Suspension

- (3)  **Actual Suspension:**
- (a)  Respondent must be actually suspended from the practice of law in the State of California for a period of **ninety (90) days**.
- 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:

**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 general law, pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.
- (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.

(Do not write above this line.)

- (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 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 951(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.**
- No MPRE recommended. Reason: \_\_\_\_\_
- (2)  **Rule 955, California Rules of Court:** Respondent must comply with the requirements of rule 955, 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 955, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 955, 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:** Respondent shall successfully complete twelve (12) hours of participatory continuing legal education courses in legal ethics above those required for his license and provide proof of completion within one (1) year of the effective date of the disciplinary order imposed as a result of this stipulation re facts, conclusions of law and disposition to the Probation Unit of the State Bar of California.

**ATTACHMENT TO**  
**STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION**

IN THE MATTER OF:        JEREMIAS F. VALDEZ

CASE NUMBER:            06-O-10213-RMT

**JURISDICTION**

Jeremias F. Valdez ("Respondent") was admitted to the practice of law in the State of California on September 18, 1995, was a member at all times pertinent to these charges, and is currently a member of the State Bar of California.

**FACTS AND CONCLUSIONS OF LAW**

1. Respondent wilfully violated Business and Professions Code section 6068(k), by failing to comply with all conditions attached to any disciplinary probation, as follows:
2. On September 5, 2002, the Supreme Court issued an order imposing discipline ("Disciplinary Order") on Respondent in case no. S107951. In the Disciplinary Order, the court placed Respondent on three (3) years probation subject to conditions of probation recommended by the Hearing Department of the State Bar Court in its Order Approving Stipulation in State Bar Court case nos. 01-O-01296 and 02-O-11409.
3. On September 15, 2002, the Clerk of the Supreme Court properly served a copy of the Disciplinary Order on Respondent.
4. On October 5, 2002, the Disciplinary Order became effective.
5. On October 3, 2002, a Probation Deputy of the Office of Probation of the State Bar of California (formerly the Probation Unit, Office of the Chief Trial Counsel), sent a letter to Respondent enclosing a copy of the Disciplinary Order and the conditions of his probation. The Probation Deputy's letter was placed in a sealed envelope correctly addressed to Respondent at his then State Bar of California membership records address: 511 E. Harvard St., #1, Glendale, CA 91205. The letter was 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 Probation Deputy's letter as undeliverable or for any other reason.

6. Pursuant to the Disciplinary Order, Respondent was required to comply with the following terms and conditions of probation (among other terms):

Respondent was required to submit quarterly reports to the Office of Probation each by January 10, April 10, July 10, and October 10 of his period of probation attesting under penalty of perjury whether he had complied with the State Bar Act and the Rules of Professional Conduct; and

Respondent was required to submit reports from a Certified Public Accountant ("CPA Reports") on a quarterly basis certifying specified information regarding Respondent's possession of client funds and maintenance of required client trust account records.

7. Respondent did not file timely quarterly reports.
8. Respondent did not file his quarterly report due January 10, 2005 until January 21, 2005.
9. On March 2, 2005, a Probation Deputy requested all late quarterly and CPA reports.
10. Respondent did not file his quarterly report due January 10, 2004, April 10, 2004, July 10, 2004, October 10, 2004, and April 10, 2005 until April 20, 2005.
11. On June 20, 2005, a Probation Deputy wrote Respondent an electronic message to Respondent's e-mail address and Respondent received the message where the Probation Deputy reminded Respondent to submit his CPA reports which would cover January 2004 through April 2004 and January 2005 through June 2005.
12. Respondent did not file his quarterly report due July 10, 2005 until August 26, 2005.
13. Respondent did not file his last quarterly report due October 10, 2005 until November 21, 2005.
14. Respondent filed no timely CPA reports. When Respondent did submit CPA reports, they did not conform with his probation conditions.
15. Respondent did not file a compliant January 10, 2004 or April 10, 2004 CPA report in accordance with his probation condition requirements as ordered by Supreme Court order S107951.
16. On April 1, 2004, the Office of Probation received a "Statement of Sources and Application of Funds" from Respondent's CPA, Eddie Y. Rodriguez. The Statement did not meet



Respondent's financial reporting requirement, pursuant to page 7 of the Stipulation and Order Approving, filed May 6, 2002. Therefore, the Statement was not filed by the Office of Probation.

17. In a letter dated April 2, 2004, The Office of Probation Probation Deputy informed Respondent that the Statement did not comply with Respondent's financial reporting requirement. The letter informed Respondent that in order to come into compliance he could resubmit a financial report for the period of October 5, 2002 through March 31, 2004.

18. On June 24, 2004, the Office of Probation received a supplement to the April 1, 2004 Statement. The supplemental documents did not bring the April 1, 2004 Statement into compliance with the CPA reporting requirement.

19. On November 21, 2004, the Office of Probation received a CPA report covering the period from May 2004 through October 2004.

20. In a letter dated March 2, 2005, The Office of Probation Probation Deputy informed Respondent that he had still not complied with submitting his CPA report to cover January through April 2004 and another CPA report to cover November 2004 through the end of December 2004.

21. On June 7, 2005, The Office of Probation received a CPA verification and Financial Statement covering the period from May 2004 through October 2004.

22. In an electronic message dated June 20, 2005, the Probation Deputy requested that Respondent amend the CPA verification to specify the reporting period. The message also reminded Respondent that he still had not complied with the reporting requirement covering January 2004 through April 2004, and another to cover January 2005 through June 2005. Respondent received this message.

23. On July 15, 2005, Respondent submitted an amended CPA verification to cover October 2004 through December 2004 and filed a CPA report covering January 2005 through March 2005.

24. On October 5, 2005, Respondent's probation period ended.

25. On February 15, 2006, Respondent filed a CPA report covering April 2005 through September 2005.

26. Respondent's January 10, 2004 and April 10, 2004 quarterly reports were requested on April 2, 2004, and March 2, 2005.

27. Respondent did not file his CPA report due July 10, 2004, October 10, 2004, and January 10, 2005 until January 21, 2005.
28. Respondent did not file his CPA report due April 10, 2005 until July 15, 2005.
29. On December 4, 2005, Respondent represented he would file his October 10, 2005 CPA report by December 10, 2005.
30. Respondent did not file his CPA report due July 10, 2005 and October 10, 2005 until February 15, 2006.
31. By filing late quarterly reports and late CPA reports throughout his probation period, and by failing to file CPA reports due January 10, 2004 and April 10, 2004, Respondent failed to comply with the conditions outlined in the Disciplinary Order in wilful violation of Business and Professions Code section 6068(k).

### **SUPPORTING AUTHORITY**

Actual suspension is warranted. Respondent's probation condition violations of his disciplinary probation and his prior discipline require the imposition of actual suspension.

Pursuant to Standard 1.3 of the Standards of Attorney Sanctions for Professional Misconduct (Standard) the primary purpose of disciplinary proceedings are the protection of the public, the courts and the legal profession; the maintenance of high professional standards by attorneys and the protection of the public confidence in the legal profession.

Pursuant to Standard 1.7(b) if a member has a record of two prior impositions of discipline as defined by Standard 1.2(f), the degree of discipline in the current proceeding shall be disbarment unless the most compelling mitigating circumstances clearly predominate.

### **AGGRAVATING CIRCUMSTANCES**

Respondent received discipline with actual suspension in State Bar case number 01-O-01296; 02-O-11409 (Cons.). He also received discipline with actual suspension in State Bar case number 02--14743; 03-O-01767; 03-O-03059; 02-O-14077 (Cons.).

### **MITIGATING AND OTHER CIRCUMSTANCES**

Respondent took objective steps to demonstrate remorse and recognition of his wrongdoing.

Respondent suffered severe, prolonged financial hardship and personal problems due to domestic difficulties.

Respondent's financial stress is directly related to his inability to timely file his CPA reports. The origins of Respondent's monetary difficulties stem from domestic obligations, judgments, liens, and IRS levies that overwhelmed Respondent.

In February 2002, Respondent was audited by the Internal Revenue Service. In 2003, the IRS discovered that Respondent's bookkeeper/office administrator embezzled \$84,000 from his operating account of funds designated for payment of employee withholdings and other liabilities. The IRS pursued the administrator and assessed a fraud penalty. The IRS agent analyzed the books and determined that Respondent was not involved in the embezzlement scheme nor did he benefit from it. Nonetheless, as a sole proprietor Respondent was liable for all tax liabilities of the firm. A tax payment schedule resulted in levies upon the income of the law office and garnishment of Respondent's income from late 2004 through April 2006. Thus, during Respondent's probation Respondent was unable to afford to pay his CPA.

On July 22, 2002, Respondent and his wife's infant daughter died. Her death was emotionally devastating to both Respondent and his wife who became extremely depressed. As a result of the loss of their daughter and financial issues, marital difficulties began in 2003. The couple separated in mid-2003 with their only living child, a son almost four years old at the time residing with Respondent's wife. Respondent was faced with suddenly being responsible for two households, thus, compounding Respondent's financial strain and emotional stress.

In 2004, Respondent struggled with the transition and acceptance of his broken family. His wife denied Respondent access to their son and threatened to file for divorce in each large argument throughout 2004. Respondent attempted several reconciliations, but the couple was unable to overcome the strains of the financial and emotional hardships. Respondent's final attempt was in November 2005. Beginning in 2006, the couple has accepted being in a state of peaceful relations for the sake of their now six-year-old son. Respondent continues to maintain two households and has accepted that they may never reconcile their marriage.

The IRS levies were lifted in April 2006 and as a result Respondent's financial situation has improved.

Also, Respondent, in error, assumed that quarterly reports could not be submitted to the Office of Probation until the CPA reports were filed.

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## ANALYSIS

The Standards for Attorney Sanctions for Professional Misconduct provide guidance in determining the appropriate degree of discipline to be recommended,<sup>1</sup> are not mandatory sentencing guidelines, are not applied in a talismanic fashion where there is a compelling reason.<sup>2</sup>

Standard 1.7(b), *supra*, provides that if a member has a record of two prior impositions of discipline, the degree of discipline in the current proceeding shall be disbarment unless the most compelling mitigating circumstances clearly predominate. Here, Respondent has a record of two prior disciplinary actions. While the standards are entitled to great weight, they are not binding.<sup>3</sup> Mitigating evidence based on the surrounding circumstances is sufficient to avert Respondent's disbarment for prior misconduct.<sup>4</sup>

A literal application of Standard 1.7(b) would call for disbarment of any attorney who is found culpable in a third disciplinary proceeding, unless compelling mitigating circumstances predominate. This standard must be applied in light of the nature and extent of the prior record.<sup>5</sup>

In order to properly fulfill the purposes of lawyer discipline, we must review the nature and extent of Respondent's disciplinary record in balanced consideration of the relevant factors of mitigation and aggravation.<sup>6</sup> The mere fact that Respondent has two prior impositions of discipline without further analysis, may not justify disbarment.<sup>7</sup> In *In the Matter of Meyer* (Review Dept. 1997) 3 Cal. State Bar Ct. Rptr. 697, respondent had three instances where he failed to comply with conditions attached to prior disciplinary actions against him. These failures were mitigated by the fact that, at the time, respondent "was suffering from extreme emotional difficulties and depression caused by marital difficulties." *Id* at 704. The court in *Meyers* concluded that disbarment was inappropriate based on the mitigating factors present. Similarly, Respondent has suffered through marital difficulties arising out of the death of his infant daughter and wife's depression. This circumstance is a mitigating factor in the determination of the appropriate level of discipline.

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<sup>1</sup> *In the Matter of Taylor* (Review Dept. 1991) 1 Cal State Bar Ct. Rptr. 563, 580.

<sup>2</sup> *In the Matter of Bouyer* (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr. 404; *In the Matter of Stamper* (Review Dept. 1990) 1 Cal State Bar Ct. Rptr. 96.

<sup>3</sup> *In re Silverton* (2005) 36 Cal.4<sup>th</sup> 81, 92

<sup>4</sup> *In the Matter of Snyder* (Review Dept. 1993) 2 Cal. State Bar Ct. Rptr. 593.

<sup>5</sup> *In the Matter of Anderson* (Review Dept. 1992) 2 Cal. State Bar Ct. Rptr. 208, 217.

<sup>6</sup> *Greenbaum v. State Bar* (1976) 15 Cal.3d 893, 904; *Bernstein v. State Bar* (1972) 6 Cal.3d 909, 919.

<sup>7</sup> *In the Matter of Miller* (Review Dept. 1990) 1 Cal. State Bar Ct. Rptr. 131.

Additionally, Respondent was suffering from extreme financial difficulties which inhibited his ability to comply with probation conditions.<sup>8</sup> Generally, when an attorney fails to comply with probation conditions, each stands alone as a single violation.<sup>9</sup> Usually, "when an attorney commits multiple violations of the same probation condition, the gravity of each successive violation increases."<sup>10</sup> However, in the present case, Respondent was undergoing extenuating stressors related to his financial obligations and personal life that spanned the entire probation period. Rather than viewing each violated condition as constituting multiple acts of wrongdoing (Std. 1.2(b)(ii)) it is appropriate to assess the sequence of events in the interest of justice where deviation from disbarment is consistent with the purposes of attorney discipline. (Std. 1.3.)

### **PRIOR DISCIPLINE**

Respondent received a thirty-day actual suspension in State Bar case number 01-O-1296 et al. and a sixty-day actual suspension in State Bar case number 02-O-14743 et al.

In State Bar case nos. 01-O-01296; 02-O-11409 (Cons.), Respondent was disciplined for violation of Rules of Professional Conduct, rule 4-100(A) for failing to maintain client funds in trust account and commingling personal funds in client trust account. His discipline was also based on violations of Rules of Professional Conduct, rule 4-100(B)(3), 4-100(C) for failing to maintain records of client funds and rule 3-110(A) for failing to supervise. The discipline included a two-year stayed suspension, three-years probation, and thirty-days actual suspension.

In State Bar case nos. 02-O-14743; 03-O-14743; 03-O-03059; 02-O-14077 (Cons.), Respondent was disciplined for violation of Business and Professions Code § 6068(a) for failing to support laws by unauthorized practice. His discipline also stemmed from his violation of Rule of Professional Conduct, rule 3-110(A) for failing to supervise. Finally, the origins of his discipline were based on his violation of Business and Professions Code § 6068(k) for failing to comply with conditions of probation. (Namely for failing to file 2003 quarterly reports.) The discipline included a two-year stayed suspension, three-years probation and sixty-days actual suspension.

### **PENDING PROCEEDINGS**

The disclosure date referred to, on page one, paragraph A.(7), was August 11, 2006 and September 7, 2006.

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<sup>8</sup> Respondent now acknowledges that the appropriate action would be to bring a formal motion with the State Bar Court to seek relief or modification. Rule of Proc. rules 550-554.

<sup>9</sup> *In the Matter of Carr* (1992) 2 Cal. State Bar Ct. Rptr. 244, 256.

<sup>10</sup> *In the Matter of Tiernan* (1996) 3 Cal. State Bar Ct. Rptr. 523.

## **COSTS OF DISCIPLINARY PROCEEDINGS**

Respondent acknowledges that the Office of the Chief Trial Counsel has informed Respondent that as of September 7, 2006, the estimated prosecution costs in this matter are approximately \$4,920.00. Respondent acknowledges that this figure is an estimate only and that it does not include incidental expenses (see Bus. & Prof. Code section 6068.10(c)) or taxable costs (see C.C.P. section 1033.5(a)) which will be included in any final cost assessment. 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.

55338.1

In the Matter of  
JEREMIAS F. VALDEZ

Case number(s):  
06-0-10213-RMT

A Member of the State Bar

### Financial Conditions

#### a. Restitution

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

Payee	Principal Amount	Interest Accrues From

- Respondent must pay above-referenced restitution and provide satisfactory proof of payment to the Office of Probation not later than

#### b. 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

#### c. Client Funds Certificate

1. If Respondent possesses client funds at any time during the period covered by a required quarterly report, Respondent must file with each required report a certificate from Respondent and/or a certified public accountant or other financial professional approved by the Office of Probation, certifying that:
- Respondent has maintained a bank account in a bank authorized to do business in the State of California, at a branch located within the State of California, and that such account is designated as a "Trust Account" or "Clients' Funds Account";

b. Respondent has kept and maintained the following:

- i. A written ledger for each client on whose behalf funds are held that sets forth:
  1. the name of such client;
  2. the date, amount and source of all funds received on behalf of such client;
  3. the date, amount, payee and purpose of each disbursement made on behalf of such client; and,
  4. the current balance for such client.
- ii. a written journal for each client trust fund account that sets forth:
  1. the name of such account;
  2. the date, amount and client affected by each debit and credit; and,
  3. the current balance in such account.
- iii. all bank statements and cancelled checks for each client trust account; and,
- iv. each monthly reconciliation (balancing) of (i), (ii), and (iii), above, and if there are any differences between the monthly total balances reflected in (i), (ii), and (iii), above, the reasons for the differences.

c. Respondent has maintained a written journal of securities or other properties held for clients that specifies:

- i. each item of security and property held;
- ii. the person on whose behalf the security or property is held;
- iii. the date of receipt of the security or property;
- iv. the date of distribution of the security or property; and,
- v. the person to whom the security or property was distributed.

2. If Respondent does not possess any client funds, property or securities during the entire period covered by a report, Respondent must so state under penalty of perjury in the report filed with the Office of Probation for that reporting period. In this circumstance, Respondent need not file the accountant's certificate described above.
3. The requirements of this condition are in addition to those set forth in rule 4-100, Rules of Professional Conduct.

**d. Client Trust Accounting School**

- Within one (1) year of the effective date of the discipline herein, Respondent must supply to the Office of Probation satisfactory proof of attendance at a session of the Ethics School Client Trust Accounting School, within the same period of time, and passage of the test given at the end of that session.



(Do not write above this line.)

In the Matter of <b>JEREMIAS F. VALDEZ</b>	Case number(s): <b>06-0-10213-RMT</b>
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**SIGNATURE OF THE PARTIES**

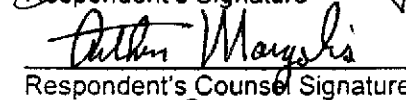
By their signatures below, the parties and their counsel, as applicable, signify their agreement with each of the recitations and each of the terms and conditions of this Stipulation Re Fact, Conclusions of Law and Disposition.

10/03/06  
Date

  
Respondent's Signature


JEREMIAS F. VALDEZ  
Print Name

10/04/06  
Date

  
Respondent's Counsel Signature

ARTHUR L. MARGOLIS  
Print Name

10/4/06  
Date

  
Deputy Trial Counsel's Signature

JEAN CHA  
Print Name

(Do not write above this line.)

In the Matter of  JEREMIAS F. VALDEZ	Case number(s):  06-0-10213-RMT
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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 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.

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies or further modifies the approved stipulation. (See rule 135(b), Rules of Procedure.) The effective date of this disposition is the effective date of the Supreme Court order herein, normally 30 days after file date. (See rule 953(a), California Rules of Court.)

Date

10/10/06

Judge of the State Bar Court

Honorable Robert M. Talcott

**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 October 12, 2006, 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:

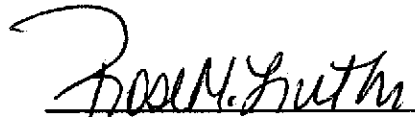
- [X] by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

**ARTHUR MARGOLIS, ESQ.  
MARGOLIS & MARGOLIS  
2000 RIVERSIDE DR  
LOS ANGELES CA 90039**

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

**JEAN CHA, ESQ., Enforcement, Los Angeles**

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on **October 12, 2006.**



\_\_\_\_\_  
Rose M. Luthi  
Case Administrator  
State Bar Court