

State Bar Court of California

Hearing Department  
Los Angeles

**PUBLIC MATTER**

<p>Counsel For The State Bar</p> <p><b>CHRISTINE SOUHRADA DEPUTY TRIAL COUNSEL 1149 SOUTH HILL STREET LOS ANGELES, CA 90015-2299 TELEPHONE: (213) 765-1162</b></p> <p>Bar # 228256</p>	<p>Case Number (s) 06-0-12006</p>	<p>(for Court's use)</p> <p><b>FILED</b></p> <p><b>OCT 02 2008</b></p> <p>STATE BAR COURT CLERK'S OFFICE LOS ANGELES</p>
<p>Counsel For Respondent</p> <p><b>PAUL VIRGO P.O. BOX 67682 LOS ANGELES, CA 90067-0682 (310) 642-6900</b></p> <p>Bar # 67900</p>	<p>Submitted to: <b>Settlement Judge</b></p>	
<p>In the Matter Of: <b>KRISTINE ADAMS</b></p> <p>Bar # 213819</p> <p>A Member of the State Bar of California (Respondent)</p>	<p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING</p> <p><b>ACTUAL SUSPENSION</b></p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	

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

**A. Parties' Acknowledgments:**

- (1) Respondent is a member of the State Bar of California, admitted **June 5, 2001**.
- (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 **11** 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.
- (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: **three billing cycles following the effective date of the Supreme Court Order.**  
(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
  - (b)  Date prior discipline effective
  - (c)  Rules of Professional Conduct/ State Bar Act violations:
  - (d)  Degree of prior discipline
  - (e)  If Respondent has two or more incidents of prior discipline, use space provided below.
- (2)  **Dishonesty:** Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
- (3)  **Trust Violation:** Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.
- (4)  **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice.
- (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.
- (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**

## D. Discipline:

(1)  **Stayed Suspension:**

- (a)  Respondent must be suspended from the practice of law for a period of **one year**.
- 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 **two years**, which will commence upon the effective date of the Supreme Court order in this matter. (See rule 9.18, California Rules of Court)

(3)  **Actual Suspension:**

- (a)  Respondent must be actually suspended from the practice of law in the State of California for a period of **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.
- (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 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 9.10(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.**
- No MPRE recommended. Reason: .
- (2)  **Rule 9.20, California Rules of Court:** Respondent must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 30

(Do not write above this line.)

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and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.

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

Attachment to Stipulation Re Facts, Conclusions of Law and Disposition  
in the Matter of Kristine Adams

Case no. 06-O-12006

I. Facts

1. On April 8, 2005, Respondent, as Of Counsel with the law corporation of Madison Harbor, entered into a legal services agreement with Leon Jones ("Jones"), a visual artist, in which Respondent agreed to, and did, provide legal services to Jones in connection with Jones's art. Specifically, Respondent wrote three letters on Jones's behalf to locate some of his property. Respondent never received any payment for writing the letters.

2. On April 15, 2005, Respondent and Jones entered into an artist management agreement. If called to testify, Respondent would testify that Madison Harbor was to separately enter into a contract for the legal services.

3. Between April 2005 and Fall 2005, Jones provided Respondent with several pieces of art that he had created, including nine oil paintings from a "Liberal Arts Collection." If called to testify, Respondent would testify that Respondent worked daily on management projects for Jones, that Respondent conceived of the "Liberal Arts Collection" and designed the paintings; that Jones' girlfriend helped design some of the pieces; and that Jones painted the pieces. Jones provided the art to Respondent for safekeeping and pursuant to the artist management agreement. If called to testify, Respondent would testify that the paintings were also kept with her because Jones confessed a gambling problem and did not want access to them, and Respondent and Jones determined a need to protect the property from that vice.

4. In December, 2005, Jones retrieved all of his paintings except for the Liberal Arts Collection. Jones requested but did not receive the Liberal Arts Collection. If called to testify, Respondent would testify that the Liberal Arts Collection paintings remained with Respondent at this time pursuant to the safekeeping agreement and artist management agreement, and because they were waiting to be sold. Respondent would also testify that beginning in the late Fall, Jones began acting like someone else, and he was erratic, angry, and untruthfully accusing Respondent of never doing work for him. At trial Respondent would call two witnesses to testify to this behavior. Respondent

would testify that she was very disturbed by it and had genuine concern that she needed to continue safekeeping the property due to Jones's behavior.

5. In late December Jones e-mailed Respondent that he wanted the Liberal Arts paintings. Respondent e-mailed back that she would meet with him but that she was sick at the time and could not do it immediately.

6. If called to testify, Respondent would testify that she sent a letter to Jones on January 16, 2006 in which she addressed many outstanding issues regarding the sudden change in Jones's demeanor and attitude toward her, the artist management agreement, the need to meet and address his pick-up of the paintings, whether Jones and Respondent were going to sell the paintings, the need for Jones to repay an advance she had given him for future work that he never did, and related matters.

7. In January 2006, Jones contacted the Arts Arbitration and Mediation Services of California Lawyers for the Arts ("AAMS") and asked AAMS to facilitate mediation with Respondent concerning the return of the Liberal Arts Collection. On January 31, 2006, a representative of AAMS called Respondent and spoke with her. The representative also wrote to Respondent regarding Jones's desire to have the Liberal Arts Collection returned to him. Respondent received the letter, but did not participate in the proposed mediation. If called to testify, Respondent would testify that the reason she did not participate was that she felt the AAMS representative was acting as an advocate for Jones, that the AAMS letter claimed that Respondent owed money to Jones (which was not true), and that Respondent had already sent Jones a letter to arrange for a meeting to address the paintings and related matters; and that Respondent was always available for Jones to contact.

*claim that he could not contact Respondent.*

8. On January 31, 2006, Jones sent Respondent an e-mail informing Respondent that because he had not heard from her for over 30 days, he assumed she no longer wanted to represent him. Jones asked Respondent to release him from their Management Agreement. Respondent received Jones's e-mail, but did not respond to him. If called to testify, Respondent would testify that 30 days had not passed, that she had in January 2006 attempted to address with Jones the management arrangement, and related matters.



9. On February 2, 2006, an AAMS representative called and spoke to Respondent. That same day, AAMS sent another letter to Respondent offering AAMS's assistance in resolving the matter with Jones.

10. On February 17, 2006, Jones sent Respondent a certified letter in which he asked her to return the Liberal Arts Collection. Respondent did not respond to Jones. Although the letter was delivered to Respondent's correct address, if called to testify, Respondent would testify that she did not receive the letter. Additionally, the postal documents indicate that the letter was signed for by someone else – not respondent. If called to testify, Respondent would testify that she does not know who that person is, and that Respondent's address at the time was located in a mixed-use building in L.A. with nine floors and hundreds of units.

11. On March 7, 2006, an AAMS representative again wrote to Respondent. If called to testify, Respondent would testify that she does not recall receiving this letter.

12. On April 20, 2008, after an early settlement conference before a settlement judge in this disciplinary matter, at which the judge recommended Respondent return the paintings, Respondent returned the Liberal Arts Collection to Jones. Respondent was contacted by a State Bar Investigator by way of letter over two years ago concerning claims made by Jones. Respondent replied to the investigator in full, attaching details and documents. ~~Respondent would testify that~~ Respondent did not hear from the State Bar until approximately two years later. If called to testify, Respondent would testify that she received absolutely no communication of any sort from Jones after she was contacted by the State Bar Investigator <sup>two years ago.</sup> Respondent never received any payment for the management work.. Jones does not claim he contacted Respondent after he complained to the State Bar.

II. Conclusions of Law

13. By failing to return the Liberal Arts Collection to Jones despite Jones's repeated requests that she do so, Respondent failed to deliver promptly, as requested by a client, any securities or other properties in Respondent's possession which the client is entitled to receive, in wilful violation of rule 4-100(B)(4), Rules of Professional Conduct.

III. Supporting Authority

*Handwritten initials: PMS and P.D. or*

Standard 2.2 of the Standards for professional conduct, states:

(b) Culpability of a member of commingling of entrusted funds or property with personal property or the commission of another violation of rule 4-100, Rules of Professional Conduct, none of which offenses result in the wilful misappropriation of entrusted funds or property shall result in at least a three month actual suspension from the practice of law, irrespective of mitigating circumstances.

#### IV. Dismissals

The parties respectfully request that the Court dismiss count 2 (Business and Professions Code, section 6106) with prejudice in the interest of justice.

#### V. Estimate of Costs of Disciplinary Proceedings

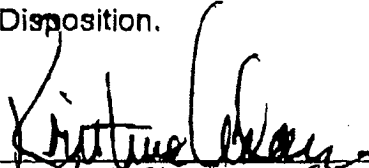
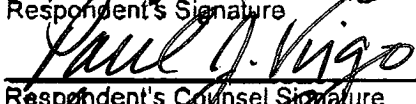
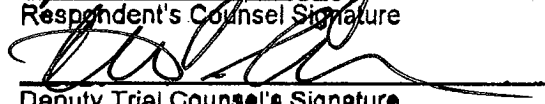
Respondent acknowledges that the Office of the Chief Trial Counsel has informed Respondent that as of September 15, 2008, the estimated prosecution costs in this matter are approximately \$3,654.00. Respondent acknowledges that this figure is an estimate only. Respondent further acknowledges that should 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.

(Do not write above this line.)

In the Matter of KRISTINE ADAMS	Case number(s): 08-0-12008
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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.

9/26/08 Date	 Respondent's Signature	KRISTINE ADAMS Print Name
9/26/2008 Date	 Respondent's Counsel Signature	PAUL JEAN VIRGO Print Name
9/26/08 Date	 Deputy Trial Counsel's Signature	CHRISTINE SOUHRADA Print Name

(Do not write above this line.)

**ORIGINAL**

In the Matter of  
**KRISTINE ADAMS**

Case number(s):  
**06-0-12006**

**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.

9/26/08  
Date

*Kristine Adams*  
Respondent's Signature

KRISTINE ADAMS  
Print Name

9/30/2008  
Date

*Paul Jean Virgo*  
Respondent's Counsel Signature

PAUL JEAN VIRGO  
Print Name

10/1/08  
Date

*[Signature]*  
Deputy Trial Counsel's Signature

CHRISTINE SOUHRADA  
Print Name

(Do not write above this line.)

In the Matter Of <b>KRISTINE ADAMS</b>	Case Number(s): <b>06-0-12006</b>
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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 9.18(a), California Rules of Court.)**

9/26/08  
Date

  
\_\_\_\_\_  
Judge of the State Bar Court

10/2/08

**DONALD F. MILES**  
  
(re-signed after receipt of original signature page from respondent)

**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 2, 2008, I deposited a true copy of the following document(s):

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

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

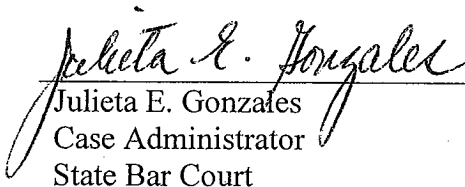
- by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

PAUL JEAN VIRGO ESQ  
PO BOX 67682  
LOS ANGELES, CA 90067 - 0682

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

Christine A. Souhrada, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on October 2, 2008.

  
\_\_\_\_\_  
Julieta E. Gonzales  
Case Administrator  
State Bar Court