

(Do not write above this line.)

State Bar Court of California Hearing Department Los Angeles		
Counsel For The State Bar Kimberly G. Anderson, SBN 150359 The State Bar of California 1149 S. Hill Street Los Angeles, CA 90015 Bar # 150359	Case Number (s) 07-C-11684 and 07-C-11687 PUBLIC MATTER	(for Court's use) <div style="text-align: center;"> FILED APR -7 2010 <i>[Signature]</i> STATE BAR COURT CLERK'S OFFICE LOS ANGELES </div>
Counsel For Respondent Arthur Margolis Margolis & Margolis 2000 Riverside Drive Los Angeles, CA 90039 Bar # 57703	Submitted to: Settlement Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING ACTUAL SUSPENSION <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	
In the Matter Of: Peter M. Marquez Bar # 219823 A Member of the State Bar of California (Respondent)		

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 4, 2002.
- (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."

(Do not write above this line.)

- (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 (3) 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. See Stipulation Attachment, page 3.
- (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 four (4) 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 four (4) 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 30 months.

i. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct

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

(Do not write above this line.)

- (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: August 29, 2008.
- (5) **Other Conditions:**

(Do not write above this line.)

Attachment language begins here (if any):

ATTACHMENT TO
STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: Peter M. Marquez
CASE NUMBER(S): ET AL. 07-C-11684 and 07-C-11687

PROCEDURAL BACKGROUND IN CONVICTION PROCEEDING.

1. This is a proceeding pursuant to sections 6101 and 6102 of the Business and Professions Code and rule 9.10 of the California Rules of Court.
2. On May 6, 2008, Respondent was convicted of the following four felony violations: 1) North Carolina General Statute §90-95(h)(1) (possession of more than 50 pounds of marijuana), 2) North Carolina General Statute §90-95(i) (conspiracy to traffic in marijuana - more than 50 pounds), 3) North Carolina General Statute §90-95(a)(1) (possession with intent to sell a controlled substance - more than 50 pounds of marijuana), and 4) North Carolina General Statute §90-108(a)(7) (keep and maintain a dwelling house used for selling a controlled substance - more than 50 pounds of marijuana).
3. On September 18, 2009, the Review Department of the State Bar Court issued an order referring the matter to the Hearing Department on the following issues: for a hearing and decision recommending the discipline to be imposed in the event that the Hearing Department finds that the facts and circumstances surrounding the violations of each of the North Carolina Statutes identified in paragraph 2 involved moral turpitude or other misconduct warranting discipline.

FACTS AND CONCLUSIONS OF LAW.

Respondent admits that the following facts are true, and that the following facts and circumstances surrounding his convictions involved moral turpitude:

1. All four convictions arose from Respondent's arrest on April 10, 2007 by the Winston-Salem Police Department in North Carolina. Respondent was a willing participant in a conspiracy with his brother in law Javier Soto ("Soto") to traffic marijuana.
2. In December 2006, Soto told Respondent he was a drug dealer. Respondent was not making much money from his California law practice and he felt that his life was unfocused and directionless. He was drawn to Soto, enjoyed his company and thought of him as the brother he never had.
3. Beginning in January 2007, Respondent, who was living in California, traveled to North Carolina with Soto. Soto spoke with an individual named Clark Anthony Russell ("Russell"), and some other people, about buying and selling drugs. Respondent was present during that conversation and heard the conversation between Russell and Soto. Russell told Soto he was interested in buying marijuana and Soto told Russell he was interested in selling it. The discussion involved a sales volume of approximately 40-50 pounds. Russell and Soto also discussed money. Respondent does not remember if Soto and Russell actually reached an agreement on the price at that meeting.

4. Approximately two weeks later, and in or about January 2007, Respondent traveled to North Carolina with Soto a second time. Respondent and Soto met with the same people they had met with during their first visit. A person working for Soto delivered marijuana to the house where Respondent and Soto were staying. Respondent received the money for the marijuana, which was approximately \$20,000 to \$25,000 in cash. Respondent then sent the cash via Fed Ex from Winston-Salem, North Carolina to Soto in Houston, Texas in a hollowed out book, which he hollowed out with the intention of concealing the money. Respondent knew at the time that he was participating in an illegal activity involving the sale of marijuana. Soto paid Respondent approximately \$2,000 to \$3,000 and gave him free marijuana for his participation in the sale of the marijuana in January 2007.
5. Respondent also transferred approximately \$20,000 to \$25,000 in cash to Soto in Texas on at least two more occasions between January 2007 and his arrest on April 10, 2007. On each of the three occasions where he Fed Exed the \$20-25,000 in cash to Soto, he used hollowed out books to conceal the cash. In total, Respondent transferred approximately \$70,000 to \$75,000 in cash to Soto in Texas, which he knew was money being paid to Soto for drugs that had been purchased.
6. In or about February or March 2007, Respondent moved to Winston-Salem, North Carolina and he leased a house located at 1902 Ebert Road, Winston Salem, North Carolina 27103 from the owner. The owner of the house had no knowledge of Respondent's involvement in drug trafficking, possession or sales. At the time Respondent rented the house in North Carolina, he did not have a job or any job prospects in North Carolina. Soto did give Respondent approximately \$2,000 to \$3,000 to traffic drugs between the time he rented the house in Winston-Salem and the time of his arrest. Respondent used a portion of that money to pay his living expenses in Winston-Salem.
7. Prior to April 10, 2007, Soto told Respondent two packages would be coming to the house containing between 40-50 pounds of marijuana. Soto told Respondent to hold the packages, and that he would pick them up. Soto told Respondent the packages would be addressed to Respondent's innocent landlord. Respondent understood the packages would ultimately be delivered to Russell. Respondent understood that Russell was going to then sell the marijuana to other people in smaller amounts. Respondent was hoping he would be permitted to keep between one and three pounds for himself.
8. On April 10, 2007, the two packages totaling approximately 60 pounds of marijuana were delivered to the house by a Fed Ex delivery man. Respondent did not open the door when the deliveryman dropped off the packages. After the deliveryman left, Respondent went outside and brought the packages into the house. At the time, unbeknownst to Respondent, the house was under surveillance by the Winston-Salem Police Department.
9. The house was largely unfurnished, except for an air mattress which Respondent slept on. In addition to the two packages, Respondent also had an 8 1/2 x 11" Ziploc bag full of marijuana, which weighed approximately one pound, in his briefcase located in the house. The police also recovered packaging material consisting of bubble wrap, duct tape and scissors, Ziploc baggies, large postal scales, two pair of gloves, a heat sealer and \$1,034 in U.S. currency from the home.
10. Respondent helped to traffic the marijuana on April 10, 2007, at least in part, because he needed it to pay his living expenses.
11. Respondent was sentenced to four years of supervised probation and to 90 days in jail. Respondent was also ordered to pay a fine in the amount of \$25,000.

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(6), was March 10, 2010.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of March 10, 2010, the prosecution costs in this matter are \$3,545. 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.

AUTHORITIES SUPPORTING DISCIPLINE.

Standards 3.2 and 1.2(e)(v) of the Standards for Attorney Sanctions for Professional Misconduct. *See also, In re Cohen* (1974) 11 Cal.3d 416, *In the Matter of Deierling* (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr. 552, *In Re Kreamer* (1975) 14 Cal. 3d 524.

MITIGATING CIRCUMSTANCES.

Respondent cooperated with law enforcement, and the State Bar has confirmed with the Winston-Salem Police Department that Respondent was very helpful. Respondent was very candid with law enforcement. Respondent also testified candidly in his deposition in the State Bar disciplinary case about his involvement in the criminal activity. (Standard 1.2(e)(v) of the Standards for Attorney Sanctions for Professional Misconduct and *In re Cohen* (1974) 11 Cal.3d 416 (attorney was given mitigation for candor and cooperation after his arrest.)

(Do not write above this line.)

In the Matter of Peter M. Marquez	Case number(s): 07-C-11684 and 07-C-11687
--------------------------------------	--

SIGNATURE OF THE PARTIES

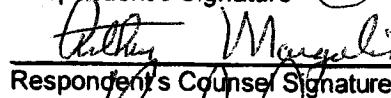
By their signatures below, the parties and their counsel, as applicable, signify their agreement with each of the recitations and each of the terms and conditions of this Stipulation Re Fact, Conclusions of Law and Disposition.

March 16, 2010
Date


Respondent's Signature

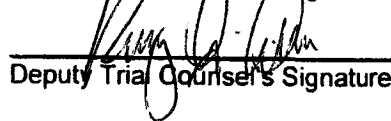
Peter M. Marquez
Print Name

March 18, 2010
Date


Respondent's Counsel Signature

Arthur Margolis
Print Name

March 25, 2010
Date


Deputy Trial Counsel's Signature

Kimberly G. Anderson
Print Name

(Do not write above this line.)

In the Matter Of Peter M. Marquez	Case Number(s): 07-C-11684 and 07-C-11687
---	---

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.

DM Paragraph A(8) [page 2] is augmented to include the following:

Costs are enforceable both as provided in Business and Professions Code section 6140.7 and as a money judgment. If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court (Bus. & Prof. Code, § 6086.10, subd. (c); Rules Proc. of State Bar, rule 282), the remaining balance is due immediately.

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.)**

4/2/2010
Date


Judge of the State Bar Court

DONALD E. MILES

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 April 7, 2010, 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:

ARTHUR LEWIS MARGOLIS
MARGOLIS & MARGOLIS LLP
2000 RIVERSIDE DR
LOS ANGELES, CA 90039

by certified mail, No. , with return receipt requested, through the United States Postal Service at , California, addressed as follows:

by overnight mail at , California, addressed as follows:

by fax transmission, at fax number . No error was reported by the fax machine that I used.

By personal service by leaving the documents in a sealed envelope or package clearly labeled to identify the attorney being served with a receptionist or a person having charge of the attorney's office, addressed as follows:

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

Kimberly G. Anderson, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on April 7, 2010.



Cristina Potter
Case Administrator
State Bar Court