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State Bar Court of California
Hearing Department
Los Angeles

ORIGINAL

<p>Counsel For The State Bar</p> <p>Diane J. Meyers 1149 S. Hill St. Los Angeles, CA 90015 (213) 765-1000</p> <p>Bar # 146643</p>	<p>Case Number (s) 10-O-01025 10-O-02858</p>	<p>(for Court's use)</p> <p>FILED SEP 23 2010 <i>He</i> STATE BAR COURT CLERK'S OFFICE LOS ANGELES PUBLIC MATTER</p>
<p>Counsel For Respondent</p> <p>David Cameron Carr Law Office of David Cameron Carr 3333 Camino Del Rio S. Ste. 215 San Diego, CA 92108 (619) 696-0526</p> <p>Bar # 124510</p>	<p>Submitted to: Assigned Judge</p> <p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING</p> <p>ACTUAL SUSPENSION</p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	
<p>In the Matter Of: Edward M. Chavez</p> <p>Bar # 146133</p> <p>A Member of the State Bar of California (Respondent)</p>		

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

A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted **June 12, 1990**.
- (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 **14** 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: **2012 and 2013** (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. **Respondent's misconduct involved two client matters, and included violations of rules 3-110(A) and 4-100(A) of the Rules of Professional Conduct and sections 6068(m) and 6106 of the Business and Professions Code.**
- (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. **See "Additional mitigating circumstances" below.**
- (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. **See "Additional mitigating circumstances" below.**
- (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

Respondent's Background:

Respondent was admitted to the State Bar of California in June 1990 and has no prior discipline.

After graduating from law school, Respondent worked in two large litigation law firms in the San Francisco Bay Area as an associate attorney during 1990 and 1995. Respondent's litigation defense practice involved no exposure to client trust accounts, let alone experience with them.

In early 1995 Respondent moved in-house as a corporate lawyer for a telecommunications company. His practice as an in-house counsel involved employment and general litigation defense on behalf of the company, as well as overseeing outside litigation firms. In his capacity as an in-house attorney, Respondent had no exposure to client trust accounts.

In the wake of the bursting of the internet bubble and the acquisition of his employer by another company, Respondent returned to California in 2003. He found employment as a full-time civil service attorney with a public entity in 2005, where he continues to work. His practice includes labor and employment defense and other issues involving public entity law.

Shortly after going to work for the local entity in 2005, Respondent began a private practice on the side, a practice permitted by the entity. Respondent did so to supplement his modest civil service income and to give himself an option should he ever be laid off from his civil service employment. Respondent attempted to develop this practice while being employed full time and never had sufficient time to devote to properly operate and develop his private practice.

Involvement in Charitable Activities:

Despite these severe time constraints, Respondent devoted himself to a number of charitable and community service activities. He served as a local chamber of commerce board member, served in various officer roles for a local service club, as well as helped as a part time parish business administrator and chair of his parish Finance Council.

During his office tenure in the service club, he helped begin a program where members, as well as local clergy, sheriff officers and middle school counselors, identified at-risk youth, who without intervention would likely turn from having recently obtained good grades to taking a turn toward gangs. Respondent and the other participants in the program individually tutored these youth, exposing them to "scared straight" type of curriculum during the first half of the year and a "sky is the limit" demonstration of future possibilities during the second half of the year. Many of those youth are now completing high school, did well and are going to college. Respondent was involved in other activities through the service club, including helping to provide college scholarships, clean undergarments for the homeless shelters in downtown Los Angeles, translators for a team of doctors that would fly to Spanish-speaking third world countries for cleft palate surgeries, and sending money to Belarus for infant heart operations.

Family Difficulties:

Respondent was married in 1991 and began experiencing marital difficulties in the late 1990s. By 2006 and 2007 the marital problems had increased. He and his wife began to discuss separation as a specific goal in May and June of 2008. At that same time, Respondent was dealing with an immediate family member's severe mental health conditions.

These difficulties put Respondent under financial pressure and distracted him from focusing on his private practice. Respondent and his wife separated in May 2009 for approximately 8 months to relieve the pressure caused by the ongoing marital disputes. The immediate family

member's mental health conditions largely ameliorated after the fall of 2009 and Respondent has since reconciled with his wife and returned to the family home.

These difficulties occurred during the time period of the misconduct in the Naranjo and Trujillo matters 2008-2009. The financial difficulties caused by the family member's health conditions were directly related to the client trust account misconduct in the Naranjo matter and were not reasonably foreseeable. The emotional distress caused by the family member's health conditions and the continuing marital difficulties were directly related to Respondent's dilatory conduct in prosecuting the probate case in the Trujillo/Hammar matter.

Legal Conclusions Regarding Mitigation:

The financial difficulties suffered by Respondent are a mitigating circumstance (In Re Naney (1990) 51 Cal. 3d 186, 196).

Respondent's participation in charitable and community service activities is a mitigating circumstance (Gadda v. State Bar (1990) 50 Cal.3d 344, 356; In the Matter of Bach (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr 631, 647).

The emotional distress caused by Respondent's marital problems and his immediate family member's severe mental health condition and treatment have abated; these are mitigating circumstances (Standard 1.2(e)(v.)).

Respondent's 17 years of membership in the State Bar of California prior to the misconduct is a mitigating factor (In the Matter of Riordan (Review Dept. 2007) 5 Cal. State Bar Ct. Rptr. 41.).

D. Discipline:

(1) **Stayed Suspension:**

(a) Respondent must be suspended from the practice of law for a period of **three years**.

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

ii. and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.

iii. and until Respondent does the following:

(b) The above-referenced suspension is stayed.

(2) **Probation:**

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

(3) **Actual Suspension:**

(a) Respondent must be actually suspended from the practice of law in the State of California for a period of **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:

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 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 954-9.10(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.**
- No MPRE recommended. Reason:
- (2) **Rule 955-9.20, California Rules of Court:** Respondent must comply with the requirements of rule 955-9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (3) **Conditional Rule 955-9.20, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 955-9.20, 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:**

G. SUPPORTING AUTHORITY:

Standard 2.2(a), Standards for Attorney Sanctions for Professional Misconduct, provides that culpability of a member of wilful misappropriation of entrusted funds or property shall result in disbarment. Only if the amount of funds misappropriated is insignificantly small or if the most compelling mitigating circumstances clearly predominate, shall disbarment not be imposed. In those latter cases, the discipline shall not be less than a one-year actual suspension, irrespective of mitigating circumstances. However, the standards, while entitled to great weight, do not mandate a specific discipline. The court is "not bound to follow the standards in talismanic fashion. . .," but the Supreme Court is ". . .permitted to temper the letter of the law with considerations peculiar to the offense and the offender." [Citations.] ". . .[A]lthough the standards were established as guidelines, ultimately, the proper recommendation of discipline rest[s] on a balanced consideration of the unique factors in each case. [Citations.]" (In the Matter of VanSickle (Review Dept. 2006) 4 Cal. State Bar Ct. Rptr. 980, 994.)

In *Hipolito v. State Bar* (1989) 48 Cal.3d 621, an attorney had engaged in a single act of misappropriation of \$2,000 from a client. He also abandoned another client. His misconduct significantly harmed two clients. At the time of the misconduct, the attorney encountered severe financial difficulties, filed for bankruptcy, was involved in a bitter and protracted dissolution, and was hospitalized for a stress-related condition. He was candid and cooperative with the victims of the misconduct and the State Bar. He made an extraordinary demonstration of good character, including a history of community service and pro bono work. He also hired a management company to avoid the problems resulting in his misconduct. The Court imposed a three-year stayed suspension and probation and only the minimum actual suspension of one year called for by standard 2.2(a), despite the fact that the amount misappropriated was not "insignificantly small." The Court noted, "This conclusion is consistent with our prior cases, in which only the most serious instances of repeated misconduct and multiple instances of misappropriation have warranted actual suspension, much less disbarment. [Citations.] A year of actual suspension, if not less, has been more commonly the discipline imposed in our published decisions involving but a single instance of misappropriation." (Id. at p. 628.)

In the Matter of *Dyson* (Review Dept. 1990) 1 Cal. State Bar Ct. Rptr. 280, involved an attorney who misappropriated approximately \$4,700 in trust funds subject to a medical lien. The attorney did not promptly pay the doctor on demand, waiting about six months to send a check to the doctor. The check to the doctor bounced twice. The attorney did not pay the doctor in full until almost a year and a half later, after the doctor hired legal counsel and contacted the State Bar. The attorney had not deposited the related settlement funds into his trust account, but deposited and commingled the funds in his personal account. The attorney had no prior record of discipline in eight years of practice and produced evidence of pro bono activities, neither of which was deemed a strong mitigating factor. The Review Department recommended a one-year actual suspension, a three-year stayed suspension and a three-year probation.

Attachment language begins here (if any):

Respondent admits that the following facts are true and that he is culpable of the following violations:

Case No. 10-O-01025

Facts:

1. In May 2007, Juan Naranjo ("Naranjo") employed Respondent on a contingency fee basis for legal representation in his wrongful termination claim against A&R Nursery ("A&R").
2. In June 2008, Respondent settled Naranjo's claim with A&R for \$15,000. From the \$15,000 settlement, Respondent was entitled to \$5,000 for fees and \$1,000 for costs, and Naranjo was entitled to \$9,000.
3. On June 24, 2008, Respondent deposited the initial \$5,000 payment from A&R toward the \$15,000 settlement into his client trust account at Washington Mutual Bank, account number xxxxxx3004 (the "CTA").¹
4. On July 1, 2008, Respondent withdrew \$5,000 from the CTA as fees from the \$15,000 settlement.
5. On July 14, 2008, Respondent deposited a \$1,000 payment from A&R toward the \$15,000 settlement into the CTA.
6. On July 20, 2008, Respondent issued check number 101 from the CTA for \$1,000 to Naranjo as partial payment of the \$10,000 due to Naranjo. On July 22, 2008, check number 101 was paid from the CTA, leaving a balance of \$8,000 due to Naranjo.
7. On July 30, 2008, Respondent deposited a \$9,000 payment from A&R toward the \$15,000 settlement into the CTA. On July 30, 2008, Respondent withdrew \$4,000 from the CTA and gave the \$4,000 to Naranjo as a partial payment of the \$8,000 due to Naranjo, leaving a balance of \$4,000 due to Naranjo.
8. Between August 28 and September 25, 2008, Respondent transferred funds from the CTA to his personal account for his own use and purposes, causing the balance in the CTA to fall to \$0, below the \$4,000 that should have remained in the CTA on behalf of Naranjo, as follows:

<u>Date</u>	<u>Balance</u>
08-28-08	\$ 3,000.00
08-29-08	\$ 2,750.00
09-02-08	\$ 2,500.00
09-05-08	\$ 2,000.00
09-19-08	\$ 1,000.00
09-25-08	\$ 0.00

9. Respondent misappropriated \$4,000 belonging to Naranjo by not maintaining \$5,000 in the CTA for Naranjo between August 28 and September 25, 2008.
10. On or about May 29, 2009, Naranjo received a \$4,000 check from Respondent's personal account.

Conclusions of Law:

1. By not maintaining \$4,000 in the CTA on behalf of Naranjo between August 28 and September 25, 2008,

¹ The full account number is omitted for privacy purposes.

Respondent failed to maintain the balance of funds received for the benefit of a client and deposited in a bank account labeled "Trust Account," "Client's Funds Account" or words of similar import, in wilful violation of rule 4-100(A) of the Rules of Professional Conduct.

2. By misappropriating \$4,000 belonging to Naranjo, Respondent committed an act involving moral turpitude, in wilful violation of section 6106 of the Business and Professions Code.

Case No. 10-O-02858

Facts:

1. In November 2006, Gloria Trujillo ("Trujillo") employed Respondent to probate the estate of Olga Richardson ("Richardson"). Trujillo was the named executor for Richardson's estate. Kathy Hammar ("Hammar") was a beneficiary of the estate. At the time of the employment, Richardson's death was under investigation by the Orange County Coroner. When the Orange County Coroner could not complete the investigation, the matter was transferred to the Los Angeles County Coroner for investigation. Respondent could not file a petition for probate of Richardson's estate without a death certificate.

2. On or about March 10, 2007, Respondent informed Trujillo that he could not file a probate without a death certificate. Trujillo provided a copy of the death certificate to Respondent on or about March 19, 2007 and again on August 21, 2007.

3. Between October 16, 2007 and February 13, 2008, Trujillo left several messages for Respondent to contact her about the status of the probate. Respondent did not provide the status to Trujillo until February 17, 2008, when he informed her that he had not filed the petition for probate.

4. Respondent did not file a petition for probate of Richardson's estate until February 20, 2008.

5. On February 27, 2008, Respondent informed Trujillo that a court date had been set in the matter for May 1, 2008. On May 1, 2008, Respondent informed Trujillo that the court date had been postponed to June 5, 2008. On June 4, 2008, Respondent informed Trujillo that the court date had been postponed to June 19, 2008.

6. On August 26, 2008, letters testamentary were issued to Trujillo.

7. On April 6, 2009, Respondent filed a partial inventory and appraisal. The only asset of the estate listed in the inventory was a brokerage account. Trujillo provided monthly statements from the brokerage account to Respondent.

8. In or about August 2009, Respondent's law partner, Susan Rodriguez ("Rodriguez"), contacted Trujillo. Rodriguez informed Trujillo that she would be assisting Respondent in finalizing the probate. Rodriguez and Trujillo discussed the financial documents needed to conclude the matter, and Trujillo provided the documents as requested.

9. On or about October 21, 2009, Hammar submitted a complaint to the State Bar of California ("State Bar") about Respondent not responding to her requests for the status of the probate. On January 20, 2010, the State Bar sent a letter to Respondent about Hammar's complaint.

10. In January 2010, Trujillo contacted Respondent for the status of the probate. On January 31, 2010, Trujillo met with Respondent to sign the court papers necessary to conclude the probate. Respondent informed Trujillo that he was waiving his fee due to the delay in finalizing the probate. Respondent informed Trujillo that he would file the papers with the court in the first week of February 2010 and that the probate would be concluded by April 2010.

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11. Respondent did not conclude the probate for Trujillo. In July 2010, Trujillo terminated Respondent's employment.

Conclusions of Law:

1. By not filing the petition for probate until February 2008 and by not finalizing the probate, Respondent repeatedly failed to perform legal services with competence, in wilful violation of rule 3-110(A) of the Rules of Professional Conduct.

2. By not responding to Trujillo's messages until February 17, 2008, Respondent failed to respond promptly to reasonable status inquiries of a client, in wilful violation of section 6068(m) of the Business and Professions Code.

In the Matter of
Edward M. Chavez

Case number(s):
10-O-01025

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 reproval), 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

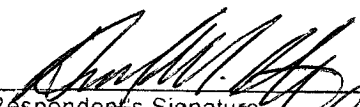
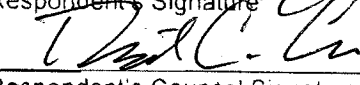
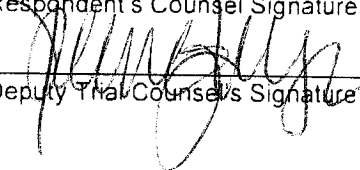
- Within one (1) year of the effective date of the discipline herein, Respondent must supply to the Office of Probation satisfactory proof of attendance at a session of the Ethics School Client Trust Accounting School, within the same period of time, and passage of the test given at the end of that session.

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In the Matter of Edward M. Chavez	Case number(s): 10-O-01025 and 10-O-02858
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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.

<u>8/30/2010</u> Date	 Respondent's Signature	<u>Edward M. Chavez</u> Print Name
<u>8/31/10</u> Date	 Respondent's Counsel Signature	<u>David Cameron Carr</u> Print Name
<u>9/2/10</u> Date	 Deputy Trial Counsel's Signature	<u>Diane J. Meyers</u> Print Name

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In the Matter Of Edward M. Chavez	Case Number(s): 10-O-01025 and 10-O-02858
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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.

1. On page 6 of the stipulation, the "X" in the box at paragraph E.(1) is deleted.
2. On page 9 of the stipulation, at numbered paragraph 6, line 2, "\$10,000" is deleted, and in its place is inserted "\$9,000".
3. On page 9 of the stipulation, at numbered paragraph 9, line 1, "\$5,000" is deleted, and in its place is inserted "\$4,000".
4. In the caption on page 12 of the stipulation, "(10-O-02858)" is inserted after "10-O-01025".

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.)

9/23/10
Date


Judge of the State Bar Court

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 September 23, 2010, I deposited a true copy of the following document(s):

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

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:

**DAVID C. CARR
LAW OFFICE OF DAVID CAMERON CARR
530 B ST STE 1410
SAN DIEGO, CA 92101**

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

DIANE MEYERS, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on September 23, 2010.



Tammy Cleaver
Case Administrator
State Bar Court