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State Bar Court of California Hearing Department Los Angeles ACTUAL SUSPENSION		
<p>Counsel For The State Bar</p> <p>Christine A. Souhrada Senior Trial Counsel 1149 South Hill Street Los Angeles, CA 90015 Tel: (213) 765-1162</p> <p>Bar # 228256</p>	<p>Case Number(s): 12-O-16161; 12-O-17392; 13-O-10045; 13-O-10048; 13-O-10269; 13-O-12027; 13-O-15618; 13-O-16405</p>	<p>For Court use only</p> <p style="text-align: center; font-size: 1.2em;">PUBLIC MATTER</p> <p style="text-align: center; font-size: 1.5em;">FILED</p> <p style="text-align: center; font-size: 1.2em;">DEC 11 2013</p> <p style="text-align: center; font-size: 0.8em;">STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO</p>
<p>Counsel For Respondent</p> <p>Samuel C. Bellicini 1575 Treat Boulevard Suite 215 Walnut Creek, CA 94598 Tel: (925) 944-5600</p> <p>Bar # 152191</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: LOUIS ALLEN LIBERTY</p> <p>Bar # 147975</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 October 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 19 pages, not including the order.

(Effective January 1, 2011)

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- (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 5.130, Rules of Procedure.
 - Costs are to be paid in equal amounts prior to February 1 for the following membership years: (Hardship, special circumstances or other good cause per rule 5.132, Rules of Procedure.) If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.
 - Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
 - Costs are 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 11-O-17476. See attachment at page 14.
 - (b) Date prior discipline effective As of the date of this stipulation, this prior discipline is not yet effective. The decision in case no. 11-O-17476 was issued on July 12, 2013 and is awaiting approval by the California Supreme Court.
 - (c) Rules of Professional Conduct/ State Bar Act violations: Business and Professions Code section 6106.3 (illegal advanced fee and illegal lein in connection with loan modification legal work)
 - (d) Degree of prior discipline two years' stayed suspension
 - (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.

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- (4) **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice. See attachment at page 14.
- (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. See attachment at page 14.
- (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.

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- (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:

Prefiling stipulation. See attachment at page 15.
Remedial Measures. See attachment at page 15.

D. Discipline:

- (1) **Stayed Suspension:**
- (a) Respondent must be suspended from the practice of law for a period of two 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 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 six 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 the 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:
 - Substance Abuse Conditions
 - Medical Conditions
 - Law Office Management Conditions
 - Financial Conditions

F. Other Conditions Negotiated by the Parties:

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- (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 5.162(A) & (E), 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.
- (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:**

Should Respondent, in satisfaction of Respondent's probationary conditions in case no. 11-O-17476, attend Ethics School before his probationary period begins in this matter, and provide the Office of Probation satisfactory proof of attendance at that session of Ethics School and passage of the test given at the end of that session with his first quarterly report in this matter, such attendance, passage and offer of proof will be deemed to satisfy the Ethics School requirement in this present stipulation. (See Rules of Procedure, rule 5.135(A) [ethics school not required if required within two years prior to the imposition of discipline].)

Should Respondent, in satisfaction of Respondent's disciplinary conditions in case no. 11-O-17476, take the MPRE before his probationary period begins in this matter, and provide the Office of Probation satisfactory proof of passage of the MPRE with his first quarterly report in this matter, such passage and offer of proof will be deemed to satisfy this condition in this present stipulation. See In the Matter of Trousil (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr. 229, 244 [Respondent not required to take the MPRE where he successfully completed the examination in connection with previous discipline]. In this case, should Respondent have already recently and successfully completed the MPRE in connection with case no. 11-O-17476 before this present discipline becomes effective, protection of the public and the interests of Respondent would not require passage of the MPRE again. (See In the Matter of Respondent G (Review Dept. 1992), 2 Cal. State Bar St. Rptr. 181, 183.)

CONCLUSIONS OF LAW:

9. By negotiating, arranging, or offering to perform a mortgage loan modification for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Pedroza prior to fully performing each and every service he had contracted to perform or represented that he would perform in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

10. By obtaining liens in his mortgage loan modification fee agreements with Pedroza, Respondent took a lien on any type of real or personal property, or other security to secure the payment of compensation in willful violation of Business and Professions Code section 6106.3 through Civil Code section 2944.7(a)(2).

Case No. 12-O-17392 (Complainant: Hernandez)

FACTS:

11. On October 28, 2011, Carlos Hernandez ("Hernandez") visited Respondent's office in response to an advertisement on Spanish language television for Respondent's home loan modification services. Hernandez visited Respondent's office for the purpose of obtaining a home loan modification.

12. During the visit on October 28, 2011, Hernandez employed Respondent to attempt to obtain a loan modification for Hernandez. A member of Respondent's staff also represented to Hernandez that Respondent would attempt to obtain a loan modification for him.

13. On November 3, 2011, Hernandez returned to Respondent office and paid Respondent \$2,300 as an advanced fee for his legal services in Hernandez's home loan modification matter.

14. On October 28, 2011 and again on November 3, 2011, Hernandez executed fee agreements with Respondent, each of which granted Respondent "a lien on any and all claims or causes of action that are the subject of the representation under this Agreement."

15. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Hernandez, prior to demanding, charging, collecting or receiving any of the advanced attorney fees.

16. Respondent has recently refunded the advanced fees paid by Hernandez.

CONCLUSIONS OF LAW:

17. By negotiating, arranging, or offering to perform a mortgage loan modification for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Hernandez prior to fully performing each and every service he had contracted to perform or represented that he would perform in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

18. By obtaining liens in his mortgage loan modification fee agreements with Hernandez, Respondent took a lien on any type of real or personal property, or other security to secure the payment

of compensation in willful violation of Business and Professions Code section 6106.3 through Civil Code section 2944.7(a)(2).

Case No. 13-O-10045 (Complainant: Castillo)

FACTS:

19. On June 24, 2011, Carlos Castillo ("Castillo") visited Respondent's office in response to an advertisement on Spanish language radio for Respondent's home loan modification services. Castillo visited Respondent's office for the purpose of obtaining a home loan modification.

20. During the visit on June 24, 2011, Castillo employed Respondent to attempt to obtain a loan modification for Castillo. A member of Respondent's staff also represented to Castillo that Respondent would attempt to obtain a loan modification for him.

21. On June 24, 2011, Castillo executed two fee agreements with Respondent, each of which granted Respondent "a lien on any and all claims or causes of action that are the subject of the representation under this Agreement."

22. On June 24, 2011, paid Respondent \$2,300 as an advanced fee for his legal services in Castillo's home loan modification matter.

23. Between August 2011 and April 2012, Castillo paid Respondent an additional \$550.

24. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Castillo, prior to demanding, charging, collecting or receiving any of the advanced attorney fees.

25. Respondent has recently refunded the advanced fees paid by Castillo.

CONCLUSIONS OF LAW:

26. By negotiating, arranging, or offering to perform a mortgage loan modification for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Castillo prior to fully performing each and every service he had contracted to perform or represented that he would perform in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

27. By obtaining liens in his mortgage loan modification fee agreements with Castillo, Respondent took a lien on any type of real or personal property, or other security to secure the payment of compensation in willful violation of Business and Professions Code section 6106.3 through Civil Code section 2944.7(a)(2).

Case No. 13-O-10048 (Complainant: Hurtado)

FACTS:

28. On July 18, 2011, Viola Hurtado ("Hurtado") visited Respondent's office in response to an advertisement on Spanish language radio for Respondent's home loan modification services. Hurtado visited Respondent's office for the purpose of obtaining a home loan modification.

29. During the visit on July 18, 2011, Hurtado employed Respondent to attempt to obtain a loan modification for Hurtado. A member of Respondent's staff also represented to Hurtado that Respondent would attempt to obtain a loan modification for her.

30. On July 25, 2011, Hurtado returned to Respondent office and paid Respondent \$2,300 as an advanced fee for his legal services in Hurtado's home loan modification matter.

31. On July 18, 2011 and again on July 25, 2011, Hurtado executed fee agreements with Respondent, each of which granted Respondent "a lien on any and all claims or causes of action that are the subject of the representation under this Agreement."

32. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Hurtado, prior to demanding, charging, collecting or receiving any of the advanced attorney fees.

33. In early 2012, Respondent closed his law office which provided loan modification services, but failed to inform Hurtado of its closure.

34. In May 2012, Hurtado's husband, Luis Lucero, went to Respondent's office and saw that it was closed.

35. By moving his office address without informing Hurtado, Respondent constructively terminated his employment with Hurtado. Before he constructively terminated his employment with Hurtado, Respondent did not take reasonable steps to avoid reasonably foreseeable prejudice to Hurtado.

36. Respondent has recently refunded the advanced fees paid by Hurtado.

CONCLUSIONS OF LAW:

37. By negotiating, arranging, or offering to perform a mortgage loan modification for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Hurtado prior to fully performing each and every service he had contracted to perform or represented that he would perform in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

38. By obtaining liens in his mortgage loan modification fee agreements with Hurtado, Respondent took a lien on any type of real or personal property, or other security to secure the payment of compensation in willful violation of Business and Professions Code section 6106.3 through Civil Code section 2944.7(a)(2).

39. By closing his law office without informing Hurtado of the closure, Respondent failed, upon termination of employment, to take reasonable steps to avoid reasonably foreseeable prejudice to his client in wilful violation of Rules of Professional Conduct, rule 3-700(A)(2).

Case No. 13-O-10269 (Complainant: Rocha)

FACTS:

40. On August 19, 2011, Alejandrina Rocha ("Rocha") visited Respondent's office for the purpose of obtaining a loan modification.

41. During the visit on August 19, 2011, Rocha employed Respondent to attempt to obtain a loan modification for Rocha. A member of Respondent's staff also represented to Rocha that Respondent would attempt to obtain a loan modification for her.

42. On August 26, 2011, Rocha executed a fee agreement with Respondent, which granted Respondent "a lien on any and all claims or causes of action that are the subject of the representation under this Agreement."

43. On September 6, 2011, paid Respondent \$2,300 as an advanced fee for his legal services in Rocha's home loan modification matter.

44. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Rocha, prior to demanding, charging, collecting or receiving any of the advanced attorney fees.

45. Respondent has recently refunded the advanced fees paid by Rocha.

CONCLUSIONS OF LAW:

46. By negotiating, arranging, or offering to perform a mortgage loan modification for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Rocha prior to fully performing each and every service he had contracted to perform or represented that he would perform in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

47. By obtaining a lien in his mortgage loan modification fee agreement with Rocha, Respondent took a lien on any type of real or personal property, or other security to secure the payment of compensation in willful violation of Business and Professions Code section 6106.3 through Civil Code section 2944.7(a)(2).

Case No. 13-O-12027 (Complainant: Fabian)

FACTS:

48. On October 1, 2011, Wilfredo Fabian ("Fabian") visited Respondent's office in response to an advertisement on Spanish language radio for Respondent's home loan modification services. Fabian visited Respondent's office for the purpose of obtaining a home loan modification.

49. During the visit on October 1, 2011, Fabian employed Respondent to attempt to obtain a loan modification for Fabian. A member of Respondent's staff also represented to Fabian that Respondent would attempt to obtain a loan modification for him.

50. On October 1, 2011 and again on October 8, 2011, Fabian executed fee agreements with Respondent, each of which granted Respondent "a lien on any and all claims or causes of action that are the subject of the representation under this Agreement."

51. On October 8, 2011, Fabian paid Respondent \$2,500 as an advanced fee for his legal services in Fabian's home loan modification matter.

52. Between November 2011 and May 2012, Fabian paid Respondent an additional \$350.

53. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Fabian, prior to demanding, charging, collecting or receiving any of the advanced attorney fees.

54. Respondent has recently refunded the advanced fees paid by Fabian.

CONCLUSIONS OF LAW:

55. By negotiating, arranging, or offering to perform a mortgage loan modification for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Fabian prior to fully performing each and every service he had contracted to perform or represented that he would perform in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

56. By obtaining liens in his mortgage loan modification fee agreements with Fabian, Respondent took a lien on any type of real or personal property, or other security to secure the payment of compensation in willful violation of Business and Professions Code section 6106.3 through Civil Code section 2944.7(a)(2).

Case No. 13-O-15618 (Complainant: Navarro)

FACTS:

57. On March 15, 2012, Ruben Navarro ("Navarro") visited Respondent's office for the purpose of obtaining a home loan modification.

58. During the visit on March 15, 2012, Navarro employed Respondent to attempt to obtain a loan modification for Fabian. A member of Respondent's staff also represented to Navarro that Respondent would attempt to obtain a loan modification for him.

59. On March 15, 2012, Navarro executed a fee agreement with Respondent, which granted Respondent "a lien on any and all claims or causes of action that are the subject of the representation under this Agreement."

60. On March 15, 2012, Navarro paid Respondent \$1,000 as an advanced fee for his legal services in Navarro's home loan modification matter.

61. On April 15, 2012 and again on May 15, 2012, Navarro paid Respondent an additional \$1,000 as an advanced fee for his legal services in Navarro's home loan modification matter. Thus, Navarro paid Respondent a total of \$3,000.

62. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Navarro, prior to demanding, charging, collecting or receiving any of the advanced attorney fees.

63. Respondent has recently refunded the advanced fees paid by Navarro.

CONCLUSIONS OF LAW:

64. By negotiating, arranging, or offering to perform a mortgage loan modification for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Navarro prior to fully performing each and every service he had contracted to perform or represented that he would perform in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

65. By obtaining liens in his mortgage loan modification fee agreements with Navarro, Respondent took a lien on any type of real or personal property, or other security to secure the payment of compensation in willful violation of Business and Professions Code section 6106.3 through Civil Code section 2944.7(a)(2).

Case No. 13-O-16405 (Complainant: Mariscal)

FACTS:

66. On August 18, 2011, Angel Mariscal ("Mariscal") and Maria Bastidas ("Bastidas") visited Respondent's office for the purpose of obtaining a home loan modification.

67. During the visit on August 18, 2011, Mariscal and Bastidas employed Respondent to attempt to obtain a loan modification for them. A member of Respondent's staff also represented to them that Respondent would attempt to obtain a loan modification for them.

68. On August 18, 2011, Mariscal and Bastidas executed a fee agreement with Respondent, which granted Respondent "a lien on any and all claims or causes of action that are the subject of the representation under this Agreement."

69. On August 18, 2011, Mariscal and Bastidas paid Respondent \$2,000 as an advanced fee for his legal services in Fabian's home loan modification matter.

70. Between September 2011 and June 2012, Mariscal and Bastidas paid Respondent an additional \$500.

71. Respondent did not fully perform each and every service he had contracted to perform or represented that he would perform for Mariscal and Bastidas, prior to demanding, charging, collecting or receiving any of the advanced attorney fees.

72. Respondent has recently refunded the advanced fees paid by Mariscal and Bastidas.

CONCLUSIONS OF LAW:

73. By negotiating, arranging, or offering to perform a mortgage loan modification for a fee paid by a borrower, and demanding, charging, collecting and receiving fees from Mariscal and Bastidas prior to fully performing each and every service he had contracted to perform or represented that he would perform in violation of subsection (a)(1) of Section 2944.7 of the Civil Code, Respondent willfully violated Business and Professions Code section 6106.3.

74. By obtaining liens in his mortgage loan modification fee agreements with Mariscal and Bastidas, Respondent took a lien on any type of real or personal property, or other security to secure the payment of compensation in willful violation of Business and Professions Code section 6106.3 through Civil Code section 2944.7(a)(2).

AGGRAVATING CIRCUMSTANCES.

Harm (Std. 1.2(b)(iv)): Castillo, the complainant in case no. 13-O-10045, was current on his mortgage and had a good credit score before hiring Respondnet. When Castillo went to Respondent's office, Respondent's staff advised Castillo to stop paying his mortgage in order to induce the bank to modify Castillo's loan. Based up on that advice, Castillo stopped paying his mortgage. Respondent failed to obtain a loan modification for Castillo; however, Castillo's credit was seriously damaged by the fact that he stopped paying his mortgage, thus causing harm to Castillo.

In addition, all clients suffered harm in that they suffered the loss of the use of their money during the period Respondent sought to obtain for them a loan modification. Respondent clients' financial desperation was compounded by the fact that he did not provide refunds for years. (*In the Matter of Taylor* (Review Dept. 2013) 5 Cal. State Bar Ct. Rptr 221, 235)

Multiple Acts of Misconduct (Std. 1.2(b)(ii)): Between April 2011 and May 2012, Respondent violated Civil Code section 2944.7 in each of the six client matters described herein. In case no. 11-O-17466 (discussed further below), Respondent also violated Civil Code section 2944.7 with respect to a seventh client during this time period. Respondent's multiple violations and multiple acts of misconduct constitute an aggravating circumstance.

Prior Record of Discipline (Std. 1.2(b)(i)): On July 12, 2013, the State Bar Court issued a decision in case no. 11-O-17476, finding Respondent culpable of violating Civil Code sections 2944.7(a) and 2944.7(a)(2) and recommending that Respondent be placed on two years' stayed

suspension and two years' probation pursuant to Business and Professions Code, section 6106.3 (two counts). As of the date of this stipulation, the July 12, 2013, disciplinary recommendation is pending adoption by the California Supreme Court. The misconduct in case no. 11-O-17476 occurred from April to July 2011. As discussed below, the discipline agreed to in this stipulation takes into account the State Bar Court's culpability and discipline findings in case no. 11-O-17476, pursuant to *In the Matter of Sklar* (Review Dept.) 2 Cal. State Bar Ct. Rptr. 602.

MITIGATING CIRCUMSTANCES.

Prefiling Stipulation: Respondent has entered into this stipulation resolving the eight matters herein before disciplinary charges had to be filed against him. (*Silva-Vidor v. State Bar* (1989) 49 Cal.3d 1071, 1079 [where mitigative credit was given for entering into a stipulation as to facts and culpability].)

Remedial Measures: After being contacted by the State Bar regarding allegations of misconduct in his loan modification practice, Respondent has ceased practicing in the area of loan modifications. (See *In the Matter of Lias* (Review Dept. 1998) 3 Cal. State Bar Rptr. 907, 926 [where mitigative credit was given for substantial efforts made to correct the problems surrounding the misconduct].)

AUTHORITIES SUPPORTING DISCIPLINE.

The Standards for Attorney Sanctions for Professional Misconduct provide a "process of fixing discipline" pursuant to a set of written principles to "better discharge the purposes of attorney discipline as announced by the Supreme Court." (Rules Proc. of State Bar, tit. IV, Stds. for Atty. Sanctions for Prof. Misconduct, Introduction (all further references to standards are to this source).) The primary purposes of disciplinary proceedings and of the sanctions imposed are "the protection of the public, the courts and the legal profession; the maintenance of high professional standards by attorneys and the preservation of public confidence in the legal profession." (*In re Morse* (1995) 11 Cal.4th 184, 205; std. 1.3.)

Although not binding, the standards are entitled to "great weight" and should be followed "whenever possible" in determining level of discipline. (*In re Silvertan* (2005) 36 Cal.4th 81, 92, quoting *In re Brown* (1995) 12 Cal.4th 205, 220 and *In re Young* (1989) 49 Cal.3d 257, 267, fn. 11.) Adherence to the standards in the great majority of cases serves the valuable purpose of eliminating disparity and assuring consistency, that is, the imposition of similar attorney discipline for instances of similar attorney misconduct. (*In re Naney* (1990) 51 Cal.3d 186, 190.) Any discipline recommendation different from that set forth in the applicable standards should clearly explain the reasons for the deviation. (*Blair v. State Bar* (1989) 49 Cal.3d 762, 776, fn. 5.)

Standard 2.10 applies to this matter and provides that violations of the Rules of Professional Conduct and the State Bar Act not specifically specified in the Standards, including violations of rule 3-700 and section 6106.3, shall result in reproof or suspension depending on the gravity of the misconduct or harm to the victim, with due regard to the purposes of imposing discipline.

In addition, in order to determine the appropriate level of discipline for the misconduct discussed herein, the State Bar Court's findings and discipline recommendation in its July 12, 2013 decision in connection with case no. 11-O-17476 must be considered, because the Court found Respondent committed

misconduct in that matter of the same nature as the misconduct herein during the same time period as the misconduct committed herein.

In its decision in case no. 11-O-17476, the State Bar Court found Respondent culpable of one count of violating Business and Professions Code, section 6106.3 [Illegal Advanced Fee] and one count of violating Business and Professions Code, section 6106.3 [Illegal Lien]. The misconduct spanned from April to July of 2011 and involved one client matter. The Court recommended discipline including two years' stayed suspension. To date, the Supreme Court has not filed an order approving the decision.

In the present case, Respondent is charged with the same violations in eight additional client matters. Moreover, Respondent improperly withdrew from representation of Hurtado, the complainant in case no. 13-O-10048. This misconduct spanned from July 2011 to May 2012.

In *In the Matter of Sklar*, the Review Department stated that,

"Prior discipline is a proper factor in aggravation "[w]henver discipline is imposed." [citation omitted] ... Nonetheless, the aggravating force of prior discipline is generally diminished if the misconduct underlying it occurred during the same time period. [citation omitted] Since part of the rationale for considering prior discipline as having an aggravating impact is that it is indicative of a recidivist attorney's inability to conform his or her conduct to ethical norms [citation omitted], it is therefore appropriate to consider the fact that the misconduct involved here was contemporaneous with the misconduct in the prior case. ... We therefore consider the totality of the findings in the two cases to determine what the discipline would have been had all the charged misconduct in this period been brought as one case."

(*In the Matter of Sklar* (Review Dept.) 2 Cal. State Bar Ct. Rptr. 602, 618-619.)

Taking the present cases together with case no. 11-O-17476 (per *Sklar*), Respondent is culpable of 18 counts of violating Business and Professions Code section 6106.3 in nine separate client matters. In addition, Respondent caused harm. In mitigation, Respondent has agreed to enter into this Stipulation prior to the filing of a notice of disciplinary charges and has thereby saved the State Bar Court time and resources. Although not mitigation, it is also worth noting that Respondent has provided all of the complainants with a refund of the illegal fees that he received from them. (*Doyle v. State Bar* (1982) 32 Cal.3d 12, 24 [Restitution made only under the pressure of a forthcoming disciplinary investigation is entitled to no weight as a mitigating circumstance.]) By providing such refunds, Respondent has brought to an end the harm the clients suffered due to being wrongfully deprived of the use of their funds, and has negated any need for restitution as a term of discipline.

Respondent's multiple and serious violations of the Business and Professions Code warrant a period of actual suspension, notwithstanding the mitigating circumstances and the fact that Respondent has provided the complainants with refunds.

In light of the gravity of Respondent's misconduct, the harm to clients, the applicable standard, and the aggravating and mitigating factors that are present, discipline including six months' actual suspension is appropriate under the standards and serves the primary purposes of attorney discipline.

This level of discipline is also supported by the case law. In *In the Matter of Taylor* (Review Dept. 2013) 5 Cal. State Bar Ct. Rptr 221, the Review Department found Taylor culpable of eight counts of violating Business and Professions Code, section 2944.7, and one count of violating Business and Professions Code, section 2944.6, and determined the appropriate level of discipline to be six months' actual suspension. *Taylor* is substantially similar to the present matter, thus similar discipline is appropriate.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of September 10, 2013, the prosecution costs in this matter are \$7,839.30. 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.

EXCLUSION FROM MCLE CREDIT


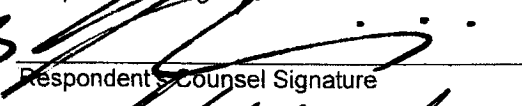

Pursuant to rule 3201, Respondent may not receive MCLE credit for completion of State Bar Ethics School. (Rules Proc. of State Bar, rule 3201.)

(Do not write above this line.)

In the Matter of: LOUIS ALLEN LIBERTY	Case number(s): 12-O-16161; 12-O-17392; 13-O-10048; 13-O-10045; 13-O-10269; 13-O-12027; 13-O-15618; 13-O-16405
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SIGNATURE OF THE PARTIES

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

Date <u>11/26/17</u>		<u>Louis Allen Liberty</u> Print Name
Date <u>2 Dec. 2013</u>		<u>Samuel C. Bellicini</u> Print Name
Date <u>12/5/13</u>		<u>Christine Souhrada</u> Print Name

(Do not write above this line.)

In the Matter of: LOUIS ALLEN LIBERTY	Case Number(s): 12-O-16161; 12-O-17392; 13-O-10045; 13-O-10048; 13-O-10269; 13-O-12027; 13-O-15618; 13-O-16405
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ACTUAL SUSPENSION 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 4 of the stipulation, the "X" in the box next to paragraph E.(1) is deleted;
2. On page 6 of the stipulation, an "X" is inserted in the box next to paragraph F.(5);
3. On page 9 of the stipulation, paragraph 22, "paid Respondent" is deleted, and in its place is inserted "Castillo paid Respondent"; and
4. On page 11 of the stipulation, paragraph 43, "paid Respondent" is deleted, and in its place is inserted "Rocha paid Respondent".

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 5.58(E) & (F), 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.)**

Dec. 11, 2013
Date


LUCY ARMENDARIZ
Judge of the State Bar Court

CERTIFICATE OF SERVICE

[Rules Proc. of State Bar; Rule 5.27(B); 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 San Francisco, on December 11, 2013, 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:

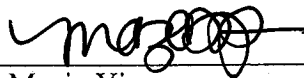
- by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at San Francisco, California, addressed as follows:

SAMUEL C. BELLICINI
FISHKIN & SLATTER, LLP
1575 TREAT BLVD STE 215
WALNUT CREEK, CA 94598

- 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 San Francisco, California, on December 11, 2013.



Mazie Yip
Case Administrator
State Bar Court