State Bar Court of California **Hearing Department** San Francisco **REPROVAL** Counsel For The State Bar For Court use only Case Number(s): 14-0-00096: PUBLIC MATTER 14-O-02416 (Inv.) Esther J. Rogers **Senior Trial Counsel 180 Howard Street** San Francisco, CA 94105 (415) 538-2258 Bar # 148246 In Pro Per Respondent DEC 1 2 2014 **Peter Leo Kutrubes** Law Offices of Peter L. Kutrubes 1415 Oakland Blvd., Ste 102 STATE BAR COURT CLERK'S OFFICE Walnut Creek, CA 94596 SAN FRANCISCO (925) 939-9600 Submitted to: Assigned Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND Bar # 176024 **DISPOSITION AND ORDER APPROVING** In the Matter of: **PETER LEO KUTRUBES PUBLIC REPROVAL** PREVIOUS STIPULATION REJECTED Bar # 176024 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 March 28, 1995.
- (2) The parties agree to be bound by the factual stipulations contained herein even if conclusions of law or disposition are rejected or changed by the Supreme Court.
- (3) All investigations or proceedings listed by case number in the caption of this stipulation are entirely resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of 13 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."

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(5)	Co. Lav	nclus v".	ions of law, drawn from and specifically referring to the facts are also included under "Conclusions of
(6)	The "Su	e part	ies must include supporting authority for the recommended level of discipline under the heading ting Authority."
(7)	No per	more nding	than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any investigation/proceeding not resolved by this stipulation, except for criminal investigations.
(8)	Pay 614	/meni 10.7. (t of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & (Check one option only):
		rep	osts are added to membership fee for calendar year following effective date of discipline (public proval).
		Co (H: Re Co	ase ineligible for costs (private reproval). Sets are to be paid in equal amounts prior to February 1 for the following membership years: ardship, special circumstances or other good cause per rule 5.132, Rules of Procedure.) If spondent fails to pay any installment as described above, or as may be modified by the State Bar burt, the remaining balance is due and payable immediately.
		Co	ests are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs". ests are entirely waived.
(9)	The	parti	es understand that:
	(a)		A private reproval imposed on a respondent as a result of a stipulation approved by the Court prior to initiation of a State Bar Court proceeding is part of the respondent's official State Bar membership records, but is not disclosed in response to public inquiries and is not reported on the State Bar's web page. The record of the proceeding in which such a private reproval was imposed is not available to the public except as part of the record of any subsequent proceeding in which it is introduced as evidence of a prior record of discipline under the Rules of Procedure of the State Bar.
	(b)		A private reproval imposed on a respondent after initiation of a State Bar Court proceeding is part of the respondent's official State Bar membership records, is disclosed in response to public inquiries and is reported as a record of public discipline on the State Bar's web page.
	(c)	\boxtimes	A public reproval imposed on a respondent is publicly available as part of the respondent's official State Bar membership records, is disclosed in response to public inquiries and is reported as a record of public discipline on the State Bar's web page.
Viis	Aggra cond uired	duct	ing Circumstances [Standards for Attorney Sanctions for Professional, standards 1.2(f) & 1.5]. Facts supporting aggravating circumstances are
1)		Prio	r record of discipline
	(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 or a separate attachment entitled "Prior Discipline.

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(2)		Dishonesty: Respondent's misconduct was intentional, 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)	\boxtimes	Multiple/Pattern of Misconduct: Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct. See Attachment to Stipulation, p. 10.
(8)		Restitution: Respondent failed to make restitution.
(9)		No aggravating circumstances are involved.
Addi	tiona	al aggravating circumstances:
		ating Circumstances [see standards 1.2(g) & 1.6]. Facts supporting mitigating stances are required. 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, the public, or the administration of justice.
(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 with a good faith belief that was honestly held and reasonable.
(8)		Emotional/Physical Difficulties: At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical or mental disabilities which expert testimony would establish was directly responsible for the misconduct. The difficulties or disabilities were not the

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		product of any illegal conduct by the member, such as illegal drug or substance abuse, and the difficulties or disabilities no longer pose a risk that Respondent will commit misconduct.
(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 extraordinarily 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 subsequent rehabilitation.
(13)		No mitigating circumstances are involved.
Addi	ition	al mitigating circumstances:
		Pre-filing Stipulation, See Attachment to Stipulation, p. 10. No Prior Discipline, See Attachment to Stipulation, p. 10.
D. C)isci	ipline:
(1)		Private reproval (check applicable conditions, if any, below)
	(a)	Approved by the Court prior to initiation of the State Bar Court proceedings (no public disclosure).
<u>or</u>	(b)	Approved by the Court after initiation of the State Bar Court proceedings (public disclosure).
(2)	\boxtimes	Public reproval (Check applicable conditions, if any, below)
E. C	ond	litions Attached to Reproval:
(1)	\boxtimes	Respondent must comply with the conditions attached to the reproval for a period of two years .
(2)	\boxtimes	During the condition period attached to the reproval, 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)	\boxtimes	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 condition period attached to the reproval. Under penalty of perjury,

F. Other Conditions Negotiated by the Parties:

Medical Conditions

Substance Abuse Conditions

(11) The following conditions are attached hereto and incorporated:

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Law Office Management Conditions

Financial Conditions

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In the Matter of: PETER LEO KUTRUBES	Case Number(s): 14-O-00096; 14-O-02416

Law Office Management Conditions

- a. Within stays/4 months/ xysars of the effective date of the discipline herein, Respondent must develop a law office management/organization plan, which must be approved by the Office of Probation. This plan must include procedures to (1) send periodic reports to clients; (2) document telephone messages received and sent; (3) maintain files; (4) meet deadlines; (5) withdraw as attorney, whether of record or not, when clients cannot be contacted or located; (6) train and supervise support personnel; and (7) address any subject area or deficiency that caused or contributed to Respondent's misconduct in the current proceeding.
- b. Within ways/12 months/ xyears of the effective date of the discipline herein, Respondent must submit to the Office of Probation satisfactory evidence of completion of no less than 6 hours of Minimum Continuing Legal Education (MCLE) approved courses in law office management, attorney client relations and/or general legal ethics. This requirement is separate from any MCLE requirement, and Respondent will not receive MCLE credit for attending these courses (Rule 3201, Rules of Procedure of the State Bar.)
- c. Within 30 days of the effective date of the discipline, Respondent must join the Law Practice Management and Technology Section of the State Bar of California and pay the dues and costs of enrollment for year(s). Respondent must furnish satisfactory evidence of membership in the section to the Office of Probation of the State Bar of California in the first report required.

Other:

In the Matter of: PETER LEO KUTRUBES	Case Nur 14-O-000	mber(s): 96; 14-O-02416	
Financial Conditions			,
a. Restitution			
Respondent must pay restitution payee(s) listed below. If the Clor any portion of the principal amount(s) paid, plus applicable	lient Security Fund ("CSF") has amount(s) listed below, Respon	reimbursed one or more of t	he payee(s) for all
Payee	Principal Amount	Interest Accrues From]
Respondent must pay above-re	eferenced restitution and provid	le satisfactory proof of payme	ent to the Office of
b. Installment Restitution Payments	s		
Respondent must pay the above must provide satisfactory proof as otherwise directed by the Operobation (or period of reproval the payment of restitution, inclu-	of payment to the Office of Proffice of Proffice of Probation. No later than l), Respondent must make any uding interest, in full.	bbation with each quarterly pr n 30 days prior to the expirati	obation report, or on of the period of
Payee/CSF (as applicable)	Minimum Payment Amount	Payment Frequency]
			1
☐ If Respondent fails to pay any in the remaining balance is due a	installment as described above, nd payable immediately.	, or as may be modified by th	e State Bar Court,
c. Client Funds Certificate			
report, Respondent mu public accountant or of a. Respondent has m California, at a bra	ses client funds at any time duri ust file with each required repor ther financial professional appro- naintained a bank account in a l nch located within the State of nt" or "Clients' Funds Account";	t a certificate from Responde oved by the Office of Probation oank authorized to do busine	nt and/or a certified on, certifying that: ss in the State of

Financial Conditions

- b. Respondent has kept and maintained the following:
 - 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.
- 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.

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF:

PETER LEO KUTRUBES

CASE NUMBERS:

14-O-00096; 14-O-02416 (Inv.)

FACTS AND CONCLUSIONS OF LAW.

Respondent admits that the following facts are true and that he is culpable of violations of the specified statutes and/or Rules of Professional Conduct.

Case No. 14-O-00096 (Complainant: Larry Infante)

FACTS:

- 1. On September 16, 2011, Larry Infante hired respondent to complete his divorce, which was uncontested. On that same date, in Infante's presence, respondent filed and served the Petition and Summons.
- 2. On September 29, 2011, the Court rejected the Petition because respondent paid the filing fee with a check drawn against insufficient funds. Respondent was aware that his check bounced and that the Court rejected the Petition because respondent failed to pay the filing fee. Thereafter, respondent failed to inform Infante that the Petition was rejected because Respondent's check to pay the filing fee was not honored. Between about September 2011 and about December 2012, Infante was under the impression that his dissolution petition was pending as an active matter.
- 3. In December 2012, after respondent failed to comply with Infante's request to provide evidence that respondent had finalized the divorce, Infante hired attorney Rose Toomey to determine the status of the dissolution proceeding. Thereafter, Toomey discovered that respondent had taken no action after respondent was notified that his check for the filing fee was not honored and the Petition was rejected. Thereafter, Toomey filed a dissolution. In June 2013, Toomey completed the dissolution.

CONCLUSIONS OF LAW:

- 4. By failing to file the Petition and by failing to complete Infante's dissolution matter, respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence in willful violation of Rules of Professional Conduct, rule 3-110(A).
- 5. By failing to inform Infante that the petition respondent filed was rejected and therefore no action was pending to complete Infante's divorce, respondent failed to keep Infante informed of significant developments in in a matter in which respondent had agreed to provide legals, in willful violation of Business and Profession Code section 6068(m).

Case No. 14-O-02416 (State Bar Investigation)

FACTS:

- 6. On November 9, 2012, respondent opened an account at Wells Fargo. Respondent identified the account as a CTA, although he intended to use the account as a business account.
- 7. At the time respondent opened a Wells Fargo general operating account, respondent inappropriately labelled the account as a trust account. Therefore, a \$900 check respondent wrote on about March 31, 2014 against insufficient funds from the Wells Fargo account was reported to the State Bar.
- 8. Respondent never deposited or maintained client funds in the account and the bank records verify that respondent was using the Wells Fargo account as a general operating account. However, account records reflect that respondent post-dated checks and also wrote checks against insufficient funds, which he attempted to make good by transferring funds from other accounts to cover the check he wrote the previous day.
 - 9. In November 2014, respondent closed the mislabeled operating account.

CONCLUSIONS OF LAW:

10. By inappropriately labeling his general account as a trust account and by failing to recognize the error until the State Bar brought it to his attention after the State Bar received notice of check returned for insufficient funds, respondent inappropriately used an account labelled "trust account" as a general operating account, in willful violation of Rules of Professional Conduct, rule 4-100(A).

AGGRAVATING CIRCUMSTANCES.

Multiple Acts of Misconduct (Std. 1.5(b)): Respondent failed to perform and failed to inform his client of significant developments in one matter and improperly labelled a general account as a trust account in another matter, thereby engaging in multiple acts of misconduct.

MITIGATING CIRCUMSTANCES.

Additional Mitigating Circumstances:

No Prior Discipline: Respondent was admitted in 1995 and has no prior record of discipline. (Friedman v. State Bar (1990) 50 Cal.3d 235, 245 [Even when the present misconduct is serious, an attorney is entitled mitigation credit.]

Prefiling Stipulation: By entering into a pre-filing, dispositive stipulation, respondent has spared the State Bar time and resources. (*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].)

AUTHORITIES SUPPORTING DISCIPLINE.

The Standards for Attorney Sanctions for Professional Misconduct "set forth a means for determining the appropriate disciplinary sanction in a particular case and to ensure consistency across cases dealing with similar misconduct and surrounding circumstances." (Rules Proc. of State Bar, tit. IV, Stds. for Atty. Sanctions for Prof. Misconduct, std. 1.1. All further references to Standards are to this source.) The Standards help fulfill the primary purposes of discipline, which include: protection of the public, the courts and the legal profession; maintenance of the highest professional standards; and preservation of public confidence in the legal profession. (See std. 1.1; *In re Morse* (1995) 11 Cal.4th 184, 205.)

Although not binding, the standards are entitled to "great weight" and should be followed "whenever possible" in determining level of discipline. (In re Silverton (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.) If a recommendation is at the high end or low end of a Standard, an explanation must be given as to how the recommendation was reached. (Std. 1.1.) "Any disciplinary recommendation that deviates from the Standards must include clear reasons for the departure." (Std. 1.1; Blair v. State Bar (1989) 49 Cal.3d 762, 776, fn. 5.)

In determining whether to impose a sanction greater or less than that specified in a given standard, in addition to the factors set forth in the specific standard, consideration is to be given to the primary purposes of discipline; the balancing of all aggravating and mitigating circumstances; the type of misconduct at issue; whether the client, public, legal system or profession was harmed; and the member's willingness and ability to conform to ethical responsibilities in the future. (Stds. 1.7(b) and (c).)

In this matter, Respondent admits to committing three acts of professional misconduct. Standard 1.7(a) requires that where a Respondent "commits two or more acts of misconduct and the Standards specify different sanctions for each act, the most severe sanction must be imposed."

The most severe sanction applicable to Respondent's misconduct is found in Standard 2.2(b), which applies to Respondent's violation of Rules of Professional Conduct, rule 4-100(A). Standard 2.2(b) provides that when an attorney commits a trust account violation other than commingling or failing to promptly pay out entrusted funds, a suspension or reproval is appropriate.

Here, respondent's mitigation of almost 20 years of unblemished practice and willingness to enter into a prefiling stipulation outweighs the aggravation of respondent engaging in three violations. The misconduct did not significantly harm Infante, the legal system or the public. During the pendency of the investigation, respondent expressed a readiness to undertake all rehabilitative steps that the State Bar deemed necessary to address the issues arising from his misconduct. A public reproval with the addition of Trust Accounting School and Law Management conditions is appropriate to protect the public, the courts and the legal profession, maintain the highest professional standards and preserve the public confidence in the legal profession.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed Respondent that as of November 17, 2014, the prosecution costs in this matter are \$\$4,000. 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 <u>not</u> receive MCLE credit for completion of State Bar Ethics School and State Bar Client Trust Accounting School. (Rules Proc. of State Bar, rule 3201.)

in the Matter of: PETER LEO KUTRUBES	Case number(s): 14-O-00096; 14-O-02416

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.

11/24/2014 Date	Jet To Kuth	PETER LEO KUTRUBES
Date 7	Respondent's Signature	Print Name
Date	Respondent's Counsel Signature	Print Name
12/1/14	Deputy Trial Counsel's Signature	ESTHER J. ROGERS
Date	Deputy Trial Counsel's Signature	Print Name

·	Case Number(s):	er of:
	14-O-00096; 14-O-02416	EO KUTRUBES
		_
	L ORDER	REPROVA
onditions FED withou	nterests of Respondent will be served by any cond d dismissal of counts/charges, if any, is GRANTE	the stipulation protects the public and that the he reproval, IT IS ORDERED that the request nd:
	ROVED AND THE REPROVAL IMPOSED.	The stipulated facts and disposition are APP
the	ROVED AS MODIFIED as set forth below, and the	The stipulated facts and disposition are APP REPROVAL IMPOSED.
	vacated.	All court dates in the Hearing Department ar
ed	s: 1) a motion to withdraw or modify the stipulation is court modifies or further modifies the approved herwise the stipulation shall be effective 15 da	s after service of this order, is granted; or 2) the
	eproval may constitute cause for a separate fessional Conduct.	omply with any conditions attached to this for willful breach of rule 1-110, Rules of Pro
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	McELROY of the State Bar Court	12, 2014 PAT E Judge

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 12, 2014, 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:

PETER LEO KUTRUBES LAW OFFICE OF PETER L KUTRUBES 1415 OAKLAND BLVD STE 102 WALNUT CREEK, CA 94596

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

Esther J. Rogers, Enforcement, San Francisco

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on

December 12, 2014.

Case Administrator
State Bar Court