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8 **TULARE LOCAL HEALTHCARE DISTRICT**
9 **COMPLAINT TO THE STATE BAR OF CALIFORNIA**
10

11 **State Bar of California**
Office of Chief Trial Counsel
12 **845 South Figueroa Street**
13 **Los Angeles, California 90017**

14 The Board of Directors of Tulare Local Healthcare District Board requests that the State
15 Bar conduct an investigation into the matters described herein and, if the investigation warrants,
16 refer this matter to the State Bar Court for a disciplinary hearing.

17 **Complaining Party:**

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I
SUMMARY OF COMPLAINT

Tulare Local Healthcare District (“the District”) operates a public hospital and related health care facilities in Tulare County. Bruce Greene is a partner in the law firm of Baker & Hostetler, LLP. Greene and Baker acted as general counsel to the District between May 6, 2015, and July 27, 2017, when their services were terminated by the District’s Board of Directors.

For many years prior to acting as general counsel to the District, Greene and Baker had an attorney-client relationship with Dr. Benny Benzeevi and multiple healthcare-related companies owned by him, including Healthcare Conglomerate Associates, LLC (“HCCA”). According to Benzeevi, the attorney-client relationship was comprehensive:

“In 2009, I retained [Baker] to advise and assist me in the formation of a professional corporation. Between 2009 and 2017, Baker’s engagement expanded far beyond the initial engagement to the formation of, and legal services to several other health-care related entities, including HCCA, Medflow, PC, Vi, and Tulare Asset Management (collectively, the ‘Benzeevi Group’). In 2013 and 2014, Baker advised HCCA concerning the drafting and negotiation of a Management Services Agreement (‘Tulare MSA’) with Tulare Local Healthcare District (‘TLHD’) and then continued to advise HCCA concerning the management of TLHD while it also undertook to advise TLHD.... Baker essentially functioned as outside general counsel for all of the businesses I was forming and operating between 2009 and 2017, and I communicated with them frequently, and at certain times, multiple times per day. Bruce Greene was my primary contact at Baker” (Benzeevi Declaration ¶15.)

In May of 2014, a former Board entered into a Management Services Agreement (“the MSA”) and related documents with the Benzeevi Group. The MSA was prepared by Baker lawyers, working on behalf of the Benzeevi Group, and granted extraordinary power to Benzeevi, including his ability to sweep all District bank accounts on a daily basis and then deposit those funds into a master account solely under his control. The MSA also contained provisions denying Board members access to District healthcare facilities without making prior arrangements with Benzeevi, and further prohibited Board members from criticizing the Benzeevi Group except in very limited circumstances. The MSA also obligated the District to pay HCCA, which was solely owned by Benzeevi, a management fee of \$225,000 per month, an extraordinary amount to manage a small community hospital.

1 Baker lawyers had only one client – the Benzeevi Group – leading up to the execution of
2 the MSA. This changed on September 18, 2014, when Baker was retained as legal counsel for
3 the District in connection with a bond dispute, and again on May 6, 2015, when the former Board
4 granted Benzeevi the authority to engage legal counsel on behalf of the District. Benzeevi named
5 Greene and Baker as general counsel for the District. A 2014 conflict waiver prepared by Baker
6 simply advised that, “The interests of the Benzeevi Group and the District are presently aligned
7 with respect to the Bond Dispute, and at present there are no disputes between the District and
8 either HCCA or Medflow under the above referenced contracts.” (Exhibit 21.) A 2015 conflict
9 waiver prepared by Baker also failed to identify any potential conflict. (Exhibit 22.)

10 The District contends that from the beginning of their dual representation of the District and
11 the Benzeevi Group, a conflict existed that was not disclosed by Greene or the Baker firm as
12 required by former Rule 3-310 (currently Rule 1.7) of the Rules of Professional Conduct.

13 While acting as legal counsel for both the District and the Benzeevi Group, Bruce Greene
14 engaged in multiple acts of deceit for the sole purpose of financially benefitting himself, the Baker
15 law firm, and the Benzeevi Group. Most egregiously, between July 26 and September 26, 2017,
16 Greene engaged in unlawful efforts to obstruct the seating of a duly elected Board member,
17 intentionally misrepresented himself as District counsel at a time when he knew he and his firm
18 had been terminated, and assisted Benzeevi in unlawfully selling \$3 million of District assets, of
19 which \$500,000 was funneled to the Baker law firm through a Benzeevi-owned limited liability
20 company. The District contends that these deceitful acts involve moral turpitude, dishonesty or
21 corruption, proscribed by Business and Professions Code §6106.

22 Benzeevi and Greene are currently the subjects of an ongoing investigation conducted by
23 the Tulare County District Attorney’s office relating to the sale of District assets, as well as asset
24 transfers between the District’s hospital facility and another HCCA-managed hospital owned by
25 Southern Inyo Healthcare District. Greene and the Baker firm also acted as counsel for Southern
26 Inyo. Over 50 search warrants have been served on multiple financial institutions, the Tulare
27 hospital, the Southern Inyo hospital, Benzeevi’s residence, and the residence of the District’s
28

1 former CFO. The most recent search warrant seeks documents related to legal services provided
2 to the District by Greene and the Baker firm. (Northcraft Declaration ¶19; Exhibit 13.)

3 For more than two years, Greene and Baker have failed to turn over to the District “client
4 papers, materials, and property,” as those terms are defined in former Rule 3-700(D)(1) and
5 current Rule 1.16(e)(1) of the Rules of Professional Conduct. The District contends that Greene
6 and Baker have intentionally failed to do so in an effort to obstruct the investigation by the Tulare
7 County District Attorney, as well as the prosecution of an existing civil action initiated by the
8 District against Greene and Baker.

9 II

10 **GREENE’S ACTS OF DECEIT INTENDED TO** 11 **SUBVERT THE ELECTORAL PROCESS**

12 On June 20, 2017, former Board members Parmod Kumar, Linda Wilbourn, and Richard
13 Torrez voted to adopt District Resolution 852. Directors Kevin Northcraft and Mike Jamaica voted
14 no. (Northcraft ¶3.) Resolution 852 purported to delegate to Benzeevi, as the “Authorized
15 Representative” of HCCA, broad authority to borrow up to \$22 million in the name of the District,
16 or otherwise secure extension of credit to the District, upon such terms and at such interest rates
17 as Benzeevi determined to be fair, without seeking further Board approval. Resolution 852 further
18 purported to delegate to Benzeevi the authority to use District property, both real and personal,
19 as security for such loans or extensions of credit, without seeking Board approval. (Northcraft
20 Exhibit 3.)

21 On July 11, 2017 – 21 days after the adoption of Resolution 852 – Board member Kumar
22 was recalled in a Special Recall Election by 81.09% of the voters residing in his district. Senovia
23 Gutierrez was elected to replace Kumar, garnering 76.40% of the vote. (Northcraft ¶4.)

24 The Tulare County Registrar of Voters certified Gutierrez as the winner of the Special
25 Recall Election on July 21, and she was sworn into office by Tulare County Superior Court Judge
26 Walter Gorelick at a public ceremony on July 25, 2017. (Mederos Declaration, ¶¶2-4; Exhibit 1.)

27 It was no secret that Gutierrez intended to join Northcraft and Jamaica in revoking
28 Benzeevi’s authority to borrow or sell District assets without Board approval. Gutierrez had

1 campaigned on an anti-Benzeevi platform, and Benzeevi reportedly invested \$230,000 with an
2 Israeli private intelligence group known as Psy-Group to defeat Gutierrez in her election bid. (See
3 Adam Entous and Ronan Farrow, *Private Mossad for Hire*, The New Yorker, February 11, 2019.)
4 In an effort to keep a newly-configured Board from revoking Benzeevi's borrowing authority,
5 Greene engineered a series of unlawful acts designed to make it appear that Gutierrez was not
6 a legitimate board member. Greene's motivation for doing so was a promise that Baker would
7 be paid a half million dollars in delinquent legal fees if Benzeevi could secure new financing.

8 **REFUSAL TO SEAT GUTIERREZ ON JULY 26**

9 Although Gutierrez had taken the required oath of office, and properly filed that oath with
10 the Tulare County Registrar of Voters and the Secretary of the Board, Greene unlawfully directed
11 Board Chair Linda Wilbourn to refuse to seat Gutierrez at the July 26 Board meeting. This was
12 done even though the Regular Meeting Agenda for the Board meeting of July 26, 2017, contained
13 the following Chair Announcement:

14 *"As a result of the recent special election on July 11, 2017, Senovia Gutierrez will*
15 *replace Dr. Parmod Kumar as a Board member."* (Mederos ¶5; Exhibit 2.)

16 Prior to the July 26 Board meeting, Wilbourn advised Gutierrez and her attorney, Dennis
17 Mederos, that Gutierrez would not be seated as a Board member at the July meeting because the
18 item was not properly "agendized," and as a result of this "agenda issue," she would be seated
19 at the next regularly scheduled Board meeting in August. (Mederos ¶6.)

20 Wilbourn refused to seat Gutierrez on the advice of Bruce Greene. As described by
21 Wilbourn in her verified answer to a civil complaint filed by the District:

22 "Mr. Greene indicated that because the certified vote was not on the July 26, 2017
23 agenda, it should be placed on the August 2017 meeting agenda for ratification by
24 the Board, and that Ms. Gutierrez could not be seated until then. Before the meeting
25 was set to start, Defendant asked to speak to Ms. Gutierrez and informed her of the
26 advice of Mr. Greene. Defendant and Ms. Gutierrez returned to the meeting room
27 and, before the meeting was called to order, Defendant, *relying on the advice of Mr.*
28 *Greene, made an announcement to the effect that the ratification of the election*
results would be placed on the August 2017 meeting agenda and that Ms. Gutierrez
could be expected to be seated as a Board member at that meeting." (Exhibit 23,
7:7-15; emphasis added.)

1 Under District Bylaws, three Board members have authority to notice Special Board
2 Meetings. In response to Greene's directive to refuse to seat Gutierrez on July 26, Board
3 members Northcraft, Jamaica and Gutierrez noticed a Special Board Meeting for July 27, 2017.
4 Greene refused to recognize the authority of the three Board members to do so. (Northcraft ¶¶6
5 and 7; Exhibit 4.)

6 REFUSAL TO RECOGNIZE THE JULY 27 BOARD ACTION

7 At the July 27 Special Board Meeting, the following actions were taken by Directors
8 Northcraft, Jamaica and Gutierrez:

- 9 (A) Resolution 852 was rescinded;
- 10 (B) The legal services of Greene and Baker were terminated; and
- 11 (C) The McCormick Barstow law firm was named new general counsel to the
12 Board. (Northcraft ¶8; Exhibit 5.)

13 Between July 27 and September 26, 2017, Greene and Baker refused to recognize the
14 actions taken by the Board on July 27, and wrongly held themselves out as legal counsel for the
15 District. "It has long been recognized in this state that the client's power to discharge an attorney,
16 with or without cause, is absolute." *Fracasse v. Brent* (1972) 6 Cal.3d 784, 790. Three duly-
17 elected Board members fired Greene and Baker on July 27, 2017. The actions taken by Greene
18 and Baker in the name of the District from and after July 27 were dishonest and corrupt.

19 After July 27, 2017, Greene and Baker actively conspired with Benzeevi to sell District
20 assets under various sale-leaseback arrangements, even though the Board had revoked
21 Benzeevi's alleged authority to borrow or sell District assets under Resolution 852. (Northcraft
22 ¶¶9 and 10.)

23 On August 22, 2017, Greene was advised that Celtic Leasing Corporation had approved,
24 subject to conditions, an arrangement where it would purchase medical equipment owned by the
25 District for \$3 million, and then lease that equipment back to the District at \$82,026 per month.
26 Because Directors Northcraft, Jamaica and Gutierrez had previously voted to rescind Resolution
27 852, Greene engineered another delay in the seating of Gutierrez as a means of closing the Celtic
28 Leasing transaction without Board approval.

1 Greene's representation regarding Wilbourn's intention to delay her resignation was false,
2 as evidenced by Linda Wilbourn's courtroom testimony of February 5, 2019:

3 BY DEPUTY DISTRICT ATTORNEY TREVOR HOLLY:

4 Q. Now, your resignation letter states that you intended to resign on noon prior
5 to the meeting. Was that your intention?

6 A. Noon prior to the meeting, yes, the day of the meeting.

7 Q. So was it your intention to not be a board member by the time the meeting
8 was called?

9 A. Yes, it was my intention to resign before the meeting.

10 Q. Now, did you change your mind about resigning from the board prior to the
11 board meeting at some point during that day?

12 A. No.

13 Q. So as far as you're concerned, when that board meeting was held, were you
14 a member of the board?

15 A. No.

16 Q. Did you authorize Mr. Greene to cancel the board meeting on August 23rd?

17 A. No.

18 Q. Did he ask you for authority to do that?

19 A. No. (Exhibit 24.)

20 Wilbourn has since testified that Greene asked her to send him a note delaying her
21 resignation:

22 "Defendant has no recollection of ever advising Greene of a delay or postponement
23 of her resignation and, on that basis, is informed and believes and thereon alleges
24 that she never advised Greene to that effect. Defendant does recall that during a
25 telephone conversation on August 23, 2017, Greene told Defendant that he had
26 begun preparation of paperwork while she was a member of the board of directors,
27 that he needed to complete the paperwork while she was a member of the board
28 of directors and that he asked Defendant to delay her resignation from the board of
29 directors. *Defendant further recalls that Greene asked her to send him a note
30 delaying her resignation for one day.*" (Exhibit 23, 9:20-27.)

31 According to telephone records provided to the District by Wilbourn, Greene asked
32 Wilbourn to send him a note delaying her resignation at 3:53 p.m., just seven minutes prior to the
33 start of the August Board meeting. Although Wilbourn never *intended* to delay her resignation,
34

1 she did comply with Greene’s request at 3:56 p.m., by sending him a text message, believing that
2 this was a routine matter of Greene needing to complete some “paperwork”. (Exhibit 25.)

3 **RETENTION OF MICHAEL ALLAN WITHOUT BOARD AUTHORITY**

4 On August 22, 2017, Greene retained the services of Pasadena Attorney Michael Allan to
5 write an opinion letter, later used in connection with the sale of District assets to Celtic, to justify
6 Greene’s refusal to recognize Gutierrez as a legitimate Board member. Attorney Allan billed
7 Baker \$8,865 for this “opinion,” which Baker then billed back to the District as a cost item.
8 (Exhibits 32 and 33, page 4.) Billing records suggest that Greene and other Baker lawyers
9 coordinated with Allan in writing the opinion letter.

10 Under District Bylaws, only the Board is authorized to retain legal counsel on behalf of the
11 District. The Board never authorized the retention of Attorney Allan, and never authorized his
12 legal opinion to be transmitted to Celtic Leasing. Greene never requested such authorization,
13 knowing full well that the Board had fired him and his law firm on July 27.

14 **“I NEED TO BE PAID TODAY... I HAVE BEEN PROMISED”**

15 The unlawful efforts by Greene to obstruct the seating of a duly elected public official was
16 motivated by the fact that Greene and Baker were coordinating with Benzeevi to sell District
17 assets with a view toward paying a portion of the proceeds to Baker. Baker was paid a total of
18 \$3.38 million for legal services provided to the District between December of 2014 and September
19 of 2017. There was a balance due Baker at the time Greene advised Wilbourn to refuse to seat
20 Gutierrez at the July Board meeting totaling \$814,386. (Declaration of Teresa Jacques, ¶¶2 and
21 4; Exhibit 14.)

22 On August 28, 2017, Baker delivered an Opinion Letter to Celtic Leasing Corporation,
23 representing that Resolution 852 was “valid and binding” against the District, and further
24 represented that Benzeevi had authority to execute documents relating to a sale-leaseback of
25 District assets for \$3 million. (Northcraft ¶15; Exhibit 9.)

1 It is remarkable that Baker would make these representations to a lender in a \$3 million
2 transaction with knowledge of the following facts:

- 3 ● Kumar, who had been the deciding vote to adopt Resolution 852, had been
4 recalled on July 11 by 81.09% of the voters in his district; and
- 5 ● Gutierrez had been sworn into office on July 25, and had voted with
6 Northcraft and Jamaica to Rescind Resolution 852 on July 27, a full 32 days
7 prior to Baker issuing its opinion of counsel letter to Celtic Leasing.

8 Baker's motivation for this unlawful conduct was immediately clear. On August 31, 2017,
9 the Celtic Leasing transaction closed with a \$3 million wire transfer to Tulare Asset Management,
10 LLC, a limited liability company owned by Benzeevi. (Jacques ¶15; Exhibit 15.) Five days later,
11 Greene made the following demand for payment upon Alan Germany, the former CFO of the
12 District:

13 "If Celtic has funded I need to be paid today. I am not waiting for LI [*Leasing
14 Innovations*] to fund. This is CRITICAL and IU [*sic*] have been promised." (Lampe
15 Declaration ¶8; Exhibit 20.)

16 On September 11, 2017, Baker was paid \$499,727.93 from the proceeds of the Celtic
17 Leasing transaction. (Jacques ¶6; Exhibits 15 and 16.) On September 26, Baker "resigned" as
18 legal counsel for the District, effective immediately. (Northcraft ¶16; Exhibit 10.)

19 "An attorney's practice of deceit involves moral turpitude." *Segretti v. State Bar* (1976) 15
20 Cal.3d 878, 888. "A member of the bar should not under any circumstances attempt to deceive
21 another." *Id.* "The commission of any act involving moral turpitude, dishonesty or corruption,
22 whether the act is committed in the course of his relations as an attorney or otherwise ...
23 constitutes a cause for disbarment or suspension." Business & Professions Code §6106.

24 The California Supreme Court has made it clear that a lawyer's attempt to subvert the free
25 electoral process is an act of moral turpitude. In *Segretti*, the court reviewed a State Bar
26 recommendation that Donald Segretti be disciplined for engaging in a dirty tricks campaign while
27 working for President Nixon's 1972 reelection campaign. Segretti's claim that his acts did not
28 involve moral turpitude was rejected by the court.

"There is no merit to a contention by Segretti that his acts did not involve moral
turpitude. As above appears, *he repeatedly committed acts of deceit designed to
subvert the free electoral process.*" *Segretti, supra* at 887; emphasis added.

1 The District contends that Greene's deceitful attempt to subvert the free electoral process
2 were acts involving moral turpitude, dishonesty or corruption, constituting cause for disbarment
3 under Business and Professions Code §6106. To the extent that other Baker lawyers were
4 involved in this scheme, the District reserves the right to file additional complaints with the State
5 Bar once these individual lawyers are identified.

6 III

7 GREENE'S ACTS INTENDED TO DECEIVE

8 WILBOURN AND LENDING INSTITUTIONS

9 As previously noted, on August 28, 2017, Baker delivered an Opinion Letter to Celtic
10 Leasing Corporation representing that Resolution 852 was "valid and binding" against the District,
11 and further representing that Benzeevi had authority to execute documents relating to a sale-
12 leaseback of District assets for \$3 million. (Northcraft ¶15; Exhibit 9.)

13 On the morning of her resignation, Greene requested by email that Wilbourn execute an
14 Opinion Certificate to be delivered to Celtic Leasing while she was still Board Chair. (Exhibit 26.)
15 This email contained the following two attachments, both of which Celtic required as a condition
16 to entering into the \$3 million sale-leaseback transaction which closed one week later:

- 17 (1) *An Opinion Certificate*, to be signed by Wilbourn on behalf of the District,
18 authorizing Baker to sign its Opinion Letter (Exhibit 26, pages 2-3.); and
- 19 (2) *A Draft Opinion Letter* to be signed by Baker Hostetler. (Exhibit 26, pages
20 4-8.)

21 Although Wilbourn authorized Baker to execute the Draft Opinion Letter transmitted to her,
22 the Opinion Letter that was actually delivered to Celtic Leasing varied in two major respects.
23 Wilbourn was never told about the changes.

24 The Draft Opinion Letter presented to Wilbourn on August 23 recites that Baker was acting
25 as special counsel to *the District* in connection with the lease transaction. (Exhibit 26.) The
26 Opinion Letter delivered to Celtic five days later recites that Baker was acting as special counsel
27 for *HCCA*. (Exhibit 9.)

28 In the Draft Opinion Letter presented to Wilbourn on August 23, Baker unequivocally
offered the opinion that Benzeevi was authorized to execute, on behalf of the District, all

1 documents related to the Celtic Leasing transaction. (Exhibit 26, ¶15.) The Opinion Letter actually
2 delivered to Celtic contained a material change. In its August 28 Opinion Letter, Baker qualified
3 its opinion regarding Benzeevi's authority to sign loan documents, as well as the enforceability of
4 Resolution 852. Buried on page three of its Opinion Letter, Baker qualified its representations
5 regarding Resolution 852 and Benzeevi's signing authority, contending they were based "solely
6 upon" Wilbourn's Opinion Certificate, and the opinion rendered by Attorney Michael Allan at the
7 request of Bruce Greene. (Exhibit 9, page 4.) This material change was never communicated
8 to Wilbourn, who was clearly relying upon Greene and Baker for these legal conclusions.

9 The reason for this slight-of-hand is obvious: Greene and Baker knew full well that the
10 Board had rescinded Resolution 852 and revoked Benzeevi's signing authority on July 27, and
11 wanted to insulate themselves from making materially false representations to a lender in a \$3
12 million transaction.

13 The District contends that the deceitful actions of Greene and other Baker lawyers in
14 manipulating the Celtic Leasing documents involve moral turpitude, dishonesty or corruption,
15 constituting cause for discipline under Business and Professions Code §6106. Other Baker
16 lawyers are believed to have been involved in the drafting of both the August 23 Opinion
17 Certificate signed by Wilbourn and the August 28 Opinion Letter signed on Baker's behalf. The
18 District reserves the right to file additional complaints with the State Bar once these individual
19 lawyers are identified.

20 IV

21 GREENE'S UNAUTHORIZED APPEARANCE

22 FOR WHICH HE BILLED THE DISTRICT

23 On September 11, 2017, the Tulare County District Attorney filed a Petition for Writ of
24 Mandate with the Tulare County Superior Court, seeking a court order declaring Senovia Gutierrez
25 as the legitimate Board member representing Kumar's former district. (Exhibit 27.) The petition
26 lists two of the real parties in interest as "Bruce Greene and Baker & Hostetler, *former general*
27 *counsel for TRMC board.*" A central allegation of the petition was that, "Board Chair Linda
28 Wilbourn and Board Director Richard Torrez, as well as ex-legal counsel Bruce Greene and his

1 firm, Baker & Hostetler LLP, have refused to recognize Ms. Gutierrez as a Board Member...” The
2 D.A.’s petition went on to accurately summarize the issue as follows:

3 “The voters of the 3rd District have been denied their democratic choice for an
4 elective representative in their hospital district. Respondents first created a fiction
5 that Ms. Gutierrez’s election was not effective until they approved of it. Then they
6 manufactured a delay claiming it was not a valid agenda item, and then orches-
7 trated a cancellation of the August 23, 2017 regularly scheduled meeting in an
8 ongoing effort to deny her the duties and responsibilities of her elected position.”
9 (Exhibit 27, 6:22-27.)

7 Greene and other Baker lawyers appeared in opposition to the writ petition filed by the
8 District Attorney, ultimately billing the District \$24,815 for their efforts.¹ (Exhibit 28.) The Board
9 never authorized this appearance. It is significant that Greene never bothered to request such
10 authorization, knowing full well that the Board had fired him and his law firm two months earlier.

11 On September 15, the law firm of Orrick, Herrington & Sutcliffe filed a lawsuit on HCCA’s
12 behalf against the District in the Los Angeles County Superior Court. (Exhibit 29.) The Orrick
13 partner in charge of this litigation was Marshall Grossman.

14 Even though Greene and Baker were still acting as legal counsel for HCCA, and even
15 though they were both named as a real parties in interest in the D.A.’s writ proceeding, neither
16 requested a conflict waiver from the District while they actively coordinated with the Orrick firm to
17 work against the District’s interests, and promote the interests of themselves and HCCA in the writ
18 litigation. The following entries from Baker billing records to the District document this unethical
19 conduct:

Date:	Attorney:	Description:
09/14/17	Greene Bruce R	Attend to District Attorney ex parte motion; joinder motions (review documents; draft responsive declarations; telephone conferences with B Benzeevi; telephone conferences with R Torrez); coordinate with Orrick
09/14/17	Welsh Robert C	Communications with client regarding ex parte hearing; Review ex parte motions filed by District Attorney and McCormick Barstow firm; communications regarding response; review and revise Mr. Greene’s declaration; communications with attorneys at Orrick law firm regarding opposition to be filed by HCCA

27 _____
28 ¹ One of these attorneys, Robert Craig Welsh, is currently on inactive status with the State Bar. Should Mr. Welsh reactivate his membership, the District will consider filing a separate complaint.

09/15/17	Greene Bruce R	Attend to hearing matters; telephone conferences with B Benzeevi, M Grossman, R Welsh
09/17/17	Welsh Robert C	Review reply memorandum submitted by Barstow McCormick firm; conduct legal research regarding cases cited in reply; review our expert report; review case law regarding mandatory injunctions; attend conference call with client and Mr. Grossman
09/18/17	Welsh Robert C	Prepare for and travel to Visalia for ex parte hearing; attend hearing; conference with client and Mr. Grossman following hearing; travel back to Los Angeles. [Exhibit 28.]

In a remarkable display of hubris, Greene and Baker billed the District for limousine rides from Los Angeles to Tulare County while opposing the D.A.'s writ petition:

09/20/17	Ground Transportation Local (E109) Agnes K Lindsay dba All Unique Limousine LLC Return Travel from Tulare County Municipal Court 221 S Mooney Blvd Visalia, CA 93291 9/18/2017; Inv. 1356	845.00
9/20/17	Ground Transportation Local (E109) Agnes K Lindsay dba All Unique Limousine LLC Travel to Tulare County Municipal Court 221 S Mooney Blvd Visalia, CA 93291 9/15/2017; Inv. 1356	773.00
Subtotal - Ground Transportation Local (E109)		\$1,618.00
		[Exhibit 28.]

The District contends that Greene and Baker working hand-in-hand with HCCA lawyers to advocate a position not only detrimental to the District, but in disregard of basic democratic norms, and then having the audacity to bill the District for limo rides to the courthouse, involves moral turpitude, dishonesty or corruption, constituting cause for discipline under Business and Professions Code §6106.

“Corruptly or wilfully and without authority appearing as attorney for a party to an action or proceeding constitutes a cause for disbarment or suspension.” Business and Professions Code §6104. The District contends that Greene and Baker opposed the D.A.'s writ proceeding without even attempting to secure District authorization to do so, as they knew such authorization would never be given. District Board members actually filed declarations in support of the writ petition though the McCormick Barstow law firm. The District contends that Greene's unauthorized

1 appearance and subsequent billing of his services to the District constitute cause for disbarment.
2 The District reserves the right to file additional complaints with the State Bar if individual Baker
3 lawyers other than Greene knowingly participated in this unauthorized appearance.

4 **V**

5 **GREENE'S ACTS INTENDED TO DECEIVE THE COURT**

6 On September 15, 2017, Greene filed a declaration under penalty of perjury with the Tulare
7 County Superior Court as part of his unauthorized appearance on behalf of the District in the writ
8 proceeding. (Exhibit 30.) The District contends that the Greene declaration contained several
9 false or misleading statements to the court.

10 The most egregious of these false or misleading statements makes the following claim:

11 "Moreover, the positions taken by the Baker Firm with respect to Elections Code
12 §15400 are supported by two independent attorneys who specialize in elections law,
13 Michael L. Allan, Esq., and Cary Davidson, Esq. of the firm of Reed & Davidson.
14 In both instances, the Baker Firm was advised that the requirements of Elections
15 Code §15400 could not be ignored and had to be complied with." (Exhibit 30, ¶24.)

16 Greene's representation to the court was false. Cary Davidson, one of two lawyers that
17 Greene contends "supported" his position with respect to Elections Code §15400, has denied
18 doing so in deposition testimony:

19 Q. Did you have any communications with Mr. Greene, whether orally or in
20 writing, about the fact that he was going to include you as one of two
21 independent attorneys who specialize in election law that support the
22 positions that were taken by the Baker firm with respect to Elections Code
23 15400?

24 A. No. (Exhibit 31; 47:18-24.)

25 Q. As of the July 2017 time frame when you were providing these professional
26 courtesies to Mr. Greene, were you of the mindset that the requirements of
27 Elections Code Section 15400 could not be ignored and had to be complied
28 with?

A. My recollection is otherwise.

Q. That it could be ignored and not complied with?

A. That's my recollection.

Q. And did you express that recollection -- did you ever express that to Mr.
Greene?

A. That's my recollection. (Exhibit 31; 60:3-13.)

1 "It is the duty of an attorney ... to employ, for the purpose of maintaining the causes
2 confided to him or her those means only as are consistent with truth, and never to seek to mislead
3 the judge or any judicial officer by an artifice or false statement of fact or law. Business and
4 Professions Code §6068(d); former Rule of Professional Conduct 5-200. The District contends
5 that Greene intentionally misled the court when he represented that Attorney Davidson was in
6 support of the position Greene was advancing at the writ proceeding.

7 **VI**

8 **GREENE AND BAKERS' REFUSAL TO TURN OVER CLIENT RECORDS**

9 Beginning in July of 2017, the McCormick Barstow law firm made multiple requests of
10 Greene and Baker to turn over all District files, as required under former Rule 3-700. Additional
11 requests for client records have been made by litigation counsel, Michael Lampe.

12 On October 17, 2019, more than two years after Greene and Baker had been terminated,
13 Lampe indicated his concern that Baker was withholding client records belonging to the District.
14 Specific reference was made to the fact that Baker's prior production contained no documents
15 relating to the \$3 million Celtic Leasing transaction. (Exhibit 18.1.)

16 On October 18, 2019, Attorney James Murphy advised that he would discuss the District's
17 concern with Baker partner Tom Lucchesi, adding "... I was also told everything had been turned
18 over." (Exhibit 18.2.)

19 On October 28, 2019, Mr. Murphy reversed himself, and advised that documents relating
20 to the Celtic Leasing transaction had not been produced to the District, offering the following
21 explanation:

22 "We will be forwarding the Celtic Leasing documents that are District client files to
23 which it is entitled. Let me explain how the District's files were accumulated and
24 reviewed for delivery to McCormick Barstow.

25 First, keep in mind that, contemporaneous with the District's prior request for its file,
26 Dr. Benzeevi and his related entities had also requested a return of their
27 attorney-client files. In accumulating the documents for delivery to the respective
28 clients, it was imperative under the Business & Professions Code to determine
which files belonged to the District and which files belonged to the Benzeevi entities
in order to protect the attorney-client privilege held by the District as well as the
attorney-client privilege held by the Benzeevi entities.

1 ... the Celtic leasing documents are being accumulated and will be produced.
2 *These were initially deemed to be Benzeevi files, but upon reflection, we agree that*
3 *they are property considered part of the District's client file.”* (Exhibit 18.3; emphasis
4 added.)

5 On November 1, 2019, Baker produced 103 separate documents relating to the Celtic
6 Leasing transaction, which closed more than two years earlier, on August 31, 2017. It is simply
7 not credible that Baker lawyers concluded that documents relating to a transaction involving the
8 sale of \$3 million in *District* assets, of which \$500,000 was later transferred to *Baker*, belonged
9 to *Benzeevi* and could not be produced because of an attorney-client privilege existing between
10 Baker and Benzeevi.

11 On November 5, 2019, after reviewing the Celtic Leasing documents, the District learned
12 of other transactions that Benzeevi and Baker lawyers were pursuing, resulting in another request
13 for the production of client files. (Exhibit 18.4.)

14 On November 26, 2019, Baker produced an additional 1,484 documents belonging to the
15 District. (Exhibit 18.5.) These documents, as was the case with the Celtic documents, were client
16 files that should have been delivered to the District more than two years prior to the actual
17 production date.

18 As of the date of this correspondence, the District has not been furnished with a significant
19 number of client emails that can be discerned through Baker billing records. Additionally, Baker
20 recently made a bad faith attempt to claw back two particularly damning emails pursuant to the
21 provisions of Code of Civil Procedure §2031.285, claiming that they were attorney work product
22 and/or privileged communications between Baker and the Benzeevi Group. (Exhibit 17.) When
23 the District filed a motion to determine the legitimacy of Baker's privilege claims, Baker did not
24 even oppose the motion.

25 One of these emails highlights the depths of Greene's dishonesty. After advising Wilbourn
26 to refuse to seat Gutierrez on July 26 because the "Chair Announcement" of her election was not
27 properly "agendized," it turns out that it was Greene himself who gave the instruction to call it a
28 chair announcement. On July 21, 2017, Greene instructed Lucas Paule, a Baker associate
attorney at the time:

1 "Just have the chair announce that as a result of the recent election dr [sic] Kumar
2 is no longer a board member and he has been replaced by Senovia Gutierrez. I
3 don't see any reason for any board action to be taken. It can be fit in right after the
4 call to order. *Call it something like Chair announcement.*" (Exhibit 34; emphasis
5 added.)

6 The District has reluctantly concluded that Greene and Baker have intentionally failed to
7 produce records belonging to the District, and in some cases withheld documents by asserting
8 frivolous privileges, in an attempt to obstruct the investigation by the Tulare County District
9 Attorney, as well as the prosecution of an existing civil action initiated by the District against
10 Greene and Baker, in violation of former Rule 3-700(D)(1) and current Rule 1.16(e)(1) of the Rules
11 of Professional Conduct.

12 The District will fully cooperate with any investigation initiated by your office.

13
14 Dated: March 25, 2020

15 LAW OFFICES OF MICHAEL J. LAMPE
16 Attorneys for Complainant
17 By: Michael J. Lampe
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