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STATE BAR COURT
CLERK'S OFFICE
LOS ANGELES

Public Matter

THE STATE BAR COURT

HEARING DEPARTMENT - LOS ANGELES

13 In the Matter of:) Case No. **SBC-23-O-30903**
14)
15 BRUCE RANDOLPH GREENE,) NOTICE OF DISCIPLINARY CHARGES
State Bar No. 71042,)
16) (OCTC Case No. 20-O-05338)
17)
An Attorney of the State Bar.)

NOTICE - FAILURE TO RESPOND!

18 **IF YOU FAIL TO FILE A WRITTEN ANSWER TO THIS NOTICE**
19 **WITHIN 20 DAYS AFTER SERVICE, OR IF YOU FAIL TO APPEAR AT**
20 **THE STATE BAR COURT TRIAL:**

- 21 (1) **YOUR DEFAULT WILL BE ENTERED;**
- 22 (2) **YOUR STATUS WILL BE CHANGED TO INACTIVE AND YOU**
23 **WILL NOT BE PERMITTED TO PRACTICE LAW;**
- 24 (3) **YOU WILL NOT BE PERMITTED TO PARTICIPATE FURTHER IN**
25 **THESE PROCEEDINGS UNLESS YOU MAKE A TIMELY MOTION**
26 **AND THE DEFAULT IS SET ASIDE, AND;**
- 27 (4) **YOU SHALL BE SUBJECT TO ADDITIONAL DISCIPLINE.**
28 **SPECIFICALLY, IF YOU FAIL TO TIMELY MOVE TO SET ASIDE**
OR VACATE YOUR DEFAULT, THIS COURT WILL ENTER AN
ORDER RECOMMENDING YOUR DISBARMENT AND MAY
RECOMMEND THE IMPOSITION OF MONETARY SANCTIONS
WITHOUT FURTHER HEARING OR PROCEEDING. (SEE RULES
PROC. OF STATE BAR, RULES 5.80 ET SEQ. & 5.137.)

The State Bar of California alleges:

1 JURISDICTION

2 1. Bruce Randolph Greene ("respondent") was admitted to the practice of law in the
3 State of California on December 22, 1976. Respondent is currently, and was at all times relevant
4 to these charges, a licensed attorney of the State Bar of California.

5 INTRODUCTION

6 2. Between approximately March 2017 and September 2017, respondent acted with
7 a self-interested and corrupt motive to financially benefit himself, his firm, and one client, Dr.
8 Yorai Benzeevi ("Dr. Benzeevi"), at the expense of another client, the Tulare Local Healthcare
9 District d.b.a. Tulare Regional Medical Center ("the District"), when he interfered with the local
10 electoral process for the District's Board of Directors ("the Board") to facilitate an unauthorized
11 purchase-leaseback transaction between the District and Celtic Leasing Corporation ("Celtic
12 Leasing"), the proceeds of which were used to pay respondent's outstanding legal fees for the
13 District (approximately \$500,000) and to pay debts owed by the District to a company owned by
14 Dr. Benzeevi, Healthcare Conglomerate Associates, LLC ("HCCA") (approximately \$2.4
15 million). Respondent knew that his ongoing joint representation of the District and Dr. Benzeevi
16 and his facilitation of the Celtic Leasing transaction in favor of himself, his law firm, and Dr.
17 Benzeevi presented an actual conflict of interest against the District. Respondent's conduct
18 involved moral turpitude, dishonesty, and corruption in willful violation of Business and
19 Professions Code, section 6106.

20 FACTUAL ALLEGATIONS

21 3. From in or about 2009 through in or about 2017, respondent and his law firm,
22 Baker & Hostetler LLP ("B&H"), represented Dr. Benzeevi and his multiple healthcare-related
23 companies, including HCCA. Respondent was Dr. Benzeevi's primary contact at B&H.

24 4. In or about December 2013, HCCA was selected to manage the District by the
25 Board. At the time, the Board was comprised of five members, all of whom supported Dr.
26 Benzeevi's approach to managing the District, which operated a public hospital and related
27 health care facilities in Tulare County, California.

1 5. In or about September 2014, respondent was engaged by the District to serve as
2 its legal counsel in a bond dispute. In connection with this engagement, respondent had Dr.
3 Benzeevi, on behalf of HCCA and Dr. Benzeevi's other companies, and the Chair of the Board,
4 on behalf of the District, sign a conflict of interest waiver regarding any potential or actual
5 conflicts of interest that could then exist or arise in the future in connection with respondent's
6 representation of the District in the bond dispute.

7 6. In or about May 2015, respondent and B&H were hired by HCCA to serve as
8 general counsel for the District. HCCA was granted authorization to hire legal counsel for the
9 district by a resolution passed by the Board on or about May 6, 2015. In connection with the
10 hiring of respondent and B&H as the District's general counsel, in or about May 2015,
11 respondent provided HCCA and the District with a conflict of interest waiver to supersede any
12 previously executed conflict of interest waivers. To affirm their agreement with the newest
13 conflict of interest waiver, the parties signed a letter that stated that "[t]he purpose of [the] letter
14 [was] to confirm that the waiver of conflict of interest extend[ed] to all of the additional matters
15 in which [the firm could] represent the District, subject of course to the limitations set forth
16 therein as to the firm's ethical obligations." The letter was signed by Dr. Benzeevi for HCCA
17 and by the Chair of the Board for the District.

18 7. In or about September 2016, the Board was comprised of the following members:
19 Chair Sherrie Bell ("Bell"), Laura Gadke ("Gadke"), Dr. Parmod Kumar ("Dr. Kumar"), Richard
20 Torrez ("Torrez"), and Linda Wilbourn ("Wilbourn"). Like the Board that selected HCCA to
21 manage the District, these five board members generally supported Dr. Benzeevi's approach to
22 managing the District and also supported HCCA's hiring of respondent and B&H as the
23 District's general counsel.

24 8. In or about September 2016, a petition was filed to recall Dr. Kumar from the
25 Board.

26 9. In or about November 2016, during the regular election cycle, the electorate voted
27 to unseat board members Bell and Gadke and replace them with board members Kevin
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1 Northcraft (“Northcraft”) and Mike Jamaica (“Jamaica”). A main focus of Northcraft’s and
2 Jamaica’s platforms was to bring change to the direction of the District’s management.

3 10. On or about January 25, 2017, during a regularly scheduled Board meeting,
4 Northcraft made a motion to require HCCA to provide to the Board at the next meeting a list of
5 independent legal counsel to replace respondent and B&H as the District’s general counsel. This
6 motion did not carry. Northcraft and Jamaica voted for the motion, while Wilbourn, Torrez, and
7 Dr. Kumar voted against the motion.

8 11. In or around March 2017, respondent and B&H were owed approximately one
9 million dollars in outstanding legal fees for services billed to the District. Respondent faced
10 internal pressure within B&H to collect payment for these legal fees. On or about March 1, 2017,
11 respondent sent an email to Dr. Benzeevi that expressed respondent’s frustration over
12 nonpayment of outstanding legal fees, stating, “My firm is not a bank. You can’t continue to ask
13 us to work and then not pay us. I guess you see us as just another creditor to deflect. Very sad.”

14 12. In or around June 2017, respondent drafted Resolution 852 to place before the
15 Board for a vote. Resolution 852 authorized Dr. Benzeevi to enter a financing agreement to raise
16 funds for the District, some of which could be used to pay down debt. The resolution delegated
17 full authority to Dr. Benzeevi to borrow up to \$22 million in the name of the District without the
18 Board’s approval. The resolution also authorized Dr. Benzeevi to use the District’s real and
19 personal property as security for loans or extensions of credit without seeking Board approval.

20 13. On or about June 20, 2017, the Board passed Resolution 852 by a 3-to-2 vote.
21 Wilbourn, who had taken over as the Board’s Chair, Dr. Kumar, and Torrez voted to adopt the
22 resolution while Northcraft and Jamaica voted against the resolution.

23 14. On or about July 11, 2017, a special recall election was held, and the electorate
24 recalled Dr. Kumar from the Board and elected Senovia Gutierrez (“Gutierrez”) to replace him.
25 Gutierrez intended to align with Northcraft and Jamaica in pursuing a change in direction for the
26 District including immediately terminating respondent and B&H as their legal counsel and hiring
27 independent counsel.

1 15. On or about July 21, 2017, the Tulare County Registrar of Voters certified
2 Gutierrez as the winner of the recall election. On this same date, respondent was informed of the
3 certification of the recall election.

4 16. On or about July 25, 2017, Gutierrez was sworn into office by a Tulare County
5 judge at a public ceremony and her oath was filed with the Tulare County Registrar of Voters.

6 17. On or about July 25, 2017, the Tulare County Registrar of Voters sent the District
7 a letter confirming Gutierrez’s election to the Board, enclosing a Certified Statement of Vote,
8 and requesting that the Board put the Certified Statement of Vote on the agenda for its next
9 regularly scheduled meeting to comply with its obligation to declare Gutierrez elected to the
10 Board.

11 18. On or about July 26, 2017, Gutierrez was due to take her seat on the Board at a
12 regular Board Meeting. At the direction of respondent, however, Wilbourn denied Gutierrez her
13 duly elected seat and advised her that she would be unable to take that seat until the Board’s next
14 regular meeting in August.

15 19. On or about July 27, 2017, and August 9, 2017, Northcraft, Jamaica, and
16 Gutierrez held special board meetings during which they rescinded Resolution 852, terminated
17 respondent and B&H as their legal counsel, and hired new counsel in place of respondent.
18 Respondent claimed, among other things, that Gutierrez was not a “seated” board member, that
19 the special meetings were invalid, and that these three members’ actions at the special meetings
20 did not have any binding force or effect.

21 20. On or about August 22, 2017, respondent was advised that Celtic Leasing had
22 approved a transaction in which it would purchase medical equipment owned by the District for
23 \$3,000,000, and would then lease that equipment back to the District for \$82,026 per month. A
24 legal opinion letter confirming the continuing effectiveness of Resolution 852 was a requirement
25 for Celtic Leasing to proceed with this transaction.

26 21. On or about August 23, 2017, respondent interfered with the Board’s ability to
27 hold a regular board meeting. Despite respondent’s interference, Northcraft, Jamaica, and
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1 Gutierrez attempted to conduct the regular Board meeting. Dr. Benzeevi, however, ordered the
2 meeting location's staff to lockout the Board members from the meeting room. Northcraft,
3 Jamaica, and Gutierrez relocated and held a closed session meeting in which they, for a third
4 time, rescinded Resolution 852 and terminated respondent and B&H as the District's legal
5 counsel.

6 22. On or about August 28, 2017, purportedly on behalf of the District, respondent
7 and B&H delivered an outside counsel's opinion letter regarding Dr. Benzeevi and/or HCCA's
8 authority to enter into a purchase-leaseback agreement for the District's medical equipment with
9 Celtic Leasing when respondent knew that (1) three duly elected Board members, Northcraft,
10 Jamaica, and Gutierrez, had voted to terminate respondent and B&H as the District's legal
11 counsel on July 26, 2017, August 9, 2017, and August 23, 2017; (2) this business transaction was
12 financially harmful to the District; and (3) this business transaction would materially benefit Dr.
13 Benzeevi, respondent, and B&H.

14 23. On or about August 31, 2017, Dr. Benzeevi, in his capacity as CEO and on behalf
15 of the District, signed a purchase-leaseback agreement with Celtic Leasing. Dr. Benzeevi sold
16 District equipment to Celtic Leasing for \$3 million and agreed that the District would lease the
17 same equipment back at \$82,026 per month for 36 months. At or about this time, the hospital
18 operated by the District was almost out of cash, could not pay essential vendors, and had run out
19 of necessary medical supplies that it needed to operate.

20 24. On or about August 31, 2017, the Celtic Leasing purchase-leaseback transaction
21 closed and \$3,000,000 was wire transferred by Celtic Leasing to a bank account (the "TAM
22 Account") that Celtic Leasing believed belonged to the District but in fact belonged to Tulare
23 Asset Management, LLC, a limited liability company owned by Dr. Benzeevi. From the TAM
24 Account, transfers of \$499,727.93, \$2.4 million, and \$23,456.73 were made to an account
25 controlled by HCCA (the "HCCA Account").

26 25. On or about September 5, 2017, upon discovering that the Celtic Leasing business
27 transaction had closed, respondent demanded that Dr. Benzeevi pay B&H's outstanding legal
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1 fees from the sale proceeds.

2 26. On or about September 11, 2017, B&H was paid \$499,727.93 from the proceeds
3 of the Celtic Leasing business transaction that had been transferred to the HCCA Account.

4 27. On or about September 14, 2017, B&H was paid an additional \$10,000 from the
5 proceeds of the Celtic Leasing business transaction that had been transferred to the HCCA
6 Account.

7 28. On or about September 17, 2017, Dr. Benzeevi transferred to his personal bank
8 account \$2.4 million from the proceeds of the Celtic Leasing business transaction that had been
9 transferred to the HCCA Account.

10 29. In or about September 2017, respondent made appearances in Tulare County
11 Superior Court, asserting in a pleading he filed on or about September 15, 2017, that he
12 represented the District despite knowing that three of the five Board members had voted to
13 terminate him and B&H from their role as District counsel at three previous Board meetings
14 conducted on July 27, August 9, and August 23, 2017.

15 30. On or about September 26, 2017, respondent and B&H resigned as the District's
16 counsel.

17 ALLEGED MISCONDUCT

18 COUNT ONE

19 Case No. 20-O-05338

20 Former Rules of Professional Conduct, rule 3-310(C)(2)

21 [Actual Conflict in Southern Inyo Transaction – Representing Multiple Clients]

22 31. Paragraphs 3 through 30 above are hereby incorporated by reference.

23 32. In or around March 2016, without first requesting permission from the Board,
24 HCCA agreed to use District funds to extend a \$500,000 line of credit to Southern Inyo
25 Healthcare District ("SIHD").

26 33. The District's bylaws and the Management Services Agreement ("MSA") in place
27 between HCCA and the District required Board approval before putting District funds at risk.

28 34. On or about March 26, 2016, HCCA, represented by respondent, entered into a
line of credit promissory note with SIHD with the District as the lender and HCCA as the

1 guarantor without first getting Board approval. Placing District funds at risk without first getting
2 authorization from the Board was a violation of both the District's bylaws and the MSA.

3 35. In or about the time of the SIHD transaction, respondent knew that HCCA
4 intended to use District funds to extend a line of credit to SIHD and assisted with the facilitation
5 of the transaction by representing HCCA, when respondent knew that HCCA had failed to first
6 obtain Board approval. Respondent provided legal services to HCCA that were directly adverse
7 to the District and did not simultaneously or at any time thereafter advise the District of the
8 transaction.

9 36. In or around January 2017, respondent sent a letter to Northcraft that stated that
10 respondent would not advise the Board on any matters in which there was a conflict of interest
11 with HCCA.

12 37. At the time that respondent sent this letter to Northcraft, he knew and should have
13 known that his failure to advise the District on interpretation of the District's bylaws and MSA as
14 they related to the line of credit transaction involving the District, SIHD, and HCCA represented
15 an actual conflict between the District and HCCA and that respondent could not continue
16 representation of the District without getting informed written consent from both the District and
17 HCCA.

18 38. The conflict waiver respondent had previously executed with both clients in or
19 about May 2015 was insufficient to properly inform respondent's second client, the District, of
20 the relevant circumstances and of the actual, and reasonably foreseeable, adverse consequences
21 to the clients of this situation, including the violation of the District's bylaws and MSA by
22 HCAA that put District funds at risk without required Board approval.

23 39. From in or about March 2016 through on or about January 17, 2017, respondent
24 continued representation of both the District and HCCA, did not inform his clients of the relevant
25 circumstances and of the actual and reasonably foreseeable adverse consequences to his clients,
26 and did not obtain the informed written consent of each client after disclosure of all material
27 facts, in willful violation of the former Rules of Professional Conduct, rule 3-310(C)(2).

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COUNT TWO

Case No. 20-O-05338

Former Rules of Professional Conduct, rule 3-310(C)(2)
[Actual Conflict in Drafting Resolution 853 – Representing Multiple Clients]

40. Paragraphs 3 through 30 above are hereby incorporated by reference.

41. Respondent engaged in an actual conflict of interest when he drafted Resolution 853 in favor of one client and against the interests of the other.

42. On or about June 20, 2017, respondent continued representation of multiple clients, the District and Dr. Benzeevi and HCCA, in matters involving the management of the District by HCCA. At that time, the interests of his clients actually conflicted in that respondent drafted a resolution (“Resolution 853”) that would release HCCA and Dr. Benzeevi of liability from being in default of the MSA.

43. The conflict waiver respondent had previously executed with both clients in or about May 2015 was insufficient to properly inform respondent’s second client, the District, of the relevant circumstances and of the actual, and reasonably foreseeable, adverse consequences to the clients of this situation, including but not limited to the subsequent Celtic Leasing transaction on or about August 31, 2017, which by on or about June 20, 2017 respondent knew was planned to be completed, in which the interests of his clients actually conflicted, and which was a financial benefit to respondent’s first client, Dr. Benzeevi and HCCA, while being a financial detriment to respondent’s second client, the District.

44. On or about June 20, 2017, respondent continued representation of both the District and Dr. Benzeezi and HCCA, did not inform his clients of the relevant circumstances and of the actual and reasonably foreseeable adverse consequences to his clients, and did not obtain the informed written consent or each client after disclosure of all material facts, in willful violation of the former Rules of Professional Conduct, rule 3-310(C)(2).

COUNT THREE

Case No. 20-O-05338

Former Rules of Professional Conduct, rule 3-310(C)(2)
[Actual Conflict in Drafting and Presenting Resolution 852 –
Continuing to Represent Multiple Clients]

1 45. Paragraphs 3 through 30 above are hereby incorporated by reference.

2 46. Respondent engaged in an actual conflict of interest when he drafted, and
3 presented to the Board, Resolution 852, which was drafted in favor of one client and against the
4 interests of the other.

5 47. On or about June 20, 2017, respondent continued representation of multiple
6 clients, namely the District and Dr. Benzeevi and HCCA. At that time, the interests of the clients
7 actually conflicted when respondent drafted Resolution 852, which delegated full authority to
8 respondent's first client, Dr. Benzeevi and HCCA, to borrow up to \$22 million in the name of
9 respondent's second client, the District, without the Board's approval. Resolution 852 also
10 authorized Dr. Benzeevi and HCCA to use the District's real and personal property as security
11 for loans or extensions of credit without seeking the Board's approval.

12 48. The conflict waiver respondent had previously executed with both clients in or
13 about May 2015 was insufficient to properly inform respondent's second client, the District, of
14 the relevant circumstances and of the actual, and reasonably foreseeable, adverse consequences
15 to the clients of this situation, including but not limited to the subsequent Celtic Leasing
16 transaction on or about August 31, 2017, which by on or about June 20, 2017 respondent knew
17 was planned to be completed, in which the interests of the clients actually conflicted, and which
18 was a financial benefit to respondent's first client, Dr. Benzeevi and HCCA, while being a
19 financial detriment to respondent's second client, the District.

20 49. On or about June 20, 2017, respondent continued representation of both
21 the District and Dr. Benzeezi and HCCA, did not inform his clients of the relevant circumstances
22 and of the actual and reasonably foreseeable adverse consequences to his clients, and did not
23 obtain the informed written consent or each client after disclosure of all material facts,
24 Respondent thereby failed to obtain the fully informed written consent of each client after
25 disclosure of all material facts, in willful violation of the former Rules of Professional Conduct,
26 rule 3-310(C)(2).

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COUNT FOUR

Case No. 20-O-05338

Former Rules of Professional Conduct, rule 3-310(B)(4)

[Actual Conflict – Respondent’s Personal, Professional, and Financial Interest
Interest in Subject Matter]

50. Paragraphs 3 through 30 above are hereby incorporated by reference.

51. Respondent had a personal, professional, and financial interest in Resolution 852 as he knew that the resolution would enable Dr. Benzeevi and HCCA to enter into a purchase-leaseback transaction that would fund payment of outstanding legal fees to respondent’s law firm, B&H.

52. On or about June 20, 2017, respondent continued representation of a client, the District, in a Board meeting authorizing the passage of Resolution 852, a resolution respondent drafted which authorized a financing agreement to raise funds for the District. Respondent failed to disclose to the District that he had an interest in the subject matter of Resolution 852.

53. Resolution 852 delegated full authority to respondent’s first client, Dr. Benzeevi and HCCA, to borrow up to \$22 million in the name of the District without the Board’s approval. The Resolution also authorized Dr. Benzeevi to use the real and personal property of respondent’s second client, the District, as security for loans or extensions of credit without seeking Board approval.

54. Respondent failed to provide written disclosure to his second client, the District, that respondent had a personal, professional, and financial interest in the subject matter of the representation, specifically that respondent’s first client, Dr. Benzeevi and HCCA, had promised to use this authority to enter into a purchase-leaseback transaction that would fund payment of outstanding legal fees to respondent’s law firm, B&H, in willful violation of the former Rules of Professional Conduct, rule 3-310(B)(4).

COUNT FIVE

Case No. 20-O-05338

Business and Professions Code, section 6106

[Moral Turpitude – Deceptive and Oppressive Acts in Preventing the
Seating of a Duly Elected Board Member]

1 55. Paragraphs 3 through 30 above are hereby incorporated by reference.

2 56. Between on or about July 26, 2017, and on or about September 26, 2017,
3 respondent engaged in deceptive and oppressive acts with the purpose of subverting the seating of
4 a duly elected member, Gutierrez, on the Board.

5 57. On or about July 26, 2017, respondent solicited an outside legal opinion from
6 attorney Cary Davidson (“Davidson”) regarding the interpretation of Elections Code section
7 15400.

8 58. On or about July 26, 2017, Davidson informed respondent that the “[c]ounty
9 declares the result of the election” and that he did not “see anything requiring or permitting the
10 Board to certify the election results.”

11 59. On or about July 27, 2017, respondent emailed the Board informing the Board
12 that Gutierrez was not a member of the Board since the Board had not declared Gutierrez a board
13 member.

14 60. On or about July 27, 2017, Northcraft sent an email to Wilbourn and Dr.
15 Benzeevi, which was then provided to respondent, in which Northcraft stated, “We have the
16 unanimous opinion of six California attorneys that [Gutierrez] is a fully functioning board
17 member. Hope to see you at our meeting tonight.”

18 61. On or about July 28, 2017, in response to Northcraft’s email, respondent
19 reasserted his position that Gutierrez was not a board member and therefore, any actions taken by
20 the Board the day before, had no legal effect.

21 62. On or about July 29, 2017, Northcraft sent an email to Wilbourn and Torrez that
22 was then provided to respondent. The email reiterated the position that Northcraft, Jamaica, and
23 their legal counsel, McCormick Barstow, LLP (“McCormick”), disagreed with respondent’s
24 position that Gutierrez was not able to sit on the Board until she was declared a board member by
25 the Board.

26 63. On or about August 3, 2017, McCormick sent respondent a letter informing him
27 of their disagreement with his interpretation of Elections Code section 15400. The letter stated in
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1 part, “the plain language of the statute makes it clear that the declaration of the Board is simply a
2 mandate that the Board recognize the results of the election and acknowledge such to the public.
3 Stated another way, the Board has no discretion to refuse to acknowledge and declare the election
4 results.”

5 64. On or about August 18, 2017, respondent directed an associate at B&H to
6 research two questions: 1) whether the fact that the Board had not declared Gutierrez elected to
7 the Board was simply a ministerial act, and not required to consider Gutierrez a seated board
8 member and, 2) whether the District would have to return money from a loan that could later be
9 considered to have been entered by HCCA without authority on the District’s behalf.

10 65. On or about August 18, 2017, the associate respondent directed to conduct
11 research replied that in regards to the first question, it appeared that the opposing side was likely
12 correct since case law did not support respondent’s interpretation of Elections Code section
13 15400.

14 66. On or about August 22, 2017, respondent hired an attorney, Michael Allan
15 (“Allan”), to write an opinion letter in support of respondent’s interpretation of Elections Code
16 section 15400. Allan delivered the opinion letter to respondent after respondent provided Allan
17 with pertinent information, including respondent’s allegation that the election certification was
18 untimely delivered.

19 67. Respondent repeatedly made the argument that Elections Code section 15400
20 required a declaration from the Board for an elected board member to take office and become a
21 seated board member after being advised to the contrary by multiple attorneys, including an
22 associate at his firm. Based on this argument, respondent advised his client, the Board, to deny
23 Gutierrez her board seat, and thereby, directed the Board to act on the basis of his legal
24 argument, which respondent knew was flawed and contrary to established legal precedent.

25 68. Between on or about July 26, 2017, and on or about September 26, 2017,
26 knowing that allowing Gutierrez to be seated on the Board would shift the Board’s vote against
27 Dr. Benzeevi and HCCA and Resolution 852 and thereby jeopardize the Celtic Leasing
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1 transaction and payment of outstanding legal fees to respondent's law firm, B&H, and with the
2 purpose of avoiding these consequences by subverting the seating of a duly elected member,
3 Gutierrez, on the Board, respondent engaged in the following deceptive and oppressive acts:

- 4 (A) On or about July 26, 2017, respondent changed his position about including
5 Gutierrez's election to the Board as an item on that day's regular board meeting
6 agenda, using a legal interpretation of Elections Code section 15400 that
7 respondent knew was unsupported by legal authority. Previously, on or about July
8 21, 2017, respondent had stated that he "saw no legal need for it. If [Gutierrez
9 was] sworn on [sic] before then then so be it."
- 10 (B) On or about July 26, 2017, by email, respondent informed Board Chair Wilbourn
11 that because the election certification had not been received by the Board, and
12 because the Board had to affirmatively "certify the new board member (as
13 opposed to the typical certification by the CA Secretary of State)," that the
14 "certification cannot be considered at this meeting under any circumstances."
15 Respondent therefore advised Wilbourn that "the board would be within its right
16 to decline to certify" Gutierrez as a new board member.
- 17 (C) On or about July 26, 2017, respondent directed Wilbourn to prevent the seating of
18 Gutierrez to the Board by claiming an agenda issue even though respondent knew
19 the agenda included a Chair Announcement stating that Gutierrez would replace
20 Kumar as a result of the July 11, 2017, special election. Respondent advised
21 Wilbourn that because the certified vote was not on the July 26, 2017, agenda, it
22 would have to be placed on the August 2017 regular board meeting agenda for
23 ratification by the Board. Until the item was placed on the agenda, respondent
24 claimed Gutierrez could not be seated.
- 25 (D) On or about July 26, 2017, respondent advised Gutierrez, Northcraft, and Jamaica
26 that Gutierrez was not a seated member of the Board because Elections Code
27 section 15400 was not complied with, even though respondent knew this
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1 interpretation did not comply with established legal precedent, and, in fact,
2 another attorney had advised him of the contrary legal precedent.

3 (E) On or about August 23, 2017, respondent attempted to interfere with, and cancel,
4 an August 23, 2017, regular Board meeting by the following:

5 a. At approximately 3:53 p.m. on or about August 23, 2017, respondent called
6 resigning Board Chair Wilbourn and requested that she change her resignation
7 date to the following day. Respondent knew that if Wilbourn was still
8 technically a member of the board on August 23, 2017, the meeting set for
9 that evening would not reach quorum. Wilbourn complied with respondent's
10 request by subsequently stating via text message: "My resignation will be
11 effective on August 24, 2017 at 8:00 am . . . I will not be able to attend
12 tonight's meeting."

13 b. At approximately 4 p.m. on or about August 23, 2017, respondent emailed
14 Board members Northcraft, Jamaica, and Torrez, as well as Dr. Benzeevi, to
15 cancel the scheduled meeting due to a lack of quorum, stating that he had
16 spoken to Wilbourn and "she intended her resignation to be effective
17 tomorrow at 8AM, not today. So as of today, she is still a Board member.
18 However, she is not able to attend the meeting this afternoon, and there is no
19 quorum possible."

20 (F) On or about September 15, 2017, respondent filed a declaration in *People of the*
21 *State of California v. Torrez, et al.*, in the Tulare County Superior Court, case
22 number 271086, asserting that, "Since 2014, the Baker Firm has been engaged to
23 render legal services to the Tulare Local Healthcare District (the 'District') and its
24 Board of Directors (the 'Board')," when respondent knew or should have known
25 that statement was false and misleading.

26 (G) On or about September 15, 2017, respondent filed a declaration in *People of the*
27 *State of California v. Torrez, et al.*, in the Tulare County Superior Court, case
28

1 number 271086, in opposition to the writ proceedings, in which he claimed that
2 his interpretation of Elections Code section 15400 was supported by two
3 independent attorneys, including Cary Davidson, when respondent knew or
4 should have known that statement was false and misleading.

5 69. By intentionally engaging, collectively and individually, in each of these
6 deceptive and oppressive acts with the purpose of subverting the seating of a duly elected
7 member, Gutierrez, on the Board, respondent committed acts involving moral turpitude,
8 dishonesty, and corruption in willful violation of Business and Professions Code, section 6106.

9 70. A violation of section 6106 may result from intentional conduct or grossly
10 negligent conduct. Respondent is charged with committing intentional deceptive and oppressive
11 acts. However, should the evidence at trial demonstrate that respondent committed deceptive and
12 oppressive acts as a result of gross negligence, respondent must still be found culpable of
13 violating section 6106 because committing deceptive and oppressive acts through gross
14 negligence is a lesser included offense of committing intentional deceptive and oppressive acts.

15 COUNT SIX

16 Case No. 20-O-05338

17 Business and Professions Code, section 6106

18 [Moral Turpitude – Deceptive and Oppressive Acts in the
19 Facilitation of a Purchase-Leaseback Transaction]

20 71. Paragraphs 3 through 30 and 57 through 68 above are hereby incorporated by
21 reference.

22 72. Between on or about July 26, 2017, and on or about September 26, 2017, with the
23 purpose of facilitating the purchase-leaseback transaction between Dr. Benzeevi and HCCA and
24 Celtic Leasing and thereafter profiting from the proceeds of that transaction, a portion of which
25 would be used to pay B&H's outstanding legal fees, respondent engaged in the following
26 deceptive and oppressive acts:

- 27 (A) Respondent engaged Allan to draft a legal opinion letter supporting respondent's
28 interpretation of Elections Code section 15400, including the opinion that the
actions taken by Board members Gutierrez, Northcraft, and Jamaica to rescind

1 Resolution 852 and terminate respondent's and B&H's legal representation of the
2 District "were illegal and had no binding force or effect." Respondent provided
3 Allan's legal opinion letter to Celtic Leasing. This opinion letter was a
4 requirement by Celtic Leasing to close the purchase-leaseback transaction with
5 Dr. Benzeevi and HCCA. Respondent knew that the legal conclusions contained
6 in Allan's opinion letter were inaccurate and unsupported by legal precedent.

7 (B) Respondent refused to recognize the validity of the actions taken by Board
8 members Gutierrez, Northcraft, and Jamaica on July 27, August 9, and August 23,
9 2017, to rescind Resolution 852 and terminate respondent's and B&H's legal
10 representation of the District.

11 (C) On or about September 5, 2017, respondent demanded that Allen Germany, the
12 District's Chief Financial Officer, pay B&H's legal fees after the Celtic Leasing
13 business transaction was finalized. On or about September 11 and 14, 2017, B&H
14 accepted payments of legal fees in the amounts of \$499,727.93 and \$10,000,
15 respectively, from the proceeds of the Celtic Leasing business transaction. At the
16 time, respondent knew that the District was in dire financial straits and needed
17 these funds to pay salaries and operating expenses, that the funds used to pay
18 B&H's outstanding legal fees were proceeds of the Celtic Leasing purchase-
19 leaseback transaction, and that by accepting these funds he was placing his own
20 interests above the interests of his former client – the District.

21 (D) On or about September 15, 2017, after the District had terminated respondent as
22 its legal counsel, respondent filed a declaration in *People of the State of*
23 *California v. Torrez, et al.*, in the Tulare County Superior Court, case number
24 271086 asserting that, "Since 2014, the Baker Firm has been engaged to render
25 legal services to the Tulare Local Healthcare District (the 'District') and its Board
26 of Directors (the 'Board')." Respondent filed the opposition while purporting to
27 be the District's counsel, and argued that Gutierrez was not a duly seated board
28

1 member. Respondent knew that if the writ was granted, Gutierrez would be
2 deemed a seated board member as of July 25, 2017, and that the Celtic Leasing
3 Transaction – and the resulting proceeds paid to respondent’s law firm – would be
4 in jeopardy.

5 73. By intentionally participating, collectively and individually, in each of these
6 deceptive and oppressive acts for the purpose of facilitating the purchase-leaseback transaction
7 between Dr. Benzeevi and HCCA and Celtic Leasing and thereafter profiting from the proceeds
8 of that transaction, respondent committed acts involving moral turpitude, dishonesty, and
9 corruption in willful violation of Business and Professions Code, section 6106.

10 74. A violation of section 6106 may result from intentional conduct or grossly
11 negligent conduct. Respondent is charged with committing intentional deceptive and oppressive
12 acts. However, should the evidence at trial demonstrate that respondent committed deceptive and
13 oppressive acts as a result of gross negligence, respondent must still be found culpable of
14 violating section 6106 because committing deceptive and oppressive acts through gross
15 negligence is a lesser included offense of committing intentional deceptive and oppressive acts.

16 COUNT SEVEN

17 Case No. 20-O-05338

18 Business and Professions Code, section 6106
19 [Moral Turpitude – Breach of Duty of Loyalty]

20 75. Paragraphs 3 through 30, 57 through 68, and 72 above are hereby incorporated by
21 reference.

22 76. Between on or about July 26, 2017, and on or about September 26, 2017,
23 respondent intentionally breached his common law duty of loyalty to his client or former client,
24 the District, when he interfered with the seating of a duly elected member of the Board, sided
25 with one faction of the Board over another, and caused the Celtic Leasing Transaction to be
26 finalized to the detriment of one client or former client, the District, and in favor of another
27 client, Dr. Benzeevi and HCCA. Respondent thereby committed an act involving moral
28 turpitude, dishonesty, and corruption in willful violation of Business and Professions Code,
section 6106.

1 81. Paragraphs 3 through 30, 57 through 68, and 72 above are hereby incorporated by
2 reference.

3 82. On or about September 15, 2017, respondent represented to the Tulare County
4 Superior Court in *The People of the State of California v. Torrez, et al.*, case number 271086, in
5 a declaration sworn under penalty of perjury, that his interpretation of Election Code section
6 15400 was supported by Davidson when that statement was false, and respondent knew the
7 statement was false, and thereby sought to mislead the judge or judicial officer by an artifice or
8 false statement of fact or law, in willful violation of Business and Professions Code, section
9 6068(d).

10 **NOTICE - INACTIVE ENROLLMENT!**

11 **YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE STATE BAR COURT
12 FINDS, PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 6007(c),
13 THAT YOUR CONDUCT POSES A SUBSTANTIAL THREAT OF HARM TO THE
14 INTERESTS OF YOUR CLIENTS OR TO THE PUBLIC, YOU MAY BE
15 INVOLUNTARILY ENROLLED AS AN INACTIVE ATTORNEY OF THE STATE BAR.
16 YOUR INACTIVE ENROLLMENT WOULD BE IN ADDITION TO ANY DISCIPLINE
17 RECOMMENDED BY THE COURT.**

18 **NOTICE - COST ASSESSMENT!**

19 **IN THE EVENT THESE PROCEDURES RESULT IN PUBLIC DISCIPLINE, YOU MAY
20 BE SUBJECT TO THE PAYMENT OF COSTS INCURRED BY THE STATE BAR IN
21 THE INVESTIGATION, HEARING AND REVIEW OF THIS MATTER PURSUANT TO
22 BUSINESS AND PROFESSIONS CODE SECTION 6086.10.**

23 **NOTICE – MONETARY SANCTION!**

24 **IN THE EVENT THIS MATTER RESULTS IN ACTUAL SUSPENSION, DISBARMENT,
25 OR RESIGNATION WITH CHARGES PENDING, YOU MAY BE SUBJECT TO THE
26 PAYMENT OF A MONETARY SANCTION NOT TO EXCEED \$5,000 FOR EACH
27 VIOLATION, TO A MAXIMUM OF \$50,000 PER DISCIPLINARY ORDER, PURSUANT
28 TO BUSINESS AND PROFESSIONS CODE SECTION 6086.13. SEE RULE 5.137, RULES
OF PROCEDURE OF THE STATE BAR OF CALIFORNIA.**

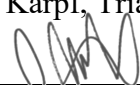
Respectfully submitted,

THE STATE BAR OF CALIFORNIA
OFFICE OF CHIEF TRIAL COUNSEL

DATED: 9/29/23

By: 
Scott Karpf, Trial Counsel

DATED: 9/29/23

By: 
Sandy A. Ramirez, Trial Counsel

DECLARATION OF SERVICE

CASE NUMBER(s): **OCTC No. 20-O-05338**

I, the undersigned, am over the age of eighteen (18) years and not a party to the within action, whose business address and place of employment is the State Bar of California, 845 S. Figueroa Street, Los Angeles, California 90017, declare that:

- on the date shown below, I caused to be served a true copy of the within document described as follows:

NOTICE OF DISCIPLINARY CHARGES

- By U.S. First-Class Mail: (CCP §§ 1013 and 1013(a))**
 - in accordance with the practice of the State Bar of California for collection and processing of mail, I deposited or placed for collection and mailing in the City and County of Los Angeles.
- By U.S. Certified Mail: (CCP §§ 1013 and 1013(a))**
 - in accordance with the practice of the State Bar of California for collection and processing of mail, I deposited or placed for collection and mailing in the City and County of Los Angeles.
- By Overnight Delivery: (CCP §§ 1013(c) and 1013(d))**
 - I am readily familiar with the State Bar of California's practice for collection and processing of correspondence for overnight delivery by the United Parcel Service ('UPS').
- By Fax Transmission: (CCP §§ 1013(e) and 1013(f))**
 Based on agreement of the parties to accept service by fax transmission, I faxed the documents to the persons at the fax numbers listed herein below. No error was reported by the fax machine that I used. The original record of the fax transmission is retained on file and available upon request.
- By Electronic Service: (CCP § 1010.6)**
 Based on a court order or an agreement of the parties to accept service by electronic transmission, I caused the documents to be sent to the person(s) at the electronic addresses listed herein below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

(for U.S. First-Class Mail) in a sealed envelope placed for collection and mailing at Los Angeles, addressed to: (see below)

(for Certified Mail) in a sealed envelope placed for collection and mailing as certified mail, return receipt requested,
 Article No.: 9414 7266 9904 2199 6869 85 at Los Angeles, addressed to: (see below)

(for Overnight Delivery) together with a copy of this declaration, in an envelope, or package designated by UPS,
 Tracking No.: _____ addressed to: (see below)

Person Served	Business Address	Fax Number	Courtesy Copy to:
Harlan Burnett Watkins	Murphy Pearson Bradley et al 580 California St., 11th Floor San Francisco, CA 94104		
		Electronic Address	

via inter-office mail regularly processed and maintained by the State Bar of California addressed to:

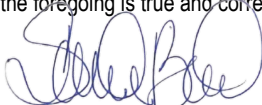
N/A

I am readily familiar with the State Bar of California's practice for collection and processing of correspondence for mailing with the United States Postal Service, and overnight delivery by the United Parcel Service ('UPS'). In the ordinary course of the State Bar of California's practice, correspondence collected and processed by the State Bar of California would be deposited with the United States Postal Service that same day, and for overnight delivery, deposited with delivery fees paid or provided for, with UPS that same day.

I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date on the envelope or package is more than one day after date of deposit for mailing contained in the affidavit.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

DATED: September 29, 2023

SIGNED: 

SANDRA BIRD
 Declarant