

(State Bar Court Case No. 00-O-12058; 00-O-12332; 00-O-14366 (Cons.))

S100598

IN THE SUPREME COURT OF CALIFORNIA

EN BANC

SUPREME COURT  
**FILED**

NOV 19 2001

Frederick K. Ohlrich Clerk

DEPUTY

---

IN RE JOSEPH PETER KOENIG ON DISCIPLINE

---

It is ordered that **JOSEPH PETER KOENIG**, State Bar No. 150142, be suspended from the practice of law for two years and until he provides proof satisfactory to the State Bar Court of his rehabilitation, fitness to practice and present learning and ability in the general law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct, that execution of suspension be stayed, and that he be placed on probation for two years on condition that he be actually suspended for 30 days. Respondent is also ordered to comply with the other conditions of probation recommended by the Hearing Department of the State Bar Court in its order approving stipulation filed July 26, 2001. It is further ordered that he take and pass the Multistate Professional Responsibility Examination within one year after the effective date of this order. (See *Segretti v. State Bar* (1976) 15 Cal.3d 878, 891, fn. 8.) Costs are awarded to the State Bar pursuant to Business & Professions Code section 6086.10 and payable in accordance with Business & Professions Code section 6140.7.

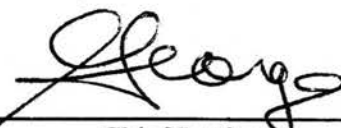
I, Frederick K. Ohlrich, Clerk of the Supreme Court of the State of California, do hereby certify that the preceding is a true copy of an order of this Court as shown by the records of my office.

Witness my hand and the seal of the Court this

19 day of NOVEMBER 2001

Clerk

By: 

  
Chief Justice

kwiktag®

026 806 864



State Bar Court of the State Bar of California  
Hearing Department ☒ Los Angeles ☐ San Francisco

<p>State Bar OF CALIFORNIA OF THE CHIEF TRIAL COUNSEL CHARLES A. MURRAY, No. 146069 1149 SOUTH HILL STREET LOS ANGELES, CA 90015</p>	<p>Case number(s) 00-0-12058 00-0-12332 00-0-14366</p>	<p>(for Court's use)</p> <p style="text-align: center; font-size: 1.5em;"><b>FILED</b></p> <p style="text-align: center;">JUL 26 2001</p> <p style="text-align: center;">STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO</p>
<p>Counsel for Respondent JOSEPH P. KOENIG 1850 GALWAY LANE NEWBURY PARK, CA 91320</p>	<p style="font-size: 1.5em;"><b>PUBLIC MATTER</b></p>	
<p>In the Matter of JOSEPH P. KOENIG  Bar # 150142 A Member of the State Bar of California (Respondent)</p>	<p>Submitted to <input checked="" type="checkbox"/> assigned judge <input type="checkbox"/> settlement judge</p> <p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING</p> <p>ACTUAL SUSPENSION</p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	

**A. Parties' Acknowledgments:**

- (1) Respondent is a member of the State Bar of California, admitted December 4, 1990.  
(date)
- (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 and order consist of 15 pages.
- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."
- (5) Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law."
- (6) No more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.
- (7) Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):
  - ☒ until costs are paid in full, Respondent will remain actually suspended from the practice of law unless relief is obtained per rule 284, Rules of Procedure.
  - ☐ costs to be paid in equal amounts prior to February 1 for the following membership years:  

(hardship, special circumstances or other good cause per rule 284, Rules of Procedure)
  - ☐ costs waived in part as set forth under "Partial Waiver of Costs"
  - ☐ costs entirely waived

**Note:** All information required by this form and any additional information which cannot be provided in the space provided, shall be set forth in the text component of this stipulation under specific headings, i.e. "Facts," "Dismissals," "Conclusions of Law."

(Stipulation form approved by SBC Executive Committee 10/16/00)

8. Aggravating Circumstances [for definition, see Standards for Attorney Sections for Professional Misconduct, standard 1.2(b).] Facts supporting aggravating circumstances are required.

(1) ☐ Prior record of discipline [see standard 1.2(f)]

(a) ☐ State Bar Court case # of prior case \_\_\_\_\_

(b) ☐ date prior discipline effective \_\_\_\_\_

(c) ☐ Rules of Professional Conduct/ State Bar Act violations: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(d) ☐ degree of prior discipline \_\_\_\_\_

(e) ☐ If Respondent has two or more incidents of prior discipline, use space provided below or under "Prior Discipline".

- (2) ☐ Dishonesty: Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
- (3) ☐ Trust Violation: Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.
- (4) ☐ Harm: Respondent's misconduct harmed significantly a client, the public or the administration of justice.
- (5) ☐ Indifference: Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
- (6) ☒ Lack of Cooperation: Respondent displayed a lack of candor and cooperation to victims of his/her misconduct, ~~or to the State Bar during disciplinary investigation or proceedings.~~
- (7) ☐ Multiple/Pattern of Misconduct: Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct.
- (8) ☐ No aggravating circumstances are involved.

Additional aggravating circumstances:

C. Mitigating Circumstances [see Standard 1.2(e).] Facts supporting mitigating circumstances are required.

- (1) ☒ No Prior Discipline: Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.
- (2) ☐ No Harm: Respondent did not harm the client or person who was the object of the misconduct.
- (3) ☒ Candor/Cooperation: Respondent displayed spontaneous candor and cooperation to the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings. (See Below)
- (4) ☐ Remorse: Respondent promptly took objective steps spontaneously demonstrating remorse and recognition of the wrongdoing, which steps were designed to timely atone for any consequences of his/her misconduct.
- (5) ☐ Restitution: Respondent paid \$ \_\_\_\_\_ on \_\_\_\_\_ in restitution to \_\_\_\_\_ without the threat or force of disciplinary, civil or criminal proceedings.
- (6) ☐ Delay: These disciplinary proceedings were excessively delayed. The delay is not attributable to Respondent and the delay prejudiced him/her.
- (7) ☐ Good Faith: Respondent acted in good faith.
- (8) ☐ Emotional/Physical Difficulties: At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical disabilities which expert testimony would establish was directly responsible for the misconduct. The difficulties or disabilities were not the product of any illegal conduct by the member, such as illegal drug or substance abuse, and Respondent no longer suffers from such difficulties or disabilities.
- (9) ☐ Severe Financial Stress: At the time of the misconduct, Respondent suffered from severe financial stress which resulted from circumstances not reasonably foreseeable or which were beyond his/her control and which were directly responsible for the misconduct.
- (10) ☒ Family Problems: At the time of the misconduct, Respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature.
- (11) ☐ Good Character: Respondent's good character is attested to by a wide range of references in the legal and general communities who are aware of the full extent of his/her misconduct.
- (12) ☐ Rehabilitation: Considerable time has passed since the acts of professional misconduct occurred followed by convincing proof of subsequent rehabilitation.
- (13) ☐ No mitigating circumstances are involved.

Additional mitigating circumstances:

After the State Bar proceeding was initiated, Respondent met with PSI (the client herein). He discussed his handling of their matter, acknowledged his wrongdoing, and expressed his remorse. He made an agreement to reimburse PSI for the fees they paid an attorney to finish up the subject legal matter (\$1,367.00).

D. Discipline

1. Stayed Suspension.

A. Respondent shall be suspended from the practice of law for a period of 2 years

- ☒ i. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct
- ☐ ii. and until Respondent pays restitution to \_\_\_\_\_ [payee(s)] (or the Client Security Fund, if appropriate), in the amount of \_\_\_\_\_, plus 10% per annum accruing from \_\_\_\_\_, and provides proof thereof to the Probation Unit, Office of the Chief Trial Counsel
- ☐ iii. and until Respondent does the following: \_\_\_\_\_

B. The above-referenced suspension shall be stayed.

2. Probation.

Respondent shall be placed on probation for a period of 2 Years which shall commence upon the effective date of the Supreme Court order herein. (See rule 953, California Rules of Court.)

3. Actual Suspension.

A. Respondent shall be actually suspended from the practice of law in the State of California for a period of 30 days

- ☐ i. and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct
- ☐ ii. and until Respondent pays restitution to \_\_\_\_\_ [payee(s)] (or the Client Security Fund, if appropriate), in the amount of \_\_\_\_\_, plus 10% per annum accruing from \_\_\_\_\_, and provides proof thereof to the Probation Unit, Office of the Chief Trial Counsel
- ☐ iii. and until Respondent does the following: \_\_\_\_\_

E. Additional Conditions of Probation:

- (1) ☐ If Respondent is actually suspended for two years or more, he/she shall remain actually suspended until he/she proves to the State Bar Court his/her rehabilitation, fitness to practice, and learning and ability in general law, pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.
- (2) ☒ During the probation period, Respondent shall comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3) ☒ Within ten (10) days of any change, Respondent shall report to the Membership Records Office of the State Bar and to the Probation Unit, 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) ☒ Respondent shall submit written quarterly reports to the Probation Unit on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, respondent shall state whether respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all



conditions of probation during the preceding calendar quarter. The first report would cover less than 30 days, that report shall be submitted on the next quarter date, and cover the extended period.

In addition to all quarterly reports, a final report, containing the same information, is due no earlier than twenty (20) days before the last day of the period of probation and no later than the last day of probation.

- (5) ☐ Respondent shall be assigned a probation monitor. Respondent shall promptly review the terms and conditions of probation with the probation monitor to establish a manner and schedule of compliance. During the period of probation, respondent shall furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Probation Unit. Respondent shall cooperate fully with the probation monitor.
- (6) ☒ Subject to assertion of applicable privileges, Respondent shall answer fully, promptly and truthfully any inquiries of the Probation Unit of the Office of the Chief Trial Counsel and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the probation conditions.
- (7) ☒ Within one (1) year of the effective date of the discipline herein, respondent shall provide to the Probation Unit satisfactory proof of attendance at a session of the Ethics School, and passage of the test given at the end of that session.
- ☐ No Ethics School recommended.
- (8) ☐ Respondent shall comply with all conditions of probation imposed in the underlying criminal matter and shall so declare under penalty of perjury in conjunction with any quarterly report to be filed with the Probation Unit.
- (9) ☒ The following conditions are attached hereto and incorporated:
- |   |  |
|---|--|
| <input type="checkbox"/> Substance Abuse Conditions | <input checked="" type="checkbox"/> Law Office Management Conditions |
| <input type="checkbox"/> Medical Conditions         | <input checked="" type="checkbox"/> Financial Conditions             |
- (10) ☐ Other conditions negotiated by the parties:
- ☒ Multistate Professional Responsibility Examination: Respondent shall provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National Conference of Bar Examiners, to the Probation Unit of the Office of the Chief Trial Counsel during the period of actual suspension or within one year, whichever period is longer. Failure to pass the MPRE results in actual suspension without further hearing until passage. But see rule 951(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.
- ☐ No MPRE recommended.
- ☐ Rule 955, California Rules of Court: Respondent shall comply with the provisions of subdivisions (a) and (c) of rule 955, California Rules of Court, within 30 and 40 days, respectively, from the effective date of the Supreme Court order herein.
- ☐ Conditional Rule 955, California Rules of Court: If Respondent remains actually suspended for 90 days or more, he/she shall comply with the provisions of subdivisions (a) and (c) of rule 955, California Rules of Court, within 120 and 130 days, respectively, from the effective date of the Supreme Court order herein.
- ☐ Credit for Interim Suspension [conviction referral cases only]: Respondent shall be credited for the period of his/her interim suspension toward the stipulated period of actual suspension.

In the Matter of      JOSEPH P. KOENIG  
A Member of the State Bar    #150142

Case Number(s):  
00-0-12058

**Law Office Management Conditions**

- a. ☒ Within 30 days/ \_\_\_\_ months/ \_\_\_\_ years of the effective date of the discipline herein, Respondent shall develop a law office management/ organization plan, which must be approved by respondent's probation monitor, or, if no monitor is assigned, by the Probation Unit. This plan must include procedures to send periodic reports to clients; the documentation of telephone messages received and sent; file maintenance; the meeting of deadlines; the establishment of procedures to withdraw as attorney, whether of record or not, when clients cannot be contacted or located; and, for the training and supervision of support personnel.
- b. ☐ Within \_\_\_\_ days/ \_\_\_\_ months \_\_\_\_ years of the effective date of the discipline herein, respondent shall submit to the Probation Unit satisfactory evidence of completion of no less than \_\_\_\_ hours of MCLE approved courses in law office management, attorney client relations and/ or general legal ethics. This requirement is separate from any Minimum Continuing Legal Education (MCLE) requirement, and respondent shall 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 shall 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 shall furnish satisfactory evidence of membership in the section to the Probation Unit of the Office of Chief Trial Counsel in the first report required.

In the Matter of	JOSEPH P. KOENIG	Case Number(s):
A Member of the State Bar	#150142	00-0-12058~

**Financial Conditions**

- a. ☐ Respondent shall pay restitution to \_\_\_\_\_ [payee(s)] (or the Client Security Fund, if appropriate), in the amount(s) of \_\_\_\_\_, plus 10% interest per annum accruing from \_\_\_\_\_, and provide proof thereof to the Probation Unit, Office of the Chief Trial Counsel,
- ☐ no later than \_\_\_\_\_
- or
- ☐ on the payment schedule set forth on the attachment under "Financial Conditions, Restitution."
- b. ☒ 1. If respondent possesses client funds at any time during the period covered by a required quarterly report, respondent shall file with each required report a certificate from respondent and/or a certified public accountant or other financial professional approved by the Probation Unit, certifying that:
- a. respondent has maintained a bank account in a bank authorized to do business in the State of California, at a branch located within the State of California, and that such account is designated as a "Trust Account" or "Clients' Funds Account";
  - b. respondent has kept and maintained the following:
    - i. a written ledger for each client on whose behalf funds are held that sets forth:
      - 1. the name of such client;
      - 2. the date, amount and source of all funds received on behalf of such client;
      - 3. the date, amount, payee and purpose of each disbursement made on behalf of such client; and,
      - 4. the current balance for such client.
    - ii. a written journal for each client trust fund account that sets forth:
      - 1. the name of such account;
      - 2. the date, amount and client affected by each debit and credit; and,
      - 3. the current balance in such account.
    - iii. all bank statements and cancelled checks for each client trust account; and,
    - iv. each monthly reconciliation (balancing) of (i), (ii), and (iii), above, and if there are any differences between the monthly total balances reflected in (i), (ii), and (iii), above, the reasons for the differences.
  - c. respondent has maintained a written journal of securities or other properties held for clients that specifies:
    - i. each item of security and property held;
    - ii. the person on whose behalf the security or property is held;
    - iii. the date of receipt of the security or property;
    - iv. the date of distribution of the security or property; and,
    - v. the person to whom the security or property was distributed.
2. If respondent does not possess any client funds, property or securities during the entire period covered by a report, respondent must so state under penalty of perjury in the report filed with the Probation Unit 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 4-1.00, Rules of Professional Conduct.
- c. ☒ Within one (1) year of the effective date of the discipline herein, respondent shall supply to the Probation Unit 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.

(Financial Conditions form approved by SBC Executive Committee 10/16/00)



**ATTACHMENT TO**  
**STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION**

IN THE MATTER OF:     **JOSEPH P. KOENIG** ("Respondent") #150142

CASE NUMBER:           **00-O-12058; 00-O-12332; 00-O-14366**

**PENDING PROCEEDINGS.**

The disclosure date referred to, on page one, paragraph A.(6), was June 26, 2001.

**DISMISSAL OF CHARGES:**

In the interests of justice and as part of this Stipulation, the parties request that the following charges be dismissed, with prejudice:

Case No. 00-O-12058, Count Two:   Moral Turpitude - Misrepresentation;

Case No. 00-O-12058, Count Four:   Failure to Cooperate with  
State Bar Investigation;

Case Nos. 00-O-12323  
and 00-O-14366,

Count Five:                   Moral Turpitude - Misappropriation;

Count Six:                   Commingling of Personal Funds  
in Client Trust Account.

**PARTIES ARE BOUND BY THE STIPULATED FACTS:**

Respondent intends to be and is hereby bound by the stipulated facts contained in this stipulation. This stipulation as to facts and the facts so stipulated shall independently survive even if the conclusions of law and/or stipulated disposition set forth herein are rejected, modified or changed in any manner whatsoever by the Hearing Department or the Review Department of the State Bar Court, or by the California Supreme Court.

**STIPULATION AS TO 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, or that he has otherwise committed acts of misconduct warranting discipline, as follows:

**Case No. 00-O-12058**

**Stipulated Facts:**

1. On October 1, 1998, Respondent was substituted in as counsel for Petroleum Specialties, Inc. ("PSI"), in place of PSI's previous attorney, E.E. Clabaugh,

Jr. ("Clabaugh"), in a breach of contract action filed in the Ventura County Municipal Court and entitled, Petroleum Specialties, Inc. v. Richard Chala, et al., case number CIV178920 ("the PSI matter"). The PSI matter had been filed on February 11, 1998 by Clabaugh.

2. On March 16, 1998, the only remaining defendant in the PSI matter, Richard Chala ("Chala"), filed for bankruptcy protection. After the bankruptcy was discharged on June 30, 1998, Chala died.

3. On February 17, 1999, Respondent filed a first amended complaint in the PSI matter naming the defendants as Richard Chala, as an individual and doing business as Chala's Texaco Center ("Texaco"), and Bankers Trust Escrow Company, Ltd. ("Bankers"). On or about February 16, 1999, Respondent served Texaco with the first amended complaint. On or about February 19, 1999, Respondent filed a case status report with the court in which he reported that he had served the first amended complaint on Texaco on February 16, 1999. A proof of service on Texaco was not filed by Respondent with the court and Respondent did not report to the court the status of service on Bankers.

4. On or about February 24, 1999, the court set an order to show cause why the PSI matter should not be dismissed for failure to file a proof of service or application for publication of summons. A hearing on the OSC was set for March 24, 1999. The court ordered that the proof of service or application for publication of summons be filed within three court days prior to the hearing. In the alternative, the court ordered that plaintiff appear at the hearing on the OSC. On February 24, 1999, the clerk of the court served Respondent with notice of the OSC. Service was made by mail at Respondent's address of record.

5. On or about February 25, 1999, the court set a case management conference ("the CMC") for March 24, 1999, and ordered that a status report as to why the PSI matter had not proceeded to trial, or that judgment be filed within three court days before March 24, 1999. In the alternative, the court ordered plaintiff to appear on March 24, 1999 at the CMC to provide the status of the PSI matter. On February 25, 1999, the clerk of the court served Respondent with notice of the CMC along with the court's orders relating to the CMC. Service was made by mail at Respondent's address of record.

6. On or about March 24, 1999, the CMC was held. Respondent did not appear at the CMC and did not provide the status report to the court. The CMC was continued to April 19, 1999. On March 24, 1999, the clerk of the court served on Respondent notice of the April 19, 1999 CMC along with a court order that no appearance was necessary if the status report was filed three court days before the CMC. Service was made by mail at Respondent's address of record.

7. On or about March 24, 1999, the hearing on the OSC was held. Respondent did not appear at the hearing. The court ordered Respondent to pay sanctions in the amount of \$300 for failing to comply with the court's rules. The court ordered that the sanctions be paid by April 23, 1999. Respondent did not pay the sanction. The court also set an order to show cause hearing for April 19, 1999, as to why the PSI matter should not be dismissed for failure to comply with the court's rules, for failure to file a proof of service or an order for publication of summons, and for failure to inform the court as to the status of the Chala bankruptcy. On March 24, 1999, the clerk of the court served Respondent with notice of the OSC hearing on April 19, 1999 along with a court order that no

appearance was necessary if the proof of service or ex parte application for publication of summons and a declaration regarding the status of the Chala bankruptcy was filed three court days before the OSC hearing. Service was made by mail at Respondent's address of record.

8. On April 19, 1999, a hearing on the OSC was held. Respondent did not appear at the hearing and did not file the proof of service, an application for publication of summons, or the declaration regarding the status of the Chala bankruptcy. The court ordered the PSI matter dismissed, without prejudice.

9. In or about early February 1999, Respondent informed PSI that he had amended the complaint, had served Texaco and had applied for a writ of attachment against Texaco. The application for the writ of attachment against Texaco in the amount of \$5,991.03 had been received by the court on or about February 17, 1999 and was granted on or about March 1, 1999. On or about April 9, 1999, the writ of attachment was issued by the court.

10. On April 20, 1999, the clerk of the court served on Respondent notice of the dismissal of the PSI matter. Service was made by mail at Respondent's address of record.

11. In or about May, 1999, Respondent moved his primary office site to Los Angeles and added a new telephone number. He relied on an office person who remained at the former site (his "of record" address in the PSI matter and where PSI communicated with him) to keep him informed of communications but he did not inform them of the change.

12. On or about July 21, 1999, the Sheriff's Office returned to the court the writ of attachment with a certification that it was holding \$5,991.03 collected on the writ pending further instructions from the court.

13. In July, 1999, PSI left messages at the former office telephone number requesting status on the PSI matter. Respondent did not receive the message and failed to inform PSI that the PSI matter had been dismissed or otherwise inform them of significant developments in the PSI matter.

14. In or about the middle of August 1999, PSI telephoned Respondent's office and received a recorded message that Respondent's telephone number had been changed to (805) 650-8400. On the same date, PSI telephoned that number and left a message for Respondent on his answering machine which requested the status of the PSI matter. Respondent did not provide the status of the PSI matter to any representative of PSI.

15. In or about the second week of September 1999, PSI left another message for Respondent on his answering machine which requested the status of the PSI matter. Respondent did not receive the message and failed to provide the status of the PSI matter to PSI.

16. In or about late September 1999, PSI discovered that Respondent had vacated his office.

17. In or about October 1999, PSI reviewed the court file in the PSI matter and discovered that the matter had been dismissed on April 19, 1999.

**Conclusions of Law:**

18. Respondent wilfully violated Business and Professions Code, section 6068(m), failing to respond promptly to reasonable status inquiries of a client and failing to keep a client reasonably informed of a significant developments in a matter in which Respondent had agreed to provide legal services, by failing to inform PSI of the dismissal of the PSI matter, by failing to respond to PSI messages requesting the status of the PSI matter, and by failing to inform anyone at PSI of other significant developments in the PSI matter.

19. Respondent wilfully violated Rules of Professional Conduct, rule 3-110(A), intentionally, recklessly, or repeatedly failing to perform legal services with competence, by failing to file with the court a proof of service on the defendants or an application for publication of summons, by failing to file with the court a declaration regarding the status of the Chala bankruptcy, and by permitting the PSI matter to be dismissed.

**Case Nos. 00-O-12332 and 00-O-14366****Stipulated Facts:**

20. At all times herein mentioned, Respondent maintained a client trust account at Bank of America ("BOA") account number 16645-08029 ("the CTA").

Case No. 00-O-12332The March 2000 activity

21. Between March 1 and March 13, 2000, Respondent made no deposits into the CTA. The ending balance on March 9, 2000 was \$685.20.

22. On March 13, 2000, check number 1396 from the CTA in the amount of \$175 and made payable to Respondent was paid.

23. On March 13, 2000, check number 1395 from the CTA in the amount of \$1,950 and made payable to Respondent was presented for payment. At the time of presentment, the balance in the CTA was \$510.20.

24. On March 14, 2000, check number 1395 was paid against insufficient funds. On March 14, 2000, the ending balance in the CTA was \$300.20.

25. On or about March 14, 2000, BOA mailed written notice to Respondent that check number 1395 was paid against insufficient funds, that the balance in the account at the time the check was presented for payment was \$510.20, and that a \$10 overdraft fee was charged to the CTA on March 14, 2000.

26. On March 14, 2000, check number 2193 in the amount of \$1,750 from Respondent's personal account at Washington Mutual, account number 876-240748-1 ("Respondent's Washington Mutual account"), was deposited into the CTA.

///  
///



27. On March 17, 2000, check number 2193 was returned unpaid and a \$4 insufficient funds fee was charged to the CTA. On March 17, 2000, the ending balance in the CTA was negative \$1,453.80.

28. On March 20, 2000, check number 2193 was redeposited into the CTA. On March 20, 2000, the ending balance was \$296.20.

29. On March 23, 2000, check number 1397 from the CTA in the amount of \$450 and made payable to Respondent was presented for payment. At the time of presentment, the balance in the CTA was \$296.20. The check was returned unpaid.

30. On or about March 24, 2000, BOA mailed written notice to Respondent that check number 1397 was being returned unpaid due to insufficient funds in the CTA, that the balance in the account at the time the check was presented for payment was \$296.20, and that a \$10 overdraft fee was charged to the CTA on March 24, 2000. On March 24, 2000, the ending balance in the CTA was \$286.20.

31. On March 29, 2000, check number 1398 from the CTA in the amount of \$200 and made payable to Respondent was paid.

32. On March 29, 2000, check number 1397 was presented for payment again. At the time of presentment, the balance in the CTA was \$86.20. The check was returned unpaid.

33. On or about March 30, 2000, BOA mailed written notice to Respondent that check number 1397 was being returned unpaid due to insufficient funds in the CTA, that the balance in the account at the time the check was presented for payment was \$86.20, and that a \$10 overdraft fee was charged to the CTA on March 30, 2000.

#### The April 2000 activity

34. Between April 1 and April 17, 2000, Respondent made no deposits into the CTA. On April 3, 2000, the ending balance in the CTA was \$11.20.

35. On April 13, 2000, check number 1350 from the CTA in the amount of \$1,100 and made payable to Respondent was presented for payment. At the time of presentment, the balance in the CTA was \$11.20. The check was returned unpaid.

36. On or about April 14, 2000, BOA mailed written notice to Respondent that check number 1350 was being returned unpaid due to insufficient funds in the CTA, that the balance in the account at the time the check was presented for payment was \$11.20, and that a \$24 overdraft fee was charged to the CTA on April 14, 2000. On April 14, 2000, the ending balance in the CTA was negative \$12.80.

37. On April 14, 2000, check number 1351 from the CTA in the amount of \$200 and made payable to Respondent was presented for payment. At the time of presentment, the balance in the CTA was negative \$12.80. The check was returned unpaid.

38. On or about April 17, 2000, BOA mailed written notice to Respondent that check number 1351 was being returned unpaid due to insufficient funds in the CTA, that the balance in the account at the time the check was presented for



payment was negative \$12.80, and that a \$24 overdraft fee was charged to the CTA on April 17, 2000. On April 17, 2000, the ending balance in the CTA was negative \$36.80.

39. On April 18, 2000, check number 2046 in the amount of \$1,500 from Respondent's Washington Mutual account was deposited into the CTA.

40. On April 20, 2000, check number 1351 from the CTA in the amount of \$200 and made payable to Respondent was paid.

41. On April 24, 2000, check numbers 1353 and 1354 from the CTA in the amounts of \$320 and \$250, respectively, and made payable to Respondent were paid. On April 24, 2000, the ending balance in the CTA was \$15.20.

42. Between April 24 and May 1, 2000, Respondent made no deposits into the CTA.

#### The May 2000 activity

43. On May 1, 2000, check number 1356 from the CTA in the amount of \$250 and made payable to Respondent was presented for payment. At the time of presentment, the balance in the CTA was \$15.20. The check was paid against insufficient funds.

44. On or about May 2, 2000, BOA mailed written notice to Respondent that check number 1356 was paid against insufficient funds, that the balance in the account at the time the check was presented for payment was negative \$15.20, and that a \$24 overdraft fee was charged to the CTA on May 2, 2000.

45. On May 8, 2000, check numbers 1358 and 1359 from the CTA in the amounts of \$250 and \$1,200, respectively, and made payable to Respondent were presented for payment. At the time of presentment, the balance in the CTA was \$40.20. The checks were returned unpaid.

46. On or about May 9, 2000, BOA mailed written notice to Respondent that check numbers 1358 and 1359 were being returned unpaid due to insufficient funds in the CTA, that the balance in the account at the time the check was presented for payment was \$40.20, and that a \$54 overdraft fee was charged to the CTA on May 9, 2000.

#### Case No. 00-O-14366

#### The September and October 2000 activity

47. On September 20, 2000, the ending balance in the CTA was \$107.40.

48. On September 21, 2000, Respondent deposited check number 2090 in the amount of \$450 from his personal account at Washington Mutual Bank, account number 876-240246-5 ("Respondent's second Washington Mutual account"). On September 21, 2000, check numbers 1342 and 1343 from the CTA, each in the amount of \$200, were paid. Both check numbers 1342 and 1343 were made payable to Respondent. On September 21, 2000, the ending balance in the CTA was \$157.40.

49. On September 26, 2000, check number 2090, which Respondent had deposited into the CTA on September 21, 2000, was returned due to insufficient funds in Respondent's second Washington Mutual account. The CTA was charged a \$4 fee for the returned check. On September 26, 2000, the ending balance in the CTA was negative \$296.60.

50. On September 27, 2000, check number 2090 was redeposited into the CTA, bringing the balance in the CTA to \$153.40. The CTA was charged a \$4 fee for the returned check. On September 26, 2000, the ending balance in the CTA was negative \$300.60.

51. On October 2, 2000, check number 2090 was returned again due to insufficient funds in Respondent's second Washington Mutual account.

52. All of the checks from Respondent's CTA described above were payable to the Respondent and no other party was denied prompt payment due to the lack of an adequate balance of funds to pay these checks. Respondent entrusted the deposit of funds which would have covered these checks to third parties who did not make the requested deposits in a timely manner, resulting in the lack of a sufficient balance to honor the checks. Respondent failed to properly supervise and monitor the balance in his CTA and his handling of his CTA lacked reasonable procedures to ensure an accurate accounting of the funds.

**Conclusions of Law:**

53. Respondent wilfully violated Business and Professions Code, section 6106, committing an act or acts involving moral turpitude, dishonesty, or corruption, by supervising and handling his Client Trust Account with gross negligence.

**AUTHORITIES SUPPORTING DISCIPLINE:**

Standards 1.2, 1.3, 1.4(c), 1.5, 1.6, 2.3, 2.4(b), 2.6(a) and 2.10 of the Standards of Attorney Sanctions for Professional Misconduct, Title IV, of the Rules of Procedure of the State Bar of California.

///

///

Date 7/19/01

Respondent's signature J. G.

JOSEPH P. KOENIG  
print name

Date \_\_\_\_\_

Respondent's Counsel's signature \_\_\_\_\_

print name \_\_\_\_\_

Date 7/18/01

Deputy Trial Counsel's signature Charles A. Murray

CHARLES A. MURRAY  
print name

### ORDER

Finding the stipulation to be fair to the parties and that it adequately protects the public, IT IS ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without prejudice, and:

☐ The stipulated facts and disposition are APPROVED and the DISCIPLINE RECOMMENDED to the Supreme Court.

☒ The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the DISCIPLINE IS RECOMMENDED to the Supreme Court.

1. On page 8, under "Dismissal of Charges," the third case listed as "00-0-12323" shall be deleted and replaced with "00-0-12332."

2. By entering into this Stipulation, The parties waive any variance between the facts and charges as alleged in the Notice of Disciplinary Charges filed on February 21, 2001, and the findings and conclusions in this Stipulation.

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies or further modifies the approved stipulation. (See rule 135(b), Rules of Procedure.) The effective date of this disposition is the effective date of the Supreme Court order herein, normally 30 days after file date. (See rule 953(a), California Rules of Court.)

Date 7/25/01

John M. Rank  
Judge of the State Bar Court

## **CERTIFICATE OF SERVICE**

**[Rule 62(b), Rules Proc.; Code Civ. Proc., § 1013a(4)]**

I am a Case Administrator of the State Bar Court. 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 July 26, 2001, 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:

**JOSEPH P. KOENIG  
1850 GALWAY LANE  
NEWBURY PARK, CA 91320**

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

**CHARLES MURRAY , Enforcement, Los Angeles**

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on **July 26, 2001.**



**Bernadette C.O. Molina**  
Case Administrator  
State Bar Court

1 JOSEPH PETER KOENIG, SBN 150142  
Attorney at Law  
2 18663 Ventura Boulevard, Suite 300  
Tarzana, California 91356  
3 Office: (818) 705-7370  
Facsimile: (818) 705-4748

4 In Pro Per

**FILED**

APR - 3 2001 *gws*

STATE BAR COURT CLERK'S OFFICE  
SAN FRANCISCO

8 STATE BAR COURT  
9 HEARING DEPARTMENT - LOS ANGELES

11 In the Matter of ) Case Nos. 00-0-12058  
12 JOSEPH P. KOENIG ) 00-0-12332  
No. 150142 ) 00-0-14366  
13 ) ANSWER  
14 A Member of the State Bar )

15 TO STATE BAR COURT:

16 COMES NOW, Member, JOSEPH P. KOENIG, hereby answers the Notice of Disciplinary  
17 Charges as follows:

18 **JURISDICTION**

19 1. Member admits that he was admitted to the practice of law in the State of  
20 California on December 4, 1990, was a member at all times pertinent to these charges, and is  
21 currently a member of the State Bar of California.

22 **COUNT ONE**

23 2. Member denies each allegation contained in Paragraph 2 of this Notice - Failure to  
24 Respond ("the Notice").

25 3. Member admits that he was substituted as counsel for Petroleum Specialties, Inc.  
26 ("PSI"), in place of PSI's previous attorney E.E. Claybaugh, Jr. ("Claybaugh"). Defendant lacks  
27 information or belief sufficient to answer the remaining allegations contained in Paragraph 3 of the  
28 Notice.



4. Member lacks information or belief sufficient to answer this allegation, and basing his denial on this ground, denies each and every allegation contained in Paragraph 4 of the Notice.

5. Member admits that he filed a first amended complaint in the PSI matter in order to add the correct parties to the PSI matter. Member lacks information or belief sufficient to answer the remaining allegations in Paragraph 5, and basing his denial on this ground, denies each and every remaining allegation in Paragraph 5 of the Notice.

6. Member lacks information or belief sufficient to answer this allegation, and basing his denial on this ground, denies each and every allegation contained in Paragraph 6 of the Notice.

7. Member lacks information or belief sufficient to answer this allegation, and basing his denial on this ground, denies each and every allegation contained in Paragraph 7 of the Notice.

8. Member lacks information or belief sufficient to answer this allegation, and basing his denial on this ground, denies each and every allegation contained in Paragraph 8 of the Notice.

9. Member lacks information or belief sufficient to answer this allegation, and basing his denial on this ground, denies each and every allegation contained in Paragraph 9 of the Notice.

10. Member admits that he did not appear at an OSC hearing on April 19, 1999. Member lacks information or belief sufficient to answer the remaining allegations in Paragraph 10 of the Notice, and basing his denial on this ground, denies each and every remaining allegation.

11. Member denies each allegation contained in Paragraph 11 of the Notice.

**COUNT TWO**

12. Member denies each allegation contained in Paragraph 12 of the Notice.

13. Member hereby incorporates by reference his responses to Paragraphs 3 through 10 to the Notice.

14. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 14 of the Notice, and basing his denial on this ground, denies each and every allegation contained in Paragraph 14.

15. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 15 of the Notice, and basing his denial on this ground, denies each and every allegation contained therein.

16. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 16, and basing his denial on this ground, denies each and every allegation contained therein.

17. Defendant denies each allegation contained in Paragraph 17 of the Notice.

18. Defendant denies each allegation contained in Paragraph 18 of the Notice.

**COUNT THREE**

19. Defendant denies each allegation contained in Paragraph 19 of the Notice.

20. Member hereby incorporates by reference his previous responses to Paragraphs 3 through 10, and 14 through 17 of the Notice.

21. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 21, and basing his denial on this ground, denies each and every allegation contained therein.

22. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 22, and basing his denial on this ground, denies each and every allegation contained therein.

23. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 23, and basing his denial on this ground, denies each and every allegation contained therein.

24. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 24, and basing his denial on this ground, denies each and every allegation contained therein.

25. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 25, and basing his denial on this ground, denies each and every allegation contained therein.

26. Defendant denies each allegation contained in Paragraph 26 of the Notice.

27. Defendant denies each allegation contained in Paragraph 27 of the Notice.

III

III

**COUNT FOUR**

28. Defendant denies each allegation contained in Paragraph 28 of the Notice.

29. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 29, and basing his denial on this ground, denies each and every allegation contained therein.

30. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 30, and basing his denial on this ground, denies each and every allegation contained therein.

31. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 31, and basing his denial on this ground, denies each and every allegation contained therein.

32. Defendant denies each allegation contained in Paragraph 32 of the Notice.

**COUNT FIVE**

33. Defendant denies each allegation contained in Paragraph 33 of the Notice.

34. Member admits that he maintained a client trust account at Bank of America ("BOA"), Account Number 16645-08029 ("the CAT").

35. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 35, and basing his denial on this ground, denies each and every allegation contained therein.

36. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 36, and basing his denial on this ground, denies each and every allegation contained therein.

37. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 37, and basing his denial on this ground, denies each and every allegation contained therein.

38. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 38, and basing his denial on this ground, denies each and every allegation contained therein.

1           39.     Member lacks information or belief sufficient to answer the allegations contained  
2 in Paragraph 39, and basing his denial on this ground, denies each and every allegation contained  
3 therein.

4           40.     Member lacks information or belief sufficient to answer the allegations contained  
5 in Paragraph 40, and basing his denial on this ground, denies each and every allegation contained  
6 therein.

7           41.     Member lacks information or belief sufficient to answer the allegations contained  
8 in Paragraph 41, and basing his denial on this ground, denies each and every allegation contained  
9 therein.

10          42.     Member lacks information or belief sufficient to answer the allegations contained  
11 in Paragraph 42, and basing his denial on this ground, denies each and every allegation contained  
12 therein.

13          43.     Member lacks information or belief sufficient to answer the allegations contained  
14 in Paragraph 43, and basing his denial on this ground, denies each and every allegation contained  
15 therein.

16          44.     Member lacks information or belief sufficient to answer the allegations contained  
17 in Paragraph 44, and basing his denial on this ground, denies each and every allegation contained  
18 therein.

19          45.     Member lacks information or belief sufficient to answer the allegations contained  
20 in Paragraph 45, and basing his denial on this ground, denies each and every allegation contained  
21 therein.

22          46.     Member lacks information or belief sufficient to answer the allegations contained  
23 in Paragraph 46, and basing his denial on this ground, denies each and every allegation contained  
24 therein.

25          47.     Member lacks information or belief sufficient to answer the allegations contained  
26 in Paragraph 47, and basing his denial on this ground, denies each and every allegation contained  
27 therein.

28          48.     Member lacks information or belief sufficient to answer the allegations contained

1 in Paragraph 48, and basing his denial on this ground, denies each and every allegation contained  
2 therein.

3 49. Member lacks information or belief sufficient to answer the allegations contained  
4 in Paragraph 49, and basing his denial on this ground, denies each and every allegation contained  
5 therein.

6 50. Member lacks information or belief sufficient to answer the allegations contained  
7 in Paragraph 50, and basing his denial on this ground, denies each and every allegation contained  
8 therein.

9 51. Member lacks information or belief sufficient to answer the allegations contained  
10 in Paragraph 51, and basing his denial on this ground, denies each and every allegation contained  
11 therein.

12 52. Member lacks information or belief sufficient to answer the allegations contained  
13 in Paragraph 52, and basing his denial on this ground, denies each and every allegation contained  
14 therein.

15 53. Member lacks information or belief sufficient to answer the allegations contained  
16 in Paragraph 53, and basing his denial on this ground, denies each and every allegation contained  
17 therein.

18 54. Member lacks information or belief sufficient to answer the allegations contained  
19 in Paragraph 54, and basing his denial on this ground, denies each and every allegation contained  
20 therein.

21 55. Member lacks information or belief sufficient to answer the allegations contained  
22 in Paragraph 55, and basing his denial on this ground, denies each and every allegation contained  
23 therein.

24 56. Member lacks information or belief sufficient to answer the allegations contained  
25 in Paragraph 56, and basing his denial on this ground, denies each and every allegation contained  
26 therein.

27 57. Member lacks information or belief sufficient to answer the allegations contained  
28 in Paragraph 57, and basing his denial on this ground, denies each and every allegation contained



1     therein.

2             58.     Member lacks information or belief sufficient to answer the allegations contained  
3     in Paragraph 58, and basing his denial on this ground, denies each and every allegation contained  
4     therein.

5             59.     Member lacks information or belief sufficient to answer the allegations contained  
6     in Paragraph 59, and basing his denial on this ground, denies each and every allegation contained  
7     therein.

8             60.     Member lacks information or belief sufficient to answer the allegations contained  
9     in Paragraph 60, and basing his denial on this ground, denies each and every allegation contained  
10    therein.

11            61.     Member lacks information or belief sufficient to answer the allegations contained  
12    in Paragraph 61, and basing his denial on this ground, denies each and every allegation contained  
13    therein.

14            62.     Member lacks information or belief sufficient to answer the allegations contained  
15    in Paragraph 62, and basing his denial on this ground, denies each and every allegation contained  
16    therein.

17            63.     Member lacks information or belief sufficient to answer the allegations contained  
18    in Paragraph 63, and basing his denial on this ground, denies each and every allegation contained  
19    therein.

20            64.     Member lacks information or belief sufficient to answer the allegations contained  
21    in Paragraph 64, and basing his denial on this ground, denies each and every allegation contained  
22    therein.

23            65.     Member lacks information or belief sufficient to answer the allegations contained  
24    in Paragraph 65, and basing his denial on this ground, denies each and every allegation contained  
25    therein.

26            66.     Defendant denies each allegation contained in Paragraph 66 of the Notice.

27            67.     Defendant denies each allegation contained in Paragraph 67 of the Notice.

28            68.     Defendant denies each allegation contained in Paragraph 68 of the Notice.

**COUNT SIX**

69. Defendant denies each allegation contained in Paragraph 69 of the Notice.

70. Member admits, as previously set forth in his response to Paragraph 34, that he maintained a client trust account at Bank of America ("BOA"), Account Number 16645-08029 ("the CAT").

71. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 71, and basing his denial on this ground, denies each and every allegation contained therein.

72. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 72, and basing his denial on this ground, denies each and every allegation contained therein.

73. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 73, and basing his denial on this ground, denies each and every allegation contained therein.

74. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 74, and basing his denial on this ground, denies each and every allegation contained therein.

75. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 75, and basing his denial on this ground, denies each and every allegation contained therein.

76. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 76, and basing his denial on this ground, denies each and every allegation contained therein.

77. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 77, and basing his denial on this ground, denies each and every allegation contained therein.

78. Member lacks information or belief sufficient to answer the allegations contained in Paragraph 78, and basing his denial on this ground, denies each and every allegation contained

1   therein.

2           79.   Member lacks information or belief sufficient to answer the allegations contained  
3   in Paragraph 79, and basing his denial on this ground, denies each and every allegation contained  
4   therein.

5           80.   Member lacks information or belief sufficient to answer the allegations contained  
6   in Paragraph 80, and basing his denial on this ground, denies each and every allegation contained  
7   therein.

8           81.   Member lacks information or belief sufficient to answer the allegations contained  
9   in Paragraph 81, and basing his denial on this ground, denies each and every allegation contained  
10   therein.

11          82.   Member lacks information or belief sufficient to answer the allegations contained  
12   in Paragraph 82, and basing his denial on this ground, denies each and every allegation contained  
13   therein.

14          83.   Member lacks information or belief sufficient to answer the allegations contained  
15   in Paragraph 83, and basing his denial on this ground, denies each and every allegation contained  
16   therein.

17          84.   Member lacks information or belief sufficient to answer the allegations contained  
18   in Paragraph 84, and basing his denial on this ground, denies each and every allegation contained  
19   therein.

20          85.   Member lacks information or belief sufficient to answer the allegations contained  
21   in Paragraph 85, and basing his denial on this ground, denies each and every allegation contained  
22   therein.

23          86.   Member lacks information or belief sufficient to answer the allegations contained  
24   in Paragraph 86, and basing his denial on this ground, denies each and every allegation contained  
25   therein.

26          87.   Member lacks information or belief sufficient to answer the allegations contained  
27   in Paragraph 87, and basing his denial on this ground, denies each and every allegation contained  
28   therein.

1           88.    Member lacks information or belief sufficient to answer the allegations contained  
2 in Paragraph 88, and basing his denial on this ground, denies each and every allegation contained  
3 therein.

4           89.    Member lacks information or belief sufficient to answer the allegations contained  
5 in Paragraph 89, and basing his denial on this ground, denies each and every allegation contained  
6 therein.

7           90.    Member lacks information or belief sufficient to answer the allegations contained  
8 in Paragraph 90, and basing his denial on this ground, denies each and every allegation contained  
9 therein.

10          91.    Member lacks information or belief sufficient to answer the allegations contained  
11 in Paragraph 91, and basing his denial on this ground, denies each and every allegation contained  
12 therein.

13          92.    Member lacks information or belief sufficient to answer the allegations contained  
14 in Paragraph 92, and basing his denial on this ground, denies each and every allegation contained  
15 therein.

16          93.    Member lacks information or belief sufficient to answer the allegations contained  
17 in Paragraph 93, and basing his denial on this ground, denies each and every allegation contained  
18 therein.

19          94.    Member lacks information or belief sufficient to answer the allegations contained  
20 in Paragraph 94, and basing his denial on this ground, denies each and every allegation contained  
21 therein.

22          95.    Defendant denies each allegation contained in Paragraph 95 of the Notice.  
23

24 Dated: March 25, 2001

JOSEPH P. KOENIG, Attorney at Law

25  
26 By: 

Joseph P. Koenig  
In Pro Per

1 PROOF OF SERVICE

2 STATE OF CALIFORNIA )  
3 ) ss  
4 COUNTY OF LOS ANGELES)

5 I am employed in the County of Los Angeles, State of California. I am over the  
6 age of 18 and not a party to the within action; my business address is 18663 Ventura Boulevard,  
7 Suite 300, Tarzana, California 91356.

8 On April 2, 2001, I served the following documents described as follows:

9 **ANSWER**

10 on the parties in this action

11 x by placing the true copies thereof enclosed in sealed envelopes addressed as stated on the  
12 attached mailing list:

13 X by placing the \_\_\_ original X a true copy thereof enclosed in sealed envelopes addressed as  
14 follows:

15 Charles Murray  
16 1149 South Hill Street  
17 Los Angeles, CA 90015-1000

18 x (By Overnight Mail) I caused such envelope with postage thereon fully prepaid to be placed  
19 in the United States mail.

20 x (By Fax) I caused document to be faxed to 213.765.1383 .

21 \_\_\_ (By Personal Service) I caused such envelope to be delivered by hand to the offices of the  
22 addressee.

23 Executed on April 2, 2001 at Los Angeles, California. I declare under penalty of perjury  
24 under the laws of the State of California that the above is true and correct.

25   
26 Gail Trasso



PUBLIC MATTER

ORIGINAL

FILED

FEB 21 2001

STATE BAR COURT  
CLERKS OFFICE  
LOS ANGELES

1 THE STATE BAR OF CALIFORNIA  
2 OFFICE OF THE CHIEF TRIAL COUNSEL  
3 ENFORCEMENT  
4 CHARLES MURRAY, No. 146069  
5 1149 South Hill Street  
6 Los Angeles, California 90015-2299  
7 Telephone: (213) 765-1000

8 THE STATE BAR COURT  
9 HEARING DEPARTMENT - LOS ANGELES

10  
11  
12 In the Matter of ) Case Nos. 00-O-12058  
13 JOSEPH P. KOENIG ) [00-O-12332  
14 No. 150142 ) 00-O-14366]  
15 A Member of the State Bar ) NOTICE OF DISCIPLINARY CHARGES

16  
17 **NOTICE - FAILURE TO RESPOND!**

18 IF YOU FAIL TO FILE AN ANSWER TO THIS NOTICE WITHIN THE TIME  
19 ALLOWED BY STATE BAR RULES, INCLUDING EXTENSIONS, OR IF YOU  
20 FAIL TO APPEAR AT THE STATE BAR COURT TRIAL, (1) YOUR  
21 DEFAULT SHALL BE ENTERED, (2) YOU SHALL BE ENROLLED AS AN  
22 INVOLUNTARY INACTIVE MEMBER OF THE STATE BAR AND WILL NOT  
23 BE PERMITTED TO PRACTICE LAW UNLESS THE DEFAULT IS SET  
24 ASIDE ON MOTION TIMELY MADE UNDER THE RULES OF PROCEDURE  
25 OF THE STATE BAR, (3) YOU SHALL NOT BE PERMITTED TO  
26 PARTICIPATE FURTHER IN THESE PROCEEDINGS UNLESS YOUR  
27 DEFAULT IS SET ASIDE, AND (4) YOU SHALL BE SUBJECT TO  
28 ADDITIONAL DISCIPLINE.

STATE BAR RULES REQUIRE YOU TO FILE YOUR WRITTEN RESPONSE  
TO THIS NOTICE WITHIN TWENTY DAYS AFTER SERVICE.

IF YOUR DEFAULT IS ENTERED AND THE DISCIPLINE IMPOSED BY  
THE SUPREME COURT IN THIS PROCEEDING INCLUDES A PERIOD  
OF ACTUAL SUSPENSION, YOU WILL REMAIN SUSPENDED FROM  
THE PRACTICE OF LAW FOR AT LEAST THE PERIOD OF TIME  
SPECIFIED BY THE SUPREME COURT. IN ADDITION, THE ACTUAL  
SUSPENSION WILL CONTINUE UNTIL YOU HAVE REQUESTED, AND

1       **THE STATE BAR COURT HAS GRANTED, A MOTION FOR**  
2       **TERMINATION OF THE ACTUAL SUSPENSION. AS A CONDITION FOR**  
3       **TERMINATING THE ACTUAL SUSPENSION, THE STATE BAR COURT**  
4       **MAY PLACE YOU ON PROBATION AND REQUIRE YOU TO COMPLY**  
5       **WITH SUCH CONDITIONS OF PROBATION AS THE STATE BAR**  
6       **COURT DEEMS APPROPRIATE. SEE RULE 205, RULES OF**  
7       **PROCEDURE FOR STATE BAR COURT PROCEEDINGS.**

8       The State Bar of California alleges:

9                               JURISDICTION

10       1.     Joseph P. Koenig ("Respondent") was admitted to the practice of law in the  
11     State of California on December 4, 1990, was a member at all times pertinent to these  
12     charges, and is currently a member of the State Bar of California.

13                               COUNT ONE

14                               Case No. 00-O-12058  
15                               Rules of Professional Conduct, rule 3-110(A)  
16                               [Failure to Perform With Competence]

17       2.     Respondent wilfully violated Rules of Professional Conduct, rule 3-110(A),  
18     by intentionally, recklessly, or repeatedly failing to perform legal services with  
19     competence, as follows:

20       3.     On or about October 1, 1998, Respondent was substituted as counsel for  
21     Petroleum Specialties, Inc. ("PSI"), in place of PSI's previous attorney, E.E. Clabaugh,  
22     Jr. ("Clabaugh"), in a breach of contract action filed in the Ventura County Municipal  
23     Court and entitled, Petroleum Specialties, Inc. v. Richard Chala, et al., case number  
24     CIV178920 ("the PSI matter"). The PSI matter had been filed on February 11, 1998 by  
25     Clabaugh.

26       4.     On or about March 16, 1998, the only remaining defendant in the PSI  
27     matter, Richard Chala ("Chala"), had filed for bankruptcy protection. After the  
28     bankruptcy was discharged on or about June 30, 1998, Chala died.

      5.     On or about February 17, 1999, Respondent filed a first amended  
complaint in the PSI matter naming the defendants as Richard Chala, as an individual  
and doing business as Chala's Texaco Center ("Texaco"), and Bankers Trust Escrow  
Company, Ltd. ("Bankers"). On or about February 16, 1999, Respondent served Texaco

1 with the first amended complaint. On or about February 19, 1999, Respondent filed a  
2 case status report with the court in which he reported that he had served the first  
3 amended complaint on Texaco on February 16, 1999. A proof of service on Texaco was  
4 not filed by Respondent with the court and Respondent did not report to the court the  
5 status of service on Bankers.

6         6. On or about February 24, 1999, the court set an order to show cause  
7 why the PSI matter should not be dismissed for failure to file a proof of service or  
8 application for publication of summons. A hearing on the OSC was set for March 24,  
9 1999. The court ordered that the proof of service or application for publication of  
10 summons be filed within three court days prior to the hearing. In the alternative, the  
11 court ordered that plaintiff appear at the hearing on the OSC. On February 24, 1999,  
12 the clerk of the court served Respondent with notice of the OSC. Service was made by  
13 mail at Respondent's address of record.

14         7. On or about February 25, 1999, the court set a case management  
15 conference ("the CMC") for March 24, 1999, and ordered that a status report as to why  
16 the PSI matter had not proceeded to trial, or that judgment be filed within three court  
17 days before March 24, 1999. In the alternative, the court ordered plaintiff to appear on  
18 March 24, 1999 at the CMC to provide the status of the PSI matter. On February 25,  
19 1999, the clerk of the court served Respondent with notice of the CMC along with the  
20 court's orders relating to the CMC. Service was made by mail at Respondent's address  
21 of record.

22         8. On or about March 24, 1999, the CMC was held. Respondent did not  
23 appear at the CMC and had not provided the status report to the court. The CMC was  
24 continued to April 19, 1999. On March 24, 1999, the clerk of the court served on  
25 Respondent notice of the April 19, 1999 CMC along with a court order that no  
26 appearance was necessary if the status report was filed three court days before the  
27 CMC. Service was made by mail at Respondent's address of record.

28     / / /

1           9.     On or about March 24, 1999, the hearing on the OSC was held.  
2     Respondent did not appear at the hearing. The court ordered Respondent to pay  
3     sanctions in the amount of \$300 for failing to comply with the court's rules. The court  
4     ordered that the sanctions be paid by April 23, 1999. Respondent did not pay the  
5     sanction. The court also set an order to show cause hearing, for April 19, 1999, as to  
6     why the PSI matter should not be dismissed for failure to comply with the court's rules,  
7     for failure to file a proof of service or an order for publication of summons, and for  
8     failure to inform the court as to the status of the Chala bankruptcy. On March 24,  
9     1999, the clerk of the court served Respondent with notice of the OSC hearing on April  
10    19, 1999 along with a court order that no appearance was necessary if the proof of  
11    service or ex parte application for publication of summons and a declaration regarding  
12    the status of the Chala bankruptcy was filed three court days before the OSC hearing.  
13    Service was made by mail at Respondent's address of record.

14           10.    On April 19, 1999, a hearing on the OSC was held. Respondent did  
15    not appear at the hearing and had not filed the proof of service, an application for  
16    publication of summons, or the declaration regarding the status of the Chala  
17    bankruptcy. The court ordered the PSI matter dismissed, without prejudice.

18           11.    By failing to file with the court a proof of service on the defendants or an  
19    application for publication of summons, and by failing to file with the court a  
20    declaration regarding the status of the Chala bankruptcy, Respondent intentionally,  
21    recklessly, or repeatedly failed to perform legal services with competence.

22                               COUNT TWO

23                               Case No. 00-O-12058  
24                               Business and Professions Code, section 6106  
                              [Moral Turpitude - Misrepresentation to Client]

25           12.    Respondent wilfully violated Business and Professions Code, section  
26    6106, by committing an act involving moral turpitude, dishonesty, or corruption, as  
27    follows:

28           13.    The allegations of paragraphs 3 through 10 are incorporated by reference.

1           14.    In or about early February 1999, Respondent informed Barbara Corripio  
2 ("Corripio"), the office manager and designated contact of PSI for the PSI matter, that  
3 he had amended the complaint, had served Texaco, and had applied for a writ of  
4 attachment against Texaco. The application for the writ of attachment against Texaco  
5 in the amount of \$5,991.03 had been received by the court on or about February 17,  
6 1999 and was granted on or about March 1, 1999. On or about April 9, 1999, the writ  
7 of attachment was issued by the court.

8           15.    On April 20, 1999, the clerk of the court served on Respondent notice of  
9 the dismissal of the PSI matter. Service was made by mail at Respondent's address of  
10 record.

11           16.    On or about July 21, 1999, the Sheriff's Office returned to the court the  
12 writ of attachment with a certification that it was holding \$5,991.03 collected on the  
13 writ pending further instructions from the court.

14           17.    In or about late July 1999, in response to a telephone message that  
15 Corripio had left for Respondent, Respondent informed Corripio that he had obtained  
16 funds from Texaco and that PSI would be receiving them in approximately three weeks.  
17 The representation was false in that Respondent had not obtained any funds from  
18 Texaco as the funds were still in the possession of the Sheriff's Office and as the PSI  
19 matter had been dismissed on April 19, 1999. Respondent did not forward any funds  
20 to PSI.

21           18.    By misrepresenting that he had obtained the funds, Respondent  
22 committed an act involving moral turpitude, dishonesty, or corruption.

23    / / /

24    / / /

25    / / /

26    / / /

27    / / /

28    / / /





26. By not responding to Corripio's messages requesting the status of the PSI matter, Respondent wilfully failed to respond promptly to reasonable inquiries of a client.

27. By not informing PSI of the dismissal of the PSI matter, Respondent wilfully failed to inform a client of a significant development in a matter in which Respondent had agreed to provide legal services.

COUNT FOUR

Case No. 00-O-12058  
Business and Professions Code, section 6068(i)  
[Failure to Cooperate With State Bar Investigation]

28. Respondent wilfully violated Business and Professions Code, section 6068(i), by failing to cooperate and participate in a disciplinary investigation pending against the Respondent, as follows:

29. On or about May 3, 2000, the State Bar of California ("State Bar") opened an investigation, case no. 00-O-12058, concerning a complaint brought against Respondent by Diana Loe on behalf of Petroleum Specialties, Inc. ("the PSI matter").

30. On or about August 7, 2000, State Bar Investigator Glen DeSargant ("DeSargant") sent a letter regarding the PSI matter by first class mail to Respondent. The letter was placed in a sealed envelope correctly addressed to Respondent at his State Bar of California membership records address of 6380 Wilshire Blvd., #1012-B, Los Angeles, CA 90048 ("the membership records address"). The letter was properly mailed by first class mail, postage prepaid, by depositing for collection by the United States Postal Service ("the USPS") in the ordinary course of business. The USPS did not return DeSargant's letter as undeliverable or for any other reason.

31. In the August 7, 2000, DeSargent requested that Respondent provide by August 23, 2000, a written explanation regarding, and documentation pertinent to, allegations of misconduct being investigated by the State Bar in the PSI matter. Respondent did not respond by August 23, 2000, or otherwise communicate with DeSargent.

32. By not providing a written response to the allegations in the PSI matter and by not otherwise cooperating in the investigation of the PSI matter, Respondent wilfully failed to cooperate in a disciplinary investigation.

COUNT FIVE

Case Nos. 00-O-12332 and 00-O-14366  
Business and Professions Code, section 6106  
[Moral Turpitude - Issuance of NSF Checks]

33. Respondent wilfully violated Business and Professions Code, section 6106, by committing an act involving moral turpitude, dishonesty or corruption, as follows:

34. At all times herein mentioned, Respondent maintained a client trust account at Bank of America ("BOA") account number 16645-08029 ("the CTA").

Case number 00-O-12332

### The March 2000 activity

35. Between March 1 and March 13, 2000, Respondent made no deposits into the CTA. The ending balance on March 9, 2000 was \$685.20.

36. On March 13, 2000, check number 1396 from the CTA in the amount of \$175 and made payable to Respondent was paid.

37. On March 13, 2000, check number 1395 from the CTA in the amount of \$1,950 and made payable to Respondent was presented for payment. At the time of presentment, the balance in the CTA was \$510.20.

38. On March 14, 2000, check number 1395 was paid against insufficient funds. On March 14, 2000, the ending balance in the CTA was \$300.20.

39. On or about March 14, 2000, BOA mailed written notice to Respondent that check number 1395 was paid against insufficient funds, that the balance in the account at the time the check was presented for payment was \$510.20, and that a \$10 overdraft fee was charged to the CTA on March 14, 2000.

///

111

1           40.    On March 14, 2000, check number 2193 in the amount of \$1,750 from  
2 Respondent's personal account at Washington Mutual, account number 876-240748-1  
3 ("Respondent's Washington Mutual account"), was deposited into the CTA.

4           41.    On March 17, 2000, check number 2193 was returned unpaid and a \$4  
5 insufficient funds fee was charged to the CTA. On March 17, 2000, the ending balance  
6 in the CTA was negative \$1,453.80.

7           42.    On March 20, 2000, check number 2193 was redeposited into the CTA.  
8 On March 20, 2000, the ending balance was \$296.20.

9           43.    On March 23, 2000, check number 1397 from the CTA in the amount of  
10 \$450 and made payable to Respondent was presented for payment. At the time of  
11 presentment, the balance in the CTA was \$296.20. The check was returned unpaid.

12           44.    On or about March 24, 2000, BOA mailed written notice to Respondent  
13 that check number 1397 was being returned unpaid due to insufficient funds in the  
14 CTA, that the balance in the account at the time the check was presented for payment  
15 was \$296.20, and that a \$10 overdraft fee was charged to the CTA on March 24, 2000.  
16 On March 24, 2000, the ending balance in the CTA was \$286.20.

17           45.    On March 29, 2000, check number 1398 from the CTA in the amount  
18 of \$200 and made payable to Respondent was paid.

19           46.    On March 29, 2000, check number 1397 was presented for payment  
20 again. At the time of presentment, the balance in the CTA was \$86.20. The check was  
21 returned unpaid.

22           47.    On or about March 30, 2000, BOA mailed written notice to Respondent  
23 that check number 1397 was being returned unpaid due to insufficient funds in the  
24 CTA, that the balance in the account at the time the check was presented for payment  
25 was \$86.20, and that a \$10 overdraft fee was charged to the CTA on March 30, 2000.

26                           The April 2000 activity

27           48.    Between April 1 and April 17, 2000, Respondent made no deposits into  
28 the CTA. On April 3, 2000, the ending balance in the CTA was \$11.20.

1           49.    On April 13, 2000, check number 1350 from the CTA in the amount of  
2 \$1,100 and made payable to Respondent was presented for payment. At the time of  
3 presentment, the balance in the CTA was \$11.20. The check was returned unpaid.

4           50.    On or about April 14, 2000, BOA mailed written notice to Respondent  
5 that check number 1350 was being returned unpaid due to insufficient funds in the  
6 CTA, that the balance in the account at the time the check was presented for payment  
7 was \$11.20, and that a \$24 overdraft fee was charged to the CTA on April 14, 2000.  
8 On April 14, 2000, the ending balance in the CTA was negative \$12.80.

9           51.    On April 14, 2000, check number 1351 from the CTA in the amount of  
10 \$200 and made payable to Respondent was presented for payment. At the time of  
11 presentment, the balance in the CTA was negative \$12.80. The check was returned  
12 unpaid.

13           52.    On or about April 17, 2000, BOA mailed written notice to Respondent  
14 that check number 1351 was being returned unpaid due to insufficient funds in the  
15 CTA, that the balance in the account at the time the check was presented for payment  
16 was negative \$12.80, and that a \$24 overdraft fee was charged to the CTA on April 17,  
17 2000. On April 17, 2000, the ending balance in the CTA was negative \$36.80.

18           53.    On April 18, 2000, check number 2046 in the amount of \$1,500 from  
19 Respondent's Washington Mutual account was deposited into the CTA.

20           54.    On April 20, 2000, check number 1351 from the CTA in the amount of  
21 \$200 and made payable to Respondent was paid.

22           55.    On April 24, 2000, check numbers 1353 and 1354 from the CTA in the  
23 amounts of \$320 and \$250, respectively, and made payable to Respondent were paid.  
24 On April 24, 2000, the ending balance in the CTA was \$15.20.

25           56.    Between April 24 and May 1, 2000, Respondent made no deposits into  
26 the CTA.

27    / / /

28    / / /



- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

2  
3  
4  
5

6  
7  
8  
9

10  
11  
12  
13

14  
15  
16  
17  
18

## 19

## 20

21

22  
23  
24  
25  
26  
27

28

63. On September 26, 2000, check number 2090, which Respondent had deposited into the CTA on September 21, 2000, was returned due to insufficient funds in Respondent's second Washington Mutual account. The CTA was charged a \$4 fee for the returned check. On September 26, 2000, the ending balance in the CTA was negative \$296.60.

64. On September 27, 2000, check number 2090 was redeposited into the CTA, bringing the balance in the CTA to \$153.40. The CTA was charged a \$4 fee for the returned check. On September 26, 2000, the ending balance in the CTA was negative \$300.60.

65. On October 2, 2000, check number 2090 was returned again due to insufficient funds in Respondent's second Washington Mutual account.

### Summary of Legal Conclusions

66. Respondent issued check numbers 1350, 1351, 1356, 1358, 1359, 1395 and 1397 when he knew or should have known that there were insufficient funds in the CTA to pay the checks.

67. Respondent issued check number 2090 when he knew or should have known that there were insufficient funds in Respondent's second Washington Mutual account to pay the check.

68. By repeatedly issuing checks drawn upon the CTA and Respondent's second Washington Mutual account when he knew or should have known that there were insufficient funds to pay the checks, Respondent committed acts involving moral turpitude, dishonesty, or corruption.

COUNT SIX

Case Nos. 00-O-012332 and 00-O-14366  
Rules of Professional Conduct, rule 4-100(A)  
[Commingle Personal Funds in Client Trust Account]

69. Respondent wilfully violated Rules of Professional Conduct, rule 4-100(A), by depositing or commingling funds belonging to Respondent in a bank

/ / /

1 account labeled "Trust Account," "Client's Funds Account" or words of similar import,  
2 as follows:

3 70. At all times herein mentioned, Respondent maintained a client trust  
4 account at Bank of America ("BOA") account number 16645-08029 ("the CTA").

5 Case No. 00-O-012332

6 The January 2000 activity

7 71. On January 12, 2000, the balance in the CTA was \$178.20.

8 72. On or about January 13, 2000, check number 2132 in the amount of  
9 \$1,550 from Respondent's personal account at Washington Mutual Bank, account  
10 number 876-240748-1 ("Respondent's Washington Mutual account") was deposited  
11 into the CTA.

12 73. On January 13, 2000, check number 1380 in the amount of \$1,500 and  
13 made payable to Respondent was paid from the CTA, bringing the balance in the CTA  
14 to \$228.20.

15 74. On January 24, 2000, the balance in the CTA remained at \$228.20.

16 75. On or about January 25, 2000, check number 2151 in the amount of  
17 \$1,950 from Respondent's Washington Mutual account was deposited into the CTA.

18 76. On January 25, 2000, check number 1381 in the amount of \$1,750  
19 and made payable to Respondent was paid from the CTA.

20 The March 2000 activity

21 77. On March 13, 2000, the balance in the CTA was \$510.20.

22 78. On March 14, 2000, check number 2193 in the amount of \$1,750 from  
23 Respondent's Washington Mutual account was deposited into the CTA.

24 79. On March 14, 2000, check number 1395 in the amount of \$1,950 and  
25 made payable to Respondent was paid from the CTA.

26 The April 2000 activity

27 80. On April 17, 2000, the balance in the CTA was negative \$36.80.

28 / / /

81. On April 18, 2000, check number 2046 in the amount of \$1,500 from Respondent's Washington Mutual account was deposited into the CTA.

82. On April 18, 2000, check number 1352 in the amount of \$100 and made payable to Respondent was paid from the CTA.

83. On April 20, 2000, check number 1351 in the amount of \$200 and made payable to Respondent was paid from the CTA.

84. On April 24, 2000, check numbers 1353, 1354, and 1355, in the amounts of \$320, 250, and 560, respectively, and made payable to Respondent were paid from the CTA.

### The May 2000 activity

85. On May 1, 2000, the balance in the CTA was \$15.20.

86. On May 2, 2000, check number 2009 in the amount of \$275 from Respondent's personal account at Washington Mutual Bank, account number 876-240246-5 ("Respondent's second Washington Mutual account") was deposited into the CTA. On May 2, 2000, check number 1356 in the amount of \$250 and made payable to Respondent was paid from the CTA.

87. On May 5, 2000, check number 2212 in the amount of \$800 from Respondent's Washington Mutual account was deposited into the CTA. On May 5, 2000, check number 1357 in the amount of \$800 and made payable to Respondent was paid from the CTA.

### The June 2000 activity

88. On June 27, 2000, the balance in the CTA was \$11.40.

89. On June 28, 2000, check number 2231 in the amount of \$600 from Respondent's Washington Mutual account was deposited into the CTA.

90. On June 28, 2000, check number 2028 in the amount of \$700 from Respondent's second Washington Mutual account was deposited into the CTA.

///

111

1           91.    On June 29, 2000, check number 1327 in the amount of \$620 and  
2 made payable to Respondent was paid from the CTA. On June 29, 2000, the ending  
3 balance in the CTA was \$21.40.

4           92.    On June 30, 2000, \$1,335 in cash was deposited into the CTA by  
5 Respondent.

6                               Case No. 00-O-14366

7                               The September 2000 activity

8           93.    On September 20, 2000, the ending balance in the CTA was \$107.40.

9           94.    On September 21, 2000, check number 2090 in the amount of \$450  
10 from Respondent's second Washington Mutual account was deposited into the CTA.  
11 On September 21, 2000, check numbers 1342 and 1343 from the CTA, each in the  
12 amount of \$200, were paid. Both check numbers 1342 and 1343 were made payable  
13 to Respondent. On September 21, 2000, the ending balance in the CTA was \$157.40.

14                               Summary Legal Conclusion

15           95.    By depositing into the CTA cash and personal funds from Respondent's  
16 Washington Mutual account and Respondent's second Washington Mutual account  
17 between January 2000 and September 2000, Respondent wilfully commingled funds  
18 belonging to Respondent in a bank account labeled "Trust Account," "Client's Funds  
19 Account" or words of similar import.

20                               **NOTICE - INACTIVE ENROLLMENT!**

21           **YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE STATE BAR**  
22           **COURT FINDS, PURSUANT TO BUSINESS AND PROFESSIONS CODE**  
23           **SECTION 6007(c), THAT YOUR CONDUCT POSES A SUBSTANTIAL**  
24           **THREAT OF HARM TO THE INTERESTS OF YOUR CLIENTS OR TO THE**  
25           **PUBLIC, THAT YOU MAY BE INVOLUNTARILY ENROLLED AS AN**  
26           **INACTIVE MEMBER OF THE STATE BAR. YOUR INACTIVE**  
27           **ENROLLMENT WOULD BE IN ADDITION TO ANY DISCIPLINE**  
28           **RECOMMENDED BY THE COURT. SEE RULE 101(c), RULES OF**  
              **PROCEDURE OF THE STATE BAR OF CALIFORNIA.**

**NOTICE - COST ASSESSMENT!**

**IN THE EVENT THESE PROCEDURES RESULT IN PUBLIC DISCIPLINE,**  
              **YOU MAY BE SUBJECT TO THE PAYMENT OF COSTS INCURRED BY**  
              **THE STATE BAR IN THE INVESTIGATION, HEARING AND REVIEW OF**

1       **THIS MATTER PURSUANT TO BUSINESS AND PROFESSIONS CODE**  
2       **SECTION 6086.10. SEE RULE 280, RULES OF PROCEDURE OF THE**  
3       **STATE BAR OF CALIFORNIA.**

4                       Respectfully submitted,

5                       THE STATE BAR OF CALIFORNIA  
6                       OFFICE OF THE CHIEF TRIAL COUNSEL

7       Dated: February 21, 2001

8       By: 

9                       DAVID C. CARR

10                      Assistant Chief Trial Counsel  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



1                                    **DECLARATION OF SERVICE BY CERTIFIED MAIL**

2                                    **CASE NUMBER: 00-O-12058; 00-O-12332; 00-O-14366**

3                                    I, the undersigned, over the age of eighteen (18) years, whose business address and place  
4                                    of employment is the State Bar of California, 1149 South Hill Street, Los Angeles,  
5                                    California 90015, declare that I am not a party to the within action; that I am readily  
6                                    familiar with the State Bar of California's practice for collection and processing of  
7                                    correspondence for mailing with the United States Postal Service; that in the ordinary  
8                                    course of the State Bar of California's practice, correspondence collected and processed  
9                                    by the State Bar of California would be deposited with the United States Postal Service  
10                                   that same day; that I am aware that on motion of party served, service is presumed  
11                                   invalid if postal cancellation date or postage meter date is more than one day after date  
12                                   of deposit for mailing affidavit. That in accordance with the practice of the State Bar of  
13                                   California for collection and processing of mail, I deposited or placed for collection and  
14                                   mailing in the City and County of Los Angeles, on the date shown below, a true copy of  
15                                   the within

16                                   **NOTICE OF DISCIPLINARY CHARGES**

17                                   in a sealed envelope placed for collection and mailing as certified mail, return receipt  
18                                   requested, Article No.: **P 970 273 468**, at Los Angeles, on the date shown below,  
19                                   addressed to:

20                                   **JOSEPH PETER KOENIG**  
21                                   **18663 VENTURA BLVD. #300**  
22                                   **TARZANA, CA 91356**

23                                   in an inter-office mail facility regularly maintained by the State Bar of California  
24                                   addressed to:

25                                   **N/A**

26                                   I declare under penalty of perjury under the laws of the State of California that the  
27                                   foregoing is true and correct. Executed at Los Angeles, California, on the date shown  
28                                   below.

29                                   DATED: February 21, 2001

30                                   SIGNED: 

31                                   **LETICIA M. RAMOS**  
32                                   Declarant



The document to which this certificate is affixed is a full, true and correct copy of the original on file and of record in the State Bar Court.

ATTEST May 21, 2019

State Bar Court, State Bar of California,  
Los Angeles

By

Clerk