Filed June 12, 2015

STATE BAR COURT OF CALIFORNIA REVIEW DEPARTMENT

In the Matter of)	Case No. 12-O-12279
KENNETH LANCE HADDIX,)	OPINION AND ORDER
A Member of the State Bar, No. 139459.)	
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Kenneth Lance Haddix, an attorney since 1965 and admitted in California in 1989, faces misconduct charges for the third time in less than 10 years. A hearing judge found Haddix violated multiple probation conditions imposed in his second discipline case; he had violated similar reproval conditions in his first case. The judge assigned aggravation for three factors (prior records of discipline, multiple acts of misconduct, and indifference) and limited mitigation for two factors (cooperation and good character). Ultimately, the judge recommended disbarment, concluding that a lesser discipline would not curtail Haddix's misconduct.

Haddix seeks review, but does not challenge culpability. Instead, he contends the hearing judge gave undue weight to the aggravation, not enough weight to the mitigation, and erred in concluding he poses a danger to the public. Haddix asserts he can fulfill future probation obligations if another attorney assists him, and requests discipline with a probationary term. The Office of the Chief Trial Counsel of the State Bar (OCTC) supports disbarment. The primary issue before us is the level of discipline.

Based on our independent review (Cal. Rules of Court, rule 9.12), we affirm the hearing judge's culpability, aggravation, and mitigation findings, and find one additional mitigating factor. Although Haddix had experienced certain emotional, health, and financial difficulties,

those issues did not cause the current misconduct, nor did he prove they have been resolved.

Unfortunately, he cannot comply with even basic conditions of his probation, such as filing timely quarterly reports. Given his pattern of repeated violations, the risk is high that Haddix will commit future misconduct, which may endanger the public. We recommend the presumptive discipline of disbarment under standard 1.8(b) of the Rules of Procedure of the State Bar; title IV, Standards for Attorney Sanctions for Professional Misconduct. 1

I. PROCEDURAL HISTORY

On June 1, 2012, OCTC filed a Notice of Disciplinary Charges (NDC) alleging Haddix willfully failed to comply with all conditions attached to his probation, in violation of Business and Profession Code,² section 6068, subdivision (k), by not timely: (1) meeting with the Office of Probation (Probation); (2) filing required quarterly reports; (3) providing proof of attendance at Ethics School; and (4) providing satisfactory proof of restitution payments.

At trial, OCTC offered an Amended Stipulation as to Facts and Admission of Documents (the Stipulation), and briefly called Haddix as a witness. In his defense, Haddix presented his testimony and that of three character witnesses — his wife, his son, and his former partner, a retired Illinois judge.

II. BACKGROUND

Haddix became a member of the California State Bar on March 20, 1989. He was first admitted to practice law in Michigan in 1965, and then in Illinois in 1966 or 1967. Throughout his lengthy career, he has litigated cases in various practice areas including family law, criminal defense, constitutional law, and civil rights.

¹ Standard 1.8(b) provides that "disbarment is appropriate" under circumstances relevant to this case when an attorney has two or more prior disciplines. Effective January 1, 2014, the standards were revised and renumbered. This appeal was submitted for ruling in 2015; therefore, we apply the new standards. All further references to standards are to the new versions and to this source.

² All further references to sections are to this source.

Haddix has two records of discipline. In *Haddix I*, effective May 18, 2006, this court issued a public reproval because he improperly withdrew from employment and failed to take reasonable steps to avoid prejudice to his client. In *Haddix II*, effective February 21, 2010, he violated the reproval conditions in *Haddix I*, and failed to pay or report two sanctions awards for \$3,500 and \$44,989.27.³ As a result, the California Supreme Court suspended Haddix for 30 days, and imposed a five-year probationary period with conditions, including that he must:

- 1. Contact Probation and schedule a meeting with the assigned probation deputy to discuss the terms and conditions of probation, within 30 days from the effective date of discipline, and no later than March 23, 2010.
- 2. Submit to Probation written quarterly reports January 10, April 10, July 10, and October 10 of each year of the probation period; certify under penalty of perjury that he has complied with all provisions of the State Bar Act and the Rules of Professional Conduct and all terms of probation during the preceding calendar quarter or part thereof covered by the report and to file a final report no earlier than 20 days prior to the expiration of the probation period and no later than the last day of the period, commencing April 10, 2010.
- 3. Provide satisfactory proof to Probation of attendance at a session of the Ethics School and passage of the test given at the end of the session within one year of the effective date of discipline, and no later than February 21, 2011.
- 4. Pay restitution to Danielle Evans in the principal amount of \$44,989.27, with interest from June 7, 2006, in the amount of \$500 per month to be paid in full including interest no later than 30 days before the last day of the period of probation and to provide satisfactory proof of payment to Probation with each quarterly report.
- 5. Pay restitution to Bridge Finance, LLC in the principal amount of \$3,500, with interest from November 22, 2005, in the amount of \$100 per month to be paid in full including interest no later than 30 days before the last day of the period of probation and to provide satisfactory proof of payment to Probation with each quarterly report.

³ The Los Angeles County Superior Court entered the \$3,500 sanctions order in November 2005 in a civil action in which Haddix, on behalf of a plaintiff, unsuccessfully opposed a defendant's motion to expunge a lis pendens. The superior court sanctioned Haddix and his client, jointly and severally, for attorney fees and costs incurred by the defendant, Bridge Finance, LLC.

As to the \$44,989.27 sanctions award, in June 2006, the United States Bankruptcy Court (Central District of California) found that Haddix and his client willfully violated a bankruptcy discharge injunction and imposed joint and several sanctions for attorney fees and costs that the debtor, Danielle Evans, incurred to enforce the injunction.

On February 23, 2010, a few days after his second discipline became effective, Probation sent Haddix a letter reminding him of his probation terms.⁴ The correspondence included an instruction sheet and a report form to use in submitting quarterly reports. Haddix received this letter and materials.

III. HADDIX FAILED TO COMPLY WITH HIS PROBATION CONDITIONS

Section 6068, subdivision (k), requires attorneys "[t]o comply with all conditions attached to any disciplinary probation." Haddix stipulated to facts establishing his culpability, and does not challenge them on review. The record clearly and convincingly supports those facts and the culpability finding, which we affirm and summarize below.

Haddix stipulated he violated the following probation terms in *Haddix II*:

- 1. He did not have a meeting with the assigned probation deputy until April 15, 2010 23 days past the March 23, 2010 due date.
- 2. He submitted nine quarterly reports that were three days to 18 months late.
- 3. He did not provide satisfactory proof to Probation of his attendance at, or successful completion of, the State Bar's Ethics School by February 21, 2011. Instead, he attended Ethics School and passed the test given at the end on October 20, 2011. He did not provide proof to Probation until April 11, 2012.

In addition to the stipulated culpability, the hearing judge found that Haddix violated probation conditions requiring him to provide proof in his quarterly reports of restitution installment payments to Bridge Finance, LLC and Danielle Evans. Haddix testified that he had paid between \$10,000 and \$12,000 toward restitution, but could not recall the exact amount nor did he provide supporting documentation. In his seven quarterly reports filed late on April 17,

⁴ We reject Haddix's claim that Probation failed to remind him of his conditions because he stipulated that he received this reminder letter.

⁵ Rules Proc. of State Bar, rule 5.152(C) ("Any factual error that is not raised on review is waived by the parties").

⁶ Clear and convincing evidence leaves no substantial doubt and is sufficiently strong to command the unhesitating assent of every reasonable mind. (*Conservatorship of Wendland* (2001) 26 Cal.4th 519, 552.)

2012, Haddix stated that he had not made any restitution payments since October 2010, claiming financial difficulties. Given this evidence and the stipulated fact that Haddix filed all of his quarterly reports late, we conclude he failed to timely furnish proof of restitution payments.

The hearing judge found Haddix's explanations at trial for his untimely and/or defective quarterly reports were "disjointed and non-specific," describing his attitude as one of "confusion and lack of attention or concern or understanding regarding his prior discipline and his need to comply with the conditions of his probation." The judge noted: "Even during trial, Respondent did not appear to understand why the forms were incomplete." Further, Haddix could not identify his period of probation, was unable to specify the restitution he had paid, and admitted he discarded the second pages of his quarterly reports because he could not certify he had made the required restitution payments. In attempting to defend his actions, Haddix attributed many of his problems with the State Bar to his attorneys. He believed his probation "slip-ups" would be handled administratively, and blamed his errors on being a "novice" at preparing quarterly reports (despite being required to do so since his 2006 discipline).

Even with these difficulties, Haddix insists he can comply with future probation terms because his attorney will oversee his reports and correct any errors. The hearing judge properly rejected this solution, reasoning that "hir[ing] an attorney to do the required probation reports is hardly the purpose of the probation conditions." We agree that although another attorney's assistance might enable Haddix to fulfill his probation terms, it does not protect the public from his inability to perform similarly simple, and certainly more complex, tasks for clients.⁸

⁷ Haddix testified: "Best of my recollection, \$10,000 – \$12,000, something like that."

⁸ A Probation monitor referee's duties do not include correcting probation reports for a probationer (Rules Proc. of State Bar, rule 2702), and is not necessary when "only routine, simple, periodic 'reporting' conditions are recommended." (*In the Matter of Wiener* (Review Dept. 1997) 3 Cal. State Bar Ct. Rptr. 759, 763.)

IV. AGGRAVATION OUTWEIGHS MITIGATION

OCTC must establish aggravating circumstances by clear and convincing evidence under standard 1.5. Haddix has the same burden to prove mitigation. (Std. 1.6.)

A. Three Strong Factors in Aggravation

The hearing judge assigned aggravating weight to three factors: prior record of discipline, indifference, and multiple acts. Haddix argues the judge gave these factors "excessive deference." We reject his argument, and assign substantial overall weight to the aggravation.

1. Prior Discipline (Std. 1.5(a))

The hearing judge found Haddix's prior record of discipline to be a significant aggravating factor. As discussed, Haddix has two California discipline records. Notably, his present misconduct is closely related to his wrongdoing in *Haddix II* (2010), where he was culpable of violating three reproval conditions in *Haddix I* (2006): (1) making initial contact with Probation; (2) timely filing quarterly and final reports; and (3) timely submitting proof of completion of the State Bar's Ethics School. We ascribe significant aggravation to these prior disciplines because Haddix has repeatedly disregarded important conditions designed to monitor his compliance with orders from this court (*Haddix II*) and the Supreme Court (*Haddix II*). (See *In the Matter of Gadda* (Review Dept. 2002) 4 Cal. State Bar Ct. Rptr. 416, 444-445 [prior misconduct similar to that found in present case is serious aggravation].)

2. Multiple Acts of Wrongdoing (Std. 1.5(b))

The hearing judge found multiple acts of misconduct as an aggravating factor. Haddix argues that the "State Bar's Complaint in this matter consisted of only one Count, not 2." His argument misses the point.

In deciding whether to assign aggravation under standard 1.5(b), our focus is on the nature of a respondent's underlying conduct, not on the number of charges alleged and proven.

(Compare *In the Matter of Song* (Review Dept. 2013) 5 Cal. State Bar Ct. Rptr. 273, 279

[multiple acts of aggravation for 65 improper client trust account withdrawals charged as one count of moral turpitude] with *In the Matter of Shalant* (Review Dept. 2005) 4 Cal. State Bar Ct. Rptr. 829, 839 [no multiple acts where two charges arise out of modification of single contingent fee agreement].) Haddix committed several violations of distinct probation conditions over two years, rendering his misconduct more severe than might otherwise be encompassed within a single charge under section 6068, subdivision (k). These discrete and repeated breaches constitute multiple acts of wrongdoing, and properly warrant aggravation.

3. Indifference / Lack of Insight (Std. 1.5(g))

The hearing judge found Haddix showed indifference to rectification or atonement for the consequences of his misconduct. (Std. 1.5(g).) Haddix argues the evidence was insufficient to support this finding, particularly since he was candid in his responses to Probation and he attempted to timely file his quarterly reports.

We construe Haddix's testimony and conduct slightly differently than the hearing judge did because it evidences a lack of insight more than indifference. Despite this distinction, however, aggravation is warranted under standard 1.5(g). (See *Bach v. State Bar* (1991) 52 Cal.3d 1201, 1208 [aggravation based on persistent lack of insight into deficiencies of attorney's professional behavior].) Haddix views his violations of probation as mere technicalities, and does not seem to understand or appreciate the extent to which they evidence disrespect for the legal system and reflect negatively on his ability to practice law. (See *Gadda v. State Bar* (1990) 50 Cal.3d 344, 356 [aggravation based on lack of insight shown by attempts to blame another attorney for misconduct and "reluctance to recognize the seriousness of his misconduct"].) He also fails to grasp the importance of strictly complying with probation conditions, despite previous discipline for similar misconduct and reminders from Probation.

-7-

B. Three Limited Factors in Mitigation

The hearing judge assigned mitigation for two factors: good character and cooperation. Haddix argues that the judge "ignored altogether or failed to give proper credit" to his mitigating circumstances. His argument lacks merit. The hearing judge correctly assessed that mitigation should be accorded to two factors, and properly rejected other factors. We assign modest additional mitigation to Haddix's pro bono activity.

1. Good Character (Std. 1.6(f))

The hearing judge assigned limited weight to Haddix's good character. We agree.

Section 1.6(f) permits mitigation where an attorney demonstrates extraordinary good character attested to by a wide range of references in the legal and general communities who are aware of the misconduct. Haddix presented three witnesses: his wife, his son, and his former partner, a retired Illinois judge. Their testimony was unequivocally positive, representing Haddix as a "man of high moral character," and a "nice human being," who "conducted himself in such a way that would indicate that he believes in the law, and he believes in helping people." Haddix's son, a law student, testified that Haddix taught him "what it meant to pursue a career as a lawyer, the type of morals and values that it takes to be an outstanding member of the legal community." However, as the hearing judge found, these witnesses do not constitute a sufficiently wide range of references in the legal and general communities to assign full mitigating credit. (See std. 1.6(f); see also *In the Matter of Myrdall* (Review Dept. 1995) 3 Cal. State Bar Ct. Rptr. 363, 387 [testimony of three clients and three attorneys warranted limited mitigation because not broad range of references].)

2. Cooperation with State Bar (Std. 1.6(e))

The hearing judge afforded Haddix "some" mitigation for cooperating with the State Bar.

The judge properly discounted the mitigating weight since Haddix delayed stipulating to facts

-8-

that proved his culpability until immediately before trial, and the stipulated facts were easily provable. (See *In the Matter of Gadda, supra,* 4 Cal. State Bar Ct. Rptr. at p. 443 [factual stipulation merited some mitigation for cooperation]; *In the Matter of Kaplan* (Review Dept. 1996) 3 Cal. State Bar Ct. Rptr. 547, 567 [limited mitigating weight for belated stipulation concerning easily provable facts].)

3. Pro Bono Work

We find that Haddix engaged in pro bono work that merits limited additional mitigation. (See *Calvert v. State Bar* (1991) 54 Cal.3d 765, 785 [pro bono service may be mitigating factor].) His former partner, a retired judge, reflected, "he's gone out to help people who couldn't pay," and "he was always the one that we shoved off the pro bono cases on, and he did it without any comment or any objection." Haddix's wife confirmed that he has "for years, done pro bono work." While commendable, we assign modest mitigating credit because Haddix presented few details about the nature or extent of his pro bono activities.

4. No Mitigation for Absence of Prior Discipline (Std. 1.6(a))

Haddix requests credit for his discipline-free practice before his discipline in *Haddix I*. We reject his request because he earned mitigation credit in *Haddix I*, and he offers no authority for his position that he is entitled to credit again.

5. No Mitigation for Financial Difficulties

Financial difficulties may be mitigating. (See *In re Naney* (1990) 51 Cal.3d 186, 196-197.) However, the hearing judge did not assign credit for Haddix's claimed financial problems. Haddix argues he should receive credit because his problems were significant, developed due to escalating health care costs, and affected his ability to pay restitution. We do not agree. While financial problems may have inhibited Haddix's ability to pay monthly restitution and submit proof of payment, they did not prevent him from complying with other conditions, such as filing quarterly reports, attending Ethics School, etc. (See *Amante v. State Bar* (1990) 50 Cal.3d 247,

255 [no mitigation for financial difficulties where record did not demonstrate misconduct was response to financial pressures].) Further, he did not seek to modify his probation conditions based on financial hardship, nor could he recall if he ever submitted a financial declaration to the State Bar to explain his circumstances. Accordingly, we assign no mitigation for financial problems.

6. No Mitigation for Emotional/Physical Difficulties (Std. 1.6(d))

To receive mitigation credit under standard 1.6(d), an attorney must establish by expert testimony that extreme emotional or physical difficulties directly caused the misconduct, and prove those difficulties no longer pose a risk of further misconduct. We may also consider extremely stressful family circumstances as mitigation. (*In the Matter of Frazier* (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr. 676, 701-702 [depression due to stress induced by son's emotional turmoil considered as mitigation].)

The hearing judge afforded no mitigation for emotional and physical difficulties because Haddix did not establish a nexus between his problems and his probation violations, nor did he prove that those problems no longer pose a risk of misconduct. We agree.

Haddix argues he is entitled to mitigation because his physical difficulties exacted an emotional toll on him while caring for his ill wife. To support his claim, he points to the testimony of his wife, son, and former partner, who each stated that Haddix and his wife endured significant health problems between 2010 and 2012. Haddix testified that his own health had been slowly declining even before that. Further, he suffered debilitating symptoms of anemia, including fatigue and dizziness, which led to his hospitalization. He produced an October 2011 medical statement from his physician indicating he had limited physical capacity and stamina that prevented him from completing his daily responsibilities. As to his prognosis, the doctor opined that changes in Haddix's work and medical care would "hopefully" allow him to work at a modified pace.

The record does not establish that Haddix's difficulties caused his misconduct. He began experiencing physical symptoms, at the earliest, about October of 2009, and his wife's symptoms began in the first half of 2010. Yet his systematic failures to comply with standard discipline conditions began years earlier, in 2006. This prior history of non-compliance casts doubt on Haddix's assertion that health conditions and related stress caused the present misconduct.

Moreover, any physical and emotional difficulties remain unresolved. As the hearing judge observed firsthand at the February 2013 trial, Haddix was unable to understand the particulars of his probation. (See *In the Matter of Harney* (Review Dept. 1995) 3 Cal. State Bar Ct. Rptr. 266, 280 [hearing judge "in the best position to observe respondent's demeanor"].) The judge noted, "to the extent Respondent is stating that his prior misconduct resulted from some befuddlement caused by . . . medical conditions, there was ample evidence provided during the trial that the befuddlement is ongoing." Haddix failed to clearly and convincingly prove that his health or emotional difficulties no longer pose a risk to the public or the profession. Therefore, mitigation credit under standard 1.6(d) is not appropriate.

V. DISBARMENT IS THE APPROPRIATE DISCIPLINE¹⁰

Our disciplinary analysis begins with the standards. (*In re Silverton* (2005) 36 Cal.4th 81, 91.) Standard 1.8(b) provides that if a member has two or more prior records of discipline, disbarment is appropriate if: (1) an actual suspension was ordered in any of the prior disciplinary matters; *or* (2) the prior and current disciplinary matters demonstrate a pattern of misconduct; *or*

⁹ In the October 2011 medical statement, the physician opined Haddix had been "physically limited over the past two years." Haddix testified he had health problems beginning in March 2010 through March 2012, which his wife, son, and former partner corroborated.

¹⁰ The purpose of attorney discipline is not to punish the attorney, but to protect the public, the courts, and the legal profession, to preserve public confidence in the profession, and to maintain high professional standards for attorneys. (Std. 1.1.)

(3) the prior and current disciplinary matters demonstrate the attorney's unwillingness or inability to conform to ethical responsibilities.

Haddix's case meets two of these criteria — a prior actual suspension and his inability to perform ethical duties. In *Haddix II*, the Supreme Court imposed a 30-day actual suspension. In the present case, he committed virtually identical misconduct, demonstrating that, despite good intentions, he is unable or unwilling to perform his professional responsibilities. (Std. 1.8(b); see *Barnum v. State Bar* (1990) 52 Cal.3d 104, 111.) Even absent any bad faith, Haddix's repeated failures constitute willful, habitual, and serious ethical violations. (See *Potack v. State Bar* (1991) 54 Cal.3d 132, 139 [failure to abide by probation terms and conditions is serious violation]; *In the Matter of Tiernan* (Review Dept. 1996) 3 Cal. State Bar Ct. Rptr. 523, 530-531 [multiple violations of same probation condition warrant more severe discipline].)

Section 1.8(b) provides an exception to the presumptive discipline of disbarment, where "the most compelling mitigating circumstances clearly predominate or the misconduct underlying the prior discipline occurred during the same time period as the current misconduct." Haddix urges that disbarment is improper because "there is no evidence of client harm, evil intent, or bad faith," citing *In the Matter of Lawrence* (Review Dept. 2013) 5 Cal. State Bar Ct. Rptr. 239, 248. But the present case is readily distinguishable from *Lawrence*, where an attorney had severe health problems that "caused or contributed to much of his professional misconduct" (*id.* at p. 241), and proved he was "rehabilitated from the severity of the illnesses that contributed to his misconduct" (*id.* at p. 246). Thus, in *Lawrence*, compelling mitigation clearly

¹¹ Timely filing quarterly reports is significant to rehabilitation "because it requires the attorney, four times a year, to review and reflect upon his professional conduct . . . [and] to review his conduct to ensure that he complies with all of the conditions of his disciplinary probation." (*In the Matter of Wiener, supra,* 3 Cal. State Bar Ct. Rptr. at p. 763.) Timely reporting completion of ethics school similarly serves an important function — assuring the Bar that an attorney has reviewed and considered anew his professional responsibilities.

predominated, and disbarment was not presumptively appropriate under former standard 1.7(b), ¹² despite three prior discipline records.

Contrasting the circumstances in *Lawrence* with those before us, we find no mitigation for Haddix's health and emotional difficulties. The record does not show his problems caused the misconduct or are resolved. Instead, we have found limited mitigation that is neither compelling nor predominating over his probation violations and prior discipline record. Under these circumstances, "disbarment is appropriate" under standard 1.8(b).¹³

In sum, we are concerned with the number of violations in this case and in *Haddix II*. While Haddix argues he does not pose a danger to the public or the profession, given his habitual failures, the risk of repetitive misconduct is considerable. (*McMorris v. State Bar* (1983) 35 Cal.3d 77, 85; *Barnum v. State Bar, supra*, 52 Cal.3d at p. 112 [disbarring attorney where court had "no reason to believe that petitioner can or will comply with another probationary period"]; *In the Matter of Marsh* (Review Dept. 1990) 1 Cal. State Bar Ct. Rptr. 291, 300 ["respondent should not be admitted to disciplinary probation where there is clear evidence that he or she will not comply with its conditions"].) As OCTC argued at trial, the ability to comply with probation is "an important bellwether [of] ability to practice law competently." Viewing Haddix's misconduct cumulatively over the past ten years, we conclude he cannot meet his professional obligations, and probation or suspension are inadequate to prevent him from committing future misconduct. (*Grove v. State Bar* (1967) 66 Cal.2d 680, 685 [Supreme Court noted its focus is on "assurance that the public will be protected in the performance of the high duties of the attorney

¹² Former standard 1.7(b) is the substantive precursor to current standard 1.8(b).

¹³ To depart from the standards, we must state our reasons for doing so. (*Blair v. State Bar* (1989) 49 Cal.3d 762, 776, fn. 5 [stating clear reasons for departing from standards is helpful to Supreme Court and member being disciplined].) Given the significant aggravation and limited mitigation in this case, we cannot articulate a reason to deviate from recommending the presumptive discipline of disbarment called for in standard 1.8(b).

rather than in an analysis of the reasons for his delinquency"].) We recommend that Haddix be disbarred to protect the public, the courts, and the legal profession.

VI. RECOMMENDATION

We recommend that Kenneth Lance Haddix, member no. 139459, be disbarred from the practice of law in the State of California and that his name be stricken from the roll of attorneys admitted to practice in this state.

We recommend that Haddix be ordered to comply with California Rules of Court, rule 9.20 and to perform the acts specified in subdivisions (a) and (c) of that rule within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court order in this matter.

We recommend that costs be awarded to the State Bar in accordance with section 6086.10 and that such costs be enforceable as provided in section 6140.7 and as a money judgment.

VII. ORDER

The hearing department's order that Kenneth Lance Haddix be enrolled as an inactive member of the State Bar pursuant to section 6007, subdivision (c)(4), effective April 28, 2013, will continue, pending the consideration and decision of the Supreme Court on this recommendation.

PURCELL, P. J.

WE CONCUR:

EPSTEIN, J.

HONN, J.