

[LETTERHEAD]

November 25, 2015

California State Bar Court

*** VIA FAX 213-765-1568 ***

Attn: Judge Pro Tem Rebecca Meyer Rosenberg

845 S. Figueroa Street, 3rd Floor

Los Angeles, CA 90017-2515

Re: Case No. 13-O-1778506, Charles Dodgson, CSB #999999

Dear Judge Rosenberg:

A voluntary settlement conference has been scheduled before Your Honor on November 30, 2015. Herein I present Respondent's settlement conference statement.

Background

The court previously heard this matter at the Early Neutral Evaluation Conference stage. A brief summary of the facts is presented here.

Respondent represented complaining witness Joseph Nellis on multiple matters from just shortly after Respondent passed the bar exam in late 2007 through to the filing of the present complaint. The attorney-client relationship was governed by two retainer agreements that had been entered into between Respondent and Mr. Nellis.

In the course of dealing between the two, Mr. Nellis would often run up a sizeable legal bill which would be paid in a substantial lump sum. For example, in early 2010, Mr. Nellis owed Respondent many thousands of dollars, and a trial was about to begin in which Respondent was counsel. Respondent demanded payment prior to trial, which Mr. Nellis promised but did not fulfill. Thus, Respondent tried the case while being owed more than \$20,000. As a result of the trial, Mr. Nellis was awarded a judgment of \$18,109.42. By the time that judgment was paid by the defendant, Mr. Nellis owed Respondent \$24,496.65 in legal fees. Mr. Nellis instructed Respondent to retain the judgment proceeds in partial payment for his services.

Respondent represented Mr. Nellis in multiple other matters, including two relevant here referred to as (1) Smith matter and (2) Jones matter. In Smith, Mr. Nellis lost at trial and had a substantial judgment entered against him. When he hired Respondent to represent him on appeal, he lodged with the Court of Appeal an appellate bond in the amount of \$384,706.60. Mr. Nellis lost on appeal, and the Court of Appeal deducted costs and the

judgment from the bond and refunded the balance. That refund in the amount of \$80,247.35 was sent to Respondent, and he placed it in his trust account on June 3, 2014. As had been something of a pattern, Mr. Nellis had promised payment to Respondent for past due bills, and among his promises had been that if he received a refund of his appellate bond, Respondent would be able to collect the refund as partial payment.

Mr. Nellis owed Respondent much more than the amount of the bond refund in June 2014. As far back as September 2013, Respondent had sent Mr. Nellis billing statements in the Jones matter reflecting past due fees of \$69,809.17, and by the June 29, 2014 billing statement, the amount due on that case alone was \$86,898.31.

Of course, the Jones matter was not the only one for which Mr. Nellis owed Respondent. On July 1, 2014, Respondent sent Mr. Nellis a billing statement for all outstanding matters which totaled \$201,536.31. That statement reflected a payment received of the \$80,247.35 from the bond refund and a total remaining balance of \$121,289.16.

There has never been any argument raised by Mr. Nellis that Respondent did not earn the fees she has been paid and is still owed.

The Basis of the NDC: Application of Bond Refund to Respondent's Fees

Mr. Nellis provided Respondent with authority to utilize the appeal deposit refund from Smith toward legal fees owed on his account. That authority was expressly given by Mr. Nellis orally, and when the refund came into Respondent's possession, there was no dispute whatsoever that Respondent was owed legal fees in excess of that refund. To date, there has never been a dispute presented to Respondent regarding his entitlement to the fees he has earned. Thus, the refund check amounted to undisputed legal fees that he was not only entitled by required to withdraw from trust in July 2014.

Mr. Nellis appears to have owed too many people too much money, and after providing Respondent with the authority to use the refund for long past due legal fees, he promised the same money to someone else and attempted to get it back from Respondent. This situation does not amount to a violation of the Rules of Professional Conduct by Respondent. The Rules do not require an attorney to forego properly earned undisputed fees in favor of a client paying someone else with money belonging to the attorney.

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Settlement Position

Respondent is willing to entertain settlement discussions with the State Bar. He will not stipulate to misappropriation or committing an act of moral turpitude. He will consider stipulating to withdrawal of disputed funds from trust for a sanction of a stayed suspension.

Respectfully submitted,

Charles Dodgson

cc: Jane Smith, Office of Chief Trial Counsel (via email)