

**BEFORE THE PRESIDING DISCIPLINARY
JUDGE**

**IN THE MATTER OF A MEMBER OF
THE STATE BAR OF ARIZONA,**

**ARTHUR F. STOCKTON,
Bar No. 010476**

Respondent.

PDJ-2016 9026

JUDGMENT OF DISBARMENT

[State Bar No. 14-3271]

FILED MARCH 18, 2016

Pursuant to Rule 57, Ariz. R. Sup. Ct., the Presiding Disciplinary Judge of the Supreme Court of Arizona has considered Mr. Stockton's Consent to Disbarment filed March 16, 2016. Accordingly:

IT IS ORDERED accepting the consent to disbarment. Respondent, **ARTHUR F. STOCKTON**, is disbarred from the State Bar of Arizona and his name is hereby stricken from the roll of lawyers effective thirty (30) days from the date of this order. Mr. Stockton is no longer entitled to the rights and privileges of a lawyer but remains subject to the jurisdiction of the court.

IT IS FURTHER ORDERED Mr. Stockton is liable for restitution to Frank George in the amount of Seventy-Two Thousand Five Hundred and Twenty-Four Dollars and Fifty-Seven Cents (\$72,524.57). This total consists of Mr. George's half of the "lookback" Mr. Stockton has honored in this matter as further discussed in the Statement of Facts above or Fifty Thousand Dollars (\$50,000.00), plus the Twenty-Two Thousand Five Hundred Twenty-Four Dollars and Fifty-Seven Cents (\$22,524.57), representing Mr. George's half of the joint credit card IOLTA/trust balance.

IT IS FURTHER ORDERED Mr. Stockton is liable for restitution to Mary Ritz in the amount of One Hundred and Two Thousand, Five Hundred Seventy-Two Dollars and Seventy-Seven Cents (\$102,572.77). This total consists of Ms. Ritz' half of the "lookback" Respondent has honored in this matter as discussed in the Statement of Facts above or Fifty Thousand Dollars (\$50,000.00), plus the Twenty-Three Thousand Ninety-Six Dollars and Seventy-Seven Cents (\$23,096.77) representing Ms. Ritz' half of the joint credit card IOLTA/trust account balance and the Twenty-Nine Thousand Four Hundred and Seventy-Six Dollars (\$29,476.00) representing the College Fund IOLTA/trust account balance entrusted to Ms. Ritz per the Ritz/George Divorce Decree.

IT IS FURTHER ORDERED Mr. Stockton shall immediately comply with the requirements relating to notification of clients and others, and provide and/or file all notices and affidavits required by Rule 72, Ariz. R. Sup. Ct.

IT IS FURTHER ORDERED no further disciplinary action shall be taken in reference to the matters that are the subject of the charges upon which the consent to disbarment and this judgment of disbarment are based.

IT IS FURTHER ORDERED Mr. Stockton shall pay the costs and expenses of the State Bar of Arizona in the amount of \$1,313.00. There are no costs or expenses incurred by the disciplinary clerk and/or Presiding Disciplinary Judge's Office in connection with these disciplinary proceedings.

DATED this 18th day of March, 2016.

William J. O'Neil

William J. O'Neil, Presiding Disciplinary Judge

Copies of the foregoing mailed/emailed
This 18th day of March, 2016, to:

Arthur F. Stockton
133 Cherry Street, #38871
Seattle, Washington 98104-2818
Email: art@stocktonlawoffices.com
Respondent

Craig D. Henley, Bar No. 018801
Senior Bar Counsel
State Bar of Arizona
4201 N. 24th Street, Suite 100
Phoenix, Arizona 85016-6266
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Lawyer Regulation Records Manager
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by: AMcQueen

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Arthur F. Stockton
133 Cherry Street, #38871
Seattle, Washington 98104-2818
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**BEFORE THE PRESIDING DISCIPLINARY
JUDGE**

**IN THE MATTER OF A MEMBER OF
THE STATE BAR OF ARIZONA,**

**ARTHUR F. STOCKTON,
Bar No. 010476**

Respondent.

PDJ

CONSENT TO DISBARMENT

[State Bar No. 14-3271]

I, Arthur F. Stockton, 133 Cherry Street, #38871, Seattle, Washington 98104-2818, voluntarily consent to disbarment as a member of the State Bar of Arizona and consent to the removal of my name from the roster of those permitted to practice before this court, and from the roster of the State Bar of Arizona.

I acknowledge that charges of ethical misconduct have been made against me and the Attorney Discipline Probable Cause Committee entered a Probable Cause Order on January 27, 2016.

I have read the charges and do not desire to contest or defend the charges, but wish instead to consent to disbarment. I have been advised of and have had an opportunity to exercise my right to be represented in this matter by a lawyer. I

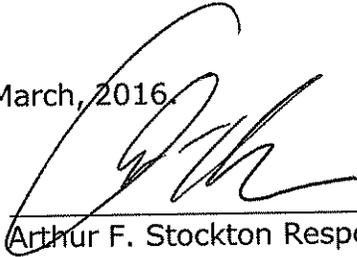
consent to disbarment freely and voluntarily and not under coercion or intimidation. I am aware of the rules of the Supreme Court with respect to discipline, disability, resignation and reinstatement, and I understand that any future application by me for admission or reinstatement as a member of the State Bar of Arizona will be treated as an application by a member who has been disbarred for professional misconduct, as set forth in the charges made against me.

The misconduct of which I am accused is described in the Statement of Facts, a copy of which is attached hereto as Exhibit "A."

The State Bar's Statement of Costs and Expenses is attached hereto as Exhibit "B".

A proposed form of Judgment of Disbarment is attached hereto as Exhibit "C."

DATED this 14th, day of March, 2016.



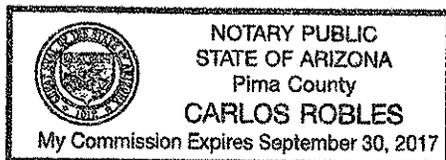
Arthur F. Stockton Respondent

SUBSCRIBED AND SWORN TO before me this 14th day of March, 2016, by Arthur F. Stockton, who satisfactorily proved his identity to me.

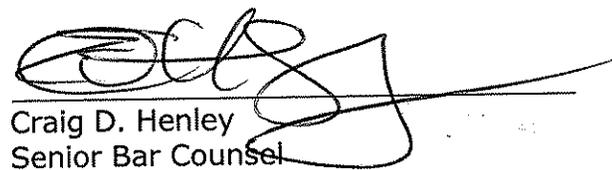


Notary Public

My Commission expires: 9/30/17

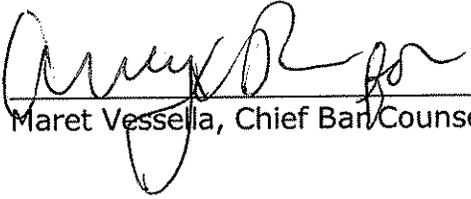


STATE BAR OF ARIZONA



Craig D. Henley
Senior Bar Counsel

Approved as to Form:


Maret Vessella, Chief Bar Counsel

Original filed with the Disciplinary Clerk
of the Office of the Presiding Disciplinary
Judge of the Supreme Court of Arizona
this 16TH day of March, 2016.

Copies of the foregoing mailed/emailed
this 16TH day of March, 2016, to:

Arthur F. Stockton
133 Cherry Street, #38871
Seattle, Washington 98104-2818
Email: art@stocktonlawoffices.com
Respondent

Copy of the foregoing hand-delivered
this 16TH day of March, 2016, to:

Lawyer Regulation Records Manager
State Bar of Arizona
4201 North 24th Street, Suite 100
Phoenix, Arizona 85016-6266

by: 
CDH/ts

EXHIBIT "A"

**BEFORE THE PRESIDING DISCIPLINARY
JUDGE**

**IN THE MATTER OF A MEMBER OF
THE STATE BAR OF ARIZONA,**

**ARTHUR F. STOCKTON
Bar No. 010476**

Respondent.

PDJ

STATEMENT OF FACTS

[State Bar No. 14-3271]

Pursuant to Rule 57(a)(5)(A), the parties submit this Statement of Facts in support of the Consent to Disbarment in the above-referenced case number.

GENERAL ALLEGATIONS

1. At all times pertinent to this Statement of Facts, Respondent was a lawyer licensed to practice law in the State of Arizona, admitted since November 9, 1985, with no prior history of discipline.
2. In or around 2011, Complainant and his then-wife ("Ms. Ritz") (jointly "Complainants") hired Respondent to assist them in negotiating a reduction of legal fees that they owed to four law firms incurred in connection with their ouster by investors from a company Complainants founded in 1997.
3. Complainants signed an hourly representation agreement and eventually deposited several hundred thousand dollars into Respondent's client IOLTA/trust account for the engagement.



4. During the course of the representation, Complainants would individually and jointly request certain sums of the money deposited to be returned to them and sometimes disbursed to third parties.

5. In or around the fall of 2011 and after one major legal bill had been settled for half the amount due, Respondent states that he and Complainants engaged in a series of discussions regarding remaining legal bills of approximately \$765,000.00 still owed to three of the four law firms. Respondent indicates that the discussions ensued because one of the law firms had become especially aggressive in their collection campaign, including personally threatening Respondent. Complainants communicated to Respondent that they feared one lawyer in particular at the firm, who had a reputation for ruthless tactics.

6. At the time, Respondent indicates that Complainants were extremely apprehensive that legal fees and costs of defense could exceed amounts Complainants had set aside to resolve law firm debts and wanted to fix their liability at a sum certain, while providing Respondent with an incentive to aggressively pursue and settle the matter. Respondent states that these discussions resulted in an amended written agreement that Respondent would agree to settle the outstanding legal bills for a fixed amount and sum certain of \$400,000.00 inclusive of legal fees, costs and any amounts required to settle the three remaining legal claims. The agreement provided that Respondent would assume the financial risk of any settlements, legal fees and costs in excess of \$400,000.00, but Respondent would keep as contingent and incentive compensation any savings if the settlements, legal fees and costs totaled less than \$400,000.00.

A handwritten signature or set of initials, possibly 'AM', enclosed in a circular scribble.

7. Complainants paid the \$400,000.00 fee to Respondent, sent Respondent a 1099 for the \$400,000.00 fee for tax year 2011, and claimed a deduction for the same on Complainants' 2011 tax return. Respondent later assisted Complainants in supporting the deduction when it was audited by the IRS in 2014.

8. The amended agreement also expanded the scope of the representation, adding an hourly fee engagement for Respondent to negotiate a reduction of significant credit card debts Complainants had accumulated in the previous two years. After the \$400,000.00 fee was paid, Complainants directed the remaining funds on deposit in Respondent's IOLTA/trust account set aside to defend/settle credit card collection efforts and several other miscellaneous purposes.

9. While not reflected in the written agreement and because it had been difficult to estimate the all-inclusive fee, Respondent indicates that Complainants and Respondent had a "gentleman's agreement" to conduct a "lookback" accounting at the end of the legal fee representation. In circumstances where the law firm incurred minimal costs and payouts to settle the remaining legal bills, the law firm agreed to consider refunding up to \$100,000.00 of the \$400,000.00 all-inclusive fee based on the outcome.

10. As it turned out, Respondent was aggressive and successful as promised in abating the remaining legal bills, including the hostile law firm bill. So other than his legal time and costs, Respondent paid zero settlements to the law firms pursuant to the \$400,000.00 all-inclusive fee.



11. At some point during 2013, however, Complainants requested an accounting from Respondent on the IOLTA/trust account funds because Complainants believed that the response to personal disbursement requests seemed to progressively slow. Respondent acknowledged in the investigation that the response had slowed because he learned that the IOLTA/trust account balance was both dwindling and seemingly insufficient to meet Complainants' future requests.

12. In his December 22, 2014, response to the State Bar investigation, Respondent stated through then-counsel of record that he had investigated the matter in early 2013:

"In early 2013, Mr. Stockton learned that \$187,448.80 of the couple's funds that were supposed to be in the firm's IOLTA account were missing. There are multiple reasons why Mr. Stockton did not know that the money was missing, which will be described in more detail below, but the main reason is that his former spouse, Ms. Stockton, was in charge of the firm's accounting. At any rate, as of June 2013 when the problems respecting these funds were finally calculated by Mr. Stockton, it was clear that \$187,448.80 was due to Complainant and Ms. Ritz [from the amounts set aside for credit cards and other disbursements in the IOLTA/trust account]. After trying unsuccessfully to find a solution for the shortage through his own resources, Mr. Stockton informed Complainant and Ms. Ritz that there was a shortage in November 2013. He did not disclose the full gravity of the problem until January 2014. Since the November 2013 initial disclosure, the law firm returned \$64,124.23 of the shortage to the couple in 2013 and early 2014 from its own funds. As of this writing [December 22, 2014], the law firm owes the couple \$123,324.60. Per Ms. Ritz' current spreadsheet [tracking system], this amount consists of: (i) Complainant's personal account of \$38,335.00; (ii) Complainant's half joint interest in the credit card reserve of \$27,452.29; (iii) Ms. Ritz's half joint interest of \$27,452.29 in the credit card reserve; and (iv) \$30,385.00 allocated to the college fund maintained and administered by Ms. Ritz per the divorce decree." [Emphasis Added]¹

¹ The correct amount due Complainants respecting the College Fund was \$30,085.00 not \$30,385.00, reflecting a typo in the Stockton counsel's original letter. The total amount due Complainants then at December 22, 2015 was \$123,324.57. Respondent also rounded the ½ joint account balance interests in the letter (\$54,904.57 divides in half to \$27,452.285).



Respondent further pointed out in his response, however, that the above amounts would need to be reduced by approximately \$25,000 in outstanding hourly legal fees then individually due from Complainant for the defense of his personal FIA credit card litigation:

“Under the terms of the current engagement letter, there has been no breach of the \$400,000 fee arrangement, substantial debts have been abated and Complainant would actually owe legal fees and costs for all of the work done on the credit cards to date in the amount of approximately \$25,000.”

Subsequently, Ms. Ritz allocated the estimated \$25,000.00 due the law firm individually to Complainant, with his acceptance and consent, to reduce Complainant's individual personal account balance as maintained per Ms. Ritz spreadsheet. This allocation reduced the total figures jointly due Complainants mentioned above (acknowledging the correction identified in Footnote 1) to \$98,324.57, with \$13,335.00 apportioned as Complainant's new personal account balance.

13. Subsequent to the filing of this Complaint and with Complainants' joint consent, Respondent advanced \$3,511.04 in April 2015 to fully settle Complainants' joint Wells Fargo credit card debt of \$31,989.80, \$4,200.00 to pay Carneal and Hunt in August 2015 for defending Complainants' IRS Audit of the 2011 \$400,000.00 fee deduction, and \$1,609.00 in October 2015 distributed to Complainant (\$1,000.00 of which Ms. Ritz allocated to Complainants' joint credit card account and \$609.00 of which she allocated to the College Fund on her spreadsheet system). This brought the total balance jointly due to Complainants at the end of October 2015 to \$89,004.53.



14. Putting aside the preceding discussion, it is undisputed that Respondent candidly acknowledged that he failed to notify Complainants or the State Bar of Arizona as required by the ethics rules immediately when he uncovered the IOLTA/trust account shortage in June 2013. While he mentioned the shortage to Complainants when meeting disbursement requests beginning in the fall of 2013, Respondent admits that he minimized the problem while he privately sought the return of his computers, records and funds from Ms. Stockton. Respondent indicated that when he finally realized that his efforts with Ms. Stockton were futile, he fully informed Complainants of the details, amounts, and the potential impact of the shortage in January 2014.

15. Respondent states that after notifying Complainants in January 2014, he offered to immediately inform the State Bar of Arizona as well. Complainants, however, instructed Respondent to keep the matter confidential. Respondent then attempted to amicably resolve the matter jointly with Complainants from January 2014 until October 2014. However, Respondent terminated negotiations with Complainants on October 31, 2014, and sent a confirming email to Complainants that he now planned to bring the matter to the attention of the State Bar of Arizona for potential resolution in spite of the risk to his professional license and Complainant's previous confidentiality request. Respondent informed Complainants that he believed that Complainants were using improper tactics, including the threat of the bar complaint and criminal charges, to coerce Respondent to pay an unreasonable premium over amounts legitimately due Complainants.



16. While it is undisputed Complainant was fully apprised of the shortage and related problems in January 2014, he filed the bar complaint that is the subject of this stipulation on October 31, 2014, the same day Respondent terminated negotiations with him as described in paragraph 15.

17. In the response to the State Bar investigation, Respondent stated through then-counsel of record that Respondent started Stockton Law Offices in 2009 with the assistance of his then-wife, Ms. Stockton, a retired attorney member of the State Bar of Arizona. While Ms. Stockton did not provide legal services, she managed the office and the couples' business and personal finances, as she had for the past 30 years. Respondent states that by mid-2011, the Stockton's personal relationship had deteriorated and they elected to separate, close the law firm offices, and work from home. By November 2011, Respondent had moved to Wyoming. Respondent states that all of the firm's computers (including the file server), business, trust and financial records had been moved from the firm's Arizona office to Ms. Stockton's home in California when the offices closed. Cindi Ianni, a Stockton paralegal, personally delivered the records to Ms. Stockton's home according to her sworn affidavit. Respondent indicates that Ms. Stockton continued to provide services and receive distributions from the firm through approximately the fall of 2012.

18. Respondent states that as the result of the couple splitting, he spent most of his time in late 2012 and early 2013 fighting Ms. Stockton in extremely acrimonious litigation over their family assets. Respondent also suffered a heart attack, his second since 2004, and required emergency heart surgery in the middle of this dispute. Respondent also states that after the personal dispute



began, Ms. Stockton steadfastly refused to return any computers, financial, trust or billing records to Respondent, at times denying to the family court that she had them or that she ever worked at the law firm. Respondent states that he removed Ms. Stockton's signature authority from the IOLTA/trust account at issue in this Complaint in June 2012.

19. Respondent states that, in April 2013, with his health failing and on the advice of his physicians, Respondent terminated the litigation with Ms. Stockton and settled with her for a no-contact agreement with substantial financial penalties as well as a commitment to return the records previously held hostage so the firm could resume its accounting, billing and collections. Respondent was unaware of the IOLTA/trust account balance shortage when he settled with Ms. Stockton in April 2013. Respondent also states that, despite the explicit Stockton Settlement Agreement provided to the State Bar of Arizona and requiring Ms. Stockton to return the law firm records, Ms. Stockton has failed to ever do so.²

20. Respondent states that by June 2013, he began to reconstruct Complainants' accounting records, with Complainants' assistance in tracking banking transactions, and uncovered the shortage. Respondent also admits that he was inattentive to firm finances during 2011, 2012, and the first part of 2013, and relied on Ms. Stockton in this area, a person he had trusted with the finances for many years and while he was vulnerable during his health challenges.

² While the State Bar's investigation confirmed the shortage of funds in the trust account, it was not possible for the State Bar to confirm Ms. Stockton's culpability respecting the missing funds by clear and convincing evidence without the computers, trust and accounting records delivered to and maintained by Ms. Stockton that she refuses to return to Mr. Stockton. Because Mr. Stockton was the IOLTA/trust account responsible attorney, it is up to Mr. Stockton, rather than the State Bar of Arizona, to pursue and recover from Ms. Stockton for her accountability in this matter.



21. While Respondent claims that he cannot say for certain whether the IOLTA/trust fund shortage was the result of accounting errors³ or something nefarious, he believes that Ms. Stockton accepted distributions for herself and an affiliated partnership in excess of their true and correct account balances. He believes that the distributions she received were the primary factor in the IOLTA/trust account shortage. Respondent admitted in his responses to the bar investigation that as the responsible attorney, he failed to safe-keep Complainants' property by inadequately supervising these financial activities and safeguarding the firm's IOLTA/trust account records by entrusting them to Ms. Stockton.

22. In his responses, Respondent accepts full and personal responsibility for any shortages and states:

"Mr. Stockton recognizes that there is no excuse for the shortage... He also recognizes that there is no excuse for failing to immediately notify Complainant and Ms. Ritz contemporaneously with identifying the shortage or misleading them about the shortage in any manner. Mr. Stockton has always intended to reimburse every penny to Complainant and Ms. Ritz and he continues to successfully perform the legal work in the engagement."

He also states:

"Neither my divorce, nor my personal life should impact any client. While these clients were well-served in every other respect, reducing their debts by hundreds of thousands of dollars, the accounting problems were embarrassing and the direct result of my domestic dispute with Ms. Stockton...Nevertheless, I accept full responsibility for anything reasonable it takes to rectify this matter, including paying the clients any realistic amounts owed as determined by the bar and surrendering my law license."

³ There were several million dollars flowing through Respondent's Arizona IOLTA trust account at various times throughout 2011 and 2012. Ms. Ritz made an error in her own spreadsheet resulting in a credit in favor of the law firm and thereby reducing Complainants' IOLTA/trust account balance by \$140,000.00. Respondent discovered the error in his June 2013 audit of the trust account and forwarded the correction to Ms. Ritz, even though it significantly increased the law firm's liability to Complainants.



23. As set forth above, Respondent and Complainants reconstructed the trust account transactions from bank records, though Ms. Ritz' complicated sub-accounting spreadsheet system provided an additional layer of complexity. Respondent states that while the banking transactions were identifiable, hourly billing records for Complainants' credit card engagements and other services rendered could not be reconstructed without a lot of guessing and estimating. So it was impossible to fully account for legal fees Complainants owed the law firm during 2011, 2012 and part of 2013 without the actual time and billing records located in the files, records, and on computers Ms. Stockton malevolently withheld from him. As a result, Respondent indicates that the law firm lost thousands of dollars of billable time due from Complainants for the expanded credit card representation and other miscellaneous matters.

24. In April 2015 and subsequent to filing this Complaint, Complainant attempted to withdraw his bar complaint⁴ and rehired Respondent to continue defending him in a collections matter, wherein an aggressive collection agency, LVNV Funding, was seeking nearly \$30,000.00 from Complainant. Complainant signed a new engagement letter with Respondent and Respondent prevailed on behalf of Complainant, with the case against Complainant dismissed by the Court. Respondent also successfully defeated a subsequent motion LVNV Funding filed to reinstate the case against Complainant, and Complainant escaped any payment of the \$30,000 debt.

⁴ Complainant's attempt to withdraw his bar complaint does not stop the State Bar of Arizona from conducting or completing its investigation. Complainant is not a party to the proceedings and has no control over the State Bar of Arizona's decision process, even though Complainant initiated the Complaint. Also, Respondent had already accepted responsibility for the ethical violations prior to Complainant's decision to withdraw.

A handwritten signature in black ink, appearing to be the initials 'AR' or similar, enclosed within a circular scribble.

25. Complainant incurred an additional \$13,907.19 in legal fees and costs with Respondent in defending the matter referenced in paragraph 24. This reduced the total amount jointly due to Complainants from \$89,004.53 to \$75,097.34. This reduced Ms. Ritz' spreadsheet allocation from \$13,335.00 for Complainant's personal account to -\$572.19 as mentioned in paragraph 12.

26. At the time of this stipulation, then, and based upon the joint spreadsheet developed by Ms. Ritz and Respondent respecting the IOLTA/trust account balance of \$75,097.34, Ms. Ritz has a balance of \$0.00, Complainant has a balance of -\$572.19, the Complainants' Joint Credit Card Fund has a balance of \$46,193.53, and the College Fund has a balance of \$29,476.00.

27. Respondent agrees then, that he should return \$29,476.00 to Ms. Ritz to be entrusted to her care for the College Fund, as set forth in the Ritz/George divorce decree. As to the Complainants' Joint Credit Card Fund with a balance of \$46,193.53, and adjusting for Complainant's individual negative personal account balance of -\$572.19, Respondent should return \$23,096.77 to Ms. Ritz and \$22,524.57 to Complainant.

28. After considering the agreed upon "lookback" of the \$400,000.00 all-inclusive fixed legal fee and services agreement performed by Respondent, Respondent agrees that returning \$50,000.00 each to Complainant and Ms. Ritz, respectively, is appropriate in light of the zero settlement payouts Respondent achieved, but considering the time and skill he applied to achieve this result.

29. Respondent indicated to the bar that he profusely apologizes to Complainants and the State Bar of Arizona and all those he has disappointed in this matter. He states that he deeply regrets his shortcomings in supervising the



financial and trust matters at issue in this Complaint. Respondent is embarrassed, ashamed and remorseful that he failed to uphold the highest standards of the profession, standards that his colleagues, friends, other clients and other supporters would have expected from him with his background, qualifications, experience and reputation.

30. Respondent also indicates that with thoughtful reflection, he believes that consenting to disbarment, in addition to returning the funds identified above to Complainant and Ms. Ritz, avoids lengthy and protracted proceedings for the Complainants and the State Bar of Arizona and is the best, most expeditious and appropriate way to resolve the matters at hand. Respondent also emphasized that upholding the ethics, standards and reputation of the legal profession, especially as it relates to taking care of clients and maintaining public confidence in lawyers and their IOLTA/trust accounts, is far more important than the public embarrassment, reputational damage and other consequences he must suffer in consenting to disbarment and surrendering his law license.

A handwritten signature in black ink, appearing to be the initials 'JR' or similar, enclosed within a circular scribble.

VIOLATIONS

31. By engaging in the above-referenced conduct, Respondent violated the following ethical rules:

Rule 42, ER 1.2 [Failure to abide by Clients' authority];

Rule 42, ER 1.4 [Lack of reasonable communication with the Clients];

Rule 42, ER 5.1 [Failure to properly supervise his employees];

Rule 42, ER 8.4(c) [Engaging in conduct involving misrepresentation to the Client];

Rule 42, ER 1.15(a) [Failure to safekeep Clients' property and failure to maintain control of the mandatory trust account records according to the minimum standards]; and

Various provisions of **Rule 43(b)** [commonly referred to as the "Trust Account Rules"].



EXHIBIT "B"

Statement of Costs and Expenses

In the Matter of a Member of the State Bar of Arizona,
Arthur F. Stockton, Bar No. 010476, Respondent

File No. 14-3271

Administrative Expenses

The Supreme Court of Arizona has adopted a schedule of administrative expenses to be assessed in lawyer discipline. If the number of charges/complainants exceeds five, the assessment for the general administrative expenses shall increase by 20% for each additional charge/complainant where a violation is admitted or proven.

Factors considered in the administrative expense are time expended by staff bar counsel, paralegal, secretaries, typists, file clerks and messenger; and normal postage charges, telephone costs, office supplies and all similar factors generally attributed to office overhead. As a matter of course, administrative costs will increase based on the length of time it takes a matter to proceed through the adjudication process.

***General Administrative Expenses
for above-numbered proceedings*** **\$1,200.00**

Additional costs incurred by the State Bar of Arizona in the processing of this disciplinary matter, and not included in administrative expenses, are itemized below.

<u>Staff Investigator/Miscellaneous Charges</u>	
06/19/15 Subpoenaed bank documents	\$ 113.00
Total for staff investigator charges	\$ 113.00
<u>TOTAL COSTS AND EXPENSES INCURRED</u>	<u>\$ 1,313.00</u>

EXHIBIT "C"

**BEFORE THE PRESIDING DISCIPLINARY
JUDGE**

**IN THE MATTER OF A MEMBER OF
THE STATE BAR OF ARIZONA,**

**ARTHUR F. STOCKTON,
Bar No. 010476**

Respondent.

PDJ

JUDGMENT OF DISBARMENT

[State Bar No. 14-3271]

Pursuant to Rule 57, Ariz. R. Sup. Ct., the undersigned Presiding Disciplinary Judge of the Supreme Court of Arizona has considered Respondent's Consent to Disbarment dated March _____, 2016, and filed herein.

Accordingly:

IT IS HEREBY ORDERED accepting the consent to disbarment. Respondent, **ARTHUR F. STOCKTON**, is hereby disbarred from the State Bar of Arizona and his name is hereby stricken from the roster of lawyers **effective on the later of April 15, 2016 or when this order is signed by the Presiding Disciplinary Judge.**

IT IS ALSO ORDERED THAT Respondent, **ARTHUR F. STOCKTON**, is liable for restitution to Frank George in the amount of **SEVENTY-TWO THOUSAND FIVE HUNDRED TWENTY-FOUR DOLLARS AND FIFTY-SEVEN CENTS (\$72,524.57)**. This total consists of Mr. George's half of the "lookback" Respondent has honored in this matter as further discussed in the Statement of Facts above or Fifty Thousand Dollars (\$50,000.00), plus the Twenty-Two Thousand Five Hundred Twenty-Four Dollars and Fifty-Seven Cents (\$22,524.57), representing Mr. George's half of the joint credit card IOLTA/trust balance.

IT IS FURTHER ORDERED THAT Respondent, **ARTHUR F. STOCKTON**, is liable for restitution to Mary Ritz in the amount of **ONE HUNDRED TWO THOUSAND FIVE HUNDRED SEVENTY-TWO DOLLARS AND SEVENTY-SEVEN CENTS** (\$102,572.77). This total consists of Ms. Ritz' half of the "lookback" Respondent has honored in this matter as discussed in the Statement of Facts above or Fifty Thousand Dollars (\$50,000.00), plus the Twenty-Three Thousand Ninety-Six Dollars and Seventy-Seven Cents (\$23,096.77) representing Ms. Ritz' half of the joint credit card IOLTA/trust account balance and the Twenty-Nine Thousand Four Hundred and Seventy-Six Dollars (\$29,476.00) representing the College Fund IOLTA/trust account balance entrusted to Ms. Ritz per the Ritz/George Divorce Decree.

Respondent is no longer entitled to the rights and privileges of a lawyer but remains subject to the jurisdiction of the court. Respondent shall immediately comply with the requirements relating to notification of clients and others, and provide and/or file all notices and affidavits required by Rule 72, Ariz. R. Sup. Ct.

IT IS FURTHER ORDERED that no further disciplinary action shall be taken in reference to the matters that are the subject of the charges upon which the consent to disbarment and this judgment of disbarment are based.

IT IS FURTHER ORDERED that Respondent pay the costs and expenses of the State Bar of Arizona in the amount of \$_____.

DATED this _____ day of _____, 2016.

William J. O'Neil, Presiding Disciplinary Judge

Original filed with the Disciplinary Clerk
of the Office of the Presiding Disciplinary Judge
of the Supreme Court of Arizona
this _____ day of March, 2016.

Copies of the foregoing mailed/emailed
this _____ day of March, 2016, to:

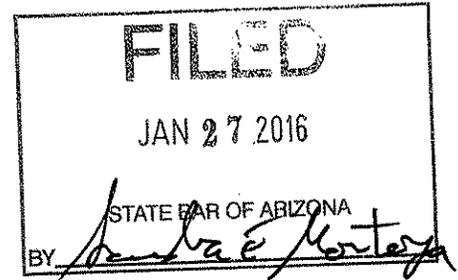
Arthur F. Stockton
133 Cherry Street, #38871
Seattle, Washington 98104-2818
Email: art@stocktonlawoffices.com
Respondent

Copy of the foregoing hand-delivered/emailed
this _____ day of March, 2016, to:

Craig D. Henley, Bar No. 018801
Senior Bar Counsel
State Bar of Arizona
4201 N. 24th Street, Suite 100
Phoenix, Arizona 85016-6266
Email: LRO@staff.azbar.org

Lawyer Regulation Records Manager
State Bar of Arizona
4201 N. 24th Street, Suite 100
Phoenix, Arizona 85016-6266
Email: LRO@staff.azbar.org

By: _____



**BEFORE THE ATTORNEY DISCIPLINE
PROBABLE CAUSE COMMITTEE
OF THE SUPREME COURT OF ARIZONA**

**IN THE MATTER OF A MEMBER OF
THE STATE BAR OF ARIZONA,**

**ARTHUR F. STOCKTON
Bar No. 010476**

Respondent.

File No. 14-3271

PROBABLE CAUSE ORDER

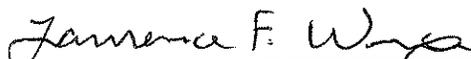
The Attorney Discipline Probable Cause Committee of the Supreme Court of Arizona ("Committee") reviewed this matter on January 8, 2016, pursuant to Rules 50 and 55, Ariz. R. Sup. Ct., for consideration of the State Bar's Report of Investigation and Recommendation and Respondent's Response.

By a vote of 9-0-0, the Committee finds probable cause exists to file a complaint against Respondent in File No. 14-3271.

IT IS THEREFORE ORDERED pursuant to Rules 55(c) and 58(a), Ariz. R. Sup. Ct., authorizing the State Bar Counsel to prepare and file a complaint with the Disciplinary Clerk.

Parties may not file motions for reconsideration of this Order.

DATED this 27 day of January, 2016.



Judge Lawrence F. Winthrop, Chair
Attorney Discipline Probable Cause Committee
of the Supreme Court of Arizona

Original filed this 27th day
of January, 2016, with:

Lawyer Regulation Records Manager
State Bar of Arizona
4201 N. 24th Street, Suite 100
Phoenix, Arizona 85016-6266

Copy mailed this 27th day
of January, 2016, to:

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Copy emailed this 27th day
of January, 2016, to:

Attorney Discipline Probable Cause Committee
of the Supreme Court of Arizona
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by: Jalisse Stone