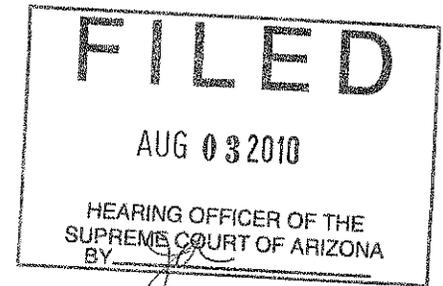


BEFORE A HEARING OFFICER OF
THE SUPREME COURT OF ARIZONA



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

No. 09-1658

DAVID P. DE COSTA,
Bar No. 020139

HEARING OFFICER'S REPORT

Respondent.

On May 17, 2010, the parties filed their Tender of Admissions and Agreement for Discipline by Consent and their Joint Memorandum in Support. The Complaint had been filed on January 29, 2010. On June 16, 2010, the hearing was held.

FINDINGS OF FACTS¹

1. At all times relevant, David P. De Costa (hereafter "Respondent") was a lawyer licensed to practice law in the state of Arizona having been first admitted to practice in Arizona on May 24, 2001.
2. On or about April 28, 2008, Aaron Chavez ("Mr. Chavez") was charged with Aggravated DUI, a Class 4 Felony, in Graham County CR-2008255.
3. Mr. Chavez retained Respondent to defend him from the criminal charges.
4. Respondent investigated and reviewed the facts of the case, and determined that "it was clear ... Mr. Chavez would be found guilty of Aggravated DUI." Also Transcript of Hearing ("T/H") 33: 15-17.

¹ The facts are found in the Tender of Admissions and Agreement for Discipline by Consent and the transcript of the hearing.

5. Respondent developed and informed Mr. Chavez of a trial strategy in which Respondent would argue that Mr. Chavez was *not* the Aaron Chavez arrested, but that somebody else had been using Mr. Chavez's identity in committing the crime.
6. This strategy included performing Mr. Chavez's trial *in absentia*.
7. Respondent informed Mr. Chavez that having him fail to appear pursuant to their strategy could result in the State charging Mr. Chavez with Failure to Appear, a Class 6 Felony, but that if that happened, Respondent would represent him free of charge on that case.
8. Mr. Chavez agreed to the plan set forth by Respondent. While Mr. Chavez agreed to the plan, Respondent acknowledged that he advised Mr. Chavez to fail to appear for trial. T/H 67:4-21.
9. The Graham County Superior Court scheduled Mr. Chavez' criminal matter to proceed to trial on December 18, 2008.
10. On or about December 16, 2008, Respondent spoke with Mr. Chavez over the telephone.
11. During their telephone conversation, it was agreed that Mr. Chavez would not appear for his trial on December 18, 2008.
12. On or about December 18, 2008, Mr. Chavez did not appear for Court, and Mr. Chavez's matter proceeded to trial in his absence.
13. As trial began, Respondent participated in a pretrial discussion, on the record, with Judge Douglas Holt ("Judge Holt") and Deputy County Attorney Stuart Ross ("DCA Ross").

14. In response to a question from Judge Holt as to whether Mr. Chavez was present, Respondent responded, "He's not here *yet*, no." (Emphasis added.)
15. In response to a question from Judge Holt as to whether Respondent believed Mr. Chavez would be coming to court, Respondent responded, "I don't know. I cannot avow to the Court that he will appear."
16. Respondent's statements to the Court were false and/or misleading, as Respondent was already aware that Mr. Chavez would not be appearing for the trial.
17. In response to a question from Judge Holt as to when the last time Respondent talked to Mr. Chavez, Respondent responded, "Actually I talked to him yesterday. My basis in fact is I was going to be his ride to court this morning. He was not at my office when I departed my office this morning. He does not have a valid driver's license, did not have transportation to court. Therein lies my concern. He won't be present today."
18. Respondent's statement to the Court was false and/or misleading, as Respondent never had any intention of transporting Mr. Chavez to Court that morning.
19. Respondent's statement to the Court was also false because Respondent was aware that Mr. Chavez had previously received rides to court from his wife and that he could get a ride to court from his wife if he needed to appear.
20. Respondent asked Judge Holt, "Had he called the Court? Did the Court receive any message from him?" (SIC)
21. Judge Holt indicated he had no information, and Respondent offered, "My girls don't show up until nine, so I'll call my office at nine."
22. Court recessed and reconvened at 9:15 a.m., at which time Respondent told the Court, "My client is in Phoenix. He left a message for probation approximately 7:49 a.m."

this morning saying that he was waiting for me to pick him up. At approximately 7:49 this morning, I would have been on the east side of Globe, I would guess somewhere in San Carlos Reservation area.”

23. Respondent’s statements to the Court were false and/or misleading, as Respondent was previously aware that Mr. Chavez would not be appearing and that the phone message was manufactured to support his failure to appear.
24. Respondent stated to the Court, “I’d also like to object to proceeding in absentia because I don’t believe my client has voluntarily absented himself from trial.”
25. The Court asked where and when Mr. Chavez was supposed to meet Respondent, and Respondent responded, “At my office, 6 a.m.”
26. The Court asked whether Respondent told Mr. Chavez to be there at his office, and Respondent responded, “Yes, sir.”
27. Respondent added, “I waited until about 6:18 because it’s a long drive.”
28. Respondent’s statements were false and/or misleading, as Respondent was aware Mr. Chavez had voluntarily absented himself from trial and that Mr. Chavez was not supposed to meet Respondent at his office.
29. Respondent did not, at any time, inform Judge Holt or DCA Ross about his strategy to have Mr. Chavez tried *in absentia*, or that he and his client had agreed Mr. Chavez would not appear.
30. Mr. Chavez’s trial proceeded *in absentia*.
31. Mr. Chavez was convicted on all counts.
32. At sentencing, Mr. Chavez was sentenced to five months of prison and five years of probation.

33. Mr. Chavez was charged with Failure to Appear, a Class 6 Felony.
34. Respondent represented Mr. Chavez on the Failure to Appear case, and DCA Ross eventually voluntarily dismissed the Failure to Appear charges without prejudice.
35. On or about August 3, 2009, Mr. Chavez, through subsequent counsel, filed a Petition for Rule 32 Post Conviction Relief.
36. On or about November 18, 2009, Judge Holt granted the Rule 32 Petition for Relief and ordered the conviction vacated.
37. In ruling on the Petition, Judge Holt made factual findings that Respondent had lied to the Court.
38. As a result of his conviction, Mr. Chavez served five months in the Department of Corrections and was taken into ICE custody for possible deportation following his sentence. (Mr. Chavez had legal residency at the time of his DUI offense.)
39. On September 18, 2009, Respondent was arrested in a Maricopa County courtroom on charges relating to transfer or promotion of contraband. The girlfriend of Respondent's new client had asked Respondent to hand two legal pads to the client who was in custody in the courtroom. Respondent handed the legal pads to the deputy sheriff who cut open the glued binding at the top of the legal pads and found drug contraband. Respondent was jailed for three weeks until his release conditions were changed to release with no bond being required. On February 1, 2010, the charges against Respondent were dismissed without prejudice. T/H 39:2 - 45:25.
40. After September, 2009 when he was criminally charged, Respondent's criminal law practice shut down except for a few minor cases because Respondent was unable to visit clients at the jail or go to the Superior Court because it was deemed a crime

scene. T/H 91:12 - 92:18. Respondent used his remaining available money to pay for his criminal defense attorney leaving Respondent largely living day to day to support himself. T/H 94:14 – 95:20.

CONDITIONAL ADMISSIONS

41. Respondent conditionally admits that the State Bar's evidence would show that his conduct, as set forth above, violated the following Rules of Professional Conduct: Rule 41(e) (failure to employ such means only as are consistent with truth and to not mislead a judge by any artifice or false statement of fact); ER 3.3(a)(1) (knowingly make a false statement of fact to a tribunal or failure to correct false statement of material fact previously made to the tribunal); 8.4(c) (conduct involving dishonesty, fraud, deceit or misrepresentation); and 8.4(d) (conduct that is prejudicial to the administration of justice).

CONCLUSIONS OF LAW

This Hearing Officer finds that there is clear and convincing evidence that Respondent violated Rule 41(e), Ariz. R. Sup.Ct., (failure to employ such means only as are consistent with truth, and to not mislead a judge by any artifice or false statement of fact), ER 3.3(a)(1), (knowingly make a false statement of fact to a tribunal or failure to correct a false statement of material fact previously made to the tribunal), ER 8.4(c), (conduct involving dishonesty, fraud, deceit, or misrepresentation), and ER 8.4(d) (conduct that is prejudicial to the administration of justice).

42. The State Bar conditionally dismisses the following ERs as part of the Tender of Admissions: ERs 1.2(d), 3.1, 3.3(b), 3.4(c) and 4.1(b). These conditional dismissals are in exchange for the other admissions and are also based on the significant

problems in proving by clear and convincing evidence the knowledge between the client and Respondent regarding the later false or fraudulent statements or alleged criminal conduct.

43. In addition to the dismissed ERs listed above, as part of the Tender of Admissions, the State Bar also conditionally agrees to dismiss cases 09-2014, 09-2257, 09-2266, 09-2326, 10-0038, 10-0176 and 10-0388. These cases involve the appropriateness of fees charged. As part of the dismissal agreement, Respondent will participate in the State Bar Fee Arbitration Program if sought by a former client in the dismissed cases.

Restitution is not an issue in this case involving Mr. Chavez.

ABA STANDARDS

44. ABA Standard 3.0 provides that four criteria should be considered: (1) the duty violated; (2) the lawyer's mental state; (3) the actual or potential injury caused by the lawyer's misconduct; and (4) the existence of aggravating and mitigating factors.

The Duties Violated

45. This Hearing Officer finds that Respondent violated duties he owed to the legal system under ER s 3.3(a) (1), 8.4(d), and Rule 41(e), Ariz. R. Sup. Ct. and to the public under ER 8.4(c).

6.0 Violations of Duties Owed to the Legal System

46. Standard 6.12 provides that "Suspension is generally appropriate when a lawyer knows that false statements or documents are being submitted to the court or that material information is improperly being withheld and takes no remedial action, and causes injury or potential injury to a party to the legal proceeding or causes an adverse or potentially adverse effect on the legal proceeding.

5.0 Violations of Duties Owed to the Public

47. Standard 5.13 provides that “Reprimand is generally appropriate when a lawyer knowingly engages in any other conduct that involves dishonesty, fraud, deceit, or misrepresentation and debt adversely reflects on the lawyer's fitness to practice law.”
48. The most serious misconduct in this case is respondent's misleading statements to the court in violation of ER 3.3 and Rule 41(e), Ariz. R. Sup. Ct. Therefore, this misconduct implicates Standard 6.12 and suspension is the presumptive sanction.

The Lawyer's Mental State

49. This Hearing Officer finds that Respondent acted knowingly when he committed his false statements to the court, that is, Respondent acted with the conscious awareness of the nature or attendant circumstances of his misconduct. This Hearing Officer having considered Respondent's testimony and the context of his statements to the court accepts “knowingly” instead of “intentionally” as the more applicable mental state. As discussed later in this Report, Respondent's primary objective was to provide Mr. Chavez with the best or only defense available from Respondent's perspective regarding mistaken identity.

Actual or Potential Injury

50. It is clear that Mr. Chavez suffered injury in different forms. He was subjected to the later filing of a charge of Failure to Appear even though the charge was later dismissed. . He was also taken into ICE custody for possible deportation and it is unclear whether the filing of the Failure To Appear Charge although dismissed, negatively affected his deportation charges based on the Aggravated DUI charge.

51. Respondent's false statements to the court regarding his client's failure to appear violated his duty as an officer of the court and caused harm to the legal system. Respondent's false statement also caused harm to the public and its reliance upon the personal integrity of a lawyer. The introduction to ABA Standard 5.0 reads: "The most fundamental duty which a lawyer owes the public is the duty to maintain the standards of personal integrity upon which the community relies."

Aggravating and Mitigating Factors

Aggravating Factors

52. Standard 2.22(a) Prior disciplinary offense. In 2006, in an informal sanction internally with the State Bar, Respondent received one year of probation for a violation of ER 1.3 (diligence) for not checking whether a legal assistant had filed Respondent's notice of appearance. T/H 26:11-27:21.

53. Standard 9.22(b) Dishonest or selfish motive. Respondent's conduct was dishonest.

54. Standard 9.22 (i) Substantial experience in the practice of law. Respondent was admitted on May 24, 2001 and had practiced for seven years when he committed this misconduct.

Mitigating Factors

55. Standard 9.32(c) Personal or emotional problems. Respondent experienced personal turmoil from the criminal charges and consequences even though the charges were later dismissed. This Hearing Officer does not minimize their impact on Respondent but notes that these problems occurred after his dishonest statements to the court.

56. Standard 9.32(e) Cooperative attitude toward disciplinary proceeding. Respondent responded to the State Bar's investigation and fully cooperated throughout the formal litigation.

PROPORTIONALITY REVIEW

57. The Arizona Supreme Court has held that one goal in imposing attorney discipline is internal consistency. *In re Struthers*, 179 Ariz. 216, 226 887 P.2d 789, 799 (1994). To achieve internal consistency, it is appropriate to examine sanctions imposed in cases that are factually similar. *In re Peasley*, 208 Ariz. 90, 90 P.3d 772, (2004). However, the concept of proportionality remains an "imperfect process" because no two cases are ever alike. It is also the goal of attorney discipline that discipline be imposed that is tailored to an individual's case and that neither perfection nor absolute uniformity can be achieved. *Struthers*, supra. *In re Riley*, 142 Ariz. 604, 691 P.2d 695 (1984). In addition, the objective of disciplinary proceedings is not to punish the attorney, but to "protect the public, the profession and the administration of justice..." *In re Kastensmith*, 101 Ariz. 291, 294, 419 P.2d 75, 78 (1996).

58. In *In re Johnson*, SB-08-0090-D (2009) the Respondent received a six month and one day suspension. Respondent counseled his client to engage in criminal conduct and made misrepresentations by creating and submitting falsified evidence. Respondent misplaced the client's original will and thereafter re-created the will using a copy in which he forged and backdated the decedent's signature. He notarized the "fake" will and then filed it with the court. In another estate planning matter Respondent charged an unreasonable fee, failed to advise the client in writing to seek independent counsel, and failed to obtain the client's written consent. ERs 1.2(d), 3.3, 3.4(b), 8.4(c), 8.4(d)

and 1.5 and 1.8. Aggravating factors were multiple offenses and substantial experience in the practice of the law. Mitigating factors were absence of a prior disciplinary record, full and free disclosure to disciplinary board, remorse and absence of a dishonest or selfish motive.

59. In *In re Macpherson*, SB-08-0079-D (2009), a 30 day suspension and one year of probation was imposed. Respondent misrepresented to the judge that he had a doctor's appointment and was not available to appear in court and present witness testimony as scheduled. ERs 3.3(a) 8.4(c), and 8.4(d).

60. In *In re Alcorn & Feola*, 292 Ariz. 62, 41 P.3d 600 (2002); SB-01-0075-D (2001), a six month suspension was imposed. Respondents represented a doctor in a medical malpractice action against the doctor and the hospital. The hospital eventually obtained a summary judgment in its favor, leaving the doctor as the only defendant. The Respondents entered into a confidential agreement with the plaintiff, failed to make necessary disclosures to the trial judge, and deceived the trial judge about the true situation concerning the jury trial that they presented. ER 3.3(a) (1) 8.4(c) and 8.4(d). Aggravating factors were prior discipline, and substantial experience in the practice of law. Mitigating factors were no selfish motive, cooperative attitude toward the disciplinary proceeding and imposition of other penalties. 292 Ariz. at 74 -75, 41 P.3d at 612 -613.

RECOMMENDATION

61. When this Hearing Officer first considered the actions of Respondent in this case, rejection of the six months suspension seemed very appropriate for the following reasons:

(1.) On December 18, 2008, Respondent made at least six dishonest statements to Judge Holt and opposing counsel: #1: Fact 14; #2: Facts 15,16; #3: Facts 17,18; #4: Fact 20; #5: Facts 22, 23; #6: Facts 24, 25, 26, 27, 28; #7: Fact 29, and T/H 79:3 – 86:25; and

(2.) Respondent's multiple dishonest statements likely indicated a major failure to comprehend his duty to practice personal and professional integrity needed as an officer of the court.

62. For these reasons this Hearing Officer was going to reject the Agreement and instead recommend suspension of six months and one day. This Hearing Officer considered that the rigorous requirements of completing the reinstatement application under Rule 65, Ariz. R. Sup.Ct. would make Respondent more likely to try to show rehabilitation and help him realize that honesty is fundamental to the functioning of the legal profession.

63. However, after reconsidering Respondent's misconduct and the context before, during and after the misconduct together with the proportionality analysis, this Hearing Officer recommends to the Disciplinary Commission that it accept the Agreement for Discipline.

64. The reasons for acceptance of the Agreement are:

(1.) Although Respondent had a prior informal sanction of one year probation for lack of diligence, his prior misconduct did not involve dishonesty;

(2.) In the seven and one half years of law practice before the instant misconduct and in the one and one half years after, Respondent has apparently not had any other problems with practicing honesty;

(3.)The consequences of being personally charged with crimes despite those charged crimes being later dismissed have resulted in Respondent losing almost all of his prior monies. Perhaps more importantly, the loss of most of his legal practice coupled with this pending disciplinary proceeding and subsequent sanction has made Respondent value the privilege to practice law, a privilege that he is not likely to jeopardize by future professional dishonesty. Therefore, the showing of rehabilitation under the reapplication process of Rule 65 is unnecessary;

(4.) Respondent's multiple dishonest statements to Judge Hall on the day of trial remain extremely serious and under other circumstances could have led to disbarment. However having heard and observed Respondent, this Hearing Officer considers that Respondent's underlying motive was to give his client the best trial defense of unproven identity. Therefore, this factor and his aggravating and mitigating factors are very similar to the factors in *In re Alcorn and Feola*, *supra*. Like the Respondents Alcorn and Feola who presented a sham trial to the court, Respondent allowed his desire to do everything possible to help a client blind him to his first duty of candor to the tribunal as an officer of the court. This is not likely to reoccur.

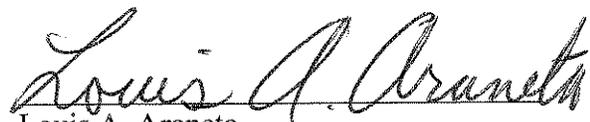
65. Having considered the facts and having weighed the Standards and proportionality cases, this Hearing Officer concludes that the proposed sanction of suspension for six months combined with one year of probation with LOMAP participation and payment of all costs and expenses in these proceedings achieves the goal of attorney discipline. Therefore, this Hearing Officer recommends:

1. Respondent shall receive a suspension of six (6) months;
2. Respondent shall be placed on probation for a period of one year, under the following terms and conditions:
 - a. The term of probation shall begin at the time of the Final Judgment and Order and shall end one year from the Final Judgment and Order.
 - b. Respondent shall contact the director of the State Bar's Law Office Management Assistance Program (LOMAP), at 602-340-7332, within 30 days of the date of the final judgment and order. Respondent shall submit to a LOMAP examination of his office's procedures, including, but not limited to, fee agreements, scheduling/calendar, and client communication. The director of LOMAP shall develop "Terms and Conditions of Probation", and those terms shall be incorporated herein by reference. Respondent shall be responsible for any costs associated with LOMAP.
 - c. Should the clients/complainants in case numbers 09-2014, 09-2257, 09-2266, 09-2326, 10-0176 and/or 10-0388 choose to file a claim with the State Bar of Arizona's Fee Arbitration Program, Respondent agrees to fully participate and cooperate in the fee arbitration process.
 - d. In the event that Respondent fails to comply with any of the foregoing probation terms, and information thereof is received by the State Bar of Arizona, Bar Counsel shall file a Notice of Noncompliance with the imposing entity, pursuant to Rule 60(a)(5), Ariz. R. Sup. Ct. The imposing entity may refer the matter to a hearing officer to conduct a hearing at the earliest practicable date, but in no event later than 30 days after receipt of

notice, to determine whether a term of probation has been breached and, if so, to recommend an appropriate sanction. If there is an allegation that Respondent failed to comply with any of the foregoing terms, the burden of proof shall be on the State Bar of Arizona to prove noncompliance by preponderance of the evidence.

3. Respondent shall pay all costs incurred by the State Bar in bringing these disciplinary proceedings within thirty (30) days of the Supreme Court's Final Judgment and Order. An Itemized Statement of Costs and Expenses is attached as Exhibit A and incorporated herein. In addition, Respondent shall pay all costs incurred by the Disciplinary Clerk's office and the Supreme Court in this matter.

DATED this 3rd day of August 2010.


Louis A. Araneta
Hearing Officer 6U

Original filed with the Disciplinary Clerk
this 3rd day of August, 2010.

Copy of the foregoing mailed this 4 day
of August, 2010, to:

Stephen P. Little
Bar Counsel
State Bar of Arizona
4201 N. 24th Street, Suite 200
Phoenix, AZ 85016-6288

David P. De Costa
The Law Office of David P. De Costa
P.O. Box 27717
Tempe, Arizona 85285-0001
Respondent

By: Deann Baker

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

EXHIBIT
A

1 **Statement of Costs and Expenses**

2 In the Matter of a Member of the State Bar of Arizona,
3 David P. De Costa, Bar No. 020139, Respondent

4 File No(s). 09-1658

5 **Administrative Expenses**

6
7 The Board of Governors of the State Bar of Arizona with the consent of the
8 Supreme Court of Arizona approved a schedule of general administrative
9 expenses to be assessed in disciplinary proceedings. The administrative
10 expenses were determined to be a reasonable amount for those expenses
11 incurred by the State Bar of Arizona in the processing of a disciplinary matter.

12 * An additional fee of 20% of the general administrative expenses will be
13 assessed for each separate file/complainant that exceeds five, where a violation
14 is admitted or proven.

15 General administrative expenses include, but are not limited to, the following
16 types of expenses incurred or payable by the State Bar of Arizona:
17 administrative time expended by staff bar counsel, paralegals, legal assistants,
18 secretaries, typists, file clerks and messengers; postage charges, telephone
19 costs, normal office supplies, and other expenses normally attributed to office
20 overhead. General administrative expenses do not include such things as travel
21 expenses of State Bar employees, investigator's time, deposition or hearing
22 transcripts, or supplies or items purchased specifically for a particular case.

23 ***General Administrative Expenses for above-numbered proceedings = \$1200.00***

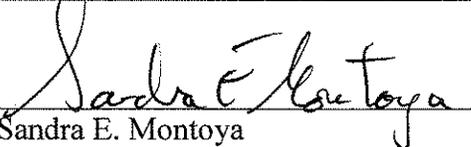
24 Additional costs incurred by the State Bar of Arizona in the processing of this disciplinary
25 matter, and not included in administrative expenses, are itemized below.

26 **Staff Investigator/Miscellaneous Charges**

27	01/28/10	Copy of transcripts from CR2008-255	\$45.50
28	03/09/10	Copy of transcripts CR2008-255, Evidentiary Hearing	\$24.90
29	02/22/10	Consult with Bar Counsel	\$8.75
30	02/18/10	Review file; Call to attorney Harriett Levitt; Call to John Brisson; Call to attorney Barry Bellovin	\$43.75
31	02/19/10	Call to attorney Barry Bellovin; Call to attorney John Brisson	\$8.75
32	03/09/10	Call to Theresa Aguilar; Travel and mileage to pick up documents from attorney Ryan Green	\$43.75

1 Total for staff investigator charges \$175.40

2 **TOTAL COSTS AND EXPENSES INCURRED** **\$1,375.40**

3
4 
5 Sandra E. Montoya
6 Lawyer Regulation Records Manager

4-20-10
Date

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25