



# NEWSLETTER

## Keep Calm and Lawyer On ... My Advice if You Face an MCLE Audit

By Jason Castillo, Attorney Credits

Monday, July 11, was an extremely busy day for our company. The phone started ringing around 8:00 a.m. and it was busy until we finished up around 5:00 p.m. Why would it be so busy in the middle of July when the California MCLE deadline isn't until February???

It was so busy because the State Bar of California sent out over 6,000 MCLE audit letters to California attorneys the week of July 4<sup>th</sup>. Once those audit letters hit mailboxes, we started getting calls from frantic attorneys all over the state calling us to make sure they completed the correct amount of CLE hours and asking how to access CLE certificates.

That's right, *the audit is real*. I have personal experience with the MCLE audit because I was audited three years ago. As long as you completed all your required CLE, there is nothing to worry about. Simply follow the instructions provided by the California Bar on how to complete the necessary steps for the audit. Mainly, that consists of inputting all your credit hours on a special webpage on the California Bar website and then emailing all your certificates of attendance in one PDF document.

If you were audited and you did not complete your California MCLE requirement, I have one piece of advice for you – *the cover up is worse than the crime*. Whatever you do, do NOT lie to the Bar. Simply cure your CLE deficiency, pay any penalties or fines and continue to practice law in California. A number of attorneys have been disbarred on moral turpitude grounds because they didn't complete the required MCLE, lied to the Bar, then tried to forge or backdate certificates.

One attorney was even disbarred because she reported that she completed her MCLE requirement in December, then when she was audited all her certificates had January dates. Granted, this attorney had a history of disciplinary problems with the State Bar of California. However, this shows how serious the Bar is about MCLE compliance and how seriously you should take your MCLE requirement.

## Upcoming Events Calendar

### August 11

#### Estate Planning and Probate Section 12:15 - 1:15 p.m.

Law Offices of Nancy Kaupp Ewin, Esq.  
8166 La Mesa Blvd., La Mesa  
Topic: TBA  
Speaker: TBA

### August 16

#### Family Law Section 12:00 - 1:15 p.m.

East County Court, Dept. 7  
250 E. Main Street, El Cajon  
Topic: Managing High Conflict Clients  
Speaker: Brook Olsen, Director/Founder of  
the High Conflict Diversion Program

### September 5 – Labor Day

State and Federal Courts Closed

## Continued from Page 1 . . .

If this is not your compliance cycle or you did not get audited this time around, please make sure to properly complete your MCLE requirement. You have worked too hard to get where you are to jeopardize your legal career over a few hours of continuing education.

*About the author... Jason Castillo is the Director of Legal Education with Attorney Credits, a local CLE company based in Carlsbad. He lives in El Cajon with his wife and two young daughters.*

## Beware Using Wire Transfers

Forward By Keith A. Jones, Esq.

*I have known William "Bill" Exeter, President of Exeter Exchange Services, LLC, for many years and have consulted with him for my clients contemplating 1031 exchanges. Bill recently included the following article in his newsletter which I thought appropriate to share with his permission concerning wire transfers common to real estate and other transactions that many of our clients experience with their business and personal legal matters.*

*The California State Bar in the past few years has issued warnings to attorneys about scams utilizing cashier's checks to create the impression that the funds are good. However, the unsuspecting party learns that the cashier's check is fraudulent even though the check looks legitimate. Such scams have extended to wire transfers as Bill explains in his article from The Exeter eNewsletter, May/June/July 2016. As attorneys, we need to advise our clients involved with wire transfers to take precautions.*

## Wire Fraud Advisory

By William "Bill" L. Bill Exeter

**Exeter 1031 Exchange Services, LLC** wants to take this opportunity to discuss a very important and serious subject. We always want you to be successful, and sometimes that means being more cautious. Unfortunately, Wire Fraud is a scary threat that the Real Estate community faces on a daily basis. This eNewsletter's intent is to warn you of some possible risks and precautions.

### **Wire Fraud Advisory - Are my funds secure?**

The capability to wire cash (funds) electronically is not only convenient, it is also the fastest way to send cash to another business or individual. However, with wire transfers becoming the most popular form of money transfer, it has provided a popular venue for criminals to thrive.

Warning! Wire fraud in real estate transactions are at an all-time high. Incidents occur every hour throughout the United States and have increased in the past few months. The nature of the scam has not changed much, but the culprits have gotten much more sophisticated. Bloomberg Business reports that cyber-criminals steal more than \$1 billion per year.

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With the FBI on high alert for cyber criminals, there are a few typical email phishing scams and/or middle-man hacker attacks that they are seeing over and over again. Just one example of a typical fraud can go like this:

Wire transfer instructions are emailed to a buyer. The buyer follows the instructions, as normal. The next day, escrow/settlement agent contacts the buyer asking if the money has been sent yet. The buyer confirms with the bank that the wire transfer has successfully been completed. When the money has still not arrived to the correct escrow/settlement account and is still missing, everyone begins to review the process. Unfortunately, the email that the wiring instructions came from was from a hacker who used malware to gain access to a corporate email account. It was fraudulent. The email came from an address that looked identical to that of the escrow/settlement agent or title company, but it was actually from a cyber criminal. The email and bank account belong to a thief in a foreign country who now has stolen your wire and will be next to impossible to trace. This exact crime has been replicated by cyber criminals all over the world and they are only getting smarter.

### **Buyers and sellers are advised to:**

- Please confirm all wiring instructions directly with the escrow officer/Exchange officer by calling them on the telephone. In that conversation, the correct account number and dollar amount should be repeated verbally before taking final steps to have the funds transferred. Do not only rely on email.
- Avoid sending personal information over email including your SSN or Tax ID.
- Take steps to secure your system, email and internet. These steps may include strong passwords, changed often, and secured WiFi.

The safety of your funds is a top priority to Exeter 1031 Exchange Services. Wire Fraud is very serious to us and should be to you. Please do not hesitate to contact us if you should ever have any questions or concerns.

*William "Bill" L. Exeter is the President and Chief Executive Officer for The Exeter Group of Companies, including Exeter 1031 Exchange Services, LLC, Exeter IRA Services, LLC and their affiliate companies. Mr. Exeter is based in the company's National Corporate Headquarters at 402 West Broadway, Suite 400, San Diego CA 92101; (619)239-3091. He has been in the fiduciary services industry since 1980. He began specializing in real estate tax strategies in 1985 with a specialty emphasis in 1031 and 1033 Exchanges as well as Self-Directed IRAs.*



## Civil Litigation Section MCLE Update

By Elizabeth Smith Chavez, Esq., section co-chair

On July 12, 2016, the Foothills Bar Association was treated to an informative presentation on Current Tax Law at BJ's Restaurant in La Mesa. Yes, tax law can be interesting. Mark Krasner, a founding member of Blanchard, Krasner & French, started his presentation with a clarifying explanation of the differences in the tax programs of the Presidential candidates, including Hillary Clinton, Bernie Sanders and Donald Trump. This explanation, which was set out in the materials, included provisions relating to individuals as well as businesses, and provided good information for both the attendees and their clients.

Corporate tax inversions have been in the news a lot lately, often with much misinformation. Mark explained these in terms that even civil litigators could understand. In April 2016, the Treasury Department and the IRS issued new and proposed regulations which will likely limit the use of these inversions, including the proposed \$100 billion merger between Allergan PLC and Pfizer, Inc.

Mark also discussed asset protection and the use of family limited partnerships, deductibility of delinquent spousal support, and the impact of Brexit on San Diego. (Hint, Brexit is not likely to have a major impact here.)

Finally, Mark discussed a subject near and dear to all of us and to our clients – the odds of being audited by the IRS. The odds are pretty low. For example, individuals with incomes between \$100,000 and \$200,000 have only a 1.8% chance of an audit. The odds increase when itemized deductions exceed the average. For that same individual with income between \$100,000 and \$200,000, average deductions for medical expenses are \$10,003, for taxes \$10,853, for interest \$11,266 (pretty low for someone buying a house in San Diego!) and for charity \$3,890.

For those who missed the presentation, it was recorded by our CLE partner, Attorney Credits, and will be made available soon.

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**REMINDER: It's now time to renew your Foothills Bar Association membership for the 2016-2017 year. Membership renewal for existing members or sign up for new members may be done on-line at:**

**<http://foothillsbar.org/membership>**

**The membership application is also provided with the newsletter.**

**<http://foothillsbar.org/membership>**

**Please renew promptly so your membership benefits are not interrupted.**

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# Notices

**Looking for Speakers for Future FBA Civil Litigation Section Meetings:**

If you have a litigation topic you would like to present at an upcoming Civil Litigation Section MCLE meeting, please contact Section Co-Chairs Mark Raftery at [mark@markrafterylaw.com](mailto:mark@markrafterylaw.com) or Elizabeth Smith-Chavez at [liz@smithchavezlaw.com](mailto:liz@smithchavezlaw.com).

**Foothills Bar Association Notice of Board Meeting:**

The Foothills Bar Association Board of Directors meets on the third Tuesday of each month. The next meeting will be on August 16, 2016 at the Kriger Law Firm, 8220 University Avenue, 2<sup>nd</sup> Floor conference room, La Mesa, CA. The meeting will begin at 4:45 p.m. If you want your voice to be heard in policy discussion and upcoming events planning or would simply like to learn more about the organization, your attendance is welcome.

The Family Court needs settlement conference judges. Please volunteer and share your expertise. Contact Kelly Fabros at 619-456-4065 or [Kelly.Fabros@SDCourt.CA.Gov](mailto:Kelly.Fabros@SDCourt.CA.Gov).

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 <b>Immediate Past President: Cheryl Stengel</b>			 <b>619-269-2126</b>
		<a href="mailto:clstengel@outlook.com">clstengel@outlook.com</a>	

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<b>Mark R. Raftery</b>	<a href="mailto:mark@markrafterylaw.com">mark@markrafterylaw.com</a>	<b>858-527-0111</b>
<b>Elizabeth Smith-Chavez</b>	<a href="mailto:liz@smithchavezlaw.com">liz@smithchavezlaw.com</a>	<b>619-800-2092</b>
<b>Bradley Schuber</b>	<a href="mailto:bschuber@krigerlawfirm.com">bschuber@krigerlawfirm.com</a>	<b>619-589-8800</b>

### REPRESENTATIVES

<b>Dan Bacal, SDCBA</b>	<b>619-588-2064</b>
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### SECTIONS

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**Foothills Bar Association  
Of San Diego County**

P.O. Box 1077  
El Cajon, CA 92020

**Membership Application**

The FBA Membership year is July 1 – June 30

**\$65.00 Membership Fee**

**\*\*Dues are waived for first-time applicants who have been a member  
of the CA State Bar for less than one (1) year\*\***

***Please Print or Type:***

*Required fields \*\**

New  Renew with changes as noted  Renew with No changes

**\*\* Name:** \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Office Address: \_\_\_\_\_

Office Phone: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

*(I understand that by providing my fax number and email address, I hereby consent to receive faxes and email messages by  
or on behalf of the Foothills Bar Association)*

I agree that my professional contact information may be published on the Foothills Bar Association website  
and in the annual Foothills Bar Association Attorney Directory.

If you DO NOT want your professional information published in the directory or on the website, please initial  
here: \_\_\_\_\_

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I am a member in good standing of the State Bar(s) of: \_\_\_\_\_

CA Bar #: \_\_\_\_\_ Year admitted to Practice: \_\_\_\_\_

Are you interested in becoming actively involved? *(please check one)*

- Yes, I would like to become actively involved, and have time to devote.  
 Yes, I would like to become actively involved, but have limited time to devote.  
 No, I do not wish to be actively involved, but do wish to take advantage of FBA  
membership benefits.

If you would like to be actively involved and have time to devote would you like to hold a  
position? *(Please circle one)*  yes or  No

If you answered yes, what committee and/or position are you interested in?

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Please choose a section:  Family Law  Estate Planning  Civil Litigation  Criminal

Please choose a committee:  Advertising  Annual Dinner  Golf Tournament

Hard-to-Get  Seminar Law Day  MCLE  Membership  Monthly Newsletter  Website

**Check all areas of practice to be included in the Foothills Bar Association Telephone Directory  
and on the Foothills Bar Website:**

Administrative	Internal Revenue Service/ Tax
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Appellate	Intellectual Properties
Aviation	Juvenile
Banking	Landlord/ Tenant
Bankruptcy	Legal Malpractice
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Civil Litigation	Medi-Cal
Collections/ Consumer	Mediation
Commercial/ Construction	Medical Malpractice
Conservatorship	Military
Criminal	Municipal
Dental malpractice	Personal Injury
Elder	Probate
Eminent Domain	Public Defender
Employment	Real Estate/ Land Use/ Environment
Estate Planning/ Wills/ Trusts	School
Family/ Domestic	Securities
General	Sports/ Entertainment
Guardianship	Social Security
Home Owners Association	Worker's Compensation
Immigration	<b>List all areas of Certified Specialization:</b>

\*\* Date: \_\_\_\_\_ \*\*Applicant Signature: \_\_\_\_\_

*Please return the completed Membership Application, together with your check  
for **\$65.00** made payable to: **Foothills Bar Association** and mail to:*

*Foothills Bar Association  
P.O. Box 1077  
El Cajon, CA 92020  
[www.foothillsbar.org](http://www.foothillsbar.org)*

*If you wish to pay the membership fee by credit card, please complete the credit card information on the  
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Expiration month/year: \_\_\_\_\_

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**SUBMISSIONS**

Your submissions are welcome! Send articles, letters, flyers, and other non-advertising [submissions to Cheryl Stengel at clstengel@outlook.com.](mailto:clstengel@outlook.com)

**ADDRESS CHANGES**

Send change of address or telephone number to Bradley Schuber at [bschuber@krigerlawfirm.com](mailto:bschuber@krigerlawfirm.com)

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**Foothills Bar Association  
P.O. Box 1077  
El Cajon, CA 92022**

**Addressee Name  
4321 First Street  
Anytown, State 54321**