



CITY ATTORNEY DENNIS HERRERA NEWS RELEASE

FOR IMMEDIATE RELEASE
WEDNESDAY, NOVEMBER 17, 2010

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Herrera sues 'notorious predator' over unlicensed immigration law services

Case against Martin R. Guajardo seeks injunctive relief, civil penalties, and restitution to victims

SAN FRANCISCO (Nov. 17, 2010)—City Attorney Dennis Herrera today filed suit against a disgraced former lawyer for running an illicit immigration law practice that for more than two years defrauded clients and devastated the lives of the immigrants and family members who sought his counsel. Martin Resendez Guajardo is described as “one of San Francisco’s most notorious predators” in Herrera’s 21-page civil complaint, which details a shocking pattern of corrupt and deceptive business practices that fleeced clients of their life savings, and frequently resulted in adverse rulings, deportations and broken families. Also named in the complaint filed in San Francisco Superior Court this morning are Christopher Stender, a licensed attorney alleged to have aided and abetted Guajardo’s unauthorized law practice, and the Immigration Practice Group, P.C., the professional corporation Guajardo is believed to control.

Herrera’s lawsuit alleges multiple violations of California’s Unfair Competition Law by Guajardo, Stender, Immigration Practice Group, and potentially others. If successful, the case could result in civil penalties of up to \$2,500 for each violation, disgorgement of all profits, restitution to victims and tough court-ordered injunctions. To immediately stop Guajardo and his colleagues from defrauding their immigrant clients, Herrera is also seeking a preliminary injunction to force them to immediately cease their unauthorized practice of law and to notify their clients that Guajardo is no longer a lawyer.

“Martin Guajardo has made a career of preying on the vulnerable, robbing countless immigrants of their assets, their families, and their hopes to share in the American dream,” said Herrera. “After decades of discipline and suspensions for being an unscrupulous lawyer, Guajardo finally resigned from the legal profession in 2008. But his law practice continued, with the help of co-conspirators. Through our lawsuit today, we’re seeking an immediate halt to Guajardo’s exploitation of immigrants in San Francisco, and to deliver a measure of justice that his victims have been too long denied. I am very grateful to a number of City leaders and nonprofit organizations without whose help we could not have filed as strong a case today. In particular, I want to thank Supervisor David Campos for his advocacy and leadership together with the Asian Law Caucus, the Immigrant Legal Resource Center, and others. I am also thankful to the law firm of Orrick, Herrington & Sutcliffe for the parallel class action suit they filed this morning on behalf of Guajardo’s victims.”

“Martin Guajardo may be the worst offender, but he’s a cautionary reminder that there are others like him who similarly prey on immigrants and their families,” said Supervisor David Campos. “As important as

[MORE]

this lawsuit is to stop Mr. Guajardo from causing further harm, it's equally important that the immigrant community here in San Francisco be fully informed about the community based organizations and reputable law firms that can represent their interests effectively and honestly. The City Attorney's Office is obviously prohibited from representing individuals. That's why I'm so appreciative to City Attorney Herrera—not just for filing this lawsuit, but for bringing together advocacy organizations like the Immigrant Legal Resource Center, the Asian Law Caucus, and others to join in today's announcement. I'm also grateful to the law firm of Orrick, Herrington & Sutcliffe for their lawsuit against Martin Guajardo, which does represent Guajardo's victims as class action plaintiffs.”

During the three decades he was licensed to practice law in California, Martin Guajardo lured clients into paying exorbitant fees for his legal services with empty promises of favorable outcomes and extravagant assurances about his connections in government agencies. His often desperate clients typically had family members in immigration custody, or were immigrants themselves facing imminent deportation. But Guajardo was negligent and even fraudulent in his legal representation, often doing little or nothing on cases, providing flawed legal advice, and filing multiple rounds of meritless appeals to further inflate his legal fees. The subject of numerous complaints to the State Bar, Guajardo's license to practice law was suspended twice in the 1990s, and he was frequently upbraided by the courts in which he appeared for his substandard work. After repeated disciplinary actions against him and with charges pending, Guajardo eventually resigned from the bar of the Ninth Circuit Court of Appeals. Soon thereafter, the Board of Immigration Appeals finally barred Guajardo from practicing before them. In 2008, with serious disciplinary charges pending against him, Guajardo resigned from the State Bar of California. The terms of Guajardo's resignation prohibited him from practicing law or representing himself as eligible to practice. He also agreed to inform his clients of his resignation from the legal profession, and to file an affidavit with the State Bar attesting he had done so.

Guajardo, however, honored none of these promises. Instead, he created the Immigration Practice Group, with the assistance of Stender and others, as a front for his illegal practice of law and his continued exploitation of desperate immigrants. As a result, Guajardo, Stender, and others continue to profit while the clients of Guajardo, Stender, and the Immigration Practice Group lose their life savings and face deportation and separation from their families due to poor legal representation.

Class-action lawsuit, services for victims

In conjunction with the City's lawsuit, Orrick, Herrington & Sutcliffe LLP has filed a class action on behalf of all clients that Guajardo has represented or advised since his resignation from the State Bar. The class action alleges Guajardo, Stender, Immigration Practice Group, and potentially others committed fraud, breach of fiduciary duty and other related causes of action. The Class seeks to recover general and statutory damages, civil penalties, punitive damages, attorneys' fees, restitution, and other relief for these victims. Orrick has established a telephone number that will facilitate multilingual contacts for immigrants and family members who were victims of Martin Guajardo or his firm. That number is (415) 773-4266.

The City and Orrick will be holding a free clinic for victims of immigration fraud, including victims of Guajardo and his law firm, Immigration Practice Group. Free and private consultations with immigration lawyers will be offered in several languages, including English, Spanish and Hindi. Fraud victims will also have the opportunity to meet privately with attorneys from the City Attorney's Office and Orrick, Herrington & Sutcliffe to discuss their respective lawsuits. The clinic will be held on December 1, 2010 from 5:30 to 8:30 p.m. at Hastings College of the Law on 200 McAllister Street in San Francisco. For more information about this free clinic in several languages, interested parties may call (415) 773-4269.

The City's case is *People of the State of California v. Martin R. Guajardo et al.*, San Francisco Superior Court No. CGC-10-505449, filed Nov. 17, 2010. Additional information about the case is available on the City Attorney's Web site at the following URL: <http://www.sfcityattorney.org/>. The Class Action lawsuit is *Hernandez et al. v. Martin R. Guajardo et al.*, San Francisco Superior Court No. CGC-10-505450, also filed Nov. 17, 2010.

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO
UNLIMITED JURISDICTION

THE PEOPLE OF THE STATE OF CALIFORNIA, by and through San Francisco City Attorney Dennis J. Herrera,

Plaintiff,

vs.

MARTIN R. GUAJARDO; CHRISTOPHER STENDER; IMMIGRATION PRACTICE GROUP, P.C.; and DOES 1 through 20, inclusive,

Defendants.

Case No. CGC-

COMPLAINT FOR INJUNCTIVE AND EQUITABLE RELIEF AND CIVIL PENALTIES FOR VIOLATIONS OF BUSINESS AND PROFESSIONS CODE SECTION 17200

ENDORSED
FILED
County of San Francisco
NOV 17 2010
CLERK OF THE COURT
ROBERTA BELANGER
Deputy Clerk

CASE MANAGEMENT CONFERENCE SET
APR 22 2011 - 9 AM

CGC - 10 - 505449

INTRODUCTION AND SUMMARY OF ALLEGATIONS

1
2 1. Fraud in the provision of immigration legal services plagues San Francisco's
3 immigrants, who are some of the most vulnerable people in the San Francisco community. Due to
4 language barriers, cultural differences, misunderstandings about our legal system, and the sheer
5 complexity of immigration laws and regulations, immigrants are particularly reliant upon the skill and
6 diligence of the individuals they employ to provide immigration advice. Many immigrants lack the
7 knowledge and ability to research which legal service providers are reputable and which are not.

8 2. Unlicensed and unscrupulous immigration legal service providers exploit their position
9 of power, preying on vulnerable immigrants and often causing their victims to suffer devastating
10 consequences. Most of these immigrants are poor and may lose their life savings paying for
11 immigration services that are promised but never delivered. Many victims turn over irreplaceable
12 documents and never see them again. Most importantly, the victims' legal status can be irreparably
13 damaged. The victims may forfeit their places on the years-long waiting list for family-based
14 immigration, become ineligible for future federal amnesty programs or face an adverse deportation
15 order foreclosing all future applications for relief.

16 3. One of San Francisco's most notorious predators who falsely purports to provide lawful
17 and competent immigration services is Martin R. Guajardo. For more than 30 years, Guajardo was a
18 licensed attorney in California. During that time, he charged his clients exorbitant fees, made
19 extravagant false promises about the relief he could obtain for them, and assured them that he had
20 connections in the government, but ultimately did little work, substandard work, or no work at all on
21 their cases. His lack of diligence resulted in prejudicial immigration court rulings against many of his
22 clients, while his exorbitant fees left them thousands of dollars poorer. After a long history of
23 complaints against him and public discipline by the State Bar of California ("State Bar"), which
24 included multiple periods of probation and suspension, Guajardo resigned from the practice of law in
25 April 2008 with disciplinary charges pending against him. The immigration courts and the Ninth
26 Circuit Court of Appeals have also suspended Guajardo on multiple occasions from practicing in those
27 fora, and in 2008 he resigned from practice before those tribunals with charges pending.

1 4. Despite his resignation, Guajardo continues to practice law while actively concealing
2 his resignation from his clients and the State Bar:

- 3 a. In violation of the law and the terms of his State Bar resignation, Guajardo has
4 failed to inform all of his clients that he is no longer licensed to practice law and
5 that they should seek legal advice elsewhere. He has kept his law practice in the
6 exact same building, and he has maintained the same office within that building.
7 Clients entering his office have no way of knowing that he is no longer a
8 lawyer. Guajardo continues to meet with clients, to provide legal advice, to
9 discuss legal strategy with them, and to collect fees from clients.
- 10 b. The day before he resigned from the Bar, Guajardo changed the name of his law
11 firm from "Martin Resendez Guajardo, P.C." to "Immigration Practice Group,
12 P.C." ("IPG"). After his resignation, he appointed attorney Christopher Stender
13 President, Treasurer, and Secretary of IPG. While Guajardo transferred to
14 Stender all of the shares in the corporation, Guajardo remains affiliated with
15 IPG and, based on information and belief, illegally shares in its profits. IPG has
16 hired lawyers to appear in Court and to file documents on behalf of Guajardo's
17 clients.
- 18 c. Despite a statutory obligation to do so, neither Stender nor any other IPG
19 employee has informed clients that Guajardo is not a lawyer and cannot practice
20 law, or informed the State Bar that Guajardo, who is unlicensed, is working for
21 IPG.
- 22 d. Guajardo's unauthorized practice of law, aided and abetted by Stender and IPG,
23 follows the same pattern as his pre-resignation practice: he frequently makes
24 promises that he cannot keep, charges exorbitant fees, and performs little or no
25 work or substandard work on clients' cases, leaving the clients with adverse
26 immigration rulings that in many instances could have been avoided and with
27 thousands to tens of thousands of dollars in debt.

PARTIES

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2 5. Plaintiff the People of the State of California, by and through San Francisco City
3 Attorney Dennis J. Herrera ("The People"), prosecute this action pursuant to California Business and
4 Professions Code sections 17200, 17204 and 17206.

5 6. Defendant Immigration Practice Group, P.C. ("IPG") is a professional law corporation
6 that is licensed to do business in California and that has been granted a certificate of registration as a
7 law corporation by the California State Bar. Its principal place of business is 555 Clay Street in San
8 Francisco, California. Pursuant to Business and Professions Code § 6167, IPG is required to observe
9 and is bound by all statutes, rules, and regulations governing conduct of members of the California
10 State Bar to the same extent as if IPG were specifically designated by such statutes, rules, and
11 regulations as a member of the State Bar.

12 7. Defendant Martin Resendez Guajardo is an individual and resident of San Francisco,
13 California. He is currently associated with IPG, and has been since its inception. Since his resignation
14 from the State Bar on April 17, 2008, Guajardo has not been authorized to practice law in any court in
15 the State of California, including federal courts, or before any federal immigration agency, including
16 the Board of Immigration Appeals.

17 8. Defendant Christopher Stender is an individual and resident of the State of California.
18 He is a member of the state bars of New York and Connecticut, and is a former member of the Arizona
19 Bar. He is not a member of the California State Bar. Stender is admitted to the bar of the United
20 States Court of Appeals for the Ninth Circuit. Stender currently serves as IPG's President, Treasurer,
21 and Secretary, and its sole Director.

22 9. The true names and capacities of defendants sued herein under the fictitious names
23 Does 1 through 20, inclusive, are unknown to Plaintiff. Plaintiff will seek leave of court to amend this
24 Complaint to allege such names and capacities as soon as they are ascertained.

25 10. Plaintiff is informed and believes that all of the acts and omissions described in this
26 Complaint by any defendant were duly performed by, and attributable to, all defendants, each acting as
27 agent, employee, alter ego and/or under the direction and control of the others, and such acts and
28 omissions were within the scope of such agency, employment, alter ego, direction, and/or control.

1 Any reference in this complaint to any acts of defendants shall be deemed to be the acts of each
2 defendant acting individually, jointly, or severally. At all relevant times, each defendant had
3 knowledge of and agreed to both the objectives and the courses of action, and took the acts described
4 in this complaint pursuant to such agreements, resulting in the unlawful, unfair, and fraudulent
5 business practices and damages to victims as described in this Complaint.

6 JURISDICTION AND VENUE

7 11. The Superior Court has jurisdiction over this action. Defendants are conducting
8 unlawful, unfair, and deceptive business practices in San Francisco, and the City Attorney has the right
9 and authority to prosecute these cases on behalf of the People.

10 12. Venue is proper in this Court because Defendants transact business in the City and
11 County of San Francisco and some of the acts complained of occurred in this venue; because at least
12 one of the defendants is a resident of the City and County of San Francisco; and because the principal
13 place of business of defendant IPG is situated in the City and County of San Francisco.

14 FACTUAL BACKGROUND

15 I. MARTIN GUAJARDO'S LONG HISTORY OF MISCONDUCT AND DISCIPLINE 16 IMPOSED BY THE STATE BAR, THE NINTH CIRCUIT AND THE BOARD OF IMMIGRATION APPEALS

17 13. Guajardo was admitted to the State Bar of California in 1977. For over 20 years, he
18 exploited his clients' trust in him and made elaborate promises to them, then failed to adequately
19 represent them after charging them thousands of dollars. His conduct often prejudiced his clients'
20 ability to obtain immigration relief, costing them the opportunity to stay and work in this country and
21 to keep their families together.

22 A. The Ninth Circuit And The State Bar Disciplined Guajardo For Misconduct 23 Multiple Times In The 1990's

24 14. Guajardo was suspended from the California State Bar three times in the 1990's, and
25 disciplined twice by the Ninth Circuit. In 1991, the Ninth Circuit suspended Guajardo from practicing
26 before it for five months because he failed to file opening briefs or respond to the Court's orders to
27 show cause in two cases. *Gao-Ay v. INS*, 1991 U.S. App. LEXIS 8235, *5 n.1 (9th Cir. 1991). The
28

1 court found that Guajardo had neglected his clients in those two cases and in other cases as well, and
2 "invited" the State Bar to investigate his misconduct. *Id.* (quoting March 22, 1991 Suspension Order).

3 15. The State Bar accepted this invitation and uncovered numerous instances where
4 Guajardo inadequately represented and financially exploited his clients. For example, in 1985,
5 Guajardo failed to file a brief in support of his client's petition to the Ninth Circuit, and the petition
6 was dismissed as a result. In a second matter, Guajardo failed to return \$1500 in unearned fees to his
7 client. In two other matters, Guajardo accepted \$850 and \$900 from clients, failed to take any action
8 on their cases, and failed to refund the fees they paid him. Based on these incidents, the State Bar
9 recommended discipline, and in 1992 Guajardo was suspended from the practice of law for 75 days
10 and placed on a three-year probation. The State Bar Court described Guajardo's multiple acts of
11 misconduct as an aggravating circumstance and ordered him to file a quarterly report in writing and to
12 develop a law office management and organization plan approved by his assigned probation monitor.
13 Because he did neither, in 1993 the Court suspended him for another year, stayed that suspension, and
14 placed him on probation for an additional year.

15 16. Undeterred by this discipline, Guajardo continued to provide inadequate legal
16 representation to his clients. In *Pagarigan v. INS*, 1995 U.S. App. LEXIS 9701, *5 (9th Cir. 1995),
17 where a client contended Guajardo provided ineffective assistance of counsel, the Ninth Circuit
18 observed "[t]his is not the first time that...Martin Resendez Guajardo has engaged in conduct that
19 appears to have resulted in forfeiting his clients' opportunity to assert their rights," quoting *Dacuycuy*
20 *v. INS*, 1995 U.S. App. LEXIS 735, *10 (9th Circuit 1995).

21 17. In 1996, Guajardo failed to obtain waivers from two clients before continuing to
22 represent them in their motions to reopen their immigration proceedings based on *his own* prior
23 ineffective assistance of counsel. Based on that misconduct, the Ninth Circuit suspended Guajardo
24 again – this time for two years. The Appellate Commissioner discussed at length facts suggesting that
25 Guajardo protected himself and his reputation at the expense of his clients, and called his misconduct
26 "extremely troubling." Based on this misconduct, in 1998 the California Supreme Court also again
27 suspended Guajardo for a year, stayed the execution of the suspension, and placed him on probation
28 for a year.

1 **B. A Still Unrepentant Guajardo Continued To Engage In The Same Practices Until**
2 **The State Bar Brought New Disciplinary Charges In 2007**

3 18. Despite this latest round of discipline, Guajardo continued to overcharge clients for bad
4 legal advice. The Ninth Circuit held that he had provided ineffective assistance of counsel in *Ray v.*
5 *Gonzales*, 439 F.3d 582, 588 (9th Cir. 2006), noting that he "took from Ray \$10,000 in fees, and the
6 record indicates that he provided no substantive legal assistance whatsoever..." *See also Saldivar v.*
7 *Gonzales*, 235 Fed. App'x. 399 (9th Cir. 2007) (holding that Guajardo provided ineffective assistance
8 of counsel where he advised petitioner to marry the father of her children, forfeiting her chance at
9 obtaining a visa); *Singh v. Holder*, 365 Fed. App'x. 908, 909 (9th Cir. 2010) (Guajardo charged
10 \$15,000 for "fraudulent and ineffective" representation). Guajardo also continued to skirt the rules of
11 professional conduct, and one Ninth Circuit judge suggested he be referred for disciplinary action after
12 improperly contacting the court. *Yepes-Prado v. United States INS*, 36 F.3d 83, 84 (9th Cir. 1994)
13 (Kozinski, J., dissenting). Ninth Circuit cases from this time period contain various other allegations
14 about how Guajardo failed to effectively represent clients after he took their money. *See, e.g. Devi v.*
15 *Mukasey*, 2008 U.S. Dist. LEXIS 106032, *5-6 (E.D. Cal. 2008) (alleging Guajardo filed an untimely
16 motion to reopen, took petitioners' money to appeal its denial, then never filed the petition for review);
17 *Ray*, 439 F.3d at 586 n.4 (petitioner claimed that Guajardo "stated he knew judges and could take care
18 of this problem," but instead "has done nothing but give me additional appointments...").

19 19. On April 19, 2006, the Ninth Circuit Court of Appeals ordered Guajardo to show cause
20 why he should not be suspended or disbarred for repeated violations of the court's rules and orders and
21 for conduct unbecoming a member of the court's bar. In November of 2007 Guajardo resigned from
22 the Ninth Circuit bar with disciplinary charges pending. Based on this resignation, on March 5, 2008,
23 the Board of Immigration Appeals ("BIA") suspended Guajardo from practice before the Board, the
24 Immigration Courts, and the Department of Homeland Security. The Ninth Circuit and the BIA
25 required Guajardo to notify all clients with cases pending before the court or any of these three
26 agencies in writing that he was suspended, and to maintain records to show he had done so.

27 20. In 2007, the California State Bar brought new charges against Guajardo alleging that he
28 continued to charge excessive or unconscionable fees for inadequate representation. For example, in

1 Count Two, the bar alleged that Guajardo charged a mother and son \$75,000 to represent them in
2 removal proceedings. After their asylum application was denied, Guajardo filed a notice of appeal but
3 then failed to submit a timely brief in support of that appeal. When Guajardo did file an appeal brief,
4 he failed to request permission to file it late and it was returned as untimely. The appeal was denied.
5 Guajardo failed to inform the clients about any of this until months after the denial of the appeal.
6 Eventually the clients retained new counsel, who requested a copy of their files on November 23,
7 2004. Guajardo ignored repeated requests for the file, and did not provide it to the new attorneys until
8 January 3, 2005.

9 21. In Count Three, the bar charged that Guajardo entered an unconscionable fee agreement
10 with a client in which he charged \$25,000 to advise the client of possible immigration consequences of
11 criminal proceedings against him. Guajardo collected \$10,000 from the client but performed no
12 significant work on his case. No deportation proceedings were ever initiated against the client, and he
13 terminated Guajardo's representation and requested a refund. Guajardo not only refused to return the
14 \$10,000, but demanded payment of an additional \$15,000.

15 22. In Count Four, the bar charged that Guajardo collected \$10,000 from a client and the
16 bulk of Guajardo's services were limited to "making routine requests for documents, conducting
17 unnecessary meetings..." and preparing one declaration for the client to sign. After the client
18 terminated Guajardo's representation, Guajardo failed to refund any part of the unearned \$10,000.

19 **II. GUAJARDO'S RESIGNATION FROM THE STATE BAR AND IMPLEMENTATION**
20 **OF A SCHEME TO CONTINUE PRACTICING LAW AND DEFRAUDING CLIENTS**

21 23. With disbarment imminent as a result of these new charges, Guajardo formulated and
22 implemented a scheme to allow him to continue his lucrative law practice even without his law
23 license. The first part of this scheme was to change the name of his law firm and give another
24 attorney nominal control of it. On April 16, 2008, the day before he resigned from the State Bar,
25 Guajardo changed the name of his law firm from "Martin Resendez Guajardo, a Professional
26 Corporation" to "Immigration Practice Group, P.C." (IPG).¹

27 _____
28 ¹ IPG is a professional legal corporation and is bound by the same rules of professional conduct
as individual members of the California Bar. Cal. Bus. & Prof Code § 6167.

1 24. Less than a month later, on May 9, 2008, Guajardo made Christopher Stender, an
2 attorney licensed only in Connecticut and New York and not in California, IPG's sole CEO, CFO,
3 secretary and director. Christopher Stender filed with the California State Bar a Special Report Form
4 reporting (a) the change of the law firm name to "Immigration Practice Group, P.C.," (b) the addition
5 of Stender as a shareholder and Director effective April 8, 2008, (c) the omission of Guajardo as a
6 Director effective April 17, 2008, (d) the addition of Stender as president, treasurer, and secretary
7 effective April 17, 2008, and (e), the omission of Guajardo as President, treasurer and secretary
8 effective April 17, 2008. Guajardo remained a shareholder of IPG until June 16, 2008.

9 25. This transfer of power occurred on paper only. Although the Special Report Form filed
10 with the State Bar by Stender on May 9, 2008 reported that Guajardo was no longer an employee of
11 IPG effective April 17, 2008, Guajardo continues to this day to be employed by, and retains control of,
12 IPG.

13 26. On April 17, 2008, the day after he formed IPG, Guajardo resigned from the State Bar.
14 By that resignation, Guajardo agreed to be immediately transferred to inactive membership of the State
15 Bar, and acknowledges that upon such transfer, he would become ineligible to practice law or to hold
16 himself out as practicing or entitled to practice law. The terms of Guajardo's April 17, 2008 written
17 resignation further required him to inform his clients of his resignation within thirty days and to file an
18 affidavit with the State Bar within forty days attesting to the requisite notification of his clients. The
19 Supreme Court accepted Guajardo's resignation on May 13, 2009.

20 **III. GUAJARDO, STENDER, AND IPG CONTINUE TO ENGAGE IN UNLAWFUL AND**
21 **UNFAIR PRACTICES, DEFRAUDING AND PREJUDICING THEIR CLIENTS**

22 27. After forming IPG, Guajardo has continued his law practice in the same building,
23 representing the immigrant clients. Guajardo has failed to notify his clients of his prior misconduct or
24 his resignation, and instead through his behavior and his statements has perpetuated their belief that he
25 is still their lawyer. Although Guajardo made cosmetic changes such as hiring lawyers to sign
26 pleadings and appear in Court, he has conducted himself as the lawyer in charge and has led clients to
27 believe the other attorneys work for him. Clients continue to rely on him to help them or their loved
28 ones obtain legal status in this country.

1 **A. Guajardo Does Not Notify Clients Of His Resignation And Clients Continue To**
2 **Meet With Him And Believe That He Is Their Lawyer**

3 28. Guajardo has given his existing clients no reason to believe that he is no longer licensed
4 to practice law. Guajardo does not inform any of his clients either orally or in writing that he has
5 resigned from the State Bar and the Ninth Circuit Bar with charges pending or that he has been
6 suspended from practice in the immigration tribunals. He also failed to file a declaration with the
7 State Bar attesting that he had notified his clients of his resignation. Guajardo also never mailed
8 notice of his resignation to the Office of the Chief Trial Counsel of the State Bar.

9 29. Unaware that he is no longer a lawyer and cannot lawfully practice, new and existing
10 clients meet with Guajardo and seek legal advice from him. The premises of IPG are identical to those
11 of Guajardo's "old" law firm. IPG remains in the same building, uses the same phone number, and
12 sends bills from the same address as Guajardo's prior firm. There is no reason for clients to know that
13 Guajardo has resigned as an attorney.

14 30. To this day, new clients can still call and set up appointments to see Guajardo and seek
15 legal advice. Guajardo continues to meet with clients alone since his resignation. Guajardo provides
16 legal advice to clients during these meetings. He counsels his clients about next steps after an adverse
17 immigration decision and discusses case law and legal strategy with them.

18 31. Even when other lawyers are present Guajardo conducts the meetings as if he were the
19 attorney in charge even though he is no longer licensed to practice law. Guajardo alone discusses his
20 clients' cases with them. He gives his clients false explanations for the presence of the other lawyers,
21 telling clients the lawyers work for him or that he now has a "team of lawyers." He told one client he
22 was retiring and transferring his practice to Stender, but that he (Guajardo) would still be working on
23 the client's case. The other IPG attorneys, including Stender, rarely, if ever, speak during the
24 meetings. Sometimes they observe the meetings, and sometimes they simply do other work while
25 Guajardo speaks to his clients about their cases.

26 32. Even when Guajardo does not explicitly state that the other employees work for him,
27 his interactions with the other staff members give clients that impression. Guajardo leads the
28 discussions in meetings even if Stender or other lawyers are present, and Stender rarely says anything

1 at these meetings. Guajardo does not ask Stender's opinion. Guajardo also directs other staff members
2 to do specific tasks.

3 33. Guajardo's billing practices also remain unchanged since his resignation, providing
4 clients no reason to believe he is no longer their lawyer. One client received an "Account History"
5 listing payments from July 2002 through July 2008, after Guajardo had resigned, all in the same
6 format. Guajardo continues to discuss the cost of his services with his clients. He also charges his
7 clients, regardless of whether he does any work on their case, often personally accepting payment for
8 his services. Many clients pay Guajardo in cash. He continues to request more money to assist his
9 clients even after his resignation.

10 34. To further the illusion that Guajardo was still entitled to practice law, Stender and IPG
11 continued, for a significant period of time after Guajardo's resignation, to allow access to its website
12 via several web addresses that include Guajardo's name: www.guajardolaw.com/guajardo/v2;
13 www.immigrationpracticegroup.com/guajardo/v2; and www.ipgpc.com/guajardo/v2. Moreover, while
14 on IPG's website, internet browsers identified the website as "Guajardo Law" on the browser tab and
15 window.

16 **B. Guajardo Made Some Changes Because He Could No Longer Practice in Court**

17 35. Guajardo made some changes because he was prohibited from practicing law in any
18 court. As previously indicated, he purportedly transferred control over his firm to Stender. He also
19 introduced Stender to some of the clients, and some clients met other attorneys as well. Some clients
20 were given new business cards that said "Immigration Practice Group."

21 36. After Guajardo's suspension from practice before the federal immigration agencies and
22 courts on March 26, 2008, and after his resignation from membership in the Ninth Circuit Bar on
23 November 1, 2007 and from the California Bar on April 17, 2008, he could not file documents with
24 any court or immigration agency. Stender and other employees of IPG assume this role and sign
25 documents filed on behalf of Guajardo's clients. Stender also signs client documents such as retainer
26 agreements that have been negotiated by Guajardo.

27 37. One former client learned after obtaining new immigration counsel that someone she
28 had never heard of had signed her petition for review to the Ninth Circuit. Some clients never enter

1 written agreements with Guajardo about the scope of his services or the fees he would charge. When
2 Guajardo does provide a written agreement to a client, he does not explain the substance of the
3 agreement. Guajardo asks the client to sign the agreement and then has someone else sign as the
4 client's "attorney," even though the clients believe Guajardo is their attorney. Guajardo sometimes
5 fails to enter into written fee agreements with all clients whom he has charged more than \$1,000 in
6 retainer fees. To the extent he has provided written fee agreements, they are often not in the language
7 in which he had such agreements.

8 38. Guajardo provides misleading explanations for the changes at his office. He told one
9 client that he was expanding his practice. He told another that he was retiring, but he would still be
10 working on that client's case. When one client found find out that Guajardo was in trouble with the
11 State Bar and confronted him, Guajardo falsely told him that the suspension was only for one or two
12 months and that "I'm still your attorney and I'll take care of your case." Other members of IPG assist
13 Guajardo in concealing the real reason for the changes. For example, Stender told one client while
14 pointing at Guajardo, "[h]e's still your guy. We're just here to help."

15 39. At no time did anyone at IPG, including Stender, inform Guajardo's clients either orally
16 or in writing that Guajardo was no longer licensed to practice law or that he had resigned from the bar
17 with disciplinary charges pending. Similarly, neither IPG nor Stender filed any paperwork with the
18 State Bar confirming that their clients had been informed of Guajardo's resignation. Indeed, Guajardo
19 and IPG do nothing to correct clients' mistaken belief that Guajardo is still a licensed attorney, and that
20 the staff and lawyers at IPG work for him. Similarly, Stender sits in on meetings where Guajardo
21 provides legal advice yet rarely says anything and does nothing to correct these clients' mistaken belief
22 that Guajardo is their lawyer. The goal of these changes is to insure that Guajardo's clients remain in
23 the dark about the fact that their "lawyer" is no longer licensed to practice law.

24 C. Stender and IPG Play an Integral Role in Guajardo's Scheme

25 40. Stender and IPG aid and abet Guajardo's scheme. While keeping the clients ignorant of
26 the fact that Guajardo was no longer authorized to practice law, Stender and IPG allow Guajardo to
27 meet with them, to provide legal advice, to discuss legal strategy, and to collect retainer fees. On
28 those occasions that Stender or other IPG lawyers are present for meetings between Guajardo and his

1 clients, Guajardo, they actively deceive the clients by affirmatively stating that Guajardo was in charge
2 of their cases. Stender's and IPG's actions allow Guajardo to continue his practice uninterrupted,
3 despite his resignation from the State Bar.

4 **CAUSE OF ACTION AGAINST GUAJARDO, STENDER, AND IPG**
5 **FOR VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200**

6 41. Plaintiff incorporates by reference the allegations contained in each paragraph above, as
7 if those allegations were fully set forth herein.

8 42. California Business and Professions Code § 17200 prohibits any "unlawful, unfair, or
9 fraudulent business act or practices." Defendants Guajardo, Stender, IPG, and Does 1 through 20 have
10 engaged in unlawful, unfair, and deceptive business acts or practices in violation of section 17200.
11 Such acts or practices include but are not limited to those described in Paragraphs 43 through 81
12 below.

13 **Guajardo Failed to Provide the Required Notifications To Clients And Others When He**
14 **Resigned from the State Bar with Disciplinary Charges Pending**

15 43. On April 17, 2008, Guajardo submitted his resignation from the California State Bar
16 with charges pending, promising in that resignation to comply with California Rules of Court 9.20(a),
17 (b), and (c). By Order dated May 13, 2009, the California Supreme Court accepted Guajardo's
18 resignation.

19 44. Guajardo violated the letter of and the public policy embodied in Business and
20 Professions Code §§ 6180 and 6180.1 and California Rule of Court 9.20(a)(1) by failing to provide
21 written notification to clients at the time of his resignation that he had resigned from the State Bar with
22 charges pending, that he was no longer licensed to practice law in California, and that they should seek
23 legal advice elsewhere.

24 45. Guajardo violated the letter of and the public policy embodied in California Rule of
25 Court 9.20(c) by failing to file with the Clerk of the State Bar an affidavit showing that he had fully
26 complied with Rule 9.20(a)(1).

27 46. Guajardo violated the letter of and the public policy embodied in Business and
28 Professions Code §§ 6180 and 6180.1 by failing to provide written notice of his resignation from the

1 Bar to all opposing counsel and to all courts and agencies in which he had matters pending at the time
2 of his resignation.

3 47. Guajardo's failure to provide notice to his clients of his resignation from the Bar with
4 charges pending was intended to mislead and likely to mislead his clients regarding Guajardo's
5 authorization to practice law in the State of California and before the immigration agencies and courts.

6 **Stender, IPG, and Does 1 Through 20 Failed to Provide the Required Notifications that**
7 **They Were Employing An Attorney Who Had Resigned from the Bar with Charges**
8 **Pending**

9 48. Stender, IPG, and Does 1 through 20 violated, and continue to violate, the letter of and
10 the public policy embodied in California Rule of Professional Conduct 1-311(D), and Business and
11 Professions Code §§ 6180 and 6180.1.

12 49. Stender, IPG, and Does 1 through 20 knew or reasonably should have known that
13 Guajardo resigned on April 17, 2008 from the California State Bar with disciplinary charges pending.
14 After Guajardo resigned from the bar with disciplinary charges pending, IPG, Stender, and Does 1
15 through 20 had custody and control of the records of Guajardo's clients.

16 50. Stender, IPG, and Does 1 through 20 violated, and continue to violate, the letter of and
17 the public policy embodied in Business and Professions Code §§ 6180 and 6180.1 by failing to
18 provide written notice of Guajardo's resignation from the Bar with charges pending to all persons who
19 were Guajardo's clients at the time of his resignation, to the courts and agencies in which Guajardo
20 then had pending matters, to any errors and omissions insurer, and to the Office of the Chief Trial
21 Counsel of the State Bar.

22 51. Stender, IPG, and Does 1 through 20 violated, and continue to violate, the letter of and
23 the public policy embodied in California Rule of Professional Conduct 1-311(D) by failing to provide
24 written notice to the State Bar of their employment of Guajardo following his resignation on April 17,
25 2008, with a full description of his then current bar status, a list of the activities prohibited in
26 California Rule of Professional Conduct 1-311(B), and a statement that Guajardo would not perform
27 such activities.

28 52. Stender, IPG, and Does 1 through 20 violated, and continue to violate, the letter of and
the public policy embodied in California Rule of Professional Conduct 1-311(D) by failing to provide

1 to each client of Stender, IPG, and Does 1 through 20 on whose matter Guajardo has worked a written
2 notice containing a full description of his then current bar status, a list of the activities prohibited in
3 California Rule of Professional Conduct 1-311(B), and a statement that Guajardo would not perform
4 such activities. Stender, IPG, and Does 1 through 20 also failed to obtain proof of service of the
5 written notice to the client.

6 53. Stender, IPG, and Does 1 through 20 violated the letter of and the public policy
7 embodied in California Rule of Professional Conduct 1-311(D) and (F) by submitting a Special Report
8 Form to the California State Bar on May 9, 2008 that falsely stated that Guajardo had ceased to be
9 employed by IPG effective April 17, 2008.

10 54. The failure of Stender, IPG, and Does 1 through 20 to provide the written notification
11 required by Business and Professions Code §§ 6180 and 6180.1 and by California Rule of Professional
12 Conduct 1-311(D) was intended to mislead and likely to mislead Guajardo's clients regarding
13 Guajardo's authorization to practice law in the State of California and before the immigration agencies
14 and courts, and also likely to mislead the courts and agencies before which Guajardo had matters
15 pending at the time of his resignation.

16 55. The submission by Stender, IPG, and Does 1 through 20 of a Special Report Form to
17 the California State Bar on May 9, 2008 that falsely stated that Guajardo had ceased to be employed
18 by IPG was intended to and also likely to mislead the State Bar regarding Guajardo's continuing
19 practice of law without authority to do so.

20 **IPG, Stender, And Does 1 Through 20 Failed to Remove Guajardo's Name From**
21 **Its Website**

22 56. IPG, Stender, and Does 1 through 20 violated the letter of and the public policy
23 embodied in Business and Professions Code § 6132 by failing to remove Guajardo's name from its
24 website within sixty days after his resignation from the State Bar with disciplinary charges pending.
25 Websites constitute "signs, advertisements, . . . and other materials" within the meaning of Business
26 and Professions Code § 6132.

27 57. Until recently, IPG's website continued to contain Guajardo's name. In particular, IPG's
28 website could be accessed via the URL: www.guajardolaw.com. Moreover, IPG's website was

1 viewable at three URLs: www.guajardolaw.com/guajardo/v2;
2 www.immigrationpracticegroup.com/guajardo/v2; and www.ipgpc.com/guajardo/v2. While on IPG's
3 website, internet browsers identified the website as "Guajardo Law" on the browser tab and window.

4 58. The failure of IPG, Stender, and Does 1 through 20 to timely remove Guajardo's name
5 from IPG's website was intended to mislead and likely to mislead his clients regarding Guajardo's
6 authorization to practice law in the State of California and before the immigration agencies and courts.

7 **Guajardo Engaged in the Unauthorized Practice of Law**

8 59. In violation of Business and Professions Code §§ 6125 and 6126, Guajardo practiced
9 and continues to practice law without being an active member of the California State Bar or otherwise
10 authorized to practice law before any federal court or agency, and to hold himself out as an attorney
11 licensed to practice law in California and before federal agencies and courts.

12 60. Guajardo resigned from the California Bar on April 17, 2008, and has not been
13 authorized to practice before the Board of Immigration Appeals or any federal immigration agency
14 since March 2008, but has continued to engage in the practice of law, including providing advice to
15 clients regarding their rights under the immigration laws. Examples of Guajardo's unauthorized
16 practice of law include, but are not limited to, providing legal advice, discussing legal strategy, and
17 collecting fees.

18 61. In addition, since his resignation from the California Bar and his suspension from
19 practice before the federal immigration agencies and court, Guajardo has continued to hold himself out
20 to be authorized to practice law, providing clients varying explanations for other attorneys signing
21 documents filed on their behalf. These explanations include that Guajardo had sold part of his practice
22 to the other attorneys, and that in anticipation of his retirement, Guajardo had brought on other
23 attorneys to help with his clients' cases.

24 //

1 fees. However, he willfully neglected to inform them that he was not an attorney, and in many cases
2 he affirmatively made statements to the clients that were false or misleading with respect to Guajardo's
3 status as an attorney and his relationship to Stender, IPG, and Does 1 through 20, with the intention
4 that the clients would believe he continued to be authorized to practice law.

5 68. The statements Guajardo made to the clients were false and misleading because they
6 omitted necessary facts – specifically that Guajardo was no longer authorized to practice law in
7 California or before the federal immigration agencies and courts. The legal advice Guajardo gave to
8 clients and the statements he made to them regarding his relationship to IPG and the attorneys
9 associated with IPG were also false and misleading because they contained an implicit assertion that
10 Guajardo was authorized by the State Bar to provide legal advice when in fact he was not.

11 69. Stender and Does 1 through 20 made false statements during meetings with Guajardo
12 and his clients. During meetings with individuals who were clients of Guajardo and of IPG, Stender
13 and Does 1 through 20 affirmatively made statements that Guajardo was in charge of the client's case,
14 and omitted the material fact that Guajardo, despite providing legal advice and discussing legal
15 strategy, was not authorized to practice law.

16 70. The clients who were subjected to these material misrepresentations and omissions
17 relied to their detriment on Guajardo's advice, paying attorney's fees to Guajardo for legal advice and
18 counsel that he was not authorized by law to provide rather than seeking representation by licensed
19 counsel authorized to practice before the immigration agencies and courts.

20 **Guajardo, Stender, IPG, And Does 1 Through 20 Failed to Provide Written Contracts**
21 **When It Was Reasonably Foreseeable that the Total Expense to the Client Would Exceed**
22 **\$1,000**

23 71. Guajardo, Stender, IPG, and Does 1 through 20 routinely charge clients in excess of
24 \$1,000 to render legal services, and frequently insist on the client's payment of an initial retainer fee in
25 excess of that amount. In violation of the letter of and the public policy embodied in Business &
26 Professions Code § 6148, Guajardo, Stender, IPG, and Does 1 through 20 failed to provide a written
27 contract to each client for whom it was reasonably foreseeable that the total expense to the client
28 would exceed \$1,000.

1 72. Guajardo, Stender, IPG, and Does 1 through 20 have not disclosed to such clients their
2 statutory right to obtain a written fee agreement pursuant to Business & Professions Code § 6148, nor
3 have such clients provided a knowing written waiver of their right to a written fee agreement.

4 **Stender, IPG, And Does 1 Through 20 Failed to Provide Fee Agreements and Retainer**
5 **Agreements in the Language in Which They Were Negotiated**

6 73. In those instances where Stender, IPG, and Does 1 through 20 did provide written
7 contracts to Spanish-speaking clients, they violated the letter of and the public policy embodied in
8 Civil Code § 1632(b)(6). With clients who primarily spoke Spanish or whose English was limited,
9 Guajardo, Stender, and other attorneys at IPG spoke primarily in the Spanish language when
10 negotiating retainer agreements. The clients' purpose in entering into such contracts was to obtain
11 legal services. The contracts contained a statement of terms specifying the legal work to be done, fees
12 and charges. Stender, IPG, and Does 1 through 20 violated the letter of and the public policy
13 embodied in Civil Code § 1632(b)(6) by failing to deliver to such clients a copy of the contract
14 translated into Spanish either prior to requesting the client execute the document or after the client's
15 execution of it.

16 **Stender, IPG, And Does 1 Through 20 Shared and Continue to Share Fees with Guajardo**

17 74. Upon information and belief, IPG, which is a professional law corporation licensed as
18 such by the California State Bar, Stender, and Does 1 through 20, have violated the letter of and the
19 public policy embodied in Corporations Code § 13408.5 and California Rules of Professional Conduct
20 1-320(A) and 2-200(A), by directly or indirectly sharing legal fees with Guajardo.

21 75. Upon information and belief, Stender, as the President and sole Director of IPG, and
22 Does 1 through 20 have aided and abetted IPG's sharing of legal fees with Guajardo in violation of the
23 letter of and the public policy embodied in California Corporations Code § 13408.5 and California
24 Rules of Professional Conduct 1-320(A) and 2-200(A).

25 **Guajardo Failed to Return Unearned Fees to Clients**

26 76. Guajardo violated California Rule of Court 9.20(a)(3) and California Rule of
27 Professional Conduct 3-700(D)(2) by failing to refund unearned fees upon his resignation from the
28 State Bar.

1 77. Guajardo also violated California Rule of Court 9.20(d) by failing to file an affidavit
2 with the State Bar within forty days of his resignation attesting to the fact that he returned all unearned
3 fees to his clients.

4 78. Guajardo's failure to comply with these Rules of Court was willful, and therefore
5 amounted to criminal conduct in violation of Business and Professions Code § 6126(c).

6 **IPG, Stender, And Does 1 Through 20 Failed to Disclose in IPG's Advertisements that**
7 **Stender Is Not Licensed To Practice Law in California**

8 79. Stender, IPG, and Does 1 through 20 have violated, and continue to violate, the letter of
9 and the public policy embodied in Business and Professions Code § 22442.2(c)(3), which requires
10 them to include in any "advertisements for immigration services a clear and conspicuous statement
11 that [Stender] . . . is not an attorney licensed to practice law in California but . . . is authorized . . . to
12 represent persons before the Board of Immigration Appeals."

13 80. The fact that Stender is not a member of the California bar does not appear on IPG's
14 website, IPG's letterhead, or on Stender's business cards.

15 81. Does 1 through 20 have aided and abetted Stender and IPG in violating the letter of and
16 the public policy embodied in Business and Professions Code § 22442.2(c)(3).

17 **PRAYER FOR RELIEF**

18 For the reasons set forth above, Plaintiff prays for relief as follows:

19 1. That, pursuant to Business & Professions Code section 17206, the Court assess a civil
20 penalty in an amount up to two thousand, five hundred dollars for each violation of section 17200 by
21 each defendant and all of them;

22 2. That, pursuant to Business & Professions Code sections 17203 and 17204, the Court
23 issue an order enjoining defendants from performing any of the unlawful aforementioned acts within
24 California;

25 3. That the Court award provisional and final remedies against defendants including,
26 without limitation, an injunction prohibiting defendants from continuing their unlawful and unfair
27 activities, disgorgement of all profits, and restitution;

28 4. That the Court award Plaintiff its costs including, but not limited to attorneys' fees; and

1 5. That the Court grant any and all other relief to which Plaintiff may be justly entitled.

2
3 Dated: November 16, 2010

4 DENNIS J. HERRERA
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By: 
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THE PEOPLE OF THE STATE OF CALIFORNIA