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U.S. BKCY. APP. PANEL  
OF THE NINTH CIRCUIT

NOT FOR PUBLICATION

UNITED STATES BANKRUPTCY APPELLATE PANEL  
OF THE NINTH CIRCUIT

6	In re:	)	BAP Nos.	EC-07-1068-JuNaMo
		)		EC-07-1119-JuNaMo
7	BETSEY WARREN LEBBOS,	)		(Consolidated)
		)		
8	Debtor,	)	Bk. Nos.	06-22225
		)		
9	_____	)		
	BETSEY WARREN LEBBOS,	)		
10		)		
	Appellant,	)		
11	v.	)	<b>MEMORANDUM<sup>1</sup></b>	
		)		
12	LINDA SCHUETTE, Trustee;	)		
	UNITED STATES TRUSTEE,	)		
13		)		
	Appellees.	)		
14	_____	)		

Argued and Submitted on October 26, 2007  
at Sacramento, California

Filed - November 14, 2007

Appeal from the United States Bankruptcy Court  
for the Eastern District of California

Honorable Robert S. Bardwil, Bankruptcy Judge, Presiding

Before: JURY, NAUGLE<sup>2</sup> and MONTALI, Bankruptcy Judges.

<sup>1</sup> This disposition is not appropriate for publication. Although it may be cited for whatever persuasive value it may have (see Fed. R. App. P. 32.1) it has no precedential value. See 9th Cir. BAP Rule 8013-1.

<sup>2</sup> Hon. David N. Naugle, U.S. Bankruptcy Judge for the Central District of California, sitting by designation.

1 **I. INTRODUCTION**

2 These consolidated appeals arise out of debtor's ex parte  
3 letter complaint to the judges of the bankruptcy court for the  
4 Eastern District of California, seeking disciplinary action  
5 against the chapter 7<sup>3</sup> trustee, Linda Schuette, and her attorney,  
6 Michael Dacquisto, for numerous acts of misconduct.  
7 Specifically, debtor sought an order to disbar the trustee and  
8 trustee's attorney in the bankruptcy court for the Eastern  
9 District.

10 The judge assigned to debtor's bankruptcy case construed her  
11 letter complaint as a motion to terminate the appointment of the  
12 trustee, to terminate the employment of trustee's attorney, and  
13 for other disciplinary relief and sua sponte issued an order  
14 setting a briefing schedule and a hearing. Following a hearing,  
15 the court issued Findings of Fact and Conclusions of Law which  
16 denied the motion. Debtor moved for reconsideration, which the  
17 court also denied. Debtor filed a timely appeal.<sup>4</sup>

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19  
20 <sup>3</sup> Unless otherwise indicated, all chapter, section and rule  
21 references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532, and  
22 to the Federal Rules of Bankruptcy Procedure, Rules 1001-9036, as  
23 enacted and promulgated on the effective date of The Bankruptcy  
Abuse Prevention and Consumer Protection Act of 2005, Pub. L.  
109-8, 119 Stat. 23 (generally October 17, 2005).

24 <sup>4</sup> Debtor filed a motion for reconsideration followed by a  
25 notice of appeal. The notice of appeal was forwarded to the BAP  
26 and assigned EC-07-1068. Subsequently, the bankruptcy court  
27 entered an order denying the motion for reconsideration. The  
28 notice of appeal was transmitted to the BAP a second time and was  
assigned a second appeal number, EC-07-1119. The BAP issued  
orders consolidating the appeals, denying debtor's motion for  
leave to appeal as unnecessary.

1 Debtor contends that the bankruptcy court erred in  
2 converting her letter complaint into a motion because doing so  
3 breached confidentiality, caused her attorney to withdraw, and  
4 forced her to proceed pro per. Debtor also contends that the  
5 bankruptcy court erred in its factual findings and in applying  
6 the law to the trustee's and trustee's attorney's alleged  
7 misconduct.

8 We find that the bankruptcy court did not err in converting  
9 debtor's ex parte letter into a motion because debtor requested  
10 affirmative relief against the trustee and the trustee's  
11 attorney. Therefore, the trustee and her attorney were entitled  
12 to notice of debtor's allegations against them. Further, the  
13 bankruptcy court had discretion whether to refer debtor's  
14 complaints to the United States Trustee or a disciplinary body.

15 We also find no error in the court's findings or application  
16 of the law with respect to removal of the trustee for "cause" or  
17 the disbarment of the trustee's attorney. The record supports  
18 the court's findings that neither the trustee nor her attorney  
19 committed any wrongdoing.

20 Because we find no reversible error, we AFFIRM.

21 **II. FACTS**

22 Debtor is a former attorney who practiced law in California  
23 from 1975 until 1991 when she was disbarred. In February 1989,  
24 she started a business, Lawyer Defend Yourself, which assisted  
25 California lawyers with law office management plans, probation  
26 compliance and ethics, and provided briefs and motions for  
27 attorneys who represented themselves. Debtor sold her business  
28 in May 2006 to Michael A. Doran, who had a law office in Redding,

1 California. Debtor moved to Redding at about the same time to  
2 assist Mr. Doran in developing expertise for handling  
3 professional responsibility issues for attorneys.

4 Debtor filed her voluntary chapter 7 petition on June 26,  
5 2006. At the time of her filing, debtor was being prosecuted for  
6 the unauthorized practice of law in the Santa Clara County  
7 Superior Court. Debtor was convicted and sentenced to electronic  
8 monitoring for nine months in Santa Clara County. Her house  
9 arrest commenced on August 28, 2006.

10 **A. The 341a Meeting of Creditors; Debtor's Nonattendance at**  
11 **Continued Meetings**

12 The trustee requested, through debtor's attorney, Darryll  
13 Alvey, that debtor produce documents by July 12, 2007, one week  
14 prior to the first 341a meeting of creditors. The day before the  
15 deadline, debtor sought, through her attorney, an extension of  
16 time from the trustee for the production of documents because she  
17 would have to travel to Long Beach to get the documents.

18 Debtor and her attorney appeared at the first 341a meeting  
19 on July 19, 2006. Debtor testified that she was sentenced in her  
20 criminal proceeding to probation, but it was conditioned on  
21 electronic monitoring for nine months. The debtor also testified  
22 that she was under a court order not to provide any legal  
23 documents, although no order to that effect is in the record.

24 The trustee again requested debtor to produce documents,  
25 primarily tax returns, within twenty days (or by August 8, 2006).  
26 The 341a meeting was orally continued to October 18, 2006.

27 On August 4, 2006, debtor again requested her attorney to  
28 seek a continuance of the August 8, 2006 deadline. According to

1 the debtor, she could not travel to Long Beach or Ventura to get  
2 the remaining documents since she was working to prevent her  
3 incarceration on August 28, 2006. Debtor did provide some of her  
4 documents with her August 4, 2006 letter.

5 On October 9, 2006, the trustee's attorney wrote to debtor's  
6 probation officer requesting that she be allowed to travel to  
7 Redding to attend the October 18, 2006 continued 341a meeting.  
8 Alternatively, trustee's attorney requested that debtor be able  
9 to attend her 341a examination at the United States Trustee's  
10 office in San Jose.

11 At the October 18, 2006 continued 341a meeting, debtor's  
12 attorney appeared, but she did not. At that meeting, trustee's  
13 attorney informed the trustee and debtor's attorney that, if a  
14 request was made through the debtor's probation officer, the  
15 officer would advise debtor that she was required to attend her  
16 341a meeting. The meeting was continued to October 26, 2006.  
17 The report of this 341a meeting erroneously stated that the  
18 debtor appeared for the hearing.

19 On October 20, 2006, trustee's attorney faxed a letter to  
20 the debtor's probation officer, seeking help in getting debtor to  
21 the October 26, 2006 continued 341a meeting. Debtor then advised  
22 her attorney that she would not appear at the continued meeting  
23 of creditors and that her probation officer would need a court  
24 order to take any further steps. Her attorney faxed a letter to  
25 the trustee, asked for a 45-day continuance, and advised her that  
26 debtor could not attend the October 26, 2006 meeting.

27 Neither debtor nor her counsel appeared at the October 26,  
28 2006 meeting. Trustee's attorney also did not appear. The

1 meeting was continued to November 15, 2006. The report of the  
2 341a meeting erroneously stated that debtor had appeared.

3 On November 14, 2006, the trustee filed amended reports of  
4 the 341a meeting to correct the errors regarding debtor's  
5 appearance. On November 15, 2006, neither debtor nor her  
6 attorney appeared at the continued 341a meeting. The meeting was  
7 continued to January 17, 2007.

8 **B. Debtor Moved to Terminate the Appointment of the Trustee  
9 and Disbar the Trustee's Attorney**

10 On October 30, 2006, debtor sent an ex parte letter to the  
11 judges of the bankruptcy court for the Eastern District of  
12 California. The judge assigned to debtor's bankruptcy case  
13 construed debtor's letter as a motion to terminate the  
14 appointment of the trustee, to terminate the employment of  
15 trustee's attorney, and for other disciplinary relief and sua  
16 sponte issued an order setting a briefing schedule and a hearing.  
17 The matter was set for hearing on January 3, 2007. After the  
18 hearing, the bankruptcy court took the matter under submission  
19 and issued an order and Findings of Fact and Conclusions of Law,  
20 denying debtor's motion. Debtor moved for reconsideration which  
21 the bankruptcy court denied on March 14, 2007. Debtor timely  
22 appealed.

23 **III. JURISDICTION**

24 The bankruptcy court had jurisdiction pursuant to 28 U.S.C.  
25 §§ 1334 and 157(b)(1) and (b)(2)(A). We have jurisdiction under  
26 28 U.S.C. § 158.

27

28

1 **IV. ISSUES**

2 1. Whether the court abused its discretion by sua sponte  
3 converting debtor's ex parte letter seeking disciplinary action  
4 against the trustee and the trustee's attorney into a noticed  
5 motion.

6 2. Whether the court abused its discretion by denying the  
7 debtor's motion to terminate the appointment of the trustee  
8 because no acts of misconduct were found.

9 3. Whether the court abused its discretion when it denied  
10 debtor's motion for disciplinary relief against, or  
11 disqualification of, trustee's attorney because no acts of  
12 misconduct were found.

13 **V. STANDARDS OF REVIEW**

14 Removal of a trustee under § 324 is reviewed for an abuse of  
15 discretion. Dye v. Brown (In re AFI Holding, Inc.), 355 B.R.  
16 139, 147 (9th Cir. BAP 2006). A bankruptcy court necessarily  
17 abuses its discretion if it bases its decision on an erroneous  
18 view of the law or on clearly erroneous factual findings. Id.  
19 It also abuses its discretion if it applies an incorrect legal  
20 rule. Id.

21 A disciplinary order is reviewed for an abuse of discretion.  
22 Peugeot v. United States Trustee (In re Crayton), 192 B.R. 970,  
23 974-75 (9th Cir. BAP 1996). A court may disbar or suspend an  
24 attorney only upon the presentation of clear and convincing  
25 evidence. Id.

26 We review the denial of a motion for reconsideration for  
27 abuse of discretion. Weiner v. Perry, Settles & Lawson, Inc.,  
28 161 F.3d 1216, 1217 (9th Cir. 1998).

1 **VI. DISCUSSION**

2 At the outset, we address debtor's argument that the  
3 bankruptcy court erred in converting her ex parte letter into a  
4 motion. We then set forth the standards for removal and the  
5 legal principles related to the bankruptcy court's authority to  
6 discipline attorneys appearing before it. Finally, although the  
7 standards for removal of a trustee for "cause" differ from the  
8 bankruptcy court's explicit and inherent power to suspend or  
9 disbar attorneys appearing before it, we apply those standards to  
10 the debtor's allegations against the trustee and her attorney  
11 jointly, as did the bankruptcy court.

12 **A. The Bankruptcy Court did not Err in Converting Debtor's Ex**  
13 **Parte Letter into a Motion**

14 Debtor contends that the bankruptcy court erred in  
15 converting her ex parte letter, which she called an attorney  
16 disciplinary complaint, into a motion to terminate a non-lawyer  
17 trustee.<sup>5</sup> Specifically, debtor maintains that this procedure  
18 breached confidentiality, caused the debtor's attorney to resign,  
19 and forced the "victim" (herself) to prosecute her own complaint.  
20 Her main contention appears to be that she had to proceed in this  
21 matter without an attorney and, because her complaint was made  
22 public, she was unable to hire any attorney to represent her.

23 Initially we note that debtor's contentions on appeal are in  
24 direct contradiction to her earlier sworn declaration dated  
25 December 11, 2006, wherein she stated: "Judge Bardwil's  
26 conversion of my attorney disciplinary complaint into a motion to

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27  
28 <sup>5</sup> Debtor erroneously believed that the trustee was an attorney.



1 terminate Linda Schultze [sic] as trustee and Michael Dacquisto  
2 as her lawyer and to initiate disciplinary proceedings against  
3 them is an act of judicial courage and decency." Debtor  
4 expressed these views prior to the bankruptcy court's ruling on  
5 her motion. Thus, debtor's prior statements may properly be  
6 viewed as a waiver of any objection to the procedure employed by  
7 the court. see generally Groves v. Prickett, 420 F.2d 1119, 1125  
8 (9th Cir. 1970) ("A waiver is an intentional relinquishment or  
9 abandonment of a known right or privilege.") (citation omitted).

10 Debtor cites two cases in support of her argument. However,  
11 it is not apparent how these cases apply to the issues before us.  
12 In Liljeberg v. Health Serv. Acquisition Corp., 486 U.S. 847  
13 (1988) the issue was the failure of a judge to recuse himself  
14 and, as a remedy for his failure to do so, a new trial. Debtor  
15 also cites Carlisle v. United States, 517 U.S. 416 (1996), but  
16 that case is a criminal case and addresses the issue of whether a  
17 court has authority to grant a motion for postverdict judgment  
18 for acquittal filed one day outside the time limit prescribed in  
19 Federal Rule of Criminal Procedure 29. The Supreme Court found  
20 that the district court had no authority to grant an untimely  
21 motion for many reasons that are inapplicable here. Debtor's  
22 citations do not support her argument.

23 **1. The Debtor Requested Affirmative Relief that Required**  
24 **Notice to the Trustee and the Trustee's Attorney**

25 We start from the general proposition that before a trustee  
26 may be removed, or an attorney disciplined, he or she is entitled  
27 to notice. Nonetheless, debtor improperly, and in violation of  
28 Rule 9003(a), which prohibits "ex parte meeting and

1 communications with the court concerning matters affecting a  
2 particular case or proceeding," sent the bankruptcy court an ex  
3 parte letter without notice to either the trustee or the  
4 trustee's attorney. Further, debtor sought affirmative relief  
5 from the bankruptcy court: she requested that the bankruptcy  
6 judges consider the letter as an official disciplinary complaint  
7 and concluded by thanking them for their "expeditious handling of  
8 this matter." Finally, her letter complaint set forth numerous  
9 acts of the trustee and her attorney that occurred in context of  
10 the ongoing proceedings before the bankruptcy court.

11 Because the removal of a trustee is an extreme remedy and  
12 has an impact on all parties involved, a motion to remove a  
13 trustee must be served on all parties. See United States Trustee  
14 v. Repp (In re Sheehan), 185 B.R. 819, 822 (Bankr. D. Ariz.  
15 1995) (removal of trustee is extreme remedy even where trustee has  
16 acted negligently); Richman v. Straley, 48 F.3d 1139, 1143 (10th  
17 Cir. 1995) (recognizing that removal in one case would constitute  
18 removal in all current cases). Likewise, disbarment is an  
19 extreme sanction that is adversarial in nature and quasi-  
20 criminal, requiring notice and due process. Price v. Lehtinen  
21 (In re Lehtinen), 332 B.R. 404, 414 (9th Cir. BAP 2005) ("Due  
22 process is, of course, required. An attorney subject to  
23 discipline is entitled to notice of the precise nature of the  
24 charges leveled against him and an opportunity to be  
25 heard.") (citations omitted); see also In re Medrano, 956 F.2d  
26 101, 102 (5th Cir. 1992) (notice of allegations and disbarment  
27 proceeding must satisfy procedural due process). Accordingly,  
28 the bankruptcy court instructed the debtor, through her attorney,

1 to serve on the trustee, the trustee's attorney and the United  
2 States Trustee, a copy of her letter, declarations to support the  
3 requests, and any additional or supplemental pleadings necessary  
4 to support her request.

5 Because debtor's letter requested affirmative relief from  
6 the bankruptcy court that was extreme in nature, we agree with  
7 the court's assessment that there needed to be some type of  
8 motion, notice to the trustee, the trustee's attorney and the  
9 United States Trustee, and some formal pleadings filed with the  
10 court, before the court could consider the relief debtor  
11 requested. Anything less than the procedure initiated by the  
12 bankruptcy court would have deprived the trustee and her attorney  
13 of due process.

14 **2. The Record Does Not Support Debtor's Contention that**  
15 **Her Attorney Resigned Because of the Procedure**

16 The record does not support debtor's contention that her  
17 attorney resigned solely because of her motion and the procedure  
18 initiated by the bankruptcy court. For example, debtor stated in  
19 her September 6, 2006, declaration in support of her request for  
20 a continuance due to her incarceration that "My attorney...stated  
21 to me today that he is out of his element in dealing with my  
22 request for a continuance due to my imminent incarceration and  
23 the opposition to the appointment of an attorney. He stated that  
24 I should file Pro Per."

25 Her argument also conflicts with her attorney's declaration  
26 that was submitted in support of his motion to withdraw as  
27 debtor's counsel. He declared that "The debtor demanded that I  
28

1 be relieved as counsel on August 31, 2006."<sup>6</sup> In sum, although  
2 her attorney's withdrawal coincided with this motion, there is no  
3 evidence that it influenced the court's decision.

4 **3. The Bankruptcy Court Had Discretion Whether to Refer**  
5 **the Trustee's Attorney's Alleged Misconduct to a**  
6 **Disciplinary Body**

7 Debtor contends that Local Rule 83-184<sup>7</sup> authorizes a judge  
8 to take disciplinary action against an attorney and contemplates  
9 referral of the complaint to a disciplinary body of the court.  
10 She argues that referral to a disciplinary body is the preferred  
11 choice as due process required that there be an adjudicator with  
12 some knowledge and experience in the area of the law involved.  
13 According to debtor, her complaints required an impartial  
14 adjudicator and the bankruptcy judge was self-interested as he  
15 had appointed trustee's attorney.

16 "There is no uniform procedure for disciplinary proceedings  
17 in the federal system. Instead, the individual judicial  
18 districts are free to define the rules to be followed and the

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19 <sup>6</sup> We take judicial notice of document #81 on the bankruptcy  
20 court's docket in debtor's bankruptcy case.

21 <sup>7</sup> The Eastern District's Bankruptcy Local Rule 1001-1(c)  
22 incorporates the District Court's Local Rule 83-184. That rule  
23 provides:

24 [I]n the event any attorney subject to these Rules  
25 engages in conduct that may warrant discipline or other  
26 sanctions, any Judge...may initiate proceedings for  
27 contempt under 18 U.S.C. §401 or Fed. R. Crim. P. 42,  
28 or may, after reasonable notice and opportunity to show  
cause to the contrary, take any other appropriate  
disciplinary action against the attorney. In addition,  
or in lieu of the foregoing, the Judge...may refer the  
matter to the disciplinary body of any Court before  
which the attorney has been admitted to practice.

1 grounds for punishment." Crayton, 192 B.R. at 976 n.7. We have  
2 recommended that matters involving attorney discipline be  
3 referred to "independent bodies which have been specifically  
4 created to investigate charges of unprofessional conduct and  
5 prosecute disciplinary proceedings." Id. at 978. The rationale  
6 for this recommendation is that it "relieves a court from serving  
7 in the dual roles of prosecutor and arbiter in the investigation,  
8 prosecution and discipline of attorneys." Id.

9 Although a court must follow its own rules, In re Brooks-  
10 Hamilton, 329 B.R. 270, 286 (9th Cir. BAP 2005), debtor has not  
11 demonstrated that the district court rule that she relies upon  
12 requires the bankruptcy court to refer the matter to a  
13 disciplinary body. Rather, the rule gives the bankruptcy court  
14 discretion to do so.<sup>8</sup> Accordingly, we find no error in the  
15 procedure.

16 **4. The Record Does Not Support Debtor's Contention that**  
17 **She was "Forced" to Prosecute her own Complaint**

18 Debtor contends she was "forced" to prosecute her own  
19 complaint. The record, however, does not support her argument  
20 that she tried to engage counsel and was unable to do so.  
21 Further, although she chose to file pleadings in support of her  
22 motion, we note that the United States Trustee participated in  
23 the hearing. It is the statutory duty of the United States  
24 Trustee to appoint and supervise chapter 7 panel trustees. 28  
25 U.S.C. § 586(b) and (d). The United States Trustee's opposition  
26 implies that it undertook any investigation that was needed and

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27  
28 <sup>8</sup> There was no evidence that the Eastern District has a  
disciplinary body.

1 concluded that debtor's allegations were without merit: "Based  
2 on the totality of circumstances of this case, the United States  
3 Trustee has concluded that neither the trustee, Schuette, nor her  
4 counsel, Dacquisto, have engaged in any improper conduct."<sup>9</sup>

5 In sum, for all the reasons stated above, we find no error  
6 in the procedure initiated by the bankruptcy court.

7 **B. Standard for Removal of a Trustee**

8 Section 324(a) provides that a chapter 7 trustee may be  
9 removed for cause. See 11 U.S.C. § 324(a); AFI Holdings, 355  
10 B.R. at 148 ("[A] panel trustee can be removed from a pending  
11 case only if the bankruptcy court finds 'cause' after notice and  
12 a hearing.") (citation omitted). We have previously found that  
13 causes for removal may include "trustee incompetence, violation  
14 of the trustee's fiduciary duties, misconduct or failure to  
15 perform the trustee's duties, or lack of disinterestedness or  
16 holding an interest adverse to the estate. Such cause must be  
17 supported by specific facts." Id. (citations omitted).  
18 Generally, "cause" is "determined on a case-by-case, totality-  
19 of-circumstances approach, subject to the bankruptcy court's  
20 broad discretion." Id. at 152.

21 The debtor, as the party seeking removal, has the burden of  
22 proving specific facts that constitute cause. Id. at 148. "A  
23 conclusory contention unsupported by specific facts does not  
24 constitute sufficient grounds for the removal of a trustee."  
25 Alexander v. Jensen-Carter (In re Alexander), 289 B.R. 711, 714

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27 <sup>9</sup> Objection of the United States Trustee to Debtor's Motion  
28 to Remove the Trustee and to Disbar the Trustee's Counsel dated  
December 15, 2006; 5:1-3.

1 (8th Cir. BAP 2003) (citation omitted).

2 **C. The Bankruptcy Court's Express and Inherent Authority To**  
3 **Disbar a Trustee's Attorney; Applicable Standards**

4 "Where a bankruptcy court approves an attorney's employment  
5 pursuant to § 327(a), it has the power to determine actual  
6 competence after employment to regulate the retention of the  
7 attorney." Crayton, 192 B.R. at 976.

8 "A bankruptcy court also has the inherent power to suspend  
9 or disbar attorneys." Id. (citations omitted); see also In re  
10 Snyder, 472 U.S. 634, 645 n.6 (1985) (noting that the state code  
11 of professional responsibility did not by its own terms apply to  
12 attorney sanctions in the federal courts, but that federal courts  
13 in exercising their inherent power under the standards imposed by  
14 federal law may charge attorneys with the knowledge of, and  
15 conformity to, the state codes). The United States Supreme Court  
16 has cautioned that courts must exercise their inherent power  
17 "with restraint and sound discretion." Chambers v. NASCO, Inc.,  
18 501 U.S. 32, 45 (1991).

19 A court may disbar or suspend an attorney only upon the  
20 presentation of clear and convincing evidence. Crayton, 192 B.R.  
21 at 974-75 citing Medrano, 956 F.2d at 102. The Fifth Circuit in  
22 Medrano explained that the clear and convincing evidentiary  
23 standard "'produces in the mind of the trier of fact a firm  
24 belief or conviction as to the truth of the allegations sought to  
25 be established, evidence so clear, direct and weighty and  
26 convincing as to enable the fact finder to come to a clear  
27 conviction, without hesitancy, of the truth of the precise facts'  
28 of the case." Medrano, 956 F.2d at 102 (citation omitted).

1 "[T]he moving party bears the burden of proving all elements of a  
2 violation." Id. Thus, debtor has a heavy burden to carry when  
3 attempting to prove that trustee's attorney's actions warranted  
4 the extreme sanction of disbarment in the Eastern District  
5 bankruptcy court.

6 **D. Analysis**

7 **1. The Bankruptcy Court did not Err in Finding No**  
8 **Wrongdoing in Connection with Employment of**  
9 **Trustee's Counsel**

10 Debtor contends that the bankruptcy court's findings  
11 regarding the employment of trustee's attorney on an ex parte  
12 basis are erroneous since California Rule of Professional Conduct  
13 5-300(B) prohibits such a procedure.<sup>10</sup> Debtor argues that the  
14 bankruptcy court's reasoning that this is customary and there is  
15 no violation as trustees may hire lawyers without court approval  
16 when the law requires approval is an issue this panel should  
17 resolve.

18 Debtor's citation to California Rule of Professional Conduct  
19 5-300(B) is inapplicable. The Federal Rules of Bankruptcy  
20 Procedure and the Bankruptcy Code govern the employment of a  
21 trustee's attorney. The bankruptcy court correctly noted that a  
22 noticed motion is not required for a trustee to employ counsel.

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23 <sup>10</sup> This section provides:

24 (B) A member shall not directly or indirectly communicate  
25 with or argue to a judge...upon the merits of a contested matter  
26 pending before such judge, except

- 27 1) In open court; or  
28 2) With the consent of all other counsel in such matter; or  
3) In the presence of all other counsel in such matter; or  
4) In writing with a copy thereof furnished to other counsel; or  
5) In ex parte matters.



1 Rather, the trustee may simply file an application. See Fed. R.  
2 Bankr. P. 2014.

3 Moreover, debtor received notice of the application and  
4 supporting declarations. Debtor opposed trustee's attorney's  
5 employment asserting the bankruptcy rules did not authorize the  
6 trustee to hire an attorney without grounds, specific facts, good  
7 cause, notice of the issues to be met, and an opportunity for the  
8 debtor to meet and respond to the issues before a motion to  
9 appoint a professional is filed. Thus, debtor has no reason to  
10 complain about the ex parte procedure.

11 Debtor also contends that trustee's attorney committed  
12 disbarable misconduct in filing eleven pleadings claiming to be  
13 the trustee's attorney when he had no court approval and § 327(a)  
14 requires it. The bankruptcy court found that the attorney-client  
15 relationship does not depend upon a court's order to exist. We  
16 agree. See generally Lister v. State Bar, 51 Cal. 3d 1117, 1126,  
17 275 Cal. Rptr. 802 (1990) (finding that attorney-client  
18 relationship exists even absent a contract or payment of  
19 attorneys fees, where client asks attorney to file lawsuit, gives  
20 attorney all relevant documents and understands attorney to be  
21 working on the matter). The court correctly noted that the order  
22 authorizing employment establishes the attorney's relation to the  
23 estate and in this case the employment was effective as of July  
24 20, 2006, "well before counsel engaged in any activity about  
25 which the debtor now complains." See Lamie v. U.S. Trustee, 540  
26 U.S. 526, 538-39 (2004) (finding that if an attorney is to be paid  
27 from the estate in a chapter 7, he must be employed by the  
28 trustee and approved by the court).

1           Lastly, debtor contends that the bankruptcy court made  
2 clearly erroneous factual findings with respect to trustee's  
3 attorney since he submitted no declaration in opposition to her  
4 motion.   However, as noted above, the procedure followed for the  
5 employment of the trustee's attorney was proper.   Accordingly, we  
6 find no error in the bankruptcy court's findings of fact or  
7 conclusions of law with respect to his employment.

8           **2.    The Bankruptcy Court did not Err in Finding No**  
9           **Wrongdoing in Connection with the Meeting of**  
          **Creditors**

10          Debtor complains that the bankruptcy court erred in finding  
11 that she had notice of the continued meeting of creditors and  
12 that the trustee or her counsel fraudulently represented to her  
13 probation officers that debtor was required to appear by law at  
14 her meetings.   The bankruptcy court found that the  
15 representations were entirely accurate.   We agree.

16          The Bankruptcy Code provides that the debtor "shall appear  
17 and submit to examination under oath" at the meeting of  
18 creditors.   See 11 U.S.C. § 343.   Debtor misses the point by  
19 failing to acknowledge that her appearance at the meeting of  
20 creditors, whether the initial meeting or the continued meeting,  
21 was mandatory.   Unless the bankruptcy court excused her  
22 appearance, she was required by statute to appear.   See In re  
23 Bergeron, 235 B.R. 641, 644 (Bankr. N.D. Cal. 1999) (finding that  
24 bankruptcy court can excuse debtor's appearance at § 341 meeting  
25 of creditors despite unqualified directive in § 343 that the  
26 debtor "shall" appear.)   We find that a trustee need not obtain a  
27 court order that a debtor appear at a continued 341a meeting of  
28 creditors when § 343 plainly requires her appearance.

1 Debtor contends she needed some type of notice of the  
2 continued 341a meeting even though her attorney was present at  
3 the October 18, 2006, meeting at which the October 26, 2006,  
4 meeting was announced. Debtor's complaint about the lack of  
5 notice for the continued 341a meeting is puzzling. The "Notice  
6 of Chapter 7 Bankruptcy Case, Meeting of Creditors, & Deadlines,"  
7 which debtor does not dispute receiving, provides clearly on the  
8 back of the notice next to the notation "Meeting of Creditors"  
9 that The meeting may be continued and concluded at a later date  
10 without further notice. It was debtor's responsibility to read  
11 the back of the notice and stay informed regarding the  
12 continuation of her creditors' meeting.

13 Nonetheless, debtor's attorney was present at the continued  
14 341a, even though she was not. The bankruptcy court found that  
15 her attorney's notice of the continued meeting was imputed to  
16 debtor, because clearly her attorney was acting as her agent at  
17 that time. We agree. See Shafer v. Berger Kahn et. al., 107  
18 Cal.App.4th 54, 69, 131 Cal. Rptr. 2d 777 (2003) (finding that the  
19 relationship of attorney and client and is one of agent and  
20 principal under California law).

21 The bankruptcy court further found that trustee's attorney's  
22 statement to her probation officers that the meeting of creditors  
23 was a "court hearing" was in no way materially misleading. We  
24 note that some courts view the debtor's appearance and submission  
25 to examination under oath at the meeting of creditors to  
26 constitute an appearance before the court and the notice of such  
27 meeting has been said to be the equivalent to an order of the  
28 court. see 9A Am. Jur. 2d Bankruptcy § 1095 n.7 (2007). Thus,

1 we can find no error with the court's finding.

2 In sum, we cannot find on this record that the bankruptcy  
3 court committed any error in fact or law in finding that  
4 communications regarding the 341a meeting were appropriate.

5 **3. The Bankruptcy Court did not Err in Finding No**  
6 **Wrongdoing in Communications with Debtor's**  
7 **Probation Officers**

8 Debtor contends that trustee's attorney's communications<sup>11</sup>  
9 with her probation officer were an indirect communication with  
10 her that violates California Rule of Professional Conduct 2-100.  
11 Debtor argues on appeal the bankruptcy court erred as a matter of  
12 law when it found the trustee's attorney did not violate this  
13 Rule. Specifically, the bankruptcy court found that debtor's  
14 probation officers were not her agents and her attorney did not  
15 object to the communications. According to debtor "It nullifies  
16 the rule requiring adherence to California Rules of Professional  
17 Conduct Rule 2-100<sup>12</sup> and encourages further disbarable  
18 misconduct."

19 We find no error with the bankruptcy court's findings that  
20 debtor's probation officers were not her agents. We note that a  
21 probation officer may perform many roles, but we found no

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22 <sup>11</sup> Debtor also complained that the trustee's attorney engaged  
23 in ex parte communications with her directly by serving her with  
24 court-filed documents. The bankruptcy court found that because  
the applicable rules required service, her arguments were without  
merit. We agree and find no error with this finding.

25 <sup>12</sup> This section provides in relevant part:

26 (A) While representing a client, a member shall not  
27 communicate directly or indirectly about the subject of  
28 the representation with a party the member knows to be  
represented by another lawyer in the matter, unless the  
member has the consent of the other lawyer.

1 instances where a probation officer would be considered the agent  
2 of the parolee. Nor has debtor cited any authority to support  
3 her theory that those officers were her agents. See generally  
4 United States v. Johnson, 935 F.2d 47, 50 (4th Cir. 1991) (noting  
5 that a probation officer is "a neutral, information-gathering  
6 agent of the court, not an agent of the prosecution.") (citation  
7 omitted). Further, to the extent that California Rule of  
8 Professional Conduct 2-100 applies, that rule states that  
9 communications with a public officer are not prohibited. Cal. R.  
10 Prof'l Conduct 2-100(c). "A probation officer is, of course, a  
11 public officer." People v. Quinn, 36 Cal.Rptr. 233, 246  
12 (1963) (citations omitted).

13 We also find no error that there was implied consent by  
14 debtor's attorney for the communications with her probation  
15 officers. See Shafer v. Berger Kahn et. al., 107 Cal.App.4th at  
16 69 (finding that the relationship of attorney and client is one  
17 of agent and principal under California law).

18 The bankruptcy court entered detailed Findings of Fact and  
19 Conclusions of Law; we see no need to repeat them here. We only  
20 need to conclude that the findings are supported by the record  
21 and the facts are applied correctly to the applicable law. We so  
22 conclude.

23 **4. The Bankruptcy Court did not Err in Finding that the**  
24 **Trustee did not Commit Perjury**

25 Debtor contends that the trustee's crimes of perjury warrant  
26 her termination. She complains that she provided evidence of  
27 twenty crimes of perjury, but the bankruptcy court addressed only  
28 two crimes.

1           The perjury debtor complains about generally relate to  
2 statements made in the trustee's declarations regarding debtor's  
3 failure to appear at the continued meetings of creditors, failure  
4 to produce documents, and the filing of so-called false reports  
5 with the court that indicated debtor had appeared at some of the  
6 341a meetings when she had not. The bankruptcy court fully  
7 stated its reasons for finding that the statements made by the  
8 trustee were correct and her filing of the alleged "false" 341a  
9 reports was inadvertent, rather than wrongful alteration of court  
10 records. The record supports the court's findings.

11           Further, the bankruptcy court need not address each and  
12 every one of debtor's allegations in its Findings of Fact and  
13 Conclusions of Law. The court's findings need only be "explicit  
14 enough on the ultimate issues to give the appellate court a clear  
15 understanding of the basis of the decision and to enable it to  
16 determine the grounds on which the trial court reached its  
17 decision." Amick v. Bradford (In re Bradford), 112 B.R. 347,  
18 353 (9th Cir. BAP 1990) (citation omitted). "A court's failure to  
19 make express findings does not require a remand if a complete  
20 understanding of the issues may be had from the record without  
21 the aid of separate findings." Id. (citations omitted).

22           On this record, we affirm the bankruptcy court's finding  
23 that debtor failed to demonstrate that the trustee had committed  
24 perjury before the court. It follows that the trustee's attorney  
25 could not be guilty of suborning the perjury of the trustee when  
26 no such perjury existed.

27  
28

1 **VII. CONCLUSION**

2 Debtor made serious allegations and requested extreme  
3 remedies on an ex parte basis against both the trustee and the  
4 trustee's attorney. We find no abuse of discretion in the  
5 procedure employed that gave the trustee and her attorney notice  
6 of the debtor's allegations against them especially in light of  
7 the fact that debtor requested affirmative relief from the  
8 bankruptcy court.

9 We also find that the bankruptcy court did not commit error  
10 in either its factual or legal findings in connection with the  
11 removal of the trustee or the disbarment of her attorney. The  
12 debtor failed to prove that cause existed for removal of the  
13 trustee. AFI, 355 B.R. at 151. The debtor also failed to carry  
14 her burden, by clear and convincing evidence, that the trustee's  
15 attorney engaged in misconduct that would warrant disbarment or  
16 any other disciplinary sanction. We, therefore, AFFIRM.