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COURT REPORTER
NORTHWEST DISTRICT
SUPERIOR COURT

11 SUPERIOR COURT OF CALIFORNIA
12 LOS ANGELES COUNTY

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NICOLE M. MURPHY,)
Plaintiff,)
v.)
STEPHEN J. BEEDE, ESQ.,)
Defendant,)
and)
BPE LAW GROUP, INC.,)
Defendant.)

Case No. **LC083309**
COMPLAINT
An Unlimited Action
Counts: (1) Legal Malpractice
(2) Breach of Fiduciary
Duty
Judge: _____
Dept. _____

BY FAX

22 For her Complaint against Stephen J. Beede, Esq., and BPE Law Group,
23 Inc., Nicole M. Murphy states as follows:

24 1. Nicole Murphy is an individual who was a resident of Los Angeles
25 County, California, for all time pertinent hereto.

1 2. Defendant Beede is an attorney licensed to practice law in California
2 who represented Murphy in that capacity in 2006 and 2007.

3 3. Defendant BPE Law Group, Inc., is, on information and belief, a
4 California professional corporation controlled by Defendant Beede and through
5 which Defendant Beede provided legal representation to Murphy.

6 4. Defendants also represented Troy D. Stratos a/k/a Troy D. Stafford
7 (“Stratos”) during the time that they represented Murphy.

8 5. Defendants’ joint representation of Stratos and Murphy involved the
9 creation of the Granite TN Revocable Trust (the “Trust”).

10 6. Defendants set the Trust up so as to permit Murphy’s transfer of her
11 real property and other assets into trust for Murphy’s business purposes and its
12 corpus was made available by its terms to either trustee, Murphy and Stratos.

13 7. The actual use to which Stratos put the Trust was to use it as a vehicle
14 to steal all of the property Murphy put into it.

15 8. At no time did Beede caution Murphy of the fact that she faced a
16 terrible danger of theft by Stratos if she transferred her property into the Trust as
17 Beede had created it.

18 9. By drafting the Trust as he did, with no safeguards to Murphy and no
19 warning to Murphy, Beede breached the standard of care that applies to lawyers in
20 his community.

21 10. Beede also violated his fiduciary duties to Murphy by concealing facts
22 from her about Stratos’ default on various business obligations.

23 11. On or about January 17, 2007, Beede sent a private email to Stratos
24 which contained, among other things, the following concerns about Stratos’
25 honesty, “Over the past 6 months, you have entered a great many contracts with
26 various people for various purposes. I have assisted you in these ventures and
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1 remain willing to do so. But in all honesty, I too must be concerned about your
2 credibility since you have not followed through on any contract we've been
3 involved with."

4 12. At no point did Beede share this email with Murphy, nor did he warn
5 Murphy of the fact that her co-trustee in the Trust had "not followed through on
6 any contract" he had been involved with.

7 13. Instead of warning Murphy of Stratos' default on his obligation,
8 Beede actually continued to urge Murphy to transfer assets into the Trust and
9 facilitated that transfer in his professional capacity.

10 14. Specifically, on or about January 30, 2007, Beede sent an email to
11 Stratos attaching various transfer document which included the following
12 instruction, ""Attached are two new Trust Transfer Deeds which need to be signed
13 and notarized by Nicole and then recorded. These will put the Vista De Lago
14 properties back into the Trust..."

15 15. Murphy did not discover Beede's duplicity until 2008 when the
16 relevant email correspondence was provided to her by a third party.

17 **COUNT ONE – LEGAL MALPRACTICE**

18 16. Murphy restates the foregoing as if set out fully herein.

19 17. In the course of representing Murphy, Beede and BPE Law Group,
20 Inc., owed Murphy a duty to use such skill, prudence, and diligence as members of
21 their profession commonly possess and exercise.

22 18. Beede and BPE Law Group, Inc. breached their duty to Murphy by,
23 among other things, facilitating the wholesale theft of her property and concealing
24 information from her which he had a fiduciary duty to disclose.

25 19. The defendants' breach of their duties was not uncovered until 2008.
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1 20. As a direct proximate cause of defendants' breach of their duties,
2 Murphy was injured in an amount exceeding one-million dollars (\$1,000,000).

3 **COUNT TWO – BREACH OF FIDUCIARY DUTY**

4 21. Murphy restates the foregoing as if set out fully herein.

5 22. Defendants owed Murphy fiduciary duties in the course of their
6 representation of her interests.

7 23. During the course of their representation of Murphy, defendants
8 concealed facts from Murphy including knowledge they had that Murphy's
9 business partner was defaulting on significant obligations to third parties.

10 24. Despite voicing concerns about Murphy's business partner to her
11 partner, Defendants subsequently facilitated additional transfers of Murphy's
12 property to the business partner.

13 25. Defendants' breach of their fiduciary duties consequently caused
14 Murphy injury in an amount exceeding one-million dollars (\$1,000,000).

15 **JURY DEMAND**

16 26. Murphy hereby demands a jury trial.

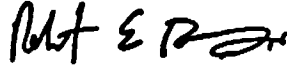
17 **DEMAND FOR JUDGMENT**

18 WHEREFORE, Plaintiff Nicole Murphy respectfully requests the Court to
19 enter judgment in her favor on both counts against Defendants Stephen J. Beede,
20 Esq. and BPE Law Group, Inc., award her compensatory damages in an amount in
21 excess of \$1,000,000 to be determined at trial, award her punitive damages, costs,
22 and attorney fees, and award her any other relief to which she is entitled.

1 Respectfully submitted on October 31, 2008.

2 THE BERNHOFT LAW FIRM, S.C
3 Attorneys for Nicole M. Murphy

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5 By:



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