

**STATE OF CALIFORNIA**  
**BEFORE THE COMMISSION ON JUDICIAL PERFORMANCE**

Inquiry Concerning Judge James I. Aaron,  
No. 164

DECISION AND ORDER OF  
PUBLIC CENSURE AND  
STIPULATED RETIREMENT

This is a disciplinary matter concerning Judge James I. Aaron, a judge of the Fresno County Superior Court. Formal proceedings having been instituted, this matter comes before the Commission on Judicial Performance on a Stipulation for Discipline by Consent (the Stipulation)<sup>1</sup> pursuant to rule 127 of the Rules of the Commission on Judicial Performance.

The commission concludes that the conduct admitted in the Stipulation – particularly Judge Aaron’s promotion of and participation in a dubious investment scheme, and his avoidance of financial obligations over a lengthy period of time by writing worthless checks, making false promises, making misrepresentations and otherwise engaging in delaying tactics – constitutes, at a minimum, conduct prejudicial to the administration of justice that brings the judicial office into disrepute. The commission hereby publicly censures Judge Aaron conditioned on his irrevocable retirement from judicial office within five calendar days of the issuance of this decision and order, as agreed to by Judge Aaron in the Stipulation. Should Judge Aaron fail to immediately retire from judicial office, this order may be withdrawn, formal proceedings may be resumed and Judge Aaron’s failure to comply with the condition he proposed in the Stipulation will constitute additional and independent grounds for discipline.

**APPEARANCES**

Judge Aaron is represented by Jerome Sapiro, Jr., and David A. Sauers of The Sapiro Law Firm in San Francisco, California, and Richard Ewaniszyk of The Hegner Law Firm in Victorville, California. Trial Counsel for the Commission on Judicial Performance is Jack Coyle.

**PROCEDURAL HISTORY**

A Notice of Formal Proceedings (the Notice) was filed on December 19, 2001 charging Judge Aaron with six counts of unethical conduct. Pursuant to rule 121, the commission requested the appointment of three special masters. The Supreme Court appointed Justice

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<sup>1</sup> With the issuance of this decision, the Stipulation is filed and is available to the public.

Gilbert Nares, presiding, of the Court of Appeal, Fourth Appellate District; Judge Dennis G. Cole of the Superior Court of San Bernardino County; and Judge Talmadge R. Jones of the Superior Court of Sacramento County as masters. Judge Aaron filed his verified answer on February 19, 2002, and the masters held a telephonic pre-hearing conference on April 9, 2002.

On June 21, 2002, the commission was alerted to the parties' Stipulation. The signed Stipulation for Discipline by Consent was submitted on June 26, 2002, pursuant to rule 127 of the Rules of the Commission on Judicial Performance.

### **THE PROPOSED DISCIPLINE**

In the Stipulation, the parties request that the commission resolve this matter by issuing a public censure, without a bar to assignment, on the condition that Judge Aaron immediately retire from judicial office. Judge Aaron "agrees to irrevocably retire from judicial office effective no later than five calendar days after the commission issues a conditional order of censure pursuant to this stipulation." The Stipulation further recites that Judge Aaron "stipulates that his failure to comply with the condition that he immediately retire from judicial office will result in withdrawal of the conditional order of censure and resumption of formal proceedings, and will constitute additional and independent grounds for discipline."<sup>2</sup>

The Stipulation represents that Judge Aaron "understands that, if the commission accepts this proposed disposition, the commission's order may articulate the reasons for its decision," and he "agrees to accept any such explanatory language that the commission deems appropriate." Judge Aaron has also signed an affidavit consenting "to a censure and retirement from judicial office" as set forth in the Stipulation, stating that his consent is freely and voluntarily given, admitting to "the truth of the alleged charges as modified by" the Stipulation, and waiving review by the Supreme Court.

### **THE FACTS**

The following facts are based on the Stipulation.<sup>3</sup>

#### **Count One**

As alleged in the Notice and agreed to in the Stipulation, in 1998 and 1999, various persons were induced to invest substantial sums of money in an investment scheme involving Westminster Financial Associates, based on promises of safety of capital and extremely large and quick profits. Judge Aaron, despite having reason to believe that the investment scheme was too good to be true, and suspecting that it might not be legitimate, introduced investors to the

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<sup>2</sup> The Stipulation concludes with a section on mitigation, which sets forth some of Judge Aaron's accomplishments during 24 years of service on the bench and represents that Judge Aaron is held in high regard in Fresno County. In addition, Judge Aaron assures the commission that "he accepts full responsibility for his conduct and is sincerely remorseful," and that "he is diligently working to pay off his remaining obligations and has kept his house payments current."

<sup>3</sup> Unless otherwise indicated, all quotes in this section are from the Stipulation for Discipline by Consent.

scheme, vouched for the personal integrity of one of the promoters (Kenneth Roper), lent the prestige of his judicial office to the scheme, and profited financially from the scheme.

In the fall of 1998, attorney David Mugridge appeared before Judge Aaron in drug court on behalf of a client. Immediately following the hearing, Judge Aaron requested that Mugridge meet with him in his chambers. Judge Aaron engaged Mugridge in a discussion concerning Judge Aaron's marital problems and the reactions of members of their church to those problems. Judge Aaron and Mugridge prayed together.

On a subsequent occasion during the fall of 1998, Mugridge again appeared before Judge Aaron on behalf of a criminal defendant. Judge Aaron did not recuse himself or disclose his prior meeting with Mugridge. In the interim between Mugridge's appearances before Judge Aaron, Roper approached Judge Aaron about an investment opportunity that turned out to involve Westminster Financial Associates. At the conclusion of the court hearing, Judge Aaron again met with Mugridge in his chambers. The Stipulation states that:

While wearing his judicial robe, Judge Aaron told Mugridge that he knew that it was inappropriate for him to solicit money from Mugridge. However, after noting that both he and Mugridge were Christians, Judge Aaron advised Mugridge of what Judge Aaron characterized as an investment opportunity which could help Mugridge meet his financial goals and about which Roper had recently approached Judge Aaron. Judge Aaron described the investment in general terms as he understood them, that it was supposed to be safe and that there was a promise of quick and large returns. Judge Aaron stated that he had told his son and his best friend about it and suggested that Mugridge invest.

At the time of this conversation, Mugridge was a member of the panel maintained by the Fresno County Superior Court for appointments to represent criminal defendants in capital and special circumstances cases. Judge Aaron never appointed Mugridge to a case and did not know at that time that Mugridge received appointments and compensation from the court.

Approximately two weeks later, Mugridge again appeared before Judge Aaron in connection with the same criminal case. Judge Aaron did not recuse himself or disclose his prior meetings in chambers with Mugridge.

Again following the hearing, Judge Aaron requested that Mugridge accompany him into his chambers. While wearing his robe, Judge Aaron urged Mugridge to invest in the Westminster Financial scheme. Judge Aaron told him that "it was such a good opportunity that he had told his son and best friend about it." Subsequently, during the period shortly prior to Thanksgiving 1998, Judge Aaron made telephone calls to Mugridge at his home and office inviting him to come to a meeting of prospective investors and to meet Ken Roper, whom Judge Aaron claimed was a friend and a private banker/investment advisor.

In November and December 1998, Judge Aaron acted as host at a series of meetings attended by Roper and prospective investors. Judge Aaron introduced Roper to his son,

Mugridge, and several other potential investors. Some of the meetings took place at a Fresno tobacconist shop to which Judge Aaron arranged access.

At one or more of these meetings, Judge Aaron vouched for Roper “by telling prospective investors that Roper was an investment banker whom he had known for many years through his church.” The Stipulation recites that:

Judge Aaron was present when Roper made affirmative representations of fact to induce individuals to invest in Westminster Financial. These representations included that any principal amount invested would remain safely in an attorney’s trust account in a federally insured bank, and that very large returns would be realized very quickly. At the time Roper made these representations, Judge Aaron did not dispute them, despite having no reasonable ground for believing them to be true.

Judge Aaron facilitated the investment by pointing out to prospective investors at one or more of the meetings, and in other conversations that “prospective investors included David Mugridge, whom Judge Aaron identified as an attorney, Judge Aaron’s son David Aaron, a friend of David Aaron whom Judge Aaron also identified as an attorney, and other persons whom Judge Aaron represented to be fellow Christians and/or long-time friends or acquaintances of his or of Roper, whom Judge Aaron referred to as his ‘Christian friend.’”

Judge Aaron suggested that each person should make sure they were comfortable with the investment and should carefully consider it before investing. However, at one or more of these meetings, Judge Aaron permitted references to himself as a judge and his involvement in the plan. “An objective observer could reasonably have concluded that this encouraged the investment by indicating its soundness.” Furthermore, although Judge Aaron did disclose to several of the investors “that he did not have any money to invest but expected to receive a portion of Roper’s commission,” he did not disclose to at least two of the investors:

1. That Judge Aaron personally was not investing in the scheme;
2. That he had entered into agreements to split commissions and/or fees with others connected with the Westminster Financial scheme, specifically Roper and Debbie Alliji; these agreements included payments to him consisting of a percentage of the dollar amounts of the investments that he procured; or
3. That he would be entitled to a percentage of any profits realized by the investors.

These persons, in deciding to invest, relied at least in part on Judge Aaron’s nondisclosures. “An objective observer could reasonably have concluded that Judge Aaron’s non-disclosures of these material facts facilitated the investment.”

In December 1998, at one of the promotional meetings attended by Judge Aaron, it was agreed that Mugridge was the appropriate person to receive and hold the actual investment funds prior to transmitting them to a designated recipient on behalf of Westminster Financial. Accordingly, in December 1998, Mugridge executed certain documents, received investment funds from the other investors, and wire-transferred approximately \$197,000 of the Fresno

investors' funds "to an account maintained in Chicago by one of the principals in the scheme, James Baczynski."

In February 1999, all of the Fresno investors had been repaid their initial investment. Mugridge sent a letter to the investors indicating that he was hopeful that their profits would be received very soon.

In approximately April 1999, Judge Aaron received a payment of \$20,000 from Debbie Alliji, one of the principals in the Westminster Financial scheme. "Judge Aaron accepted this money even though he knew that the Fresno investors had not received any of the profits they had been promised on their investments." Judge Aaron has continued to retain the \$20,000, "despite knowing that Alliji, Roper and Baczynski have all been convicted at trial or pled guilty to federal criminal offenses, and have been sentenced to lengthy prison terms for their roles in Westminster Financial, described by United States District Judge Oliver Wanger who presided over the trial as a 'classic Ponzi scheme.'"

Judge Aaron's conduct violated canons 1, 2A, 2B(2), 4A(2) and 4D(1) of the Code of Judicial Ethics. Judge Aaron, by participating "in an investment scheme that he suspected might not be legitimate, and which turned out to be fraudulent, and by keeping the money he received" from the scheme, violated canons 1 (failing to observe high standards of conduct to preserve the integrity and independence of the judiciary), 2A (failing to act in a manner that promotes public confidence in the integrity of the judiciary), and 4A(2) (conducting extrajudicial activities that demean the judicial office). Judge Aaron violated canon 2B(2) by lending the prestige of his judicial office to advance his own pecuniary interests and the pecuniary interests of others. Judge Aaron violated canon 4D(1) by engaging in a deal that "may reasonably be perceived to exploit the judge's judicial position," and by involving himself in a continuing business relationship with an attorney who frequently appeared before other judges in the Fresno County Superior Court.

Judge Aaron violated canon 3E of the Code of Judicial Ethics by failing to disclose, on the record, in the case involving David Mugridge, his meetings with and relationship with Mugridge.

### **Count Two**

Judge Aaron's involvement with the Westminster Financial investment scheme included telling some investors that he believed their profits would be forthcoming and otherwise discouraging them from complaining to government authorities.

When the promised profits were not forthcoming in late-December 1998 or January 1999, Judge Aaron and Mugridge telephoned Roper, Baczynski and Alliji and had at least one meeting with Roper. The Fresno investors were repaid their initial investment in February 1999. Judge Aaron and Mugridge continued their efforts to obtain the promised profits. They made numerous telephone calls to the principals, and Mugridge and Judge Aaron met on at least one occasion in Judge Aaron's chambers where they compared notes and discussed their options.

On April 28, 1999, Mugridge wrote a letter to the Fresno investors in which he indicated that Roper had not been “completely forthright” in his dealings with them, that Roper had missed a deadline to pay investors their profit, and that he did not know whether Roper and Alliji were “crooks or simply incompetent.” Mugridge’s letter also stated that Judge Aaron said that Alliji had paid him a portion of his finder’s fee. Subsequently, Judge Aaron received a telephone call from Roper. Judge Aaron then called Mugridge. Judge Aaron told him that Roper was very displeased by statements made by Mugridge and that Roper “wanted to assault or beat up Mugridge.” Judge Aaron told Mugridge that he just wanted Mugridge to know of Roper’s threat. Mugridge feared for his personal safety as a result of Roper’s threat.

Starting in April 1999, Mugridge had increasing difficulty communicating directly with either Roper or Alliji, and Judge Aaron became the primary contact and conduit for information concerning Westminster Financial. “Judge Aaron repeatedly told Mugridge that, based on numerous assurances he received from Roper, Baczynski and/or Alliji, he believed payment was forthcoming, and he counseled Mugridge to be patient. At the time, Judge Aaron still suspected the investment might not be legitimate.”

In October 1998, Alliji was indicted for activities in connection with an investment scheme in the Sacramento area, which was similar to the Westminster Financial scheme. Judge Aaron was aware of the indictment by June 1999.

In approximately June 1999, Judge Aaron learned that the federal authorities, including the Internal Revenue Service and the United States Attorney, were conducting a criminal investigation concerning Westminster Financial. Judge Aaron initiated contact and was interviewed by representatives of those agencies. On their behalf, Judge Aaron made clandestine recordings, “by means of a wiretap on his chambers telephone, of conversations between Roper and himself.”

Subsequently in late-summer 1999, when Mugridge told Judge Aaron that he was considering complaining to governmental authorities, Judge Aaron advised him that the government was already investigating the matter and urged him not to complain. “Judge Aaron stated to the effect that the ‘Feds’ would let the Fresno investors realize a profit on their investments if they believed that the deal was legitimate, and that any complaint to the authorities would jeopardize the profit-realization.”

In spring 1999, S. invested \$125,000 in a separate scheme with Roper, Baczynski and Alliji. He had been solicited to invest by someone outside of the Fresno group. At that time, Judge Aaron had no knowledge of S.’s investment. In the summer of 1999, after S. told Baczynski that he intended to complain to the authorities concerning Westminster Financial, Baczynski referred S. to Judge Aaron. From approximately July through October 1999, Judge Aaron participated in frequent telephone calls with S., including calls that Judge Aaron initiated from his chambers.

Throughout this period, Judge Aaron urged [S.] to be patient, advised him that the authorities were already investigating the principals, advised him not to complain to the authorities and stated to the effect that if he did so, [S.] might never have a

chance to get his money back. Judge Aaron also stated to the effect that if the investment was not legitimate he would go to the authorities with him.

The Stipulation states that Judge Aaron believed that S. might at least get his money back since the Fresno investors had received theirs. The Stipulation, however, also recites that Judge Aaron's statements to S. "might have had the effect of delaying the federal investigation: [S.] was not contacted by federal authorities until approximately September 1999."

Judge Aaron, by providing assurances to investors when he suspected the investment might not be legitimate, and otherwise discouraging them from complaining to government authorities, violated canons 1 (failing to observe high standards of conduct), 2A (failing to act in a manner that promoted public confidence in the integrity of the judiciary), 2B (2) (lending the prestige of his judicial office to advance his pecuniary interests and those of others) and 4A(2) (demeaning the judicial office) of the Code of Judicial Ethics. Judge Aaron violated canon 4D(1)(a) by dissuading Mugridge and S., who may have been influenced by the fact that Judge Aaron was a judge, from complaining to the authorities.

### **Count Three**

During 1998 and 1999, Judge Aaron engaged in frequent telephone conversations at the court with Roper, Baczynski, and Alliji regarding the Westminster Financial scheme. Judge Aaron instructed court staff that all calls from these persons were to be put through to him either on the bench or in his chambers.

Judge Aaron's conduct violated canons 1, 2A and 3A of the Code of Judicial Ethics. He violated canon 1 by failing to observe high standards of conduct, and he violated canon 2A by failing to act in a manner that promoted public confidence in the integrity of the judiciary. Judge Aaron violated canon 3A by directing that calls from the principals in the Westminster Financial scheme be put through to him on the bench, thus giving personal matters precedence over his judicial duties.

### **Count Four**

The Stipulation contains no findings as to Count Four, but notes that the parties request that the count be dismissed.

### **Count Five**

Judge Aaron avoided his financial obligations over a substantial period of time by writing worthless checks, making false promises and misleading representations, failing to disclose material information, failing to communicate with his creditors and otherwise engaging in delaying tactics.

Judge Aaron failed to make payments required under the terms of loan contracts, secured by deeds of trust on his personal residence. "This resulted in the commencement of numerous foreclosure proceedings respecting his residence, including during June 1991, August 1991,

January 1995, February 1995, May 1995, December 1996, January 1997, April 1997, May 1997, November 1997, December 1997, March 1998, December 1999, and April 2000.” The Stipulation represents that Judge Aaron cured each default.

Judge Aaron failed to pay personal property taxes when due on his personal airplane for fiscal years 1992-1993, 1993-1994, 1994-1995 and 1995-1996. He failed to pay personal property taxes when due on his personal airplane and personal boat for fiscal year 1997-1998. Judge Aaron failed to pay personal property taxes when due on his personal boat for fiscal years 1998-1999 and 1999-2000. The County of Fresno commenced legal actions against Judge Aaron in 1997 and 1999 and levied execution on judgments in order to obtain payment of delinquent taxes, penalties and costs. The Stipulation recites that Judge Aaron has paid all of his delinquent taxes, penalties and costs.

In July 1996, Judge Aaron and his then-wife borrowed \$50,000 from a couple at 2% interest per month, due in 90 days, and signed a promissory note agreeing to repay in accordance with those terms.

The note was secured by a third deed of trust on Judge Aaron’s residence property. As further ostensible “security” for the loan, Judge Aaron gave a \$50,000 check dated July 16, 1996, to the creditors’ attorney for him to hold; however, as disclosed by Judge Aaron there were insufficient funds in Judge Aaron’s bank account at the time. Judge Aaron made no payments of either principal or interest when due.

In August 1996, Judge Aaron defaulted on the loan secured by the second deed of trust on his residence and in October 1996, he defaulted on the loan secured by the first deed of trust on his residence. Notices of default were recorded in December 1996 and January 1997, and trustee’s sales were noticed for April 1997. From approximately November 1996 through July 1997, Judge Aaron made a series of assurances and/or promises to the couple or their attorney that repayment was forthcoming, and he “did so for purposes that included inducing them to not take legal action on the debt.”

In March 1997, Judge Aaron tendered a check for \$54,000 payable to the husband of the couple “in purported satisfaction of the principal and accrued interest owing under the July 1996 note.” Judge Aaron knew that there were insufficient funds in the account on which the check was drawn to cover the check. He told the couple’s attorney, that the check would be good by the end of the month when a loan Judge Aaron was obtaining to refinance his home closed. A week later, Judge Aaron forwarded to the husband and his attorney a letter on a mortgage company’s letterhead stating that a \$370,000 loan to Judge Aaron had been delayed but was a “virtual certainty for the week of March 31.” Judge Aaron added a handwritten note reassuring the husband that money was coming and offering to “add 100.00 per day to the \$54,000 until I am funded.” No payment was made at that time.

In July 1997, the couple sued Judge Aaron’s wife for breach of contract under the 90-day note of July 1996. In approximately March 1998, Judge Aaron refinanced his residence and obtained a new first loan of \$266,000, “the terms of which required the subordination of the deed



of trust” securing the couple’s note. In connection with the subordination, a payment of \$5,000 was made to the couple and the lawsuit was dismissed without prejudice on April 6, 1998.

During 1998, Judge Aaron attempted to renegotiate the terms of the July 1996 note. Judge Aaron proposed that the note be rewritten at 14.5% interest from July 1996 to July 1998. The Stipulation recites:

Judge Aaron prepared a written proposal for paying off the recalculated balance either in a lump sum on July 16, 1998, or in monthly installments of \$1,000 per month until his residence was refinanced at a lower rate. Judge Aaron represented that a refinancing in one year was already set up. The representation that a refinancing had been prearranged for a year in the future was misleading. Although Judge Aaron’s mortgage broker had promised to process his loan papers in one year, Judge Aaron knew that such refinancing had not been prearranged.

Other than the \$5,000 payment in March 1998, Judge Aaron made no payments to the couple. In October 2000, they sued Judge Aaron for breach of contract under the original note, alleging \$50,000 principal and \$98,000 accrued interest owed. Judge Aaron was served with the summons and complaint in approximately February 2001. He did not file any responsive pleading and a default was entered on June 14, 2001.

On April 24, 1997, Judge Aaron entered into a written agreement with a certain businessman to borrow \$10,500 for 90 days at 10% interest. Two weeks later, Judge Aaron entered into a further written agreement with the businessman’s company to borrow an additional \$26,500 for 75 days at 10% interest. Judge Aaron added a representation to the second loan note that the loan was to be secured with a deed of trust on his personal residence. He failed to disclose to the business man that at that time “his residence was encumbered by three deeds of trust, all of which were in default, and that the holders of both the first and second deeds of trust had recorded notices of trustee’s sales of the residence and thus, there was insufficient equity to secure the loan.”

Judge Aaron made no payment of either principle or interest on the loans from the businessman and did not secure the second loan with a deed of trust on his residence. After efforts at collection were unavailing, the businessman in November 1998 commenced a lawsuit against Judge Aaron for breach of contract for nonpayment under the two notes, “and for constructive trust based on alleged fraud on Judge Aaron’s part.” Judge Aaron did not file a responsive pleading and made no appearance.

On approximately March 13, 1999, Judge Aaron and the businessman signed an agreement by which Judge Aaron stipulated to a judgment being entered in the lawsuit on March 31, 1999, for the principal, interest and court costs, unless prior thereto Judge Aaron made a \$20,000 payment, “in which case the stipulated judgment would be deferred until May 15, 1999, at which time if the remaining balance had not been paid, judgment could be entered, less any payments previously made. Judge Aaron made no payments.”

On or around August 12, 1999, Judge Aaron faxed a handwritten letter to the businessman proposing a meeting on August 24 and assured him that he would have a substantial payment, if not the full amount, at that time. Judge Aaron then requested a short postponement of the meeting. Judge Aaron made no payments.

On December 15, 1999, a default judgment was entered against Judge Aaron in the businessman's lawsuit in the amount of \$45,677.61, together with interest at 10%. The Stipulation recites that the "judgment remains unsatisfied in the full amount."

In the middle of April 1998, Judge Aaron purchased a piano from a business for \$3,620 plus tax, paying \$500 down. Within 48 hours, Judge Aaron rescinded the transaction. The seller voided Judge Aaron's check, but Judge Aaron had already received the piano.

From May through December 1998, the business made repeated, unsuccessful attempts to contact Judge Aaron to arrange for the return of the piano. In December 1998, the business sent Judge Aaron a written proposal offering a 30% discount off the original purchase price, if Judge Aaron would pay the full reduced balance by the end of the year. Judge Aaron did not respond to the proposal, yet continued to retain the piano. The business reissued its offer in January 1999, stating that Judge Aaron either needed to pay or return the piano. Judge Aaron did not respond, but continued to retain the piano.

The business continued to attempt to resolve the matter on numerous occasions between February and June 1999. On July 2, 1999, Judge Aaron left a phone message with a representative of the business stating that he was buying the piano and would send a check for the full balance. On approximately July 8, 1999, Judge Aaron sent the business a check in the amount of \$2,730.39 dated that day "with a handwritten note directing [the business] to negotiate the check on Judge Aaron's payday, July 31." Judge Aaron further wrote that he was going to delay his August mortgage payment to pay for the piano. When the business attempted to negotiate the check at the beginning of August, the check was returned on two successive occasions for insufficient funds. Although Judge Aaron told a representative of the business that the July 8 check bounced because he had to pay his mortgage lender, "Judge Aaron did not make a mortgage payment in either July or August."

On approximately August 23, 1999, Judge Aaron promised in a letter to the business to send a cashier's check for the full balance plus \$20 as reimbursement for bank charges for the returned check. Instead, on or about September 2, 1999, Judge Aaron sent a cashier's check for \$1,000 with a note that he would send the balance on Friday via overnight mail. On Friday, September 3, 1999, Judge Aaron sent a cashier's check for \$100 with a note stating that this was all he could scrape together.

In October 1999, the business filed a small claims action against Judge Aaron for \$1,650.39, which covered the balance owing after the 30% discount and the partial payment of \$1,100. Judge Aaron initially declined service by certified mail and he was personally served in December 1999.

The Stipulation further recites:

On approximately January 10, 2000, five days before the continued trial date, Judge Aaron telephoned a representative of [the business] and advised that any judge assigned to the case would probably be required to disqualify himself or herself once he or she realized that Judge Aaron was the defendant, and that it would require 30-60 days for an outside judge to be appointed to hear the matter. Judge Aaron then stated that he had sold some jewelry and stock, generating \$1,000, and inquired whether [the business] was firm as regards the balance owing. When he was advised that the price was firm, Judge Aaron asked that a representative of [the business] meet him in his chambers on January 14, 2000 – the day before trial. At the meeting, Judge Aaron presented the [business'] representative with a cashier's check for \$1,650.39. The lawsuit was dismissed on January 15, 2000.

Judge Aaron's conduct violated canons 1, 2A and 4A(2) of the Code of Judicial Ethics, and the corresponding canons of the former Code of Judicial Conduct that were in force between 1991 and 1995. Judge Aaron, by avoiding his financial obligations over a substantial period of time, writing worthless checks, making false promises and misleading representations, failing to disclose material information, failing to communicate with his creditors, and otherwise engaging in delaying tactics, failed to observe high standards of conduct (canon 1), failed to act in a manner that promotes public confidence in the integrity of the judiciary (canon 2A) and demeaned the judicial office (canon 4A(2)).

### **Count Six**

The Stipulation recites that on numerous occasions in 1998-1999, Judge Aaron "ordered a defendant to approach the bench where Judge Aaron then conducted a 'smell test' of the defendant's hair, and/or examined the defendant's eyes." Often the defendant would admit to being under the influence of drugs.

Judge Aaron would then announce, ostensibly based on such examination and/or admissions, that he knew the defendant was using drugs and would then order the defendant remanded. Pursuant to Judge Aaron's order, the bailiff would handcuff the defendant and hold the defendant in custody in the jury box. Judge Aaron would subsequently release the defendant later in the day with a warning.

Judge Aaron, by remanding defendants based on his personal examination of them, gave the appearance of abandoning his role as a detached neutral magistrate. In so doing, he violated canons 1, 2A and 3B(4) of the Code of Judicial Ethics.

### **CONCLUSIONS OF LAW**

The parties stipulate that Judge Aaron's promotion of and participation in the Westminster Financial scheme (Count One), his representing to investors that profits would be forthcoming and his discouraging them from complaining to government authorities (Count Two), his instructing staff to put calls from the principals in the Westminster Financial scheme

through to him either on the bench or in chambers (Count Three), and his avoidance of financial obligations over a substantial period of time using false promises, misrepresentations and other delaying tactics (Count Five) constitute conduct prejudicial to the administration of justice that brings the judicial office into disrepute within the meaning of article VI, section 18 of the California Constitution. In addition, the parties stipulate that Judge Aaron’s use of the “smell test” to determine that defendants were using drugs and placement of defendants in custody (Count Six) constituted improper actions within the meaning of article VI, section 18 of the California Constitution.

The commission concludes that Judge Aaron’s conduct as alleged and stipulated to in Counts One, Two, Three and Five constitute, at a minimum, conduct prejudicial to the administration of justice that brings the judicial office into disrepute, and that Judge Aaron’s use of the “smell test” to determine defendants’ use of drugs constitutes, at a minimum, improper action. This matter is before the commission pursuant to Stipulation for Discipline by Consent. Whether or not Judge Aaron’s ethical violations may constitute more serious misconduct than that stipulated to has not been argued or briefed and a determination that the violations constituted more serious misconduct would not effect the commission’s resolution of this matter.

### **DISCIPLINE**

The commission accepts the parties’ request and hereby dismisses Count Four of the Notice of Formal Proceedings. The commission remains of the opinion that the allegations in Count Four – that Judge Aaron asked Mugridge for a personal loan – set forth a violation of the Code of Judicial Ethics. The commission, however, accepts the parties’ representation that material facts are in dispute and are unresolvable without a hearing. In light of the more serious misconduct to which Judge Aaron has stipulated, findings of fact and conclusions of law on Count Four would not alter the commission’s disposition of this matter.

The commission is of the opinion that Judge Aaron’s conduct, particularly his involvement with Westminster Financial (Counts One and Two) and his duplicitous avoidance of his financial obligations (Count Five) clearly support the imposition of severe discipline. In light of the fact that Judge Aaron will retire within five days of the filing of this opinion, the commission accepts the stipulation and imposes this public censure. The commission believes that this decision and order of public censure, along with Judge Aaron’s immediate retirement, will protect the public and maintain public confidence in the integrity and independence of the judicial system.<sup>4</sup>

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<sup>4</sup> The Supreme Court in *Broadman v. Commission on Judicial Performance* (1998) 18 Cal.4<sup>th</sup> 1079, 1111-1112, quotes the following passage from *Adams v. Commission on Judicial Performance* (1995) 10 Cal.4<sup>th</sup> 866, 912:

In making our independent determination of the appropriate sanction, we consider the purpose of a Commission disciplinary proceeding – which is not punishment, but rather the protection of the public, the enforcement of rigorous standards of judicial conduct, and the maintenance of public confidence in the integrity and independence of the judicial system.

Even though Judge Aaron remains eligible for future assignments,<sup>5</sup> the commission trusts that those considering an assignment, appointment or reference of work will review this decision and order.

Judge Aaron is hereby publicly censured for his misconduct as set forth in this decision and order. This public censure is conditioned on Judge Aaron fulfilling his agreement to irrevocably retire from judicial office within five calendar days of the issuance of this order. Should Judge Aaron fail to comply with this condition, this decision and order may be withdrawn, the formal proceedings may be resumed, and Judge Aaron's failure to comply will constitute additional and independent grounds for discipline.

This decision shall constitute the public censure of Judge Aaron.

Commission members Judge Rise Jones Pichon, Justice Vance W. Raye, Ms. Lara Bergthold, Judge Madeleine I. Flier, Mr. Marshall B. Grossman, Mr. Michael A. Kahn, Mrs. Crystal Lui, Ms. Ramona Ripston, Ms. Barbara Schraeger, and Dr. Betty L. Wyman voted to impose this public censure. One public member position is vacant.

Dated: July 8, 2002

  
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Honorable Rise Jones Pichon  
Chairperson

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<sup>5</sup> See California Constitution, article VI, section 18(d).