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<b>State Bar Court of California</b> <b>Hearing Department</b> <b>Los Angeles</b>		
Counsel For The State Bar  Bitu Shasty 1149 S. Hill Street Los Angeles, California 90015-2299  Bar # 225177	Case Number (s) 08-J-14668-RAH  <div style="text-align: center; font-weight: bold; font-size: 1.2em;">PUBLIC MATTER</div>	(for Court's use)  <div style="text-align: center; font-weight: bold; font-size: 1.5em;">FILED</div> <div style="text-align: center; font-weight: bold;">FEB - 5 2010</div> <div style="text-align: center; font-weight: bold; font-size: 0.8em;">STATE BAR COURT CLERK'S OFFICE LOS ANGELES</div>
In Pro Per Respondent  Henry Steelman P.O. Box 3066 Thousand Oaks, California 91359  Bar # 67676	Submitted to: <b>Settlement Judge</b>	
In the Matter Of: <b>HENERY STEELMAN</b>  Bar # 67676  A Member of the State Bar of California (Respondent)	STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING  <b>ACTUAL SUSPENSION</b>  <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	

**Note: All information required by this form and any additional information which cannot be provided in the space provided, must be set forth in an attachment to this stipulation under specific headings, e.g., "Facts," "Dismissals," "Conclusions of Law," "Supporting Authority," etc.**

**A. Parties' Acknowledgments:**

- (1) Respondent is a member of the State Bar of California, admitted on December 18, 1975.
- (2) The parties agree to be bound by the factual stipulations contained herein even if conclusions of law or disposition are rejected or changed by the Supreme Court.
- (3) All investigations or proceedings listed by case number in the caption of this stipulation are entirely resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of 10 pages, not including the order.
- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."
- (5) Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law".
- (6) The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."

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- (7) No more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.
- (8) Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):
- until costs are paid in full, Respondent will remain actually suspended from the practice of law unless relief is obtained per rule 284, Rules of Procedure.
  - costs to be paid in equal amounts prior to February 1 for the following membership years: Three billing cycles following the effective date of the Supreme Court Order.  
(hardship, special circumstances or other good cause per rule 284, Rules of Procedure)
  - costs waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs"
  - costs entirely waived

**B. Aggravating Circumstances [for definition, see Standards for Attorney Sanctions for Professional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances are required.**

- (1)  **Prior record of discipline** [see standard 1.2(f)]
- (a)  State Bar Court case # of prior case 84-O-13740
  - (b)  Date prior discipline effective January 6, 1989
  - (c)  Rules of Professional Conduct/ State Bar Act violations: B&P Codes: Prior B&P Code, sections 6068(c), 6068(d), 6068(g), 6103, 6106, 6106.5(a), 6106.5(b), Rules of Professional Conduct, prior rules 7-105(1), 2-107(A) and 2-107(B).
  - (d)  Degree of prior discipline 2 Years Actual Suspension, 5 Years Stayed Suspension, 5 Years Probation
  - (e)  If Respondent has two or more incidents of prior discipline, use space provided below.
- (2)  **Dishonesty:** Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
- (3)  **Trust Violation:** Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.
- (4)  **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice.
- (5)  **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
- (6)  **Lack of Cooperation:** Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.

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- (7)  **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct.
- (8)  **No aggravating circumstances** are involved.

**Additional aggravating circumstances:**

**C. Mitigating Circumstances [see standard 1.2(e)]. Facts supporting mitigating circumstances are required.**

- (1)  **No Prior Discipline:** Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.
- (2)  **No Harm:** Respondent did not harm the client or person who was the object of the misconduct.
- (3)  **Candor/Cooperation:** Respondent displayed spontaneous candor and cooperation with the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings.
- (4)  **Remorse:** Respondent promptly took objective steps spontaneously demonstrating remorse and recognition of the wrongdoing, which steps were designed to timely atone for any consequences of his/her misconduct.
- (5)  **Restitution:** Respondent paid \$ \_\_\_\_\_ on \_\_\_\_\_ in restitution to \_\_\_\_\_ without the threat or force of disciplinary, civil or criminal proceedings.
- (6)  **Delay:** These disciplinary proceedings were excessively delayed. The delay is not attributable to Respondent and the delay prejudiced him/her.
- (7)  **Good Faith:** Respondent acted in good faith.
- (8)  **Emotional/Physical Difficulties:** At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical disabilities which expert testimony would establish was directly responsible for the misconduct. The difficulties or disabilities were not the product of any illegal conduct by the member, such as illegal drug or substance abuse, and Respondent no longer suffers from such difficulties or disabilities.
- (9)  **Severe Financial Stress:** At the time of the misconduct, Respondent suffered from severe financial stress which resulted from circumstances not reasonably foreseeable or which were beyond his/her control and which were directly responsible for the misconduct.
- (10)  **Family Problems:** At the time of the misconduct, Respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature.
- (11)  **Good Character:** Respondent's good character is attested to by a wide range of references in the legal and general communities who are aware of the full extent of his/her misconduct.
- (12)  **Rehabilitation:** Considerable time has passed since the acts of professional misconduct occurred followed by convincing proof of subsequent rehabilitation.
- (13)  **No mitigating circumstances** are involved.

**Additional mitigating circumstances**

See Attachment Page 2

**D. Discipline:**

(1)  **Stayed Suspension:**

(a)  Respondent must be suspended from the practice of law for a period of 2 years.

- i.  and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii) Standards for Attorney Sanctions for Professional Misconduct.
- ii.  and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
- iii.  and until Respondent does the following:

(b)  The above-referenced suspension is stayed.

(2)  **Probation:**

Respondent must be placed on probation for a period of 2 Years, which will commence upon the effective date of the Supreme Court order in this matter. (See rule 9.18, California Rules of Court)

(3)  **Actual Suspension:**

- (a)  Respondent must be actually suspended from the practice of law in the State of California for a period of 6 months.
  - i.  and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct
  - ii.  and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
  - iii.  and until Respondent does the following:

**E. Additional Conditions of Probation:**

- (1)  If Respondent is actually suspended for two years or more, he/she must remain actually suspended until he/she proves to the State Bar Court his/her rehabilitation, fitness to practice, and learning and ability in general law, pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.
- (2)  During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3)  Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.

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- (4)  Within thirty (30) days from the effective date of discipline, Respondent must contact the Office of Probation and schedule a meeting with Respondent's assigned probation deputy to discuss these terms and conditions of probation. Upon the direction of the Office of Probation, Respondent must meet with the probation deputy either in-person or by telephone. During the period of probation, Respondent must promptly meet with the probation deputy as directed and upon request.
- (5)  Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, Respondent must state whether Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of probation during the preceding calendar quarter. Respondent must also state whether there are any proceedings pending against him or her in the State Bar Court and if so, the case number and current status of that proceeding. If the first report would cover less than 30 days, that report must be submitted on the next quarter date, and cover the extended period.

In addition to all quarterly reports, a final report, containing the same information, is due no earlier than twenty (20) days before the last day of the period of probation and no later than the last day of probation.

- (6)  Respondent must be assigned a probation monitor. Respondent must promptly review the terms and conditions of probation with the probation monitor to establish a manner and schedule of compliance. During the period of probation, Respondent must furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Office of Probation. Respondent must cooperate fully with the probation monitor.
- (7)  Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the probation conditions.
- (8)  Within one (1) year of the effective date of the discipline herein, Respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the Ethics School, and passage of the test given at the end of that session.
- No Ethics School recommended. Reason: .
- (9)  Respondent must comply with all conditions of probation imposed in the underlying criminal matter and must so declare under penalty of perjury in conjunction with any quarterly report to be filed with the Office of Probation.
- (10)  The following conditions are attached hereto and incorporated:
- |   |   |
|---|---|
| <input type="checkbox"/> Substance Abuse Conditions | <input type="checkbox"/> Law Office Management Conditions |
| <input type="checkbox"/> Medical Conditions         | <input type="checkbox"/> Financial Conditions             |

#### F. Other Conditions Negotiated by the Parties:

- (1)  **Multistate Professional Responsibility Examination:** Respondent must provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National Conference of Bar Examiners, to the Office of Probation during the period of actual suspension or within one year, whichever period is longer. **Failure to pass the MPRE results in actual suspension without further hearing until passage. But see rule 9.10(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.**
- No MPRE recommended. Reason:

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- (2)  **Rule 9.20, California Rules of Court:** Respondent must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (3)  **Conditional Rule 9.20, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 120 and 130 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (4)  **Credit for Interim Suspension [conviction referral cases only]:** Respondent will be credited for the period of his/her interim suspension toward the stipulated period of actual suspension. Date of commencement of interim suspension:
- (5)  **Other Conditions:**



## **AGGRAVATING CIRCUMSTANCES**

### **Prior Record of Discipline (Standard 1.2(b)(i))**

Respondent has one prior imposition of discipline in case no. 84-O-13740, effective January 6, 1989, where Respondent received five years suspension stayed, five years probation, with two-years actual suspension for violations of Business and Professions Code Sections 6068(c), 6068(d), 6068(g), 6103, 6106.5(a), 6106.5(b) and former Rules of Professional Conduct 7-105(1).

## **ADDITIONAL MITIGATING CIRCUMSTANCES**

### **Cooperation and Remorse**

Respondent has been very cooperative during these proceedings with the State Bar. Respondent recognizes his mistakes and the wrongfulness in his actions and is remorseful. Respondent demonstrated acknowledgment of his mistakes by voluntarily resigning from practicing in Bankruptcy court. Furthermore, upon learning of the actions taken by Simon, Cervantes and Rabbeth, Respondent severed ties with all three persons. In addition, in recognition of his wrongfulness and remorse, Respondent agreed to a stipulation in this matter with the State Bar prior to the Notice of Disciplinary Charges being filed with the State Bar Hearing Department, thus, saving the Office of Chief Trial Counsel and the State Bar Court from expending further time and resources on this matter.

### **Physical Disabilities**

Respondent presented the State Bar with medical documents from Kaiser Permanente which show that he had three surgeries performed between November 2004 and September 2008. Per these documents, Respondent was also on numerous medications during this period of time which is the same period of time that the misconduct occurred.

### **Good Character**

Respondent presented the State Bar with three letters from references in the legal and general community attesting to his good character. These letters are from people who are aware of the full extent of Respondent's misconduct and who have worked with Respondent in a professional capacity. These letters attested to Respondent's highly ethical character, honesty and trustworthiness. He is described as dedicated to his clients, trustworthy, unusually honorable and a person of high integrity.

## **AUTHORITIES SUPPORTING DISCIPLINE.**

**Standard 1.3**, Title IV, Standards for Attorney Sanctions for Professional Misconduct, provides that the primary purposes of the disciplinary system are: "the protection of the public, the courts and the legal profession; the maintenance of high professional standards by attorneys and the preservation of public confidence in the legal profession."

The Supreme Court gives the Standards "great weight," and will reject a recommendation consistent with the Standards only where the Court entertains "grave doubts" as to its propriety. (In re Naney (1990) 51 Cal.3d 186, 190; In re Silverton (2005) 36 Cal.4<sup>th</sup> 81, 91-92.) Although the Standards are not mandatory, it is well established that the Standards may be deviated from only where there is a compelling, well-defined reason to do so. See Aronin v. State Bar (1990) 52 Cal.3d 276, 291; Bates v. State Bar (1990) 51 Cal.3d 1056, 1060 fn.2.

**Standard 2.4(b)** provides that “culpability of a member of wilfully failing to perform services in an individual matter or matters not demonstrating a pattern of misconduct . . . shall result in reproof or suspension depending upon the extent of the misconduct and the degree of harm to the client. Respondent failed to supervise his non-attorney staff which resulted in the staff soliciting, interviewing, and collecting money from prospective clients and causing legal filings in court on behalf of those clients.

**Standard 2.10** provides that a violation of any provision of the Rules of Professional Conduct “not specified in these standards shall result in reproof or suspension according to the gravity of the offense or the harm, if any, to the victim, with due regard to the purposes of imposing discipline set forth in standard 1.3.” Respondent was familiar with the solicitation method used by Simon to obtain clients, having discussed such letter with Simon. Furthermore, Respondent received three referrals from Simon and never inquired whether any cases were solicited in his name or whether there were any cases Respondent was associated with out of Simon’s office, other than the three cases that had been referred to him.

**Standard 1.7(a)** addresses the effects of prior discipline as follows: “If a member is found culpable of professional misconduct in any proceeding in which discipline may be imposed and the member has a record of one prior imposition of discipline as defined by standard 1.2(f), the degree of discipline imposed in the current proceeding shall be greater than that imposed in the prior proceeding unless the prior discipline imposed was so remote in time to the current proceeding and the offense for which it was imposed was so minimal in severity that imposing a greater discipline in the current proceeding would be manifestly unjust.”

Respondent’s prior misconduct occurred in 1984, approximately 23 years prior to the current misconduct. Although Respondent’s prior misconduct was serious, it was not related to the practice of law. Imposing a greater discipline in the current proceeding would be manifestly unjust as the intent and goals of Standard 1.3 are met in this matter by the imposition of six months actual suspension with 2 years stayed suspension and 2 years of probation in addition to attending Ethics School and taking the Multistate Professional Responsibility Examination.



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In the Matter Of <b>HENRY STEELMAN, No. 67676</b>	Case Number(s): <b>08-J-14668-RAH</b>
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**ORDER**

Finding the stipulation to be fair to the parties and that it adequately protects the public, IT IS ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without prejudice, and:

- The stipulated facts and disposition are APPROVED and the DISCIPLINE RECOMMENDED to the Supreme Court.
- The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the DISCIPLINE IS RECOMMENDED to the Supreme Court.
- All Hearing dates are vacated.

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies or further modifies the approved stipulation. (See rule 135(b), Rules of Procedure.) **The effective date of this disposition is the effective date of the Supreme Court order herein, normally 30 days after file date. (See rule 9.18(a), California Rules of Court.)**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Judge of the State Bar Court

1 PETER C. ANDERSON  
United States Trustee  
2 JILL M. STURTEVANT  
Assistant United States Trustee (SBN #89395)  
3 RON MAROKO, Trial Attorney (SBN #124770)  
OFFICE OF THE UNITED STATES TRUSTEE  
4 725 S. Figueroa Street, Suite 2600  
Los Angeles, CA 90017  
5 Telephone: (213) 894-6811; Fax: (213) 894-2603  
Email: *ron.maroko@usdoj.gov*  
6

7 UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
8 LOS ANGELES DIVISION  
9

10 In re

) Case No. 2:07-bk-14626-VZ

11 MICHAEL F. CHUA,

) **STIPULATION BETWEEN HENRY**  
) **STEELMAN AND THE UNITED STATES**  
) **TRUSTEE RE: DISGORGEMENT OF**  
) **FEES, FINDINGS OF FACT; REFERRAL**  
) **TO THE DISCIPLINARY PANEL OF THE**  
) **UNITED STATES BANKRUPTCY**  
) **COURT FOR THE CENTRAL DISTRICT**  
) **OF CALIFORNIA**

) DATE: June 24, 2008 (Status Conference)

) TIME: 11:30 a.m.

) CTRM: "1368", Los Angeles  
17

18 TO HONORABLE VINCENT P. ZURZOLO, UNITED STATES BANKRUPTCY JUDGE:

19 The United States Trustee for the Central District of California (hereinafter "United States  
20 Trustee") filed a motion against attorney Henry Steelman ("Steelman") requesting an accounting  
21 of fees received from or on account of debtor Michael F. Chua ("Debtor" or "Chua") and for the  
22 disgorgement under 11 U.S.C. § 329 of all amounts that the Court deems to be unreasonable. In  
23 addition, the United States Trustee requested that the Court make findings that Steelman violated  
24 certain Rules of Professional Conduct. In the event the Court made those findings, the United  
25 States Trustee further requested that Henry Steelman be referred to the Disciplinary Panel of the  
26 Bankruptcy Court for the Central District of California (hereinafter "Disciplinary Panel") for  
27 further action. The motion also sought to have Steelman's agents Stanley Simon and Maria  
28 Cervantes be found to be jointly and severally liable for the disgorgement. The motion also

1 sought, in supplement or as an alternative remedy fines against Cervantes and an award of  
2 damages against her under 11 U.S.C. § 110. This stipulation proposes to resolve issues the issues  
3 against Steelman presented in the motion. Accordingly, upon entry of this Stipulation and the  
4 reimbursement of the monies described herein to Chua, the request to have Simon and Cervantes  
5 be jointly and severally liable for the monies disgorged will be moot. The petition preparer aspect  
6 of the United States Trustee motion is not being resolved by this stipulation.

7 After receiving the motion, filing appropriate pleadings with the Court and attending a  
8 hearing on the United States Trustee's motion on March 24, 2008, the United States Trustee and  
9 Steelman, through their respective counsel entered into discussions to resolve the matter. As a  
10 result of discussions, this stipulation is being entered between Henry Steelman and the United  
11 States Trustee. Together, Steelman and the United States Trustee shall sometimes collectively be  
12 referred to herein as the "Parties". The Parties have also entered a stipulation for the Disciplinary  
13 Panel to consider, which is attached hereto as Exhibit "1".

14 **STIPULATIONS AS TO FINDINGS OF FACT**

15 Steelman acknowledges and admits to the following facts and the parties request that the  
16 Court enter findings of fact consistent with the following:

17 1. Henry Steelman is an attorney licensed to practice in the State of California under bar #  
18 67676 and before the District Court for the Central District of California.

19 2. Prior to May 1, 2008, Steelman worked as debtor's counsel in four cases filed in 1988,  
20 one in 1990, and one in 1993.

21 3. On or about May 2, 2007, Henry Steelman entered negotiations with Stanley Simon  
22 ("Simon") to use Simon's office space on 16400 Ventura Boulevard, Suite 305, Encino,  
23 California, Simon's telephone number of 818-990-3300, Simon's facsimile number of 818-990-  
24 1821, and Simon's services, which included secretarial and marketing services.

25 4. Steelman, as lessee, drafted an "Office Space Rental Agreement" regarding the lease of  
26 space at 16400 Ventura Boulevard, Suite 305, Encino, California from Stan Simon, as lessor. A  
27 true copy of the agreement was attached as Exhibit "B" to the Response and Opposition to the  
28 United States Trustee's Motion.

1           5. Steelman drafted a "Service Agreement" for certain services between himself and EZ  
2 Solutions, Inc. For services necessary to conduct a law practice, excluding the actual practice of  
3 law. The Service Agreement listed the following services to be provided by EZ Solutions, Inc.:

- 4           a. Handling incoming and outgoing telephone calls;
- 5           b. Handling incoming and outgoing correspondence;
- 6           c. Scheduling appointments;
- 7           d. Calendaring appearances and dead-lines;
- 8           e. Interviewing clients;
- 9           f. Filling out and preparing petitions, legal forms, and pleadings;
- 10          g. Copying and providing necessary postage and office supplies; and
- 11          h. Filing and serving legal petitions, pleadings, forms, and documents.

12           6. The name of Mercedes D. Bojorquez was interlineated on the Service Agreement as the  
13 agent of EZ Solutions, Inc. authorized to sign the Service Agreement. Steelman understood,  
14 based upon statements by Simon, that Bojorquez was Simon's spouse. A true copy of the  
15 agreement was attached as Exhibit "C" to the Response and Opposition to the United States  
16 Trustee's Motion.

17           7. Neither the Office Space Rental Agreement nor the Service Agreement were signed by  
18 Steelman and Steelman did not take physical possession of Suite 305.

19           8. Steelman operated consistent with the Office Space Rental Agreement and the Service  
20 Agreement, both before and after drafting the agreements.

21           9. Steelman did use the third floor conference room, associated with the 16400 Ventura  
22 Boulevard space, and did use the secretarial services of Maria Cervantes and Bob Rabbeth.

23           10. Steelman believed that Maria Cervantes and Bob Rabbeth worked for Stanley Simon.  
24 Steelman had personal knowledge that Cervantes, Rabbeth, and Simon were not attorneys  
25 licensed to practice law in the State of California.

26           11. Steelman continued, until October 12, 2007, to list on his bankruptcy documents: (1)  
27 his address as 16400 Ventura Boulevard, Suite 305, Encino; (2) his telephone number as 818-990-  
28 3300; and (3) his fax number as 818-990-1821. Objection to Claim of the U.S. Department of

1 Education in case 2:07-bk-15270-AA.

2 12. Between May 2, 2007 and October 12, 2007, Steelman's address of record with the  
3 State Bar of California was P.O. Box 3066, Thousand Oaks, CA 91359.

4 13. Steelman used the services of Maria Cervantes until at least August 29, 2007, as  
5 evidenced by the proof of service for the Notice of Motion and Motion to Reimpose Stay filed in  
6 case 2:07-bk-15270-AA. At no time did he directly supervise her work on bankruptcy matters.

7 14. Steelman did not pay and has not paid Simon or Cervantes for: (1) their services; (2)  
8 for the use of office, telephone, facsimile, or clerical staff; (3) a referral or processing fee; or (4)  
9 reimburse them for any expenses incurred, such as postage, messenger, or filing services.

10 15. Steelman was familiar with the solicitation method used by Simon to obtain clients,  
11 namely mailing a solicitation letter to homeowners who had received a Notice of Default from  
12 their lender, having discussed such letter with Simon and having been shown by Simon a similar  
13 letter used under the name of attorney Allan Sarkin.

14 16. Steelman received three referrals from Simon: Jeremiah Kyle Tatum (2:07-bk-13654-  
15 VK, filed May 4, 2007), Francer Olivia Ekeke (2:07-bk-15270-AA, filed June 25, 2007) and  
16 Cabral-Gentle (1:07-bk-12310-MT, filed July 5, 2007).

17 17. Steelman, using the 16400 Ventura Boulevard, #305, Encino address, signed and  
18 caused a substitution of attorney form to be filed in the Tatum case on May 18, 2007. Bob  
19 Rabbeth signed the substitution of attorney proof of service. The Tatum Statement of Financial  
20 Affairs showed that \$500.00 was paid Steelman on 4/23/07.

21 18. Steelman believes that Tatum used Simon's office to file his pro se bankruptcy  
22 petition.

23 19. Steelman, using the 16400 Ventura Boulevard, #305, Encino address, signed the  
24 Ekeke bankruptcy petition and caused it to be filed with the Court. Ekeke's Statement of  
25 Financial Affairs showed that Steelman received \$1,500.00 on 5/23/07. Steelman has no financial  
26 records that show that he received or deposited \$1,500.00 from Ekeke prior to the filing of the  
27 bankruptcy case.

28 20. Steelman believes Ekeke used Simon's office to file his prior pro se bankruptcy

1 petition, case number 2:07-bk-13326-AA.

2 21. Steelman, using the 16400 Ventura Boulevard, #305, Encino address, signed the  
3 Cabral-Gentle bankruptcy petition and caused it to be filed with the Court. Cabral-Gentle's  
4 Statement of Financial Affairs showed that Steelman received \$2,000.00 on 7/5/07. Steelman has  
5 no financial records that show that he received or deposited \$2,000.00 from Cabral-Gentle on or  
6 prior to that date.

7 22. Cabral-Gentle had a prior case filing, case number 1:07-bk-11423-MT, which was  
8 disclosed on the petition. However, Steelman did not disclose the amounts paid by Cabral-Gentle  
9 to Legal Alternatives in the year prior to the filing of the case in response to Statement of Affairs  
10 question 9, nor did he inquire as to whether any such payments were made..

11 23. Steelman believes Cabral-Gentle used Simon's office to file her prior pro se  
12 bankruptcy petition, case number 1:07-bk-11423-MT.

13 24. Steelman did not appear at Cabral-Gentle's section 341(a) meeting because he was  
14 informed by Bob Rabbeth that another attorney, Galina Blank, was representing Cabral-Gentle.  
15 Steelman did not contact or make inquiry of Cabral-Gentle or Blank to verify the substitution of  
16 counsel, nor did he sign a substitution of attorney form.

17 25. Chua received a solicitation letter dated May 22, 2007, signed by Stan Simon,  
18 Administrator, under the letterhead of the "Law Offices of Henry Steelman", with an address of  
19 16400 Ventura Blvd., Suite 305, Encino, CA 91436 and a telephone number of 818-990-3300.

20 26. As a result of the solicitation, Michael Chua contacted the Law Offices of Henry  
21 Steelman at 818-990-3300 and engaged the law firm to prepare bankruptcy documents to stop a  
22 foreclosure sale.

23 27. As a result of the solicitation and subsequent engagement, Michael Chua caused to be  
24 paid \$2,849 for the bankruptcy services.

25 28. Simon and Cervantes acted as Steelman's agent with regards to the Chua case.

26 29. Steelman never met with nor spoke to Michael Chua.

27 30. Steelman never met not spoke to Michael Chua's wife, Leannie C. Chua.

28

1 31. Steelman never received any monies related to the Chua bankruptcy filings.

2 32. Steelman was never informed by Simon, Cervantes, or Rabbeth of the Chua filing and  
3 did not learn of it until October 2007.

4 33. Steelman did not make inquiry of Simon, Cervantes, or Rabbeth whether: (1) any  
5 cases were solicited by Simon's office in Steelman's name; or (2) there were any cases Steelman  
6 was associated with out of Simon's office, other than Tatum, Ekeke, and Cabral-Gentle.

7 34. Steelman failed to adequately supervise non-attorneys Simon, Cervantes, and  
8 Rabbeth.

9 35. Steelman's did not directly supervise Simon or Cervantes with regards to the Chua  
10 case.

11 36. The Chuas paid Cervantes \$2,849 for bankruptcy services, believing that they had  
12 retained Steelman as their attorney.

13 37. Michael Chua's bankruptcy petition was filed on June 5, 2007 and was dismissed by  
14 an order entered on August 21, 2007.

15 38. The bankruptcy services the Chuas paid for were legal services.

16 39. As a result of Steelman's arrangement with Simon, Steelman aided non-attorneys in  
17 the unauthorized practice of law.

18 40. Steelman's conduct, described in these findings, was reckless.

19 41. By signing this stipulation, Steelman admits that he is not competent to render  
20 bankruptcy services to debtors.

21 42. Steelman is not competent to render bankruptcy services to debtors.

22 43. Other than the cases mentioned herein, Steelman has no knowledge of any other  
23 bankruptcy petitions filed in his name as attorney of record.

24 **ADDITIONAL STIPULATED TERMS RESOLVING**

25 **THE UNITED STATES TRUSTEE'S MOTION**

26 IN LIGHT OF THESE FACTS, WHICH THE PARTIES REQUEST THAT THE COURT  
27 ADOPT, THE PARTIES AGREE TO THE FOLLOWING STIPULATION AND REQUEST  
28 THAT THE COURT ENTER AN ORDER CONSISTENT WITH THE TERMS OF THE

1 STIPULATION:

2 1. Steelman agrees to disgorge \$2,849.00 and turn over that \$2,849.00 in certified funds  
3 payable to Leannie Ching-Chua by delivering the \$2,849.00 to Nikki Hashemi of the Ray Bulaon  
4 Law Office, within thirty (30) days of the entry of this stipulated order. Steelman also agrees to  
5 and deliver a copy of the certified fund instrument to the Office of the United States Trustee, 725  
6 S. Figueroa Street, Suite 2600, Los Angeles, CA 90017, attn: Ron Maroko within that same time  
7 period.

8 2. Steelman agrees to attend and complete at least 10 hours of legal ethics continuing  
9 legal education and the 3 hour "State Bar Trust Accounting School" (collectively hereinafter  
10 "CLE") by August 31, 2008. Within 30 days thereafter, Steelman agrees to mail a copy of his  
11 CLE completion certificates to the Office of the United States Trustee, 725 South Figueroa Street,  
12 #2600, Los Angeles, CA 90017, attn: Ron Maroko, or the current address for that office, if it is  
13 different.

14 3. Steelman has voluntarily offered to cease practicing in the bankruptcy courts as  
15 debtor's counsel, in light of his admission that he is not competent to render bankruptcy related  
16 services to debtors. The United States Trustee has no objection to Steelman's offer and to the  
17 extent necessary, neither party has an objection to the Disciplinary Panel considering this offer as  
18 part of the disciplinary resolution proposed in this stipulation.

19 4. Steelman agrees, for the sixty month period commencing from the entry of this  
20 stipulation, to file a copy of this stipulation in every bankruptcy case that he represents a debtor,  
21 including acting as appearance counsel for another attorney. During that same period Steelman  
22 agrees to contribute any and all remuneration, gross proceeds, fees, monies, or wages earned or  
23 received from such an engagement to either the Legal Aid Foundation of Los Angeles or Public  
24 Counsel. Both these non-profit entities provide free or low-cost legal services to the public.

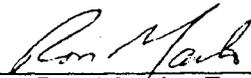
25 5. Steelman offer not to practice in the bankruptcy courts was to all aspects of practice  
26 before the bankruptcy court and not just debtor representation. The United States Trustee takes  
27 no position with regards to Steelman representing creditors before the bankruptcy court.  
28 However, since Steelman admits that is not competent to render bankruptcy related services,

1 Steelman agrees, as a measure of demonstrating minimum competency in representing creditors,  
2 to take a minimum of 20 additional hours of continuing legal education related to the  
3 representation of creditors prior to representing creditors before the bankruptcy court. Steelman  
4 also agrees to read and become familiar with the Local Bankruptcy Rules, then in effect, before he  
5 commences such creditor representation.

6 5. Steelman consents to having this matter referred to the Disciplinary Panel for further  
7 consideration. In light of Steelman's voluntary offer not to practice, the Parties intend to request  
8 that the Disciplinary Panel issue an order of public reproof and retention of jurisdiction to take  
9 further disciplinary action should Steelman fail to timely complete the CLE described in  
10 paragraph 2, or the disgorgement of the fees described in paragraph 1. To that end the Parties  
11 have entered a separate stipulation, which is attached as Exhibit "1".

12 Dated: 6/19/08

PETER C. ANDERSON  
UNITED STATES TRUSTEE

13  
14   
15 by: Ron Maroko, Esq.  
Attorney for the United States Trustee

16 Dated:

17 \_\_\_\_\_  
18 Henry Steelman, Esq.

19 Approved as to form and content:

Approved as to form and content:

20  
21 \_\_\_\_\_  
22 Nikki Hashemi, Esq.  
Ray Bulaon Law Offices  
Counsel for Michael F. Chua

23 \_\_\_\_\_  
24 James T. King, Esq.  
25 Counsel for Henry Steelman  
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27  
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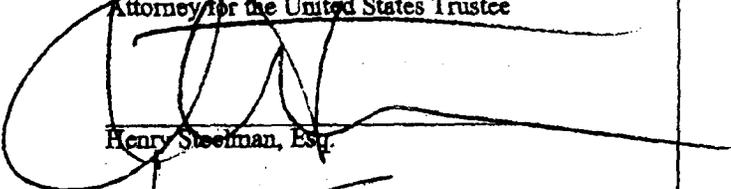
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12 Dated: PETER C. ANDERSON  
 13 UNITED STATES TRUSTEE

14  
 15 by: Ron Maroko, Esq.  
 Attorney for the United States Trustee

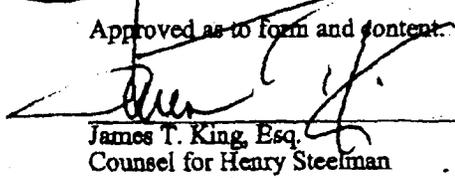
16 Dated: 6-19-08



17  
 18 Henry Steelman, Esq.

19 Approved as to form and content: Approved as to form and content:

20  
 21 Nikki Hashemi, Esq.  
 Ray Bulaon Law Offices  
 22 Counsel for Michael F. Chua



James T. King, Esq.  
 Counsel for Henry Steelman

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 24  
 25  
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 27  
 28

(Do not write above this line.)

In the Matter Of <b>HENRY STEELMAN</b>	Case Number(s): <b>08-J-14668-RAH</b>
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**ORDER**

Finding the stipulation to be fair to the parties and that it adequately protects the public, IT IS ORDERED that the requested dismissal of counts/charges, if any, is GRANTED without prejudice, and:

- The stipulated facts and disposition are APPROVED and the DISCIPLINE RECOMMENDED to the Supreme Court.
- The stipulated facts and disposition are APPROVED AS MODIFIED as set forth below, and the DISCIPLINE IS RECOMMENDED to the Supreme Court.
- All Hearing dates are vacated.

- 1) Respondent's name in the caption is corrected to read "HENRY."
- 2) On page 7, under "Conclusions of Law (count one) the sentence is corrected to read "or repeatedly failing to perform..."
- 3) On page 7, under Pending Proceedings, the sentence is corrected to read "paragraph A.(7), was January..."

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies or further modifies the approved stipulation. (See rule 135(b), Rules of Procedure.) **The effective date of this disposition is the effective date of the Supreme Court order herein, normally 30 days after file date. (See rule 9.18(a), California Rules of Court.)**

\_\_\_\_\_ 2-4-10 \_\_\_\_\_  
Date

\_\_\_\_\_  \_\_\_\_\_  
Judge of the State Bar Court

**CERTIFICATE OF SERVICE**

[Rule 62(b), Rules Proc.; Code Civ. Proc., § 1013a(4)]

I am a Case Administrator of the State Bar Court of California. I am over the age of eighteen and not a party to the within proceeding. Pursuant to standard court practice, in the City and County of Los Angeles, on February 5, 2010, I deposited a true copy of the following document(s):

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING

in a sealed envelope for collection and mailing on that date as follows:

by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

HENRY STEELMAN  
PO BOX 3066  
THOUSAND OAKS, CA 91359

by certified mail, No. , with return receipt requested, through the United States Postal Service at , California, addressed as follows:

by overnight mail at , California, addressed as follows:

by fax transmission, at fax number . No error was reported by the fax machine that I used.

By personal service by leaving the documents in a sealed envelope or package clearly labeled to identify the attorney being served with a receptionist or a person having charge of the attorney's office, addressed as follows:

by interoffice mail through a facility regularly maintained by the State Bar of California addressed as follows:

Bitu Shasty, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on February 5, 2010.

Cristina Potter  
Case Administrator  
State Bar Court