

STATE BAR COURT OF CALIFORNIA
HEARING DEPARTMENT – LOS ANGELES

In the Matter of)	Case No.: 10-AE-06880-DFM
)	
STEPHEN THOMAS BORRELLI,)	ORDER GRANTING MOTION FOR
)	INVOLUNTARY INACTIVE
Member No. 143746,)	ENROLLMENT
)	
A Member of the State Bar.)	

Introduction

On July 16, 2010, the Presiding Arbitrator of the State Bar’s Mandatory Fee Arbitration Program, Joel Mark (Presiding Arbitrator), and his designee, its Director and Special Deputy Trial Counsel Jill A. Sperber, filed a motion seeking the involuntary enrollment of Award Debtor **STEPHEN THOMAS BORRELLI** (Award Debtor) under Business and Professions Code section 6203, subdivision (d)¹ due to Award Debtor’s failure to pay a final and binding fee arbitration award. The motion was properly served on July 15, 2010, at Award Debtor’s official membership records address, by certified mail, return receipt requested, and by regular mail. (Bus. & Prof. Code, §6002.1, subd. (c); Rules Proc. of State Bar, rule 701(b).²)

Award Debtor received proper notice of this proceeding but did not file a response to the motion or request a hearing. (Rules 702(a) and (b) and 704.) The court then ordered that the matter be submitted for decision without a hearing on August 3, 2010.

¹References to “section” are to the provisions of the Business and Professions Code unless otherwise stated.

²References to “rule” are to the Rules of Procedure of the State Bar, unless otherwise noted.

Findings of Fact and Conclusions of Law

Jurisdiction

Award Debtor was admitted to the practice of law in California on December 11, 1989, and has been a member of the State Bar at all times since.

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On April 23, 2008, the Los Angeles County Bar Association served its Findings and Award in a fee arbitration between Award Debtor and Michelle and Robin Villa (the Villas). The award required Award Debtor to refund \$10,025 in attorneys' fees and costs to the Villas. This award became binding on May 23, 2008.

When Award Debtor failed to pay the award, the Villas sought the assistance of the State Bar in enforcing the award. Thereafter, Award Debtor sporadically communicated with the State Bar. On March 25, 2010, Award Debtor communicated to the State Bar that "[i]f [he was] practicing law," he was willing to make payments to the Villas in the amount of \$500 a month. The Villas objected to Award Debtor's offer and made a counter-proposal that he pay a lump sum payment of \$8,000. The State Bar therefore requested that Award Debtor either accept the Villas' offer or complete his financial status form so the State Bar could evaluate the merits of Award Debtor's payment plan proposal.

Despite repeated communications between Award Debtor and the State Bar, he failed to accept the Villas' counter-proposal or send his financial status form to the State Bar. Award Debtor also failed to pay any portion of the arbitration award to the Villas. A balance of \$10,025, plus interest, remains.

The court finds that the Presiding Arbitrator has met the burden of demonstrating by clear and convincing evidence that Award Debtor has failed to comply with the arbitration award and has not proposed a payment plan acceptable to the client or to the State Bar. (Section 6203, subd. (d)(2)(A); rule 705(a).)

The court also finds that Award Debtor has not met the burden of demonstrating by clear

and convincing evidence that he is not personally responsible for making or ensuring payment of the award, that he is unable to pay it, or that he has proposed and agrees to comply with a payment plan which the State Bar has unreasonably rejected as unsatisfactory. (Section 6203, subd. (d)(2)(B); rule 705(b).)

Order of Involuntary Inactive Enrollment

Accordingly, **IT IS HEREBY ORDERED** that the State Bar's motion for involuntary inactive enrollment is **GRANTED** and that Award Debtor **STEPHEN THOMAS BORRELLI** be enrolled as an inactive member of the State Bar of California pursuant to section 6203, subdivision (d)(1), effective five days from the date of service of this order. (Rule 708(b)(1).)

IT IS FURTHER ORDERED that Award Debtor must remain involuntarily enrolled as an inactive member of the State Bar until: (1) he has paid the arbitration award to Michelle and Robin Villa in the amount of \$10,025, plus interest at the rate of 10 percent per annum from May 24, 2008, the day after the award became binding; and (2) the court grants a motion to terminate his inactive enrollment pursuant to rule 710.

Reasonable costs are awarded to the State Bar upon the Presiding Arbitrator's submission of a bill of costs. (Section 6203, subd. (d)(3); rule 708(b)(2).)

Dated: August ____, 2010

DONALD F. MILES
Judge of the State Bar Court