

State Bar Court of California
Hearing Department
Los Angeles
ACTUAL SUSPENSION

PUBLIC MATTER

Counsel For The State Bar

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Bar # 171419

Case Number(s):

10-O-05123, 10-O-09584
10-O-09587, 10-O-10336
10-O-10381, 10-O-10535
11-O-10118, 11-O-10326
11-O-10867, 11-O-10869
11-O-11522, 11-O-12350
11-O-12557, 11-O-13525
11-O-15850, 11-O-16053
11-O-16305, 11-O-13266

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**STATE BAR COURT
CLERK'S OFFICE
LOS ANGELES**

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Bar #

Submitted to: **Assigned Judge**

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

ACTUAL SUSPENSION

☐ PREVIOUS STIPULATION REJECTED

In the Matter of:

Kerry Steigerwalt
5030 Camino De La Siesta, Ste 204
San Diego, CA 92108
(619) 338-1001

Bar # 116264

A Member of the State Bar of California
(Respondent)



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 December 3, 1984.
- (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 21 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."
- (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 5.130, Rules of Procedure.
 - ☒ Costs are to be paid in equal amounts prior to February 1 for the following membership years: 2013, 2014, 2015. (Hardship, special circumstances or other good cause per rule 5.132, Rules of Procedure.) If Respondent fails to pay any installment as described above, or as may be modified by the State Bar Court, the remaining balance is due and payable immediately.
 - ☐ Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
 - ☐ Costs are 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
 - (b) ☐ Date prior discipline effective
 - (c) ☐ Rules of Professional Conduct/ State Bar Act violations:
 - (d) ☐ Degree of prior discipline
 - (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.
- (7) ☒ **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct. The misconduct in this stipulation evidences multiple acts of wrongdoing.
- (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. Numerous members of the Bar and others have provided impressive statements attesting to Respondent's good character, honesty, and excellent trial skills.
- (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:

Respondent has practiced for 28 years and has no prior record of discipline. Respondent cooperated with the State Bar during the investigation of these matters. Respondent is receiving mitigation for accepting responsibility for his actions.

At the time of Respondent's failure to promptly refund unearned fees, he was, as stated, experiencing severe financial stress. Respondent refunded unearned fees as promptly as he could given his financial circumstances.

Respondent established a well-respected criminal law practice, and by invitation, he has lectured to various attorney groups. Respondent has contributed a large part of his time to various community and charitable activities, including coaching youth sports, and financially and otherwise contributing to his community, his Temple, and to institutions in Israel.

D. Discipline:

- (1) ☒ **Stayed Suspension:**
- (a) ☒ Respondent must be suspended from the practice of law for a period of two 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 two 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 one year.

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 the 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.

(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 5.162(A) & (E), Rules of Procedure.**
- ☐ No MPRE recommended. Reason:
- (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:**

ATTACHMENT TO STIPULATION
RE: FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: Kerry Steigerwalt

CASE NUMBERS: 10-O-09584, et al.

FACTS AND CONCLUSIONS OF LAW:

Respondent admits that the following facts are true and that he is culpable of violations of the specified statutes and/or Rules of Professional Conduct.

GENERAL BACKGROUND FACTS

1. In or about February 2008, Respondent opened Kerry Steigerwalt's Pacific Law Center ("KSPLC") in the San Diego, California area. KSPLC primarily handled bankruptcy, criminal, and loan modification cases. Respondent widely advertised KSPLC, including through television ads. The advertising attracted a significant number of clients.

2. In or about late 2009, Respondent became aware that KSPLC was suffering financial difficulties. Those difficulties continued into June 2010, at which time Respondent decided to close KSPLC.

3. On or about June 28, 2010, Respondent sent a letter to some current clients of KSPLC in which he said "numerous economic factors" had impacted KSPLC; that KSPLC was "winding down" future operations," but would "devote all of our time and energy to the completion of our existing cases." (Hereafter "the letter.")

4. In or about late June 2010, Respondent entered into an agreement with J. Kevin Benjamin of Benjamin Legal Services ("BLS") to take over the handling of some of KSPLC's bankruptcy clients. Respondent and BLS jointly agreed to credit each KSPLC client who agreed to transfer his case to BLS, with all fees previously paid to KSPLC. Respondent's agreement with BLS called for BLS to do the work on those cases without further charge to the clients.

5. Respondent delegated to his staff the wind-down of his firm and the return of unearned fees. Respondent believed that his staff would handle the refunds in a manner that was consistent with his ethical duties. In the matters listed below, Respondent's staff did not handle the matters as Respondent expected. Respondent failed to exercise sufficient oversight over his staff to ensure that their actions complied with his ethical duties.

6. As part of the wind-down of his practice, Respondent was required to refund fees to approximately 800 former clients. To accomplish this, he sold four parcels of real property -- an office building and three homes. He had obtained those assets long before becoming involved in the business that failed. He paid over \$1 million in refunds. At the time Respondent decided to close KSPLC, the firm was handling approximately 4,500 active cases.

7. Because of his financial difficulties, Respondent was unable to promptly refund unearned fees to a number of his clients.

Case No. 10-O-09584 (Valdez)

FACTS:

8. On or about May 21, 2010, Albert Valdez and Maria Teresa Valdez employed Respondent to prepare and file a joint petition for bankruptcy. Between May and June 2010, the Valdezes paid Respondent \$2,190 in advanced fees.

9. On or about June 28, 2010, the Valdezes received the letter from Respondent.

10. On March 3, 2011, Respondent's representation was effectively terminated by the Valdezes. At this point, Respondent owed the Valdezes a refund of unearned fees and an accounting.

11. On November 1, 2011, Respondent refunded all of the fees that Valdez paid and gave the Valdezes an accounting that was not sufficiently specific in its itemization of work performed.

LEGAL CONCLUSIONS:

12. By providing the Valdezes with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

13. By failing to promptly refund unearned fees to the Valdezes, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 10-O-9587 (Thompson)

FACTS:

14. On April 16, 2010, Randy Thompson employed Respondent to

prepare and file a petition for bankruptcy.

15. Between April 16, 2010, and July 25, 2010, Thompson paid advanced fees in the total amount of \$3,425.00.

16. On June 28, 2010, Thompson received the letter from Respondent.

17. On August 9, 2010, Respondent's services were effectively terminated. At that point, Respondent owed Thompson a refund of unearned fees and an accounting.

18. Respondent advised Thompson that he could not make a full refund immediately, but he agreed to make installment payments over a period of time. Respondent made three \$115 payments to Thompson, but after that the payments were interrupted due to Respondent's financial difficulties.

19. Respondent refunded all of the fees that Thompson paid by October 25, 2011, and gave Thompson an accounting which was not sufficiently specific in its itemization of work performed

LEGAL CONCLUSIONS:

20. By providing Thompson with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

21. By failing to promptly refund the unearned fees to Thompson, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 11-O-10118 (Estrada)

FACTS:

22. On March 17, 2010, Irma and Rudy Estrada employed Respondent to prepare and file a joint bankruptcy petition.

23. Between March 17, 2010 and July 15, 2010, the Estradas paid a total of \$1,295 in advanced fees.

24. On June 28, 2010, the Estradas received the letter from Respondent.

25. On October 8, 2010, Respondent's services were effectively terminated. At that point, Respondent owed the Estradas a refund of unearned fees and an accounting.

26. Respondent refunded all of the fees that the Estradas paid on

October 28, 2011, and gave the Estradas an accounting that was not sufficiently specific in its itemization of work performed.

LEGAL CONCLUSIONS:

27. By providing the Estradas with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

28. By failing to promptly refund the unearned fees to the Estradas, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 11-O-10326 (Ruiz)

29. On November 30, 2009, Ernest Ruiz employed Respondent to prepare and file a petition for bankruptcy.

30. Between December 20, 2009, and June 20, 2010, Ruiz paid a total of \$2,590 in advanced fees.

31. On June 28, 2010, Ruiz received the letter from Respondent.

32. On November 10, 2010, Ruiz sent a demand for unearned fees to Respondent, effectively terminating his representation. At that point, Respondent owed Ruiz a refund of unearned fees and an accounting.

33. On November 8, 2011, Respondent refunded all of the fees that Ruiz paid and gave Ruiz an accounting that was not sufficiently specific in its itemization of work performed.

LEGAL CONCLUSIONS:

34. By providing Ruiz with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

35. By failing to promptly refund the unearned fees to Ruiz, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 10-O-10336 (Gehring)

36. On June 9, 2010, Sandra Gehring employed Respondent to prepare and file a petition for bankruptcy. Between June 9, 2010, and September 3, 2010, Gehring paid a total of \$1,890 in advanced fees.

37. On September 3, 2010, Respondent's employee told Gehringer that that KSPLC was winding down.

38. On September 3, 2010, Gehringer made a demand for a refund of fees, effectively terminating Respondent's representation.

39. At that point, Respondent owed Gehringer a refund of unearned fees and an accounting.

40. On February 17, 2012, Respondent refunded all of the fees that Gehringer paid, and gave Gehringer an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

41. By providing Gehringer with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

42. By failing to promptly refund the unearned fees to Gehringer, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 10-O-10381 (Gonzalez)

43. On January 20, 2010, Reinaldo Gonzalez employed Respondent to prepare and file a petition for bankruptcy.

44. Between January 20 2010, and April 19, 2010 Gonzalez paid a total of \$2,090 in advanced fees.

45. On June 28, 2010, Gonzalez received the letter from Respondent.

46. On July 26, 2011, Gonzalez requested a refund of fees, effectively terminating Respondent's representation.

47. At that point, Respondent owed Gonzalez a refund of unearned fees and an accounting.

48. On October 25, 2011, Respondent refunded all of the fees that Gonzalez paid, and gave Gonzalez an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

49. By providing Gonzalez with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

50. By failing to promptly refund the unearned fees to Gonzalez, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 10-O-10535 (Como)

51. On June 2, 2010, Harold and Julie Como employed Respondent to prepare and file a joint petition for bankruptcy.

52. In June 2010, the Comos paid \$790 in advanced fees.

53. On June 28, 2010, the Comos received the letter from Respondent.

54. On February 18, 2011, the Comos requested a refund of fees, effectively terminating Respondent's representation. At that point, Respondent owed the Comos a refund of unearned fees and an accounting.

55. On October 13, 2011, Respondent refunded all of the fees that the Comos paid, and gave the Comos an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

56. By providing the Comos with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

57. By failing to promptly refund the unearned fees to the Comos, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 11-O-10869 (Bliesath and Grimsley)

58. On June 24, 2010, Jeffrey Bliesath and Denise Grimsley employed Respondent to prepare and file a joint petition for bankruptcy.

59. On the same date, Bliesath and Grimsley paid a total of \$2,390 in advanced fees.

60. On June 28, 2010, Bliesath and Grimsley received the letter from Respondent.

61. On December 28, 2010, Bliesath and Grimsley requested a refund of fees, effectively terminating Respondent's representation. At that point, Respondent owed the Comos a refund of unearned fees and an accounting.

62. On November 1, 2011, Respondent refunded all of the fees that Bliesath and Grimsley paid, and gave Bliesath and Grimsley an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

63. By providing Bliesath and Grimsley with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

64. By failing to promptly refund the unearned fees to Bliesath and Grimsley, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 11-O-11522 (Morey)

65. On May 14, 2010, Jerry Morey and Joanne Morey employed Respondent to prepare and file a joint petition for bankruptcy.

66. Between May 14, 2010 and July 12, 2010, the Moreys paid a total of \$3,460 in advanced fees.

67. On June 28, 2010, the Moreys received the letter from Respondent.

68. On September 8, 2010, the Moreys requested a refund of fees, effectively terminating Respondent's representation. At that point, Respondent owed the Moreys a refund of unearned fees and an accounting.

69. On October 5, 2011, Respondent refunded all of the fees that the Moreys paid, and gave the Moreys an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

70. By providing the Moreys with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

71. By failing to promptly refund the unearned fees to the Moreys, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 11-O-12350 (Camacho)

72. On June 25, 2010, Ruben Camacho, Sr. employed Respondent to represent his son in a misdemeanor criminal matter in San Diego Central Court. Camacho paid Respondent a \$4,000 "flat fee."

73. On June 28, 2010, Camacho received the letter from Respondent.

74. On June 30, 2010, Camacho requested a refund of fees, effectively terminating Respondent's representation. At that point, Respondent owed Camacho a refund of unearned fees and an accounting.

75. On September 28, 2011, Respondent refunded all of the fees that Camacho paid, and gave Camacho an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

76. By providing Camacho with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

77. By failing to promptly refund the unearned fees to Camacho, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 11-O-12557 (Williams)

78. On December 30, 2009, Jeremy Williams employed Respondent to prepare and file a petition for bankruptcy. Between December 30, 2009 and August 12, 2010, Williams paid \$2,590 in advanced fees.

79. On June 28, 2010, Williams received the letter from Respondent.

80. On September 1, 2010, Williams requested a refund of fees, effectively terminating Respondent's representation. At that point, Respondent owed Williams a refund of unearned fees and an accounting.

81. On October 25, 2011, Respondent refunded all of the fees that Williams paid, and gave Williams an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

82. By providing Williams with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

83. By failing to promptly refund the unearned fees to Williams, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 11-O-13266 (Diaz)

84. On April 8, 2010, Joe and Rosa Diaz employed Respondent to prepare and file a joint petition for bankruptcy. On the same date, the Diazes paid \$2,590 in advanced fees.

85. On June 28, 2010, the Diazes received the letter from Respondent.

86. On August 3, 2011, the Diazes requested a refund of fees, effectively terminating Respondent's representation. At that point, Respondent owed the Diazes a refund of unearned fees and an accounting.

87. On November 1, 2011, Respondent refunded all of the fees that the Diazes paid, and gave the Diazes an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

88. By providing the Diazes with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

89. By failing to promptly refund the unearned fees to the Diazes, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 11-O-13525 (Dimal)

90. On April 29, 2010, Robert and Selena Dimal employed Respondent to prepare and file a joint petition for bankruptcy. Between April 29, 2010 and June 17, 2010, the Dimals paid \$2,560 in advanced fees.

91. On June 28, 2010, the Dimals received the letter from Respondent.

923. On October 29, 2010, the Dimals terminated Respondent's services. At that point, Respondent owed the Dimals a refund of unearned fees and an accounting.

93. On March 30, 2011, Respondent refunded all of the fees that the Dimals paid, and gave the Dimals an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

94. By providing the Dimals with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

95. By failing to promptly refund the unearned fees to the Dimals, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 11-O-15850 (Brooks)

96. On December 30, 2009, Victoria Brooks employed Respondent to prepare and file a petition for bankruptcy. Between December 30, 2009, and July 6, 2010, the Dimals paid \$1,374 in advanced fees.

97. On June 28, 2010, Brooks received the letter from Respondent.

98. On July 26, 2011, Brooks requested a refund of fees, effectively terminating Respondent's representation. At that point, Respondent owed Brooks a refund of unearned fees and an accounting.

99. On October 25, 2011, Respondent refunded all of the fees that Brooks paid, and gave Brooks an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

100. By providing Brooks with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

101. By failing to promptly refund the unearned fees to Brooks, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 11-O-16053 (Hume)

102. On April 9, 2010, Ruby Hume employed Respondent to prepare and file a petition for bankruptcy. On the same date, Hume paid \$2,590 in advanced fees.

103. On June 28, 2010, Hume received the letter from Respondent.

104. On September 1, 2010, Respondent's representation was effectively terminated. At that point, Respondent owed Hume a refund of unearned fees and an accounting.

105. On October 25, 2011, Respondent refunded all of the fees that Hume paid, and gave Hume an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

106. By providing Hume with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

107. By failing to promptly refund the unearned fees to Hume, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

Case No. 11-O-16305 (LaBlue)

108. On April 17, 2010, LaDarien LaBlue employed Respondent to prepare and file a petition for bankruptcy. Between April 26, 2010 and January 16, 2011, LaBlue paid a total of \$2,590 in advanced fees.

109. In late June 2010, when Respondent was winding down KSPLC, LaBlue did not receive the letter. In January 2011, LaBlue learned of the firm's situation through a third party.

110. On May 11, 2011, LaBlue requested a refund of fees, effectively terminating Respondent's services. At that point, Respondent owed LaBlue a refund of unearned fees and an accounting.

111. On October 5, 2011, Respondent refunded all of the fees that LaBlue paid, and gave LaBlue an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

112. By providing LaBlue with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

113. By failing to promptly refund the unearned fees to LaBlue, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

114. By not sending the letter to LaBlue, Respondent did not inform his client of a significant event, in willful violation of Business & Professions Code, section 6068(m).

Case No. 10-O-05123 (Campos)

115. On June 15, 2007, Lorenia Campos employed Respondent's law firm to represent her father, Gustavo Suarez, Sr. ("Suarez") in a criminal matter pending in the Imperial County Superior Court. Respondent's firm was hired to bring a motion for a new trial and to represent Suarez at sentencing. Campos

paid a \$20,000 "flat fee."

116. As a result of a communication error, Respondent's firm failed to timely order trial transcripts. As a result, the firm never filed a motion for a new trial. The firm continued the sentencing once to obtain trial transcripts and petitioned the court for a second continuance. On the sentencing date, the court denied the second request to continue the sentencing hearing, and a staff attorney appeared on Suarez's behalf unprepared to proceed with sentencing.

117. Respondent failed to exercise adequate supervision over the staff attorneys, resulting in a failure to perform the work for which the firm was retained.

118. On March 23, 2010, Campos requested a refund of fees, effectively terminating Respondent's services. At that point, Respondent owed Campos a refund of unearned fees and an accounting.

119. On December 5, 2011, Respondent refunded the Campos' unearned fees in full (\$16,500), and gave Campos an accounting that was not sufficiently specific in its itemization of work performed.

CONCLUSIONS OF LAW:

120. By providing Campos with an inadequate accounting, Respondent willfully violated Rule 4-100(B)(3) of the Rules of Professional Conduct.

121. By failing to promptly refund the unearned fees to Campos, Respondent willfully violated Rule 3-700(D)(2) of the Rules of Professional Conduct.

122. By failing to adequately supervise his staff attorneys, Respondent acted in willful violation of Rule 3-110(A) of the Rules of Professional Conduct.

VARIANCE

The parties waive any variance between the Notice of Disciplinary Charges and this stipulation.

DISMISSALS

As part of this Stipulation, the State Bar moves to dismiss the following charges contained in the Notice of Disciplinary Charges in the interest of justice:

Count One	Rule of Professional Conduct 3-700(A)(2)
Count Four	Rule of Professional Conduct 4-200(A)
Count Six	Rule of Professional Conduct 4-200(A)

Count Seven	Rule of Professional Conduct 3-700(A)(2)
Count Ten	Rule of Professional Conduct 4-200(A)
Count Eleven	Rule of Professional Conduct 3-700(A)(2)
Count Fourteen	Business & Professions Code, section 6068(m)
Count Seventeen	Rule of Professional Conduct 3-700(D)(1)
Count Eighteen	Rule of Professional Conduct 3-700(A)(2)
Count Twenty-One	Rule of Professional Conduct 3-700(A)(2)
Count Twenty-Four	Rule of Professional Conduct 3-700(D)(2)
Count Twenty-Five	Rule of Professional Conduct 4-100(B)(3)
Count Twenty-Six	Rule of Professional Conduct 3-700(A)(2)
Count Thirty-Three	Rule of Professional Conduct 3-700(A)(2)
Count Thirty-Six	Rule of Professional Conduct 3-700(A)(2)
Count Thirty-Nine	Rule of Professional Conduct 3-700(A)(2)
Count Forty-Two	Rule of Professional Conduct 4-200(A)
Count Forty-Three	Rule of Professional Conduct 3-700(A)(2)
Count Forty-Six	Rule of Professional Conduct 4-200(A)
Count Forty-Seven	Rule of Professional Conduct 3-700(A)(2)
Count Fifty	Rule of Professional Conduct 3-700(A)(2)
Count Fifty-Three	Business & Professions Code, section 6106

PENDING PROCEEDINGS

The disclosure date referred to, on page 2, paragraph A(7), was April 16, 2012.

AUTHORITIES SUPPORTING DISCIPLINE

Standards

Standard 2.2(b) which states that culpability of a member of a violation of rule 4-100 of the Rules of Professional Conduct that does not include misappropriation shall result in at least a three month suspension.

Standard 2.4(b), which states that culpability of a member of wilfully failing to perform services in a client matter shall result in reproof or suspension depending on the extent of the misconduct and the degree of harm to the client.

Standard 2.6 which states that a member's culpability of violating Business and Professions Code, sections 6067 through 6068 and/or sections 6103 through 6105 shall result in disbarment or suspension depending on the gravity of the offense or harm to the victim with due regard to the purposes of imposing discipline set forth in standard 1.3.

Cases

Lister v. State Bar (1990) 51 Cal. 3d 1117: In a case involving four client matters, Lister was found culpable of a number of violations including improper withdrawal, failure to return client files, failure to promptly

refund unearned fees, failure to perform with competence, and failure to cooperate in a State Bar investigation. Lister had one prior record of discipline that received very little weight as it was remote in time. The Court found that Lister's "repeated acts of misconduct are serious matters," and imposed a 9-month actual suspension.

Matter of Brockway (2006) 4 Cal. State Bar Ct. Rptr. 944: In four client matters, Brockway accepted several thousand dollars in legal fees and then failed to perform legal services. Brockway was found culpable of failing to perform with competence, improper withdrawal, failing to render an accounting, failing to communicate, and failing to release client files. Brockway had a prior record of discipline that included a 3-month actual suspension.

The Court noted that the range of discipline for such cases involving respondents who had abandoned clients ranged from six months' actual suspension to disbarment. The Court noted that where four to six clients had been abandoned or suffered from incompetent representation, the discipline included two years actual suspension. (*Brockway, supra*, at 961.) The Court recommended that Brockway be actually suspended for two-years.

Matter of Wolff (2006) 5 Cal. State Bar Ct. Rptr. 1: In a one-month period, Wolff improperly withdrew from 300 cases in dependency proceedings and failed to appear in 39 matters. Wolff received mitigating credit for 10 years of discipline-free practice and because the proceedings were delayed for five years. In aggravation, Wolff's misconduct involved multiple acts of wrongdoing, significantly harmed the administration of justice, and Wolff lacked remorse. The Review Department recommended that Wolff receive 18 months of actual suspension.

In the present case, Respondent is culpable of failing to promptly refund unearned fees and to provide an appropriate accounting to his clients in 17 matters. In addition he failed to perform in one matter and failed to communicate in another. The stipulated discipline falls within the discipline imposed in above-cited cases, is within the Standards, and is reasonable under the circumstances.

COSTS



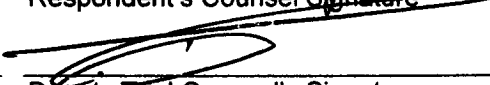
The Office of the Chief Trial Counsel has informed Respondent that as of April 15, 2012, the costs in this matter are approximately \$21,000. Respondent acknowledges that, should this stipulation be rejected or should relief from the Stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

(Do not write above this line.)

In the Matter of: KERRY STEIGERWALT	Case number(s): 10-O-05123, 10-O-09584, 10-O-09587, 10-O-10336, 10-O-10381, 10-O-10535, 11-O-10118, 11-O-10326 11-O-10867, 11-O-10869, 11-O-11522, 11-O-12350 11-O-12557, 11-O-13266, 11-O-13525, 11-O-15850 11-O-16053, 11-O-16305
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SIGNATURE OF THE PARTIES

By their signatures below, the parties and their counsel, as applicable, signify their agreement with each of the recitations and each of the terms and conditions of this Stipulation Re Facts, Conclusions of Law, and Disposition.

Date	<u>4/16/2012</u>		Kerry Steigerwalt
		Respondent's Signature	Print Name
Date	<u>4/18/12</u>		Arthur Margolis
		Respondent's Counsel Signature	Print Name
Date	<u>4/18/12</u>		Anthony J. Garcia
		Deputy Trial Counsel's Signature	Print Name

(Do not write above this line.)

In the Matter of: KERRY STEIGERWALT	Case Number(s): 10-O-05123, 10-O-09584, 10-O-09587, 10-O-10336, 10-O-10381, 10-O-10535, 11-O-10118, 11-O-10326, 11-O-10867, 11-O-10869, 11-O-11522, 11-O-12350, 11-O-12557, 11-O-13266, 11-O-13525, 11-O-15850, 11-O-16053, 11-O-16305
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ACTUAL SUSPENSION 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. On page 1, change the reference to "Assigned Judge" to be "Settlement Judge."
2. At p. 5, item E.(1), delete the recommendation regarding conditional compliance with standard 1.4(c)(ii).
3. On page 19, at the conclusion of the list of dismissed matters, insert the following:
"Case no. 11-O-10867 (counts 24 and 25) is dismissed in the interests of justice."

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 5.58(E) & (F), 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

05-18-12


RICHARD A. PLATEL
Judge of the State Bar Court

RICHARD A. PLATEL

CERTIFICATE OF SERVICE

[Rules Proc. of State Bar; Rule 5.27(B); 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 May 18, 2012, 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:

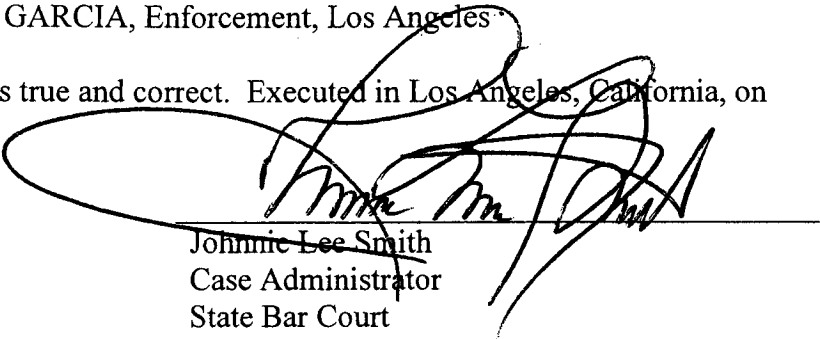
- ☒ by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

ARTHUR LEWIS MARGOLIS
MARGOLIS & MARGOLIS LLP
2000 RIVERSIDE DR
LOS ANGELES, CA 90039

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

ANTHONY GARCIA, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on May 18, 2012.


Johnnie Lee Smith
Case Administrator
State Bar Court