State Bar Court of California Hearing Department PUBLIC MATTER Los Angeles PROBATION VIOLATION Counsel For The State Bar Case Number(s): For Court use only 13-PM-14322 **Terrie Goldade** 845 S. Figueroa St. Los Angeles, CA 90017-2515 APR 04 2014 \$\mathbb{b} Bar # 155348 STATE BAR COURT Counsel For Respondent CLERK'S OFFICE LOS ANGELES Theodore A. Cohen 3550 Wilshire Blvd., Ste. 1280 Los Angeles, CA 90010 Submitted to: Settlement Judge Bar # 28637 STIPULATION RE FACTS, CONCLUSIONS OF LAW AND In the Matter of: DISPOSITION AND ORDER APPROVING Steven Mark Klugman PROBATION VIOLATION—"PM" PROCEEDING Bar # 53902 ☐ PREVIOUS STIPULATION REJECTED 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 14, 1972.
- (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 11 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."

(Effective January 1, 2014)

Probation Violation

(7)

Multiple/Pattern of Misconduct: Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct. Respondent violated his conditions on multiple occasions.

(Do	not wr	ite above this line.)	
(8)		Restitution: Respondent failed to make restitution.	
(9)		No aggravating circumstances are involved.	
Add	ditior	nal aggravating circumstances:	
		gating Circumstances [see standards 1.2(g) & 1.6]. Facts supporting mitigating umstances 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, the public, or the administration of justice.	
(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 atome 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 with a good faith belief that was honestly held and reasonable.	
(8)		Emotional/Physical Difficulties: At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical or mental disabilities which expert testimon 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 the difficulties or disabilities no longer pose a risk that Respondent will commit misconduct.	
(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 extraordinarily 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)		No mitigating circumstances are involved.	
Addi	tiona	Il mitigating circumstances:	
	See	stipulation attachment.	

Respondent must pay restitution in a minimum amount of \$6,000 per year. Proof of the first payment is due on or before January 10, 2015—with his quarterly probation report(s), or as

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.

Attachment language (if any):

FACTS AND CONCLUSIONS OF LAW.

Respondent admits that the following facts are true and that he is culpable of the specified violations.

- 1. On April 23, 2010, the State Bar Court filed and served upon Respondent a Decision and Order Sealing Certain Documents in State Bar Court Case No. 03-O-05112, et al. ("Decision").
- 2. On August 25, 2010, the California Supreme Court filed an Order No. S183844 (State Bar Court Case No. 03-O-05112, et al.) that Respondent be suspended from the practice of law for a period of three years, that execution of suspension be stayed and that Respondent be placed on probation for a period of four years, with suspension from the practice of law for the first four months of probation, and that he be subject to the conditions of probation as recommended by the Hearing Department of the State Bar Court in its Decision filed on April 23, 2010.
 - a. As a condition of probation, Respondent was ordered to comply with the State Bar Act and Rules of Professional Conduct and to report such compliance to the Office of Probation under penalty of perjury on or before January 10, April 10, July 10, and October 10 of every year during the period of probation ("quarterly reports"). Respondent did not comply, as follows:

Due	Filed	Comments
1/10/11	1/10/11	timely
4/10/11	4/20/11	late
7/10/11	11/14/11	late
10/10/11	10/11/11	late
1/10/12	1/10/12	timely
4/10/12	4/10/12	timely
7/10/12	7/10/12	timely
10/10/12	10/10/12	timely
1/10/13	1/10/13	timely
4/10/13	4/10/13	timely
7/10/13	7/10/13	timely
10/10/13	10/10/13	timely
1/10/14	1/10/14	timely

b. As a condition of probation, Respondent was ordered to report to the Office of Probation regarding his possession of client funds, property or securities. If Respondent did not possess any client funds, property or securities during the entire period covered by a quarterly report, he was ordered to so state under penalty of perjury in the quarterly report filed for that reporting period; if Respondent did possess any client funds, property or securities at any time during the period covered by a quarterly report, Respondent was ordered to file with each quarterly report a certificate from a certified public accountant or other financial professional approved by the Office of Probation certifying specified requirements listed in the Decision filed by the State Bar Court on April 23, 2010 ("client funds report"). Respondent has not complied as follows:

Due	Filed	Comments
1/10/11	1/10/11	timely
4/10/11	4/20/11	late
7/10/11	11/14/11	late
10/10/11	10/11/11	late
1/10/12	1/10/12	timely
4/10/12	7/10/13	late
7/10/12	2/19/13	late
10/10/12	2/19/13	late
1/10/13	1/10/13	timely
4/10/13	4/10/13	timely

7/10/13	7/10/13	timely
10/10/13	10/10/13	timely
1/10/14	1/10/14	timely

c. As a condition of probation, Respondent was ordered to make restitution to the following individuals (or the Client Security Fund ["CSF"], if appropriate) of the amount set forth below, plus 10% interest per annum, accruing from the date specified below, and provide satisfactory proof thereof to the Office of Probation during the period of probation:

Party Owed Restitution	Principal Amount	Interest Accrual Date
Seryozah Avakyan	\$3,500	January 1, 2001
Gharndick Avenessian	\$22,500	May 1, 2001
Israel Sanchez	\$31,500	May 1, 2001
Tamara Vaschenko	\$1,130.90	January 1, 2002
Ivan Vaschenko	\$4,500	January 1, 2002
Daria Alekseyeva	\$4,000	January 1, 2002
Jessica Rosales	\$4,500	January 1, 2002
Ernesto Castillo	\$7,200	March 1, 2003

Respondent was also ordered to pay restitution to Diagnostic Imaging Networks (Olmos matter) in the amount of \$3,600 and provide satisfactory proof thereof to the Office of Probation during probation.

If the CSF reimbursed any of the above individuals or entities for all or any portion of the principal amounts, Respondent was ordered to pay restitution to CSF of the amount paid, plus applicable interest and costs. To the extent the CSF paid only principal amounts, Respondent was still liable for interest payments to said individuals, as set forth above.

Respondent was ordered to pay restitution at the rate of a minimum of \$1,500 per month. With each quarterly report, Respondent was ordered to provide the Office of Probation satisfactory proof of all restitution payments made by him during that quarter or applicable reporting period. In addition, Respondent was ordered to keep records of payments made and make them available for inspection and copying upon the request of the Office of Probation, the Office of the Chief Trial Counsel or the State Bar Court.

By order of the State Bar Court filed December 2, 2010, Respondent was ordered to pay \$1,500 per quarter instead of per month. Respondent did not comply with this order in that his proof of restitution due by April 10, 2011 was filed late on July 12, 2011. Additionally, Respondent failed to provide proof of restitution with his quarterly reports due by July 10, 2011 (for the period April 1 through June 30, 2011), October 10, 2011 (for the period July 1 through September 30, 2011), and January 10, 2012 (for the period October 1 through December 31, 2011). Respondent did not timely pay the \$4,500 total for those three quarters; proof of payment was provided to the Office of Probation late on February 19, 2014 for a check dated February 7, 2014.

By order of the State Bar Court filed January 10, 2012, Respondent's restitution condition was modified. The total of the four quarterly payments otherwise scheduled for calendar year 2012 (total of \$6,000) was to be paid no later than December 31, 2012. Annual payments (of \$6,000) were ordered to continue in the same manner for succeeding years, until all payments were paid. To the extent the restitution payments included amounts payable to both individual payees and the CSF, all payments were to be paid to individuals before payment to the CSF. Respondent did not comply with this order in that he failed to make his annual payment of \$6,000 to individual payees. In December 2012, Respondent made his \$6,000 payment to CSF.

Respondent's proof of payment of \$6,000 due December 31, 2013 was filed late on February 19, 2014 for checks dated February 4 and 7, 2014.

- 3. On September 14, 2010, the Office of Probation mailed a reminder letter to Respondent at his membership records address outlining the terms and conditions of his probation. Respondent received the letter.
- 4. On October 7, 2010, the Office of Probation conducted the required meeting with Respondent, reviewing all of Respondent's conditions and deadlines.

Legal Conclusion: By failing to (1) timely file quarterly reports, as set forth above in paragraph 2 a.; (2) timely file client funds certificates, as set forth above in paragraph 2 b.; and (3) timely and correctly make the restitution installment payments, as set forth above in paragraph 2 c., Respondent willfully violated Business and Professions Code, section 6068(k).

MITIGATING AND OTHER CIRCUMSTANCES WHICH WERE CONSIDERED IN THE RESOLUTION OF THIS MATTER.

Respondent's discipline became effective on September 24, 2010. Prior to that effective date, Respondent reunited with his wife, who remains disabled after a double brain-stem stroke in 1995. Respondent asserts that he has been clean and sober since April 2003 and that he has had no client complaints since that time. In or about 2003, Respondent found that he had short-term memory problems and that he was unable to work as many hours as he had in the past. By the end of the day, he would be exhausted. In or about 2006, Respondent lost his vision and suffered from confusion; he was diagnosed with severe unregulated diabetes. Since in or about 2009, Respondent contends that his blood sugar has been normal and he has regained his vision and no longer suffers from confusion. At the end of 2010, Respondent was diagnosed with a large cancerous tumor on his leg. He underwent two surgeries and went back to work in or about April 2011; Respondent asserts that he is in remission from that cancer. From 2009 through November 2011, Respondent took care of his niece financially and physically until her death; she had lung cancer and was later diagnosed as also having pancreatic cancer. In or about March 2013, Respondent was diagnosed with attention deficit disorder and began taking medications to address his condition; Respondent asserts his symptoms have resolved.

Respondent did not submit expert testimony establishing that Respondent's physical and financial difficulties were directly responsible for his misconduct or that Respondent no longer suffered from all of his difficulties. (In the Matter of Gadda (Review Dept. 2002) 4 Cal. State Bar Ct. Rptr. 416, 443.) However, Respondent's health problems contributed to at least some of his failures to complete his probation conditions. Respondent asserts that his health conditions are all now controlled.

Respondent now understands that he needs to comply with each condition on a timely basis; he understands that even if he experiences other problems, e.g. physical or financial, he must file a motion for modification at his earliest opportunity if he will be unable to complete his conditions and continue to comply with his conditions until an order is filed modifying his conditions. Respondent now understands that proof for all conditions is to be physically received by the Office of Probation by the deadline, not merely postmarked by the deadline. Respondent also understands that he must pay all individuals complete restitution before making any restitution payments to the Client Security Fund.

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was February 21, 2014.

AUTHORITIES SUPPORTING DISCIPLINE.

Standard 2.6, subsection (a), states that culpability of a member of a violation of Business and Professions Code, section 6068(k), shall result in disbarment or suspension depending upon 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.

An attorney who violated his probation by failing to timely complete restitution and by failing to timely attend Ethics School, received two years' probation with a condition that he was to be actually suspended for the first 30 days. In the Matter of Gorman (Review Dept. 2003) 4 Cal. State Bar Ct. Rptr. 567. Neither bad purpose nor intentional evil is required to establish willful violations of disciplinary probation. Id. at 572. An attorney's cooperation in stipulating to facts warrants some mitigative consideration. Id. More serious sanctions are assigned to probation violations closely related to reasons for imposition of previous discipline or to rehabilitation. Id. at 573-574.

The probation conditions violated were related to his original misconduct, important for his rehabilitation, and were intended to assist the State Bar in monitoring Respondent's rehabilitation. However, in light of Respondent's circumstances (set forth above), it is agreed that the degree of discipline set forth in this stipulation is appropriate in relation to standard 2.6 based upon Respondent's stipulation to his violations, and his agreement to extend his probation in order to demonstrate his willingness to prove his rehabilitation, including making the previously ordered restitution.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of Probation has informed respondent that as of February 21, 2014, the prosecution costs in this matter are \$2,291. Respondent further 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.

WAIVER OF ANY VARIANCES

The parties stipulate to waive any variance in the language, allegations, and conclusions of law between this stipulation and the Notice of Motion and Motion to Revoke Probation filed on August 5, 2013. Respondent acknowledges that this stipulation contains language, allegations, and a conclusion of law which may differ from the language, allegations, and conclusion of law contained in the Notice of Motion and Motion to Revoke Probation filed on August 5, 2013. The parties further stipulate to waive the right to have any amendment to the Notice of Motion and Motion to Revoke Probation.

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to the Matter of - Stoven Mark Klugman	Case number(s). 13-PM-14322		

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.

3/13/14	1123	Steven Mark Klugman
Date /	Respondent's Supratific	Pont Name
7/13/14	Respondent's Counsel Signature	Heedore Cohen Prof Name
3-17-14	Terrie Goldade	Terri e Goldade
Oate 	Deputy Trial Coursel 9 Signature Sugar York के अधिक अधि	Print Name

(Do not write above this line,)	
In the Matter of: Steven Mark Klugman	Case Number(s): 13-PM-14322
P	ROBATION VIOLATION ORDER
Finding the stipulation to be fair to the parequested dismissal of counts/charges,	arties and that it adequately protects the public, IT IS ORDERED that the if any, is GRANTED without prejudice, and:
The stipulated facts and d Supreme Court.	lisposition are APPROVED and the DISCIPLINE RECOMMENDED to the
	lisposition are APPROVED AS MODIFIED as set forth below, and the IENDED to the Supreme Court.
All Hearing dates are vaca	ated.
within 15 days after service of this order, stipulation. (See rule 5.58(E) & (F), Rules	as approved unless: 1) a motion to withdraw or modify the stipulation, filed is granted; or 2) this court modifies or further modifies the approved s of Procedure.) The effective date of this disposition is the effective date ormally 30 days after file date. (See rule 9.18(a), California Rules of
04-03-2014 Date	RICHARD A. PLATEL
	Judge of the State Bar Court

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 April 4, 2014, 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 \boxtimes Service at Los Angeles, California, addressed as follows:

THEODORE A COHEN LAW OFFICES OF THEODORE A COHEN 3550 WILSHIRE BLVD **STE 1280** LOS ANGELES, CA 90010

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

Terrie L. Goldade, Office of Probation, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on April 4, 2014.

State Bar Court