1	Hearing Department Los Angeles ACTUAL SUSPENSION	UBLIC MATTER
Counsel For The State Bar	Case Number(s): 17-C-1652-CV	For Court use only
Murray B. Greenberg Senior Trial Counsel 845 S. Figueroa Street		
Los Angeles, CA 90017 213-765-1258		FILED
Bar # 142678		NOV 02 2017 2
Counsel For Respondent		STATE BAR COURT CLERK'S OFFICE
Arthur L. Margolis Margolis & Margolis LLP 2000 Riverside Dr. Los Angeles, CA 90039 323-953-8996		LOS ANGELES
	Submitted to: Assigned Jud	lge
Bar # 57703	STIPULATION RE FACTS, (DISPOSITION AND ORDER	CONCLUSIONS OF LAW AND APPROVING
In the Matter of: STEVEN ZELIG	ACTUAL SUSPENSION	
Bar # 94654	☐ PREVIOUS STIPULATIO	ON 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 16, 1980**.
- (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."

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(Effective July 1, 2015)

Оо п	ot write	above this line.)							
(5)		clusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of							
(6)		The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."							
(7)	No r	nore than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any ting investigation/proceeding not resolved by this stipulation, except for criminal investigations.							
(8)		ment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 0.7. (Check one option only):							
	\boxtimes	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: (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.							
ı		avating Circumstances [Standards for Attorney Sanctions for Professional onduct, standards 1.2(h) & 1.5]. Facts supporting aggravating circumstances are red.							
(1)	(a)	Prior record of discipline State Bar Court case # of prior case 08-O-11773 and 10-O-07590 (See Exhibit 1, attached hereto and incorporated herein).							
	(b)	□ Date prior discipline effective February 9, 2012							
	(c)	Rules of Professional Conduct/ State Bar Act violations: Business and Professions Code sections 6068(c), 6103 and 6068(o)(3).							
	(d)	Degree of prior discipline One year stayed suspension and two years probation.							
	(e)	If Respondent has two or more incidents of prior discipline, use space provided below.							
(2)		Intentional/Bad Faith/Dishonesty: Respondent's misconduct was dishonest, intentional, or surrounded by, or followed by bad faith.							
(3)		Misrepresentation: Respondent's misconduct was surrounded by, or followed by, misrepresentation.							
(4)		Concealment: Respondent's misconduct was surrounded by, or followed by, concealment.							
(5)		Overreaching: Respondent's misconduct was surrounded by, or followed by, overreaching.							
(6)		Uncharged Violations: Respondent's conduct involves uncharged violations of the Business and Professions Code, or the Rules of Professional Conduct.							

(Do no	t write	above this line.)
(7)		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.
(8)		Harm: Respondent's misconduct harmed significantly a client, the public, or the administration of justice.
(9)		Indifference: Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
(10)		Candor/Lack of Cooperation: Respondent displayed a lack of candor and cooperation to victims of his/her misconduct, or to the State Bar during disciplinary investigations or proceedings.
(11)		Multiple Acts: Respondent's current misconduct evidences multiple acts of wrongdoing.
(12)		Pattern: Respondent's current misconduct demonstrates a pattern of misconduct.
(13)		Restitution: Respondent failed to make restitution.
(14)		Vulnerable Victim: The victim(s) of Respondent's misconduct was/were highly vulnerable.
(15)		No aggravating circumstances are involved.
C. N	/ litig	ating Circumstances [see standards 1.2(i) & 1.6]. Facts supporting mitigating imstances 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 likely to recur.
(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 or 'to the State Bar during disciplinary investigations and proceedings.
(4)		Remorse: Respondent promptly took objective steps demonstrating spontaneous 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 with a good faith belief that was honestly held and objectively 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 testimony would establish was directly responsible for the misconduct. The difficulties or disabilities were not the

(Do no	t write	above	this lin	9.)
				any illegal conduct by the member, such as illegal drug or substance abuse, and the difficulties es no longer pose a risk that Respondent will commit misconduct.
(9)		whic	h resu	nancial Stress: At the time of the misconduct, Respondent suffered from severe financial stress lted from circumstances not reasonably foreseeable or which were beyond his/her control and e directly responsible for the misconduct.
(10)				oblems: At the time of the misconduct, Respondent suffered extreme difficulties in his/her is which were other than emotional or physical in nature.
(1 1)				racter: Respondent's extraordinarily good character is attested to by a wide range of references and general communities who are aware of the full extent of his/her misconduct.
(12)				tion: Considerable time has passed since the acts of professional misconduct occurred convincing proof of subsequent rehabilitation.
(13)		No n	nitigat	ing circumstances are involved.
Addi	tiona	al miti	gating	g circumstances:
	P	retria	Stipu	ulation, see pages 8-9.
D. D	isci	pline	€:	
(1)	\boxtimes	Stay	ed Su	spension:
	(a)	\boxtimes	Resp	ondent 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 fitness to practice and present learning and ability in the general law pursuant to standard 1.2(c)(1) 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)	\boxtimes	The a	above-referenced suspension is stayed.
(2)	\boxtimes	Prob	ation	:
				ust be placed on probation for a period of two years , which will commence upon the effective reme Court order in this matter. (See rule 9.18, California Rules of Court)
(3)	\boxtimes	Actu	al Su	spension:
	(a)	\boxtimes		ondent must be actually suspended from the practice of law in the State of California for a period irty (30) days.
		i. ,		and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and fitness to practice and present learning and ability in the general law pursuant to standard 1.2(c)(1), 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.

(Do n	ot write	above this li	ne.)
		iii. 🔲	and until Respondent does the following:
E. /	Addit	ional Co	onditions of Probation:
(1)		he/she pro	dent is actually suspended for two years or more, he/she must remain actually suspended until oves to the State Bar Court his/her rehabilitation, fitness to practice, and present learning and he general law, pursuant to standard 1.2(c)(1), Standards for Attorney Sanctions for Professional ct.
(2)		During the Profession	e probation period, Respondent must comply with the provisions of the State Bar Act and Rules of nal Conduct.
(3)	Ø	State Bar information	and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of on, including current office address and telephone number, or other address for State Bar as prescribed by section 6002.1 of the Business and Professions Code.
(4)		and scher conditions probation	rty (30) days from the effective date of discipline, Respondent must contact the Office of Probation dule a meeting with Respondent's assigned probation deputy to discuss these terms and s of probation. Upon the direction of the Office of Probation, Respondent must meet with the deputy either in-person or by telephone. During the period of probation, Respondent must meet with the probation deputy as directed and upon request.
(5)		July 10, a whether F conditions are any p current st	ent must submit written quarterly reports to the Office of Probation on each January 10, April 10, and October 10 of the period of probation. Under penalty of perjury, Respondent must state Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all so of probation during the preceding calendar quarter. Respondent must also state whether there roceedings pending against him or her in the State Bar Court and if so, the case number and atus of that proceeding. If the first report would cover less than 30 days, that report must be I on the next quarter date, and cover the extended period.
		In additional twenty (2)	n to all quarterly reports, a final report, containing the same information, is due no earlier than 0) days before the last day of the period of probation and no later than the last day of probation.
(6)		conditions During the in addition	ent must be assigned a probation monitor. Respondent must promptly review the terms and sof probation with the probation monitor to establish a manner and schedule of compliance. The period of probation, Respondent must furnish to the monitor such reports as may be requested, in to the quarterly reports required to be submitted to the Office of Probation. Respondent must be fully with the probation monitor.
(7)	×	inquiries directed t	o assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any of the Office of Probation and any probation monitor assigned under these conditions which are to Respondent personally or in writing relating to whether Respondent is complying or has with the probation conditions.
(8)	\boxtimes	Probation	te (1) year of the effective date of the discipline herein, Respondent must provide to the Office of a satisfactory proof of attendance at a session of the Ethics School, and passage of the test given d of that session.
		☐ No	Ethics School recommended. Reason: .
(9)	×	Respond must so o of Probat	ent must comply with all conditions of probation imposed in the underlying criminal matter and declare under penalty of perjury in conjunction with any quarterly report to be filed with the Office tion.

(Do no	ot write	above	this line.)		
(10)		The fo	ollowing conditions are attached hereto an	d incor	porated:
			Substance Abuse Conditions		Law Office Management Conditions
			Medical Conditions		Financial Conditions
F. O	ther	Con	ditions Negotiated by the Parties	s:	
(1)	\boxtimes	the Con one furt	Multistate Professional Responsibility Exa ference of Bar Examiners, to the Office of year, whichever period is longer. Failure	mination Probato to pas	on: Respondent must provide proof of passage of on ("MPRE"), administered by the National tion during the period of actual suspension or withings the MPRE results in actual suspension without), California Rules of Court, and rule 5.162(A) &
			No MPRE recommended. Reason:		
(2)		Cali	ifornia Rules of Court, and perform the act	s spec	must comply with the requirements of rule 9.20, ified in subdivisions (a) and (c) of that rule within 30 e date of the Supreme Court's Order in this matter.
(3)		day perl	s or more, he/she must comply with the re	equirem and (c)	If Respondent remains actually suspended for 90 tents of rule 9.20, California Rules of Court, and of that rule within 120 and 130 calendar days, Court's Order in this matter.
(4)		per	edit for Interim Suspension [conviction iod of his/her interim suspension toward the homencement of interim suspension:	referra ne stipu	I cases only]: Respondent will be credited for the lated period of actual suspension. Date of
(5)		Oth	ner Conditions:		

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF:

STEVEN ZELIG

CASE NUMBER:

17-C-1652-CV

FACTS AND CONCLUSIONS OF LAW.

Respondent admits that the following facts are true and that the facts and circumstances surrounding the offense for which he was convicted involved other misconduct warranting discipline.

Case No. 17-C-1652-CV (Conviction Proceedings)

PROCEDURAL BACKGROUND IN CONVICTION PROCEEDING:

- 1. This is a proceeding pursuant to sections 6101 and 6102 of the Business and Professions Code and rule 9.10 of the California Rules of Court.
- 2. On August 8, 2016, the Los Angeles County District Attorney filed a criminal complaint in the Los Angeles County Superior Court, case no. 6CJ12203, charging respondent with one count of violating Penal Code section 242 [Battery], a misdemeanor, one count of violating Penal Code section 415(1) [Challenging Another to a Fight], an infraction, one count of violating Penal Code section 415(2) [Causing Disturbance to Another by Loud and Unreasonable Noise], a misdemeanor and one count of violating Penal Code section 647(f) [Under Influence of Liquor in Public Place], a misdemeanor.
- 3. On April 13, 2017, respondent pled no contest to one count of violating Penal Code section 242 [Battery], a misdemeanor and one count of violating of Penal Code section 415(1) [Challenging Another to a Fight], an infraction. On that date, the court accepted respondent's plea, found him guilty, and dismissed the remaining two counts.
- 4. On April 13, 2017, the court suspended the imposition of sentence and placed respondent on summary probation for a period of 36 months, including without limitation, incarceration in the county jail for 34 days, or 20 days of community service in lieu of jail, and the requirement that respondent pay a restitution fine of \$150.
- 5. On July 6, 2017, the Review Department of the State Bar Court issued an order referring the matter to the Hearing Department for a hearing an decision recommending the discipline to be imposed, in the event that the Hearing Department finds that the facts and circumstances surrounding the offenses for which respondent was convicted involved moral turpitude or other misconduct warranting discipline.

FACTS:

6. On July 19, 2016, Los Angeles Police Department Officers responded to a call of a battery in downtown Los Angeles.

- 7. When the officers arrived, they saw respondent and an adult male, ("victim") lying on the street in front of a restaurant with respondent on top of the victim.
- 8. The victim told the officers that there was a dispute inside the restaurant and respondent was verbally attacking another waiter. Respondent was escorted out of the restaurant.
- 9. As respondent left the restaurant, he punched the victim in the face, which caused a small laceration and swelling to the victim's face.

CONCLUSIONS OF LAW:

10. The facts and circumstances surrounding the above-described violations did not involve moral turpitude but did involve other misconduct warranting discipline.

ADDITIONAL FACTS RE: AGGRAVATING CIRCUMSTANCES.

Prior Record of Discipline: Std. 1.5(a): Effective on February 9, 2012, respondent was disciplined for misconduct which occurred in two client matters. Respondent stipulated to six counts of misconduct for pursuing a frivolous appeal, disobeying court orders by failing to pay sanctions timely, maintaining an unjust action and not reporting sanctions to the bar within 30 days. Respondent received a one-year stayed suspension, was placed on probation for two years with terms and conditions, including the requirement that he attend Ethics School within one year and take and pass the Multistate Professional Responsibility Examination. Respondent's conduct was mitigated by no prior record of discipline and family problems, but aggravated by multiple acts.

ADDITIONAL FACTS RE: MITIGATING CIRCUMSTANCES.

Pretrial Stipulation: By entering into this stipulation, respondent has acknowledged misconduct and is entitled to mitigation for recognition of wrongdoing and saving the State Bar significant resources and time. Silva-Vidor v. State Bar (1989) 49 Cal.3d 1071, 1079 [where mitigative credit was given for entering into a stipulation as to facts and culpability]: In the Matter of Spaith (Review Dept. 1996) 3 Cal. State Bar Ct. Rptr. 511, 521 [where the attorney's stipulation to facts and culpability was held to be a mitigating circumstance].)

AUTHORITIES SUPPORTING DISCIPLINE.

The Standards for Attorney Sanctions for Professional Misconduct "set forth a means for determining the appropriate disciplinary sanction in a particular case and to ensure consistency across cases dealing with similar misconduct and surrounding circumstances." (Rules Proc. of State Bar, tit. IV, Stds. for Atty. Sanctions for Prof. Misconduct, std. 1.1. All further references to standards are to this source.) The standards help fulfill the primary purposes of discipline, which include: protection of the public, the courts and the legal profession; maintenance of the highest professional standards; and preservation of public confidence in the legal profession. (See std. 1.1; *In re Morse* (1995) 11 Cal.4th 184, 205.)

Although not binding, the standards are entitled to "great weight" and should be followed "whenever possible" in determining level of discipline. (In re Silverton (2005) 36 Cal.4th 81, 92, quoting In re Brown (1995) 12 Cal.4th 205, 220 and In re Young (1989) 49 Cal.3d 257, 267, fn. 11.) Adherence to the standards in the great majority of cases serves the valuable purpose of eliminating disparity and assuring consistency, that is, the imposition of similar attorney discipline for instances of similar attorney

misconduct. (In re Naney (1990) 51 Cal.3d 186, 190.) If a recommendation is at the high end or low end of a standard, an explanation must be given as to how the recommendation was reached. (Std. 1.1.) "Any disciplinary recommendation that deviates from the Standards must include clear reasons for the departure." (Std. 1.1; Blair v. State Bar (1989) 49 Cal.3d 762, 776, fn. 5.)

In determining whether to impose a sanction greater or less than that specified in a given standard, in addition to the factors set forth in the specific standard, consideration is to be given to the primary purposes of discipline; the balancing of all aggravating and mitigating circumstances; the type of misconduct at issue; whether the client, public, legal system or profession was harmed; and the member's willingness and ability to conform to ethical responsibilities in the future. (Stds. 1.7(b) and (c).)

In a conviction referral proceeding, "discipline is imposed according to the gravity of the crime and circumstances of the case." (In the Matter of Katz (Review Dept. 1991) 1 Cal. State Bar Ct. Rptr. 502, 510.) Respondent's culpability in this proceeding is conclusively established by the record of his convictions. (Bus. & Prof. Code, § 6101, subd. (a); In re Crooks (1990) 51 Cal.3d 1090, 1097.) Respondent is presumed to have committed all of the elements of the crimes of which he was convicted. (In re Duggan (1976) 17 Cal.3d 416, 423; In the Matter of Respondent O (Review Dept. 1993) 2 Cal. State Bar Ct. Rptr. 581,588.)

Here, respondent was convicted of a violation of Penal Code sections 242 and 415(1), a misdemeanor and an infraction, respectively. Respondent willfully and unlawfully used force and violence upon the restaurant employee by punching him in the face. His actions were aggressive and hostile, which ultimately resulted in the employee having to defend himself and sustaining a small cut to his face before police arrived. However, respondent's battery conviction does not involve moral turpitude per se, but involves other, misconduct warranting discipline. See In re Otto (1989) 48 Cal.3d 970.) As such. Standard 2.16(b) applies to respondent's conduct and provides that suspension or reproval is the presumed sanction for final conviction of a misdemeanor not involving moral turpitude but involving other misconduct warranting discipline.

To determine the appropriate level of discipline, consideration must also be given to Standard 1.8(a), which states that if the member has a prior record of discipline, the sanction must be greater than the previously imposed sanction unless the prior discipline was so remote in time and the previous misconduct was not serious enough that imposing greater discipline would be manifestly unjust. Respondent's prior was effective on February 9, 2012 and involved violations of Business and Professions Code sections 6103, 6068(c) and 6068(o)(3) in two separate client matters. The prior discipline is recent and was serious, therefore, imposing greater discipline would not be manifestly unjust.

The aggravating factor outweighs the single mitigating factor, therefore, discipline at the higher end of the range of discipline set forth in standard 2.16(b) is warranted. Discipline consisting of two years' of probation, including 30-days actual suspension, on the terms and conditions set forth herein is appropriate and will protect the public, maintain high professional standards, and preserve public confidence in the legal profession.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of Chief Trial Counsel has informed respondent that as of September 22, 2017, the discipline costs in this matter are \$2,629. 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.

EXCLUSION FROM MINIMUM CONTINUING LEGAL EDUCATION ("MCLE") CREDIT

Respondent may <u>not</u> receive MCLE credit for completion of State Bar Ethics School ordered as a condition of his probation. (Rules Proc. of State Bar, rule 3201.)

(Do not write above this line.)					
In the Matter of: STEVEN ZELIG	Case number(s): 17-C-1652-CV				
	SIGNATURE OF THE PARTI	ES			
By their signatures below, recitations and each of the	the parties and their counsel, as applicable, signi- terms and conditions of this Stipulation Re Facts	fy their agreement with each of the , Conclusions of Law, and Disposition.			
10-23-17	" Le rem)	Steven Zelig			
Date	Respondent's Signature	Print Name			
10/24/17	Pather L. Mengulis	Arthur L. Margolis			
Date	Respendent's Counsel Signature	Print Name			
10/25/17	Man B. Galon	Murray B. Greenberg			
Date	Deputy Trial Counsel's Signature	Print Name			

(Do not write at	pove this line.)	
In the Matte		Case Number(s): 17-C-01652
	ACTUAL S	USPENSION ORDER
Finding the s	stipulation to be fair to the parties and that smissal of counts/charges, if any, is GRA	at it adequately protects the public, IT IS ORDERED that the ANTED without prejudice, and:
	The stipulated facts and disposition are Supreme Court.	e APPROVED and the DISCIPLINE RECOMMENDED to the
	The stipulated facts and disposition are DISCIPLINE IS RECOMMENDED to the	e APPROVED AS MODIFIED as set forth below, and the he Supreme Court.
	All Hearing dates are vacated.	
"11" is added	d at the bottom of the page titled "SIGNA	TURE OF THE PARTIES".
within 15 day stipulation. (ys after service of this order, is granted; on See rule 5.58(E) & (F), Rules of Procedu	unless: 1) a motion to withdraw or modify the stipulation, filed or 2) this court modifies or further modifies the approved are.) The effective date of this disposition is the effective date lays after file date. (See rule 9.18(a), California Rules of
Mov & Date		CYNTHIA VALENZUELA Judge of the State Bar Court

(State Bar Court Nos. 08-O-11773 (10-O-07590))

SUPREME COURT

S197534

JAN 10 2012

IN THE SUPREME COURT OF CALIFORNIA Frederick K. Chirich Clerk

En Banc

Deputy

In re STEVEN ZELIG on Discipline

The court orders that Steven Zelig, State Bar Number 94654, is suspended from the practice of law in California for one year, execution of that period of suspension is stayed, and he is placed on probation for two years subject to the following conditions:

- 1. Steven Zelig must comply with the conditions of probation recommended by the Hearing Department of the State Bar Court in its Order Approving Stipulation filed on September 12, 2011; and
- 2. At the expiration of the period of probation, if Steven Zelig has complied with the terms of probation, the one-year period of stayed suspension will be satisfied and that suspension will be terminated.

Steven Zelig must also take and pass the Multistate Professional Responsibility Examination within one year after the effective date of this order and provide satisfactory proof of such passage to the State Bar's Office of Probation within the same period. Failure to do so may result in suspension. (Cal. Rules of Court, rule 9.10(b).)

Costs are awarded to the State Bar in accordance with Business and Professions Code section 6086.10 and are enforceable both as provided in Business and Professions Code section 6140.7 and as a money judgment.

I, Frederick K. Ohlrich, Clerk of the Supreme Court of the State of California, do hereby certify that the preceding is a true copy of an order of this Court as shown by the records of my office.

Witness my hand and the seal of the Court this

10 day of Jane 2012 Clerk

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Chief Justice

State Bar Court of California **Hearing Department** Los Angeles STAYED SUSPENSION Counsel For The State Bar For Court use only Case Number(s): 08-O-11773 Katherine Kinsey 10-O-07590 State Bar of California **PUBLIC MATTER** 1149 S. Hill Street Los Angeles, CA 90015 213-765-1503 Bar # 183740 Counsel For Respondent STATE BAR COURT Arthur L. Margolis CLERK'S OFFICE Margolis & Margolis LLP 2000 Riverside Dr. Los Angeles, CA 90039 Submitted to: Settlement Judge 323-953-8996 STIPULATION RE FACTS, CONCLUSIONS OF LAW AND **DISPOSITION AND ORDER APPROVING** Bar # 57703 STAYED SUSPENSION; NO ACTUAL SUSPENSION In the Matter of: Steven Zelig PREVIOUS STIPULATION REJECTED Bar # 94654 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:

- Respondent is a member of the State Bar of California, admitted December 16, 1980.
- (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 tisted under "Dismissals." The stipulation consists of 12 pages, not including the order.

(Do	not wr	ite above this line.)						
(4)	A :	statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included der "Facts."						
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(6)	Th "Si	e parties must include supporting authority for the recommended level of discipline under the heading upporting Authority."						
(7)	No pe	o more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any noting investigation/proceeding not resolved by this stipulation, except for criminal investigations.						
(8)	Pa 61	yment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 40.7. (Check one option only):						
• ;:		Costs are added to membership fee for calendar year following effective date of discipline. Costs are to be paid in equal amounts prior to February 1 for the following membership years: (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.						
Pro	fess	ravating Circumstances [for definition, see Standards for Attorney Sanctions for sional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances uired.						
(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 or a separate attachment entitled "Prior Discipline.						
(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.						

(Do 1	not wri	te above this line.)
(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)	Ø	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.
Add	ition	al aggravating circumstances
C. I	Vitig um:	ating Circumstances [see standard 1.2(e)]. Facts supporting mitigating stances 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.
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(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. During the period of misconduct, Respondent was caring for a son who had been diagnosed with tuberous sclerosis and was developmentally delayed. In addition, Respondent provided care to his parents, who both became ill during the period in question and provided care to another family member who experienced difficulties.

(Do no	ot writ	e above this line.)				
(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.				
Addi	Additional mitigating circumstances					
	Respondent was admitted to the practice of law on December 16, 1980 and has no prior record of discipline.					

(Do	not wr	ite abo	ve this li	ne.)
D.	Disc	iplir	1e:	
(1)	\boxtimes	Stay	yed Su	spension:
	(a)		Resp	pondent must be suspended from the practice of law for a period of One (1) 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.
,	t fa	iii.		and until Respondent does the following:
	The	e abor	ve-refe	renced suspension is stayed.
(2)	\boxtimes	Pro	bation	
	Res	spond he Su	ent is preme	placed on probation for a period of Two (2) years, which will commence upon the effective date Court order in this matter. (See rule 9.18 California Rules of Court.)
E. A	Addi	tiona	al Cor	nditions of Probation:
(1)*	\boxtimes	Durii Profe	ng the pessions	probation period, Respondent must comply with the provisions of the State Bar Act and Rules of al Conduct.
(2)	\boxtimes	State inform	e Bar a mation,	10) days of any change, Respondent must report to the Membership Records Office of the nd to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of including current office address and telephone number, or other address for State Bar as prescribed by section 6002.1 of the Business and Professions Code.
(3)	×	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.		
(4)				
		In add	dition to y (20)	o all quarterly reports, a final report, containing the same information, is due no earlier than days before the last day of the period of probation and no later than the last day of probation.
(5)		condi Durin in add	tions o g the p dition to	must be assigned a probation monitor. Respondent must promptly review the terms and f probation with the probation monitor to establish a manner and schedule of compliance. Period of probation, Respondent must furnish to the monitor such reports as may be requested, to the quarterly reports required to be submitted to the Office of Probation. Respondent must ally with the probation monitor.

(Do not write above this line.)					
(6)	×	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.			
(7)	\boxtimes	Prot	in one (1) year of the effective date of the cation satisfactory proof of attendance at a given at the end of that session.	discipl sessio	ine herein, Respondent must provide to the Office of on of the State Bar Ethics School, and passage of the
			No Ethics School recommended. Reason	n:	•
(8)		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.			
(9)		The	ollowing conditions are attached hereto an	d inco	orporated:
			Substance Abuse Conditions		Law Office Management Conditions
			Medical Conditions		Financial Conditions
F. C	ther	· Cor	ditions Negotiated by the Parties	:	
(1)		tne Cor res	Multistate Professional Responsibility Exar ference of Bar Examiners, to the Office of	ninatio Proba r hea i	tion within one year. Failure to pass the MPRE in until passage. But see rule 9.10(b). California
			No MPRE recommended. Reason:		
(2)	\boxtimes	Oth	er Conditions:		
PAY	MEN	1 T O	F SANCTIONS:		
With sanct	in thi	irty (3 as or	(0) days from the effective date of disciplered by the court in the underlying market	pline tters a	in these matters, Respondent shall pay the as set forth below:
Case	num	ber	Party Owed		Amount
08-O	-117	73	Scottsdale Insurance Company	\$	\$8,250
)8-O	-117	73	Scottsdale Insurance Company	\$	57,500
Respondent must provide to the Office of Probation satisfactory proof of the payments made by Respondent during the applicable reporting period. Such proof must be in a form satisfactory to the Office of Probation.					

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF: Steven Zelig

CASE NUMBER(S): 08-O-11773; 10-O-07590

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.

Case No. 08-O-11773 (State Bar Investigation)

Facts related to Regency Complaint

- 1. On January 17, 1994, Regency Royale Homeowners Association ("Regency") allegedly sustained damaged in the Northridge earthquake. In June 1994, Regency submitted an application for earthquake insurance to Scottsdale Insurance Company ("Scottsdale") stating that it had sustained no losses in the previous five years and Scottsdale issued insurance coverage to Regency.
- 2. On December 31, 2001, in pursuit of Regency's earthquake insurance claim, Respondent filed a civil action against Scottsdale entitled *Waldman et al. v. Golden Bear et al.*, Los Angeles County Superior Court, case no. BC265308 (the "Regency complaint").
- 3. Between January 2002 and May 2002, Scottsdale informed Regency's insurance adjuster that Scottsdale did not insure Regency until six months after the Northridge earthquake. On July 8, 2002, Respondent served the Regency complaint on Scottsdale.
- 4. In October 2002, Scottsdale provided documentation in discovery showing that Scottsdale issued its insurance policy to Regency six months after the Northridge earthquake. In addition, Regency's insurance adjuster told Respondent's office that Farmers and State Farm insured Regency's property at the time of the earthquake. However, Respondent did not dismiss the Regency complaint. Subsequently, new counsel associated in as counsel for Regency, acknowledged that Scottsdale was not the proper insurer and dismissed Scottsdale from Regency complaint. Scottsdale incurred in excess of \$30,000 in attorney's fees related to the Regency complaint.
- 5. On September 10, 2004, Scottsdale filed a malicious prosecution complaint against Respondent and others in order recoup the attorney's fees from the Regency complaint (the "Scottsdale action").
- 6. On January 29, 2007, the parties reached a settlement in the Scottsdale action. Pursuant to the settlement, Respondent agreed to pay Scottsdale \$45,000 within 45 days. Thereafter, Respondent failed to pay the settlement.

- 7. Therefore, on March 22, 2007, Scottsdale filed a motion for entry of judgment against Respondent's law office, which the court granted. On April 3, 2007, the judgment was entered.
- 8. As of April 13, 2007, Respondent had not paid the judgment, and Scottsdale filed a motion to amend the judgment to add Respondent personally. In its motion, Scottsdale noted that Respondent had previously testified that he and the law office were one and the same. Respondent opposed the motion to amend.
- 9. On May 16, 2007, the court in the Scottsdale action granted Scottsdale's motion and entered an amended judgment against Respondent for \$45,000. On June 4, 2007, Respondent appealed the court's May 16, 2007 ruling (the "judgment appeal")
- 10. On February 19, 2008, Scottsdale filed a motion for sanctions arguing that the judgment appeal was frivolous.
- 11. On February 21, 2008, the Court of Appeal wrote Respondent a letter notifying him that he had ten days from the date of the letter to file a supplemental letter in opposition to the imposition of sanctions. On March 10, 2008, Respondent filed opposition to the imposition of sanctions.
- 12. On April 10, 2008, the Court of Appeal issued an opinion denying the judgment appeal. In its opinion, the Court of Appeal stated that there was substantial evidence supporting the trial court's order naming Respondent as a judgment debtor and stated that it had little trouble finding Respondent's appeal to be frivolous. Specifically, the Court of Appeal stated that the appeal indisputably had no merit, appeared to have been filed for the improper purpose of delaying the effect of the judgment adverse to Respondent and continued a pattern throughout the case of abusing the legal system.
- 13. In the April 10, 2008 order, the Court of Appeal affirmed the judgment and ordered Respondent to pay \$8,250 in sanctions to Scottsdale for prosecuting the judgment appeal. The Court of Appeal ordered Respondent to pay the sanctions within 30 days after the issuance of the remittitur or by July 12, 2008. Respondent was properly served with the court's order.
- 14. Respondent did not pay the \$8,250 in sanctions as ordered by the Court of Appeal in the judgment appeal.

Facts Related to Respondent's Cross-Complaint

- 15. On February 14, 2005, Respondent's law office filed a cross-complaint against Regency, Condominium Administration Company, Inc. ("CAC") and a third cross-defendant in the Scottsdale action.
 - 16. On March 10, 2005, Regency filed an answer to Respondent's cross-complaint.
- 17. On July 17, 2006, after a trial date had been set in the Scottsdale action and without leave of the court, Respondent and his law office filed another cross-complaint against Scottsdale, Regency, CAC and additional cross-defendants.
- 18. Regency and CAC filed motions to strike the July 17, 2006 cross-complaint on the grounds that Respondent did not obtain leave of the court before filing another cross-complaint. On or about

September 25, 2006, the trial court granted the motions. On November 27, 2006, Respondent appealed the trial court's September 25, 2006 ruling.

- 19. On November 30, 2006, an attorney for Scottsdale wrote a letter to Respondent asking him to dismiss his appeal because the court's September 25, 2006 order was not appealable. Respondent received the letter but did not dismiss the appeal.
- 20. On September 17, 2007, Scottsdale filed a motion to dismiss the appeal and on or about October 10, 2007, Respondent filed opposition to the motion to dismiss.
- 21. On November 13, 2007, the Court of Appeal granted the motion to dismiss and imposed \$7,500 in sanctions against Respondent on the grounds that Respondent's appeal was frivolous. Respondent was properly served with the Court of Appeal's order.
 - 22. Respondent did not pay the \$7,500 in sanctions as ordered by the Court of Appeal.
- 23. On or about May 13, 2008, Respondent untimely reported to the State Bar of California that sanctions exceeding \$1,000 were imposed against him.

CONCLUSIONS OF LAW:

By pursing a frivolous appeal before the California Court of Appeal related to the Regency complaint, Respondent failed to maintain such action, proceedings, or defenses only as appear to him legal or just in willful violation of Business and Professions Code, section 6068(c).

By failing to pay the \$8,250 in sanctions as ordered by the Court of Appeal in the Regency complaint, Respondent disobeyed or violated an order of the court requiring him to do or forbear an act connected with or in the course of Respondent's profession which he ought in good faith to do or forbear in willful violation of Business and Professions Code, section 6103.

By failing to pay the sanctions as ordered by the Court of Appeal and arising out of Respondent's cross-complaint, Respondent disobeyed or violated an order of the court requiring him to do or forbear an act connected with or in the course of Respondent's profession which he ought in good faith to do or forbear in willful violation of Business and Professions Code, section 6103

By reporting to the State Bar of California on May 13, 2008 that sanctions in excess of \$1,000 had been imposed against him, Respondent failed to report to the agency charged with attorney discipline, in writing, within 30 days of the time Respondent had knowledge of the imposition of any judicial sanctions against Respondent in willful violation of Business and Professions Code, section 6068(o)(3).

Case No. 10-O-07590 (State Bar Investigation)

FACTS:

- 1. On March 26, 2009, Respondent filed a lawsuit on behalf of Classic Yarn entitled *Classic Yarn Co., Inc. et al. v. LG Insurance Co, et al.*, Los Angeles County Superior Court, case no. BC410492 (the "Classic Yarn complaint"). On May 11, 2009, the Classic Yarn complaint was removed to United States District Court, case no. 2:09-cv-03320 (the "Classic Yarn action").
- 2. On July 15, 2009, the court granted a motion to strike dismissing various plaintiff claims with prejudice. Respondent was properly served with the court's July 15, 2009 order.
- 3. On August 27, 2009, Respondent filed a First Amended Complaint ("FAC") in the Classic Yarn action and included causes of actions that had been dismissed or stricken.
- 4. On August 31, 2009, defense counsel in the Classic Yarn action sent a letter to Respondent by facsimile outlining the portions of the FAC that had been ordered stricken by the court. In the August 28, 2009 letter, defense counsel asked Respondent to prepare as stipulation striking the applicable portions of the FAC. In the letter, defense counsel informed Respondent that if they did not receive a stipulation and proposed order, they would likely file a Rule 11 motion. Respondent received the letter.
- 5. On September 1, 2009, Respondent responded to defense counsel's August 28, 2009 letter asking defense counsel to prepare the stipulation.
- 6. On September 3, 2009, defense counsel forwarded a draft stipulation and proposed order striking the improper portions of the FAC. In the letter, defense counsel asked Respondent to let them know by September 4, 2009 if he was willing to sign the stipulation or, alternatively, agree to extend defendant's time to respond to the complaint. On or about September 3, 2009, defense counsel sent the letter and the proposed stipulation and order to Respondent by facsimile. Respondent received the letter and its enclosures but did not sign the stipulation or otherwise respond to defense counsel's September 3, 2009 letter.
- 7. On September 8, 2009, opposing counsel filed a motion to strike portions of the FAC. In addition, on October 5, 2009, opposing counsel filed a motion for Rule 11 sanctions. On October 9, 2009, the district court granted the motion to strike portions of the FAC.
- 8. On October 19, 2009, Respondent filed opposition to the motions for sanctions. In his opposition, Respondent stated that he had erroneously included causes of action that were stricken by the court.
- 9. On November 6, 2009, the district court in the Classic Yarn action granted the motion for sanctions and ordered Respondent to pay \$4,032 in sanctions finding that Respondent's FAC "was made for the improper purpose of causing unnecessary delay and needlessly increasing the cost of litigation." The court ordered Respondent to pay the sanctions before December 2, 2009. The court properly served the November 6, 2009 court order on Respondent. Respondent received the court's November 6, 2009 order.
 - 10. On February 3, 2010, Respondent paid the \$4,032 in sanctions to opposing counsel.

CONCLUSIONS OF LAW:

By filing a First Amended Complaint in the Classic Yarn action that contained actions that had already been stricken by the court, Respondent failed maintain such action, proceedings, or defenses only as appear to him legal or just in willful violation of Business and Professions Code, section 6068(c).

By not timely paying the sanctions by December 2, 2009 as ordered by the court, Respondent disobeyed or violated an order of the court requiring him to do or forbear an act connected with or in the course of Respondent's profession which he ought in good faith to do or forbear in willful violation of Business and Professions Code section 6103.

PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was August 26, 2011.

AUTHORITIES SUPPORTING DISCIPLINE:

Standard 2.6 (a) states that any violations of Business and Professions Code, section 6068 shall result in disbarment or suspension depending on the gravity of the offense and the harm, if any, to the victim.

Standard 2.6 (b) states that any violation of Business and Professions Code, section 6103 shall result in disbarment or suspension depending on the gravity of the offense and the harm, if any, to the victim.

(Do not write above this line.)			
In the Matter of: Steven Zelig	Case number(s): 08-O-11773; 10-	Case number(s): 08-O-11773; 10-O-07590	
Du thair aireathmach	SIGNATURE OF THE F		
recitations and each	elow, the parties and their counsel as applicable of the terms and conditions of this Stipulation R	e Facts, Conclusions of Law, and Disposition.	
8-31-	Wel-	Steven Zelig	
Date	Respondent's Signature	Print Name	
9/6/11	teller Whomas	Arthur Margolis	
Date / /	Respondent's Counsel Signature	Print Name	
9/6/11	haltela	Katherine Kinsey	
Daté	Deputy Trial Counsel's Signature	Print Name	

(Effective January 1, 2011)

Signature Page

(Do not	t write a	bove this line.)		
In the Matter of: Steven Zelig			Case Number(s): 08-O-11773; 10-O-07590	
L		STAY	ED SUSPENSION ORDER	
Finding reques	g the s	stipulation to be fair to the parties smissal of counts/charges, if any	and that it adequately protects the public, IT IS ORDERED that the is GRANTED without prejudice, and:	
		The stipulated facts and dispos Supreme Court.	ition are APPROVED and the DISCIPLINE RECOMMENDED to the	
		The stipulated facts and dispose DISCIPLINE IS RECOMMENDED	ition are APPROVED AS MODIFIED as set forth below, and the ED to the Supreme Court.	
•		All Hearing dates are vacated.		
within 1 stipulat	15 day lion. (S Supre	s after service of this order, is gra See rule 5.58(E) & (F), Rules of P	proved unless: 1) a motion to withdraw or modify the stipulation, filed anted; or 2) this court modifies or further modifies the approved rocedure.) The effective date of this disposition is the effective date y 30 days after file date. (See rule 9.18(a), California Rules of	
Date	9/	2/11	Dualdis I	
Jale			Judge of the State Bar Court	

DONALD F. MILES

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 September 12, 2011, 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, ESQ. 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:

KATHERINE KINSEY, ESQ., Office of Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on September 12, 2011.

Rose Luthi

Case Administrator

State Bar Court

PUBLIC MATTER

FILED
JUL 13 2011
STATE BAR COURT
CLERK'S OFFICE
LOS ANGELES

STATE BAR COURT OF CALIFORNIA

HEARING DEPARTMENT – LOS ANGELES

In the Matter of) Case Nos.: 08-O-11773-RAP) (10-O-07590)
STEVEN ZELIG,)
Member No. 94654,	ORDER OF DISMISSALWITHOUT PREJUDICE
A Member of the State Bar.)

This matter is before the court on the court's June 27, 2011 order to show cause (OSC) why the court should not dismiss the present proceeding without prejudice in the furtherance of justice. (Rules Proc. of State Bar, rule 5.124(G)(2).) On July 8, 2011, the Office of the Chief Trial Counsel of the State Bar of California filed its response to the OSC. And, on July 11, 2011, respondent Steven Zelig filed his response.

Having read and considered the parties' responses to the OSC, the court finds that respondent was not afforded a pre-filing, early neutral evaluation conference (Rules Proc. of State Bar, rule 5.30) and that the lack of this procedural opportunity has placed respondent at a substantive disadvantage in this proceeding. (In the Matter of Respondent AA (Review Dept. 2004) 4 Cal. State Bar Ct. Rptr. 721, 728.) Accordingly, the court will dismiss the proceeding without prejudice. (Ibid.)

ORDER

In the furtherance of justice, the court orders that the present proceeding is **DISMISSED**WITHOUT PREJUDICE to it being refiled after respondent has been afforded the opportunity to participate in an early neutral evaluation conference. The court further orders that all court settings in this proceeding are VACATED.

Dated: July 12, 2011.

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 July 13, 2011, I deposited a true copy of the following document(s): ORDER OF DISMISSAL WITHOUT PREJUDICE in a sealed envelope for collection and mailing on that date as follows:

m a sound on velope for concentration and maining on that that 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:

Michael John Glass, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on July 13, 2011.

Johnnie Lee Smith / Case Administrator State Bar Court

PUBLIC MATTER

	1 1115.	IN MULICA
1	STATE BAR OF CALIFORNIA OFFICE OF THE CHIEF TRIAL COUNSEL	FILED
2	JAMES E. TOWERY, No. 74058 CHIEF TRIAL COUNSEL	JUN 0 3 2011
3	PATSY J. COBB, No. 107793 DEPUTY CHIEF TRIAL COUNSEL	STATE BAR COURT
4	NANCY J. WATSON, No. 89753 ASSISTANT CHIEF TRIAL COUNSEL	CLERK'S OFFICE LOS ANGELES
5	DANE C. DAUPHINE, No. 121606 SUPERVISING TRIAL COUNSEL	
6	KATHERINE KINSEY, No. 183740 DEPUTY TRIAL COUNSEL	
7	1149 South Hill Street Los Angeles, California 90015-2299	
8	Telephone: (213) 765-1000	·
9		
10		AR COURT
11	HEARING DEPARTM	ENT - LOS ANGELES
12	In the Matter of:	Case Nos. 08-O-11773; 10-O-07590
13	STEVEN ZELIG,) No. 94654,)	NOTICE OF DISCIPLINARY CHARGES
14	}	
15	A Member of the State Bar.	
16	NOTICE - FAILUI	RE TO RESPOND!
17	IF YOU FAIL TO FILE A WRIT WITHIN 20 DAYS AFTER SERVICE	TEN ANSWER TO THIS NOTICE C. OR IF YOU FAIL TO APPEAR AT
18	THE STATE BAR COURT TRIAL:	
19	(1) YOUR DEFAULT WILL BE ENT (2) YOUR STATUS WILL BE CH	TERED; ANGED TO INACTIVE AND YOU
20	WILL NOT BE PERMITTED TO (3) YOU WILL NOT BE PERMITTED	PRACTICE LAW; ED TO PARTICIPATE FURTHER IN
21	THESE PROCEEDINGS UNLES AND THE DEFAULT IS SET AS	S YOU MAKE A TIMELY MOTION DE, AND;
22	(4) YOU SHALL BE SUBJECT SPECIFICALLY, IF YOU FAIL	TO ADDITIONAL DISCIPLINE. TO TIMELY MOVE TO SET ASIDE
23	OR VACATE YOUR DEFAULT	r, THIS COURT WILL ENTER AN
24	FURTHER HEARING OR PROC	CEEDING. SEE RULE 5.80 ET SEQ., IE STATE BAR OF CALIFORNIA.
25		
26		
27		113 149 4EG

The State Bar of California alleges:

JURISDICTION

1. Steven Zelig ("Respondent") was admitted to the practice of law in the State of California on December 16, 1980, was a member at all times pertinent to these charges, and is currently a member of the State Bar of California.

COUNT ONE

Case No. 08-O-11773 Business and Professions Code, section 6068(c) [Maintaining an Unjust Action]

- 2. Respondent willfully violated Business and Professions Code section 6068(c), by failing to counsel and/or maintain such actions, proceedings, or defenses only as appear to him legal or just, as follows:
- 3. On or about January 17, 1994, Regency Royale Homeowners Association ("Regency") sustained damaged in the Northridge earthquake.
- 4. On or about December 26, 2001, on Regency's behalf, Respondent filed a civil action against Scottsdale Insurance Company ("Scottsdale") entitled Waldman et al. v. Golden Bear et al., Los Angeles County Superior Court, case no. BC265308 (the "Regency complaint").
- 5. Between in or about January 2002 and in or about May 2002, Scottsdale informed Regency's insurance adjuster that Scottsdale did not insure Regency until six months after the Northridge earthquake. On or about July 8, 2002, Respondent served the Regency complaint on Scottsdale.
- 6. In or about October 2002, Scottsdale responded to Regency's discovery requests and provided documentation showing that Scottsdale issued its insurance policy to Regency six months after the Northridge earthquake. In addition, Regency's insurance adjuster told Respondent's office that Farmers and State Farm insured Regency's property at the time of the earthquake.
- 7. Despite further communication from Scottsdale that it was not the insured for Regency at the time of earthquake, Respondent did not dismiss the Regency complaint.
 Subsequently, new counsel associated in as counsel for Regency, acknowledged that Scottsdale

was not the proper insurer and dismissed Scottsdale from Regency complaint. Scottsdale incurred in excess of \$30,000 in attorney's fees related to the Regency complaint.

- 8. On or about September 10, 2004, Scottsdale filed a malicious prosecution complaint against Respondent and others in order recoup the attorney's fees from the Regency complaint (the "Scottsdale action").
- 9. In or about November 2004, Respondent filed a motion for judgment on the pleadings or, in the alternative, motion to dismiss, contending that the Scottsdale action failed to comply with Civil Code section 1714.10. Respondent also filed an anti-SLAPP motion. The trial court denied both motions. On or about March 3, 2005, Respondent appealed the trial court's denial of his motions
- 10. On or about May 2, 2006, the California Court of Appeal ("Court of Appeal") affirmed the trial court's orders finding that it committed no error in denying Respondent's motions.
- 11. On or about May 31, 2006, the court in the Scottsdale action set a trial date in January 2007.
- 12. On or about January 29, 2007, the parties reached a settlement in the Scottsdale action. Pursuant to the settlement, Respondent agreed to pay Scottsdale \$45,000 within 45 days. Thereafter, Respondent failed to pay the settlement.
- 13. Therefore, on or about March 22, 2007, Scottsdale filed a motion for entry of judgment against Respondent's law office, which the court granted. On or about April 3, 2007, the judgment was entered.
- 14. As of on or about April 13, 2007, Respondent had not paid the judgment, and Scottsdale filed a motion to amend the judgment to add Respondent personally. In its motion, Scottsdale noted that Respondent had previously testified that he and the law office were one and the same. Respondent opposed the motion to amend.
- 15. On or about May 16, 2007, the court in the Scottsdale action granted Scottsdale's motion and entered an amended judgment against Respondent for \$45,000. On or about June 4, 2007, Respondent appealed the court's May 16, 2007 ruling (the "judgment appeal")

16. On or about February 19, 2008, Scottsdale filed a motion for sanctions arguing that the judgment appeal was frivolous.

17. On or about February 21, 2008, the Court of Appeal wrote Respondent a letter notifying him that he had ten days from the date of the letter to file a supplemental letter in opposition to the imposition of sanctions. On or about March 10, 2008, Respondent filed opposition to the imposition of sanctions.

18. On or about April 10, 2008, the Court of Appeal issued an opinion denying the judgment appeal. In its opinion, the Court of Appeal stated that there was substantial evidence supporting the trial court's order naming Respondent as a judgment debtor and stated that it had little trouble finding Respondent's appeal to be frivolous. Specifically, the Court of Appeal stated that the appeal indisputably had no merit, appeared to have been filed for the improper purpose of delaying the effect of the judgment adverse to Respondent and continued a pattern throughout the case of abusing the legal system.

19. In the April 10, 2008 order, the Court of Appeal affirmed the judgment and ordered Respondent to pay \$8,250 in sanctions to Scottsdale for prosecuting the judgment appeal. The Court of Appeal ordered Respondent to pay the sanctions within 30 days after the issuance of the remittitur or by July 12, 2008. Respondent was properly served with the court's order.

20. By pursing a frivolous appeal before the California Court of Appeal, Respondent failed maintain such action, proceedings, or defenses only as appear to him legal or just.

COUNT TWO

Case No. 08-O-11773
Business and Professions Code, section 6103
[Failure to Obey a Court Order]

- 21. Respondent willfully violated Business and Professions Code, section 6103, by willfully disobeying or violating an order of the court requiring him to do or forbear an act connected with or in the course of Respondent's profession which he ought in good faith to do or forbear, as follows:
 - 22. The allegations set forth in Count One are incorporated herein by reference.

l	
1	23. To date, Respondent has not paid any of the \$8,250 in sanctions as ordered by the
2	Court of Appeal in the judgment appeal.
3	24. By failing to pay the sanctions as ordered by the Court of Appeal, Respondent
4	willfully disobeyed or violated an order of the court requiring him to do or forbear an act
5	connected with or in the course of Respondent's profession which he ought in good faith to do o
6	forbear.
7	COUNT THREE
8	Case No. 08-O-11773 Business and Professions Code, section 6103 [Failure to Obey a Court Order]
10	25. Respondent willfully violated Business and Professions Code, section 6103, by
11	willfully disobeying or violating an order of the court requiring him to do or forbear an act
12	connected with or in the course of Respondent's profession which he ought in good faith to do o
13	forbear, as follows:
14	26. The allegations set forth in Count One are incorporated herein by reference.
15	27. On or about February 14, 2005, Respondent's law office filed a cross-complaint
16	against Regency, Condominium Administration Company, Inc. ("CAC") and a third cross-
17	defendant in the Scottsdale action.
18	28. On or about March 10, 2005, Regency filed an answer to Respondent's cross-
19	complaint.
20	29. On or about July 17, 2006, after a trial date had been set in the Scottsdale action and
21	without leave of the court, Respondent and his law office filed another cross-complaint against
22	Scottsdale, Regency, CAC and additional cross-defendants.
23	30. Regency and CAC filed motions to strike the July 17, 2006 cross-complaint on the
24	grounds that Respondent did not obtain leave of the court before filing another cross-complaint
25	On or about September 25, 2006, the trial court granted the motions. On or about November 2
26	2006, Respondent appealed the trial court's September 25, 2006 ruling.
27	//
28	<i>'</i> //

31. On or about November 30, 2006, an attorney for Scottsdale wrote a letter to 1 Respondent asking him to dismiss his appeal because the court's September 25, 2006 order was Ż 3 not appealable. Respondent received the letter but did not dismiss the appeal. 32. On or about September 17, 2007, Scottsdale filed a motion to dismiss the appeal and on or about October 10, 2007, Respondent filed opposition to the motion to dismiss. 5 33. On or about November 13, 2007, the Court of Appeal granted the motion to dismiss 6 and imposed \$7,500 in sanctions against Respondent on the grounds that Respondent's appeal 7 8 was frivolous. Respondent was properly served with the Court of Appeal's order. 34. To date, Respondent has not paid the \$7,500 in sanctions as ordered by the Court of 9 10 Appeal. 35. By failing to pay the sanctions as ordered by the Court of Appeal, Respondent 11 willfully disobeyed or violated an order of the court requiring him to do or forbear an act 12 connected with or in the course of Respondent's profession which he ought in good faith to do or 13 14 forbear. 15 **COUNT FOUR** 16 Case No. 08-O-11773 Business and Professions Code, section 6068(o)(3) [Failure to Report Judicial Sanctions] 17 36. Respondent willfully violated Business and Professions Code, section 6068(o)(3), by 18 failing to report to the agency charged with attorney discipline, in writing, within 30 days of the 19 time Respondent had knowledge of the imposition of any judicial sanctions against Respondent, 20 21 as follows: 37. The allegations set forth in Count Three are incorporated herein by reference. 22 38. To date, Respondent has not reported to the State Bar of California that \$7,500 in 23 24 sanctions were imposed against him by the Court of Appeal. 39. By not reporting to the State Bar of California that the \$7,500 in sanctions were 25 imposed against him by the California Court of Appeal, Respondent failed to report to the 26 agency charged with attorney discipline, in writing, within 30 days of the time Respondent had 27

knowledge of the imposition of any judicial sanctions against Respondent.

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COUNT FIVE

Case No. 10-O-07590 Business and Professions Code, section 6068(c) [Maintaining an Unjust Action]

- 40. Respondent willfully violated Business and Professions Code, section 6068(c), by failing to counsel or maintain such action, proceedings, or defenses only as appear to him legal or just, as follows:
- 41. On or about March 26, 2009, Respondent filed a lawsuit on behalf of Classic Yarn entitled Classic Yarn Co., Inc. et al. v. LG Insurance Co, et al., Los Angeles County Superior Court, case no. BC410492 (the "Classic Yarn complaint").
- 42. On or about May 11, 2009, the Classic Yarn complaint was removed to United States District Court, case no. 2:09-cv-03320 (the "Classic Yarn action").
- 43. On or about July 15, 2009, the court granted the motion to strike in its entirety dismissing various plaintiff's claims with prejudice. Respondent was properly served with the court's July 15, 2009 order.
- 44. On or about August 27, 2009, Respondent filed a First Amended Complaint ("FAC") in the Classic Yarn action and included causes of actions that had been dismissed or stricken.
- 45. On or about August 31, 2009, defense counsel in the Classic Yarn action sent a letter to Respondent by facsimile outlining the portions of the FAC that had been ordered stricken by the court. In the August 28, 2009 letter, defense counsel asked Respondent to prepare as stipulation striking the applicable portions of the FAC. In the letter, defense counsel informed Respondent that if they did not receive a stipulation and proposed order, they would likely file a Rule 11 motion. Respondent received the letter.
- 46. On or about September 1, 2009, Respondent responded to defense counsel's August 28, 2009 letter asking defense counsel to prepare the stipulation.
- 47. On or about September 3, 2009, defense counsel forwarded a draft stipulation and proposed order striking the improper portions of the FAC. In the letter, defense counsel asked Respondent to let them know by September 4, 2009 if he was willing to sign the stipulation or, alternatively, agree to extend defendant's time to respond to the complaint. On or about

1 September 3, 2009, defense counsel sent the letter and the proposed stipulation and order to 2 Respondent by facsimile. Respondent received the letter and its enclosures but did not sign the 3 stipulation or otherwise respond to defense counsel's September 3, 2009 letter. 4 48. On or about September 8, 2009, opposing counsel filed a motion to strike portions of 5 the FAC. In addition, on or about October 5, 2009, opposing counsel filed a motion for Rule 11 6 sanctions. 7 49. On or about October 9, 2009, the district court granted the motion to strike portions of the FAC. 8 9 50. On or about October 19, 2009, Respondent filed opposition to the motions for 10 sanctions. In his opposition, Respondent stated that he had erroneously included causes of action 11 that the court had struck. 12 51. On or about November 6, 2009, the district court in the Classic Yarn action granted 13 the motion for sanctions and ordered Respondent to pay \$4,032 in sanctions finding that 14 Respondent's FAC "was made for the improper purpose of causing unnecessary delay and 15 needlessly increasing the cost of litigation." The court ordered Respondent to pay the sanctions 16 before December 2, 2009. The court properly served the November 6, 2009 court order on 17 Respondent. Respondent received the court's November 6, 2009 order. 52. By filing a First Amended Complaint in the Classic Yarn action that contained 18 19 actions that had already been stricken by the court, Respondent failed maintain such action, 20 proceedings, or defenses only as appear to him legal or just. 21 **COUNT SIX** Case No. 10-O-07590 22 Business and Professions Code, section 6103 23 [Failure to Obey a Court Order] 53. Respondent willfully violated Business and Professions Code, section 6103, by 24 25 willfully disobeying or violating an order of the court requiring him to do or forbear an act connected with or in the course of Respondent's profession which he ought in good faith to do or 26 27 forbear, as follows: 54. The allegations set forth in Count Five are incorporated herein by reference. 28

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1	55. On or about February 3, 2010, Respondent paid \$4,032 to the opposing counsel as	
2	payment of the sanctions in the Classic Yarn action.	
3	56. By not paying the sanctions by December 2, 2009 as ordered by the court,	
4	Respondent willfully disobeyed or violated an order of the court requiring him to do or forbear	
5	an act connected with or in the course of Respondent's profession which he ought in good faith t	
6	do or forbear.	
7	<u>COUNT SEVEN</u>	
8 9	Case No. 10-O-07590 Business and Professions Code, section 6068(o)(3) [Failure to Report Judicial Sanctions]	
10	57. Respondent willfully violated Business and Professions Code, section 6068(o)(3), by	
11	failing to report to the agency charged with attorney discipline, in writing, within 30 days of the	
. 12	time Respondent had knowledge of the imposition of any judicial sanctions against Respondent,	
13	as follows:	
14	58. The allegations set forth in Count Five are incorporated herein by reference.	
15	59. To date, Respondent has not reported to the State Bar of California that \$4,032 in	
16	sanctions were imposed against him by the U.S. District Court in the Classic Yarn action.	
17	60. By not reporting to the State Bar of California that the \$4,032 in sanctions were	
18	imposed against him by the U.S. District Court, Respondent failed to report to the agency	
19	charged with attorney discipline, in writing, within 30 days of the time Respondent had	
20	knowledge of the imposition of any judicial sanctions against Respondent.	
21	NOTICE - INACTIVE ENROLLMENT!	
22	YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE STATE BAR	
23	COURT FINDS, PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 6007(c), THAT YOUR CONDUCT POSES A SUBSTANTIAL	
24	THREAT OF HARM TO THE INTERESTS OF YOUR CLIENTS OR TO THE PUBLIC, YOU MAY BE INVOLUNTARILY ENROLLED AS AN	
25	INACTIVE MEMBER OF THE STATE BAR. YOUR INACTIVE ENROLLMENT WOULD BE IN ADDITION TO ANY DISCIPLINE	
26	RECOMMENDED BY THE COURT.	
27		

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in good faith to

NOTICE - COST ASSESSMENT!

IN THE EVENT THESE PROCEDURES RESULT IN PUBLIC DISCIPLINE, YOU MAY BE SUBJECT TO THE PAYMENT OF COSTS INCURRED BY THE STATE BAR IN THE INVESTIGATION, HEARING AND REVIEW OF THIS MATTER PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 6086.10.

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DATED: June 3, 2011

Respectfully submitted,

THE STATE BAR OF CALIFORNIA OFFICE OF THE CHIEF TRIAL COUNSEL

Bv: _____

Katherine Kinsey Deputy Trial Counsel

<u>DECLARATION OF SERVICE BY CERTIFIED MAIL</u>

CASE NUMBER: 08-0-11773;10-0-07590

I, the undersigned, over the age of eighteen (18) years, whose business address and place of employment is the State Bar of California, 1149 South Hill Street, Los Angeles, California 90015, declare that I am not a party to the within action; that I am readily familiar with the State Bar of California's practice for collection and processing of correspondence for mailing with the United States Postal Service; that in the ordinary course of the State Bar of California's practice, correspondence collected and processed by the State Bar of California would be deposited with the United States Postal Service that same day; that I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date on the envelope or package is more than one day after date of deposit for mailing contained in the affidavit; and that in accordance with the practice of the State Bar of California for collection and processing of mail, I deposited or placed for collection and mailing in the City and County of Los Angeles, on the date shown below, a true copy of the within

NOTICE OF DISCIPLINARY CHARGES

in a sealed envelope placed for collection and mailing as certified mail, return receipt requested, Article No.: 7196 9008 9111 0444 1043, at Los Angeles, on the date shown below, addressed to:

Steven Zelig BRENTWOOD LEGAL SERVICES, LLP 11661 San Vicente Blvd Ste 1015 Los Angeles, CA 90049

CC:

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Arthur L. Margolis Margolis & Margolis 2000 Riverside Dr. Los Angeles, CA 90039

in an inter-office mail facility regularly maintained by the State Bar of California addressed to:

N/A

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at Los Angeles, California, on the date shown below.

DATED: June 3, 2011

Signed: KIM WIMB
Declarant

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The document to which this certificate is affixed is a full, true and correct copy of the original on file and of record in the State Bar Court.

ATTEST September 22, 2017
State Bar Court, State Bar of California,

Los Angeles

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 November 2, 2017, 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:

Murray B. Greenberg, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on November 2, 2017.

Stephen Peters
Case Administrator
State Bar Court