

State Bar Court of California Hearing Department Los Angeles STAYED SUSPENSION			
Counsel For The State Bar William Todd Supervising Attorney 845 S. Figueroa Street Los Angeles, California 90017 213-765-1491 Bar # 259194	Case Number(s): 17-0-03730	For Court use only FILED JAN 22 2018 STATE BAR COURT CLERK'S OFFICE LOS ANGELES	
In Pro Per Respondent Izabelia Stepanyan 3455 Prospect Avenue Glendale, California 91214 818-636-2214	PUBLIC	MATTER	
Bar # 270820 In the Matter of: IZABELLA STEPANYAN	Submitted to: Settlement Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING		
Bar # 270820 A Member of the State Bar of California (Respondent)	STAYED SUSPENSION; NO ACTUAL SUSPENSION		

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 July 20, 2010.
- (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".

ORIGINAL

- (6) The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."
- (7) No more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.
- (8) Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):



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.

B. Aggravating Circumstances [Standards for Attorney Sanctions for Professional Misconduct, standards 1.2(h) & 1.5]. Facts supporting aggravating circumstances are required.

- (1) **Prior record of discipline**
 - (a) 🚺 State Bar Court case # of prior case
 - (b) Date prior discipline effective

 - (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) 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.
- (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. See page 7.
- (12) **Pattern:** Respondent's current misconduct demonstrates a pattern of misconduct.
- (13) **Restitution:** Respondent failed to make restitution.
- (14) Ulinerable Victim: The victim(s) of Respondent's misconduct was/were highly vulnerable.
- (15) **No aggravating circumstances** are involved.

Additional aggravating circumstances

C. Mitigating Circumstances [see standards 1.2(i) & 1.6]. Facts supporting mitigating circumstances are required.

- (1) **No Prior Discipline:** Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not 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 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) Rehabilitation: Considerable time has passed since the acts of professional misconduct occurred followed by subsequent rehabilitation.
- (13) **No mitigating circumstances** are involved.

Additional mitigating circumstances

No prior discipline, see page 7.

Good Character, see page 7.

Pre-filing stipulation, see page 8.

D. Discipline:

(1) X Stayed Suspension:

- (a) Respondent must be suspended from the practice of law for a period of one year.
 - 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:

The above-referenced suspension is stayed.

(2) \boxtimes **Probation:**

Respondent is placed on probation for a period of **one year**, which will commence upon the effective date of the Supreme Court order in this matter. (See rule 9.18 California Rules of Court.)

E. Additional Conditions of Probation:

- (1) During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (2) Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.
- (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) Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, Respondent must state whether Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of probation during the preceding calendar quarter. Respondent must also state whether there are any proceedings pending against him or her in the State Bar Court and if so, the case number and current status of that proceeding. If the first report would cover less than 30 days, that report must be submitted on the next quarter date, and cover the extended period.

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

- (5) Respondent must be assigned a probation monitor. Respondent must promptly review the terms and conditions of probation with the probation monitor to establish a manner and schedule of compliance. During the period of probation, Respondent must furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Office of Probation. Respondent must cooperate fully with the probation monitor.
- (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) X Within one (1) year of the effective date of the discipline herein, Respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the State Bar Ethics School, and passage of the test given at the end of that session.



No Ethics School recommended. Reason:

- (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 following conditions are attached hereto and incorporated:

Substance Abuse Conditions	Law Office Management Cor	iditions

Medical Conditions
Financial Conditions

F. Other Conditions Negotiated by the Parties:

(1) Multistate Professional Responsibility Examination: Respondent must provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National Conference of Bar Examiners, to the Office of Probation within one year. Fallure to pass the MPRE results in actual suspension without further hearing until passage. But see rule 9.10(b), California Rules of Court, and rule 5.162(A) & (E), Rules of Procedure.

No MPRE recommended. Reason:

(2) **Other Conditions:**

ATTACHMENT TO

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF:

IZABELLA STEPANYAN

CASE NUMBER: 17-0-03730

FACTS AND CONCLUSIONS OF LAW.

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

Case No. 17-O-03730 (State Bar Investigation)

FACTS:

1. Respondent represented a client in *Cindy Macaluso v. Michael Macaluso*, Los Angeles County Superior Court case no. GD034355, beginning January 23, 2017 ("the Macaluso matter"). On January 23, 2017, the day respondent substituted into the case, the court continued a hearing regarding a pending request for a restraining order. The court originally set the hearing for January 23, 2017, but because respondent substituted into the case that day, the court continued the hearing until March 14, 2017 at 1:30 p.m.

2. In early March 2017, respondent advised her client that she could no longer represent the client due to respondent's decision to accept other employment. Though respondent advised her client to hire other counsel, her client did not do so prior to the March 14, 2017 hearing.

3. On the morning of March 14, 2017, respondent met with the opposing counsel in the Macaluso matter in the Stanley Mosk courthouse in an attempt to resolve the outstanding issues in advance of the afternoon hearing. However, the parties did not reach a settlement, and therefore the 1:30 p.m. hearing remained on calendar.

4. On March 14, 2017 at 1:30 p.m., the court called the continued hearing to order, but respondent did not appear. Instead, she appeared at a separate hearing in a separate matter in another courthouse, as required by her new employer. However, as a result of respondent's failure to appear at the hearing in the Macaluso matter, the court ordered respondent to appear at an OSC re: sanctions on May 24, 2017. Respondent received the order.

5. On May 17, 2017, respondent filed a Notice of Motion to be Relieved as Counsel in the Macaluso matter.

6. On May 24, 2017, respondent did not appear for the OSC re: sanctions in the Macaluso matter. She also failed to advise the court that she would not appear at the OSC. The court then issued a sanction order for \$1,500 for respondent's failure to follow the court's order and appear on March 14, 2017 at 1:30 p.m. The order required respondent to pay the sanctions to the court within thirty days of the May 24, 2017 order pursuant to section 177.5 of the Code of Civil Procedure. The court served the order on respondent's address of record with the court. Respondent received the order.

6

7. On May 30, 2017, the court reported to the State Bar the May 24, 2017 sanction of \$1,500 against respondent.

8. Respondent did not pay the sanction within 30 days of the date of the order as ordered by the court. Respondent also failed to report the sanction to the State Bar.

9. On July 21, 2017, after the State Bar contacted her about the sanction report from the court, respondent made a payment of \$150 to the Los Angeles County Superior Court toward the sanction, but the sanctions were already overdue.

10. On August 9, 2017, the court granted respondent's motion to be relieved as counsel.

11. Respondent made additional payments to the Los Angeles County Superior Court in August, September, October, November, each for \$150.

12. On December 14, 2017, respondent paid the remaining \$750 of the original \$1,500 sanction to the Los Angeles County Superior Court.

CONCLUSIONS OF LAW:

13. By failing to appear at the May 24, 2017 OSC re: sanctions and then failing to pay \$1,500 in sanctions to the Los Angeles County Superior Court within 30 days, as required by the court's May 24, 2017 order, respondent disobeyed or violated orders of the court requiring her to do or forbear acts connected with or in the course of her profession, which she ought in good faith to do or forbear to do, in willful violation of Business and Professions Code, section 6103.

14. By failing to report to the State Bar the court's sanction order against respondent, respondent failed to report to the agency charged with attorney discipline, in writing, within 30 days of the time she had knowledge of the imposition of judicial sanctions against her in excess of 1,000, respondent willfully violated Business and Professions Code, section 6068(0)(3).

AGGRAVATING CIRCUMSTANCES.

Multiple Acts of Wrongdoing (Std. 1.5(b)): Respondent committed two acts of misconduct by failing to pay the sanctions as ordered and also failing to report those sanctions to the State Bar.

MITIGATING CIRCUMSTANCES.

No Prior Discipline: Respondent was admitted to practice law in California on July 20, 2010 and has no prior record of discipline. However, the absence of a prior disciplinary record for the nearly seven years prior to the current misconduct only slightly mitigates respondent's misconduct. (See *In the Matter of Aguiluz* (Review Dept. 1992) 2 Cal. State Bar Ct. Rptr. 32, 44 [seven and a half years of discipline-free practice merits only slight weight in mitigation].)

Good character: Respondent provided letters from four character witnesses, all of whom have known respondent from as little as two years to as much as 18 years. All four of the witnesses are aware of the alleged misconduct, and yet they attested to respondent's good character. However, the sources do not constitute a broad range of references from legal and general communities, and thus are entitled to only limited weight in mitigation. (See *In the Matter of Myrdall* (Review Dept. 1995) 3 Cal. State

Bar Ct. Rptr. 363, 387[where three clients and three attorneys were not considered a wide range of references from the legal and general communities].) Respondent also provided letters from five clients who described pro bono services respondent provided to them in the years since she began practicing law. These pro bono clients have known respondent between two and seven years, and described pro bono services ranging from discrete tasks to representation over time for more complicated matters. (See *In the Matter of DeMassa* (Review Dept. 1991), 1 Cal. State Bar Ct. Rptr. 737 [testimonials from clients regarding respondent's service on their behalf, in some instances on a pro bono basis, constituted mitigating evidence].)

Prefiling 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. (See *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 this matter, respondent admits to committing two acts of professional misconduct. Standard 1.7(a) requires that where a respondent "commits two or more acts of misconduct and the Standards specify different sanctions for each act, the most severe sanction must be imposed."

8

Standard 2.12(a) describes the most severe sanction applicable to respondent's misconduct. Standard 2.12(a) applies to respondent's violation of Business and Professions Code, section 6103. It states:

"Disbarment or actual suspension is the presumed sanction for disobedience or violation of a court order related to the member's practice of law, the attorney's oath, or duties required of an attorney under Business and Professions Code section 6068(a)(b)(d)(e)(f) or (h)."

Respondent failed to obey a court's sanction order filed and served on respondent on May 24, 2017, an order which required her to do or forbear an act connected with or in the course of her profession, which she ought in good faith to do or forbear. Specifically, the order required respondent to pay a \$1,500 sanction within 30 days of the order, which respondent failed to do. Respondent did begin making payments toward the sanction after the State Bar alerted her to its investigation, and as of December 14, 2017, respondent has paid all of the \$1,500 sanction.

The absence of evidence of specific harm to respondent's client, the limited nature of the misconduct, the evidence of good character and pro bono services, the fact that respondent has paid the sanction order in full, and respondent's willingness to enter into a pre-filing stipulation support a departure from the low end of standard 2.12(a). Therefore, the appropriate level of discipline is a one-year stayed suspension with conditions including a one-year probation. This discipline would serve to protect the public, the courts and the legal profession, maintain the highest of professional standards, and preserve public confidence in the legal profession.

Case law supports a deviation from the sanctions presumed in Standard. 2.12(a) if respondent provides additional mitigation. In *In the Matter of Riordan* (Review Dept. 2007) 5 Cal. State Bar Ct. Rptr. 41, the Review Dept. found Riordan culpable of failing to perform with competence in a criminal matter, repeatedly failing to comply with a court order requiring him to file an opening brief by a date certain, ultimately delaying the client's proceeding by over two years. Riordan also failed to report the sanctions to the State Bar. Riordan had no prior record of discipline in 17 years of practice, and the Review Dept. placed Riordan on probation for one year and imposed a six-month stayed suspension after applying the standard at that time, which set a minimum of "suspension," not the *actual* suspension floor established by standard 2.12(a).

In the instant matter, respondent's misconduct is over a more limited period than in *Riordan*, and therefore is qualitatively less severe. Also, though respondent's mitigation is less significant than that in *Riordan*, where the attorney benefitted from 17 years of practice without prior discipline and limited mitigation for evidence of good character, respondent's misconduct is also less aggravated as this respondent did not repeatedly disobey court orders over a period of more than two years as described in *Riordan*. Therefore, even though the standard has changed since *Riordan*, the appropriate level of discipline remains a stayed suspension.

COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of Chief Trial Counsel has informed respondent that as of December 21, 2017, the discipline costs in this matter are \$3,215. 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.

9

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

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

(Do not write above this line.)		
In the Matter of: IZABELLA STEPANYAN	Case number(s): 17-0-03730	
· · · · · · · · · · · · · · · · · · ·		

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.

12/28/2017		Izabella Stepanyan
Date	Respondent's Signature	Print Name
Date	Respondent's Counsel Signature	Print Name
12-28-2017	///m/	William Todd
<u> 2-28-2017</u> Date	Supervising Attorney's Signature	Print Name

In the Matter of		
IZABELLA ST	EPANYAN	

Case Number(s): 17-O-03730

STAYED SUSPENSION ORDER

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

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

The parties are bound by the stipulation as approved unless: 1) a motion to withdraw or modify the stipulation, filed within 15 days after service of this order, is granted; or 2) this court modifies or further modifies the approved stipulation. (See rule 5.58(E) & (F), Rules of Procedure.) The effective date of this disposition is the effective date of the Supreme Court order herein, normally 30 days after file date. (See rule 9.18(a), California Rules of Court.)

18 2018

YVETTE D. ROLAND / Judge of the State Bar Court

Page ____

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 January 22, 2018, 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:

IZABELLA STEPANYAN 3455 PROSPECT AVE GLENDALE, CA 91214 - 2551

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

William S. Todd, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on January 22, 2018.

argentic Angela Carpenter

Case Administrator State Bar Court