

STATE BAR COURT OF CALIFORNIA  
HEARING DEPARTMENT – LOS ANGELES

In the Matter of ) Case Nos.: **98-O-01674** (99-O-13107;  
) 00-O-10467; 00-O-14827;  
) 00-O-15192; 00-O-15357;  
) 00-O-15472; 01-O-00682;  
**STEVEN LANCE MAZZA,** ) 01-O-01250; 01-O-03007;  
) 01-O-03963; 02-O-11891;  
) 02-O-12512; 02-O-12557;  
) 02-O-12572; 02-O-15009;  
**Member No. 101076,** ) 03-O-01319; 03-O-01824;  
) 03-O-04497)  
)  
) **DECISION AND ORDER SEALING**  
A Member of the State Bar. ) **CERTAIN DOCUMENTS**  
)  
)

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**INTRODUCTION**

In this original disciplinary proceeding, respondent Steven Lance Mazza (respondent) was accepted for participation in the State Bar Court’s Alternative Discipline Program (ADP).<sup>1</sup> As the court has now found that respondent has successfully completed the ADP, the court will recommend to the Supreme Court that respondent be suspended from the practice of law in California for three (3) years, that execution of that period of suspension be stayed, and that he

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<sup>1</sup> The ADP was formerly known as the (Pilot) Program for Respondents with Substance Abuse or Mental Health Issues.

be placed on probation for three (3) years subject to certain conditions, including a six-month period of suspension.

### **PERTINENT PROCEDURAL HISTORY**

On September 21, 2004, the State Bar of California's Office of the Chief Trial Counsel (State Bar) filed a First Amended Notice of Disciplinary Charges (FANDC) against respondent in case nos. 98-O-01674 (99-O-13107; 00-O-10467; 00-O-14827; 00-O-15192; 00-O-15357; 00-O-15472; 01-O-00682; 01-O-01250; 01-O-03007; 01-O-03963; 02-O-11891; 02-O-12512; 02-O-12557; 02-O-12572; 02-O-15009; 03-O-01319; 03-O-01824; 03-O-04497).<sup>2</sup>

Following a settlement conference, the undersigned judge, who presided over the settlement conference, filed an order referring this matter to the State Bar Court's Alternative Discipline Program (ADP) before the undersigned judge for evaluation of respondent's eligibility for participation in that program.

On March 4, 2005, respondent contacted the State Bar's Lawyer Assistance Program (LAP) to assist him with his mental health issues.

In furtherance of his participation in the ADP, respondent submitted a nexus declaration to the court on May 4, 2005. In the nexus statement, respondent presented substantial evidence of traumatic events which occurred just before or during the time of his misconduct.

Respondent's problems began in June 1997 when he was arrested and his office raided by the Fraud Unit of the Los Angeles District Attorney's Office. During the raid, half of respondent's files, records, documents, ledgers, bank statements, and personal and professional documents were seized. Respondent had 300-400 files at this time. Computers were also seized.

Respondent spent four days in jail. After the raid, respondent's office was in disarray, and he

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<sup>2</sup> The original Notice of Disciplinary Charges (NDC) was filed on June 18, 2004, and this matter was assigned to the Honorable JoAnn M. Remke. However, effective January 3, 2005, this matter was reassigned to the Honorable Richard A. Platel.

only had access to his files for 30-60 minutes per week for copying purposes. Respondent's reputation and practice were ruined by the raid, and his income fell, resulting in financial pressure. Respondent was also going through a divorce during this time and it became final during this period.

In December 1997, respondent's office was again raided, and he was arrested. This time new files and copies of previously seized files were taken. Respondent spent 44 days in jail. He was charged with 40 felonies. Respondent was charged with capping, money laundering, and filing a false income tax return.

Respondent tried to maintain his practice after he was released from jail, but he did not have his files. He missed court appearances and did not respond to his clients or the State Bar.

It took all of respondent's financial, emotional and mental resources to fight the criminal charges. Finally, in January 1999, all charges against respondent were dismissed at the preliminary hearing by the court. However, respondent's files, documents, bank records, ledgers and other documents were not returned to respondent until January 2000. Even when the documents and records were returned to him, they were in disarray; it took respondent six months to one year to sort out what was in the more than 40 boxes of records and documents which were returned to him. Furthermore, not everything was returned to respondent. In May 2001, respondent was advised by the District Attorney's Office that eight boxes were discovered that had not been returned to respondent. Respondent believes probably 20 more boxes of documents were never returned to him.

On May 30, 1999, respondent's eldest son was killed in a jeep accident. The man driving the jeep was under the influence of cocaine, methamphetamine and alcohol at the time of the accident. Respondent was filled with grief, despair and sadness as a result of his son's death, and he became emotionally paralyzed. The loss of his son sent respondent into a deep depression.

He made it his life's mission to see this man incarcerated for as long as possible. Respondent assisted the prosecutor's office, and during the man's trial, respondent stayed in Bakersfield during the week and worked on weekends to the detriment of his emotional, mental and physical well-being. He also filed a civil case against the man who drove the jeep.

Client complaints mounted against respondent between 1997-2005. Between 1997 through May 2004, respondent was dilatory and neglected his duties and responsibilities because he was mentally and emotionally unable to handle the crisis situation.

During the period January 2001 to January 2002, the State Bar filed charges against respondent. Respondent was in a state of sadness and denial. He was also bitter, as all of the charges stemmed from the time he was arrested.

In late 2003, respondent's office was burglarized.

In 2004, additional charges were brought against respondent by the State Bar.

From the time of his first arrest, respondent's life began to spin out of control, and he was unable to function. Respondent was unable to mentally, emotionally or financially handle his situation.

Respondent's declaration containing the above facts established a nexus between his mental health issues and his misconduct in this matter.

Respondent signed a long-term Participation Plan with the LAP on August 23, 2005.

The parties also entered into a Stipulation Re Facts and Conclusions of Law (Stipulation) which set forth the factual findings, legal conclusions, and mitigating and aggravating circumstances in this matter.<sup>3</sup>

Following briefing by the parties, the court advised the parties of (1) the discipline which would be recommended to the Supreme Court if respondent successfully completed the ADP and

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<sup>3</sup> At the time the parties entered into this Stipulation, they were aware that several other disciplinary complaints regarding respondent were being investigated by the State Bar.

(2) the discipline which would be recommended if respondent failed to successfully complete, or was terminated from, the ADP. After agreeing to those alternative possible dispositions, the court memorialized in writing these alternative dispositions in a Confidential Statement of Alternative Dispositions and Orders (Confidential Statement); respondent and his counsel executed the Contract and Waiver for Participation in the State Bar Court's ADP; the court signed an order approving the parties' Stipulation as modified; the court accepted respondent for participation in the ADP; and respondent's period of participation in the ADP began on March 17, 2006.

Respondent thereafter participated in both the LAP and the State Bar Court's ADP. The court filed orders extending respondent's participation in the ADP even after he had completed three years in the ADP in an effort to accommodate the parties' desire to incorporate other matters into this proceeding. On January 29, 2010, after receiving a satisfactory recommendation from a mental health professional, the court filed an order finding that respondent has successfully completed the ADP. This matter was ultimately submitted for decision on April 15, 2010.<sup>4</sup>

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<sup>4</sup> Delays in this proceeding resulted from the parties' attempt to incorporate other matters into this proceeding. The pertinent history pertaining to this effort is summarized as follows: On November 9, 2005, April 25, 2007, and April 4, 2008, the State Bar filed a NDC against respondent in case no. 05-O-02838; case nos. 05-O-04436 (05-O-05125; 07-O-11430); and case nos. 05-O-00068 (05-O-04891), respectively. However, the State Bar excessively delayed in processing these matters despite efforts by respondent's counsel and admonishment by the court. Finally, on July 28, 2009, the court issued an Order to Show Cause Re: Transfer of ADP Matter to Standard Proceedings with respect to case nos. 05-O-00068 (05-O-04891); 05-O-02838; 05-O-04436 (05-O-05125; 07-O-11430) due to the parties' failure to timely comply with the requirements of the ADP, including the execution of a stipulation as to alleged misconduct and/or the execution of a contract for participation in the ADP with respect to these cases. On August 31, 2009, the court filed an order setting forth that case nos. 05-O-00068 (05-O-04891); 05-O-02838; 05-O-04436 (05-O-05125; 07-O-11430) would be returned to standard case processing, without further order of the court, on September 30, 2009, unless prior to that time, the court received a fully executed ADP stipulation concerning these matters. Respondent sought interlocutory review of that order, but the Review Department of the State Bar Court summarily denied respondent's petition for interlocutory review. Thereafter, on November 2,

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

The parties' Stipulation with respect to case nos. 98-O-01674, etc., including the court's order approving the Stipulation as modified, is attached hereto and hereby incorporated by reference, as if fully set forth herein. Respondent stipulated in these nineteen original disciplinary matters to the following violations:

Rule 1-400(C) of the Rules of Professional Conduct of the State Bar of California<sup>5</sup> in one matter [improper solicitation];

Section 6106 of the Business and Professions Code<sup>6</sup> in fifteen matters [moral turpitude, including several matters involving the misappropriation of client funds];

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2009, the parties entered into an addendum to the Stipulation regarding case nos. 05-O-00068 (05-O-04891); 05-O-02838; 05-O-04436 (05-O-05125; 07-O-11430). In light of these additional matters, the court advised the parties of the court's new higher alternative dispositions. The new higher alternative dispositions were agreed to by respondent and his counsel, and on January 13, 2010, the court filed an order consolidating case nos. 05-O-00068 (05-O-04891); 05-O-02838; 05-O-04436 (05-O-05125; 07-O-11430) with case no. 98-O-01674, etc. However, on January 22, 2010, the State Bar sought interlocutory review of the court's increased recommended discipline if respondent successfully completed the ADP, and interlocutory review was granted by the Review Department. On February 5, 2010, the State Bar sought a stay of further proceedings in the consolidated matters. Thereafter, the court filed an order on February 19, 2010, vacating the earlier submission of this consolidated matter and staying the proceeding. On March 12, 2010, the Review Department filed its Order on Interlocutory Review recommending an increase in the discipline recommended by the court if respondent successfully completed the ADP. The Review Department reversed the low level of discipline recommended by the hearing department and remanded the case to the hearing department for further proceedings consistent with the Review Department's order, including providing respondent with an opportunity to decline to accept the modified alternative dispositions. The court thereafter ordered respondent to file a written pleading indicating whether he accepts or rejects the alternative dispositions recommended by the Review Department. Respondent rejected the alternative discipline recommended by the Review Department. Thereafter, in light of the Review Department's March 12, 2010, order, and respondent's decision not to accept the new level of discipline set forth in that order, the court ordered case nos. 05-O-00068 (05-O-04891); 05-O-02838; 05-O-04436 (05-O-05125; 07-O-11430) severed from case nos. 98-O-01674, etc. Accordingly, case no 98-O-01674, etc. was thereafter submitted for decision, and case nos. 05-O-00068 (05-O-04891); 05-O-02838; 05-O-04436 (05-O-05125; 07-O-11430) were returned to standard proceedings.

<sup>5</sup> Unless otherwise indicated, all further references to rule(s) refer to the Rules of Professional Conduct of the State Bar of California.

Rule 4-100(B)(4) in seven matters [failure to promptly pay funds in respondent's possession which client(s) entitled to receive];

Rule 4-100(A) in fourteen matters [failure to maintain client funds in a trust account];

Rule 3-300 in one matter [avoiding interests adverse to a client];

Rule 4-100(B)(3) in seven matters [failure to render appropriate account];

Rule 1-311(D) in one matter [failure to serve notice of employment of an involuntary inactive State Bar member];

Rule 3-700(D)(1) in three matters [failure to release client papers and property];

Rule 4-100(B)(1) in one matter [failure to promptly notify client of receipt of client funds];

Rule 3-110(A) in five matters [failure to perform legal services with competence];

Section 6068, subdivision (m) in four matters [failure to keep client informed of significant development in client's legal matter];

Section 6068, subdivision (i) in two matters [failure to cooperate and participate in disciplinary investigation];

Section 6103 in one matter [failure to obey court order]; and

Section 6068, subdivision (o)(3) in one matter [failure to report sanctions to State Bar].

In aggravation, respondent has a prior record of discipline. (Rules Proc. of State Bar, tit. IV, Stds. for Atty. Sanctions for Prof. Misconduct, std. 1.2(b)(i).)<sup>7</sup> In July 2004, respondent was suspended from the practice of law for one year; the execution of the suspension was stayed; and respondent was placed on probation for three years in case no. 97-O-12635. Discipline was imposed for respondent's violation of rule 4-100(B)(3) and rule 4-200.

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<sup>6</sup> Unless otherwise indicated, all further references to section(s) are to provisions of the Business and Professions Code.

<sup>7</sup> All further references to standard(s) or std. are to this source.

As additional factors in aggravation, the parties stipulated that respondent's misconduct harmed significantly a client, the public or the administration of justice (std. 1.2(b)(iv)), and respondent's misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct (std. 1.2(b)(ii)).

In mitigation, the parties stipulated that respondent displayed spontaneous cooperation and candor to the victims of his misconduct and to the State Bar during the disciplinary investigation and proceedings. (Std. 1.2(e)(v).) The parties also stipulated that at the time of his misconduct, respondent suffered extreme difficulties in his personal life which were other than physical or emotional in nature. In addition, it is appropriate to consider respondent's successful completion of the ADP as a further mitigating circumstance in this matter. (Std. 1.2(e)(iv).)

### **DISCUSSION**

The purpose of State Bar disciplinary proceedings is not to punish the attorney but, rather, to protect the public, preserve public confidence in the legal profession, and maintain the highest possible professional standards for attorneys. (*Chadwick v. State Bar* (1989) 49 Cal.3d 103, 111.)

In determining the appropriate alternative discipline recommendations if respondent successfully completed the ADP or was terminated from, or failed to successfully complete, the ADP, the court considered the discipline recommended by the parties, as well as certain standards and case law. In particular, the court considered standards 1.2, 1.3, 1.4, 1.5, 1.6, 1.7(a), 2.2, 2.3, 2.4(b), 2.6, 2.8 and 2.10 and *In the Matter of Blum* (Review Dept. 1994) 3 Cal. State Bar Ct. Rptr. 170; *In the Matter of Sklar* (Review Dept. 1993) 2 Cal. State Bar Ct. Rptr. 602; *Kennedy v. State Bar* (1989) 48 Cal.3d 610; *Waysman v. State Bar* (1986) 41 Cal.3d 452; and *In the Matter of Dyson* (Review Dept. 1990) 1 Cal. State Bar Ct. Rptr. 280.

Because respondent has now successfully completed the ADP, this court, in turn, now recommends to the Supreme Court the imposition of the lower level of discipline, set forth more fully below.

## **DISCIPLINE**

### **Recommended Discipline**

It is hereby recommended that respondent Steven Lance Mazza, State Bar Number 101076, be suspended from the practice of law in California for three (3) years, that execution of that period of suspension be stayed, and that he be placed on probation<sup>8</sup> for a period of three (3) years subject to the following conditions:

1. Respondent Steven Lance Mazza is suspended from the practice of law for the first six (6) months of probation.
2. Respondent Steven Lance Mazza must also comply with the following additional conditions of probation:
  - a. During the probation period, respondent must comply with the provisions of the State Bar Act and the Rules of Professional Conduct of the State Bar of California;
  - b. 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;
  - c. Within thirty (30) days after 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;
  - d. Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10 and October 10 of the

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<sup>8</sup> The probation period will commence on the effective date of the Supreme Court order imposing discipline in this matter. (See Cal. Rules of Court, rule 9.18.)

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 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 thirty (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 the probation period;

- e. Subject to the assertion of applicable privileges, respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation which are directed to respondent personally or in writing relating to whether respondent is complying or has complied with the probation conditions;
- f. Respondent must comply with all provisions and conditions of his Participation Agreement/Plan with the Lawyer Assistance Program (LAP) and must provide the Office of Probation with certification of completion of the LAP. Respondent must immediately report any non-compliance with any provision(s) or condition(s) of his Participation Agreement/Plan to the Office of Probation. Respondent must provide an appropriate waiver authorizing the LAP to provide the Office of Probation and this court with information regarding the terms and conditions of respondent's participation in the LAP and his compliance or non-compliance with LAP requirements. Revocation of the written waiver for release of LAP information is a violation of this condition. Respondent will be relieved of this condition upon providing to the Office of Probation satisfactory certification of completion of the LAP;
- g. Within six (6) months after the effective date of the discipline herein, respondent must submit to the Office of Probation satisfactory evidence of completion of no less than six (6) hours of Minimum Continuing Legal Education (MCLE) approved courses in law office management. This requirement is separate from any MCLE requirement, and respondent will not receive MCLE credit for attending these courses (Rules Proc. of State Bar, rule 3201.) To the extent respondent has completed these hours of MCLE approved courses during his period of participation in the ADP or between his successful completion of the ADP and the effective date of the Supreme Court order imposing discipline in this matter, respondent will be given credit for such courses provided satisfactory proof of such is or has been provided to the Office of Probation;

- h. Unless the court orders otherwise upon motion by respondent, during the entire period of his probation, respondent may not participate in the management of any law office or law firm. In each written report required as a condition of his probation, respondent must state, in writing, under penalty of perjury, whether he has participated in the management of any law office or law firm during the period covered by each written report.
- i. Respondent must pay restitution to the following individuals of the amounts set forth below, plus ten percent (10%) interest per year, accruing from the date specified below (or to the Client Security Fund [CSF] to the extent of any payment from the fund to any such individual(s), plus interest and costs, in accordance with Business and Professions Code section 6140.5) and provide satisfactory proof thereof to the Office of Probation. Any restitution to the CSF is enforceable as provided in Business and Professions Code section 6140.5, subdivision (c) and (d). To the extent the CSF has paid only principal amounts, respondent will still be liable for interest payments to said individual(s), as set forth above.

<u>Party Owed</u>	<u>Principal Amount</u>	<u>Date Incurred</u>
Cuauhtemoc Vasquez	\$ 500.00	April 1, 1998
Monica Gonzales	\$ 3,020.33	January 1, 1999
Teresa Thurman	\$ 4,629.00	May 1, 2001
Marie Reeves	\$ 8,465.00	January 1, 2000
Ann Maize	\$ 3,336.84	July 1, 2001
Joseph Mora	\$ 2,500.00	April 1, 2001
Gerald Billington	\$ 5,000.00	July 1, 2001
Lena Karamanyan	\$ 9,135.00	March 1, 2002
Antonio Diaz	\$ 13,750.00	January 1, 1999
Yared Girma	\$ 714.73	October 1, 1998
Kenneth Adley	\$ 2,421.00	January 1, 2000
Ross Cusimano	\$ 7,530.00	January 1, 2002
Paulette Cusimano	\$ 7,530.00	February 1, 2003
Any fee arbitration award to Gregory Bakarian		

Upon the effective date of the Supreme Court order imposing discipline in this matter, respondent must pay restitution at the rate of at least \$2,000.00 per month until paid in full. Restitution is due on the first of each month, and respondent must provide to the Office of Probation satisfactory proof of such restitution by the tenth (10<sup>th</sup>) day of the following month. Respondent must pay restitution to all individuals set forth above before reimbursing the CSF for any monies it has paid.

Upon Steven Lance Mazza's failure to timely make any installment payment of restitution, the unpaid balance is due and payable immediately unless relief has been granted under the Rules of Procedure of the State Bar of California. (Rules Proc. of State Bar, rule 286.)

To the extent that respondent has paid any restitution prior to the effective date of the Supreme Court's final disciplinary order in this proceeding, respondent will be given credit for such payments provided satisfactory proof of such is or has been shown to the Office of Probation.<sup>9</sup>

- j. If he has not already done so during the period of his participation in the ADP, respondent must send a letter, enclosing a written accounting, to Gregory Bakarian, by certified mail, return receipt requested, within thirty (30) days after the effective date of the discipline imposed in this matter. The accounting must specify the costs and fees, with particularity, that were assessed in Gregory Bakarian's personal injury matter that formed the basis of case no. 00-O-15192. Within sixty (60) days after the effective date of the discipline imposed in this matter, respondent must provide a copy of the letter, accounting and return receipt to the Office of Probation. Respondent must also retain a copy of the letter, accounting and return receipt for his own records and must provide said documents upon request to the State Bar Court or the Office of the Chief Trial Counsel. In the event that Gregory Bakarian subsequently elects to challenge the fees and costs through fee arbitration, respondent expressly waives any defense based on the statute of limitations. Moreover, any award arising out of such fee arbitration must be treated as if it were a specific restitution amount. Respondent must provide a copy of any award arising out of any such fee arbitration to the Office of Probation within thirty (30) days after the issuance of such an award; and
  - k. Unless the court orders otherwise upon motion by respondent, during the entire period of his probation, respondent must not handle any client trust account funds or records. In each written report required as a condition of his probation, respondent must state, in writing, under penalty of perjury, whether he has handled any client trust account funds or records during the period covered by each written report.<sup>10</sup>
3. At the expiration of the period of probation, if Steven Lance Mazza has complied with all conditions of probation, the three (3) year period of stayed suspension will be satisfied and that suspension will be terminated.

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<sup>9</sup> During the period of respondent's participation in the ADP, the court supervised his efforts at repayment of the restitution set forth above. By the date of this decision, respondent has repaid much, if not all, of his restitution obligations to these clients.

<sup>10</sup> It is not recommended that respondent attend and pass the test at the conclusion of State Bar Ethics School and Ethics School Client Trust Accounting School, as respondent completed Ethics School and Ethics School Client Trust Accounting School during his period of participation in the ADP.

## **Multistate Professional Responsibility Examination**

It is not recommended that Steven Lance Mazza be ordered to take and pass the Multistate Professional Responsibility Examination (MPRE) as he previously took and passed the MPRE, and the parties and the court agree this will satisfy his MPRE obligation.

## **Rule 9.20, California Rules of Court<sup>11</sup>**

It is further recommended that respondent Steven Lance Mazza be ordered to comply with the requirements of rule 9.20 of the California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within thirty (30) and forty (40) calendar days, respectively, after the effective date of the Supreme Court's final disciplinary order in this matter.

## **Costs**

It is recommended that costs be 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.

## **DIRECTION RE DECISION AND ORDER SEALING CERTAIN DOCUMENTS**

The court directs a court case administrator to file this Decision and Order Sealing Certain Documents. Thereafter, pursuant to rule 806(c) of the Rules of Procedure of the State Bar of California (Rules of Procedure), all other documents not previously filed in this matter are ordered sealed pursuant to rule 23 of the Rules of Procedure.

It is further ordered that protected and sealed material will only be disclosed to: (1) parties to the proceeding and counsel; (2) personnel of the Supreme Court, the State Bar Court and independent audiotape transcribers; and (3) personnel of the Office of Probation when necessary for their duties. Protected material will be marked and maintained by all authorized

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<sup>11</sup> Rule 9.20 was formerly rule 955 of the California Rules of Court.

individuals in a manner calculated to prevent improper disclosures. All persons to whom protected material is disclosed will be given a copy of this order sealing the documents by the person making the disclosure.

**IT IS SO ORDERED.**

Dated: September \_\_\_\_\_, 2010

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RICHARD A. HONN  
Judge of the State Bar Court