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State Bar Court of California Hearing Department		
Counsel For The State Bar Christine A. Souhrada Deputy Trial Counsel 1149 South Hill Street Los Angeles, CA 90015-2299 Bar # 228256 Tel.(213)765-1162	Case Number (s) 09-0-18848, ET AL. See attachment, page 9 for full list of cases.	(for Court's use) <div style="text-align: center;"> FILED AUG 03 2010 STATE BAR COURT CLERK'S OFFICE LOS ANGELES </div>
David C. Carr Law Office of David Cameron Carr 3333 Camino Del Rio S., Suite 215 San Diego, CA 92108 Bar # 124510 Tel.(619)696-0526	Submitted to: Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING DISBARMENT (modified "Actual Suspension" form) <input type="checkbox"/> PREVIOUS STIPULATION REJECTED	
In the Matter Of: DEIDRE JOY PROZINSKY Bar # 222591 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
- (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 (18) pages, not including the order.
- (4) A statement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included under "Facts."
- (5) Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law".
- (6) The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."
- (7) No more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any pending investigation/proceeding not resolved by this stipulation, except for criminal investigations.

Disbarment



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(8) **Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):**

- ☒ Respondent will remain ineligible to seek reinstatement to the practice of law until he/she repays all discipline costs, pursuant to Rule 662(c), Rules of Procedure of the State Bar of California.
- ☐ 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.
- ☐ costs to be paid in equal amounts prior to February 1 for the following membership years:
(hardship, special circumstances or other good cause per rule 284, Rules of Procedure)
- ☐ costs waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs"
- ☐ costs entirely waived

(9) **ORDER OF INACTIVE ENROLLMENT:**

The parties are aware that if this stipulation is approved, the judge will issue an order of inactive enrollment under Business and Professions Code section 6007, subdivision (c)(4), and Rules of Procedure of the State Bar, rule 220(c).

B. Aggravating Circumstances [for definition, see Standards for Attorney Sanctions for Professional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances are required.

- (1) ☐ Prior record of discipline [see standard 1.2(f)]
- (a) ☐ State Bar Court case # of prior case
- (b) ☐ Date prior discipline effective
- (c) ☐ Rules of Professional Conduct/State Bar Act violations:
- (d) ☐ Degree of prior discipline
- (e) ☐ If Respondent has two or more incidents of prior discipline, use space provided below:
- (2) ☐ **Dishonesty:** Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
- (3) ☐ **Trust Violation:** Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.
- (4) ☒ **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice. See attachment, page 13
- (5) ☐ **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
- (6) ☐ **Lack of Cooperation:** Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.
- (7) ☒ **Multiple/Pattern of Misconduct:** Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct. See attachment, page 13
- (8) ☐ No aggravating circumstances are involved.

Additional aggravating circumstances:

Disbarment

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Additional aggravating circumstances:

C. Mitigating Circumstances [see standard 1.2(e)]. Facts supporting mitigating circumstances are required.

- (1) ☐ **No Prior Discipline:** Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.
- (2) ☐ **No Harm:** Respondent did not harm the client or person who was the object of the misconduct.
- (3) ☐ **Candor/Cooperation:** Respondent displayed spontaneous candor and cooperation with the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings.
- (4) ☐ **Remorse:** Respondent promptly took objective steps spontaneously demonstrating remorse and recognition of the wrongdoing, which steps were designed to timely atone for any consequences of his/her misconduct.
- (5) ☐ **Restitution:** Respondent paid \$ _____ on _____ in restitution to _____ without the threat or force of disciplinary, civil or criminal proceedings.
- (6) ☐ **Delay:** These disciplinary proceedings were excessively delayed. The delay is not attributable to Respondent and the delay prejudiced him/her.
- (7) ☐ **Good Faith:** Respondent acted in good faith.
- (8) ☐ **Emotional/Physical Difficulties:** At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical disabilities which expert testimony would establish was directly responsible for the misconduct. The difficulties or disabilities were not the product of any illegal conduct by the member, such as illegal drug or substance abuse, and Respondent no longer suffers from such difficulties or disabilities.
- (9) ☐ **Severe Financial Stress:** At the time of the misconduct, Respondent suffered from severe financial stress which resulted from circumstances not reasonably foreseeable or which were beyond his/her control and which were directly responsible for the misconduct.
- (10) ☒ **Family Problems:** At the time of the misconduct, Respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature. See attachment, page 13
- (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.**

Additional mitigating circumstances

See attachment, page 13

D. Discipline: DISBARMENT

Respondent's Initials _____

- (1) ☐ **Stayed Suspension:**

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- (a) ☐ Respondent must be suspended from the practice of law for a period of
- i. ☐ and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii) Standards for Attorney Sanctions for Professional Misconduct.
 - ii. ☐ and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
 - iii. ☐ and until Respondent does the following:
- (b) ☐ The above-referenced suspension is stayed.
- (2) ☐ **Probation:**
- Respondent must be placed on probation for a period of _____, which will commence upon the effective date of the Supreme Court order in this matter. (See rule 9.18, California Rules of Court)
- (3) ☐ **Actual Suspension:**
- (a) ☐ Respondent must be actually suspended from the practice of law in the State of California for a period of _____
- i. ☐ and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct
 - ii. ☐ and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.
 - iii. ☐ and until Respondent does the following:

E. Additional Conditions of Probation:

- (1) ☐ If Respondent is actually suspended for two years or more, he/she must remain actually suspended until he/she proves to the State Bar Court his/her rehabilitation, fitness to practice, and learning and ability in general law, pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.
- (2) ☐ During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.
- (3) ☐ Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.
- (4) ☐ Within thirty (30) days from the effective date of discipline, Respondent must contact the Office of Probation and schedule a meeting with Respondent's assigned probation deputy to discuss these terms and conditions of probation. Upon the direction of the Office of Probation, Respondent must meet with the probation deputy either in-person or by telephone. During the period of probation, Respondent must promptly meet with the probation deputy as directed and upon request.
- (5) ☐ Respondent must submit written quarterly reports to the Office of Probation on each January 10, April 10, July 10, and October 10 of the period of probation. Under penalty of perjury, Respondent must state

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whether Respondent has complied with the State Bar Act, the Rules of Professional Conduct, and all conditions of probation during the preceding calendar quarter. Respondent must also state whether there are any proceedings pending against him or her in the State Bar Court and if so, the case number and current status of that proceeding. If the first report would cover less than 30 days, that report must be submitted on the next quarter date, and cover the extended period.

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

- (6) ☐ Respondent must be assigned a probation monitor. Respondent must promptly review the terms and conditions of probation with the probation monitor to establish a manner and schedule of compliance. During the period of probation, Respondent must furnish to the monitor such reports as may be requested, in addition to the quarterly reports required to be submitted to the Office of Probation. Respondent must cooperate fully with the probation monitor.
- (7) ☐ Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the probation conditions.
- (8) ☐ Within one (1) year of the effective date of the discipline herein, Respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the Ethics School, and passage of the test given at the end of that session.
- ☒ No Ethics School recommended. Reason: DISBARMENT
- (9) ☐ Respondent must comply with all conditions of probation imposed in the underlying criminal matter and must so declare under penalty of perjury in conjunction with any quarterly report to be filed with the Office of Probation.
- (10) ☐ The following conditions are attached hereto and incorporated:
- | | |
|---|---|
| <input type="checkbox"/> Substance Abuse Conditions | <input type="checkbox"/> Law Office Management Conditions |
| <input type="checkbox"/> Medical Conditions | <input type="checkbox"/> Financial Conditions |

F. Other Conditions Negotiated by the Parties:

- (1) ☐ **Multistate Professional Responsibility Examination:** Respondent must provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National Conference of Bar Examiners, to the Office of Probation during the period of actual suspension or within one year, whichever period is longer. Failure to pass the MPRE results in actual suspension without further hearing until passage. But see rule 9.10(b), California Rules of Court, and rule 321(a)(1) & (c), Rules of Procedure.
- ☒ No MPRE recommended. Reason: DISBARMENT
- (2) ☒ **Rule 9.20, California Rules of Court:** Respondent must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 30 and 40 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.
- (3) ☐ **Conditional Rule 9.20, California Rules of Court:** If Respondent remains actually suspended for 90 days or more, he/she must comply with the requirements of rule 9.20, California Rules of Court, and perform the acts specified in subdivisions (a) and (c) of that rule within 120 and 130 calendar days, respectively, after the effective date of the Supreme Court's Order in this matter.

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(4) ☐ **Credit for Interim Suspension [conviction referral cases only]:** Respondent will be credited for the period of his/her interim suspension toward the stipulated period of actual suspension. Date of commencement of interim suspension:

(5) ☐ **Other Conditions:**

In the Matter of	Case number(s):
DEIDRE JOY PROZINSKI	09-O-18848, 09-O-18849, 09-O-18850, 09-O-18851,
No. 222591	10-O-00166, 10-O-00168, 10-O-00169, 10-O-00170,
	10-O-01467, 10-O-01468, 10-O-01469, 10-O-01470,
	10-O-01471, 10-O-01472, 10-O-02226, 10-O-02227,
	10-O-02228, 10-O-02229, 10-O-02230, 10-O-02231,
A Member of the State Bar	10-O-02275, 10-O-02303, 10-O-02471, 10-O-02473,
	10-O-02590, 10-O-02591, 10-O-02592, 10-O-02593,
	10-O-02594, 10-O-02708, 10-O-02709, 10-O-02788,
	10-O-02933, 10-O-03361, 10-O-03717, 10-O-03718,
	10-O-03891, 10-O-04379

NOLO CONTENDERE PLEA TO STIPULATION AS TO FACTS, CONCLUSIONS OF LAW AND DISPOSITION

Bus. & Prof. Code § 6085.5 Disciplinary Charges; Pleas to Allegations

There are three kinds of pleas to the allegations of a Notice of Disciplinary Charges or other pleading which initiates a disciplinary proceeding against a member:

- (a) Admission of culpability.
- (b) Denial of culpability.
- (c) **Nolo contendere, subject to the approval of the State Bar Court. The court shall ascertain whether the member completely understands that a plea of nolo contendere shall be considered the same as an admission of culpability and that, upon a plea of nolo contendere, the court shall find the member culpable. The legal effect of such a plea shall be the same as that of an admission of culpability for all purposes, except that the plea and any admission required by the court during any inquiry it makes as to the voluntariness of, or the factual basis for, the pleas, may not be used against the member as an admission in any civil suit based upon or growing out of the act upon which the disciplinary proceeding is based. (Added by Stats. 1996, ch. 1104.) (emphasis supplied)**

Rule 133, Rules of Procedure of the State Bar of California STIPULATION AS TO FACTS, CONCLUSIONS OF LAW AND DISPOSITION

(a) A proposed stipulation as to facts, conclusions of law, and disposition must set forth each of the following:

- (5) a statement that Respondent either
 - (i) admits the facts set forth in the stipulation are true and that he or she is culpable of violations of the specified statutes and/or Rules of Professional Conduct or
 - (ii) **pleads nolo contendere to those facts and violations. If the Respondent pleads nolo contendere, the stipulation shall include each of the following:**
 - (a) **an acknowledgement that the Respondent completely understands that the plea of nolo contendere shall be considered the same as an admission of the stipulated facts and of his or her culpability of the statutes and/or Rules of Professional Conduct specified in the stipulation; and**
 - (b) **if requested by the Court, a statement by the Deputy Trial Counsel that the factual stipulations are supported by evidence obtained in the State Bar investigation of the matter (emphasis supplied)**

I, the Respondent in this matter, have read the applicable provisions of Bus. & Prof. Code § 6085.5 and rule 133(a)(5) of the Rules of Procedure of the State Bar of California. I plead nolo contendere to the charges set forth in

this stipulation and I completely understand that my plea must be considered the same as an admission of culpability except as state in Business and Professions Code section 6085.5(c).

Date

Signature

DEIDRE JOY PROZINSKI
Print Name

Attachment to Stipulation Re Facts, Conclusions of Law and Disposition
in the Matter of Deidre J. Prozinski

The following case numbers are included in this stipulation:

**09-O-18848, 09-O-18849, 09-O-18850, 09-O-18851, 10-O-00166, 10-O-00168,
10-O-00169, 10-O-00170, 10-O-01467, 10-O-01468, 10-O-01469, 10-O-01470,
10-O-01471, 10-O-01472, 10-O-02226, 10-O-02227, 10-O-02228, 10-O-02229,
10-O-02230, 10-O-02231, 10-O-02275, 10-O-02303, 10-O-02471, 10-O-02473,
10-O-02590, 10-O-02591, 10-O-02592, 10-O-02593, 10-O-02594, 10-O-02708,
10-O-02709, 10-O-02788, 10-O-02933, 10-O-03361, 10-O-03717, 10-O-03718,
10-O-03891, 10-O-04379**

I. FACTS AND CONCLUSIONS OF LAW

Deidre J. Prozinski ("Respondent") pleads *nolo contendere* to the following facts and violations. Respondent completely understands that the plea of *nolo contendere* shall be considered as set forth in the *Nolo Contendere* Plea form attached hereto.

Facts

1. Between February 2009 through September 2009, Respondent was employed by each of the following individuals to attempt to negotiate a plan with each clients' lender that would enable each client to settle, restructure and/or forebear the clients' current or past due mortgage payments:

Case No.	Client	Date client employed Respondent	Advanced fees client paid to Respondent
09-O-18848	Patrick and Michelle Ahearn	7/6/2009	\$2,495
09-O-18849	Mark Mora	5/15/2009	\$2,495
09-O-18850	Vivian Sampson	7/25/2009	\$2,500
09-O-18851	Diane Weitz-Owens	9/5/2009	\$2,495
10-O-00166	Krista Murr	6/3/2009	\$2,500
10-O-00168	Scott Woodward	4/1/2009	\$2,000
10-O-00169	Zzyzx Anglin	5/20/2009	\$2,500
10-O-00170	Kristen Uranga	5/4/2009	\$2,499
10-O-01467	David Toman	8/3/2009	\$3,595
10-O-01468	Loan Pham Sriruksa	8/31/2009	\$3,195
10-O-01469	Doreen Conese	7/10/2009	\$2,295
10-O-01470	Daniel Kovalchuck	5/19/2009	\$2,499
10-O-01471	Robert Romak	8/5/2009	\$2,795
10-O-01472	Fred Omary	8/18/2009	\$1,248
10-O-02226	Elizabeth Young	6/15/2009	\$2,250
10-O-02227	Michael and Martha Lampasi	9/18/2009	\$2,995
10-O-02228	Tabitha Cervantes	5/11/2009	\$2,500
10-O-02229	Jason Cohen	7/19/2009	\$2,395
10-O-02230	Oscar Cisneros	7/24/2009	\$2,995

10-O-02231	James Hurst	7/29/2009	\$2,995
10-O-02275	Pamela Evenhouse	4/22/2009	\$2,500
10-O-02303	Paul and Judy Blaume	8/1/2009	\$3,495
10-O-02471	Corey Jordan	5/29/2009	\$3,000
10-O-02473	Russell Farnum	6/2/2009	\$1,995
10-O-02590	Tiffany Maynard	8/10/2009	\$2,295
10-O-02591	Raymond Kwa	8/4/2009	\$2,650
10-O-02592	Jason Halasa	3/11/2009	\$2,499
10-O-02593	William R. Ramsey	6/11/2009	\$2,495
10-O-02594	Nancy Gibb	5/20/2009	\$2,499
10-O-02708	Jonathan Miles	7/26/2009	\$2,495
10-O-02709	Grace Doctolero and James Stuart	9/25/2009	\$2,230
10-O-02788	Dario and Valerie Nunez	2/25/2009	\$2,750
10-O-02933	Abel Charles and Margarita Terrones	9/14/2009	\$2,495
10-O-03361	Julia Whitehead	6/24/2009	\$2,295
10-O-03717	Bartni Salvesen	9/9/2009	\$2,300
10-O-03718	Bolivar Flores	6/30/2009	\$2,795
10-O-03891	Gail Nesson	6/5/2009	\$2,499
10-O-04379	Teresa Koziol	8/21/2009	\$2,650.40

2. In the retainer agreement with each of the above clients Respondent agreed to provide a refund if she was unable to obtain a home loan modification for the client. In some of the agreements the promise was for a full refund, in others the promise was for a partial refund.

3. By failing to properly supervise her staff, Respondent also allowed to be produced and distributed marketing literature which included the following language:

" 100% Money Back Guarantee

Each client is entering into a retainer agreement with Prozinski and Associates. In this retainer includes [sic] a 100% money back guarantee. This forces us to be thorough in prequalifying but also shows the client that we are confident in our abilities. Our attorneys will not risk a sanction by the bar for not refunding a homeowner. That costs [sic] pales in comparison to the six-figure costs of a law degree and education, not to mention the years of studying and hard work that they endured. Bottom line: we will honor our contract if we do not succeed."

4. If called to testify, Respondent would testify that she did not review this marketing literature before it was produced and distributed and did not know its contents.

5. Numerous clients were told by Respondent's representatives that Respondent would refund their advance attorney fees if Respondent did not obtain a loan modification for the clients.

6. Respondent failed to obtain loan modifications or other relief contracted for under her fee agreement for the clients listed above, and failed to perform any other legal services of any value for the clients listed above in connection with negotiating or obtaining a home mortgage loan modification. Thus, Respondent did not earn the advanced fees collected from the clients.

7. Respondent did not provide any refund to the clients listed above, except for Paul and Judy Blaume (case no. 10-O-02303) to whom she provided a partial refund. However, the Blaumes' employment contract with Respondent provided that they would receive a 100 percent refund if Respondent did not obtain a loan modification for them.

8. The following clients resided outside the state of California and employed Respondent to modify their loans on properties in the states where they reside. The location of the properties was stated in the contracts between Respondent and each of these clients. Respondent is not presently, and has never been, licensed to practice law in any state other than California. Respondent knew, or was grossly negligent in not knowing, that the properties were located in jurisdictions in which she was not entitled to practice law. Respondent would testify that she did not know that providing loan modification services to clients located in these jurisdictions constituted the unlawful practice of law in those jurisdictions.

<u>Case No.</u>	<u>Client</u>	<u>State</u>
09-O-18848	Patrick and Michelle Ahearn	Ohio
10-O-01471	Robert Romak	Arizona
10-O-02229	Jason Cohen	Florida
10-O-02231	James Hurst	Michigan
10-O-02275	Pamela Evenhouse	Michigan
10-O-02471	Corey Jordan	Kentucky
10-O-02473	Russell Farnum	Florida
10-O-02590	Tiffany Maynard	Tennessee
10-O-02788	Dario and Valerie Nunez	New York
10-O-03717	Bartni Salvesen	Idaho
10-O-03718	Bolivar Flores	New York

9. Several clients were told by Respondent's representatives that they qualified for loan modifications, when, in fact, they did not qualify for those modifications. Respondent's representatives knew, or were grossly negligent in not knowing, that those clients did not qualify for loan modifications.

10. Respondent associated with Peter Zullo ("Zullo"), an attorney who is licensed to practice only in Illinois. Zullo is *not* licensed to practice law in California. Respondent and Zullo worked out of an office at 101 Pacifica, Suite 150, Irvine, CA 92618.

11. By failing to properly supervise her staff, Respondent allowed to be produced and distributed marketing literature which listed "Peter F. Zullo, Esq." as part of Prozinski and Associates, and described him as "a successful trial lawyer (at the State and Federal level) and litigator for over 30 years." Respondent's marketing literature did not disclose that Zullo was not licensed to practice law in California.

12. Respondent had clients sign "Designated Agent Authorization Forms" allowing Zullo to negotiate with the clients' mortgage companies on the clients' behalf and work out the terms of payment agreements.

13. Zullo was in Respondent's office nearly every day. Respondent visited the office approximately once or twice a week. Respondent allowed Zullo and the non-attorney staff to provide legal advice to the clients, all without her supervision or oversight. Zullo was also the primary contact for representatives and staff in the office with questions regarding a file, and was understood by staff and employees to be an attorney, all without Respondent's supervision or oversight.

14. In February of 2010, Respondent sent letters to numerous clients informing them that she was closing her loan modification practice, that the fees they paid to her were earned, and that she would be unable to honor her law firm's refund policy due to lack of funds.

Conclusions of Law

15. By failing to refund promptly any part of the advanced fees paid to Respondent by each of the clients listed above, despite having not earned that fee and despite her agreement to return the fee if no modification was obtained, Respondent willfully violated Rules of Professional Conduct, rule 3-700(D)(2).

16. By entering into contracts with clients in Ohio, Arizona, Florida, Michigan, Kentucky, Tennessee, and New York to obtain modifications of loans on properties in Ohio, Arizona, Florida, Michigan, Kentucky, Tennessee, and New York when Respondent was not admitted to practice in any those states, Respondent practiced law in a jurisdiction where to do so would be a violation of the regulations of the profession in that jurisdiction, in willful violation of Rules of Professional Conduct, rule 1-300(B).

17. By representing to the clients in Ohio, Arizona, Florida, Michigan, Kentucky, Tennessee, and New York that she would be able to represent them in those states, Respondent made an offer concerning her availability for professional employment to a client which contained an untrue statement in willful violation Rules of Professional Conduct, rule of 1-400.

18. By entering into an agreement for representation with, and by charging and collecting fees from, the clients in Ohio, Arizona, Florida, Michigan, Kentucky, Tennessee, and New York when she was not licensed to practice law in those states, Respondent willfully entered into an agreement for, and charged and collected, illegal fees in willful violation of Rules of Professional Conduct, rule 4-100(A).

19. By not properly supervising her representatives, and thereby allowing her representatives to tell clients they qualified for loan modifications that those clients in fact did not qualify for, Respondent failed to supervise the work of subordinate non-attorney employees or agents, in willful violation of Rules of Professional Conduct, rule 3-110(A).

20. By associating with Zullo, who was not licensed to practice law in California, by presenting Zullo as an attorney in marketing literature without disclosing that he could

not practice in California, by allowing Zullo to negotiate on behalf of clients, and by allowing Zullo to give legal advice without supervision, Respondent aided Zullo in the unauthorized practice of law, in willful violation of Rules of Professional Conduct, rule 1-300(A).

21. By failing to properly supervise and direct Zullo and her non-attorney staff Respondent was grossly negligent and thereby breached her fiduciary duty to her clients constituting an act of moral turpitude in violation of Business and Professions Code section 6106.

II. AGGRAVATION

Respondent's clients were seriously harmed by the above described misconduct. Most, if not all, of the clients who hired Respondent to assist them with their modification did so because they were financially distressed. Thus, the loss of the use of the money they had paid to Respondent for services which were not performed, caused significant harm to Respondent's clients. A number of the clients ultimately lost their homes.

Respondent's misconduct involving over 30 separate client matters constitutes multiple acts of misconduct and demonstrates a pattern of misconduct.

III. MITIGATION

Though the misconduct is serious, Respondent has had no prior discipline in the seven years she has practiced law.

Respondent cooperated with the State Bar by entering into a stipulation with the State Bar before the filing of disciplinary charges.

Further, Respondent has agreed to cooperate with the Illinois Attorney Registration and Disciplinary Commission or other disciplinary authority in its investigation and prosecution of Illinois attorney Peter Zullo.

If Ms. Prozinski were called to testify, she would testify as follows:

Ms. Prozinski graduated from Thomas Jefferson Law School summa cum laude in 2002 and later received a LL.M degree. Despite this record of achievement, she was unable to secure a position as an attorney that paid her sufficiently to support herself and to begin to repay her student loans. During law school and afterward, Ms. Prozinski worked as a server at Morton's Steakhouse to support herself and she continued to work as a server after her admission to the practice of law. At the start of 2009, Ms. Prozinski owed approximately \$180,000 in student loan debt and had \$30,000 of credit card debt. When she was approached by Peter Zullo to work with him and his business entity, Real Estate Options Group, Ms. Prozinski believed that she would be helping individual homeowners remain in their homes and that the money that she earned from the enterprise would help her pay down her student loan debt. When the

Federal government instituted its HAMP program in 2009, she believed that the lending institutions that had received Federal government assistance through the TARP program would be cooperative in affording relief to affected homeowners. Instead, against her reasonable expectations, those lending institutions became less cooperative and it became more difficult to obtain loan modification or other relief for her clients. Ms. Prozinski's firm handled approximately 1,000 loan modification matters; modifications or other forms of relief were obtained in approximately 500 of those matters.

In early 2009, Ms. Prozinski's father became ill and Ms. Prozinski spent a significant amount of time and emotional energy assisting in his care. Ms. Prozinski's mother became ill with cancer last summer and the necessity of dealing with her mother's illness and almost certain imminent death were factors in her failure to adequately supervise Mr. Zullo and the non-attorney staff, as well as her decision to stop taking new loan modification cases, along with the passage of SB 94 and the extensive State Bar publicity concerning loan modification practices.

A major precipitating factor in Ms. Prozinski's inability to continue to work on these clients' cases and inability to refund their money was the decision by her credit card processing company to refuse to release over \$170,000 in collected fees following Ms. Prozinski's decision to stop taking new clients in October 2009. The credit card company is holding approximately \$175,000 to process charge-backs; a number of customer has requested charge-backs, including at least several of the complaining witnesses in these matters. Ms. Prozinski could not have reasonably foreseen this unexpected and disastrous financial circumstance (see In the Matter of Spaith (Review Dept. 3 Cal. State Bar Ct. Rptr. 511, 518.)

All of Respondent's clients who deserved refunds under their contract received refunds through September, 2009. In October 2009, Respondent was scheduled to start receiving distributions of credit card fees that were being held by her credit card company as a reserve requirement for her merchant account. The balance of fees which she had processed, but that the credit card company was holding in reserve was over \$170,000.00. Respondent was to receive a distribution of funds held by the credit card each month beginning in the first week of October 2009. In October 2009, Respondent decided to get out of the loan modification practice in response to the passage of SB 94 and the extensive negative publicity surrounding attorneys involved in loan modification. She decided to stop accepting new clients. When she stopped accepting new clients, her credit card company, noting the volume of new credit card charges had dropped to zero, refused to release her scheduled reserve distribution for September, stating to Respondent that by that closing her business (i.e. no longer taking new clients) she had become a credit risk. The credit card company informed Respondent that they would not release any of the reserve for an additional 6 month period, during which time she would be

monitored for “chargebacks,” or clients reversing their initial credit card charge. The credit card company informed Respondent that if she had a “chargeback” during the monitoring period, that would start the 6 month period again, i.e., she would have to be free of “chargebacks” for 6 months before any part of the reserves would be released to her. Respondent had planned and budgeted to use the rolling reserve credit card fees which were to be released starting September for refunds and operating costs required to close out her existing files and wind down the practice. Because of the credit card company’s refusal to release the funds, Respondent lacked operating funds necessary to wind down her practice and to honor the refund policy. Respondent was also deprived of operating funds to continue to employ non-attorney staff to work on the extant cases. Many of those staff members quit in October 2009 and Respondent was forced to re-locate her offices. She hired back some of those employees and paid them out of her own funds to continue to work on the clients’ cases until she exhausted her personal funds in February 2009.

IV. SUPPORTING AUTHORITY

An attorney’s gross negligence in abdicating the responsibility of managing his or her office is a breach of fiduciary duty and act of moral turpitude (*In the Matter of Malek-Yonan* (Review Dept. 2003) 4 Cal. State Bar Ct. Rptr. 627, 635.

Standard 2.3 of the Standards For Attorney Sanctions For Professional Misconduct addresses the appropriate discipline for an act of moral turpitude by an attorney:

Culpability of a member of an act of moral turpitude, ... shall result in actual suspension or disbarment depending upon the extent to which the victim of the misconduct is harmed or misled and depending upon the magnitude of the act of misconduct and the degree to which it relates to the member's acts within the practice of law.

In *In re Ronald Robert Silvertown*, (2005) 36 Cal. 4th 81, the Supreme Court discussed the fact that the Standards For Attorney Sanctions For Professional Misconduct are entitled to great weight and the State Bar Court should follow their guidance whenever possible. (*Id.* at 92)

In the present matter, Respondent’s act of moral turpitude resulted in significant harm to multiple clients as discussed above. Coupled with Respondent’s failure to refund fees, her practice of law in jurisdictions in which she was not admitted, and her aiding the unlawful practice of law of Peter Zullo, disbarment is appropriate.

V. ESTIMATE OF COSTS OF DISCIPLINARY PROCEEDINGS

Respondent acknowledges that the Office of the Chief Trial Counsel has informed Respondent that as of March 4, 2010, the estimated prosecution costs in this matter are approximately \$0.00. Respondent acknowledges that this figure is an estimate only. 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.

VI. PENDING PROCEEDINGS

The disclosure date referred to in paragraph A(7) of this stipulation, was March 19, 2010.

VII. FINANCIAL CONDITIONS, RESTITUTION

Respondent must pay restitution (including the principal amount, plus interest of 10 percent per annum calculated from the date the client paid respondent) to the clients listed below. If the Client Security Fund ("CSF") has reimbursed any of the clients for all or any portion of the principal amount(s) listed below, Respondent must also pay restitution to CSF in the amount(s) paid, plus applicable interest and costs. To the extent any of these complaining clients receive their monies via chargeback from their credit card companies or banks, no restitution is required. It is Respondent's burden to show a chargeback has been given.

Case No.	Client	Date client employed Respondent	Advanced fees client paid to Respondent	Amount of Restitution
09-O-18848	Patrick and Michelle Ahearn	7/6/2009	\$2,495	\$2,495
09-O-18849	Mark Mora	5/15/2009	\$2,495	TBD ±
09-O-18850	Vivian Sampson	7/25/2009	\$2,500	\$2,500
09-O-18851	Diane Weitz-Owens	9/5/2009	\$2,495	\$2,495
10-O-00166	Krista Murr	6/3/2009	\$2,500	\$2,500
10-O-00168	Scott Woodward	4/1/2009	\$2,000	\$2,000
10-O-00169	Zzyzx Anglin	5/20/2009	\$2,500	\$2,500
10-O-00170	Kristen Uranga	5/4/2009	\$2,499	\$2,499
10-O-01467	David Toman	8/3/2009	\$3,595	TBD ±
10-O-01468	Loan Pham Sriuksa	8/31/2009	\$3,195	\$2,195*
10-O-01469	Doreen Conese	7/10/2009	\$2,295	\$2,295
10-O-01470	Daniel Kovalchuck	5/19/2009	\$2,499	\$2,499
10-O-01471	Robert Romak	8/5/2009	\$2,795	\$0 ¹
10-O-01472	Fred Omary	8/18/2009	\$1,248	\$1,248
10-O-02226	Elizabeth Young	6/15/2009	\$2,250	\$2,250
10-O-02227	Michael and Martha Lampasi	9/18/2009	\$2,995	\$2,995
10-O-02228	Tabitha Cervantes	5/11/2009	\$2,500	\$2,500 ²

¹ The fees paid by this client to Respondent were charged back to the client's credit card and thereby refunded to the client.

² The Respondent has provided documentation indicating that a chargeback was in progress or pending for this client at the time this stipulation was executed. If the client receives a chargeback of the full \$2,500

10-O-02229	Jason Cohen	7/19/2009	\$2,395	\$2,395
10-O-02230	Oscar Cisneros	7/24/2009	\$2,995	\$2,995
10-O-02231	James Hurst	7/29/2009	\$2,995	\$2,995
10-O-02275	Pamela Evenhouse	4/22/2009	\$2,500	\$2,500
10-O-02303	Paul and Judy Blaume	8/1/2009	\$3,495	\$1747.50 ³
10-O-02471	Corey Jordan	5/29/2009	\$3,000	\$3,000
10-O-02473	Russell Farnum	6/2/2009	\$1,995	\$1,995
10-O-02590	Tiffany Maynard	8/10/2009	\$2,295	\$2,295
10-O-02591	Raymond Kwa	8/4/2009	\$2,650	\$2,650
10-O-02592	Jason Halasa	3/11/2009	\$2,499	\$1,000*
10-O-02593	William R. Ramsey	6/11/2009	\$2,495	\$2,495
10-O-02594	Nancy Gibb	5/20/2009	\$2,499	\$2,499
10-O-02708	Jonathan Miles	7/26/2009	\$2,495	\$2,495
10-O-02709	Grace Doctolero and James Stuart	9/25/2009	\$2,230	\$2,230
10-O-02788	Dario and Valerie Nunez	2/25/2009	\$2,750	\$1,750*
10-O-02933	Abel Charles and Margarita Terrones	9/14/2009	\$2,495	\$2,495
10-O-03361	Julia Whitehead	6/24/2009	\$2,295	\$2,295
10-O-03717	Bartni Salvesen	9/9/2009	\$2,300	\$2,300
10-O-03718	Bolivar Flores	6/30/2009	\$2,795	\$2,795
10-O-03891	Gail Nesson	6/5/2009	\$2,499	\$2,499
10-O-04379	Teresa Koziol	8/21/2009	\$2,650.40	\$2,650.40

* The refund amounts for these clients were set forth in their contract with Respondent. These contracts provided for only partial refunds.

± These amounts are to be determined through fee arbitration. Respondent agrees to notify those clients of their right to fee arbitration, to submit to adjudication of the amount of fees owed to the client by fee arbitration, and to refund any fees to the client which the arbitrator determines are owed to the client. If Respondent does not notify those clients of their right to fee arbitration, submit to adjudication of the amount of fees owed to the client by fee arbitration, and refund any fees to the client which the arbitrator determines are owed to the client within six months of the effective date of Respondent's disbarment pursuant to this stipulation, Respondent must pay restitution (including the principal amount, plus interest of 10 percent per annum calculated from the date the client paid respondent) of the full amount of fees the client originally paid to Respondent as listed above.

VIII. ORDER OF INACTIVE ENROLLMENT

The parties are aware that if this stipulation is approved, the judge will issue an order of inactive enrollment under Business and Professions Code section 6007, subdivision (c)(4) and Rules of Procedure of the State Bar, rule 220(c).

amount, no restitution is due from Respondent. If the client receives a chargeback for any lesser amount, the balance will be due as restitution from Respondent.

³ The balance of \$1,747.50 had previously been refunded to the clients.

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In the Matter of
DEIDRE JOY PROZINSKI

Case number(s):

09-0-18848 et. al. See attachment
Page 9 for full list of cases.

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 Fact, Conclusions of Law and Disposition.

7/2/10

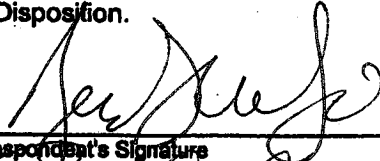
Date

7/2/10


Date

7/6/10

Date



Respondent's Signature



Respondent's Counsel Signature



Deputy Trial Counsel's Signature

DEIDRE JOY PROZINSKI

Print Name

DAVID C. CARR

Print Name

CHRISTINE SOUHRADA

Print Name

Signature Page

(Do not write above this line.)

In the Matter of
DEIDRE JOY PROZINSKI

Case Number(s):
09-O-18848 et al.

ORDER

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

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

1. On page 1, in the caption, "DEIDRE JOY PROZINSKY" is deleted, and in its place is inserted "DEIDRE JOY PROZINSKI"; and
2. On page 1, numbered paragraph A.(1), "on December 4, 2002." is inserted after the word "admitted".
3. On Page 8, Signature of Respondent is not required since the nolo plea is mentioned in the stipulation on page 9, Section I.
4. On page 12, paragraph 18 – delete rule 4-100(A) and add – rule 4-200.

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 135(b), 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.)**

Respondent **Deidre Joy Prozinski** is ordered transferred to involuntary inactive status pursuant to Business and Professions Code section 6007, subdivision (c)(4). Respondent's inactive enrollment will be effective three (3) calendar days after this order is served by mail and will terminate upon the effective date of the Supreme Court's order imposing discipline herein, or as provided for by rule 490(b) of the Rules of Procedure of the State Bar of California, or as otherwise ordered by the Supreme Court pursuant to its plenary jurisdiction.

Date

08-03-10

Judge of the State Bar Court

RICHARD A. PLATEL

CERTIFICATE OF SERVICE

[Rule 62(b), Rules Proc.; 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 August 3, 2010, 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:

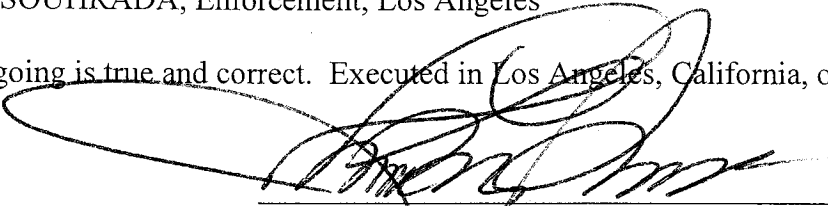
- ☒ by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

DAVID C. CARR
LAW OFFICE OF DAVID CAMERON CARR
3333 CAMINO DEL RIO S STE 215
SAN DIEGO, CA 92108

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

CHRISTINE SOUHRADA, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on August 3, 2010.



Johnnie Lee Smith
Case Administrator
State Bar Court