

FILED

MAR 23 2015

STATE BAR COURT CLERK'S OFFICE
SAN FRANCISCO

1 STATE BAR OF CALIFORNIA
2 OFFICE OF THE CHIEF TRIAL COUNSEL
3 JAYNE KIM, No. 174614
4 CHIEF TRIAL COUNSEL
5 JOSEPH R. CARLUCCI, No. 172309
6 DEPUTY CHIEF TRIAL COUNSEL
7 ROBERT A. HENDERSON, No. 173205
8 SUPERVISING SENIOR TRIAL COUNSEL
9 ESTHER J. ROGERS, No. 148246
10 SENIOR TRIAL COUNSEL
11 180 Howard Street
12 San Francisco, California 94105-1639
13 Telephone: (415) 538-2258

STATE BAR COURT

HEARING DEPARTMENT - SAN FRANCISCO

11 In the Matter of:) Case Nos. 15-O-10578
12 STEVEN DANIEL ZAVODNICK,)
13 No. 135419,) NOTICE OF DISCIPLINARY CHARGES
14 A Member of the State Bar)

NOTICE - FAILURE TO RESPOND!

16 **IF YOU FAIL TO FILE A WRITTEN ANSWER TO THIS NOTICE WITHIN 20**
17 **DAYS AFTER SERVICE, OR IF YOU FAIL TO APPEAR AT THE STATE**
18 **BAR COURT TRIAL:**

- 19 (1) **YOUR DEFAULT WILL BE ENTERED;**
- 20 (2) **YOUR STATUS WILL BE CHANGED TO INACTIVE AND YOU WILL**
21 **NOT BE PERMITTED TO PRACTICE LAW;**
- 22 (3) **YOU WILL NOT BE PERMITTED TO PARTICIPATE FURTHER IN**
23 **THESE PROCEEDINGS UNLESS YOU MAKE A TIMELY MOTION AND**
24 **THE DEFAULT IS SET ASIDE, AND;**
- 25 (4) **YOU SHALL BE SUBJECT TO ADDITIONAL DISCIPLINE.**
26 **SPECIFICALLY, IF YOU FAIL TO TIMELY MOVE TO SET ASIDE OR**
27 **VACATE YOUR DEFAULT, THIS COURT WILL ENTER AN ORDER**
28 **RECOMMENDING YOUR DISBARMENT WITHOUT FURTHER**
HEARING OR PROCEEDING. SEE RULE 5.80 ET SEQ., RULES OF
PROCEDURE OF THE STATE BAR OF CALIFORNIA.

The State Bar of California alleges:

JURISDICTION

1. STEVEN DANIEL ZAVODNICK ("respondent") was admitted to the practice of



1 law in the State of California on August 10, 1988, was a member at all times pertinent to these
2 charges, and is currently a member of the State Bar of California.

3 COUNT ONE

4 Case No. 15-O-10578
5 Business and Professions Code, section 6106
6 [Moral Turpitude – Scheme to Defraud]

7 2. Prior to on or about November 1, 2013, Tevis Insurance Solutions (“Tevis”)
8 became aware of potential litigation being pursued against it by Owen Dunn (“Dunn”) and
9 Owen Taylor (“Taylor.”) On or about November 1, 2013, Tevis representatives contacted
10 respondent, who previously had represented Tevis, to discuss the potential litigation. On or
11 about November 6, 2013, respondent sent a letter to Mary Farrell, counsel to Dunn and Taylor,
12 notifying her that respondent was authorized to accept service on behalf of Tevis.

13 3. On or about December 9, 2013, respondent informed Tevis that Dunn and Taylor
14 were suing Tevis and requested \$30,000 in advanced fees. In truth and in fact, Dunn and
15 Taylor never indicated they were filing a lawsuit against Tevis and never did file a lawsuit
16 against Tevis.

17 4. Between on or about December 2013 and on or about August 2014, respondent
18 regularly asked Tevis to produce documents and provide statements regarding the lawsuit to
19 create the impression that the lawsuit was on-going. In truth and in fact, respondent
20 maintained the façade of a pending lawsuit to justify his collection of attorney fees.

21 5. Each time respondent contacted Tevis to provide additional information, he
22 requested additional fees. Between on or about December 2013 and on or about July 2014,
23 respondent charged and collected twelve payments totaling \$197,213 for his work on the non-
24 existent Dunn and Taylor litigation. In truth and in fact, respondent provided no services to
25 Tevis because no litigation was pending. In total, respondent defrauded Tevis of at least
26 \$197,213 by claiming respondent was collecting attorney fees for services respondent was
27 purportedly providing Tevis.
28

1 6. In or about June 2014, Tevis representatives asked respondent for an accounting of
2 the funds Tevis had paid respondent because respondent kept providing them with excuses
3 about why the case was moving slowly. On or about July 15, 2014, Tevis arranged for
4 attorney David Daniels to communicate directly with Farrell to determine the status of the
5 litigation. Farrell informed Daniels that no litigation was pending. On or about July 15, 2014,
6 the Tevis representatives learned that respondent had fabricated the existence of the litigation
7 and received an email from Farrell confirming there was no pending litigation.

8 7. For the purposes of perpetuating his scheme, on or about July 24, 2014, respondent
9 presented the Tevis representatives with a fabricated cross complaint he claimed he filed on
10 behalf of Tevis.

11 8. On about July 24, 2014, the Tevis representatives called respondent into Tevis's
12 office for a meeting to discuss the status of the litigation. During that meeting, respondent
13 continued under the pretext that the litigation was pending and explained that Tevis was in
14 good shape, it was taking longer than expected, but Tevis most certainly would prevail and
15 recover attorney fees and damages.

16 9. After respondent completed his false explanation of the litigation's status, the Tevis
17 representatives revealed Farrell's email to respondent and demanded the return of the fees
18 Tevis had paid respondent under false pretenses. At that point, respondent was forced to admit
19 that he had defrauded Tevis.

20 10. On or about August 15, 2014, respondent agreed to repay the attorney fees he
21 collected by immediately paying \$100,000 and making a second payment by November 24,
22 2014. Thereafter, respondent made the first payment, but failed to make the second payment.
23 Respondent continues to owe Tevis approximately \$100,000.

24 11. By fabricating the existence of a lawsuit to Tevis for the purpose of dishonestly
25 collecting legal fees, repeatedly requesting for information and documentation from Tevis to
26 create the impression that a lawsuit was pending against Tevis, requesting and collecting
27 attorney fees under false pretenses for work that was not performed, fabricating the cross
28

1 complaint, providing a false case status report on July 24, 2014 and only admitting the scam to
2 Tevis after being confronted with Farrell's email, respondent engaged in a scheme to defraud
3 Tevis and committed acts involving moral turpitude, dishonesty and corruption in willful
4 violation of Business and Profession Code section, 6106.

5 COUNT TWO

6 Case No. 15-O-10578
7 Business and Professions Code, section 6106
8 [Moral Turpitude - Misappropriation]

9 12. Between in or about December 2013 and in or about July 2014, respondent
10 collected twelve payments totaling \$197,213 for attorney fees from Tevis Insurance Solutions
11 ("Tevis") that respondent collected under the false premise that respondent was actively
12 litigating on behalf of Tevis, as the defendant in a lawsuit filed by Owen Dunn and Owen
13 Taylor, when no such lawsuit was pending. In doing so, respondent dishonestly
14 misappropriated for respondent's own purposes at least \$197,213 from Tevis, and thereby
15 committed acts involving moral turpitude, dishonesty or corruption in willful violation of
16 Business and Professions Code, section 6106.

17 COUNT THREE

18 Case No. 15-O-10578
19 Business and Professions Code, section 6106
20 [Moral Turpitude - Misrepresentation]

21 13. Between in or about December 2013 and in or about July 2014, respondent stated to
22 Tevis Insurance Solutions's representatives ("Tevis") that Owen Dunn and Owen Taylor had
23 filed a lawsuit against Tevis and that the litigation was on-going, when respondent knew or
24 was grossly negligent in not knowing the statements were false, and thereby committed an act
25 involving moral turpitude, dishonesty or corruption in willful violation of Business and
26 Professions Code, section 6106.

27 **NOTICE - INACTIVE ENROLLMENT!**

28 **YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE STATE BAR
COURT FINDS, PURSUANT TO BUSINESS AND PROFESSIONS CODE
SECTION 6007(c), THAT YOUR CONDUCT POSES A SUBSTANTIAL**

1 THREAT OF HARM TO THE INTERESTS OF YOUR CLIENTS OR TO THE
2 PUBLIC, YOU MAY BE INVOLUNTARILY ENROLLED AS AN INACTIVE
3 MEMBER OF THE STATE BAR. YOUR INACTIVE ENROLLMENT WOULD
4 BE IN ADDITION TO ANY DISCIPLINE RECOMMENDED BY THE COURT.

5 **NOTICE - COST ASSESSMENT!**

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

11 Respectfully submitted,

12 THE STATE BAR OF CALIFORNIA
13 OFFICE OF THE CHIEF TRIAL COUNSEL

14 DATE: March 23, 2015

15 By: _____

16 *Esther J. Rogers*
17 Esther J. Rogers
18 Senior Trial Counsel
19
20
21
22
23
24
25
26
27
28

1 **DECLARATION OF SERVICE BY CERTIFIED AND REGULAR MAIL**

2 **STEVEN DANIEL ZAVODNICK**
3 **CASE NO.: 15-O-10578**

4 I, the undersigned, over the age of eighteen (18) years, whose business address and place of
5 employment is the State Bar of California, 180 Howard Street, San Francisco, California
6 94105, declare that I am not a party to the within action; that I am readily familiar with the
7 State Bar of California's practice for collection and processing of correspondence for mailing
8 with the United States Postal Service; that in the ordinary course of the State Bar of
9 California's practice, correspondence collected and processed by the State Bar of California
10 would be deposited with the United States Postal Service that same day; that I am aware that
11 on motion of party served, service is presumed invalid if postal cancellation date or postage
12 meter date on the envelope or package is more than one day after date of deposit for mailing
13 contained in the affidavit; and that in accordance with the practice of the State Bar of
14 California for collection and processing of mail, I deposited or placed for collection and
15 mailing in the City and County of San Francisco, on the date shown below, a true copy of the
16 within

10 **NOTICE OF DISCIPLINARY CHARGES**

11 in a sealed envelope placed for collection and mailing as *certified mail, return receipt*
12 **requested**, and in an additional sealed envelope as *regular mail*, at San Francisco, on the date
13 shown below, addressed to:

13 **Article No. 9414 7266 9904 2011 9756 24**

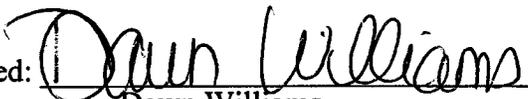
14 Steven Daniel Zavodnick
15 5921 Dunn Ave
16 San Jose, CA 95123

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

18 N/A

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

21 DATED: March 23, 2015

Signed: 

Dawn Williams
Declarant