

ORIGINAL

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State Bar Court of California
Hearing Department
Los Angeles

Counsel For The State Bar Diane J. Meyers 1149 S. Hill St. Los Angeles, CA 90015 Bar # 146643	Case Number (s) 06-O-11012	(for Court's use) <div style="text-align: center;"> FILED OCT 24 2008 <i>ec</i> STATE BAR COURT CLERK'S OFFICE LOS ANGELES </div>
Counsel For Respondent Arthur L. Margolis 2000 Riverside Dr. Los Angeles, CA 90039 Bar # 57703	PUBLIC MATTER	
In the Matter Of: Levon Kirakosian Bar # 90857 A Member of the State Bar of California (Respondent)		

Note: All information required by this form and any additional information which cannot be provided in the space provided, must be set forth in an attachment to this stipulation under specific headings, e.g., "Facts," "Dismissals," "Conclusions of Law," "Supporting Authority," etc.

A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted **December 30, 1979**.
- (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".
- (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.



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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):

- costs added to membership fee for calendar year following effective date of discipline.
 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

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 **92-C-11321 and 95-O-16732.**
- (b) Date prior discipline effective **July 2, 1997.**
- (c) Rules of Professional Conduct/ State Bar Act violations: **Business and Professions Code sections 6068(a) (Penal Code section 659) and 6106, and Rules of Professional Conduct, rule 4-100(A).**
- (d) Degree of prior discipline a **six-month stayed suspension with a one-year probation.**
- (e) If Respondent has two or more incidents of prior discipline, use space provided below or a separate attachment entitled "Prior Discipline.
- (2) **Dishonesty:** Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.
- (3) **Trust Violation:** Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.
- (4) **Harm:** Respondent's misconduct harmed significantly a client, the public or the administration of justice.
- (5) **Indifference:** Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.
- (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.
- (8) **No aggravating circumstances** are involved.

Additional aggravating circumstances

(Do not write above this line.)

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.
- (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

Respondent was at the time of his misconduct, and is presently, active in community services. Respondent was candid with the State Bar. At the time of the misconduct, Respondent was dealing with a reduction in his office's work force.

D. Discipline:

- (1) **Stayed Suspension:**

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- (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 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:

The above-referenced suspension is stayed.

(2) **Probation:**

Respondent is placed on probation for a period of **two years**, 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

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directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the probation conditions.

(7) 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 Conditions

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. **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:

(2) **Other Conditions:**

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Attachment language (if any):

Respondent admits that the following facts are true and that he is culpable of violations of the specified Rules of Professional Conduct:

Facts

1. On May 4, 2004, Avetis Taymazyan ("Mr. Taymazyan") and his wife, Yegine Yailakhanian ("Mrs. Taymazyan"), consulted with Respondent about their debt problems. The Taymazzyans informed Respondent of real property which was held as Mr. Taymazyan's separate property. Respondent explained various options available to them and advised them that it would be premature to file for bankruptcy until it could be determined if there was any equity in the property.
2. On May 5, 2004, Mr. Taymazyan paid Respondent \$2,000 to proceed with a Chapter 7 bankruptcy petition.
3. In June 2004, Kirakosian & Associates sent a questionnaire and a draft petition to Mr. Taymazyan.
4. Thereafter in 2004, Mrs. Taymazyan and her sister, Yegine Yailakhanian ("Yailakhanian"), met with Respondent. Mrs. Taymazyan expressed her concern that collection efforts by the Taymazzyans' creditors would lead to lawsuits against them and the filing of additional liens against their real property. Mrs. Taymazyan informed Respondent that Yailakhanian had provided \$200,000 to the Taymazzyans over the years. Respondent suggested that Yailakhanian could file a legal action against Mr. Taymazyan for repayment of the \$200,000 owed to her so that a judgment against Mr. Taymazyan would make Yailakhanian's creditor claim senior to all other creditors except those few creditors whom had already filed liens against the real property. During this meeting, Respondent discussed the potential conflict of interest that could be raised since Respondent was initially retained by the Taymazzyans and may be filing a lawsuit against Mr. Taymazyan on behalf of Yailakhanian.
5. On September 16, 2004, the Taymazzyans asked Respondent's office to proceed with Yailakhanian's lawsuit against Mr. Taymazyan. The Taymazzyans agreed that the \$2,000 advanced for fees for the Taymazzyans' bankruptcy would be used for Kirakosian & Associates' costs and fees in Yailakhanian's lawsuit against Mr. Taymazyan. The Taymazzyans did not want Yailakhanian to incur the expense of the lawsuit because of the debt already owed to her.
6. On October 6, 2004, Kirakosian & Associates filed a breach of contract action for Yailakhanian in the Los Angeles County Superior Court entitled, *Mariam Maria Yailakhanian v. Avetis Taymazyan*, case number BC322584. In the complaint it was alleged that Mr. Taymazyan had breached a September 23, 2001 promissory note executed by Mr. Taymazyan. In the promissory note attached to the complaint, Mr. Taymazyan had agreed to repay \$200,000 to Yailakhanian with interest.
7. On October 13, 2004, Kirakosian & Associates sent a notice and acknowledgment of receipt for the summons and complaint to Mr. Taymazyan. Mr. Taymazyan executed the document on October 15, 2004, and it was filed with the court on January 31, 2005.
8. On April 4, 2005, the court entered default in favor of Yailakhanian and against Mr. Taymazyan.

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9. On May 12, 2005, the court entered a default judgment in favor of Yailakhanian and against Mr. Taymazyan.
10. On November 23, 2005, Kirakosian & Associates filed a full satisfaction of judgment, which released Mr. Taymazyan from the judgment.
11. Respondent did not inform the Taymazzyans or Yailakhanian, in writing, of the relevant circumstances and of the actual and reasonable adverse consequences in Kirakosian & Associates representing both the Taymazzyans and Yailakhanian regarding the outstanding \$200,000 debt owed by the Taymazzyans to Yailakhanian and in representing the Taymazzyans interest in resolving their debts with all of their creditors and Yailakhanian regarding the outstanding \$200,000 debt owed by the Taymazzyans to Yailakhanian. Consequently, Respondent did not obtain the Taymazzyans' or Yailakhanian's informed written consent to the dual representation.
12. Respondent Kirakosian did not inform Yailakhanian, in writing, of the relevant circumstances and the actual and reasonably foreseeable adverse consequences to Yailakhanian by Respondent Kirakosian accepting fees from Mr. Taymazyan to represent Yailakhanian in her lawsuit against Mr. Taymazyan. Consequently, Respondent Kirakosian did not obtain the informed written consent of Yailakhanian to the payment of Kirakosian & Associates' fees and costs by Mr. Taymazyan.

Conclusions of Law

1. By representing the Taymazzyans and Yailakhanian in her action against Mr. Taymazyan; by not informing the Taymazzyans or Yailakhanian, in writing, of the relevant circumstances and of the actual and reasonable adverse consequences in Kirakosian & Associates representing both the Taymazzyans and Yailakhanian regarding the outstanding \$200,000 debt owed by the Taymazzyans to Yailakhanian; and by not obtaining the Taymazzyans' or Yailakhanian's informed written consent to the dual representation, Respondent wilfully accepted and continued representation of a client without providing written disclosure to the client that she had a legal, business, financial, and professional relationship with a party or witness in the same matter in wilful violation of Rules of Professional Conduct, rule 3-310(B)(1).
2. By representing the Taymazzyans to resolve their debts and at the same time representing Yailakhanian in her action against Mr. Taymazyan; by not informing the Taymazzyans or Yailakhanian, in writing, of the relevant circumstances and of the actual and reasonable adverse consequences in Kirakosian & Associates representing the Taymazzyans interest in resolving their debts with all of their creditors and representing Yailakhanian regarding the outstanding \$200,000 debt owed by the Taymazzyans to Yailakhanian; and by not obtaining the Taymazzyans' or Yailakhanian's informed written consent to the dual representation, Respondent wilfully represented a client in a matter and at the same time in a separate matter accepted as a client a person whose interest in the first matter was adverse to the client in the first matter, without the informed written consent of each client in wilful violation of Rules of Professional Conduct, rule 3-310(C)(3).
3. By not informing Yailakhanian, in writing, of the relevant circumstances and of the actual and reasonably foreseeable adverse consequences to Yailakhanian by Respondent accepting fees from Mr. Taymazyan to represent Yailakhanian in her lawsuit against Mr. Taymazyan, Respondent wilfully accepted compensation for representing a client from one other than the client without complying with the

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requirement that Respondent obtain the client's informed written consent in wilful violation of Rules of Professional Conduct, rule 3-310(F).

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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**

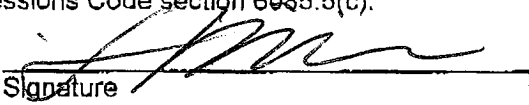
(a) A proposed stipulation as to facts, conclusions of law, and disposition must set forth each of the following:

...

- (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 10-08-08

Signature 

Levon Kirakosian
Print Name

(Nolo Contendere Plea form approved by SBC Executive Committee 10/22/1997. Revised 12/16/2004; 12/13/2006.)

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Law Office Management Conditions

- a. Within days/ months/ years of the effective date of the discipline herein, Respondent must develop a law office management/organization plan, which must be approved by the Office of Probation. This plan must include procedures to (1) send periodic reports to clients; (2) document telephone messages received and sent; (3) maintain files; (4) meet deadlines; (5) withdraw as attorney, whether of record or not, when clients cannot be contacted or located; (6) train and supervise support personnel; and (7) address any subject area or deficiency that caused or contributed to Respondent's misconduct in the current proceeding.

- b. Within days/ months/**one (1) year**s of the effective date of the discipline herein, Respondent must submit to the Office of Probation satisfactory evidence of completion of no less than **three (3)** hours of Minimum Continuing Legal Education (MCLE) approved courses in law office management, attorney client relations and/or general legal ethics. This requirement is separate from any MCLE requirement, and Respondent will not receive MCLE credit for attending these courses (Rule 3201, Rules of Procedure of the State Bar.)

- c. Within 30 days of the effective date of the discipline, Respondent must join the Law Practice Management and Technology Section of the State Bar of California and pay the dues and costs of enrollment for year(s). Respondent must furnish satisfactory evidence of membership in the section to the Office of Probation of the State Bar of California in the first report required.

(Law Office Management Conditions for approved by SBC Executive Committee 10/16/2000. Revised 12/16/2004; 12/13/2008.)

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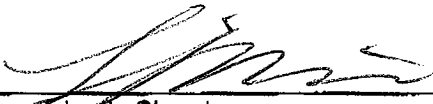
SIGNATURE OF THE PARTIES

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.

10-08-08
Date

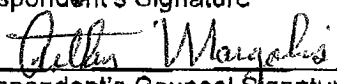
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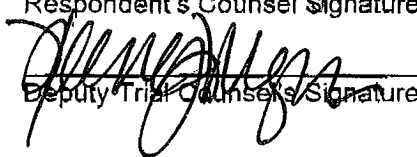
Respondent's Signature

Levon Kirakosian
Print Name



Respondent's Counsel Signature

Arthur L. Margolis
Print Name



Deputy Trial Counsel's Signature

Diane J. Meyers
Print Name

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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 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.)**

10-23-08
Date


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 October 24, 2008, I deposited a true copy of the following document(s):

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING

in a sealed envelope for collection and mailing on that date as follows:

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

ARTHUR MARGOLIS
MARGOLIS & MARGOLIS LLP
2000 RIVERSIDE DRIVE
LOS ANGELES CA 90039

by certified mail, No. , with return receipt requested, through the United States Postal Service at , California, addressed as follows:

by overnight mail at , California, addressed as follows:

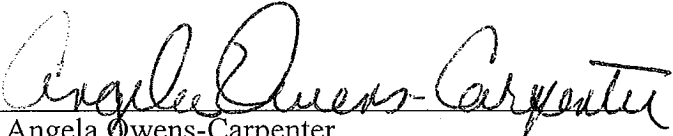
by fax transmission, at fax number . No error was reported by the fax machine that I used.

By personal service by leaving the documents in a sealed envelope or package clearly labeled to identify the attorney being served with a receptionist or a person having charge of the attorney's office, addressed as follows:

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

DIANE MEYERS, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on October 24, 2008.


Angela Owens-Carpenter
Case Administrator
State Bar Court