

**PUBLIC MATTER**

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State Bar Court of California Hearing Department		
<p>Counsel For The State Bar <b>ELI D. MORGENSTERN</b> Deputy Trial Counsel 1149 South Hill Street Los Angeles, California 90015-2299 Bar # <b>190560</b>      Tel. (213) 765-1334</p>	<p>Case Number (s) <b>07-O-10590;</b> <b>08-O-11071;</b> <b>08-O-11457;</b> <b>08-O-12049; and</b> <b>08-O-12215</b></p>	<p>(for Court's use)</p> <p style="font-size: 2em; text-align: center;"><b>FILED</b></p> <p style="text-align: center;">APR 20 2010 <i>[Signature]</i></p> <p style="text-align: center;">STATE BAR COURT CLERK'S OFFICE LOS ANGELES</p>
<p><b>ARTHUR L. MARGOLIS</b> Margolis &amp; Margolis LLP 2000 Riverside Drive Los Angeles, California 90039 Bar # <b>57703</b>      Tel. (323) 953-8996</p>	<p>Submitted to:      Assigned Judge</p>	
<p>In the Matter Of: <b>STANLEY HOWARD ROZANSKI</b></p> <p>Bar # <b>81362</b></p> <p>A Member of the State Bar of California (Respondent)</p>	<p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING</p> <p><b>DISBARMENT</b> <i>(modified "Actual Suspension" form)</i></p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	

**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 October 27, 1978.
- (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 ( 17 ) 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 *See pages 14-15, for further discussion re: Respondent's prior record of discipline.*
  - (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 page 15, for further discussion re: harm.*
- (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 page 15, for further discussion re: multiple/pattern of misconduct.*
- (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.  
*See page 15, for further discussion re: candor/cooperation.*
- (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

**D. Discipline: DISBARMENT**

- (1)  **Stayed Suspension:**

  
\_\_\_\_\_  
Respondent's Initials

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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:**

**ATTACHMENT TO**  
**STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION**

<b>IN THE MATTER OF:</b>	<b>STANLEY HOWARD ROZANSKI</b>
<b>CASE NUMBER(s):</b>	07-O-10590, 08-O-11071, 08-O-11457, 08-O-12049, 08-O-12215

**FACTS AND CONCLUSIONS OF LAW.**

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

**General Background**

1. At all times relevant to the events stipulated herein, Respondent maintained a client trust account at First Federal Bank of California, account number xxx-xxx6614.<sup>1</sup> All references to the "CTA" in any paragraph herein is to this client trust account.

**Case No. 07-O-10590**

**Facts**

1. On or about September 27, 2005, Scott Bradley ("Bradley") employed Respondent to represent him in a personal injury claim, and he signed a fee agreement to compensate Respondent with a 50% contingency fee if the case settled after the filing of a lawsuit. On or about April 26, 2006, Respondent filed an action on behalf of Bradley in the San Bernardino County Superior Court, case no. MS07345.

2. On or about June 1, 2006, Bradley agreed to settle his case for the sum of \$140,000. On or about June 2, 2006, Respondent deposited in the CTA the \$140,000 settlement funds received from USAA on behalf of Bradley.

3. After deduction of Respondent's 50% contingency fee and his costs, Respondent was required to hold \$67,140 in the CTA on behalf of Bradley. Respondent did not disburse those funds from the CTA to or on behalf of Bradley, but the balance in the CTA dropped below that amount. On or about July 25, 2006, the balance in the CTA was \$388.51.

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<sup>1</sup> The complete account number has been omitted due to privacy concerns.

4. On July 31, 2006, Bradley hired Respondent to represent him in a criminal matter. Pursuant to the retainer agreement, Respondent agreed to represent Bradley for a flat fee of \$10,000.

5. Respondent acknowledges that evidence that the balance in the CTA fell \$66,751.49 below the amount credited to Bradley is sufficient to support a finding that client funds were improperly withdrawn from the CTA.

6. On or about January 27, 2007, Respondent issued a check from the CTA made payable to Bradley in the sum of \$57,140. Respondent withheld an additional \$10,000 from the settlement as compensation for legal services that he performed on behalf of Bradley in the criminal matter.

### **Conclusions of Law**

By not maintaining \$67,140 on behalf of Bradley in the CTA, Respondent failed to maintain client funds in trust in willful violation of rule 4-100(A) of the Rules of Professional Conduct.

By allowing approximately \$66,751.49 that he received on behalf of Bradley to be improperly withdrawn from the CTA, Respondent committed an act in willful violation of Business and Professions Code section 6106.

### **Case No. 08-O-11071**

### **Facts**

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

1. On or about August 9, 2005, Jelitza Stuardo ("Stuardo") employed Respondent to represent her in a personal injury claim, and she signed a fee agreement to compensate Respondent with a 40% contingency fee if the case settled after the filing of a lawsuit. On or about March 13, 2006, Respondent filed an action on behalf of Stuardo in the Riverside County Superior Court, case no. INC057296.

2. On or about February 22, 2007, Stuardo agreed to settle her case for the sum of \$25,000. On or about March 27, 2007, Respondent deposited in the CTA the \$25,000 settlement funds received from Farmers Insurance on behalf of Stuardo.

3. After deduction of Respondent's 40% contingency fee, Respondent was required to maintain \$15,000 in the CTA on behalf of Stuardo. Respondent did not disburse those funds from the CTA to or on behalf of Stuardo, but the balance in the CTA dropped below that amount. On or about November 16, 2007, the balance in the CTA was \$4,926.12. On or about May 5, 2008, the balance in the CTA dropped below zero. Respondent acknowledges that evidence that the balance in the CTA fell \$15,000

4. Respondent acknowledges that the evidence that the balance in the CTA fell below the amount credited to Stuardo and her medical providers is sufficient to support a finding that client funds were improperly withdrawn from the CTA.

5. On or about March 10 and 11, 2010, Respondent issued checks from the CTA made payable Stuardo and her medical providers.

### **Conclusions of Law**

By not maintaining \$15,000 on behalf of Stuardo in the CTA, Respondent failed to maintain client funds in trust in willful violation of rule 4-100(A) of the Rules of Professional Conduct.

By allowing approximately \$15,000 of the settlement funds that he received on behalf of Stuardo to be improperly withdrawn from the CTA, Respondent committed an act in willful violation of Business and Professions Code section 6106.

### **Case No. 08-O-11457**

### **Facts**

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

1. On or about March 19, 2006, Richard Nelson ("Nelson") employed Respondent to represent him in a personal injury claim, and he signed a fee agreement to compensate Respondent with a 40 % contingency fee if the case settled after initiating arbitration proceedings. Thereafter, Respondent pursued an uninsured motorist claim on behalf of Nelson with Allstate Insurance Company, and arbitration proceedings were commenced.

2. On or about September 27, 2006, Nelson agreed to settle his claim for the sum of \$13,098. On or about October 11, 2006, Respondent deposited in the CTA the \$13,098 settlement funds he received from Allstate Insurance Company on behalf of Nelson.

3. After deduction of Respondent's 40% contingency fee, Respondent was required to maintain \$7,858.80 in the CTA on behalf of Nelson. Respondent did not disburse those funds from the CTA to or on behalf of Nelson, but the balance in the CTA dropped below that amount. On or about October 20, 2006, the balance in the CTA was \$2,045.55. On or about May 5, 2008, the balance in the CTA dropped below zero.

4. Respondent acknowledges that evidence that the balance in the CTA fell \$7,858.80 below the amount credited to Nelson and his medical providers is sufficient to support a finding that client funds were improperly withdrawn from the CTA.

5. On May 15, 2008, Respondent issued checks from the CTA made payable to Nelson's medical providers. On May 15, 2008, Respondent also issued a check from the CTA made payable to Nelson in the sum of \$5,906.89 for Nelson's share of the settlement. However, Nelson refused to accept the settlement. In or about February 2010, Respondent issued another check from the CTA in the sum of \$5,906.89 made payable to Nelson. This time, Nelson accepted the settlement and cashed the check.

### **Conclusions of Law**

By not maintaining \$7,858.80 on behalf of Nelson in the CTA, Respondent failed to maintain client funds in trust in willful violation of rule 4-100(A) of the Rules of Professional Conduct.

By allowing \$7,858.80 of the settlement funds that he received on behalf of Nelson to be improperly withdrawn from the CTA, Respondent committed an act in willful violation of Business and Professions Code section 6106.

### **Case No. 08-O-12049**

### **Facts**

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

1. In or about January 2008, Respondent deposited in the CTA settlement funds he received on behalf of Jose Tatoy, Rosalie Tatoy, Loreta Tatoy and Maria Concepcion ("the Tatoys and Concepcion") totaling \$14,050. In or about April 2008, Respondent disbursed funds from the CTA to the Tatoys and Concepcion and retained \$3,422.80 to pay Dr. Patrick Sein, D.C. Respondent did not disburse any of the remaining \$3,422.80 to or on behalf of the Tatoys and Concepcion prior to on or about May 2, 2008. On or about May 2, 2008, the balance in the CTA dropped to \$1,693.36.

2. Respondent acknowledges that evidence that the balance in the CTA fell \$1,729.44 below the amount credited to Dr. Sein is sufficient to support a finding that client funds were improperly withdrawn from the CTA.

3. On or about May 5, 2008, Respondent issued a check from the CTA made payable to Dr. Sein in the sum of \$3,422.80. The check was paid against insufficient funds.

### **Conclusions of Law**

By not maintaining \$3,422.80 on behalf of the Tatoys and Concepcion in the CTA, Respondent failed to maintain client funds in trust in willful violation of rule 4-100(A) of the Rules of Professional Conduct.

By allowing \$1,729.44 of the settlement funds received on behalf of the Tatoys and Concepcion to be improperly withdrawn from the CTA, Respondent committed an act in willful violation of Business and Professions Code section 6106.

**Case No. 08-O-12049**

**Facts**

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

1. On or about June 8, 2007, Respondent deposited in the CTA settlement funds he received on behalf of client Yvonne Treydte in the sum of \$35,000. After deducting Respondent's fees and costs, Respondent was required to maintain in trust the sum of \$17,955.10 on behalf of Treydte. Respondent did not disburse any of those funds to or on behalf of Treydte prior to on or about May 5, 2008.
2. On or about December 3, 2007, Respondent deposited in the CTA settlement funds he received on behalf of client Su Marcum in the sum of \$15,000. After deducting Respondent's fees and costs, Respondent was required to maintain in trust the sum of \$9,557.93 on behalf of Marcum. Respondent did not disburse any of those funds to or on behalf of Marcum prior to on or about May 5, 2008.
3. On or about January 28, 2008, Respondent deposited in the CTA settlement funds he received on behalf of client David McCorkle in the sum of \$35,000. After deducting Respondent's fees and costs, Respondent was required to maintain in trust the sum of \$18,400.32 on behalf of McCorkle. Respondent did not disburse any of those funds to or on behalf of McCorkle prior to on or about May 5, 2008.
4. On or about April 4, 2008, Respondent deposited in the CTA settlement funds he received on behalf of client Alexander Padilla in the sum of \$9,000. After deducting Respondent's fees and costs, Respondent was required to maintain in trust the sum of \$5,999 on behalf of Padilla. Respondent did not disburse any of those funds to or on behalf of Padilla prior to on or about May 5, 2008.
5. On or about April 8, 2008, Respondent deposited in the CTA settlement funds he received on behalf of client Jose A. Jaurequi in the sum of \$9,000. After deducting Respondent's fees and costs, Respondent was required to maintain in trust the sum of \$5,856 on behalf of Jaurequi. Respondent did not disburse any of those funds to or on behalf of Jaurequi prior to on or about May 5, 2008.
6. On or about April 16, 2008, Respondent deposited in the CTA settlement funds he received on behalf of client Aneta T. Knauber in the sum of \$23,000. After deducting Respondent's fees and costs, Respondent was required to maintain in trust the sum of \$9,749.67 on behalf of Knauber. Respondent did not disburse any of those funds to or on behalf of Knauber prior to on or about May 5, 2008.

7. On or about April 22, 2008, Respondent deposited in the CTA settlement funds he received on behalf of client Lance Elzy in the sum of \$1,500. After deducting Respondent's fees and costs, Respondent was required to maintain in trust the sum of \$970 on behalf of Elzy. Respondent did not disburse any of those funds to or on behalf of Elzy prior to on or about May 5, 2008.

8. On or about April 22, 2008, Respondent deposited in the CTA settlement funds he received on behalf of client Lawrence Kinsey in the sum of \$2,500. After deducting Respondent's fees and costs, Respondent was required to maintain in trust the sum of \$1,636.67 on behalf of Kinsey. Respondent did not disburse any of those funds to or on behalf of Kinsey prior to on or about May 5, 2008.

9. On or about April 23, 2008, Respondent deposited in the CTA settlement funds he received on behalf of client Danielle Hollerman in the sum of \$13,000. After deducting Respondent's fees and costs, Respondent was required to maintain in trust the sum of \$7,775 on behalf of Hollerman. Respondent did not disburse any of those funds to or on behalf of Hollerman prior to on or about May 5, 2008.

10. On or about May 5, 2008, the balance in the CTA dropped below zero. At that time, Respondent was supposed to be maintaining a minimum balance of \$77,899.69 in the CTA on behalf of clients Treydte, Marcum, McCorkle, Padilla, Jaurequi, Knauber, Elzy, Kinsey, and Hollerman.

11. Respondent acknowledges that evidence that the balance in the CTA fell \$77,899.69 below the amount credited to Treydte, Marcum, McCorkle, Padilla, Jaurequi, Knauber, Elzy, Kinsey, and Hollerman is sufficient to support a finding that client funds were improperly withdrawn from the CTA.

12. After May 5, 2008, Respondent disbursed checks from the CTA in the sum of \$77,899.69 made payable to, and/or on behalf of, clients Treydte, Marcum, McCorkle, Padilla, Jaurequi, Knauber, Elzy, Kinsey, and Hollerman.

### **Conclusions of Law**

By not maintaining approximately \$77,899.69 in the CTA on behalf of clients Treydte, Marcum, McCorkle, Padilla, Jaurequi, Knauber, Elzy, Kinsey, and Hollerman, Respondent failed to maintain client funds in trust in willful violation of rule 4-100(A) of the Rules of Professional Conduct.

By allowing \$77,899.69 of funds received on behalf of clients to be improperly withdrawn from the CTA, Respondent committed an act in willful violation of Business and Professions Code section 6106.

**Case No. 08-O-12215**

**Facts**

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

1. Sometime prior to March 2005, Gabriel Valenzuela ("Valenzuela") employed Respondent to represent him in a personal injury claim. On or about March 29, 2005, Respondent filed a civil action on behalf of Valenzuela in the Los Angeles County Superior Court, case no. EC040543.
2. On or about October 18, 2005, Valenzuela agreed to settle his claim for the sum of \$40,000. On or about November 3, 2005, Respondent deposited in the CTA the \$40,000 settlement funds received from Clarendon National Insurance Company on behalf of Valenzuela.
3. On or about December 1, 2005, Respondent disbursed to Valenzuela the sum of \$13,528 as his net recovery.
4. After deduction of Respondent's 40% contingency fee and the disbursement to Valenzuela, Respondent was required to maintain \$10,472 in the CTA on behalf of Valenzuela to pay medical liens. Respondent did not disburse any of the remaining funds from the CTA to or on behalf of Valenzuela after December 1, 2005, but the balance in the CTA dropped below the amount that Respondent was required to hold in the CTA on behalf of Valenzuela. On or about December 12, 2005, the balance in the CTA was \$565.91. On May 9, 2006, the balance in the CTA dropped to \$245.06. On or about May 5, 2008, the balance in the CTA dropped to a balance below zero.
5. Respondent acknowledges that evidence that the balance in the CTA fell \$10,472 below the amount credited to Valenzuela's medical liens is sufficient to support a finding that client funds were improperly withdrawn from the CTA.
6. On or about May 29, 2008, Valenzuela made a complaint against Respondent to the State Bar.
7. On or about June 11, 2008, a State Bar investigator sent a letter to Respondent regarding Valenzuela's complaint. The letter requested that Respondent respond in writing to specified allegations of misconduct under investigation by the State Bar raised by Valenzuela's complaint. Respondent received the letter.
8. On or about June 14, 2008, attorney Barry J. Post ("Post") responded on behalf of Respondent to request an extension of time to July 29, 2008, to respond to Valenzuela's complaint. Thereafter, the investigator gave several extensions of time to Post to August 21, 2008, for Respondent to respond to Valenzuela's complaint. At no time did Respondent or an attorney on his behalf provide a response to the State Bar to address the allegations raised in Valenzuela's complaint.

**Conclusions of Law**

By not maintaining \$10,472 on behalf of Valenzuela in the CTA, Respondent failed to maintain client funds in trust in willful violation of rule 4-100(A) of the Rules of Professional Conduct.

By allowing \$10,472 of the settlement funds that he received on behalf of Valenzuela to be improperly withdrawn from the CTA, Respondent committed an act in willful violation of Business and Professions Code section 6106.

By not providing a written response to the allegations raised by Valenzuela's complaint, Respondent failed to cooperate in a disciplinary investigation in willful violation of Business and Professions Code section 6068(i).

**DISMISSALS.**

The parties respectfully request the Court to dismiss the following alleged violation in the interest of justice:

Case No.	Count	Alleged Violation
08-O-12049	Count 11	Business and Professions Code § 6068(i)

**PENDING PROCEEDINGS.**

The disclosure date referred to, on page 2, paragraph A(6), was March 22, 2010.

**COSTS OF DISCIPLINARY PROCEEDINGS.**

Respondent acknowledges that the Office of the Chief Trial Counsel has informed him that as of March 22, 2010, the prosecution costs in this matter are \$6,146.71. 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.

**AGGRAVATING CIRCUMSTANCES.**

**1. Prior Record of Discipline**

A prior record of discipline is an aggravating circumstance. (Std. 1.2(b)(i).) Respondent has been a member of the State Bar since October 27, 1978, and has a prior record of discipline.

On April 30, 2001, the California Supreme Court ordered (S095503) that Respondent be suspended from the practice of law for six months, that execution of the suspension be stayed, and that he be placed on probation for two years. The discipline resulted from Respondent's stipulation in the following four client matters:

**In Case No. 98-O-03828**, Respondent stipulated to failing to respond to reasonable status inquiries of a client in willful violation of Bus. & Prof. Code § 6068(m), and failing to promptly pay client funds to a client in willful violation of rule 4-100(B) of the Rules of Professional Conduct.

**In Case No. 99-O-11083**, Respondent stipulated to failing to deposit client funds in a client trust account in willful violation of rule 4-100(A) of the Rules of Professional Conduct, and failing to promptly release the client file to the client in willful violation of rule 3-700(D)(1) of the Rules of Professional Conduct.

**In Case No. 99-O-13413**, Respondent stipulated to failing to perform competently in willful violation of rule 3-110(A) of the Rules of Professional Conduct, and failing to promptly pay client funds to a client in willful violation of rule 4-100(B) of the Rules of Professional Conduct.

**In Case No. 00-O-10999**, Respondent stipulated to failing to perform competently in willful violation of rule 3-110(A) of the Rules of Professional Conduct.

## **2. Multiple Acts of Misconduct**

Multiple acts of wrongdoing are an aggravating circumstance. (Std. 1.2(b)(ii). In the instant matter, Respondent failed to maintain over \$150,000 in client funds on behalf of sixteen (16) clients over a several year period. Respondent committed multiple acts of serious misconduct.

## **3. Harm**

Respondent's misuse of his clients' funds harmed them. In addition, by failing to pay Valenzuela's medical liens, Respondent potentially harmed Valenzuela's credit. (Std. 1.2(b)(iv).)

## **MITIGATING CIRCUMSTANCES.**

### **1. Candor and Cooperation**

Respondent's stipulation to the facts, his culpability, and his disbarment is a mitigating circumstance. (Standard 1.2(e)(v). See also, *In the Matter of Spauth* (Review Dept. 1996) 3 Cal. State Bar Ct. Rptr. 511, 521.)

## **AUTHORITIES SUPPORTING DISCIPLINE.**

### **1. Standards**

Standard 1.6(a) of the Standards for Attorney Sanctions for Professional Misconduct (“Standards”) provides that, if two or more acts of professional misconduct are found in a single disciplinary proceeding, the sanction imposed shall be the most severe of the applicable sanctions.

Standards 2.2(b), 2.3, and 2.6 apply in this matter. The most severe sanction is found at Standard 2.3 which provides that a willful violation of section 6106 shall result in actual suspension or disbarment depending upon the extent to which the victim of the misconduct is harmed and depending upon the magnitude of the misconduct and the degree to which it relates to the member’s acts within the practice of law.

Here, Respondent’s willful misuse of his client trust account relates directly to the practice of law, persisted for several years, and harmed many clients. In addition, Respondent has a prior record of discipline.

The facts and circumstances surrounding Respondent’s misconduct warrants disbarment under Standard 2.3.

### **2. Case Law**

The Supreme Court has repeatedly held that disbarment is the usual discipline for the willful misuse of client funds. (*See, Edwards v. State Bar* (1990) 52 Cal.3d 28, 37; and *Howard v. State Bar* (1990) 51 Cal.3d 215, 221.)

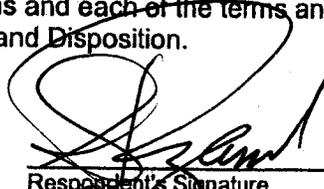
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In the Matter of <b>STANLEY HOWARD ROZANSKI</b> Member #81362	Case number(s): 07-O-10590; 08-O-11071; 08-O-11457; 08-O-12049; and 08-O-12215
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**SIGNATURE OF THE PARTIES**

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.

3/24/10  
Date  
3/26/10  
Date  
3/29/10  
Date



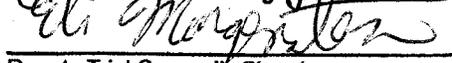
Respondent's Signature

STANLEY H. ROZANSKI  
Print Name



Respondent's Counsel Signature

ARTHUR L. MARGOLIS  
Print Name



Deputy Trial Counsel's Signature

ELI D. MORGENSTERN  
Print Name

(Do not write above this line.)

In the Matter Of <b>STANLEY HOWARD ROZANSKI</b> Member #81362	Case Number(s): 07-O-10590; 08-O-11071; 08-O-11457; 08-O-12049; and 08-O-12215
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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.

- 1) On page 15 of the Stipulation, paragraph 1, case number 97-C-16977 is added as another prior record of discipline.

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.)**

Date

Richard A. Honn   
Judge of the State Bar Court

**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 April 20, 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:

ARTHUR LEWIS MARGOLIS  
MARGOLIS & MARGOLIS LLP  
2000 RIVERSIDE DR  
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:

Eli D. Morgenstern, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on April 20, 2010.

  
\_\_\_\_\_  
Cristina Potter  
Case Administrator  
State Bar Court