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**State Bar Court of California  
Hearing Department  
San Francisco  
DISBARMENT**

<p>Counsel For The State Bar</p> <p>Susan I. Kagan Deputy Trial Counsel 180 Howard Street San Francisco, CA 94105 (415) 538-2037</p> <p>Bar # 214209</p>	<p>Case Number(s): 10-O-11128 [11-O-10150]</p>	<p>For Court use only</p> <p><b>PUBLIC MATTER</b></p> <p><b>FILED</b></p> <p>OCT 05 2011</p> <p>STATE BAR COURT CLERK'S OFFICE SAN FRANCISCO</p>
<p>In Pro Per Respondent</p> <p>Steven T. Mendelsohn 1219 39th Ave San Francisco, CA 94122 (415) 664-1094</p> <p>Bar # 99952</p>	<p>Submitted to: <b>Assigned Judge</b></p> <p>STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING; ORDER OF INVOLUNTARY INACTIVE ENROLLMENT</p> <p><b>DISBARMENT</b></p> <p><input type="checkbox"/> PREVIOUS STIPULATION REJECTED</p>	
<p>In the Matter of: STEVEN T. MENDELSON</p> <p>Bar # 99952</p> <p>A Member of the State Bar of California (Respondent)</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 12/1/1981.
- (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 resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of (9) pages, not including the order.



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- (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.
- (8) Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):
  - Costs to be awarded to the State Bar.
  - Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".
  - Costs are 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 5.111(D)(1).

**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**
  - (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 page 8.

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- (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:**

**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. See page 8.
- (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 8.
- (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. See page 8.
- (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.

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(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 continues to suffer from extreme emotional and physical problems which expert testimony would establish were directly responsible for the misconduct. See page 8.

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**D. Discipline:            Disbarment.**

**E. Additional Requirements:**

- (1) **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.
- (2)  **Restitution:** Respondent must make restitution to Jay Schriefer in the amount of \$ 1,500.00 plus 10 percent interest per year from April 1, 2010. If the Client Security Fund has reimbursed Jay Schriefer for all or any portion of the principal amount, respondent must pay restitution to CSF of the amount paid plus applicable interest and costs in accordance with Business and Professions Code section 6140.5. Respondent must pay the above restitution and furnish satisfactory proof of payment to the State Bar's Office of Probation in Los Angeles no later than one (1) year : from the effective date of the Supreme Court order in this case.
- (3)  **Other:**

Attachment language (if any):

## FACTS AND CONCLUSIONS OF LAW

Case No. 10-O-11128 [The Zaharnev matter]

### Facts

1. At all relevant times herein, "US Loan Auditors, LLC", "US Loan Auditors, Inc." and "My US Legal Services" (hereinafter "My US Legal") were companies owned, in part, by non-attorneys. At all relevant times herein, homeowners hired My US Legal to file predatory lender lawsuits and paid advanced attorney's fees in monthly installments to My US Legal. Thereafter, My US Legal hired outside attorneys ("contract attorneys") to handle the predatory lender lawsuits. My US Legal paid the contract attorney \$250.00 per month per client as attorney's fees from the monthly installments paid as advanced attorney's fees to My US Legal by the homeowners.
2. Prior to July 16, 2010, Yana Zakharnev ("Zakharnev") hired My US Legal to file a predatory lender lawsuit on her behalf. On July 16, 2010, My US Legal hired respondent to handle the Zakharnev matter. Although Zakharnev paid My US Legal advanced attorney's fees in monthly installments, respondent did not receive any fees from My US Legal in the Zakharnev matter.
3. On August 9, 2010, My US Legal filed a complaint on behalf of Zakharnev ("Zakharnev matter"). Thereafter, the defendants filed a demurrer. Soon thereafter, respondent received a copy of the demurrer, but failed to file a response and failed to perform any further work on behalf of Zakharnev in the Zakharnev matter.

### Conclusions of Law

By failing to perform any work of value in the Zakharnev matter, respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence in willful violation of rule 3-110(A) of the Rules of Professional Conduct.

Case No. 11-O-10150 [The Schriefer matter]

### Facts

1. At all relevant times herein, "US Loan Auditors, LLC", "US Loan Auditors, Inc." and "My US Legal Services" (hereinafter "My US Legal") were companies owned, in part, by non-attorneys. At all relevant times herein, homeowners hired My US Legal to file predatory lender lawsuits and paid advanced attorney's fees in monthly installments to My US Legal. Thereafter, My US Legal hired outside attorneys ("contract attorneys") to handle the predatory lender lawsuits. My US Legal paid the contract attorney \$250.00 per month per client as attorney's fees from the monthly installments paid as advanced attorney's fees to My US Legal by the homeowners.
2. Prior to February 2010, Jay Schriefer ("Schriefer") hired My US Legal to file a predatory lender lawsuit on his behalf. Prior to April 2010, My US Legal hired respondent to handle the Schriefer matter. At all

relevant times herein, Schriefer paid My US Legal advanced attorney's fees in monthly installments. In total Schriefer paid My US Legal \$10,000.00 as fees. From April 2010, through September 2010, My US Legal forwarded \$250.00 per month to respondent for the Schriefer matter. The \$250.00 represented attorney's fees and was paid from the \$10,000.00 paid to My US Legal by Schriefer. In total, My US Legal paid respondent \$1,500.00 as attorney's fees from the \$10,000.00 paid by Schriefer to My US Legal.

3. In September, 2010, My US Legal filed a complaint on behalf of Schriefer ("civil matter"). Thereafter, the defendants filed a motion to dismiss. Soon thereafter, respondent received a copy of the motion to dismiss, but failed to file an opposition and failed to perform any further work on behalf of Schriefer in the Schriefer matter.
2. From December 2009, through June 2010, Schriefer sent respondent e-mails requesting an update on the status of the Schriefer matter. Respondent received Schriefer's e-mails soon after they were sent, but failed to respond to them.
3. Thereafter, Schriefer terminated respondent's services and requested a refund of unearned fees.
4. Respondent did not perform any services of value on behalf of Schriefer. Respondent did not earn any portion of the advanced fees paid by Schriefer. To date, respondent has failed to refund any portion of the \$1,500.00 in unearned fees to Schriefer.

#### Conclusions of Law

1. By splitting the legal fees with My US Legal in the Schriefer matter, respondent shared a legal fee with a person who is not a lawyer in willful violation of rule 1-320(A) of the Rules of Professional Conduct.
2. By failing to perform any work of value in the Schriefer matter, respondent intentionally, recklessly, or repeatedly failed to perform legal services with competence in willful violation of rule 3-110(A) of the Rules of Professional Conduct.
3. By failing to respond to Schriefer's e-mails requesting an update on the status of the Schriefer matter, respondent failed to respond promptly to reasonable status inquiries of a client in a matter in which respondent had agreed to provide legal services in willful violation of section 6068(m) of the Business and Professions Code.
4. By failing to refund \$1,500.00 in unearned fees to Ingalls, respondent failed to refund promptly any part of a fee paid in advance that has not been earned in willful violation of rule 3-700(D)(2) of the Rules of Professional Conduct.

#### PENDING PROCEEDINGS

The disclosure date referred to, on page 2, paragraph A(7), was September 8, 2011.

## COSTS OF DISCIPLINARY PROCEEDINGS

Respondent acknowledges that the State Bar has informed respondent that as of September 8, 2011, the estimated prosecution costs in this matter are approximately \$3,689.00. Respondent acknowledges that this figure is an estimate only and that it does not include State Bar Court costs which will be included in any final cost assessment. 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.

## FACTS SUPPORTING AGGRAVATING AND MITIGATING CIRCUMSTANCES

### AGGRAVATING CIRCUMSTANCES

Standard 1.2(b)(iv). Respondent's misconduct caused significant harm to his clients.

### MITIGATING CIRCUMSTANCES

Standard 1.2(e)(i). Respondent has been practicing law since 2002, and has no prior record of discipline.

Standard 1.2(e)(v). Respondent displayed spontaneous candor and cooperation to the State Bar during the disciplinary proceedings.

Standard 1.2(e)(vii). Respondent displayed remorse for his misconduct.

Respondent continues to suffer from extreme emotional and physical problems which expert testimony would establish were directly responsible for the misconduct.

## SUPPORTING AUTHORITY

Respondent is aware that the State Bar is not seeking disbarment in the instant matter. However, because respondent is no longer physically or mentally able to practice law, he is willing to stipulate to disbarment to resolve this matter and relinquish his license.

Standard 2.4(b) requires reproof or suspension for a respondent who has wilfully failed to perform services in which he was retained.

Standard 2.6 requires that a violation of Business and Professions Code section 6068(m) shall result in disbarment or suspension according to the gravity of the offense or harm, if any, to the victim, with due regard to the purpose of imposing discipline set forth in standard 1.3.

Standard 2.10 requires that a violation of any provision of the Rules of Professional Conduct not specified in the standards (e.g., rules 1-320(A) and 3-700(D)(2)) shall result in reproof or suspension according to the gravity of the offense or harm, if any, to the victim, with due regard to the purpose of imposing discipline set forth in standard 1.3.



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In the Matter of: STEVEN T. MENDELSON	Case number(s): 10-O-11128 [11-O-10150]
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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 Facts, Conclusions of Law, and Disposition.

9/15/11  
Date

  
Respondent's Signature

Steven T. Mendelsohn  
Print Name

Date

  
Respondent's Counsel Signature

N/A  
Print Name

9/22/11  
Date

  
Deputy Trial Counsel's Signature

Susan I. Kagan  
Print Name

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In the Matter of:  
STEVEN T. MENDELSON

Case Number(s):  
10-O-11128 [11-O-10150]

### DISBARMENT 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 5.58(E) & (F), 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 Steven T. Mendelsohn 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 5.111(D)(2) 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

October 5, 2011

  
Judge of the State Bar Court

## CERTIFICATE OF SERVICE

[Rules Proc. of State Bar; Rule 5.27(B); 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 San Francisco, on October 5, 2011, I deposited a true copy of the following document(s):

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING; ORDER OF INVOLUNTARY INACTIVE ENROLLMENT

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 San Francisco, California, addressed as follows:

STEVEN TSION MENDELSON  
1219 39TH AVE  
SAN FRANCISCO, CA 94122

- 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:

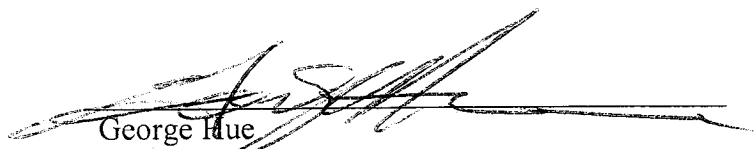
- by fax transmission, at fax number . No error was reported by the fax machine that I used.

- 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:

Susan Kagan, Enforcement, San Francisco

I hereby certify that the foregoing is true and correct. Executed in San Francisco, California, on October 5, 2011.

  
George Hue  
Case Administrator  
State Bar Court