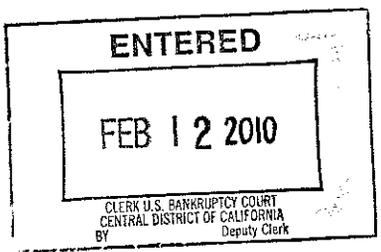
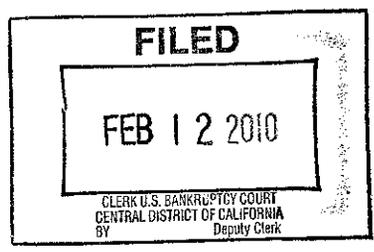


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UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA

In re  
DISCIPLINARY PROCEEDING OF  
STEVEN E. SMITH.

Case No. SV MI 09-00014  
  
ORDER ON DISCIPLINARY  
PROCEEDING AGAINST STEVEN E.  
SMITH  
  
Date: November 13, 2009  
Time: 10:30 a.m.  
Place: Courtroom 1545,  
Roybal Federal Building  
255 E. Temple Street  
Los Angeles, California 90012

Pursuant to General Order 96-05 of the United States Bankruptcy Court for the Central District of California, and based on the Memorandum of Decision entered by the Hearing Panel in this matter (the "Panel") concurrently with this Order,

IT IS ORDERED as follows:

1. Steven E. Smith ("Smith") is hereby barred from all representation of debtors in chapter 11 cases before the Bankruptcy Court for the Central District of California for a period of five (5) years.
2. With respect to all other matters, Smith is hereby suspended from the practice of law before the United States Bankruptcy Court for the Central District of California for a

1 period of two (2) years from the date of the entry of this order, subject to any subsequent  
2 order of reinstatement pursuant to Paragraph 6 of this Order.

3 3. Smith's suspension is effective thirty (30) days from the entry of this Order.

4 4. Smith must substitute out of all of his cases currently pending before the United  
5 States Bankruptcy Court for the Central District of California. Smith must immediately  
6 advise all of his clients that he has been suspended from practice before this court, and  
7 assist in the transfer of all records for those cases to other counsel competent in the  
8 particular areas of bankruptcy relevant to any undertaking on behalf of those clients, to  
9 allow such counsel to substitute into those cases prior to the effective date of Smith's  
10 suspension.

11 5. Smith's log in information for the ECF System must be de-activated by the  
12 Clerk of the Court, and not reactivated unless and until such reactivation is ordered by  
13 the Panel.

14 6. After a minimum suspension of ninety (90) days, Smith may apply to the Panel  
15 for reinstatement to practice before the United States Bankruptcy Court of the Central  
16 District of California, consistent with General Order 96-05 and upon a showing by Smith  
17 that he has completed all of the following requirements:

18 a. Smith's financial records must be audited, and Smith must file a report of  
19 that audit with the Panel. Specifically, Smith must hire a Certified Public Accountant,  
20 approved by the Office of the United States Trustee, to review his financial accounts,  
21 case files, and documents identified on CM/ECF for the purpose of reconstructing,  
22 reconciling, and identifying the compensation paid by clients to Smith's office and  
23 amounts received and deposited into Smith's bank accounts, for the period from and  
24 including January 1, 2008 through June 30, 2009. Smith must cooperate with and give  
25 the accountant full access to his accounts and statements, as well as any other pertinent  
26 data from CM/ECF or other public records. To the extent that waivers from clients are  
27 required to allow for the accountant's review of client files, Smith must obtain such  
28 waivers. The accountant shall write a report of his or her findings. Mr. Smith must file

1 that report with the Panel, and at the time that he files it, he must serve a copy upon the  
2 Office of the United States Trustee.

3 b. Smith must attend and complete the California State Bar's trust accounting  
4 school.

5 c. Smith must consult with a local consumer debtor's attorney who has a  
6 successful high-volume chapter 13 debtors' practice. Smith must spend a minimum of  
7 four (4) hours consulting with that attorney at Smith's office on Smith's office procedures  
8 and conferring with that attorney on how to establish appropriate office procedures.

9 d. Smith must comply with and make all payments required by any and all  
10 outstanding court orders, including any orders of disgorgement, fines, or sanctions.

11 e. Smith must pay the balance of the refund due to Manuel and Carmen de la  
12 Cruz, in the amount of \$7,000, pursuant to the separate agreement he previously entered  
13 into with the Office of the United States Trustee in *In re De la Cruz*, Case Number 1:08-  
14 bk-19836-KT.

15 7. Smith is hereby placed on probation for the balance of the two year period  
16 following the entry of this Order after the period of actual suspension. During the  
17 probationary period, Smith is hereby restricted as follows:

18 a. For the first six (6) months of his probation, Smith must limit his  
19 representation of debtors in chapter 13 cases to no more than three (3) filings for new  
20 clients in any calendar month. After the first six (6) months of his probation, Smith may  
21 increase his representation of debtors to no more than five (5) new clients in any  
22 calendar month, for the balance of the probation period.

23 b. Smith may not permit his non-attorney staff or agents to electronically file  
24 bankruptcy documents in his name, but must do all such filings personally.

25 c. Smith must personally appear on behalf of clients at court hearings and  
26 meetings of creditors.

27 d. Smith must meet with all clients personally, to review their legal options  
28 prior to filing any bankruptcy in which he is going to be the attorney of record

1 e. Smith must personally review for accuracy all Rights and Responsibilities  
2 Agreement (“RARA”) and disclosure of compensation forms that he signs or causes to be  
3 filed.

4 f. In executing any documents, including but not limited to RARA forms, Smith  
5 must ensure that all statements contained therein are true and correct, and he must  
6 intend that he fully complies with all of his obligations thereunder.

7 g. Smith must monitor bankruptcy filings in the Central District of California,  
8 through CM/ECF, to ensure his awareness of all petitions filed under his name.

9 h. Smith must remain under a continuing obligation to comply with “and make  
10 all payments required by” any additional orders of disgorgement, fines, or sanctions.

11 i. Smith may associate or consult with other attorneys, pursuant to the  
12 provisions of California Rule of Professional Conduct 3-110 (C) and American Bar  
13 Association Rule 1.1 Comment [2], which provide that competent representation may be  
14 provided through association or consultation with another lawyer reasonably believed to  
15 be competent in the particular areas of bankruptcy law and procedure relevant to any  
16 undertaking on behalf of debtors.

17 j. Smith must take twelve (12) hours of continuing legal education in the  
18 subjects of law office management and professional ethics.

19 k. Smith must take twelve (12) hours of continuing legal education in  
20 substantive bankruptcy law.

21 l. Smith may not engage any office manager or other staff member who  
22 performs marketing functions, but only personnel who act as secretarial, administrative,  
23 or legal assistants.

24 m. Smith may use staff as interpreters and may ask non-English speaking  
25 clients to bring bilingual relatives or friends to interviews to assist in document  
26 preparation and communications.

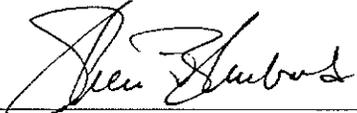
27 n. Smith must cooperate with all law enforcement agencies and the Office of  
28 the United States Trustee in any investigation of Edison Castro.

1 8. During the two (2) years following the entry of this Order, every ninety (90)  
2 days, Smith must file with the Panel and serve upon the United States Trustee a status  
3 report, reporting on his compliance with the terms of this Order. The first status report  
4 will be due on March 1, 2010.

5 9. The Panel hereby retains jurisdiction to hear and determine any applications for  
6 other or further discipline against Smith that may be initiated by any other judge of this  
7 court, any case trustee, or the United States Trustee.

8 IT IS SO ORDERED.

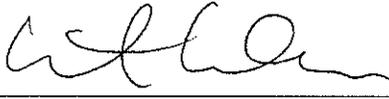
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Sheri Bluebond, Presiding  
United States Bankruptcy Judge

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Peter H. Carroll  
United States Bankruptcy Judge

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Robert N. Kwan  
United States Bankruptcy Judge

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**PROOF OF SERVICE/CERTIFICATE OF MAILING**

I, Vanessa Keith Garcia, a regularly appointed and qualified clerk of the United States Bankruptcy Court for the Central District of California, do hereby certify that in the performance of my duties as such clerk, I served on each of the parties listed below, at the addresses set opposite their respective names, a copy of the Order on Disciplinary Proceeding Against Steven E. Smith in the within matter by placing a true copy thereof enclosed in a sealed envelope with postage thereon, fully prepaid, in the United States Mail on February 16, 2010.

Steven E. Smith, Esq.  
6355 Topanga Canyon Blvd., Suite 416  
Woodland Hills, CA 91367

Phillip Feldman  
Law Offices of Phillip Feldman  
14401 Sylvan Street, Suite 208  
Van Nuys, CA 91401

Peter C. Anderson, United States Trustee  
Office of the United States Trustee  
725 S. Figueroa Street, Suite 2600  
Los Angeles, CA 90017  
Attn: Ron Maroko, Esq.

I declare under penalty of perjury that the foregoing is true and correct.

Date: February 16, 2010

Vanessa Keith Garcia  
(Deputy Clerk)