

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA**

In re:

**The Disciplinary Proceeding of
ROBERT M. YASPAN,**

Respondent.

Case No.: 2:24-mp-00101-BR

**MEMORANDUM OF DECISION IN
DISCIPLINARY PROCEEDING AGAINST
ROBERT M. YASPAN**

The matter before this Panel is a disciplinary proceeding (this "Proceeding") commenced against attorney Robert M. Yaspan ("Respondent"), California State Bar No. 051867, pursuant to that *Sixth Amended General Order 96-05* (the "General Order") of the United States Bankruptcy Court for the Central District of California (the "Court"). *See also In re Lehtinen*, 564 F.3d 1052, 1062 (9th Cir. 2009) (discretion for each federal court to define disciplinary procedures), *abrogated on other grounds, as stated in In re Gugliuzza*, 852 F.3d 887, 898 (9th Cir. 2017); *In re Nguyen*, 447 B.R. 268, 276-83 (9th Cir. BAP 2011) (discretion to establish disciplinary panels, and what standards to apply, including American Bar Association standards).

The Statement of Cause

On December 12, 2024, the Honorable Victoria S. Kaufman entered an *Order Denying First Interim Application for Compensation of General Counsel (Law Offices of Robert M. Yaspan) to the Debtor-in-Possession and Refund of Fees* (the “Order”). See Case No. 1:23-bk-10696-VK, Docket No. 332. The Order was supported by a *Memorandum of Decision Denying Fee Application and Ordering Disgorgement Pursuant to 11 U.S.C. §§ 327(a) and 328(c) and Fed. R. Bankr. P. 2014(a)* (the “Decision”). See Case No. 2:24-mp-00101-BR, Docket No. 1, pp. 153-170 (all further references to the “Docket” refer to the Court’s docket in this Proceeding, unless stated otherwise).

As set forth in the Decision, Judge Kaufman found that Respondent, while employed as general insolvency counsel to Monica L. Columbia (the “Debtor”), (1) maintained an adverse interest to the interests of the Debtor and the Debtor’s bankruptcy estate and was not a disinterested person as required by 11 U.S.C. § 327(a), (2) failed to make certain disclosures as required by Fed. R. Bankr. P. 2014, and (3) violated Cal. R. Pro. Conduct 1.7(b) and 1.8.1. See *id.* at pp. 168-170.

On December 13, 2024, Judge Kaufman issued to the Clerk of Court (the “Clerk”) for the Court that *Statement of Cause and Referral of Attorney Robert M. Yaspan to the United States Bankruptcy Court Disciplinary Committee* (the “Statement of Cause”). See *id.* at pp. 1-3.

Preliminary Matters

Motion to Continue

On March 18, 2025, Respondent filed in this Proceeding *Robert M. Yaspan’s Notice of Motion and Motion to Continue Disciplinary Hearing and [Proposed] Order Thereon* (the “Motion to Continue”). See Docket No. 14. The Motion to Continue requested of this Panel “a continuance of the disciplinary hearing in this matter, currently set for April 24, 2025, to a date no sooner than June 16, 2025.” See *id.* at p. 1, lines 25-27. On March 19, 2025, this Panel entered that *Order re Motion for Continuance of Disciplinary Hearing*, granting the Motion to Continue, and continuing the hearing in this Proceeding to June 26, 2025, at 10:30 a.m. See Docket No. 15.

Request to Vacate Hearing

On June 17, 2025, Respondent filed in this Proceeding that *Response of Robert Yaspan to December 12, 2024 Statement of Cause and Referral of Attorney Robert M. Yaspan to the United States Bankruptcy Court Disciplinary Committee by Hon. Victoria S. Kaufman [Dkt. No. 1] and Request for Disposition* (the “Response”). See Docket No. 20. Through the Response, apart from replying to the Statement of Cause, Respondent “request[ed] that [this Proceeding] be resolved without requiring an evidentiary hearing before [this Panel].” See *id.* at p. 1, lines 22-24. On June 18, 2025, this Panel entered that *Order to Proceed with Hearing as Scheduled*, denying Respondent’s request that the hearing on the Statement of Cause be decided without a hearing. See Docket No. 28.

Background

“The Debtor designs custom jewelry which she sells through wholesale consignment agreements with high end jewelers who have stores in luxury hotels” as well as “through her home office in Woodland Hills, California.” See Docket No. 1, p. 154, lines 6-8. In late March 2023, the Debtor’s accountant contacted Respondent’s paralegal to refer the Debtor to Respondent for legal services. See Docket No. 1, p. 159, lines 13-14. On May 19, 2023, the Debtor, through Respondent, filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Case”). See *id.* at p. 154, lines 3-4.

On June 6, 2023, Respondent filed in the Bankruptcy Case that *Application of Debtor-in-Possession for Authority to Retain Law Offices of Robert M. Yaspan as General Bankruptcy Counsel* (the “Employment Application”). See *id.* at pp. 4-36. On July 24, 2023, that *Order on Application by Debtor for Authority to Retain the Law Offices of Robert M. Yaspan as General Counsel for the Estate* was entered in the Bankruptcy Case, approving the Employment Application. See Case No. 1:23-bk-10696-VK, Docket No. 45.

On August 30, 2024, that *Order Directing the Appointment of a Chapter 11 Trustee* was entered, directing the Office of the United States Trustee (the “OUST”) to appoint a Chapter 11 trustee in the Bankruptcy Case pursuant to 11 U.S.C. §§ 1104(a)(1) and (2). See *id.* at Docket No. 266. Todd A. Frealy (the “Chapter 11 Trustee”) was appointed as the Chapter 11 trustee in

1 the Bankruptcy Case through that *Order Approving Appointment of a Chapter 11 Trustee*. See
2 *id.* at Docket No. 277.

3 During June, September and December 2023, Respondent visited the Debtor's home on
4 at least four occasions and took possession of certain jewelry from the Debtor's inventory "with
5 the intent to acquire that jewelry." See Docket No. 1, pp. 159-161, and p. 168, lines 3-4.
6 Respondent "admits that this jewelry was property of the estate." See *id.* at p. 168, line 17.
7 Respondent's "goal was to purchase the inventory for a low price, although it was in the interests
8 of the estate and its creditors for [the Debtor] to maximize the proceeds generated from her sale
9 of the jewelry." See *id.* at lines 4-6.

10 On August 22, 2024, Respondent filed in the Bankruptcy Case that *First Interim*
11 *Application for Compensation of General Counsel (Law Offices of Robert M. Yaspan) to the*
12 *Debtor-in-Possession* (the "Fee Application"). See Docket No. 1, pp. 37-97. Respondent,
13 through the Fee Application, and on behalf of his firm, sought allowance and payment of fees
14 and expenses incurred in representing the Debtor in the Bankruptcy Case in the total amount of
15 \$210,580.86. See *id.* at p. 63, lines 10-18.

16 On December 13, 2024, the Chapter 11 Trustee filed *Chapter 11 Trustee's Opposition to*
17 *First Interim Application for Compensation Filed by the Law Offices of Robert M. Yaspan* (the
18 "Chapter 11 Trustee's Opposition"). See Docket No. 1, pp. 98-106. Through the Chapter 11
19 Trustee's Opposition, other than the Debtor and Respondent, parties-in-interest and the Court
20 learned for the first time that Respondent was in possession of jewelry from the Debtor's
21 inventory. See *id.* The Chapter 11 Trustee informed the Court that he had been advised by the
22 Debtor that she "sold" Respondent jewelry both before and during the Bankruptcy Case, on
23 credit, and that Respondent owed the Debtor \$51,000 for the jewelry. See *id.* The Chapter 11
24 Trustee believed that through these actions Respondent may have violated, and may have
25 continued in violation of 11 U.S.C. § 329, Fed. R. Bankr. P. 2014 and 18 U.S.C. § 154. See *id.* at
26 pp. 99-100. The Chapter 11 Trustee's Opposition was supported by a declaration of the Debtor
27 confirming the issues raised by the Chapter 11 Trustee. See *id.* at p. 102.

1 On November 13, 2024, Respondent filed that *Declaration of Robert M. Yaspan*,
2 responding to the Chapter 11 Trustee's Opposition ("Respondent's Declaration"). *See* Docket
3 No. 1, pp. 107-126. Through Respondent's Declaration, Respondent attested that he "did not
4 ever agree to purchase the jewelry, and in fact never purchased any jewelry..." *See id.* at p. 110,
5 lines 4-7. According to Respondent, he informed the Debtor that he "might be interested in
6 purchasing some of her jewelry for a few gifts for some friends," and that the Debtor "offered to
7 provide certain jewelry pieces to [Respondent] 'on approval' to review to see if any friends
8 might be interested." *See id.* at lines 1-4. According to Respondent, 'on approval' means "that
9 possession but not title changes hands for a temporary time period." *See id.* at lines 3-5.

10 On November 22, 2024, the Debtor filed that *Declaration of Debtor Monica Columbia in*
11 *Response to First Interim Application for Compensation of General Counsel (Law Offices of*
12 *Robert M. Yaspan) to the Debtor-in-Possession*, where the Debtor fundamentally reconfirmed
13 that the jewelry was sold to Respondent on credit. *See* Docket No. 1, pp. 127-132.

14 On November 25, 2024, the OUST filed *United States Trustee's Response to*
15 *Declarations Filed in Connection with the First Interim Application for Compensation of*
16 *General Counsel (Law Offices of Robert M. Yaspan) to the Debtor-in-Possession*, wherein the
17 OUST essentially analyzed breaches of 11 U.S.C. § 327, Fed. R. Bankr. P. 2014, and 18 U.S.C. §
18 154 due to Respondent's taking possession of the jewelry during the Bankruptcy Case for the
19 purpose of purchasing the jewelry, and Respondent's failure to disclose the same. *See* Docket
20 No. 1, pp. 133-142.

21 The Chapter 11 Trustee, on November 27, 2024, filed *Chapter 11 Trustee's Response to*
22 *Declaration of Robert M. Yaspan*, and on December 2, 2024, filed that *Amended Chapter 11*
23 *Trustee's Response to Declaration of Robert M. Yaspan*. *See* Docket No. 1, pp. 143-152. The
24 Chapter 11 Trustee confirmed that most of the jewelry was returned by Respondent in November
25 2024, but that there remained an issue as between the Debtor and Respondent about precisely
26 how much jewelry Respondent took possession of.

27 Through the Decision, Judge Kaufman found that Respondent "took possession of
28 jewelry in Debtor's inventory, with the intent to acquire that jewelry," and that Respondent's

1 “goal was to purchase the inventory for a low price, although it was the in the interests of the
2 estate and its creditors for Debtor to maximize the proceeds generated from her sale of the
3 jewelry.” *See id.* at p. 168, lines 1-6. This, Judge Kaufman found, “conflicted with the Firm’s
4 employment under § 327(a) and the Firm’s ethical obligations” under Cal. R. Pro. Conduct 1.7
5 and 1.8.1, and violated 18 U.S.C. § 154(1). *See id.* at lines 6-9 and 18-20. Judge Kaufman found
6 that Respondent “held an interest adverse to the estate and was not a disinterested person,” and,
7 as a result, all monies owed/paid were disallowed/disgorged pursuant to 11 U.S.C. § 328(c). *See*
8 *id.* at lines 21-25. Judge Kaufman further found that “by [Respondent] failing to disclose his
9 acquisition of the jewelry from Debtor, any gifts he made of the jewelry and his transactions with
10 Debtor to obtain the jewelry,” violated Fed. R. Bankr. P. 2014, and that the “disclosure violation
11 [was] of an ongoing nature over a lengthy period of time...” *See id.* at pp. 168-169. The Fee
12 Application was denied in full, and Respondent was ordered to “return to [the Chapter 11
13 Trustee] all funds received to pay the Firm’s fees in this case no later than January 3, 2025.” *See*
14 *id.* at p. 170, lines 1-5.

15 What followed was the Statement of Cause.

16 **Statement of Procedure and Notice of Hearing**

17 As noted *supra*, Judge Kaufman initiated this Proceeding against Respondent pursuant to
18 the General Order by filing with the Clerk the Statement of Cause, which sets forth the basis for
19 the referral to this Panel and recommends a proposed form of discipline. *See* Docket No. 1, pp.
20 1-3.

21 Pursuant to the General Order, the Clerk selected three bankruptcy judges of the Court to
22 serve on this Panel, all of whom accepted the assignment: the Honorable Barry Russell,
23 Presiding Judge; the Honorable Sheri Bluebond; and the Honorable Ronald A. Clifford III. The
24 *Notice of Assignment of Hearing Panel; Sixth Amended General Order 96-05; Statement of*
25 *Cause* was served on Respondent on January 28, 2025. *See* Docket No. 10. Pursuant to the
26 General Order, Respondent had until February 11, 2025 to file a motion to recuse any of the
27 members of this Panel. No such motion was filed.
28

1 On February 12, 2025, Respondent was served with a *Notice of Disciplinary Hearing* (the
2 “Notice of Hearing”). *See* Docket No. 11. The Notice of Hearing, among other things, provided
3 that: (1) a hearing on the Statement of Cause would take place on April 24, 2025, at 10:30 a.m.;
4 (2) the OUST would have until April 10, 2025, to file, if so desired, a notice of intent to appear, a
5 memorandum of points and authorities and any supporting declarations, requests for judicial
6 notice and/or evidence in connection with the Statement of Cause; and (3) Respondent would
7 have until April 17, 2025, to file any memorandum of points and authorities and any supporting
8 declarations, requests for judicial notice and/or evidence refuting or responding to any of the
9 statements contained in the Statement of Cause, any filings of the OUST in this Proceeding and
10 any evidence that Respondent sought to introduce to this Panel in support of mitigation or as
11 otherwise bearing upon the type or extent of any discipline to be imposed upon him in this
12 Proceeding. *See* Docket No. 11, p. 2, lines 1-25.

13 As previously discussed, this Panel, in granting the Motion to Continue, continued the
14 hearing on the Statement of Cause to June 26, 2025, at 10:30 a.m., thus extending the OUST’s
15 deadline to file a notice of intent to appear and any pleadings related to the Statement of Cause to
16 June 12, 2025, and extending the deadline for written submissions in response to the Statement
17 of Cause by Respondent to June 19, 2025. *See* Docket No. 15.

18 On June 11, 2025, the OUST filed that *Notice of Intent to Appear*. *See* Docket No. 18.

19 On June 17, 2025, Respondent filed the Response, partly requesting that this Panel vacate
20 any hearing on the Statement of Cause, and instead decide the matter on the pleadings. *See*
21 Docket No. 20.

22 On June 18, 2025, this Panel denied the Response insofar as it requested that the hearing
23 on the Statement of Cause be vacated. *See* Docket No. 28, *Order to Proceed with Hearing as*
24 *Scheduled*.

25 A hearing took place on the Statement of Cause on June 26, 2025, at 10:30 a.m.
26 Respondent and Ellen Pansky, Esq. appeared on Respondent’s behalf; Ron Maroko, Esq.
27 appeared on behalf of the OUST. At the end of the hearing the matter was submitted. This
28 Memorandum of Decision follows.

Discussion

As noted above, the Statement of Cause relies principally on four grounds: (1) Respondent continued to represent the Debtor and the Debtor's estate when an actual conflict existed between Respondent on the one hand, and the Debtor and the Debtor's bankruptcy estate on the other, in violation of 11 U.S.C. § 327(a); (2) Respondent, as a member of his law firm, and the person directly involved in the conduct at issue, committed ethical violations; (3) Respondent failed to disclose that he was in possession of property of the Debtor's bankruptcy estate that he intended to purchase, both of which constituted violations of Fed. R. Bankr. P. 2014; and (4) in purchasing property of the Debtor's bankruptcy estate, whilst acting as counsel to the Debtor, Respondent may have violated 18 U.S.C. § 154(1). *See* Docket No. 1, pp. 1-2. This Panel analyzes all four grounds for discipline.

11 U.S.C. § 327(a)

Pursuant to 11 U.S.C. § 327(a), "the trustee, with the court's approval, may employ one or more attorneys [] that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title." "Section 327(a) requires the application of a two-pronged test for the employment of professional persons. A [] trustee may employ attorneys with court approval only if (1) they do not hold or represent an interest adverse to the estate, and (2) they are disinterested persons." *In re Tevis*, 347 B.R. 679, 687 (9th Cir. BAP 2006).

"The term 'adverse interest' is not defined in the Bankruptcy Code. The reported cases have defined what it means to hold an adverse interest as follows: (1) to possess or assert any economic interest that would tend to lessen the value of the bankruptcy estate or that would create either an actual or potential dispute in which the estate is a rival claimant; or (2) to possess a predisposition under circumstances that render such a bias against the estate." *Id.* at 688 (internal citations omitted). "Whether an interest is 'materially adverse' necessarily requires an objective and fact-driven inquiry." *In re AFI Holding, Inc.*, 530 F.3d 832, 848 (9th Cir. 2008) (internal citations omitted).

1 A disinterested person is defined as a person that (A) is not a creditor, an equity security
2 holder, or an insider; (B) is not and was not, within 2 years before the date of the filing of the
3 petition, a director, officer, or employee of the debtor; and (C) does not have an interest
4 materially adverse to the interest of the estate or of any class of creditors or equity security
5 holders, by reason of any direct or indirect relationship to, connection with, or interest in, the
6 debtor, or for any other reason.” 11 U.S.C. § 101(14). Section 101(14)(C) of the Bankruptcy
7 Code is referred to as a catch-all clause. “The purpose of the catch-all clause is to prevent a
8 conflict even if the professional person under consideration promises to report such conflict if it
9 arises.” 3 *Collier on Bankruptcy* ¶ 327.04 2[a][iii][E] (Richard Levin & Henry J. Sommer eds.,
10 16th ed)(internal citations omitted).

11 “The Code’s definition of disinterestedness ‘covers not only actual impropriety, but the
12 appearance of impropriety as well.’” *In re AFI Holding, Inc.*, 530 F.3d at 850 (internal citations
13 omitted). “For the purposes of disinterestedness, a lawyer has an interest materially adverse to
14 the interest of the estate if the lawyer either holds or represents such an interest.” *Id.* at 848. “‘A
15 person who is not disinterested as that term is defined in §101(14) is disqualified from acting as a
16 professional for the estate.’” *In re Hummer Transportation*, 2014 WL 412534 *4 (Bankr. E.D.
17 Cal. 2014)(citing *In re Capitol Metals Co., Inc.*, 228 B.R. 724, 726-727 (9th Cir. BAP 1998)).

18 “There is, as courts have observed, an overlap between ‘disinterestedness’ and ‘interest
19 adverse.’” 3 *Collier on Bankruptcy* ¶ 327.04 2[b] (Richard Levin & Henry J. Sommer eds., 16th
20 ed)(internal citations omitted). “Some courts have held that the two tests are fundamentally the
21 same.” *Id.*

22 “The dual requirement that professionals representing trustees and debtors-in-possession
23 may not hold or represent ‘an interest adverse to the estate’ and must be ‘disinterested persons’
24 does not evaporate once the attorney’s employment is approved.” *In re Sundance Self Storage-*
25 *El Dorado LP*, 482 B.R. 613, 625 (Bankr. E.D. Cal. 2012)(internal citations omitted).

26 Here, Respondent had, at least since June 22, 2023, a material adverse interest to the
27 Debtor’s bankruptcy estate. Respondent took possession of property of the estate with the
28 purpose of purchasing that property at a “low price.” It was in the best interests of the Debtor’s

1 bankruptcy estate that the property Respondent took possession of be sold by the Debtor in her
2 regular course of business at prices that would maximize value for creditors. By attempting to
3 purchase the property at a “low price,” and removing that property from the Debtor’s inventory,
4 Respondent was advancing his interests at the expense of the Debtor’s bankruptcy estate. What
5 is more, the Debtor and Respondent dispute the amount of jewelry Respondent took, further
6 placing Respondent in direct conflict with the Debtor’s bankruptcy estate.

7 Respondent was also not disinterested, at least from June 22, 2023, principally for the
8 same reasons he held a material adverse interest to the Debtor’s bankruptcy estate. Respondent
9 took possession of property of the Debtor’s bankruptcy estate with the intent of purchasing the
10 property at a “low price.” Respondent sought to enjoy the upside of purchasing the property at a
11 “low price,” on credit, and without notice to creditors, the Court, or other parties-in-interest, all
12 at the expense of the bankruptcy estate.

13 Through the Response, and at the hearing in this Proceeding, Respondent’s story
14 regarding his taking possession of the jewelry morphed. In Respondent’s Declaration,
15 Respondent claimed that he took possession of the jewelry “on approval” to determine whether
16 he or any of his friends would ultimately want to purchase the jewelry. *See* Docket No. 1, p.
17 110, lines 1-16. Respondent now asserts that he took the jewelry “to obtain an accurate valuation
18 of the items of jewelry, and to assist Debtor with the sale of items of jewelry.” *See* Docket No.
19 20, p. 2, lines 18-22. That is, Respondent was attempting, in part, to appraise the jewelry for the
20 benefit of the bankruptcy estate by asking his friends what they thought the jewelry was worth.
21 This Panel found Respondent’s testimony on this issue at the hearing to lack credibility, and
22 nonsensical. Respondent admits that he breached his duty of candor to the Court in the
23 Bankruptcy Case. *See id.* at p. 6, lines 18-21. That lack of candor continues in this Proceeding.
24 It is clear to this Panel, as it was to Judge Kaufman, that Respondent’s goal in taking possession
25 of the jewelry was singular, to purchase the jewelry, on credit, at a “low price.”

26 ***Fed. R. Bankr. P. 2014***

27 Pursuant to Fed. R. Bankr. P. 2014(a)(2)(E) and (F), an attorney seeking to be employed
28 under 11 U.S.C. § 327 must file an application requesting that the court approve of the same,

1 which application “must state specific facts showing [] any proposed arrangement for
2 compensation [,] and to the best of the applicant’s knowledge, all the person’s connections with
3 [] the debtor.” “The application must be accompanied by a verified statement of the person to be
4 employed, setting forth that person’s connections with any entity” described in Fed. R. Bankr. P.
5 2014(a)(2)(F). *See* Fed. R. Bankr. P. 2014(a)(3).

6 “Rule 2014 has been interpreted to impose an ongoing duty to update information as
7 circumstances change.” *In re Bay Voltex Corp.*, 2008 WL 844794 *8 (9th Cir. BAP Oct. 9,
8 2008)(citing *In re West Delta Oil Co.*, 432 F.3d 347, 355 (5th Cir. 2005) and *In re Metropolitan*
9 *Environmental, Inc.*, 293 B.R. 871, 887 (Bankr. N.D. Ohio 2003)).

10 Here, as Judge Kaufman found, Respondent “violated Rule 2014 by failing to disclose his
11 acquisition of the jewelry from the Debtor, any gifts he made of the jewelry and his transactions
12 with Debtor to obtain the jewelry.” *See* Docket No. 1, p. 2. Respondent never disclosed that he
13 was in possession of the jewelry or that he intended to purchase the jewelry in any amended
14 employment application, any of the Debtor’s various iterations of plans of reorganization he
15 filed, the Fee Application, any status reports, or any of the monthly operating reports Respondent
16 filed on behalf of the Debtor. The Court, the OUST, and other parties-in-interest only became
17 made aware of these facts through the Debtor and the Chapter 11 Trustee, and only more than a
18 year after the first pieces of jewelry were taken by Respondent.

19 Lastly, Respondent admits that he violated Fed. R. Bankr. P. 2014 by failing to disclose
20 the possession of the jewelry. *See* Docket No. 20, p. 6, lines 9-17.

21 ***Cal. R. Pro. Conduct 1.7 and 1.8.1***

22 Pursuant to the Court’s Local Rule 2090-2(a), “[a]n attorney who appears for any purpose
23 in this court is subject to the standards of professional conduct set forth in Local Civil Rule 83-
24 3.” Local Civil Rule 83-3.1.2 of the United States District Court for the Central District of
25 California provides in relevant part that the Rules of Professional Conduct of the State Bar of
26 California “are hereby adopted as the standards of professional conduct...” Pursuant to Cal. R.
27 Prof. Conduct 1.7(b), “[a] lawyer shall not, without informed consent from each affected client []
28 represent a client if there is a significant risk the lawyer’s representation of the client will be

1 materially limited by [] the lawyer's own interests." Pursuant to Cal. R. Prof. Conduct 1.8.1, "[a]
2 lawyer shall not enter into a business transaction with a client, or knowingly acquire an
3 ownership, possessory, security or other pecuniary interest adverse to a client, unless each of the
4 following requirements has been satisfied: (a) the transaction or acquisition and its terms are fair
5 and reasonable to the client and the terms and the lawyer's role in the transaction or acquisition
6 are fully disclosed and transmitted in writing to the client in a manner that should reasonably
7 have been understood by the client; (b) the client either is represented in the transaction or
8 acquisition by an independent lawyer of the client's choice or the client is advised in writing to
9 seek the advice of an independent lawyer of the client's choice and is given a reasonable
10 opportunity to seek that advice; and (c) the client thereafter provides informed written consent to
11 the terms of the transaction or acquisition, and to the lawyer's role in it."

12 Respondent admits that "he failed to refrain from engaging in business activity with a
13 client," "breach[ing] his duties to his client and to the court." *See* Docket No. 20, pp. 1-2.
14 Respondent "acknowledges that his conduct in proposing to purchase items of jewelry from his
15 client, Debtor, without complying with mandatory disclosure and informed written consent
16 requirements, constitute violations of California Rules of Professional Conduct rule 1.7,
17 Comment 4 thereto [], and rule 1.8.1." *See id.* at p. 6, lines 1-8.

18 By engaging in a series of self-serving transactions with the Debtor, which hopelessly
19 pitted Respondent and his interests against the interests of the Debtor and the Debtor's
20 bankruptcy estate, Respondent violated Cal. R. Prof. Conduct 1.7. By failing to disclose the
21 jewelry transactions, and because the Debtor neither had independent counsel for the
22 transactions, nor was informed that she could obtain independent counsel for the transactions,
23 Respondent violated Cal R. Prof. Conduct 1.8.1.

24 ***18 U.S.C. § 154(1)***

25 Pursuant to 18 U.S.C. § 154(1), an officer of the Court that "knowingly purchases,
26 directly or indirectly, any property of the estate of which the person is such an officer in a case
27 under title 11 [] shall be fined under this title and shall forfeit the person's office, which shall
28 thereupon become vacant." "This is a criminal statute. The Court should not decide in a civil

1 case the inclusionary and exclusionary limits of the words used in the Act.” *Donovan &*
2 *Schuenke v. Sampsell*, 226 F.2d 804, 808 (9th Cir. 1955).

3 As Judge Kaufman found, Respondent’s purchase of jewelry from the Debtor during the
4 Bankruptcy Case, while employed, “would be highly improper and unlawful,” constituting,
5 among other things discussed herein, a violation of 18 U.S.C. § 154(1).

6 **Discipline**

7 Through the Statement of Cause, Judge Kaufman recommended that Respondent “be
8 suspended from practicing law in and before the United States Bankruptcy Court for the Central
9 District of California for a period of not less than one (1) year,” and that as a condition to
10 reinstatement, Respondent “complete at least ten (10) hours of ethics-related continuing legal
11 education from an educational provider approved by the State Bar of California.” *See* Docket
12 No. 1, p. 3.

13 Through the Response, Respondent provided this Panel with what he believes to be
14 mitigating circumstances, and a suggested alternative discipline than what has been proposed by
15 Judge Kaufman. To begin with, Respondent informs this Panel that he “has been a practicing
16 attorney since January 1972,” and that his “conduct in this matter was isolated and aberrational,
17 and not indicative of his usual and customary adherence to applicable rules and ethical
18 requirements required of attorneys.” *See* Docket No. 20, pp. 4-5.

19 Respondent, on at least four occasions, at set forth herein, violated in material ways, the
20 Bankruptcy Code and Rules, and the California Professional Rules of Conduct. Respondent’s
21 conduct continued for a period spanning more than a year. At no time did Respondent
22 voluntarily divulge his misconduct in the Bankruptcy Case to the Court and parties-in-interest.
23 Respondent had several instances to divulge his conduct, including through the many pleadings
24 he filed in the Bankruptcy Case. Knowing his conduct was inappropriate, he chose not to
25 disclose, even whilst under a statutory obligation to do so. It took the Debtor, the Chapter 11
26 Trustee and the OUST to uncover and reveal the extent of Respondent’s conduct.


27 Respondent has violated, on several occasions in the Case, his ethical duties to his client,
28 and his duties to the Court as one of its officers. Respondent’s years of service, and stated

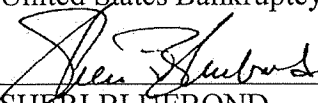
1 commitment to ensuring this does not occur again is a reason why this Panel is choosing the least
2 severe suspension recommended by Judge Kaufman, rather than something more.


3 This Panel finds Judge Kaufman's recommendations regarding the discipline of
4 Respondent to be appropriate under the circumstances and adopts those recommendations in full
5 as its order. The Panel will, in a separate order that will be entered herewith, suspend
6 Respondent from practicing law within the Court for a period of one year from entry of said
7 order. After one year from the entry of the order in this Proceeding lapses, Respondent may
8 apply for reinstatement with this Court, but only after providing the Court with proof that
9 Respondent has completed no less than ten hours of continuing legal education with a California
10 State Bar approved educational provider on the topic of legal ethics, is in good standing with the
11 State Bar of California, and has met all additional Reinstatement requirements set forth in detail
12 in the General Order. Respondent is to comply with the Order, refunding any monies in his
13 possession that were paid to him by the Debtor. To the extent he has not, any jewelry received
14 by Respondent from the Debtor, and which has not yet been turned over to the Chapter 11
15 Trustee, is to be turned over to the Chapter 11 Trustee, now in his capacity as the Chapter 7
16 trustee of the Debtor's bankruptcy estate, immediately.

17 Copies of this Memorandum of Decision and the order issued concurrently herewith shall
18 be served by the Clerk on each Bankruptcy Judge sitting in the Central District of California, on
19 the Clerk of the United States District Court for the Central District of California, and on the
20 State Bar of California.

21
22 Dated: September 2, 2025


BARRY RUSSELL
United States Bankruptcy Judge


SHERI BLUEBOND
United States Bankruptcy Judge


RONALD A. CLIFFORD III
United States Bankruptcy Judge

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
21041 Burbank Boulevard, Woodland Hills, CA 91367

A true and correct copy of the foregoing document entitled (*specify*): Case No.: 2:24-mp-101-BR
Memorandum of Decision in Disciplinary Proceeding against Robert M. Yaspan; and Order on Disciplinary Proceeding
against Robert M. Yaspan

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 09/02/2025, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Ron Maroko ron.maroko@usdoj.gov
United States Trustee (LA) ustregion16.la.ecf@usdoj.gov
Attorney Discipline Panel mailbox: cacb_attydiscipline@cacb.uscourts.gov
Attorney for Mr. Yaspan: epansky@panskymarkle.com

☐ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL:**

On (*date*) _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page


3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served)**: Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 09/02/2025, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Overnight mail: Ellen A. Pansky, Esq., Pansky Markle Attorneys at Law
1010 Sycamore Ave, Suite 308, South Pasadena, CA 91030

☐ Service information continued on attached page

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

09/02/2025 Jennifer Kohout
Date Printed Name


Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.