BEFORE THE PRESIDING DISCIPLINARY JUDGE

IN THE MATTER OF A MEMBER OF THE STATE BAR OF ARIZONA,

LYNDON B. STEIMEL, Bar No. 011733

Respondent.

PDJ-2015-9031

FINAL JUDGMENT AND ORDER

[State Bar No. 14-2197]

FILED MAY 6, 2015

The Presiding Disciplinary Judge of the Supreme Court of Arizona, having reviewed the Agreement for Discipline by Consent filed on April 13, 2015, pursuant to Rule 57(a), Ariz. R. Sup. Ct., hereby accepts the parties' proposed agreement. Accordingly:

IT IS HEREBY ORDERED that Respondent, Lyndon B Steimel, is Reprimanded with Probation for his conduct in violation of the Arizona Rules of Professional Conduct, as outlined in the consent documents, effective thirty (30) days from the date of this order.

IT IS FURTHER ORDERED Respondent shall be placed on probation for a period of two (2) years.

IT IS FURTHER ORDERED that as part of his probation, Respondent shall participate in LOMAP. Respondent shall contact the State Bar Compliance Monitor at (602) 340-7258, within ten (10) days from the date of service of this order. Respondent shall submit to a LOMAP examination of their office procedures.

Respondent shall sign terms and conditions of participation, including reporting requirements, which shall be incorporated herein. The probation period shall be effective June 3, 2015, and will conclude two (2) years from that date. Respondent will be responsible for any costs associated with LOMAP.

IT IS FURTHER ORDERED that as part of his probation, Respondent shall make restitution in the amount of \$18,921.29, with interest at the legal rate to be paid in twenty-four (24) equal payments, to the Complainant, Martin Aronson. Respondent shall make monthly payments in the amount of \$873.12 not later than the fifth (5th) of every month, commencing June 5, 2015, until the restitution is paid in full. Failure to timely make payments shall be a material breach.

IT IS FURTHER ORDERED that Respondent shall be subject to any additional terms imposed by the Presiding Disciplinary Judge as a result of reinstatement hearings held.

IT IS FURTHER ORDERED that, pursuant to Rule 72 Ariz. R. Sup. Ct., Respondent shall immediately comply with the requirements relating to notification of clients and others.

IT IS FURTHER ORDERED that Respondent pay the costs and expenses of the State Bar of Arizona in the amount of \$1,200, within thirty (30) days from the date of service of this Order. Any unpaid amount shall bear interest at the statutory rate of ten percent per annum until paid in full. There are no costs or expenses incurred by the disciplinary clerk and/or Presiding Disciplinary Judge's Office in connection with

these disciplinary proceedings.

DATED this 6th day of May, 2015

William J. O'Neil

William J. O'Neil, Presiding Disciplinary Judge

Copies of the foregoing mailed/emailed this 6th day of May, 2015.

Lyndon B. Steimel 14614 N Kierland Blvd Ste N135 Scottsdale, AZ 85254-2744 Email: lyndon@steimellaw.com Respondent

Hunter F. Perlmeter Staff Bar Counsel State Bar of Arizona 4201 N 24th Street, Suite 100 Phoenix, Arizona 85016-6266 Email: <u>LRO@staff.azbar.org</u>

Lawyer Regulation Records Manager State Bar of Arizona 4201 N 24th Street, Suite 100 Phoenix, Arizona 85016-6266

by: JAlbright

BEFORE THE PRESIDING DISCIPLINARY JUDGE

IN THE MATTER OF A MEMBER OF THE STATE BAR OF ARIZONA,

LYNDON B. STEIMEL, Bar No. 011733

Respondent.

PDJ-2015-9031

DECISION ACCEPTING CONSENT AGREEMENT

[State Bar No. 14-2197]

FILED MAY 6, 2015

A Probable Cause Order was issued on March 3, 2015. No formal complaint has been filed. On April 13, 2015, the parties filed an Agreement for Discipline by Consent.

Supreme Court Rule 57(a) authorizes filing consent agreements with the presiding disciplinary judge ("PDJ") after the authorization by the Attorney Discipline Probable Cause Committee to file a complaint. Rule 57(a)(3)(B), specifically provides:

If the agreement is reached before the authorization to file a formal complaint and the agreed upon sanction includes a reprimand or suspension, or if the agreement is reached after the authorization to file a formal complaint, the agreement shall be filed with the disciplinary clerk to be presented to the presiding disciplinary judge for review. The presiding disciplinary judge, in his or her discretion or upon request, may hold a hearing to establish a factual basis for the agreement and may accept, reject, or recommend the agreement be modified.

Supreme Court Rule 57 requires conditional admissions be tendered solely "...in exchange for the stated form of discipline...." The right to an adjudicatory hearing is

waived only if the "…conditional admissions and proposed form of discipline is approved…." If the agreement is not accepted, the conditional admissions are automatically withdrawn and shall not be used against the parties in any subsequent proceeding. Rule 57(a)(4)(C), Ariz. R. Sup. Ct.

Notice of this agreement was provided to the complainant by letter on March 31, 2015 under Supreme Court Rule 53(b)(3). Complainant was also notified of the opportunity to file any written objection to the Agreement with Independent Bar Counsel within five business days of bar counsel's notice. That time has now passed and no objection has been filed.

Mr. Steimel conditionally admits he negligently violated ERs 1.1, 1.3, 1.4, 1.5, 3.1, 4.4(a), and 8.4(d) and the parties have agreed to the following sanction: Reprimand, two years of probation with the State Bar's Law Office Management Assistance Program (LOMAP) and restitution which represents the judgment entered against his client for attorney fees due to the misconduct of Mr. Steimel and that client's \$5,000.00 retainer, plus interest, to be paid in 24 months equal payments while Mr. Steimel is on probation.

Attached to the agreement is the Notice of Entry of Judgment on Sister-State Judgment which states the Judgment is \$13,921.29. Besides that, the parties have stipulated will be added the \$5,000.00 retainer, which totals \$18,921.29. The parties made a mathematical error in this calculation, but having attached the judgment that error is corrected. In mitigation, the parties agree Mr. Steimel made full and free disclosure under *Standard* 9.32(3).

However, the parties also stipulate "A pattern of misconduct" is a mitigating factor. It is not. Under the *Standards*, it is an aggravating factor. The parties cite

the "substantial experience in the practice of law" of Mr. Steimel is a mitigating factor under the *Standards*. It is also an aggravating factor. Mr. Steimel has prior discipline and the parties stipulate this and an additional aggravating factor of "a pattern of misconduct."

The client is the complainant and hired Mr. Steimel to take legal action after being victimized by the Bernie Madoff scandal. Mr. Steimel was paid \$5,000 as the initial fee. Unaware the statute of limitations in an unregistered securities matter was only one year, he sued. A motion to dismiss under the statute of limitations was immediately filed. He responded to the motion and sought leave to amend the complaint. On February 3, 2011, the court denied the motion to amend the complaint and dismissed the complaint with prejudice.

Mr. Steimel informed complainant he sued after the expiration of the statute of limitations hoping opposing counsel would not notice. He informed his client he would rectify the situation by filing a new complaint under a different case number. He did not do so in a timely manner. Multiple emails and calls followed from complainant which were went unanswered for over two years.

In May, 2013, twenty seven months after the first dismissal, Mr. Steimel filed a new lawsuit virtually identical, "word-for-word except that two sentences had been added" to support the new theory. By the time of filing this second lawsuit, one of the original defendants had deceased. Despite being given the contact information for the Executor of the estate, Mr. Steimel did nothing to amend the complaint. In October, 2013, opposing counsel demanded the suit be dismissed or attorney fees and costs would be sought. Mr. Steimel gave no indication to complainant regarding the potential for fees and costs being assessed against the complainant.

On January 30, 2014, the Court entered Rule 11 sanctions against complainant and required him to pay the opposing attorneys and costs. Mr. Steimel did not inform his client of this until February 26, 2014, "due to the unpleasantness of having to share this information with him."

The parties stipulate to restitution for \$18,921.29, with interest at the legal rate, to be paid in 24 equal payments during the period of probation. The parties stipulate the PDJ shall determine the rate of interest. Since the payment of interest is a part of just compensation, determining the proper rate of interest is a judicial function. *Tucson Airport Auth. v. Freilich*, 136 Ariz. 280, 665 P.2d 1002, (Ariz. 1983). The statutory rate of ten percent per annum is applicable. A.R.S. 44-1201A.

Mr. Steimel requests his payments be paid on the fifth of each month commencing June 5, 2015. Mr. Steimel shall assure Complainant receives the monthly payment of \$873.12 not later than the fifth day of each month commencing June 5, 2015. Mr. Steimel is cautioned that failure to timely make his payment shall be a material breach. The State Bar must notify the PDJ of any material breach. Under Supreme Court Rule 60(a)(5)(C), if the PDJ determines the terms of probation have been violated an additional sanction may be entered which may be any of the sanctions under Supreme Court Rule 60(a) including disbarment. He is cautioned to govern himself accordingly.

The PDJ having finds the consent agreement meets the purposes of attorney discipline, accordingly:

IT IS ORDERED incorporating by this reference the Agreement and any supporting documents by this reference. Respondent agrees to pay costs associated with the disciplinary proceedings for \$1,200.00.

IT IS FURTHER ORDERED the Agreement is accepted. Costs as submitted are approved for \$1,200. His two year probation term shall commence on June 3, 2015. His twenty four equal payments of \$873.12 to complainant shall be received by complainant not later than the fifth day of each month commencing June 5, 2015. Now therefore, the final judgment and order is signed this date.

DATED this 6th day of May, 2015.

William J. O'Neil

William J. O'Neil, Presiding Disciplinary Judge

Copies of the foregoing mailed/emailed this 6th day of May, 2015.

Hunter Perlmeter Bar Counsel State Bar of Arizona 4201 N 24th Street, Suite 100 Phoenix, Arizona 85016-6266 Email: LRO@staff.azbar.org

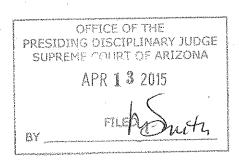
Lyndon B. Steimel 14614 N. Kierland Blvd., Suite N135 Scottsdale, AZ 85254-2744 Email:lyndon@steimellaw.com Respondent

Lawyer Regulation Records Manager State Bar of Arizona 4201 N 24th Street, Suite 100 Phoenix, Arizona 85016-6266

by: <u>JAlbright</u>

Hunter F. Perlmeter, Bar No. 024755 Staff Bar Counsel - Litigation State Bar of Arizona 4201 N. 24th Street, Suite 100 Phoenix, Arizona 85016-6266 Telephone (602)340-7278 Email: LRO@staff.azbar.org

Lyndon B. Steimel, Bar No. 011733 14614 North Kierland Boulevard, Ste N135 Scottsdale, AZ 85254-2744 Telephone 480-367-1188 Email: lyndon@steimellaw.com Respondent



BEFORE THE PRESIDING DISCIPLINARY JUDGE

IN THE MATTER OF A MEMBER OF THE STATE BAR OF ARIZONA,

LYNDON B. STEIMEL, Bar No. 011733

Respondent.

PDJ 2015 - 903/

State Bar File Nos. 14-2197

AGREEMENT FOR DISCIPLINE BY CONSENT

The State Bar of Arizona, through undersigned Bar Counsel, and Respondent, Lyndon B. Steimel, who has chosen not to seek the assistance of counsel, hereby submit their Agreement for Discipline by Consent, pursuant to Rule 57(a), Ariz. R. Sup. Ct. A probable cause order was entered on March 3, 2015, but no formal complaint has been filed in this matter. Respondent voluntarily waives the right to an adjudicatory hearing, unless otherwise ordered, and waives all motions, defenses, objections or requests which have been made or raised, or could be asserted thereafter, if the conditional admission and proposed form of discipline is approved.

Pursuant to Rule 53(b)(3), Ariz. R. Sup. Ct., notice of this agreement was provided to the complainant by letter on March 31, 2015. Complainant was notified of the opportunity to file a written objection to the agreement with the State Bar within five (5) business days of bar counsel's notice. No objection has been received.

Respondent conditionally admits that his conduct, as set forth below, violated Rule 42, ERs 1.1, 1.3, 1.4, 1.5, 3.1, 4.4(a) and 8.4(d). Upon acceptance of this agreement, Respondent agrees to accept imposition of the following discipline: Reprimand with Probation. Respondent also agrees to pay the costs and expenses of the disciplinary proceeding, within 30 days from the date of this order, and if costs are not paid within the 30 days, interest will begin to accrue at the legal rate. The State Bar's Statement of Costs and Expenses is attached hereto as Exhibit A.

FACTS

GENERAL ALLEGATIONS

1. Respondent was licensed to practice law in Arizona on October, 24, 1987.

COUNT ONE (File no. 14-2197/ Aronson)

- 2. Complainant hired Respondent to take legal action against Barbara Roth and her company, J&R Associates, after he had been victimized by the Bernie Madoff scandal through an investment facilitated by J&R.
- 3. In October of 2010, Complainant paid Respondent an initial fee of \$5,000.

¹ Respondent understands that the costs and expenses of the disciplinary proceeding include the costs and expenses of the State Bar of Arizona, the Disciplinary Clerk, the Probable Cause Committee, the Presiding Disciplinary Judge and the Supreme Court of Arizona.

- 4. On November 1, 2010, Respondent filed a lawsuit (Maricopa County Superior Court case no. CV2010-054521) alleging that the defendants sold unregistered securities in violation of A.R.S. § 44-1841.
- 5. On November 22, 2010, the defendants moved to dismiss the lawsuit because the statute of limitations had run.
- 6. On December 13, 2010, Respondent responded to the motion to dismiss and moved for leave to amend his complaint.
- 7. On February 3, 2011, the court denied the Motion for Leave to Amend and dismissed the case with prejudice finding that the statute of limitations had expired.
- 8. Complainant was shocked when he learned of the result, as it was the first time that he had heard that the statute of limitations in an unregistered securities matter was only one year.
- 9. When he spoke with Respondent about the lawsuit's dismissal, Respondent told Complainant that he had filed the lawsuit after the statute of limitations expired hoping that the opposing attorney would not notice and might offer to settle the matter. Respondent told Complainant that he would rectify the situation by filing a new complaint under a different case number. Respondent, however, failed to do so for a substantial period of time.
- 10. When Complainant had heard nothing regarding the new lawsuit, he called Respondent for a status update. A "Communication Record" in Respondent's file memorializes a March 9, 2011, call from Complainant to Respondent requesting the update. Respondent's assistant made a note that Complainant had sent a few emails and received no response.

11. In September of 2011, Complainant still had not received an update.

On September 13, 2011, Complainant wrote the following email to Respondent's assistant:

Hello Michelle. I am writing because I sent an email to Lyndon last week requesting a status update on my case. But Lyndon never replied to my email. I haven't heard anything for months regarding progress on the case. Could you please ask him to contact me and let me know the status of the case. Apparently the first complaint was filed under the wrong statute of limitations, and another, amended complaint was to be filed. But this has not happened, and I am concerned about the costs of this amended complaint, as well as the long time lag and lack of response to my query. Please have Lyndon respond to these concerns as soon as possible. Thanks.

- 12. Respondent's assistant printed the email and handwrote the following to Respondent: "I promised him you would send reply email TODAY." Respondent did not respond that day.
- 13. Complainant spoke with Respondent sometime during the summer of 2012 and was alarmed to learn that Respondent had not filed the second lawsuit. Respondent indicated that he had been busy and would soon take care of it.
- 14. On November 14, 2012, Complainant called the firm to determine the status of the lawsuit. A note in Respondent's file drafted by Respondent's secretary states: "Has sent 2 emails to you and Michelle [legal assistant] in past month and has not heard back. 'Please call me.'"
- 15. On January 4, 2013, Complainant wrote the following email to Respondent's assistant and copied Respondent: "Hello Michelle. I am still waiting to hear from Lyndon on my case. This is another reminder. Please have him get back to me ASAP. Thanks."

- 16. Respondent filed the second lawsuit in May of 2013. The new matter was filed under case no. CV2013-050388, alleging two new causes of action, breach of contract and unjust enrichment.
- 17. In September of 2013, opposing counsel advised Respondent that one of the defendants that Respondent had named in the lawsuit had recently passed away and provided Respondent with contact information for the executor of the estate. Respondent, however, failed to amend the Complaint.
- 18. In October of 2013, opposing counsel wrote Respondent a letter asserting that the new lawsuit was barred by res judicata and, "Accordingly, you are hereby advised that unless the Complaint is immediately dismissed, our client will seek sanctions and attorneys' fees and costs in this action." Respondent provided no indication to Complainant as to the amount of the defendants' attorneys' fees that he might be ordered to pay in the event of an adverse result.
- 19. On January 30, 2014, the court, by minute entry, dismissed the new action finding that it was precluded because it alleged the same facts presented in the first action. The minute entry states: "the Court has made a side-by-side review of the two Complaints. The facts in both Complaints are virtually identical word-forword except that two sentences have been added to support the breach of contract theory of liability in the 2013 Complaint. Thus, the Court determines that the same "nucleus of facts" exists for both lawsuits."
- 20. In the same minute entry, the court entered Rule 11 sanctions against Complainant, requiring him to pay the opposing party's attorneys' fees totaling \$13,052.78. In its ruling, the court stated:

In considering Rule 11 sanctions, the Court notes that Plaintiff also brought the action against Defendant Mark W. Roth, who was deceased well in advance of the filing of Again, Defendants notified Plaintiff, by and through counsel, that Mr. Roth was deceased. At the hearing, Plaintiff concedes that he knew that Defendant Mark Roth was deceased. Plaintiff is unable to provide the Court with any justification for not promptly and affirmatively dismissing Mr. Roth from the Complaint under these circumstances. Also, Plaintiff brought another claim in the 2013 litigation that is time barred. Plaintiff brought an unjust enrichment claim that has a three year statute of limitation. A.R.S. § 12-543. The statute of limitations ran as against this count in 2011 or more than two years ago. Plaintiff's 2013 Complaint contains no allegations to suggest that the statute should be in any manner tolled.

21. The Court went on to make the following findings:

- a. The breach of contract claim was available to assert by Plaintiff in the
 2010 litigation;
- The documents that support the breach of contract claim existed at the time of the 2010 litigation;
- c. The same nucleus of facts supports both the 2010 and 2013 litigation;
- d. Plaintiff asserted the breach of contract claim in the present case to avoid the Court's ruling in the 2010, which (sic) was not appealed;
- e. Plaintiff's counsel was the legal counsel for the 2010 litigation and was aware of the Court's 2011 ruling dismissing the 2010 Complaint with prejudice;
- f. Plaintiff's legal counsel was unable to articulate any good faith argument why the breach of contract claim was not brought in 2010 or to assert any legal reasoning why a case that was dismissed with prejudice could be re-brought some two years later;

- g. Plaintiff pursued a claim (unjust enrichment) that was time barred;
- h. Plaintiff had notice that Defendant would seek Rule 11 sanction; and,
- Plaintiff pursued a legal action against a party who is deceased when he was aware that a party was deceased.
- 22. Respondent did not inform Complainant of the court's ruling until February 26, 2014. This was done by letter. In the letter, Respondent indicated that he would file a motion to reduce attorneys' fees. Respondent did so, but the motion was denied. Respondent never followed up with Complainant concerning the denial.
- 23. On April 23, 2014, counsel for the defendants wrote a letter to Respondent stating in part, "If you wish to avoid action being taken to enforce the judgment, your payment of \$13,052.78 should be received by our office on or before April 30, 2014." The letter went on to indicate that formal action would be taken to collect if payment was not made. Respondent forwarded the letter to Complainant.
- 24. On June 13, 2014, Counsel for the defendants wrote a letter to Respondent enclosing a subpoena in connection with collection on the judgment and an Acceptance of Service. The letter asked Respondent to advise the firm by June 18, 2014, whether Respondent would accept service for Complainant in the collections action. Respondent did not respond to the letter.
- 25. In addressing his rationale for bringing the second lawsuit under a breach of contract theory, Respondent's position is:

In an effort to try to revive Martin's (Complainant's) action, I determined that it might be possible to allege that his action arose out of a contract based upon various

statements and correspondence exchanged between Martin and Mrs. Roth over the years and that his statute of limitations for a breach of contract matter arose sometime after the time he took his last \$100,000.00 withdrawal from his account with the Roth's (sic). Therefore, I proceeded with the second action believing it would stand on its own and not be precluded by the decision based upon the allegations that were barred by the statute of limitations for unregistered securities and dealers.

- 26. Concerning his failure to dismiss a deceased defendant from the litigation, Respondent's position is: "I did learn about his (Mark Roth's) death but probably should have dropped him from the lawsuit but did not think that it was immediately necessary. I meant no insensitivity by my actions and I am truly sorry about his passing."
- 27. Concerning the delay in communicating with his client concerning the court's dismissal of the second lawsuit, Respondent's position is: "After the Court's decision to dismiss the Second Complaint and award fees ultimately came down but (sic) I may have delayed just a little bit getting this information to Martin due to the unpleasantness of having to share this information with him."
- 28. Complainant indicated that after filing the subject bar charge, he received an email from Respondent requesting to speak with him concerning a possible refund. Complainant responded that he would entertain a conversation, but Respondent never followed up with further communication.
- 29. On December 22, 2014, bar counsel inquired of Respondent whether he intended to compensate Complainant for the Rule 11 sanctions or refund his fee payment of \$5,000. Respondent indicated via email that he might not be in a position to repay Complainant. Respondent's financial difficulties are detailed in an April 3, 2015 letter attached as Exhibit B.

30. In March of 2015, Complainant received a Notice of Entry of Judgment for \$13,921.29 from the collections company attempting to collect the sanction amount. The total included a \$370 filing fee and interest of \$498 (calculated at a 4.25 rate). The March 5 Notice of Entry of Judgment is attached as Exhibit C. Respondent, as part of this agreement, agrees to compensate Complainant fully for the sanctions award and to fully refund the \$5,000 in attorney's fees associated with his representation.

Summary of Rule Violations:

Rule 42, Ariz. R. Sup. Ct.:

- 1. ER 1.1 requires a lawyer to provide competent representation to a client.
- 2. ER 1.3 requires a lawyer to act with reasonable diligence and promptness in representing a client.
- 3. ER 1.4 requires a lawyer to reasonably communicate with his client
- 4. ER 1.5 prohibits a lawyer from collecting an unreasonable fee. Respondent collected and retained a fee for work of little or no value.
- 5. ER 3.1 prohibits a lawyer from bringing or defending a proceeding unless there is a good faith basis in law and fact for doing so that is not frivolous.
- 6. ER 4.4(a) prohibits a lawyer from using means that have no substantial purpose other than to embarrass, delay or burden any other person.
- 7. ER 8.4(d) prohibits a lawyer from engaging in conduct prejudicial to the administration of justice.

CONDITIONAL ADMISSIONS

Respondent's admissions are being tendered in exchange for the form of discipline stated below and are submitted freely and voluntarily and not as a result of coercion or intimidation.

Respondent conditionally admits that his conduct violated Rule 42, Ariz. R. Sup. Ct., specifically ERs 1.1, 1.3, 1.4, 1.5, 3.1, 4.4(a), and 8.4(d).

SANCTION

Respondent and the State Bar of Arizona agree that, based on the facts and circumstances of this matter, as set forth above, the following sanction is appropriate: Reprimand and two years probation to include LOMAP and restitution.

PROBATION (LOMAP)

Respondent shall contact the State Bar Compliance Monitor at (602) 340-7258, within 10 days from the date of service of the Order. Respondent shall submit to a LOMAP examination of their office procedures. Respondent shall sign terms and conditions of participation, including reporting requirements, which shall be incorporated herein. The probation period will begin at the time the Order is served on Respondent and will conclude two years from that date. Respondent will be responsible for any costs associated with LOMAP.

RESTITUTION

Respondent agrees to pay restitution to Complainant in the amount of \$18,052.78 (the amount of the attorney's fees collected by Respondent, plus the sanctions order entered by the court), plus interest. Respondent's position is that due to financial hardship detailed in Exhibit B he will need two years to make such payment. Respondent proposes that he be permitted to make payments to

Complainant on the fifth day of every month beginning the first month following the date of the Judgment and Order, until the restitution is paid in full. The State Bar takes no position concerning the reasonability of Respondent's proposed payment plan. Complainant has been advised that Respondent has asserted financial hardship and desire to pay the restitution over a two year period. Complainant has not objected to Respondent's request.

NON-COMPLIANCE LANGUAGE

In the event that Respondent fails to comply with any of the foregoing probation terms, and information thereof, is received by the State Bar of Arizona, Bar Counsel shall file a notice of noncompliance with the Presiding Disciplinary Judge, pursuant to Rule 60(a)(5), Ariz. R. Sup. Ct. The Presiding Disciplinary Judge may conduct a hearing within 30 days to determine whether a term of probation has been breached and, if so, to recommend an appropriate sanction. If there is an allegation that Respondent failed to comply with any of the foregoing terms, the burden of proof shall be on the State Bar of Arizona to prove noncompliance by a preponderance of the evidence.

If Respondent violates any of the terms of this agreement, further discipline proceedings may be brought.

LEGAL GROUNDS IN SUPPORT OF SANCTION

In determining an appropriate sanction, the parties consulted the American Bar Association's *Standards for Imposing Lawyer Sanctions (Standards)* pursuant to Rule 57(a)(2)(E). The *Standards* are designed to promote consistency in the imposition of sanctions by identifying relevant factors that courts should consider and then applying those factors to situations where lawyers have engaged in various

types of misconduct. *Standards* 1.3, Commentary. The *Standards* provide guidance with respect to an appropriate sanction in this matter. *In re Peasley*, 208 Ariz. 27, 33, 35, 90 P.3d 764, 770 (2004); *In re Rivkind*, 162 Ariz. 154, 157, 791 P.2d 1037, 1040 (1990).

In determining an appropriate sanction consideration is given to the duty violated, the lawyer's mental state, the actual or potential injury caused by the misconduct and the existence of aggravating and mitigating factors. *Peasley*, 208 Ariz. at 35, 90 P.3d at 772; *Standard* 3.0.

The parties agree that *Standard* 4.43 is the appropriate *Standard* given the facts and circumstances of this matter. *Standard* 4.43 provides that Reprimand is generally appropriate when a lawyer is negligent and does not act with reasonable diligence in representing a client, and causes injury or potential injury to a client. Respondent was negligent in failing to diligently litigate Complainant's case and failing to reasonably communicate with Complainant.

The duty violated

As described above, Respondent's conduct violated his duty to his client, the profession and the legal system.

The lawyer's mental state

For purposes of this agreement the parties agree that Respondent negligently failed to reasonably communicate and failed to timely litigate his client's case and that his conduct was in violation of the Rules of Professional Conduct.

The extent of the actual or potential injury

For purposes of this agreement, the parties agree that there was actual harm to his client.

Aggravating and mitigating circumstances

The presumptive sanction in this matter is Reprimand. The parties conditionally agree that the following aggravating and mitigating factors should be considered.

In aggravation:

Standard 9.22(a) prior disciplinary offenses: Admonition (12-2875)-- ER 1.8 business transaction.

Standard 9.22(c): a pattern of misconduct

In mitigation:

Standard 9.32(e): Full and free disclosure to the disciplinary board

Standard 9.32(c): A pattern of misconduct

Standard 9.22(i) substantial experience in the practice of law

Discussion

The parties have conditionally agreed that, upon application of the aggravating and mitigating factors to the facts of this case, the presumptive sanction is appropriate.

The parties have conditionally agreed that a greater or lesser sanction would not be appropriate under the facts and circumstances of this matter. Based on the *Standards* and in light of the facts and circumstances of this matter, the parties conditionally agree that the sanction set forth above is within the range of appropriate sanction and will serve the purposes of lawyer discipline.

CONCLUSION

The object of lawyer discipline is not to punish the lawyer, but to protect the public, the profession and the administration of justice. Peasley, supra at ¶ 64, 90 P.3d at 778. Recognizing that determination of the appropriate sanction is the prerogative of the Presiding Disciplinary Judge, the State Bar and Respondent believe that the objectives of discipline will be met by the imposition of the proposed sanction of Reprimand with Probation and the imposition of costs and expenses. A proposed form order is attached hereto as Exhibit D.

DATED this 13th day of April 2015

STATE BAR OF ARIZONA

This agreement, with conditional admissions, is submitted freely and voluntarily and not under coercion or intimidation.

DATED this __/Of/_day of April, 2015.

Approved as to form and content

Chief Bar Counsel
Original filed with the Disciplinary Clerk of
the Office of the Presiding Disciplinary Judge
of the Supreme Court of Arizona
this ______ day of April 2015.

Lyndon B. Steimel 14614 North Kierland Boulevard, Suite N135 Scottsdale, AZ 85254-2744 lyndon@steimellaw.com Respondent

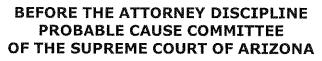
Copy of the foregoing <u>emailed</u> this _____ day of April, 2015, to:

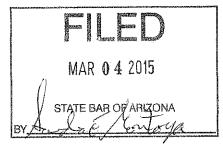
William J. O'Neil Presiding Disciplinary Judge Supreme Court of Arizona Email: officepdj@courts.az.gov

Copy of the foregoing hand-delivered this _____ day of April, 2015, to:

Lawyer Regulation Records Manager State Bar of Arizona 4201 North 24th Street, Suite 100 Phoenix, Arizona 85016-6266

DY: A SYM





IN THE MATTER OF A MEMBER OF THE STATE BAR OF ARIZONA,

LYNDON B. STEIMEL

Bar No. 011733

No. 14-2197

PROBABLE CAUSE ORDER

Respondent.

The Attorney Discipline Probable Cause Committee of the Supreme Court of Arizona ("Committee") reviewed this matter on February 20, 2015, pursuant to Rules 50 and 55, Ariz. R. Sup. Ct., for consideration of the State Bar's Report of Investigation and Recommendation and Respondent's Response.

By a vote of 6-0-3¹, the Committee finds probable cause exists to file a complaint against Respondent in File No. 14-2197.

IT IS THEREFORE ORDERED pursuant to Rules 55(c) and 58(a), Ariz. R. Sup. Ct., authorizing the State Bar Counsel to prepare and file a complaint with the Disciplinary Clerk.

Parties may not file motions for reconsideration of this Order.

DATED this ____ day of March, 2015.

Judge Lawrence F. Winthrop, Chair Attorney Discipline Probable Cause

Carrende + 1

Committee of the Supreme Court of Arizona

 $^{^{\}mathrm{1}}$ Committee members Ella G. Johnson, Ben Harrison and Donald G. Manring did not participate in this matter.

Original filed this 4th day of March, 2015, with:

Lawyer Regulation Records Manager State Bar of Arizona 4201 North 24th Street, Suite 100 Phoenix, Arizona 85016-6266

Copy mailed this 54 day of March, 2015, to:

Lyndon B. Steimel 14614 North Kierland Boulevard, Suite N135 Scottsdale, Arizona 85254-2744 Respondent

Copy emailed this 5% day of March, 2015, to:

Attorney Discipline Probable Cause Committee of the Supreme Court of Arizona 1501 West Washington Street, Suite 104 Phoenix, Arizona 85007 E-mail: ProbableCauseComm@courts.az.gov

Lawyer Regulation Records Manager State Bar of Arizona 4201 North 24th Street, Suite 100 Phoenix, Arizona 85016-6266

EXHIBIT A

Statement of Costs and Expenses

In the Matter of a Member of the State Bar of Arizona, Lyndon B. Steimel, Bar No. 011733, Respondent

File No. 14-2197

<u>Administrative Expenses</u>

The Supreme Court of Arizona has adopted a schedule of administrative expenses to be assessed in lawyer discipline. If the number of charges/complainants exceeds five, the assessment for the general administrative expenses shall increase by 20% for each additional charge/complainant where a violation is admitted or proven.

Factors considered in the administrative expense are time expended by staff bar counsel, paralegal, secretaries, typists, file clerks and messenger; and normal postage charges, telephone costs, office supplies and all similar factors generally attributed to office overhead. As a matter of course, administrative costs will increase based on the length of time it takes a matter to proceed through the adjudication process.

General Administrative Expenses for above-numbered proceedings

\$1,200.00

Additional costs incurred by the State Bar of Arizona in the processing of this disciplinary matter, and not included in administrative expenses, are itemized below.

Staff Investigator/Miscellaneous Charges

Lawyer Regulation Records Manager

Total for staff investigator charges		\$	0.00
TOTAL COSTS AND EXPENSES INCURRED		\$1	,200.00
Sardra E Montaga	4-2-15		
Sandra E. Montoya (Date	***************************************	

EXHIBIT B

THE LAW OFFICE OF LYNDON B. STEIMEL

14614 N. Kierland Boulevard Suite N-135 Scottsdale, AZ 85254

Lyndon B. Steimel Admitted in Arizona

(480) 367-1188 FAX (480) 367-1174 e-mail: lyndon@steimellaw.com

D. Michelle Delpier Paralegal

April 3, 2015

State Bar of Arizona 4201 N. 24th Street, Suite 100 Phoenix, AZ 85016-6266

Re:

Martin Aronson File No. 14-2197

To Whom It May Concern:

I have been asked to provide a statement regarding financial hardship in connection with my request that any restitution ordered in this matter be paid in monthly installments. Indeed my circumstances are such that I would only be able to pay restitution in installments and even that will present a hardship.

I am a sole practioner and have been on my own since late 1998. My practice consists of bankruptcy work and general civil litigation. Recently I had to let my long-time paralegal go because of a slow-down in bankruptcy work. I continue to work very hard to support my family which consists of my wife, Terri and my sons, Jackson, an honor student junior at Gonzaga University, and Jhett, a freshman at University of Arizona.

The income derived from my law practice has been reduced approximately 35-45% since August of 2014. I had several contingency cases that went all the way to trial during 2014 and were unsuccessful. I had spent numerous hours and my own funds in seeing these cases through trial and even appeal. This was time that I could have spent on hourly based cases but I believed in the cases and the clients.

In addition, as I indicated, my practice relied heavily on both consumer and some creditor bankruptcy work that has slowed down tremendously. My paralegal specialized in bankruptcy work and was once employed by the United States Trustee's Office. I kept up with her salary (which was over market for most firms) in an effort to keep the salary paid. We did our best to continue to work on what cases we could but I could see that, with the work base that my office had and the lack of paying clients, it was not going to

work out. Eventually, we agreed amicably that she should seek employment with another firm and she found other work and sadly resigned her position on October 17, 2014.

I have a substantial accounts receivable for my practice. I have had to put several clients on installment repayment plans themselves. Many of my past due clients simply cannot pay and do what they can to pay when they can on their past due obligations.

In addition to letting my only staff member go, I have done what I can to lower and cut expenses. I have also continued to get new and repeat clients and am trying to take in any case or matter that will produce income.

My firm is currently \$14,000.00 in arrears in office rent. I have been in the same building since late 1998 and the landlord has been very generous in accepting late rents and payments when I can make them. I am currently trying to reach a settlement with the landlord for back rents and endeavor to keep rents current.

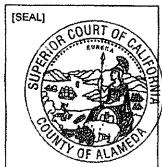
I hope that you will take the above in consideration when determining whether or not my firm will be allowed to pay restitution on an installment basis. Should you have any questions or need any further information I can be contacted at the number and address(es) above.

Sincerely yours,

Sent via email to:

Hunter F. Perlmeter [hunter.perlmeter@staff.azbar.org]
Jessica Oliverson via email Jessica.Oliverson@staff.azbar.org
97701.L05

EXHIBIT C



(Proof of service on reverse)

CCP 416.10 (corporation)

CCP 416.60 (minor)

CCP 416.70 (conservatee)

CCP 416.90 (individual)



Under:

other:

CCP 416.20 (defunct corporation)

CCP 416.40 (association or partnership)

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name		CM-01
Martin D. Goodman Law Offices of Martin 456 Montgomery Street San Francisco, CA 941 TELEPHONE NO.: (415) 397— ATTORNEY FOR (Namo): Barbara Rot SUPERIOR COURT OF CALIFORNIA, COUNTY OF STREET ADDRESS: 1225 Fallon MAILING ADDRESS: CITY AND ZIP CODE: Oakland, CA	, Suite 1300 04 7956	ENDUMBLE FILED ALAMEDA COUNTY 2015 MAR - 5 AM 9: 17 CLERK OF THE SUPERICR COURT H. SALCIDO, DEPUTY
CIVIL CASE COVER SHEET Unlimited \(\times\) Limited (Amount (Amount demanded is exceeds \$25,000) \$25,000 or less)	Complex Case Designation Counter Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	CASE NUMBER: RG15761005 RIDGE: DEPT:
1. Check one box below for the case type Auto Tort Auto (22) Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Propert Damage/Wrongful Death) Tort Asbestos (04) Product liability (24) Medical malpractice (45) Other PI/PD/WD (Other) Tort Business tort/unfair business practice Civil rights (08) Defamation (13) Fraud (16) Intellectual property (19) Professional negligence (25) Other non-PI/PD/WD tort (35) Employment Wrongful termination (36) Other employment (15)	Contract Breach of contract/warranty (06) Rule 3.740 collections (09) Other collections (09) Insurance coverage (18) Other contract (37) Real Property Eminent domain/Inverse condemnation (14) Wrongful eviction (33)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) Antitrust/Trade regulation (03) Construction defect (10) Mass tort (40) Securities litigation (28) Environmental/Toxic tort (30) Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment Enforcement of judgment (20) Miscellaneous Civil Complaint RICO (27) Other complaint (not specified above) (42) Miscellaneous Civil Petition Partnership and corporate governance (21) Other petition (not specified above) (43)
This case is X is not	oresented parties on difficult or novel e. Coordination with in other countries in other	f witnesses th related actions pending in one or more courts s, states, or countries, or in a federal court judgment judicial supervision ratory or injunctive relief c. punitive judgment)
 Plaintiff must file this cover sheet with tunder the Probate Code, Family Code, in sanctions. File this cover sheet in addition to any of ithis case is complex under rule 3.400 other parties to the action or proceeding. 	NOTICE the first paper filed in the action or proceeding (or Welfare and Institutions Code). (Cal. Rules cover sheet required by local court rule.) et seq. of the California Rules of Court, you may	except small claims cases or cases filed of Court, rule 3.220.) Failure to file may result ust serve a copy of this cover sheet on all

(Continued on reverse)

c. Accrued interest on sister-state judgment:

d. Amount of judgment to be entered (total of 5a, b, and c):

498.51

13,921.29

PLAINTIFF: Martin Ar	conson	1,	CASE NUMBER:	
DEFENDANT: Barbara F			om synn. (Mystiddaeth)	-
	IT IS ENTERED AS FOLLOWS BY:	THE COURT	X THE CLERK	
4. Stipulated Judgment	Judgment is entered according to the		NEWSTANDS	
5. Parties. Judgment is				
a. for plaintiff (name e	each):	c. 🔲 for cross-c	complainant (name each):	
and against defend	dant (names) :	and agains	st cross-defendant (name eaci	n):
Continued on	Attachment 5a.	Conti	nued on Attachment 5c.	
b. X for defendant (nam Barbara Rot		d. for cross-d	lefendant (name each):	,
Amount. Defendant named pay plaintiff on the	in item 5a above must complaint:		ant named in item 5c above monant on the cross-complaint:	ust pay
(1) Damages (2) Prejudgment interest at the annual rate of (3) Attorney fees (4) Costs (5) Other (specify):	\$ \$ \$ \$ \$	(1) Damages (2) Prejudgment interest at the ariqual rate of (3) Attorney fees (4) Costs (5) Other (specify	f % \$ \$ \$	
(6) TOTAL	\$ 0.00	(6) TOTAL	\$	0.00
named in item 5b. Defendant name costs \$ and attorn Other (specify): Ju	nothing from defendant med in item 5b to recover mey fees \$ midgment is entered fo maintiff Martin Arons	cross-defendant Cross-defendant Cross-defendant Ban		
Date:			JUDICIAL OFFICER	
oate:		Clerk, by		, Deputy
(SEAL)	CLERK'S CERT	TIFICATE (Optional)		
	certify that this is a true copy of the o	original judgment on file in	the court.	
	date:			
		Clerk, by	· · · · · · · · · · · · · · · · · · ·	, Deputy
				Page 2 of 2
UD-100 [New Jenuary 1, 2002]	JUDGN	MENT		

ESSENTIAL FORMS

EXHIBIT D

BEFORE THE PRESIDING DISCIPLINARY JUDGE

IN	THE	MAT	TER	OF	Α
CU	RRE	NT M	EMB	ER	OF
TH	E ST	ATE	BAR	OF	ARIZONA

Lyndon B Steimel, Bar No. 011733,

Respondent.	

PDJ

FINAL JUDGMENT AND ORDER

[State Bar No. 14-2197]

IT IS HEREBY ORDERED that Respondent, Lyndon B Steimel, is hereby Reprimand with Probation for his conduct in violation of the Arizona Rules of Professional Conduct, as outlined in the consent documents, effective 30 days from the date of this order or ______.

IT IS FURTHER ORDERED that, Respondent shall be placed on probation for a period of two years.

IT IS FURTHER ORDERED that as part of his probation, Respondent shall participate in LOMAP. Respondent shall contact the State Bar Compliance Monitor at (602) 340-7258, within 10 days from the date of service of this Order/Agreement. Respondent shall submit to a LOMAP examination of their office procedures. Respondent shall sign terms and conditions of participation, including reporting requirements, which shall be incorporated herein. The diversion/probation period

will begin at the time this Order/agreement is served on Respondent and will conclude one year from that date. Respondent will be responsible for any costs associated with LOMAP.

IT IS FURTHER ORDERED that as part of his probation, Respondent will be required to make restitution in the amount of \$18,052.78 to the Complainant, Martin Aronson. Due to financial hardship, Respondent will make monthly payments in the amount of ____ on the fifth of every month, beginning the first month following the date of the Judgment and Order, until the restitution is paid in full.

IT IS FURTHER ORDERED that Respondent shall be subject to any additional terms imposed by the Presiding Disciplinary Judge as a result of reinstatement hearings held.

NON-COMPLIANCE LANGUAGE

In the event that Respondent fails to comply with any of the foregoing probation terms, and information thereof, is received by the State Bar of Arizona, Bar Counsel shall file a notice of noncompliance with the Presiding Disciplinary Judge, pursuant to Rule 60(a)(5), Ariz. R. Sup. Ct. The Presiding Disciplinary Judge may conduct a hearing within 30 days to determine whether a term of probation has been breached and, if so, to recommend an appropriate sanction. If there is an allegation that Respondent failed to comply with any of the foregoing terms, the burden of proof shall be on the State Bar of Arizona to prove noncompliance by a preponderance of the evidence.

IT IS FURTHER ORDERED that, pursuant to Rule 72 Ariz. R. Sup. Ct., Respondent shall immediately comply with the requirements relating to notification of clients and others.

IT IS FURTHER ORDERED that Respondent pay the costs and expenses of the State Bar of Arizona in the amount of \$1,200, within 30 days from the date of service of this Order. Any unpaid amount shall bear interest at the statutory rate of ten percent per annum until paid in full.

IT IS FURTHER ORDERED that Respondent shall pay the costs and expenses incurred by the disciplinary clerk and/or Presiding Disciplinary Judge's Office in connection with these disciplinary proceedings in the amount of _______, within 30 days from the date of service of this Order.

DATED this _____ day of April, 2015

William J. O'Neil, Presiding Disciplinary Judge

Original filed with the Disciplinary Clerk of the Office of the Presiding Disciplinary Judge of the Supreme Court of Arizona this _____ day of April, 2015.

Copies of the foregoing mailed/emailed this _____ day of April, 2015.

Lyndon B. Steimel 14614 N Kierland Blvd Ste N135 Scottsdale, AZ 85254-2744 Email: lyndon@steimellaw.com Respondent

Hunter F. Perlmeter	•	
Staff Bar Counsel - Litigation		
State Bar of Arizona		
4201 N 24th Street, Suite 100		
Phoenix, Arizona 85016-6266		
Email: <u>LRO@staff.azbar.org</u>		
Copy of the foregoing hand-delivered		
this day of April, 2015 to:		
Lawyer Regulation Records Manager		
State Bar of Arizona		
4201 N 24 th Street, Suite 100		
Phoenix, Arizona 85016-6266		