

UNITED STATES BANKRUPTCY COURT

Eastern District of California

Honorable Robert S. Bardwil
Bankruptcy Judge
Sacramento, California

January 8, 2014 at 11:00 a.m.

INSTRUCTIONS FOR PRE-HEARING DISPOSITIONS

1. Matters resolved without oral argument:

Unless otherwise stated, the court will prepare a civil minute order on each matter listed. If the moving party wants a more specific order, it should submit a proposed amended order to the court. In the event a party wishes to submit such an Order it needs to be titled "Amended Civil Minute Order.:

If the moving party has received a response or is aware of any reason, such as a settlement, that a response may not have been filed, the moving party must contact Nancy Williams, the Courtroom Deputy, at (916) 930-4580 at least one hour prior to the scheduled hearing.

2. The court will not continue any short cause evidentiary hearings scheduled below.

3. If a matter is denied or overruled without prejudice, the moving party may file a new motion or objection to claim with a new docket control number. The moving party may not simply re-notice the original motion.

4. If no disposition is set forth below, the matter will be heard as scheduled.

1.	13-23621-D-7	PACIFIC ASSET MANAGEMENT, INC.	CONTINUED ORDER TO SHOW CAUSE 6-20-13 [33]
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CASE DISMISSED 4/18/13

See ruling for Item No. 2.

2.	11-26466-D-13	STEVE JOHNSON	CONTINUED ORDER TO SHOW CAUSE 6-20-13 [42]
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CASE CLOSED 9/13/11

Tentative ruling:

This is the continued hearing on the court's order to show cause directed at attorney Stephen Johnson ("Johnson") issued on June 20, 2013, docket entry no. 42

(the "OSC"). The court held a prior hearing on the OSC on November 27, 2013, and issued a tentative ruling which is reflected in the court's minutes at docket entry no. 81. This tentative ruling contains a summary of the facts behind the court's issuance of the OSC. The OSC at docket entry no. 42 and the tentative ruling at docket entry No. 81 are incorporated herein.

The November 27, 2013 hearing was continued to allow Johnson to supplement his response to the OSC. In this regard, Johnson filed his declaration, the declaration of Luke Garcia,¹ and the declaration of William J. Brady, along with a supplemental response on December 16, 2013 (the declarations and supplemental response shall collectively be referred to as the "Supplemental Response"). The UST filed a brief reply to the Supplemental Response on December 24, 2013.

In Johnson's response, including the Supplemental Response, to the OSC he, in essence, concedes that he engaged in the conduct described in the OSC. But, Johnson then attempts to mitigate his culpability based on certain medical ailments and psychological/emotional problems. The court has considered the mitigating factors asserted by Johnson; nonetheless, the court finds that as a result of the conduct described in the OSC that Johnson has repeatedly submitted to the court by signing and filing petitions, pleadings, motions, and other papers and documents that were erroneous, inaccurate, misleading, incomplete, and that Johnson filed or presented these documents for improper purposes and that factual representations made by Johnson in these documents were without evidentiary support. Further, the court finds that Johnson engaged in the above conduct that is more particularly described in the OSC in bad faith and that as a result Johnson violated Fed.R.Bankr.Proc. 9011(b). Based on the foregoing the court intends to issue sanctions against Johnson as follows:

1. A monetary sanction of \$1,500;
2. To suspend Johnson from practicing before the United States Bankruptcy Court, Eastern District of California until such time he obtains an order from the Chief Bankruptcy Judge of the District allowing for termination of the suspension. Prior to termination of the suspension, Johnson shall be required to show that any medical ailment and/or psychological/emotional problem that contributed to Johnson's conduct as outlined in the OSC has been fully cured and/or resolved;
3. Johnson's e-filing privileges will be revoked until further order of the court; and
4. Johnson shall report the issuance of the OSC and any sanction order to the State Bar.

The court will hear the matter.

¹ Luke Garcia states in his declaration that he is employed by the Law Office of Steven Johnson and that he "is in full control of the bankruptcy practice" and that he is "responsible for all bankruptcy cases handled by this [Johnson's] office." Based on this representation, it is necessary that Mr. Garcia appear at the hearing and that he be prepared to answer questions regarding the procedure in place at Johnson's office for the intake and filing of all bankruptcy cases.

