

In the Supreme Court of the State of Alaska

In the Disciplinary Matter Involving)

MICHAEL A. STEPOVICH,)

Respondent.)

Supreme Court No. S-11967

Order

Order No. 56 - September 15, 2006

ABA Membership No. 8406051

ABA File No. 2002D189

Before: Fabe, Chief Justice, and Matthews, Eastaugh, Bryner, and Carpeneti, Justices.

Fabe, Chief Justice, dissenting.

On consideration of the Stipulation for Discipline by Suspension Under Alaska Bar Rule 22(h), filed on **June 17, 2005**, and the response filed on **June 30, 2006**,

IT IS ORDERED:

1. Michael A. Stepovich is suspended from the practice of law in Alaska, to take effect thirty days from the date of this order, for a period of three years, with one year stayed.

2. Stepovich is ordered to fulfill the requirements of Alaska Bar Rule 28.

3. Stepovich must comply with Alaska Bar Rule 29(b) to seek reinstatement.

4. Stepovich must also meet the following conditions before filing a petition for reinstatement to the active practice of law:

(a) He will take and pass the Multi-State Professional Responsibility Exam;

(b) He will satisfactorily complete two credit hours of a legal ethics CLE;

NOTICE: This opinion will be released to the press and public at 12:30 p.m. on the date indicated. This copy is provided to parties or their counsel of record in advance. Prior to the release time, you may not inform persons other than your clients in this case of the outcome.

Clerk of the Appellate Court

Supreme Court Order No. 56
Case No. S-11967
September 15, 2006

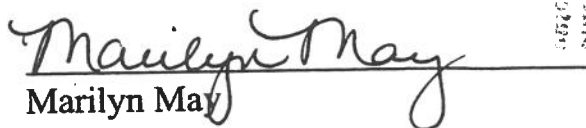
(c) He will take a CLE course in the area of client trust accounts and client funds; and

(d) He will hire an independent auditor or accountant acceptable to Bar counsel to oversee his financial and trust accounting practices who will provide to Bar counsel quarterly reports of compliance with approved accounting standards for a minimum of two years.

5. If Stepovich is reinstated, for the next year he will be subject to the stayed suspension as follows: If he engages in the same or similar misconduct, and if the Disciplinary Board or the Court imposes discipline for the new misconduct, the present matter may be remanded directly to the Court for review and imposition of the one-year stayed suspension.

Entered at the direction of the court.

Clerk of the Appellate Courts


Marilyn May

FABE, Chief Justice, dissents and files the following statement.

I would reject the proposed discipline as too lenient and impose discipline consistent with the three-year suspensions imposed in *In the Disciplinary Matter of Friedman*¹ and in *In re Mann*.² First, Mr. Stepovich's mismanagement of his trust account was longstanding. The supplemental report of Bar counsel to the Board of Discipline concluded that "Stepovich's mismanagement practices began when he assumed sole responsibility for his trust account in January 1996, and continued until he relinquished responsibility for the account in January 2003." Second, the degree of Mr.

¹ 23 P.3d 620 (Alaska 2001).

² 853 P.2d 115 (Alaska 1993).