

# Get to Know Hon. Stephen Pfahler (Ret.)



## “Settlement Is the Highest Form of Service”: A Conversation with Hon. Stephen P. Pfahler (Ret.)

By Katy Jones

After two decades on the Los Angeles Superior Court and a career spanning virtually every corner of civil litigation, **Hon. Stephen P. Pfahler (Ret.)** has emerged as one of the legal community’s most respected settlement judges — a jurist equally comfortable discussing behavioral economics, trial strategy, positive psychology, and the emotional realities of conflict. A former trial lawyer, city attorney, educator, author, and longtime member of the court’s ADR leadership, Judge Pfahler approaches dispute resolution not simply as a legal process, but as what he calls “a profound opportunity to find a win-win resolution.”

While on the bench, Judge Pfahler mediated and settled over 500 cases, served in a leadership capacity on the court’s ADR committee for a decade, and taught other judges and attorneys on mediation techniques. Widely regarded for his people skills, preparation, and persistence, Judge Pfahler spent years presiding over high-stakes civil matters ranging from employment and civil rights disputes to catastrophic injury, mass torts, land use, insurance coverage, and complex business litigation. But ask him what matters most in mediation, and his answer is surprisingly simple: helping people move forward.

“Peacemaking is one of the highest forms of human contribution.”

In this conversation, Judge Pfahler reflects on the evolution of his career, the psychology behind effective mediation, and why he believes settlement work is ultimately about human connection as much as legal analysis.

**Q: You’ve described mediation not as “alternative” dispute resolution, but as “primary” dispute resolution. Where does that philosophy come from?**

**Pfahler:** It started very early for me. Even as a young law student, I was fascinated by dispute resolution and negotiation. I attended Pepperdine’s Straus Institute while I was still in law school because I already sensed that resolving conflict was where I felt most energized and effective. Over time, both as a lawyer and later as a judge, I came to believe that litigation should not always be the centerpiece of the system.

We often treat trial as the main event and settlement as the alternative. I see it the opposite way. Yes, of course, some cases have to go trial. However, the overwhelming majority of cases should resolve thoughtfully, efficiently, and in a way that provides a win-win for everyone involved. That belief became a guiding principle throughout my career on the bench. I spent years studying negotiation, behavioral economics, mediation strategy, and decision theory because I wanted to master the craft of helping people resolve disputes before they became even more destructive.

In practice, this means I arrive at every mediation having already studied the briefs carefully, mapped the negotiation dynamics, thought through legal exposure and jury unpredictability, and identified where the obstacles to settlement are likely to emerge. By the time parties sit down, I’m already working.

***“I have always considered ‘alternative’ dispute resolution a misnomer. To me, mediation is primary dispute resolution.”***

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**Q: After more than 35 years in civil litigation and 20 years on the bench, what do you think makes someone truly effective at settling cases?**

**Pfahler:** First, you have to genuinely care about the people in the room. If parties feel dismissed or unheard, you've already lost the chance to build trust — and trust is what makes movement possible.

Second, preparation is essential. I prepare extensively before every mediation. I review briefs carefully, study the evidence, think through legal exposure, evaluate personalities and negotiation dynamics, and anticipate where the obstacles are likely to emerge. By the time parties arrive, I want them to know and feel they are walking into a process led by someone fully invested in understanding their case.

Third, and perhaps most important for difficult cases, is the willingness to be honest. I draw heavily from behavioral economics and decision theory. We know that litigants tend to be overconfident about their cases: plaintiffs often overestimate the likelihood of a large verdict; defendants routinely underestimate jury unpredictability and the true cost of continued litigation. Part of my role is helping people recalibrate expectations — respectfully but clearly.

After presiding over thousands of civil matters and hundreds of trials, I've developed a practical sense for how juries actually react and where risk truly lies. Attorneys value that experience because it's not theoretical — it reflects what happens inside courtrooms.

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**Q: You're known as a highly facilitative mediator, but you also speak openly about using candid evaluation. How do you balance those approaches?**

**Pfahler:** I don't see them as competing approaches. Effective mediation requires both empathy and candor — just applied at the right moments.

Early in the process, I focus on connection, listening, and building the psychological safety that makes movement possible. People are far more likely to settle when they feel genuinely understood — not just processed. But as the day unfolds, parties also need honest guidance.

I work hard to ensure that movement never feels like defeat. If a party feels humiliated by compromise, settlement becomes much harder. The frame matters. I try to help people see concessions as intelligent decisions rather than losses — because in most cases, that's exactly what they are.

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***“My singular objective in mediation is settlement — not a grudging compromise, but a resolution where everyone walks away with something that genuinely matters to them.”***

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**Q: Attorneys frequently describe you as exceptionally persistent in getting cases resolved. What does persistence look like in practice?**

**Pfahler:** Persistence means I don't give up simply because a mediation ends without a signed agreement that day. Some cases need time. People need space to process risk, emotion, or new information. I stay engaged.

If a matter doesn't settle initially, I continue following up with counsel. I reconnect, revisit issues from different angles, and explore whether new facts or changed circumstances have opened a path that wasn't available before. Cases regularly settle days, weeks, or even months after an initial session because someone remained committed to helping the parties bridge the gap.

One of the biggest mistakes neutrals can make is treating impasse as permanent. In my experience, it is almost always temporary — discomfort before progress.

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**Q: You've handled an enormous range of cases—employment, catastrophic injury, civil rights, business, real estate, insurance, mass torts, public entity litigation, and more. Has that breadth changed the way you approach mediation?**

**Pfahler:** Absolutely. One of the great advantages of my career is that I've seen disputes from almost every angle imaginable — as a litigator, city attorney, educator, settlement judge, and trial judge. That breadth allows me to quickly understand both the legal issues and the human dynamics underneath them.

It also gives me credibility with attorneys — and credibility is essential to candor. When I evaluate risk, attorneys on both sides know I've seen these cases litigated to verdict. I understand how employment cases play in front of juries. I understand the dynamics of catastrophic injury cases, the pressures of complex business disputes, and the particular sensitivities of civil rights and public entity matters.

Ultimately, though, most cases boil down to the same core issue: **people trying to manage uncertainty, risk, emotion, and competing narratives.**

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**Q: You speak openly about using behavioral economics in your mediation practice. What does that mean for attorneys and their clients?**

**Pfahler:** It means I understand why smart, reasonable people stay stuck in their decisions—and I have frameworks for helping them move. We know from decision theory that litigants systematically overweight the strength of their own case (overconfidence bias), anchor too heavily on opening positions, and feel losses far more acutely than equivalent gains (loss aversion). These aren't character flaws — they're predictable human patterns.

My job is to use that knowledge constructively. I help parties examine base rates — what cases like theirs actually resolve for, what juries in this jurisdiction actually do — rather than focusing exclusively on best-case scenarios. When I can help a client see their situation more accurately, settlement becomes less about giving something up and more about making the most rational decision available.

I am currently pursuing a formal study in this area — including work at the University of Chicago's Booth School of Business — because I wanted to bring rigor to these conversations, not just instinct.

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**Q: You've also spent years studying psychology, positive psychology, and coaching. How has that influenced your work as a neutral?**

**Pfahler:** Profoundly. Law school teaches analytical thinking, but it often teaches very little about human behavior. Yet mediation is fundamentally about people — their fears, desires, values, and decision-making patterns.

I pursued formal education in positive psychology through the University of Pennsylvania and later became a certified life coach because I wanted to better understand what drives human motivation, resilience, and communication.

That education changed the way I interact with parties. People are far more likely to resolve disputes when they feel psychologically safe, respected, and understood. Emotional intelligence is not secondary to dispute resolution — it is central to it.

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**Q: You’ve written books about happiness and fulfillment for lawyers. That’s somewhat unusual for a judge. Where did that interest come from?**

**Pfahler:** I’ve spent decades watching extraordinarily talented lawyers struggle with stress, burnout, anxiety, and dissatisfaction. The profession can become all-consuming if people are not intentional about how they live.

I wanted to write honestly about that reality and help lawyers think more deeply about success in life, not just professionally but personally, including work-life balance, relationships, and wellbeing. My books, *The Whole Truth for Lawyers* and *10x Happiness*, both grew from that desire.

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**Q: What do you enjoy most about mediation today?**

**Pfahler:** The handshake at the end. There’s a moment, sometimes after hours of difficult negotiations, where two people who arrived deeply opposed finally reach an agreement they can live with. You can feel the relief in the room. The emotional burden lifts. People regain a sense of control over their future.

That moment never gets old for me. It’s why I still wake up excited to do this work every day. I truly believe that helping people resolve conflict is one of the highest forms of service.

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**“The handshake at the end of a mediation — that moment of relief and mutual respect — never gets old for me.”**

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For Hon. Stephen P. Pfahler, dispute resolution is ultimately about far more than closing cases — it is about helping people navigate conflict with dignity, clarity, and humanity. Drawing on decades of experience as a trial lawyer, judge, educator, and settlement officer, Judge Pfahler brings a rare combination of legal sophistication, emotional intelligence, and unwavering persistence to every matter he handles. Whether guiding parties through high-stakes litigation or helping attorneys realistically assess risk, his approach remains rooted in the same principle that has defined his career: meaningful resolution begins by genuinely understanding the people involved.

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## Areas of Expertise:

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Civil Rights	Cannabis Litigation
Sexual Abuse	Entertainment
Real Estate, Land Use, Eminent Domain & CEQA	Mass Tort
	Intellectual Property
	Premises

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