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BEFORE THE
DISCIPLINARY BOARD
OF THE
WASHINGTON STATE BAR ASSOCIATION

In re

NATE D. MANNAKEE,
Lawyer (Bar No. 5268).

Proceeding No. 15#00033

RESIGNATION FORM OF NATE D.
MANNAKEE (ELC 9.3(b))

Nate D. Mannakee, being duly sworn, hereby attests to the following:

1. I am over the age of eighteen years and am competent. I make the statements in this declaration from personal knowledge.
2. I was admitted to practice law in the State of Washington on October 18, 1973.
3. I was served with a Formal Complaint and Notice to Answer in this matter on May 19, 2015.
4. After consultation with my counsel, Stephen C. Smith, I have voluntarily decided to resign from the Washington State Bar Association (the Association) in Lieu of Discipline under Rule 9.3 of the Rules for Enforcement of Lawyer Conduct (ELC).
5. Attached hereto as Exhibit A is Disciplinary Counsel's statement of alleged misconduct for purposes of ELC 9.3(b). I am aware of the alleged misconduct stated in disciplinary counsel's statement but rather than defend against the allegations, I wish to

017

1 permanently resign from membership in the Association. Attached hereto as Exhibit B is my
2 statement of reasons why I dispute the allegations of misconduct.

3 6. I am submitting with this affidavit a check in the amount of \$1,941.25 made out to
4 the Washington State Bar Association as payment for expenses and costs.

5 7. I agree to pay restitution of \$15,127.66 to Gregory Anderson.

6 8. I agree to pay any additional costs or restitution that may be ordered by a Review
7 Committee under ELC 9.3(g).

8 9. I understand that my resignation is permanent and that any future application by
9 me for reinstatement as a member of the Association is currently barred. If the Supreme Court
10 changes this rule or an application is otherwise permitted in the future, it will be treated as an
11 application by one who has been disbarred for ethical misconduct, and that, if I file an
12 application, I will not be entitled to a reconsideration or reexamination of the facts, complaints,
13 allegations, or instances of alleged misconduct on which this resignation was based.

14 10. I agree to (a) notify all other states and jurisdictions in which I am admitted of this
15 resignation in lieu of discipline; (b) seek to resign permanently from the practice of law in any
16 such state or jurisdiction; and (c) provide disciplinary counsel with copies of this notification
17 and any response(s). I acknowledge that this resignation could be treated as a disbarment by all
18 other jurisdictions.

19 11. I agree to (a) notify all other professional licensing agencies in any jurisdiction
20 from which I have a professional license that is predicated on my admission to practice law of
21 this resignation in lieu of discipline; (b) seek to resign permanently from any such license; and
22 (c) provide disciplinary counsel with copies of any of these notifications and any responses.

23 12. I agree that when applying for any employment, I will disclose the resignation in

1 lieu of discipline in response to any question regarding disciplinary action or the status of my
2 license to practice law.

3 13. I understand that my resignation becomes effective on disciplinary counsel's
4 endorsement and filing of this document with the Clerk, and that under ELC 9.3(c) disciplinary
5 counsel must do so promptly following receipt of this document and payment of costs and
6 expenses.

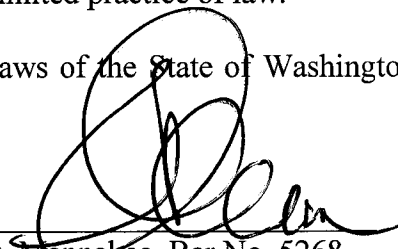
7 14. When my resignation becomes effective, I agree to be subject to all restrictions that
8 apply to a disbarred lawyer.

9 15. Upon filing of my resignation, I agree to comply with the same duties as a
10 disbarred lawyer under ELC 14.1 through ELC 14.4.

11 16. I understand that, after my resignation becomes effective, it is permanent. I will
12 never be eligible to apply and will not be considered for admission or reinstatement to the
13 practice of law nor will I be eligible for admission for any limited practice of law.

14 17. I certify under penalty of perjury under the laws of the State of Washington that
15 the foregoing is true and correct.

16 Tacoma; 7/16/2015
Date and Place


Nate D. Mannakee, Bar No. 5268

18 ENDORSED BY:
19  8/10/15
20 Linda B. Eide, Managing Disciplinary Counsel
Bar No. 10637

EXHIBIT A

Disciplinary Counsel's statement of alleged misconduct for purposes of ELC 9.3(b)

EXHIBIT A

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FILED
APR 30 2015
DISCIPLINARY
BOARD

BEFORE THE
DISCIPLINARY BOARD
OF THE
WASHINGTON STATE BAR ASSOCIATION

In re
NATE D. MANNAKEE,
Lawyer (Bar No. 5268).

Proceeding No. 15#00033
FORMAL COMPLAINT

Under Rule 10.3 of the Rules for Enforcement of Lawyer Conduct (ELC), the Office of Disciplinary Counsel (ODC) of the Washington State Bar Association charges the above-named lawyer with acts of misconduct under the Rules of Professional Conduct (RPC) as set forth below.

ADMISSION TO PRACTICE

1. Respondent Nate D. Mannakee was admitted to the practice of law in the State of Washington on October 18, 1973.

FACTS REGARDING COUNTS 1-8

2. On June 18, 2007, Gregory Anderson hired Mannakee to get back time loss compensation for a reopened Labor and Industries (L&I) claim.

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1 3. Anderson signed a Worker's Compensation Contract (Contingency) with
2 Mannakee.

3 4. It provided for attorney's fees at 30% of all back/retroactive benefits recovered.

4 5. On or about July 27, 2011, Mannakee asked Anderson to sign a Client Settlement
5 Authority, which provided that Mannakee could settle the back time loss for "not less than
6 \$34,000." Anderson signed the Client Settlement Authority.

7 6. Mannakee obtained back time loss compensation for Anderson for the period
8 January 19, 2005 through August 1, 2011, in a lump sum award of \$85,223.48.

9 7. On August 4, 2011, L&I issued a check to Anderson c/o Mannakee for \$76,133.20,
10 representing the \$85,223.48 lump sum award less funds that Anderson owed the state for
11 support obligations.

12 8. Mannakee deposited the funds in his trust account.

13 9. Mannakee did not notify Anderson of the amount lump sum award.

14 10. Mannakee did not notify Anderson of his receipt of the \$76,133.20 L&I payment.

15 11. Mannakee calculated his costs at \$238.50, an amount Anderson disputed.

16 12. At 30% of the \$85,223.48 lump sum award, Mannakee's fee was \$25,567.04.

17 13. Out of the lump sum award, Anderson should have received at least \$50,327.66
18 (\$76,133.20, less a \$25,567.04 fee and \$238.50 in costs).

19 14. In August 2011, Mannakee asked Anderson to sign a Client Settlement Approval
20 providing that Anderson would accept \$35,200 to settle his back time loss compensation claim.

21 15. Mannakee did not inform Anderson that \$35,200 was substantially less than he
22 was entitled to receive under the contingency fee agreement.

23 16. Anderson signed the Client Settlement Approval.

1 17. The transaction and terms by which Mannakee modified the original fee agreement
2 were not fair and reasonable to Anderson, and/or were not fully disclosed and transmitted in
3 writing to Anderson.

4 18. Anderson was not advised in writing of the desirability of seeking the advice of
5 independent legal counsel on the transaction, and/or was not given a reasonable opportunity to
6 seek independent legal counsel.

7 19. Anderson did not give informed consent in writing to the essential terms of the
8 transaction and Mannakee's role in the transaction, including whether Mannakee was
9 representing Anderson in the transaction.

10 20. Out of the \$76,133.20 L&I payment, Mannakee disbursed \$35,200 to Anderson.

11 21. Mannakee retained the remaining \$40,933.20, which was 48% of the \$85,223.48
12 lump sum award.

13 22. Mannakee did not provide Anderson with a written statement showing the outcome
14 of the matter, the remittance to the client, and the method of its determination.

15 23. Mannakee did not provide a written accounting to Anderson of the lump sum
16 award and/or its distribution.

17 24. Out of the \$76,133.20 L&I payment, Mannakee did not promptly remove from his
18 trust account those funds to which he was actually entitled.

19 25. Out of the \$76,133.20 L&I payment, Mannakee removed from his trust account
20 funds to which Anderson was entitled, and converted those funds to his own use.

21 **COUNT 1**

22 26. By failing to notify Anderson that he received a \$76,133.20 L&I payment,
23 Mannakee violated RPC 1.15A(d) and/or RPC 8.4(c).

COUNT 2

1
2 27. By modifying the original fee agreement to his own advantage, Mannakee violated
3 RPC 1.5(b), RPC 1.8(a), and/or RPC 8.4(c).

COUNT 3

4
5 28. By retaining funds in excess of the fee to which he was entitled, Mannakee
6 violated RPC 1.5(a) and/or RPC 8.4(c).

COUNT 4

7
8 29. By failing to provide Anderson with a written statement showing the outcome of
9 the matter, the remittance to the client, and the method of its determination, Mannakee violated
10 RPC 1.5(c)(3) and/or RPC 8.4(c).

COUNT 5

11
12 30. By failing to provide a written accounting to Anderson of the lump sum award
13 and/or its distribution, Mannakee violated RPC 1.15A(e) and/or RPC 8.4(c).

COUNT 6

14
15 31. By retaining his own funds in his trust account, Mannakee violated RPC 1.15A(c)
16 and/or RPC 1.15A(h)(1).

COUNT 7

17
18 32. By failing to promptly pay Anderson the funds to which Anderson was entitled,
19 Mannakee violated RPC 1.15A(f) and/or RPC 8.4(c).

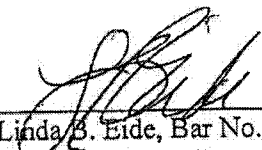
COUNT 8

20
21 33. By converting Anderson's funds to his own use, Mannakee violated RPC 1.15A(b)
22 and/or RPC 8.4(c).

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THEREFORE, Disciplinary Counsel requests that a hearing be held under the Rules for Enforcement of Lawyer Conduct. Possible dispositions include disciplinary action, probation, restitution, and assessment of the costs and expenses of these proceedings.

Dated this 30th day of April, 2015.



Linda B. Eide, Bar No. 10637
Managing Disciplinary Counsel

EXHIBIT B

Respondent's Statement of Reasons Disputing Bar's Allegations of Misconduct

EXHIBIT B

1 Stephen C. Smith, WA State Bar No. 15414
HAWLEY TROXELL ENNIS & HAWLEY LLP
2 877 Main Street, Suite 1000
P.O. Box 1617
3 Boise, ID 83701-1617
Telephone: 208.344.6000
4 Facsimile: 208.954.5268
E-mail: ssmith@hawleytroxell.com

5 Attorneys for Nate D. Mannakee

7 BEFORE THE
8 DISCIPLINARY BOARD
9 OF THE
WASHINGTON STATE BAR ASSOCIATION

10 In re

11 NATE D. MANNAKEE
12 Lawyer (Bar No. 5268).

Proceeding No. 15#00033

RESPONDENT'S STATEMENT OF
REASONS DISPUTING BAR'S
ALLEGATIONS OF MISCONDUCT

13
14 Respondent Nate Mannakee respectfully submits his Statement of Reasons Disputing the
15 Bar's Allegations of Misconduct. The following statement details disputes Respondent has with the
16 allegations contained in the Bar's complaint.

17 Respondent admits that one provision of the Worker's Compensation Contract (Contingency)
18 which Gregory Anderson signed provided for attorney fees of 30 percent of all back/retroactive
19 benefits recovered, and affirmatively asserts that the contract provided for an additional
20 administrative fee for monitoring the claim, including copy charges, long distance charges, vocational
21 services and ongoing time loss. Respondent asserts that the additional administrative fee was 15
22 percent of the time loss rate, or \$60.00 per month, whichever was greater.

23 Respondent admits that Gregory Anderson signed the Client Settlement Authority on July 27,
24 2011, and admits that the Client Settlement Authority provided that Attorney could settle the back
25 time loss claim for "not less than \$34,000." But Mannakee denies the remainder of the Bar's
26 allegations in paragraph 5 of the Complaint, and affirmatively asserts that Attorney had obtained
27 Anderson's oral \$34,000 settlement authority during a meeting on July 26, 2011 between Anderson

28 RESPONDENT'S STATEMENT OF REASONS
DISPUTING BAR'S ALLEGATIONS OF
MISCONDUCT - 1
Proceeding No.: 15#00033

Hawley Troxell Ennis & Hawley LLP
877 Main Street, Suite 1000 - P.O. Box 1617
Boise, Idaho 83701-1617
208.344.6000

1 and Attorney's staff paralegal Michael Hawkins.

2 Respondent denies the allegations and other claims in paragraphs 9 and 10 of the Complaint,
3 and affirmatively asserts that during the in-person disbursement meeting on August 11, 2011
4 Anderson received and read copies of LNI's August 4, 2011 back time loss order and accompanying
5 \$76,133.20 payment check. Mannakee admits that costs were calculated at \$238.50 but he denies that
6 Anderson disputed this amount at any time while he was Attorney's client. Attorney concedes in
7 retrospect that the \$238.50 was inappropriately charged to Anderson. The costs were to have been
8 included in the administrative fee for monitoring the claim, and should not have been billed
9 separately.

10 Respondent asserts that 30 percent of \$85,223.48 was not the full fee owed to him by
11 Anderson under the contract Anderson signed with Mannakee.

12 Mannakee denies the allegations in paragraph 13 of the Complaint, and affirmatively asserts
13 that the \$238.20 in costs should not have been charged to Anderson, and that \$8,006.31 in
14 administrative fees were Anderson's additional obligation under the contract Anderson signed with
15 Attorney.

16 Anderson signed a Client Settlement Approval providing that Anderson accepted \$35,200 to
17 settle his back time loss compensation claim and Respondent asserts that the Client Settlement
18 Approval was signed by Anderson on August 11, 2011, during an in-person disbursement meeting in
19 Mannakee's office with Michael Hawkins present. Respondent further asserts that before voluntarily
20 signing the Client Settlement Approval at the August 11, 2011 meeting, Anderson read and received a
21 copy of LNI's August 4, 2011 back time loss order which showed the \$85,223.48 lump sum award,
22 and read and received a copy of LNI's accompanying \$76,133.20 payment check, and entered into a
23 detailed fee discussion with Respondent. Mannakee denies each and every other allegation in
24 paragraphs 14, 15 and 16 of the Complaint.

25 Respondent admits that the transaction and terms by which the original fee agreement were
26 modified were not fully disclosed in the Client Settlement Approval which Anderson signed on
27

28 **RESPONDENT'S STATEMENT OF REASONS
DISPUTING BAR'S ALLEGATIONS OF
MISCONDUCT - 2**
Proceeding No.: 15#00033

Hawley Troxell Ennis & Hawley LLP
877 Main Street, Suite 1000 - P.O. Box 1617
Boise, Idaho 83701-1617
208.344.6000

1 August 11, 2011. Mannakee also admits that the Client Settlement Approval was the only written
2 document prepared by Respondent at the time which memorialized the disbursement transaction.
3 Attorney denies every other allegation in paragraph 17 of the Complaint, and affirmatively asserts
4 that the transaction and terms by which the original fee agreement were modified were fully disclosed
5 to Anderson previously and again on August 11, 2011. Respondent also states that Anderson
6 approved the disbursement and the fee on August 11, 2011 as his free and voluntary act while fully
7 informed of the \$85,223.48 lump sum award, the \$76,133.20 LNI net payment, and the details of the
8 fee to which he was agreeing.

9 Respondent admits Anderson was not advised in writing of the desirability of seeking the
10 advice of independent counsel on the disbursement transaction but denies that Anderson did not have
11 a reasonable opportunity to seek independent legal counsel.

12 Respondent denies the allegations in paragraph 19 of the Complaint, and affirmatively asserts
13 that from and after he retained Mannakee's services on June 18, 2007, to September 23, 2013 when
14 Anderson was discharged as Attorney's client, Anderson knew that Attorney was representing him in
15 his LNI claim.

16 Respondent also asserts that the transaction and terms by which the original fee agreement
17 were modified were fully disclosed to Anderson before and again on August 11, 2011, and that
18 Anderson approved the disbursement and the fee on August 11, 2011 as his free and voluntary act
19 while fully informed of the \$85,223.48 lump sum award, the \$76,133.20 LNI net payment, and the
20 details of the fee to which he was agreeing. Anderson cashed or otherwise negotiated the remittance
21 check he received from Respondent's trust account in this matter, a further indication that he was
22 aware of the outcome. Before he voluntarily signed the Client Settlement Approval at the August 11,
23 2011 meeting, Respondent provided Anderson with copies of LNI's August 4, 2011 back time loss
24 order which showed the \$85,223.48 lump sum award and the support obligation liens deducted from
25 it, and LNI's accompanying \$76,133.20 payment check, and entered into a detailed fee discussion
26 with Anderson. Anderson, like every other recipient of LNI claim benefits, has 24-hours per day,
27

1 seven-days-per-week access online to actions on his claim, specifically including but not limited to,
2 time loss payment and rate orders.

3 Mannakee asserts that the \$40,694.70 balance of the \$40,933.20 retained by Attorney were
4 funds to which he was entitled, and Anderson was not entitled, pursuant to the superseding fee
5 agreement negotiated between Respondent and Anderson on August 11, 2011.

6 DATED THIS 9th day of July, 2015.

7 HAWLEY TROXELL ENNIS & HAWLEY LLP

8
9 By: 


10 Stephen C. Smith, WSBA #15414
11 877 Main Street, Suite 1000
12 P.O. Box 1617
13 Boise, ID 83701-1617
14 Telephone: 208.388.4990
15 Facsimile: 208.954.5268
16 E mail: scsmith@hawleytroxell.com
17 Attorneys for Nate D. Mannakee

18 CERTIFICATE OF SERVICE

19 I HEREBY CERTIFY that on this 9th day of July, 2015, I caused to be served a true copy of
20 the foregoing RESPONDENT'S STATEMENT OF REASONS DISPUTING BAR'S
21 ALLEGATIONS OF MISCONDUCT by the method indicated below, and addressed to each of the
22 following:

23 Linda B. Eide
24 Managing Disciplinary Counsel
25 Washington State Bar Association
26 1325 4th Avenue, Suite 600
27 Seattle, WA 98101-2539

28 U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 E-mail
 Telecopy

29 
30 _____
31 Stephen C. Smith

32 RESPONDENT'S STATEMENT OF REASONS
33 DISPUTING BAR'S ALLEGATIONS OF
34 MISCONDUCT - 4
35 Proceeding No.: 15#00033

36 Hawley Troxell Ennis & Hawley LLP
37 877 Main Street, Suite 1000 - P.O. Box 1617
38 Boise, Idaho 83701-1617
39 208.344.6000