

FILED

Nov 8, 2021

Disciplinary
Board

Docket # 002

DISCIPLINARY BOARD
WASHINGTON STATE BAR ASSOCIATION

In re

LORI S. HASKELL,

Lawyer (Bar No. 15779).

Proceeding No. 21#00037

ODC File No. 20-00227

STIPULATION TO REPRIMAND

Under Rule 9.1 of the Washington Supreme Court's Rules for Enforcement of Lawyer Conduct (ELC), the following Stipulation to Reprimand is entered into by the Office of Disciplinary Counsel (ODC) of the Washington State Bar Association (Association) through disciplinary counsel Henry Cruz, Respondent's Counsel Kevin M. Bank, and Respondent lawyer Lori S. Haskell.

Respondent understands that they are entitled under the ELC to a hearing, to present exhibits and witnesses on their behalf, and to have a hearing officer determine the facts, misconduct, and sanction in this case. Respondent further understands that they are entitled under the ELC to appeal the outcome of a hearing to the Disciplinary Board, and, in certain cases, the Supreme Court. Respondent further understands that a hearing and appeal could result in an outcome more favorable or less favorable to them. Respondent chooses to resolve this proceeding

1 now by entering into the following stipulation to facts, misconduct, and sanction to avoid the risk,
2 time, and expense attendant to further proceedings.

3 **I. ADMISSION TO PRACTICE**

4 1. Respondent was admitted to practice law in the State of Washington on June 2, 1986.

5 **II. STIPULATED FACTS**

6 2. Respondent maintains an Interest on Lawyer's Trust Account (IOLTA), ending in
7 1852, at Key Bank for the deposit of client funds.

8 3. On February 4, 2020, Respondent reported an overdraft of the trust account to ODC.
9 Respondent was not responsible for the overdraft. The overdraft was caused by the error of
10 another party.

11 4. On February 19, 2020, ODC opened a grievance investigation into Respondent's
12 handling of client funds and the trust account.

13 ***Trust Account Records***

14 5. During the period January 2019 through October 2020, Respondent did not maintain
15 a complete and current check register for the trust account.

16 6. During the period January 2019 through October 2020, Respondent did not maintain
17 complete and current client ledgers for the trust account.

18 7. During the period January 2019 through October 2020, Respondent did not reconcile
19 a trust account check register to the bank statements (bank statement reconciliation).

20 8. During the period January 2019 through October 2020, Respondent did not reconcile
21 a trust account check register to client ledgers (client ledger reconciliation).

22 ***Retention of Lawyer Funds in the Trust Account***

23 9. From August 2011 through August 2020, Respondent maintained a balance of at least
24

1 \$2,079.04 belonging to Respondent in the trust account.

2 **Client B**

3 10. Respondent represented B in a legal matter that concluded in August 2011.

4 11. After the matter concluded, \$2,079.04 that belonged to Respondent for costs advanced
5 on behalf of B remained in the trust account.

6 12. Respondent did not withdraw those funds until September 18, 2020.

7 **Client SW**

8 13. Respondent represented SW in a legal matter that concluded in approximately March
9 2015.

10 14. After the matter concluded, \$3,453.30 related to SW's matter remained in the trust
11 account: \$2,290.43 belonged to SW and \$1,144.87 belonged to Respondent for earned fees.

12 15. Respondent did not disburse the \$1,144.87 to Respondent until October 8, 2020.

13 ***Disbursing More Funds Than Clients Had on Deposit***

14 16. As of August 2020, Respondent maintained negative client ledgers totaling
15 \$17,493.47.

16 17. Respondent did not correct all of the negative client ledger balances until October
17 2020.

18 18. As a result of the negative client ledgers, there was a shortage of funds in the trust
19 account totaling at least \$17,464.05 from January 2019 to October 2020.

20 ***Delivery of Funds to Clients and Third Persons Entitled to Receive Them***

21 19. As of August 2020, Respondent's records showed that the trust account held funds of
22 clients and third persons totaling more than \$10,400, and funds totaling \$8,914.19 that could not
23 be conclusively identified from the underlying written records, that had not been promptly
24

1 | disbursed.

2 | 20. Respondent believes that the funds totaling \$8,914.19 that could not be conclusively
3 | identified belonged to Respondent based on Respondent's review of records and Respondent's
4 | memory. However, Respondent agreed to submit the \$8,914.19 to the Department of Revenue,
5 | Unclaimed Property Division because the funds could not be conclusively identified.

6 | 21. Respondent submitted an additional \$478.92 to the Unclaimed Property Division on
7 | behalf of clients whom Respondent was unable to locate.

8 | 22. By December 2020, Respondent disbursed the remaining funds to clients entitled to
9 | receive them.

10 | **Client LM**

11 | 23. Respondent represented LM in a legal matter that concluded in 2006.

12 | 24. After the matter concluded, \$498.90 related to LM's matter remained in the trust
13 | account that LM was entitled to receive.

14 | 25. Respondent did not disburse the \$498.90 to LM until October 5, 2020.

15 | **Client RN & ON**

16 | 26. Respondent represented RN and ON in a legal matter that concluded in 2003.

17 | 27. After the matter concluded, \$815.76 related to RN and ON's matter remained in the
18 | trust account that RN and ON were entitled to receive.

19 | 28. Respondent did not disburse the \$815.76 to RN and ON until October 5, 2020.

20 | **Client JP**

21 | 29. Respondent represented JP in a legal matter that concluded in 2011.

22 | 30. After the matter concluded, \$1,000 related to JP's matter remained in the trust account
23 | that JP was entitled to receive.

1 31. Respondent did not disburse the \$1,000 to JP until December 28, 2020.

2 **Client R**

3 32. Respondent represented R in a legal matter that concluded in 2011.

4 33. After the matter concluded, Respondent held \$5,321.63 in the trust account for a PIP
5 subrogation interest that was waived by the insurer. Therefore, the funds belonged to R.

6 34. Respondent did not disburse the \$5,321.63 to R until October 28, 2020.

7 **Client SW**

8 35. Paragraphs 13 and 14 are incorporated herein as if fully repeated verbatim.

9 36. Respondent did not disburse the \$2,290.43 to SW until October 8, 2020.

10 **Disbursing Funds from the Trust Account Before Deposits Cleared**

11 37. In two client matters, Respondent disbursed funds before the related deposits cleared
12 the banking system.

13 **Client KI**

14 38. Respondent represented KI in a legal matter on an hourly basis.

15 39. On November 24, 2015, Respondent deposited a \$10,000 check for advance fees from
16 KI into the trust account.

17 40. On November 30, 2015, the \$10,000 check bounced and the deposit was reversed.
18 Consequently, there were no funds for KI's matter in the trust account.

19 41. On February 1, 2016, Respondent disbursed funds totaling \$10,000 to Respondent and
20 KI, which caused a negative balance of \$10,000 in KI's client ledger. Respondent funded the
21 disbursements with money held in trust for other clients. At the time of the disbursements, Respondent
22 was not aware that the \$10,000 check had bounced.

23 42. KI's client ledger balance remained negative until October 5, 2020.

1 **Client BM**

2 43. Respondent represented BM in a legal matter.

3 44. On January 16, 2020, Respondent deposited a \$30,000 settlement check for BM into
4 the trust account.

5 45. On that same day, Respondent disbursed all funds related to this deposit before the
6 deposited funds were collected.

7 46. On January 22, 2020, the \$30,000 deposit was reversed by the bank, resulting in the
8 full amount of the deposit being debited from the trust account.

9 47. On February 3, 2020, Respondent deposited \$30,000 of Respondent's own funds into
10 the trust account to replace the \$30,000 reversed deposit pending receipt of a replacement check.

11 48. At least \$22,338.63 of the \$30,000 disbursed by Respondent on January 16, 2020
12 cleared the bank before Respondent deposited \$30,000.00 of Respondent's own funds on
13 February 3, 2020 to replace the reversed deposit.

14 49. On February 7, 2020, Respondent deposited a \$30,000 replacement settlement check
15 for BM into the trust account.

16 50. On February 21, 2020, Respondent withdrew the \$30,000 of Respondent's own funds
17 that replaced the reversed deposit from the trust account.

18 **III. STIPULATION TO MISCONDUCT**

19 51. By failing to maintain a complete, accurate, and current check register and client
20 ledgers for the trust account, Respondent violated RPC 1.15A(h)(2), RPC 1.15B(a)(1), and RPC
21 1.15B(a)(2).

22 52. By failing to reconcile the trust account, Respondent violated RPC 1.15A(h)(6) and
23 RPC 1.15B(a)(8).

1 53. By failing to promptly pay or deliver funds that clients and third persons were entitled
2 to receive, Respondent violated RPC 1.15A(f).

3 54. By retaining Respondent's own funds in the trust account and by failing to hold client
4 property separate from Respondent's own property, Respondent violated RPC 1.15A(c) and RPC
5 1.15A(h)(1).

6 55. By disbursing more funds than clients or third persons had on deposit in the trust
7 account and by using one client's funds on behalf of another, Respondent violated RPC
8 1.15A(h)(8).

9 56. By disbursing funds from the trust account before deposits cleared the banking
10 process, Respondent violated RPC 1.15A(h)(7).

11 **IV. PRIOR DISCIPLINE**

12 57. In June 2001, Respondent was censured for failing to maintain adequate records of
13 receipt, deposit, and disbursement for Respondent's trust account, failing to promptly pay funds
14 that were owed to clients, and failing to withdraw earned fees from Respondent's trust account,
15 in violation of former RPCs 1.14(a), 1.14(b)(3), and 1.14(b)(4).

16 **V. APPLICATION OF ABA STANDARDS**

17 58. The following American Bar Association Standards for Imposing Lawyer Sanctions
18 (1991 ed. & Feb. 1992 Supp.) apply to this case:

19 **4.1 *Failure to Preserve the Client's Property***

20 4.11 Disbarment is generally appropriate when a lawyer knowingly converts client
property and causes injury or potential injury to a client.

21 4.12 Suspension is generally appropriate when a lawyer knows or should know that he
is dealing improperly with client property and causes injury or potential injury to
a client.

22 4.13 Reprimand is generally appropriate when a lawyer is negligent in dealing with
client property and causes injury or potential injury to a client.

23 4.14 Admonition is generally appropriate when a lawyer is negligent in dealing with
client property and causes little or no actual or potential injury to a client.
24

1 59. Respondent knew or should have known that Respondent was dealing improperly with
2 client funds.

3 60. Respondent's conduct caused actual and potential injury to clients, including that
4 clients were deprived of their funds.

5 61. The presumptive sanction is suspension.

6 62. The following aggravating factors apply under ABA Standard 9.22:

7 (a) prior disciplinary offenses;

8 (c) pattern of misconduct;

9 (d) multiple offenses; and

10 (i) substantial experience in the practice of law [Respondent was admitted to practice law
11 in 1986].

12 63. The following mitigating factors apply under ABA Standard 9.32:

13 (b) absence of a dishonest or selfish motive;

14 (g) character or reputation;

15 (l) remorse.

16 64. It is an additional mitigating factor that Respondent has agreed to resolve this matter
17 at an early stage of the proceedings.

18 65. It is an additional mitigating factor that Respondent took steps to bring Respondent's
19 trust account records into compliance with the RPC during the grievance investigation.

20 66. A significant mitigating factor is the contribution this stipulation makes to the efficient
21 and effective operation of the lawyer discipline system considering the effect the COVID-19
22 public health emergency has had on disciplinary resources and the orderly processing of
23 disciplinary matters.

1 67. Based on the factors set forth above, the presumptive sanction should be mitigated to
2 reprimand.

3 **VI. STIPULATED DISCIPLINE**

4 68. The parties stipulate that Respondent shall receive a reprimand for her conduct.

5 69. Respondent will be subject to probation for a period of two years commencing upon
6 final approval of this stipulation, with periodic reviews under ELC 13.8 of their trust account
7 practices, and must comply with the specific probation terms set forth below:

- 8 a) Respondent shall carefully review and fully comply with RPC 1.15A and RPC 1.15B,
9 and shall carefully review the current version of the publication, Managing Client
Trust Accounts: Rules, Regulations, and Common Sense.
- 10 b) For all client matters, Respondent shall have a written fee agreement signed by the
11 client, which agreements are to be maintained for least seven years (see RPC
1.15B(a)(3)).
- 12 c) On a monthly basis not tied to a particular date of the month, using ODC's form report
13 entitled "Monthly Reconciliation and Review Report," Respondent shall review the
trust-account records detailed on the form report, review the completed report, and
14 sign and date the completed report.
- 15 d) On a quarterly basis, Respondent shall provide ODC's audit staff with all trust-
account records for the time period to be reviewed by ODC's audit staff and
disciplinary counsel for compliance with the RPC:
- 16 i) Months 1 – 3. By no later than the 30th day of the fourth month after the
17 commencement of probation, Respondent shall provide the trust account
records from the date of commencement of probation to the end of the third
18 full month.
- 19 ii) Months 4 – 6. By no later than the 30th day of the seventh month after the
commencement of probation, Respondent shall provide the trust account
20 records from the end of the previously provided quarter through the end of
month six.
- 21 iii) Months 7 – 9. By no later than the 30th day of the tenth month after the
22 commencement of probation, Respondent shall provide the trust account
records from the end of the previously provided quarter through the end of
23 month nine.
- 24

- 1 iv) Months 10 – 12. By no later than the 30th day of the thirteenth month after
2 the commencement of probation, Respondent shall provide the trust account
3 records from the end of the previously provided quarter through the end of
4 month twelve.
- 5 v) Months 13 – 15. By no later than the 30th day of the sixteenth month after
6 the commencement of probation, Respondent shall provide the trust account
7 records from the end of the previously provided quarter through the end of
8 month fifteen.
- 9 vi) Months 16 – 18. By no later than the 30th day of the nineteenth month after
10 the commencement of probation, Respondent shall provide the trust account
11 records from the end of the previously provided quarter through the end of
12 month eighteen.
- 13 vii) Months 19 – 21. By no later than the 30th day of the twenty-second month
14 after the commencement of probation, Respondent shall provide the trust
15 account records from the end of the previously provided quarter through the
16 end of month twenty-one.

17 The trust account records Respondent provides to ODC for each quarterly review of
18 Respondent's trust account will include: (a) copies of each completed "Monthly
19 Reconciliation and Review Report" referenced in sub-paragraph(c) above, (b) a
20 complete checkbook register for Respondent's trust account covering the period
21 being reviewed, (c) complete individual client ledger records for any client with funds
22 in Respondent's trust account during all or part of the period being reviewed, as well
23 as for Respondent's own funds in the account (if any), and (d) copies of all trust-
24 account bank statements, deposit slips (to the extent they are available from the bank),
 and cancelled checks covering the period being reviewed. ODC's Audit Manager or
 designee will review Respondent's trust account records for each period.

- 25 e) On the same quarterly time schedule set forth in the preceding paragraph, Respondent
26 will provide ODC's Audit Manager or designee with copies of any and all fee
27 agreements entered into within the time period at issue.
- 28 f) ODC's Audit Manager or designee may request additional financial or client records
29 if needed to verify Respondent's compliance with RPC 1.15A and/or 1.15B. Within
30 twenty days of a request from ODC's Audit Manager or designee for additional
31 records needed to verify Respondent's compliance with RPC 1.15A and/or RPC
32 1.15B, Respondent will provide ODC's Audit Manager or designee the additional
33 records requested.
- 34 g) Respondent will reimburse the Association for time spent by ODC's Audit Manager
35 or designee in reviewing and reporting on Respondent's records to determine their
36 compliance with RPC 1.15A and RPC 1.15B, at the rate of \$85 per hour. Respondent
37 will make payment within thirty days of each written invoice setting forth the
38 auditor's time and payment due.

1 **VII. RESTITUTION**

2 70. Restitution is not required under this stipulation.

3 **VIII. COSTS AND EXPENSES**

4 71. In light of Respondent’s willingness to resolve this matter by stipulation at an early
5 stage of the proceedings, Respondent shall pay attorney fees and administrative costs of \$750 in
6 accordance with ELC 13.9(i). The Association will seek a money judgment under ELC 13.9(l) if
7 these costs are not paid within 30 days of approval of this stipulation.

8 **IX. VOLUNTARY AGREEMENT**

9 72. Respondent states that prior to entering into this Stipulation they have consulted
10 independent legal counsel regarding this Stipulation, that Respondent is entering into this
11 Stipulation voluntarily, and that no promises or threats have been made by ODC, the Association,
12 nor by any representative thereof, to induce the Respondent to enter into this Stipulation except
13 as provided herein.

14 73. Once fully executed, this stipulation is a contract governed by the legal principles
15 applicable to contracts, and may not be unilaterally revoked or modified by either party.

16 **X. LIMITATIONS**

17 74. This Stipulation is a compromise agreement intended to resolve this matter in
18 accordance with the purposes of lawyer discipline while avoiding further proceedings and the
19 expenditure of additional resources by the Respondent and ODC. Both the Respondent lawyer
20 and ODC acknowledge that the result after further proceedings in this matter might differ from
21 the result agreed to herein.

22 75. This Stipulation is not binding upon ODC or the respondent as a statement of all
23 existing facts relating to the professional conduct of the respondent lawyer, and any additional
24

1 existing facts may be proven in any subsequent disciplinary proceedings.

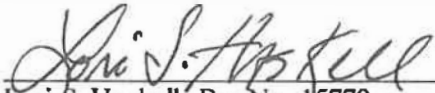
2 76. This Stipulation results from the consideration of various factors by both parties,
3 including the benefits to both by promptly resolving this matter without the time and expense of
4 hearings, Disciplinary Board appeals, and Supreme Court appeals or petitions for review. As
5 such, approval of this Stipulation will not constitute precedent in determining the appropriate
6 sanction to be imposed in other cases; but, if approved, this Stipulation will be admissible in
7 subsequent proceedings against Respondent to the same extent as any other approved Stipulation.

8 77. Under ELC 3.1(b), all documents that form the record before the Hearing Officer for
9 his or her review become public information on approval of the Stipulation by the Hearing
10 Officer, unless disclosure is restricted by order or rule of law.

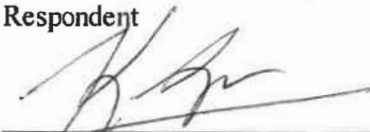
11 78. If this Stipulation is approved by the Hearing Officer, it will be followed by the
12 disciplinary action agreed to in this Stipulation. All notices required in the Rules for Enforcement
13 of Lawyer Conduct will be made. Respondent represents that Respondent is not admitted to
14 practice law in any other jurisdictions, whether current status is active, inactive, or suspended.

15 79. If this Stipulation is not approved by the Hearing Officer, this Stipulation will have no
16 force or effect, and neither it nor the fact of its execution will be admissible as evidence in the
17 pending disciplinary proceeding, in any subsequent disciplinary proceeding, or in any civil or
18 criminal action.

1 WHEREFORE the undersigned being fully advised, adopt and agree to this Stipulation to
2 Reprimand as set forth above.

3 
4 Lori S. Haskell, Bar No. 15779
5 Respondent

Dated: 6/4/2021

6 
7 Keyin M. Bank, Bar No. 28935
8 Counsel for Respondent

Dated: 6/5/2021

9 
10 Henry Cruz, Bar No. 38799
11 Disciplinary Counsel

Dated: 11/05/2021