

FILED

Jun 27, 2023

Disciplinary
Board

Docket # 005

DISCIPLINARY BOARD
WASHINGTON STATE BAR ASSOCIATION

In re

ARTHUR COLBY PARKS,
Lawyer (Bar No. 22508).

Proceeding No. 23#00033
ODC File No(s). 22-01082, 23-00010,
Resignation Form of Arthur Colby Parks
(ELC 9.3(b))

I, Arthur Colby Parks, declare as follows:

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 June 1, 1993.

3. After consulting with my counsel, Anne Seidel, I have voluntarily decided to resign from the Washington State Bar Association (the Association) in Lieu of Discipline under Rule 9.3 of the Washington Supreme Court's Rules for Enforcement of Lawyer Conduct (ELC).

4. 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 permanently resign from membership in the Association. I vehemently deny the allegations but

1 am resigning to avoid having to litigate the issues.

2 5. I consent to entry of an order under ELC 13.9(e) assessing expenses of \$1,500 in
3 this matter.

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

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

12 8. I agree to (a) notify all other states and jurisdictions in which I am admitted of this
13 resignation in lieu of discipline; (b) seek to resign permanently from the practice of law in any
14 such states and jurisdictions; and (c) provide Disciplinary Counsel with copies of this notification
15 and any response(s). I acknowledge that this resignation could be treated as a disbarment by all
16 other jurisdictions.

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

21 10. I agree that when applying for any employment, I will disclose the resignation in
22 lieu of discipline in response to any question regarding disciplinary action or the status of my
23 license to practice law.

1 11. I understand that my resignation becomes effective on Disciplinary Counsel's
2 endorsement and filing of this document with the Clerk, and that under ELC 9.3(c) Disciplinary
3 Counsel must do so promptly following receipt of this document.

4 12. When my resignation becomes effective, I agree to be subject to all restrictions that
5 apply to a disbarred lawyer.

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

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

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

13
14 June 16, 2023 at
Date and Place Tacoma.

15 Arthur Colby Parks
Arthur Colby Parks, Bar No. 22508

16 ENDORSED BY:

17
18 F. Rodriguez 6/27/2023
Francisco Rodriguez, Disciplinary Counsel
19 Bar No. 22881

**EXHIBIT
A**

**DISCIPLINARY BOARD
WASHINGTON STATE BAR ASSOCIATION**

In re

ARTHUR COLBY PARKS,

Lawyer (Bar No. 22508).

Proceeding No. 23#00033

ODC File No(s). 22-01082, 23-00010

**STATEMENT OF ALLEGED
MISCONDUCT UNDER ELC 9.3(b)(1)**

The following constitutes a Statement of Alleged Misconduct under Rule 9.3(b)(1) of the Washington Supreme Court's Rules for Enforcement of Lawyer Conduct (ELC).

I. ADMISSION TO PRACTICE

1. Respondent Arthur Colby Parks was admitted to the practice of law in the State of Washington on June 1, 1993.

II. ALLEGED FACTS

ODC File No. 22-01082

2. In 2010, Carolyn Counts (Counts) hired Respondent to create a trust for settlement funds Counts received in connection with a personal injury action.

1 3. Respondent drafted a trust agreement creating the Carolyn R. Counts Trust (Counts
2 Trust) and appointing Respondent as trustee.

3 4. On August 31, 2010, Respondent deposited over 1.6 million dollars into an account
4 Respondent had opened for the Counts Trust with UBS Financial Services.

5 5. In October 2010, Respondent opened an account for the trust at JP Morgan Chase
6 Bank with account number ending in 5962 (x5962). Respondent used Chase account x5962 as the
7 operating account for the Counts Trust.

8 6. Respondent also used JP Morgan Chase Bank for Respondent's firm bank accounts.

9 7. From December 2010 through November 2019, Respondent transferred at least
10 \$899,000 from account x5962 to Respondent's personal and business accounts. Another
11 approximately \$12,000 of Counts's funds were deposited directly into Respondent's business
12 accounts.

13 8. Based on Respondent's records, Respondent was only entitled to collect
14 approximately \$321,000 from Counts.

15 9. In total, Respondent transferred and/or deposited into Respondent's own accounts
16 over \$589,000 in funds belonging to Counts that Respondent was not entitled to receive.

17 10. In addition, Respondent regularly billed Counts at lawyer rates for nonlegal services.
18 Records from Respondent's case management system indicate that Respondent billed Counts at
19 least \$100,000 at lawyer rates for services that could have been performed by nonlawyers at a
20 much lower cost to Counts.

2 11. In May 2018, S.G.¹ hired Respondent for representation in connection with the
3 administration of the Estate of C.S. and unspecified “personal matters.”

4 12. C.S. was S.G.’s parent, and S.G. was C.S.’s sole heir.

5 13. The fee agreement between Respondent and S.G. indicated that fees would be based
6 on the amount of time spent on S.G.’s matter and set forth the hourly rates for Respondent and
7 Respondent’s associate.

8 14. On June 11, 2018, Respondent deposited approximately \$441,000 in funds belonging
9 to the C.S. Estate into Respondent’s IOLTA trust account.

10 15. On July 21, 2018, Respondent sent S.G. a letter stating that Respondent and S.G. had
11 met the day before and agreed to changes to the fee agreement. Respondent’s letter stated that
12 S.G. had agreed to pay a “minimum monthly fee of \$10,000” and that Respondent was “confident
13 that an average fee of \$10,000 each month will be adequate compensation.” Respondent’s letter
14 did not explain in what circumstances Respondent’s monthly fees could exceed the “minimum
15 monthly fee” or on what basis such additional fees would be calculated. Similarly, Respondent’s
16 letter did not indicate in what circumstances, if any, Respondent’s fees could fall below the
17 “minimum monthly fee.”

18 16. Respondent did not discuss Respondent’s conflict of interest in renegotiating the terms
19 of the fee agreement and did not advise S.G. of the desirability of seeking the advice of
20 independent counsel.

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22
23 ¹ Initials are used for the client involved in this matter and the client’s deceased parent to protect the client’s
privacy.

1 17. Respondent did not obtain written consent from S.G. to the terms of the new
2 agreement.

3 18. The terms of the new fee agreement were not fair and reasonable to S.G. as S.G. was
4 required to pay a minimum monthly fee that far exceeded the amount that would likely be due
5 under the original fee agreement.

6 19. From July 2018 through February 2020, Respondent removed \$314,000 in funds
7 belonging to S.G. and/or the Estate of C.S. from Respondent's IOLTA account in monthly totals
8 ranging from \$2,500 to \$35,000:

9	2018	\$117,500.00
10	July	\$25,000.00
11	August	\$15,000.00
12	September	\$5,000.00
13	October	\$35,000.00
14	November	\$20,000.00
15	December	\$17,500.00
16	2019	\$148,500.00
17	January	\$35,000.00
18	February	\$21,000.00
19	March	\$30,000.00
20	May	\$32,500.00
21	June	\$7,500.00
22	July	\$2,500.00
23	August	\$5,000.00
24	December	\$15,000.00
	2020	\$48,000.00
	January	\$35,000.00
	February	\$13,000.00

19 Respondent transferred and/or deposited these funds into Respondent's own accounts.

20 20. Respondent did not provide S.G. with written notice before removing funds from
21 Respondent's IOLTA account. Respondent's monthly billing letters were dated after Respondent
22 had removed the funds from Respondent's IOLTA account and did not provide S.G. with any
23 explanation as to the work Respondent had performed in exchange for the fees charged.

1 Respondent's monthly billing letters also failed to explain why the monthly fees exceeded or fell
2 below the "minimum monthly fee."

3 21. Respondent was not entitled to most of the funds Respondent collected from S.G. The
4 amounts Respondent billed under the new fee agreement were not justified by the amount of work
5 performed on S.G.'s matters. Respondent's case management system reflects a total of
6 approximately \$19,000 worth of work and expenses during this period.

7 22. S.G., through a different lawyer, repeatedly requested that Respondent provide
8 accountings of Respondent's work on behalf of S.G. and the C.S. Estate, including accountings
9 of Respondent's fees and costs.

10 23. Respondent did not provide the requested accountings.

11 24. Respondent's client ledger for S.G. did not list all of the funds received.

12 25. Respondent's client ledger for S.G. did not list all the funds disbursed.

13 26. Respondent's client ledger for S.G. did not list the payee for each transaction, the
14 purpose for which funds were received, disbursed, or transferred, or the new client fund balance
15 after each transaction.

16 27. Respondent did not maintain a check register for Respondent's trust account.

17 28. During the representation of S.G., Respondent received a total of approximately
18 \$454,000 in funds belonging to the C.S. Estate and/or S.G.

19 29. During the representation of S.G., Respondent transferred or deposited into
20 Respondent's own accounts a total of over \$334,000 from the C.S. Estate and/or S.G., more than
21 70% of the total funds Respondent had received.

1 30. Respondent's case management system reflects work and expenses totaling
2 approximately \$29,000 for S.G.'s matters from May 2018 through the conclusion of the
3 representation.

4 31. During the representation of S.G., Respondent converted to Respondent's own use
5 over \$305,000 in funds belonging to the C.S. Estate and/or S.G.

6 III. ALLEGED MISCONDUCT.

7 32. By converting Counts's funds to Respondent's own use without being entitled to those
8 funds, Respondent violated RPC 8.4(b), RPC 8.4(c), RPC 8.4(i), and RPC 1.15A(b).

9 33. By charging Counts fees at lawyer rates for work that could have been performed by
10 a nonlawyer, Respondent violated RPC 1.5(a), RPC 1.15A(b), and RPC 8.4(c).

11 34. By renegotiating the fee agreement with S.G. without obtaining S.G.'s informed
12 consent in a writing signed by S.G. and without advising S.G. of the desirability of seeking advice
13 from an independent lawyer and on terms that were not fair and reasonable to S.G., Respondent
14 violated RPC 1.8(a).

15 35. By removing funds belonging to S.G. and/or the C.S. Estate from Respondent's
16 IOLTA account without being entitled to collect those funds and converting the funds to
17 Respondent's own use, Respondent violated RPC 8.4(b), RPC 8.4(c), RPC 8.4(i), and RPC
18 1.15A(b).

19 36. By failing to provide S.G. with written notice before withdrawing funds from the
20 IOLTA account, Respondent violated RPC 1.15B(a)(1).

21 37. By failing to adequately communicate the basis and/or rate of the fee for which S.G.
22 was responsible and failing to communicate to S.G. the basis for fees charged during the
23 representation, Respondent violated RPC 1.4 and RPC 1.5(b).

1 38. By failing to promptly provide a written accounting to S.G. despite written requests
2 for such accountings, Respondent violated RPC 1.15A(e) and RPC 1.4.

3 39. By failing to maintain a checkbook register or equivalent for Respondent's client trust
4 account, Respondent violated RPC 1.15B(a)(1).

5 40. By failing to maintain a client trust ledger for S.G. that listed all receipts,
6 disbursements, and transfers, along with the purpose for which funds were received or disbursed,
7 the payee for each transaction, and the new client fund balance after each transaction, Respondent
8 violated RPC 1.15B(a)(2).

9 DATED this 30th day of May, 2023.

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11 _____
12 Francisco Rodriguez, Bar No. 22881
13 Disciplinary Counsel
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