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BEFORE THE
DISCIPLINARY BOARD
OF THE
WASHINGTON SUPREME COURT

In re

DARLENE ANN PIPER,
Lawyer (Bar No. 24244).

Proceeding No. 18#00068

ODC File No(s). 18-01225 and 18-00256

Resignation Form of Darlene Ann Piper (ELC 9.3(b))

I, Darlene Ann Piper, 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 November 10, 1994.
3. On October 14, 2014, I voluntarily resigned from the Washington State Bar Association (the Association), and discontinued the practice of law.
4. After consulting with my counsel, David P. Horton, I have voluntarily decided to resign from the Association in Lieu of Discipline under Rule 9.3 of the Washington Supreme Court's Rules for Enforcement of Lawyer Conduct (ELC).
5. Attached hereto as Exhibit A is Disciplinary Counsel's statement of alleged

1 misconduct for purposes of ELC 9.3(b). I do not agree with the allegations and have answered
2 the Formal Complaint in my Answer, which is of record.

3 6. Rather than defend against the allegations, I wish to permanently resign from
4 membership in the Association.

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

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

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

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

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

1 12. I agree that when applying for any employment, I will disclose the resignation in
2 lieu of discipline in response to any question regarding disciplinary action or the status of my
3 license to practice law.

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

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.

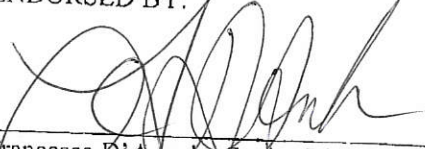
11 16. I understand that, after my resignation becomes effective, it is permanent. I will
12 never be eligible to apply and will not be considered for admission or reinstatement to the
13 practice of law nor will I be eligible for admission for any limited practice of law.

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 Mason County, WA
17 Date and Place 1/28/20

Darlene Ann Piper
Darlene Ann Piper, Bar No. 24244

18 ENDORSED BY:

19 
20 _____
21 Francesca D'Angelo, Senior Disciplinary Counsel
22 Bar No. 22979

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BEFORE THE
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OF THE
WASHINGTON SUPREME COURT

In re
DARLENE ANN PIPER,
Lawyer (Bar No. 24244).

Proceeding No. 18#00068
ODC File No(s). 18-01225 and 18-00256
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

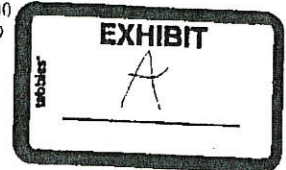
1. Respondent Darlene Ann Piper was admitted to the practice of law in the State of Washington on November 10, 1994.

II. ALLEGED FACTS- Lundy Grievance

2. From 1994 to October 2014, Respondent was a lawyer whose primary practice was in the estate and probate area.

3. In June 2012, Mildred Lundy hired Darlene Piper to help her with a Medicaid trust

OFFICE OF DISCIPLINARY COUNSEL
OF THE WASHINGTON STATE BAR ASSOCIATION
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(206) 727-8207



1 after her husband, Harold Lundy, was diagnosed with dementia.

2 4. On August 28, 2012, Mildred signed an irrevocable trust document which appointed
3 Respondent as trustee of the "Lundy Family Trust." Mildred also signed for Harold as his
4 attorney-in-fact. The assets to be put into the trust were an annuity worth approximately
5 \$218,000, real property worth approximately \$300,000 and approximately \$80,000 in cash.

6 5. In September 2012, Respondent opened an account at Bank of America entitled
7 "Lundy Family Trust, Darlene A. Piper Trustee." In September 2012, Respondent deposited
8 \$57,634.93 into the Lundy Family Trust Account ("Lundy Trust account") and transferred an
9 additional \$30,015.60 from Mildred's personal account into the Lundy Trust account.

10 6. Beginning in October 2012, Respondent began making large withdrawals from the
11 Lundy Trust account. By November 20, 2012, Respondent had taken a total of \$14,450 from
12 the Lundy Trust account. By January 1, 2013, Respondent had removed a total of \$22,200. By
13 August 2014, Respondent had withdrawn \$45,250 from the Lundy Trust account. Respondent
14 was not entitled to all or part of the funds removed from the Lundy Family Trust account at the
15 time that she removed them.

16 III. ALLEGED MISCONDUCT- Lundy Grievance

17 7. By removing funds from the Lundy Family Trust account without entitlement,
18 Respondent violated RPC 1.15A(b) and RPC 8.4(c).

19 IV. ALLEGED FACTS- ODC Grievance

20 8. In 2011, Respondent drafted a will for her client Jack Yates, naming herself as
21 personal representative. In the will, Mr. Yates left the bulk of his estate to St. Jude Children's
22 Research Hospital (St. Jude).

23 9. Mr. Yates died on February 3, 2013. On February 4, 2013, Respondent filed a

1 probate action for Mr. Yates's estate. Respondent liquidated the estate assets and deposited
2 \$525,228.51 into an estate bank account with Bank of America. On December 17, 2013,
3 Respondent notified St. Jude of Mr. Yates's bequest, stating that she anticipated closing the
4 estate and forwarding the final disbursement in February 2014.

5 10. On February 3, 2014, St. Jude requested that Respondent provide an inventory of the
6 estate. Respondent did not respond to this request.

7 11. On March 17, 2014, Respondent withdrew \$520,000 from the Yates estate by way of
8 a check to the Special Needs Trust of C.S.I (CS Trust), a trust on which she was the named
9 trustee. Respondent deposited the funds into the CS Trust account at US Bank. Respondent did
10 not inform St. Jude that she was removing the funds from the Yates estate.

11 12. On March 27, 2014, Respondent withdrew \$519,000 from the CS Trust account and
12 purchased a cashier's check made out to herself. She then deposited the cashier's check into her
13 IOLTA trust account at Bank of America ending in 5317 (IOLTA Account). On April 16, 2014,
14 Respondent wrote a \$519,000 check to Guy Beckett from her IOLTA account. She then
15 endorsed the check by signing Mr. Beckett's name on the back of the check and deposited the
16 funds into an account in the name of Guy Beckett and Darlene Piper (Beckett/Piper account).
17 At the time of the deposit, the Beckett/Piper account contained \$1,447.91. The deposit brought
18 the account to \$521,697.91.

19 13. On June 17, 2014, Respondent wired \$200,000 from the Beckett/Piper account to
20 Valores Casa De Bolsa, SA in Paraguay. At least \$198,552.09 of these funds were from the
21 Yates estate. Piper then transferred an additional \$306,000 of the Yates funds from the
22 Piper/Beckett account to her IOLTA account by checks made out to herself and her law firm.

23 _____
24 ¹ Initials are being used to protect the confidentiality of the beneficiary of the trust.

1 By September 29, 2014, Respondent had removed all of the funds traceable to the Yates estate
2 from the Beckett/Piper account and the Beckett/Piper account had a -0- balance.

3 14. Between June 1, 2014 and August 21, 2014, Respondent deposited a total of
4 \$797,149.94 into her IOLTA trust account from a variety of sources. As stated above, \$306,000
5 of the funds deposited came from the Piper/Beckett account and were traceable to the Yates
6 estate.

7 15. Between August 20 and August 29, 2014, Respondent wire transferred a total of
8 \$800,000 from her IOLTA account to Banco Continental in Paraguay. The wire-transferred
9 funds were for a loan to Ever Marengo, an arms dealer in Paraguay, secured by a deed of trust
10 on a large farm in Paraguay (Marengo Loan). Respondent was the only creditor on the loan.
11 The loan had a balloon payment due in September 2016. From September 2014 through June
12 2015, Respondent received \$92,361.75 in interest on the \$800,000 Marengo loan.

13 16. Respondent voluntarily resigned from the practice of law, effective October 14,
14 2014.

15 17. In July of 2015, Mr. Marengo ceased making interest payments on the loan. In
16 August 2015, Respondent approached a friend, Tina Chapman, and suggested that she invest
17 money from the recent sale of her home into a Paraguay bond fund.

18 18. On September 9, 2015, Ms. Chapinan transferred \$515,000 into Respondent's
19 IOLTA account for investment into a Paraguay bond fund.

20 19. On September 22, 2015, Respondent emailed St. Jude and told them that the Yates
21 estate was ready to be closed and that she would be forwarding them a check for approximately
22 \$515,000. On October 1, 2015, Respondent withdrew \$528,730.61 from her IOLTA trust
23 account in the form of a cashier's check made payable to St. Jude. At least \$515,000 of the

1 funds sent to St. Jude's came from Ms. Chapman's funds.

2 20. On October 3, 2015, Respondent told Ms. Chapman that her money had been wired
3 to Paraguay and converted to local currency. In fact, Respondent had disbursed all of Ms.
4 Chapman's funds to St. Jude to satisfy the Yates bequest.

5 21. In December 2015, Respondent gave Ms. Chapman a check for \$12,500.00, which
6 she falsely represented was interest earned on Ms. Chapman's Paraguay investment.

7 22. After December 2015, Respondent provided no further payments to Ms. Chapman.
8 Ms. Chapman demanded her \$500,000 back, but Respondent claimed that Ms. Chapman's funds
9 were unavailable because the Marengo loan was in default.

10 23. In July 2017, Ms. Chapman filed a lawsuit against Respondent alleging several tort
11 claims including fraud and securities act violations, and seeking a return of her \$500,000.

12 24. On August 30, 2017, Respondent filed for bankruptcy. In her schedules, she stated
13 that she had invested \$800,000 in the Marengo loan and disclosed \$92,362 in interest from the
14 loan as her personal income. She falsely attested that she had personally made a \$529,000
15 donation to St. Jude.

16 25. Respondent voluntarily dismissed the bankruptcy proceedings on December 17,
17 2017.

18 **V. ALLEGED MISCONDUCT- ODC Grievance**

19 26. By converting funds from the Yates estate, Respondent violated RPC 1.15A(b) and
20 RPC 8.4(c).

21 27. By converting Ms. Chapman's funds to pay the Yates estate's bequest to St. Jude,
22 Respondent violated RPC 1.15A(b) and RPC 8.4(c).

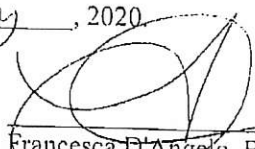
23 28. By making one or more misrepresentations to Ms. Chapman regarding the Marengo

1 loan and the disposition of her funds. Respondent violated RPC 8.4(c).

2 29. By making one or more false and/or misleading statements in her bankruptcy
3 schedules. Respondent violated RPC 8.4(c), RPC 3.3(a) and 3.4(b).

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DATED this 8th day of January, 2020.



Francesca D'Angelo, Bar No. 22979
Senior Disciplinary Counsel