

ORIGINAL

BEFORE THE DISCIPLINARY BOARD OF THE WASHINGTON STATE BAR ASSOCIATION

In re

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

ERIC MICHAEL WEIGHT,

Lawyer (Bar No. 25061).

Proceeding No. 12#00090

STIPULATION TO ONE-YEAR SUSPENSION

Under Rule 9.1 of the Rules for Enforcement of Lawyer Conduct (ELC), and following a settlement conference conducted under ELC 10.12(h), the following Stipulation to Suspension is entered into by the Office of Disciplinary Counsel (ODC) of the Washington State Bar Association (Association) through disciplinary counsel Jonathan Burke, Respondent's Counsel Leland G. Ripley and Respondent lawyer Eric Michael Weight.

Respondent understands that he is entitled under the ELC to a hearing, to present 19 exhibits and witnesses on his behalf, and to have a hearing officer determine the facts, 20 misconduct and sanction in this case. Respondent further understands that he is entitled under 21 the ELC to appeal the outcome of a hearing to the Disciplinary Board, and, in certain cases, the 22 Supreme Court. Respondent further understands that a hearing and appeal could result in an 23 outcome more favorable or less favorable to him. Respondent chooses to resolve this 24 Stipulation to Discipline OFFICE OF DISCIPLINARY COUNSEL OF THE WASHINGTON STATE BAR ASSOCIATION Page 1

1325 4th Avenue, Suite 600 Seattle, WA 98101-2539 (206) 727-8207

1	proceeding now by entering into the following stipulation to facts, misconduct and sanction to
2	avoid the risk, 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 October 19,
5	1995. Respondent was admitted in Virginia on November 19, 1991.
6	II. STIPULATED FACTS
7	2. On or about December 29, 2010, Eric Hitz (Eric) hired Respondent to represent
8	him in his dissolution from Robin Hitz (Robin) (collectively referred to as the "Hitzes").
9	3. The December 29, 2010 fee agreement contained the following provision:
10	We do not provide any advice regarding tax law, bankruptcy, or finances. You
11	should consult with a certified public accountant, tax or bankruptcy attorney, financial planner or other such advisor regarding the tax, bankruptcy, or
12	financial consequences of this matter and your decisions on how to proceed. You agree that is not an attorney-client relationship for tax or bankruptcy
13	advice, or financial advice-planning. You hereby waive (give up) any and all claims with us regarding to the tax, bankruptcy or financial planning
14	consequences of the progress and disposition of this matter.
15	4. The December 29, 2010 fee agreement contained a provision that interest is
16	charged on outstanding bills at the rate of 1 percent per month. During the dissolution,
17	Respondent never charged interest to Eric.
18	5. During Respondent's representation of Eric, Respondent had reason to believe that
19	Eric might file bankruptcy.
20	6. When Eric initially hired Respondent to represent him in his dissolution,
21	Respondent agreed to charge Eric attorney fees at an hourly rate.
22	Modification Agreement
22	7. On or about October 24, 2011, Respondent received an email containing Judge
23	Uhrig's decision in the Hitzes' dissolution that stated in part that "each party shall pay their own Stipulation to Discipline Page 2 WASHINGTON STATE BAR ASSOCIATION 1325 4 th Avenue, Suite 600 Seattle, WA 98101-2539 (206) 727-8207

1	attorney fees and other costs."
2	8. Robin submitted proposed Findings of Fact and Conclusions of Law (FOFCOL)
3	and Decree of Dissolution (Decree) to Respondent.
4	9. On November 16, 2012, Eric informed Respondent that he did not oppose the entry
5	of the proposed FOFCOL and Decree.
6	10. On November 17, 2012, the court entered the proposed FOFCOL and Decree.
7	11. The FOFCOL and Decree included provisions ordering Robin to take certain
8	actions to effectuate the sale of approximately 13 parcels of real property in which the Hitzes'
9	marital community had an ownership interest. These parcels of real property included certain
10	real property, the Hitzes' residence located at 845 E. Smith Road (the "Smith Road Property").
11	12. The FOFCOL and/or Decree provided that upon the sale of the Hitzes' real
12	property, Robin would pay the sale proceeds in the following priority:
13	• Any attached mortgages, liens, or encumbrances, along with sales fees and costs
14	if any are incurred;
15	• Any taxes and capital gains;
16	• Bank of the Pacific debts (the Smith Road Property was not listed as security);
17	• Outstanding credit cards;
18	• Certain unsecured loans described in the FOFCOL and Decree, including the
19	unsecured debt of \$90,000 owed to Jim and Carol Hitz (the Hitz Parents); and
20	• Divide the remaining balance equally between Robin and Eric.
21	13. On November 16, 2011, one day prior to the entry of the Decree and FOFCOL,
22	Respondent prepared and presented to Eric a letter agreement modifying the terms of the
23	original fee agreement (Modification Agreement). Eric signed the Modification Agreement that
24	Stipulation to Discipline OFFICE OF DISCIPLINARY COUNSEL OF THE Page 3 OFFICE OF DISCIPLINARY COUNSEL OF THE WASHINGTON STATE BAR ASSOCIATION 1325 4 th Avenue, Suite 600 Seattle, WA 98101-2539 (206) 727-8207

14. Under the terms of the Modification Agreement, Respondent agreed to "cap [Eric's] final bill at \$90,000 (attorney fees plus costs advanced) as a final flat fee amount due."
15. Prior to the Modification Agreement, Eric's outstanding legal bill up to November
1, 2011 was \$85,763.52, with \$1,677.50 in additional fees billed during November 2011, plus \$1,245 for trial transcripts (for a total of \$88,686.02).

day.

1

2

3

4

5

6

7 16. The Modification Agreement provided that "in lieu of any formal execution on the
8 lien or against any real property" Eric agreed to instead pay the \$90,000 "as soon as possible
9 with the proceeds used for repayment of the \$90,000 unsecured loan owed to [the Hitz Parents]
10 by the community" and that Eric would be personally liable to the Hitz Parents for the \$90,000
11 debt.

12 17. At the time of the Modification, Respondent should have known that an attorney's 13 lien is a passive lien and that under Washington Law, it cannot be recorded or executed against 14 a client's interest in real property. Respondent's Modification Agreement was not fair and 15 reasonably because it should not have included language about formal execution on the lien or 16 against any real property.

17 18. Eric did not have a reasonable opportunity to confer with independent counsel
18 before entering into Respondent's Modification Agreement.

19 19. The Modification Agreement drafted by Respondent contained provisions that Eric
20 acknowledged that he had the right to review the agreement with any other lawyer but that he
21 waived this right.

22 20. The Modification Agreement negligently omitted any terms regarding interest. At
 23 the time, Respondent should have realized that interest would be charged on the \$90,000
 24 Stipulation to Discipline OFFICE OF DISCIPLINARY COUNSEL OF THE WASHINGTON STATE BAR ASSOCIATION

balance.

1

2

3

4

5

6

7

21. On December 1, 2011, Respondent filed a notice to withdraw from representing Eric, effective December 12, 2011.

Post-Decree Representation and Flat Fee Agreement

22. On or about February 3, 2012, Eric hired Respondent to represent him in postdissolution matters relating to the sale of the Hitzes' real property and interpretation and enforcement of the Decree.

8 23. Respondent's post-dissolution work included significant time pursuing payment of
9 his legal fees from the Hitzes' real property sale proceeds, in particular, the Smith Road
10 Property.

24. During the post-dissolution representation, Respondent should have known that
there was a significant risk that his representation of Eric would be impacted by his own interest
in pursuing the payment of his attorney fees.

14 25. Respondent never obtained informed consent confirmed in writing from Eric
15 regarding any potential or actual conflict of interest.

16 26. On February 22, 2012, Respondent prepared a flat fee agreement (Flat Fee
17 Agreement) that Eric signed that same day.

18 27. Under the terms of Respondent's Flat Fee Agreement, Respondent agreed to
19 represent Eric in post-dissolution matters for a \$10,000 flat fee.

20
28. The Flat Fee Agreement contained the same provisions quoted above in paragraph
21
3.

22 29. During Respondent's representation of Eric, Respondent had reason to believe that
23 Eric might file bankruptcy.

24 || Stipulation to Discipline Page 5 30. Respondent was negligent in reviewing his billing statements to ensure that his charges were reasonable and consistent with the terms of the Modification Agreement and the Flat Fee Agreement.

31. Respondent negligently charged Eric unreasonable fees by charging (1) \$1,457.50 for post-dissolution legal services provided during February 2012 on an hourly basis in addition to the \$10,000 flat fee; (2) \$1,245 for dissolution costs; (3) \$66 for recording Respondent's Notice of Attorney's Claim of Lien; (4) \$450 for services provided by Respondent's paralegal that were billed on an hourly basis; (5) \$570 for dissolution costs covered under the cap in the Modification Agreement, and (6) \$65 for recording the release of his Notice of Attorney's Claim of Lien.

11 Respondent's Actions to Pursue Payment of his Fees

12 32. By early February 2012, Respondent knew a pending sale of the Smith Road
13 Property was due to close on March 1, 2012.

33. Respondent and Eric decided that they wanted the Smith Road Property sale
proceeds to be used to pay Respondent's outstanding attorney fees and the \$90,000 unsecured
debt owed to the Hitz Parents.

34. Respondent was aware that the Bank of the Pacific was concerned about the
security of its loans to the Hitzes. Respondent should have known that the bank expected to be
paid most of the Smith Road Property sale proceeds consistent with the priority of payment in
the Decree and FOFCOL.

35. Respondent should have known that there was a risk that the Bank of the Pacific
would take action against the Hitzes if most of the Smith Road Property sale proceeds were not
disbursed to the Bank of the Pacific.

24 || Stipulation to Discipline Page 6

1

2

3

4

5

6

7

8

9

36. On February 3, 2012, Respondent filed a Notice of his Attorney's Claim of Lien (Claim of Lien) with the Clerk of the Court in the Hitzes' dissolution. Respondent consulted counsel and conducted legal research beforehand.

37. On or about February 7, 2012, Respondent recorded the Claim of Lien with the County Auditor along with a list of the legal descriptions for each of the 13 parcels of community real property, including the Smith Road Property.

38. On February 28, 2012, two days before the sale of the Smith Road Property was due to close, Respondent sent a letter to Susie Gale (Gale), the officer at Chicago Title Company handling closing the sale of the Smith Road Property.

39. Respondent's letter to Gale inaccurately stated that the Claim of Lien he recorded "attached" to the Hitzes' real property, including the Smith Road Property.

40. Respondent's letter to Gale incorrectly claimed the amount of his lien was
\$103,456. The Claim of Lien filed by Respondent was for \$90,687.50. Respondent added
approximately \$13,000 to the \$90,687.50 listed in the Claim of Lien to reflect the additional
fees for post-dissolution legal services, including the \$10,000 flat fee that had not yet been
earned. Respondent should have known that he could not assert a Claim of Lien for fees not
yet earned.

18 41. The parties disagree on whether Respondent intended to use his Claim of Lien and
19 letter to Gail to cloud title to the Smith Road Property. For purposes of resolving this matter
20 through stipulation, the parties will agree that Respondent was negligent, at minimum, in
21 clouding title to the Smith Road Property.

42. Robin hired real estate lawyer Tim Krell (Krell) to deal with the problems caused
by Respondent's recording a Claim of Lien and sending the February 28, 2012 letter to Gale.

24 || Stipulation to Discipline Page 7

1

2

3

4

5

6

7

8

9

10

1 43. After conferring with a real estate lawyer, Respondent disagreed with Krell's position and Krell's demand to release the Claim of Lien unless the parties agreed to deposit the Smith Road Property sale proceeds into a trust account and have the matter resolved by a court.

44. On March 1, 2012, Respondent signed a letter agreement (Letter Agreement) with Krell, Robin, and Chicago Title to deposit the Smith Road Property sale proceeds into Respondent's trust account in exchange for recording a release of his Claim of Lien against the Smith Road Property.

The Letter Agreement signed by Eric and Respondent required Respondent to 8 45. 9 provide to the escrow officer handling the sale of the Smith Road Property a release of his 10 Claim of Lien by March 1, 2012.

11 46. On March 1, 2012, Respondent filed a motion in the Hitzes' dissolution to, inter alia, pay his attorney lien from the Smith Road Property sale proceeds. 12

47. On March 2, 2012, the Smith Road Property sale proceeds were deposited into 13 Respondent's trust account via wire transfer. 14

15 48. On March 1, 2012, the sale of the Smith Road Property closed. Respondent did not promptly release the Claim of Lien as required in the Letter Agreement. 16

49. By letter dated March 7, 2012, the Bank of the Pacific declared loans owed by the 17 Hitzes in default, thereby accelerating payment of the loans owed by the Hitzes, and informing 18 the Hitzes and other parties that the Bank of the Pacific was implementing the default interest 19 rate of 18 percent on two of the three outstanding loans, which totaled approximately \$3 20 million. The letter stated that its decision to accelerate the Hitzes loans was due in part to 21 22 depositing the Smith Road Property sale proceeds into Respondent's trust account instead of using the proceeds pay the Bank of the Pacific consistent with the Decree and FOFCOL. 23

24 Stipulation to Discipline Page 8

2

3

4

5

6

50. On March 13, 2013, Respondent filed a memorandum in court on behalf of Eric asserting the legal position that Respondent was entitled to be paid his attorney fees from the Smith Road Property sale proceeds.

51. On March 23, 2013, Robin filed a cross motion for contempt contending that Respondent should be removed from the case because his attorney lien created a conflict of interest.

52. At a March 30, 2012 hearing, Judge Uhrig orally ruled that Respondent was to release the attorney lien/Claim of Lien recorded against the Hitzes' real property and release the proceeds from the Smith Road Property to the Bank of the Pacific. No written order was entered.

53. During February 2012 through April 2012, Respondent followed Eric's
instructions by filing an Answer to the Hitz Parents' lawsuit requesting that Plaintiffs receive
relief, including summary judgment and a writ of attachment against the proceeds from the sale
of real property, and this facilitated the entry a judgment and pursuit of collection of the
\$90,000 unsecured debt owed by the Hitzes to the Hitz Parents.

S4. On March 23, 2012, the Hitz Parents obtained a judgment against the Hitzes,
which on April 3, 2012 was reduced to a writ of garnishment against the Smith Road Property
sale proceeds in Respondent's trust account.

19 55. On April 11, 2012, Respondent filed a brief in response to Bank of Pacific's
20 Motion to Intervene in the Hitz Parents' lawsuit asserting the validity of his claimed attorney's
21 lien against the Smith Road Property sale proceeds.

56. On April 11, 2012, Judge Uhrig entered an agreed order to disburse the Smith
Road Property sale proceeds as follows: \$93,955 to the Hitz Parents in satisfaction of their

24 || Stipulation to Discipline Page 9

1

2

3

4

5

6

7

8

9

judgment, \$200,000 to the Bank of the Pacific for payment of loans to the Hitzes, and \$149,226.56 each to Robin and Eric as their separate property and that "[f]rom these proceeds, Eric Hitz shall pay all of his attorney fees and the attorney lien to Weight Law Offices in full, which lien is hereby extinguished."

5 57. As a result, Respondent's attorney fees were paid in full from the Smith Road
6 Property sale proceeds and on April 11, 2012, Weight recorded a release of his Claim of Lien.

Distribution Letter

1

2

3

4

7

8

9

10

58. On April 11, 2012, Respondent prepared a letter of distribution (Distribution Letter) for Eric to sign setting forth how the Smith Road Property sale proceeds would be distributed.

59. The Distribution Letter stated that \$130,541.45 of Eric's funds would be
distributed to Respondent as follows: \$103,905.73 for Respondent's "prior attorney lien
balance," \$20,000 for legal services, and \$6,635.77 for "interest and expenses" representing
\$6,570.77 in interest and \$65 for the cost of releasing the Claim of Lien.

15 60. Respondent should have known that the \$130,541.45 total charged to Eric was
16 unreasonable under the circumstances.

17 61. The \$103,905.73 charged included the \$90,000 "capped" fees and costs, the
18 \$10,000 "flat fee," the \$66 charge for recording the Claim of Lien, post dissolution fees
19 previously charged on an hourly basis, and pre-decree costs.

20 62. According to Respondent, the \$20,000 fee was a flat fee for future legal services to
21 Eric for the remainder of the year, but there was no written agreement for a flat fee for \$20,000.
22 63. On April 11, 2012, Respondent paid himself \$130,541.49 from the Smith Road
23 Property sale proceeds that were in his trust account.

24 || Stipulation to Discipline Page 10

1	64. The \$20,000 flat fee withdrawn by Respondent was not earned when Respondent
2	disbursed those funds to himself from his trust account.
3	65. The \$6,570.77 charge for interest was provided to Respondent by his bookkeeper
4	on or about April 11, 2012 and was comprised of interest assessed on the \$90,000 capped flat
5	fee.
6	66. Respondent never disclosed to Eric how the \$6,570.77 in interest was calculated.
7	67. Prior to April 11, 2012, none of the billing statements provided to Eric reflected
8	that he was being charged interest on the \$90,000 capped fee.
9	68. The parties dispute the reasonableness of the \$6,570.77. For the purposes of
10	resolving this matter by stipulation, the parties agree that it is an unreasonable charge under the
11	circumstances.
12	69. On May 23, 2012, Respondent was deposed by ODC about, among other things,
13	the reasonableness of the fees charged to Eric. During the deposition, Respondent indicated that
14	he was not aware of the basis for some of the charges. After being deposed on these charges,
15	Respondent knew that some charges were unreasonable.
16	70. On or about May 29, 2012, Respondent ceased representing Eric.
17	71. After May 29, 2012, Respondent was fully aware of the need to promptly return
18	unearned fees and unreasonable fees and expenses to Eric totaling at least \$20,500.
19	72. On July 2, 2012, ODC sent its analysis letter to Respondent asserting that certain
20	fees were unreasonable.
21	73. On July 20, 2012, Respondent contacted his lawyer and inquired about refunding
22	unearned fees and other funds to Eric.
23	74. On August 21, 2012, Respondent's lawyer sent a letter to Eric's subsequent lawyer
24	Stipulation to DisciplineOFFICE OF DISCIPLINARY COUNSEL OF THE WASHINGTON STATE BAR ASSOCIATION 1325 4th Avenue, Suite 600 Seattle, WA 98101-2539 (206) 727-8207

1	inquiring about returning fees to Eric. After getting not response, Respondent's lawyer sent a
2	second letter on September 5, 2012 inquiring about refunding money to Eric.
3	75. On August 23, 2012, Eric filed bankruptcy. After filing bankruptcy, any funds
4	Respondent owed to Eric would belong to the bankruptcy estate in Eric's bankruptcy.
5	76. On October 24, 2012, ODC filed a formal complaint in this disciplinary
6	proceeding.
7	77. On November 1, 2012, Respondent's lawyer sent a letter to Eric's bankruptcy
8	lawyer inquiring about returning fees.
9	78. On November 20, 2012, Respondent issued a check for \$20,541 to the bankruptcy
10	trustee in Eric's bankruptcy representing the return of certain fees and costs.
11	79. In late March 2014, Eric's bankruptcy estate was reimbursed \$50,000 on behalf of
12	the Respondent.
13	80. Any allegations in the First Amended Formal Complaint not addressed in this
14	stipulation will be dismissed by agreement of the parties for purposes of settlement.
15	III. STIPULATION TO MISCONDUCT
16	81. By recording the Claim of Lien and sending a letter to Gale claiming that the
17	Claim of Lien attached to the Hitzes' real property, Respondent violated RPC 8.4(d).
18	82. By not complying with the requirements of RPC 1.8(a) when entering into a
19	Modification Agreement and the oral Flat Fee Agreement for \$20,000, Respondent violated
20	RPC 1.8(a).
21	83. By charging Eric unreasonable fees, costs/expenses, and/or interest, Respondent
22	violated RPC 1.5(a).
23	84. Respondent's withdrawal of the unearned \$20,000 flat fee violated RPC 1.15A(c).
24	Stipulation to DisciplineOFFICE OF DISCIPLINARY COUNSEL OF THEPage 12WASHINGTON STATE BAR ASSOCIATION1325 4th Avenue, Suite 600

Seattle, WA 98101-2539 (206) 727-8207

1	85. Respondent's failure to promptly return unearned and/or excessive fees, costs, and
2	interest to Eric violated RPC 1.15A(f) and/or RPC 1.16(d).
3	86. By representing Eric post-dissolution while there was conflict of interest without
. 4	obtaining informed consent in writing, Respondent violated RPC 1.7.
5	87. By entering into fee agreements that prospectively limited Respondent's liability
6	for malpractice, Respondent violated RPC 1.8(h).
7	IV. PRIOR DISCIPLINE
8	88. Respondent has no prior discipline.
9	V. APPLICATION OF ABA STANDARDS
10	89. The following American Bar Association Standards for Imposing Lawyer Sanctions
11	(1991 ed. & Feb. 1992 Supp.) apply to this case.
12	90. ABA Standard 7 .0 is applicable to violations of RPC 8.4(d), RPC 1.5(a), RPC
13	1.15A(f), RPC 1.16(d), and RPC 1.8(h), which provides as follows.
14	7.0 Violations of Duties Owed as a Professional
15	7.1 Disbarment is generally appropriate when a lawyer knowingly
16	engages in conduct that is a violation of a duty owed as a professional with the intent to obtain a benefit for the lawyer or another, and causes serious
1.77	or potentially serious injury to a client, the public, or the legal system.
17	7.2 Suspension is generally appropriate when a lawyer knowingly
18	engages in conduct that is a violation of a duty owed as a professional
19	and causes injury or potential injury to a client, the public, or the legal system.
20	7.3 Reprimand is generally appropriate when a lawyer negligently
21	engages in conduct that is a violation of a duty owed as a professional
21	and causes injury or potential injury to a client, the public, or the legal system.
22	7.4 Admonition is concretly appropriate when a lower and access in an
23	7.4 Admonition is generally appropriate when a lawyer engages in an isolated instance of negligence that is a violation of a duty owed as a
24	professional, and causes little or no actual or potential injury to a client, the Stipulation to Discipline OFFICE OF DISCIPLINARY COUNSEL OF THE Page 13 WASHINGTON STATE BAR ASSOCIATION
	1325 4 th Avenue, Suite 600

Seattle, WA 98101-2539 (206) 727-8207 public, or the legal system.

91. **Claim of Lien.** Respondent negligently allowed a Claim of Lien and letter to Gale to cloud title to the Smith Road Property and other parcels of the Hitzes' real property to get paid his attorney fees in contravention of the Decree and FOFCOL. Respondent's conduct caused actual and/or potential injury to Eric when the Bank of the Pacific called the loan. Reprimand is the presumptive sanction under ABA <u>Standard</u> 7.3.

92. **RPC 1.8(a) Violations.** Respondent was negligent in complying with the duties to provide Eric with the opportunity with confer with independent counsel in connection with the Modification Agreement and oral flat fee agreement for 20,000. Both agreements were unfair and did not disclose material elements. Respondent's conduct caused actual or potential injury to Eric. Reprimand is the presumptive sanction under ABA <u>Standard</u> 7.3.

93. Unreasonable Fees. Respondent negligently charged Eric unreasonable fees
causing damage to Eric and potentially serious damage to the reputation of lawyers in general.
Reprimand is the presumptive sanction under ABA <u>Standard</u> 7.3.

15 94. Failure to Return Unreasonable Fee. After Respondent's deposition, Respondent
16 knowingly failed to promptly return unreasonable fees to Eric causing actual and potential
17 harm. Suspension is the presumptive sanction under ABA <u>Standard</u> 7.2.

95. Waiver of Liability Provisions. Respondent negligently included waiver of
liability provisions relating to bankruptcy in his initial fee agreement and Flat Fee Agreement.
If enforced, these provisions could have resulted in potential injury to Eric. Reprimand is the
presumptive sanction under ABA <u>Standard</u> 7.3.

22 23

1

2

3

4

5

6

7

8

9

10

11

96. ABA Standard 4.3 applies to violations of RPC 1.7, which provides as follows:

4.3 Failure to Avoid Conflicts of Interest

24 || Stipulation to Discipline Page 14 OFFICE OF DISCIPLINARY COUNSEL OF THE WASHINGTON STATE BAR ASSOCIATION 1325 4th Avenue, Suite 600 Seattle, WA 98101-2539 (206) 727-8207 4.31 Disbarment is generally appropriate when a lawyer, without the informed consent of client(s):

(a) engages in representation of a client knowing that the lawyer's interests are adverse to the client's with the intent to benefit the lawyer or another, and causes serious or potentially serious injury to the client; or

(b) simultaneously represents clients that the lawyer knows have adverse interests with the intent to benefit the lawyer or another, and causes serious or potentially serious injury to a client; or

(c) represents a client in a matter substantially related to a matter in which the interests of a present or former client are materially adverse, and knowingly uses information relating to the representation of a client with the intent to benefit the lawyer or another and causes serious or potentially serious injury to a client.

4.32 Suspension is generally appropriate when a lawyer knows of a conflict of interest and does not fully disclose to a client the possible effect of that conflict, and causes injury or potential injury to a client.

4.33 Reprimand is generally appropriate when a lawyer is negligent in determining whether the representation of a client may be materially affected by the lawyer's own interests, or whether the representation will adversely affect another client, and causes injury or potential injury to a client.

4.34 Admonition is generally appropriate when a lawyer engages in an isolated instance of negligence in determining whether the representation of a client may be materially affected by the lawyer's own interests, or whether the representation will adversely affect another client, and causes little or no actual or potential injury to a client.

97. The parties dispute whether Respondent knew or should have known about the
conflict of interest. The Supreme Court has found "knowledge" where an attorney knew or
should have known that a conflict existed. <u>In re Disciplinary Proceeding Against Holcomb</u>,
162 Wn.2d 563, 585, 173 P.3d 898 (2007); <u>In re Disciplinary Proceeding Against Egger</u>, 152
Wn.2d 393, 416, 98 P.3d 477 (2004). For purposes of this stipulation, the parties agree that
ABA <u>Standard</u> 4.62 applies because Respondent knew or should have known about the conflict
of interest in pursuing payment of his fees while representing Eric by March 1, 2012, and failed
Stipulation to Discipline

Page 15

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

to obtain written consent from Eric after full disclosure. Respondent's conduct resulted in 1 2 serious or potentially serious injury to Eric, including the Bank of the Pacific's decision to call the Hitzes' loan. Suspension is the presumptive sanction under ABA Standard 4.32. 3 98. ABA Standard 4.1 applies to violations of RPC 1.15A(c) and provides as follows. 4 5 4.1 Failure to Preserve the Client's Property Disbarment is generally appropriate when a lawyer knowingly converts 6 4.11 client property and causes injury or potential injury to a client. 7 Suspension is generally appropriate when a lawyer knows or should 4.12 8 know that he is dealing improperly with client property and causes injury or potential injury to a client. 9 Reprimand is generally appropriate when a lawyer is negligent in dealing 4.13 with client property and causes injury or potential injury to a client. 10 Admonition is generally appropriate when a lawyer is negligent in 11 4.14 dealing with client property and causes little or no actual or potential injury to a 12 client. 99. Respondent knew or should have known that he was dealing improperly with the 13 \$20,000 he paid to himself from the Smith Road Property sale proceeds resulting in injury to 14 15 Eric. Suspension is the presumptive sanction under ABA Standard 4.12. The Supreme Court has found that, where there are multiple ethical violations, 16 100. the "ultimate sanction imposed should at least be consistent with the sanction for the most 17 18 serious instance of misconduct among a number of violations. In re Disciplinary Proceeding 19 Against Petersen, 120 Wn.2d 833, 854, 845 P.2d 1330 (1993) (quoting ABA Standards at 6). 20 101. Suspension is the most serious sanction for Respondent's misconduct. Accordingly, suspension is the presumptive sanction. 21 The following aggravating factors apply under ABA Standard 9.22: 22 102. 23 (b) Selfish motive [Respondent's misconduct was financially motivated]; OFFICE OF DISCIPLINARY COUNSEL OF THE 24 Stipulation to Discipline WASHINGTON STATE BAR ASSOCIATION Page 16 1325 4th Avenue, Suite 600 Seattle, WA 98101-2539

(206) 727-8207

	(c) Multiple offenses [Respondent engaged in multiple instances of misconduct]; and
2	(i) Substantial experience in the practice of law [Respondent was admitted to
3	practice in 1991].
4	103. The following mitigating factor applies under ABA <u>Standard</u> 9.32:
5	(a) Absence of a prior disciplinary record.
6	104. The aggravating factors and one mitigating factor do not change the presumptive
7	sanction of suspension.
8	VI. STIPULATED DISCIPLINE
9	105. The parties stipulate that Respondent shall be suspended for one year.
10	VII. RESTITUTION
11	106. Restitution is not ordered. Respondent paid \$20,542 to the bankruptcy trustee in
12	Eric's bankruptcy. In addition, the bankruptcy trustee in Eric's bankruptcy asserted demands
13	against Respondent that resulted in a \$50,000 settlement paid by Respondent and Respondent's
14	insurer.
15	VIII. COSTS AND EXPENSES
16	107. Respondent shall pay ODC costs and expenses of \$2,999.11 (representing \$1,500
17	in expenses, plus \$1,499.11 in actual costs). ODC will seek a money judgment under ELC
18	13.9(1) if these costs are not paid within 30 days of final approval of this stipulation.
19	Reinstatement from suspension is conditioned on payment of costs.
20	IX. VOLUNTARY AGREEMENT
21	108. Respondent states that prior to entering into this Stipulation he has consulted
22	independent legal counsel regarding this Stipulation, that Respondent is entering into this
23	Stipulation voluntarily, and that no promises or threats have been made by ODC, the
24	Stipulation to DisciplineOFFICE OF DISCIPLINARY COUNSEL OF THE WASHINGTON STATE BAR ASSOCIATION 1325 4th Avenue, Suite 600 Seattle, WA 98101-2539 (206) 727-8207

Association, nor by any representative thereof, to induce the Respondent to enter into this Stipulation except as provided herein.

X. LIMITATIONS

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

9 110. This Stipulation is not binding upon ODC or the respondent as a statement of all
10 existing facts relating to the professional conduct of the respondent lawyer, and any additional
11 existing facts may be proven in any subsequent disciplinary proceedings.

12 111. This Stipulation results from the consideration of various factors by both parties, 13 including the benefits to both by promptly resolving this matter without the time and expense of 14 hearings, Disciplinary Board appeals, and Supreme Court appeals or petitions for review. As 15 such, approval of this Stipulation will not constitute precedent in determining the appropriate 16 sanction to be imposed in other cases; but, if approved, this Stipulation will be admissible in 17 subsequent proceedings against Respondent to the same extent as any other approved 18 Stipulation.

19 112. Under Disciplinary Board policy, in addition to the Stipulation, the Disciplinary 20 Board shall have available to it for consideration all documents that the parties agree to submit 21 to the Disciplinary Board, and all public documents. Under ELC 3.1(b), all documents that 22 form the record before the Board for its review become public information on approval of the 23 Stipulation by the Board, unless disclosure is restricted by order or rule of law. Under ELC

24 || Stipulation to Discipline Page 18

1

2

3

4

5

6

7

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

If this Stipulation is approved by the Hearing Officer, Disciplinary Board, and 113. Supreme Court, it will be followed by the disciplinary action agreed to in this Stipulation. All notices required in the Rules for Enforcement of Lawyer Conduct will be made.

If this Stipulation is not approved by the Hearing Officer, Disciplinary Board, 114. and Supreme Court, this Stipulation will have no force or effect, and neither it nor the fact of its execution will be admissible as evidence in the pending disciplinary proceeding, in any subsequent disciplinary proceeding, or in any civil or criminal action.

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

13

1

2

3

4

5

6

7

8

9

10

11

12

14 15 16

17

18

19

20

21

22

23

Efic Michael Weight, Bar No. 25061 Respondent

and G. Ribley. Counsel for Respondent

Laura Weight, Bar No. 28202 Counsel for Respondent

nathan Burke, Bar No. 20910

Senior Disciplinary Counsel

24 Stipulation to Discipline Page 19

Dated: JULY 16, 2014 Dated: July 16, 2014 Dated: July 16, 2014

Dated: July 21, 2014

OFFICE OF DISCIPLINARY COUNSEL OF THE WASHINGTON STATE BAR ASSOCIATION 1325 4th Avenue, Suite 600 Seattle, WA 98101-2539 (206) 727-8207