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DISCIPLINARY BOARD  
WASHINGTON STATE BAR ASSOCIATION

In re

**SOUPHAVADY BOUNLUTAY,**  
Lawyer (Bar No. 30552).

Proceeding No. 20#00020

FINDINGS OF FACT, CONCLUSIONS OF  
LAW AND HEARING OFFICER'S  
RECOMMENDATION

The undersigned Hearing Officer held the hearing on May 4 through May 6, 2021 under Rule 10.13 of the Washington Supreme Court's Rules for Enforcement of Lawyer Conduct (ELC). Respondent Souphavady Bounlutay appeared at the hearing with her lawyer, Mark Choate. Senior Disciplinary Counsel Francesca D'Angelo appeared for the Office of Disciplinary Counsel (ODC) of the Washington State Bar Association.

FORMAL COMPLAINT FILED BY DISCIPLINARY COUNSEL

The Formal Complaint filed by Disciplinary Counsel charged Respondent with the following counts of misconduct:

**Count 1:** By converting funds from one or more of her clients' settlement funds, Respondent violated RPC 1.15A(b) and/or RPC 8.4(c) and/or RPC 8.4(b) (by committing the crime of theft in violation of RCW 9A.56.010-050).

**Count 2:** By providing her clients with false accountings and/or by misrepresenting to her clients that she had paid their medical liens and money

1 owed to Roxbury, when she had not, and/or by failing to inform her clients that  
2 she had taken settlement funds designated for third parties for herself,  
Respondent violated RPC 1.4(b), and/or RPC 8.4(c).

3 **Count 3:** By representing AC and MG in Roxbury and Clayman's lawsuits  
4 against them when there was a significant risk that the representation would be  
5 limited by her own personal interest, without gaining either client's informed  
6 consent, confirmed in writing, Respondent violated RPC 1.7(a).

7 **Count 4:** By filing an answer in the litigation between AC and Roxbury in  
8 which she falsely denied that AC had failed to pay Roxbury when her case had  
9 settled, Respondent violated RPC 3.1 and/or RPC 3.3(a).

10 Based on the pleadings in the case, the testimony and exhibits at the hearing, the Hearing  
11 Officer makes the following Findings of Fact and Conclusions of Law:<sup>1</sup>

12 FINDINGS OF FACT

13 1. Respondent was admitted to the practice of law in the State of Washington on  
14 November 17, 2000. At all relevant times, Respondent was a solo practitioner, practicing under  
15 the name of Bounlutay Law Firm.

16 2. In 2004, Respondent married Lawrence Clayman (Clayman). Clayman is a  
17 chiropractor and owns Roxbury Chiropractic Clinic (Roxbury).

18 3. During their marriage, Clayman referred approximately 40 patients to Respondent  
19 for representation in their personal injury cases. When the cases settled, Respondent's practice  
20 was to obtain the clients' consent to pay Roxbury's chiropractic bills from their settlement  
21 proceeds. Respondent then paid Roxbury directly.

22 4. Beginning in 2011, in six matters, contrary to this ordinary practice, Respondent did  
23 not pay Roxbury from clients' settlements, even when authorized by the clients to pay Roxbury.

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24 <sup>1</sup> These Findings of Fact and Conclusions of Law were proposed by ODC, and Respondent had no  
objection as to the form.

1 **Client SP**

2 5. The first matter related to client SP. In January 2011, Respondent settled SP's case  
3 for \$22,750. Respondent prepared a disbursement of funds letter for SP, representing that the  
4 settlement funds would be disbursed as follows:

5 \$10,947.83 Medical Liens  
6 \$7,508 attorney fee  
7 \$683 costs  
8 \$4,294 to client

9 6. The medical liens of \$10,947.83 were owed to Roxbury.

10 7. SP agreed to the distribution of funds as set forth in the disbursement of funds letter.

11 8. Respondent did not pay Roxbury; instead, Respondent converted the funds  
12 designated for medical liens by issuing a trust account check in the amount of \$10,620 to the  
13 Bounlutay Law Firm.

14 9. Respondent did not tell SP, Roxbury, or Clayman that the funds had not been used to  
15 pay Roxbury but had instead been paid to Bounlutay Law Firm.

16 10. Respondent and Clayman separated on November 16, 2012.

17 11. On November 20, 2012, Clayman filed a petition for dissolution. *Clayman v.*  
18 *Bounlutay*, King County Superior Court No. 12-3-07726-0.

19 12. After Respondent and Clayman separated, Respondent settled four more cases for  
20 clients who had outstanding bills to Roxbury (clients AC, AT, LB, and MG). In each case,  
21 Respondent obtained client consent to pay Roxbury's chiropractic bills from the clients'  
22 settlement proceeds as set forth below. In each case, Respondent did not pay Roxbury the funds  
23 but instead converted the funds through checks made out to Bounlutay Law Firm.

24 **Client AC**

13. Respondent settled AC's personal injury case for \$27,500 in October 2013.

1           14. On November 25, 2013, AC signed a final accounting prepared by Respondent. The  
2 accounting represented that Respondent would distribute the settlement funds as follows:

3           \$11,000 attorney's fees  
            \$800 costs  
4           \$5,700 PIP  
            \$3,000 Chiropractor  
5           \$7,000 client

6           15. The \$3,000 designated for the chiropractor was owed to Roxbury. AC agreed to the  
7 distribution of funds as set forth in the final accounting.

8           16. Respondent paid Bounlutay Law Firm, the PIP carrier, and AC as indicated in the  
9 final accounting. Respondent did not pay Roxbury, but instead converted the funds as set forth  
10 in ¶¶ 36-37 and 39, below.

11           17. Respondent did not inform AC that Roxbury had not been paid.

12 ***Client AT***

13           18. In May 2013, Respondent settled AT's case for \$15,500.

14           19. On May 30, 2013, Respondent prepared a final accounting stating that the  
15 disbursement would be as follows:

16           \$5,115 attorney's fees  
            \$465 costs  
17           \$2,187 payment to Roxbury Spine and Wellness Clinic  
            \$7,733 to client

18           20. AT agreed to the distribution of funds as set forth in the final accounting.

19           21. Respondent disbursed \$5,580 to Bounlutay Law Firm and \$7,733 to AT, but did not  
20 make any payment to Roxbury. Respondent instead converted the funds as set forth in ¶¶ 36-37  
21 and 39, below.

22           22. Respondent did not inform AT that Roxbury had not been paid.

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1 **Client LB**

2 23. In December 2012, Respondent settled LB's personal injury claim for \$20,000.

3 24. In a final accounting prepared by Respondent, Respondent told LB that the  
4 settlement funds would be disbursed as follows:

5 \$6,600 in attorney's fees  
6 \$10,000 chiropractor  
7 \$3,400 to client

8 25. The \$10,000 designated for the chiropractor in the final accounting was owed to  
9 Roxbury.

10 26. LB agreed to the distribution of funds as set forth in the final accounting.

11 27. In December 2012, Respondent paid \$6,600 to Bounlutay Law Firm and \$3,400 to  
12 LB, but she did not pay any funds to Roxbury or any other chiropractor. Respondent instead  
13 converted the funds as set forth in ¶¶ 36-37 and 39, below.

14 28. Respondent did not inform LB that Roxbury had not been paid.

15 **Client MG**

16 29. In July 2013, Respondent settled MG's case for \$16,750. Respondent prepared a  
17 final accounting that stated Respondent would distribute the settlement funds as follows:

18 Attorney's fees \$5,527.50  
19 Costs \$502.50  
20 Chiropractor \$9,000  
21 Client \$2,000

22 30. The \$9,000 designated for the chiropractor was owed to Roxbury. MG agreed to this  
23 distribution of funds.

24 31. In July 2013, Respondent paid Bounlutay Law Firm \$6,030 and paid \$2,000 to MG,  
but she did not pay any funds to Roxbury. Respondent instead converted the funds as set forth  
in ¶¶ 36-37 and 39, below.

1           32. Respondent did not inform MG that Roxbury had not been paid.

2    ***Arbitration Decision and Respondent’s Removal of the Funds Designated for Roxbury***

3           33. Respondent and Clayman went to arbitration for their dissolution on February 3,  
4 2014. At the time of the arbitration, Respondent was holding \$24,187 in trust for Roxbury bills  
5 for AC, AT, LB, and MG.

6           34. At the arbitration, Clayman claimed that Respondent collected money that was due  
7 to Roxbury from Bounlutay Law Firm’s client settlement proceeds, but that Respondent failed  
8 to remit the funds to Roxbury. Respondent did not disclose that Respondent currently had funds  
9 in trust that clients had authorized from their settlements for Respondent to pay Roxbury.  
10 Instead, Respondent testified that Respondent had “paid [Clayman] when her clients authorized  
11 her to do so.” Respondent’s testimony was false, and Respondent knew it was false when she  
12 testified.

13           35. On July 5, 2014, the arbitrator entered a decision, which held, in relevant part:

14           **DECISION:** After considering the evidence and testimony of the parties, this  
15 Arbitrator FINDS [Clayman] has provided services to clients of [Respondent] for  
16 which he has not been paid. However, based on the evidence submitted, this  
17 arbitrator cannot FIND [Clayman] has a contract with [Respondent] or her clients  
that obligates [Respondent] to pay [Clayman] for the services he provided to her  
clients. The Arbitrator FINDS [Clayman] will need to seek payment directly  
from the person to whom he provided services.

18           36. On December 15, 2014, Respondent disbursed \$20,000 of the trust funds that the  
19 clients had designated for Roxbury to Bounlutay Law Firm. Respondent was not entitled to the  
20 \$20,000.

21           37. On January 5, 2015, Respondent disbursed an additional \$2,000 of the client trust  
22 funds to Bounlutay Law Firm. Respondent was not entitled to the \$2,000.

1           38. On January 9, 2015, the parties' dissolution became final. The decree of dissolution  
2 awarded Clayman all interest in Roxbury, including all receivables.

3           39. On January 14, 2015, Respondent disbursed \$1,000 of the remaining client trust  
4 funds that had been designated for Roxbury to Bounlutay Law Firm. Respondent was not  
5 entitled to the \$1,000.

6           40. Respondent did not tell any of the clients that the funds that had been withheld from  
7 their settlements had not been used to pay Roxbury but had instead been paid to Bounlutay Law  
8 Firm.

9           ***Client TM***

10           41. After the court entered Respondent's decree of dissolution, Respondent settled two  
11 cases for Client TM. In both of these cases, Respondent withheld funds from TM's settlement to  
12 pay money that TM owed to Roxbury, but Respondent did not pay the funds to Roxbury.

13           42. One of the cases settled in April 2015 for \$13,700.

14           43. On April 21, 2015, Respondent emailed TM a final accounting and stated that  
15 "[a]fter all the deductions and medical liens are paid off, you take home the total amount of of  
16 [sic] \$1,595.88."

17           44. The final accounting stated that the funds would be distributed as follows:

18           \$4,521 Attorney's fees  
19           \$66.20 Medical records – St. Joseph  
20           \$39.42 Medical records – Biojunction  
21           \$617 BioJunction PT  
22           \$1,534.50 St. Joseph's Medical Center  
23           \$5,326 Roxbury Spine and Wellness  
24           \$1,595.88 client

25           45. TM agreed to the distribution of funds as set forth in the final accounting.

1           46. Respondent issued checks to Bounlutay Law Firm for \$4,521 in fees and \$105.60 in  
2 costs. Respondent also issued a \$617 check to BioJunction and a \$1,534.50 check St. Joseph's  
3 Medical Center. Respondent issued a \$1,595.88 check to TM. After making these  
4 disbursements, Respondent was still holding \$5,326 from TM's settlement in trust.

5           47. Respondent did not disburse any funds to Roxbury.

6           48. Respondent did not inform TM that Roxbury had not been paid the funds designated  
7 for Roxbury in the final accounting.

8           49. On May 2015, Respondent settled another personal injury matter for TM.

9           50. On June 2, 2015, Respondent emailed TM and stated, "your \$8,200 settlement came.  
10 I will be waiving my cost for your case. So after the medical lien and attorney's fees are paid;  
11 you [sic] take home amount will be \$2,122.00."

12           51. With the email, Respondent attached a final accounting which stated that the  
13 settlement funds would be disbursed as follows:

14           \$2,702 Attorney's fees  
15           \$3,372 Roxbury Spine and Wellness Clinic  
16           \$2,122 client

17           52. TM agreed to the distribution of funds as set forth in the final accounting.

18           53. On June 8, 2015, Respondent disbursed \$2,702 to herself and \$2,122 to TM.

19           54. After making the disbursements, Respondent still held \$3,372 from TM's second  
20 settlement in trust.

21           55. Respondent did not make any payment to Roxbury.

22           56. Respondent did not inform TM that Roxbury had not been paid.

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1 ***Roxbury Collection Lawsuits***

2 57. In May 2015, Clayman referred the SP, AC, AT, LB, and MG accounts to a  
3 collection lawyer to try to collect the money that the clients owed to Roxbury. Roxbury  
4 subsequently filed suit against SP, AC, AT, LB, and MG for their unpaid chiropractic bills, plus  
5 interest, attorney's fees and costs.

6 ***Respondent's Representation of AC in the Roxbury Lawsuit***

7 58. On May 26, 2015, Roxbury filed a lawsuit against AC in King County District Court  
8 demanding that AC pay Roxbury \$8,767.42, plus interest from the last date of service,  
9 attorney's fees, and costs.

10 59. Respondent represented AC in the lawsuit.

11 60. There was a significant risk that Respondent's representation of AC would be  
12 materially limited by Respondent's own personal interest in hiding the fact that Respondent had  
13 paid Bounlutay Law Firm, and not Roxbury, the funds from AC's settlement.

14 61. Respondent's representation of AC in the Roxbury lawsuit constituted a conflict of  
15 interest.

16 62. Respondent could not reasonably believe that Respondent would be able to provide  
17 competent and diligent representation to AC.

18 63. Respondent did not obtain AC's informed consent, confirmed in writing, to the  
19 conflict of interest.

20 64. On June 11, 2015, Respondent filed an answer with counterclaims on AC's behalf.  
21 In the answer, Respondent denied the allegation in Roxbury's lawsuit that AC had failed to pay  
22 Roxbury when her case settled, even though Respondent knew that Respondent had failed to  
23 pay the funds.

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1           65. Respondent's denial of the allegation in Roxbury's lawsuit that AC had failed to pay  
2 Roxbury when AC's personal injury case settled was a knowingly false statement to a tribunal.  
3 Respondent's failure to include any statement about Respondent's own actions in taking the  
4 funds was a failure to disclose a material fact.

5           66. There was no basis in fact or law for Respondent's denial of the allegation in  
6 Roxbury's lawsuit that AC had failed to pay Roxbury when AC's personal injury case settled.

7 ***Respondent's Representation of MG in the Roxbury Lawsuit***

8           67. On September 14, 2015, Roxbury sued MG for \$16,398.16 on MG's unpaid bill. In  
9 the lawsuit, Roxbury requested interest from the last date of service, attorney's fees, and costs.

10           68. Respondent represented MG in the lawsuit.

11           69. There was a significant risk that Respondent's representation of MG would be  
12 materially limited by Respondent's own personal interest in hiding the fact that Respondent had  
13 paid Bounlutay Law Firm, and not Roxbury, the funds from MG's settlement.

14           70. Respondent's representation of MG in the Roxbury lawsuit constituted a conflict of  
15 interest.

16           71. Respondent could not reasonably believe that Respondent would be able to provide  
17 competent and diligent representation to MG.

18           72. Respondent did not obtain MG's informed consent, confirmed in writing to the  
19 conflict of interest.

20 ***Respondent's Misrepresentations to Clients***

21           73. On August 19, 2015, Respondent wrote AT, LB, MG, and SP each a letter stating:

22           This is to give you a notice that I have been advised that my former husband,  
23           Lawrence Clayman who provided chiropractic services as Roxbury Spine &  
24           Wellness Clinic has hired an attorney to send out collection letter [sic] to my

1 clients claiming that money is still owed to him for services provided in matters  
2 in which I was an attorney.

3 This is an alarming development; any and all bills and medical liens were paid  
4 on our clients' behalf from the settlement proceeds.

5 My attorneys are looking into this situation and hope to get to the bottom of this  
6 as soon as possible.

7 I am requesting you notify me, if you received anything from anything [sic] from  
8 Pieck/ Boyer Law Group PS, regarding Roxbury Spine Wellness Clinic.

9 74. On December 14, 2015, Respondent sent an email to TM stating:

10 My former husband, Lawrence Clayman (dba Roxbury Spine and Wellness  
11 Clinic) hired an attorney to send out collection letter [sic] to all of my former  
12 clients claiming money is still owed to him for services provided in matters in  
13 which I was attorney. All bills and medical liens were paid on our client's behalf  
14 from the settlement proceeds.

15 75. Respondent's statements to AT, LB, MG, SP, and TM that any and all bills and  
16 medical liens were paid on the clients' behalf from the settlement proceeds were intentionally  
17 false and misleading. These misrepresentations deprived the clients of the ability to make  
18 informed decisions related to the collection actions instituted by Roxbury.

19 76. Respondent's representations to AT, LB, MG, SP, and TM in their final accountings  
20 that their funds would be used to pay Roxbury were also intentionally false and misleading.  
21 Respondent's actions deprived the clients of the ability to make informed decisions related to  
22 their settlements.

23 77. On December 21, 2015, Respondent and Clayman entered into a CR 2A agreement  
24 in *Clayman v. Bounlutay*, King County Superior Court No. 12-3-07726-0, whereby Clayman  
agreed to cease all collection actions against Respondent's clients.

1           78. On September 15, 2016, Respondent removed \$9,452 from her trust account by way  
2 of a check to Bounlutay Law Firm. Of the funds, taken \$8,698 were funds that Respondent had  
3 withheld from TM's settlements to pay Roxbury.

4           79. Respondent did not inform TM that Roxbury had not been paid the funds designated  
5 for Roxbury in the settlement statement or that Respondent disbursed the funds to Respondent's  
6 law firm.

7           80. On December 26, 2016, Respondent removed the last of the funds that Respondent  
8 had withheld from the clients' settlements to pay Roxbury by writing a check to Motorsports  
9 Unlimited. The payment to Motorsports Unlimited was for Respondent's personal benefit.

10           81. Respondent did not tell any of the clients that the funds that had been withheld from  
11 their settlements had not been used to pay Roxbury, but had instead been paid to Bounlutay Law  
12 Firm.

13           82. Respondent knowingly and intentionally took client funds designated for Roxbury  
14 without entitlement and used the funds for Respondent's benefit. Respondent's state of mind is  
15 apparent from Respondent's attempts to hide the disposition of the funds from the various actors  
16 involved, including the clients, the dissolution arbitrator, Roxbury, and Clayman.

17           83. Respondent knowingly and intentionally deceived clients AT, LB, MG, SP, and TM  
18 in providing them with false accountings, by misrepresenting to clients that Respondent had  
19 paid their medical liens, and by failing to inform the clients that their funds had been disbursed  
20 to Bounlutay Law Firm, instead of Roxbury. Respondent's actions were taken with the intent to  
21 benefit Respondent.

22           84. There was actual and potential injury to the clients who lost the use of their funds,  
23 were subjected to unnecessary lawsuits, and were misinformed about important information  
24

1 regarding their settlement funds. The legal profession was also injured in that Respondent's  
2 actions reflected badly on the reputation of the profession.

3 85. Respondent represented AC and MG in the Roxbury lawsuits knowing that  
4 Respondent's interests were adverse to the clients. In each case, Respondent took on the  
5 representation with the intent to obscure the fact that Respondent had converted the funds that  
6 the clients had directed Respondent to pay Roxbury. AC and MG were potentially seriously  
7 injured by Respondent's conduct.

8 86. Respondent submitted an answer on behalf of AC, knowing that the denial that AC  
9 had failed to pay Roxbury was false. Respondent knowingly withheld the information that AC  
10 had authorized Respondent to pay the funds from AC's settlement, but that Respondent had  
11 taken the funds. AC was potentially injured by Respondent's conduct.

12 87. Respondent had a dishonest and selfish motive in committing the misconduct.

13 88. Respondent engaged in a pattern of misconduct involving multiple offenses.

14 89. During the time of the misconduct, Respondent was experiencing personal or  
15 emotional problems.

16 90. On June 18, 2019, Respondent's license to practice law was suspended for 30  
17 months following a stipulation signed on March 1, 2019, in Proceeding No. 17#00085. The  
18 stipulated misconduct included altering fee agreements and submitting them to ODC during a  
19 grievance investigation, charging unreasonable fees, failing to explain matters to a client, failing  
20 to deposit advanced fees into a trust account, failing to provide notice to clients before  
21 withdrawing fees, and failing to appear at two hearings.

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1 CONCLUSIONS OF LAW

2 ***Violation Analysis***

3 The Hearing Officer finds the following:

4 91. ODC has proven Count 1 by a clear preponderance of the evidence. By converting  
5 client settlement funds, Respondent violated RPC 1.15A(b), RPC 8.4(c), and RPC 8.4(b) (by  
6 committing the crime of theft in violation of RCW 9A.56.010-050).

7 92. ODC has proven Count 2 by a clear preponderance of the evidence. By providing  
8 clients with false accountings, by misrepresenting to clients that Respondent had paid their  
9 medical liens and money owed to Roxbury, and by failing to inform clients that she had taken  
10 settlement funds designated for third parties, Respondent violated RPC 1.4(b) and RPC 8.4(c).

11 93. ODC has proven Count 3 by a clear preponderance of the evidence. By representing  
12 AC and MG in Roxbury and Clayman’s lawsuits against them when there was a significant risk  
13 that the representation would be limited by Respondent’s own personal interest, without gaining  
14 either client’s informed consent, confirmed in writing, Respondent violated RPC 1.7(a).

15 94. ODC has proven Count 4 by a clear preponderance of the evidence. By filing an  
16 answer in the litigation between AC and Roxbury in which Respondent falsely denied that AC  
17 had failed to pay Roxbury when AC’s case had settled when Respondent knew the denial was  
18 false, Respondent violated RPC 3.1 and RPC 3.3(a).

19 ***Sanction Analysis***

20 95. A presumptive sanction must be determined for each ethical violation. *In re*  
21 *Anschell*, 149 Wn.2d 484, 69 P.3d 844, 852 (2003). The following standards of the American  
22 Bar Association’s Standards for Imposing Lawyer Sanctions (“ABA Standards”) (1991 ed. &  
23 Feb. 1992 Supp.) are presumptively applicable in this case:

1 96. ABA Standards 4.1 and 5.1 apply to Count 1.

2 **5.1 *Failure to Maintain Personal Integrity***

3 5.11 Disbarment is generally appropriate when:

4 (a) a lawyer engages in serious criminal conduct, a necessary element of  
5 which includes intentional interference with the administration of justice,  
6 false swearing, misrepresentation, fraud, extortion, misappropriation, or  
7 theft; or the sale, distribution or importation of controlled substances; or  
8 the intentional killing of another; or an attempt or conspiracy or  
9 solicitation of another to commit any of these offenses; or

10 (b) a lawyer engages in any other intentional conduct involving dishonesty,  
11 fraud, deceit, or misrepresentation that seriously adversely reflects on the  
12 lawyer's fitness to practice.

13 5.12 Suspension is generally appropriate when a lawyer knowingly engages in  
14 criminal conduct which does not contain the elements listed in Standard 5.11 and  
15 that seriously adversely reflects on the lawyer's fitness to practice.

16 5.13 Reprimand is generally appropriate when a lawyer knowingly engages in any  
17 other conduct that involves dishonesty, fraud, deceit, or misrepresentation and  
18 that adversely reflects on the lawyer's fitness to practice law.

19 5.14 Admonition is generally appropriate when a lawyer engages in any other conduct  
20 that reflects adversely on the lawyer's fitness to practice law.

21 **4.1 *Failure to Preserve the Client's Property***

22 4.11 Disbarment is generally appropriate when a lawyer knowingly converts client  
23 property and causes injury or potential injury to a client.

24 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.

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.

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.

97. Respondent knowingly and intentionally committed theft and conversion of client  
funds. Respondent's clients were both actually injured and potentially seriously injured. The  
presumptive sanction under ABA Standards 4.1 and 5.11 is disbarment.

98. ABA Standard 4.6 is most applicable to Count 2:

**4.6 *Lack of Candor***

4.61 Disbarment is generally appropriate when a lawyer knowingly deceives a client  
with the intent to benefit the lawyer or another, and causes serious injury or  
potential serious injury to a client.

- 1           4.62    Suspension is generally appropriate when a lawyer knowingly deceives a client,  
                  and causes injury or potential injury to the client.
- 2           4.63    Reprimand is generally appropriate when a lawyer negligently fails to provide a  
                  client with accurate or complete information, and causes injury or potential  
3                   injury to the client.
- 4           4.64    Admonition is generally appropriate when a lawyer engages in an isolated  
                  instance of negligence in failing to provide a client with accurate or complete  
                  information, and causes little or no actual or potential injury to the client.

5                   99. Respondent knowingly and intentionally deceived clients AT, LB, MG, SP, and TM  
6                   with the intent to benefit Respondent. The clients were actually injured in that they were  
7                   deprived of the ability to make informed decisions and potentially seriously injured in the  
8                   collection actions that they faced. The legal profession was also injured in that Respondent's  
9                   actions reflected badly on the reputation of the legal profession.

10           100.    The presumptive sanction under ABA Standard 4.61 is disbarment.

11           101.    ABA Standard 4.3 is applicable to Count 3:

12           **4.3 *Failure to Avoid Conflicts of Interest***

13           4.31    Disbarment is generally appropriate when a lawyer, without the informed  
                  consent of client(s):

- 14                   (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,  
15                   and causes serious or potentially serious injury to the client; or
- 16                   (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
- 17                   (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  
18                   knowingly uses information relating to the representation of a client with  
                  the intent to benefit the lawyer or another and causes serious or  
19                   potentially serious injury to a client.

20           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.

21           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  
22                   own interests, or whether the representation will adversely affect another client,  
                  and causes injury or potential injury to a client.

23           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



1 be materially affected by the lawyer's own interests, or whether the  
2 representation will adversely affect another client, and causes little or no actual  
or potential injury to a client.

3 102. Respondent represented AC and MG in the Roxbury lawsuits knowing that  
4 Respondent's interests were adverse to the clients and with the intent to benefit Respondent. AC  
5 and MG were potentially seriously injured. The presumptive sanction under ABA Standard  
6 4.31(a) is disbarment.

7 103. ABA Standard 6.1 is most applicable to Count 4:

8 **6.1 False Statements, Fraud, and Misrepresentation**

9 6.11 Disbarment is generally appropriate when a lawyer, with the intent to deceive the  
10 court, makes a false statement, submits a false document, or improperly  
withholds material information, and causes serious or potentially serious injury  
11 to a party, or causes a significant or potentially significant adverse effect on the  
legal proceeding.

12 6.12 Suspension is generally appropriate when a lawyer knows that false statements or  
documents are being submitted to the court or that material information is  
13 improperly being withheld, and takes no remedial action, and causes injury or  
potential injury to a party to the legal proceeding, or causes an adverse or  
potentially adverse effect on the legal proceeding.

14 6.13 Reprimand is generally appropriate when a lawyer is negligent either in  
determining whether statements or documents are false or in taking remedial  
15 action when material information is being withheld, and causes injury or  
potential injury to a party to the legal proceeding, or causes an adverse or  
potentially adverse effect on the legal proceeding.

16 6.14 Admonition is generally appropriate when a lawyer engages in an isolated  
instance of neglect in determining whether submitted statements or documents  
17 are false or in failing to disclose material information upon learning of its falsity,  
and causes little or no actual or potential injury to a party, or causes little or no  
18 adverse or potentially adverse effect on the legal proceeding.

19 104. Respondent submitted an answer on behalf of AC, knowing that the denial that  
20 AC had failed to pay Roxbury was false. Respondent knowingly withheld the information that  
21 AC had authorized Respondent to pay the funds from AC's settlement, but that Respondent had  
22 taken the funds. AC was potentially injured. The presumptive sanction under ABA Standard  
23 6.12 is suspension.

1 105. When multiple ethical violations are found, the “ultimate sanction imposed  
2 should at least be consistent with the sanction for the most serious instance of misconduct  
3 among a number of violations.” In re Petersen, 120 Wn.2d 833, 854, 846 P.2d 1330 (1993).

4 106. Based on the Findings of Fact and Conclusions of Law and application of the  
5 ABA Standards, the appropriate presumptive sanction is disbarment.

6 107. The following aggravating factors set forth in Section 9.22 of the ABA Standards  
7 are applicable in this case:

- 8 (b) dishonest or selfish motive;
- 9 (c) a pattern of misconduct;
- 10 (d) multiple offenses;
- 11 (g) refusal to acknowledge the wrongful nature of the misconduct;
- 12 (i) substantial experience in the practice of law [Respondent was admitted to  
13 practice on November 17, 2000].

14 108. In addition to the above, Respondent’s other discipline is an aggravating factor in  
15 this case.

16 109. The following mitigating factor set forth in Section 9.32 of the ABA Standards is  
17 applicable to this case:

- 18 (c) personal or emotional problems.

19 Recommendation

20 110. Based on the ABA Standards and the applicable aggravating and mitigating  
21 factors, the Hearing Officer recommends that Respondent Souphavady Bounlutay be disbarred.

22 Dated this 1st day of July, 2021.

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24 André M. Peñalver, Bar No. 43073  
Hearing Officer

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**CERTIFICATE OF SERVICE**

By order of Washington Supreme Court Order No. 25700-B-609, I certify that I caused a copy of the Findings of Fact, Conclusions of Law and Hearing Officer’s Recommendation to be emailed to the Office of Disciplinary Counsel and to Respondent’s Counsel Mark Choate , at [mark@choatelawfirm.com](mailto:mark@choatelawfirm.com), on the 1st day of July, 2021.



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Darlene Neumann,  
Acting Clerk to the Disciplinary Board

**FILED**

Jul 02 2020

Disciplinary  
Board

Docket # 005

DISCIPLINARY BOARD  
WASHINGTON STATE BAR ASSOCIATION

In re

**SOUHAVADY BOUNLUTAY,**

Lawyer (Bar No. 30552).

Proceeding No. 20#00020

FORMAL COMPLAINT

Under Rule 10.3 of the Washington Supreme Court's 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 Washington Supreme Court's Rules of Professional Conduct (RPC) as set forth below.

**ADMISSION TO PRACTICE**

1. Respondent Souphavady Bounlutay was admitted to the practice of law in the State of Washington on November 17, 2000.

**FACTS REGARDING COUNTS 1 - 4**

2. In 2004, Respondent married Lawrence Clayman (Clayman).  
3. Clayman is a chiropractor and owns Roxbury Chiropractic Clinic (Roxbury).  
4. During their marriage, Clayman referred several patients to Respondent for representation in their personal injury cases.

5. Respondent and Clayman separated on November 16, 2012.

1           6. On or about November 20, 2012, Clayman filed a petition for dissolution. *Clayman*  
2 *v. Bounlutay*, King County Superior Court No. 12-3-07726-0.

3           7. At issue in Respondent and Clayman's marital dissolution were payments that  
4 Respondent's personal injury clients owed to Roxbury.

5           8. Clayman claimed that Respondent collected money that was due to Roxbury from  
6 her clients' settlement proceeds, but failed to remit the funds to Roxbury.

7           9. Respondent testified at an arbitration that she paid Roxbury and/or Clayman when  
8 her clients authorized her to do so.

9           10. On January 9, 2015, the parties' dissolution became final.

10           11. The decree of dissolution awarded Clayman all interest in Roxbury, including all  
11 receivables.

12 **Client AC**

13           12. Client AC hired Respondent on September 17, 2010 to represent her in a personal  
14 injury action resulting from a motor vehicle accident.

15           13. AC received chiropractic treatment from Roxbury for the injuries that she suffered.

16           14. On October 11, 2013, Respondent settled AC's case for \$27,500.

17           15. On November 25, 2013, AC signed a final accounting prepared by Respondent.

18           16. The accounting prepared by Respondent represented that she would distribute the  
19 settlement funds as follows:

20           \$11,000 attorney's fees  
21           \$800 costs  
22           \$5,700 PIP  
23           \$3,000 Chiropractor  
              \$7,000 client

              17. Respondent paid herself, the PIP carrier, and AC as indicated in the final accounting.

1 18. Respondent did not pay Roxbury or any other chiropractor.

2 19. Respondent used the \$3,000 designated for the chiropractor for her own benefit,  
3 knowing that she was not entitled to the funds.

4 20. Respondent did not inform AC that she had not paid Roxbury or any other  
5 chiropractor the funds designated for the chiropractor in the final accounting.

6 21. Respondent did not inform AC that she had used the funds for her own benefit.

7 22. On May 8, 2015, Roxbury sent AC a letter, stating that she owed Roxbury  
8 \$8,767.42, including 12% interest, and demanded that she pay Roxbury within 10 days.

9 23. On May 26, 2015, Roxbury filed a lawsuit against AC in King County District Court  
10 demanding that AC pay Roxbury \$8,767.42.

11 24. Respondent represented AC in the lawsuit.

12 25. Respondent never explained to AC that Roxbury was trying to collect funds from her  
13 directly because Respondent had failed to pay Roxbury from the settlement funds.

14 26. Respondent did not advise AC that she had a potential claim against Respondent for  
15 failing to pay Roxbury the funds that she had withheld from AC's settlement funds.

16 27. There was a significant risk that Respondent's representation of AC in Roxbury's  
17 lawsuit would be materially limited by Respondent's own personal interest.

18 28. Respondent did not obtain AC's informed consent, confirmed in writing to the  
19 conflict of interest created by her representation of AC in Roxbury's lawsuit.

20 29. On June 11, 2015, Respondent filed an answer with counterclaims on AC's behalf  
21 and signed the document as the lawyer for AC.

22 30. In the answer, Respondent denied the allegation in Roxbury's lawsuit that AC had  
23 failed to pay Roxbury when her case settled, even though Respondent knew that she herself had

1 failed to pay the funds.

2 31. Respondent's denial of the allegation in Roxbury's lawsuit that AC had failed to pay  
3 Roxbury when her case settled was false.

4 32. Respondent knew that the denial of the allegation in Roxbury's lawsuit that AC had  
5 failed to pay Roxbury when her case settled was false.

6 33. There was no basis in fact or law for Respondent's denial of the allegation in  
7 Roxbury's lawsuit that AC had failed to pay Roxbury when her case settled.

8 34. In December 2015, Respondent and Clayman entered into a Civil Rule (CR) 2A  
9 agreement in *Clayman v. Bounlutay*, King County Superior Court No. 12-3-07726-0, whereby  
10 Clayman agreed to cease all collection actions against Respondent's clients.

11 35. On March 8, 2016, Roxbury dismissed the lawsuit against AC.

12 **Client AT**

13 36. Respondent represented AT in a personal injury matter.

14 37. AT had received chiropractic treatment from Roxbury.

15 38. In May 2013, Respondent settled AT's case for \$15,500.

16 39. On May 30, 2013, Respondent prepared a final accounting stating that the  
17 disbursement would be as follows:

18 \$5,115 attorney's fees

\$465 costs

19 \$2,187 payment to Roxbury Spine and Wellness Clinic

\$7,733 to client

20 40. Respondent disbursed \$5,580 to herself and to \$7,733 to AT.

21 41. Respondent did not make any payment to Roxbury.

22 42. Respondent used the funds designated for Roxbury for her own benefit, knowing that  
23 she was not entitled to the funds.

1 43. Respondent did not inform AT that she had not paid Roxbury the funds designated  
2 for Roxbury in the settlement statement.

3 44. Respondent did not inform AT that she had used the funds for her own benefit.

4 45. On May 26, 2015, Roxbury sued AT, alleging that AT owed Roxbury \$3,346.

5 46. On August 19, 2015, Respondent wrote to AT the following:

6 This is to give you a notice that I have been advised that my former husband,  
7 Lawrence Clayman who provided chiropractic services as Roxbury Spine &  
8 Wellness Clinic has hired an attorney to send out collection letter [sic] to my  
clients claiming that money is still owed to him for services provided in matters  
in which I was an attorney.

9 This is an alarming development; any and all bills and medical liens were paid  
10 on our clients' behalf from the settlement proceeds.

11 My attorneys are looking into this situation and hope to get to the bottom of this  
as soon as possible.

12 I am requesting you notify me, if you received anything from anything [sic] from  
13 Pieck/ Boyer Law Group PS, regarding Roxbury Spine Wellness Clinic.

14 47. Respondent's claim that any and all bills and medical liens were paid from AT's  
settlement proceeds was false.

15 48. Respondent knew that her claim that any and all bills and medical liens were paid  
16 from AT's settlement proceeds was false.

17 49. In December 2015, Respondent and Clayman entered into a CR 2A agreement in  
18 *Clayman v. Bounlutay*, King County Superior Court No. 12-3-07726-0, whereby Clayman  
19 agreed to cease all collection actions against Respondent's clients.

20 50. Roxbury's lawsuit against AT for the unpaid chiropractic bill is still pending, subject  
21 to a clerk's motion to dismiss for want of prosecution.

22 **Client LB**

23 51. Respondent represented LB in a personal injury matter.



1 52. LB received chiropractic treatment from Roxbury.

2 53. In December 2012, Respondent settled LB's personal injury claim for \$20,000.

3 54. Respondent represented to LB that she would disburse the settlement funds as  
4 follows:

5 \$6,600 in attorney's fees  
6 \$10,000 chiropractor  
7 \$3,400 to client

8 55. In December 2012, Respondent paid \$6,600 to herself and \$3,400 to LB.

9 56. Respondent did not pay any funds to Roxbury or any other chiropractor.

10 57. Respondent used the funds designated for the chiropractor for her own benefit,  
11 knowing that she was not entitled to the funds.

12 58. Respondent did not inform LB that she did not pay Roxbury the funds designated for  
13 the chiropractor in the settlement statement.

14 59. Respondent did not inform LB that she had used the funds for her own benefit.

15 60. On August 19, 2015, Respondent sent LB a letter stating that Clayman had hired an  
16 attorney to send out collection letters to her clients for money owed to him.

17 61. In the letter, Respondent falsely represented that "any and all bills and medical liens  
18 were paid on our clients' behalf from the settlement proceeds."

19 62. Respondent knew that her representation that "any and all bills and medical liens  
20 were paid on our clients' behalf from the settlement proceeds" was false.

21 **Client MG**

22 63. Respondent represented MG in a personal injury matter.

23 64. MG received treatment from Roxbury.

65. In July 2013, Respondent settled MG's case for \$16,750.

1 66. On or about July 3, 2013, Respondent prepared and signed a final accounting that  
2 stated Respondent would distribute the settlement funds as follows:

3 Attorney's fees \$5,527.50  
4 Costs \$502.50  
5 Chiropractor \$9,000  
6 Client \$2,000

7 67. In July 2013, Respondent paid herself \$6,030 and paid \$2,000 to MG.

8 68. Respondent did not pay any funds to Roxbury or any other chiropractor.

9 69. Respondent used the \$9,000 designated for the chiropractor for her own benefit,  
10 knowing that she was not entitled to the funds.

11 70. Respondent did not inform MG that she had not paid Roxbury or any other  
12 chiropractor the funds.

13 71. Respondent did not inform MG that she had used the funds for her own benefit.

14 72. On August 19, 2015, Respondent sent MG a letter informing her that Clayman had  
15 hired an attorney to send out collection letters to her clients for money owed to him.

16 73. In the letter, Respondent falsely represented that "any and all bills and medical liens  
17 were paid on our clients' behalf from the settlement proceeds."

18 74. On September 14, 2015, Roxbury sued MG for \$16,398.16 on its unpaid bill.

19 75. Respondent represented MG on the matter.

20 76. Respondent did not explain to MG that the reason Roxbury had sued MG was  
21 because Respondent failed to pay Roxbury the funds that she had withheld from MG's  
22 settlement funds.

23 77. Respondent did not advise MG that he had a potential claim against her for failing to  
pay Roxbury the funds that she had withheld from his settlement funds.

78. There was a significant risk that Respondent's representation of MG in Roxbury's

1 lawsuit would be materially limited by Respondent's own personal interest.

2 79. Respondent did not obtain MG's informed consent, confirmed in writing to the  
3 conflict of interest created by her representation of MG in Roxbury's lawsuit.

4 80. In December 2015, Respondent and Clayman entered into a CR 2A agreement in  
5 Clayman v. Bounlutay, King County Superior Court No. 12-3-07726-0, whereby Clayman  
6 agreed to cease all collection actions against Respondent's clients.

7 81. On February 26, 2016, Roxbury dismissed the lawsuit against MG.

8 **Client SP**

9 82. In 2010, Respondent represented SP in a personal injury matter.

10 83. SP received treatment from Roxbury in relation to the accident.

11 84. In December 2010, Respondent settled SP's case for \$22,750.

12 85. On or about January 18, 2011, Respondent prepared a settlement statement for SP in  
13 which she represented that she would disburse the settlement funds as follows:

14 \$10,947.83 Medical Liens  
15 \$7,508 attorney fee  
16 \$683 costs  
\$4,294 to client

17 86. On February 7, 2011, Respondent paid herself \$7,508 and paid SP \$4,294.

18 87. Respondent did pay any medical liens on SP's behalf.

19 88. Respondent used the funds designated for medical liens for her own benefit,  
20 knowing that she was not entitled to the funds.

21 89. Respondent did not inform SP that she did not pay any medical liens on his behalf.

22 90. Respondent did not inform SP that she had used the funds for her own benefit.

23 91. On May 22, 2015, Roxbury filed a lawsuit against SP seeking \$16,398.16 in unpaid  
chiropractic fees.

1 92. On August 19, 2015, Respondent wrote to SP informing him that Clayman had hired  
2 an attorney to send out collection letters to her clients for money owed to him.

3 93. In the letter, Respondent falsely claimed that “any and all bills and medical liens  
4 were paid on our clients’ behalf from the settlement proceeds.”

5 94. Respondent knew that her claim that “any and all bills and medical liens were paid  
6 on our clients’ behalf from the settlement proceeds” was false.

7 95. In December 2015, Respondent and Clayman entered into a CR 2A agreement in  
8 *Clayman v. Bounlutay*, King County Superior Court No. 12-3-07726-0, whereby Clayman  
9 agreed to cease all collection actions against Respondent’s clients.

10 96. On June 19, 2017, the case against SP was dismissed for want of prosecution.

11 **Client TM**

12 97. Respondent represented TM on three separate personal injury matters.

13 98. TM received treatment for her injuries at Roxbury.

14 99. In or around November 2013, an arbitrator awarded TM \$27,483.96 in one of the  
15 personal injury matters.

16 100. In a final accounting signed on January 21, 2014, TM and Respondent agreed  
17 Respondent would distribute \$11,818 to herself for fees and costs and \$15,665.87 to TM.

18 101. Respondent distributed the funds in accordance with the final accounting.

19 102. In or around April 2015, Respondent settled the second personal injury matter for  
20 \$13,700.

21 103. On April 21, 2015, Respondent emailed TM a final accounting and stated that  
22 “After all the deductions and medical liens are paid off, you take home the total amount of of  
23 [sic] \$1,595.88.”

1 104. The final accounting stated that the funds would be distributed as follows:

2 \$4,521 Attorney's fees  
3 \$66.20 Medical records – St. Joseph  
4 \$39.42 Medical records – Biojunction  
5 \$617 BioJunction PT  
6 \$1,534.50 St. Joseph's Medical Center  
7 \$5,326 Roxbury Spine and Wellness  
8 \$1,595.88 client

9 105. Respondent issued checks to her law firm for \$4,521 in fees and \$105.60 in  
10 costs.

11 106. Respondent issued a \$1,595.88 check to TM.

12 107. Respondent also issued checks to BioJunction and St. Joseph's Medical Center.

13 108. Respondent did not disburse any funds to Roxbury.

14 109. Respondent did not inform TM that she had not paid Roxbury the funds  
15 designated for Roxbury in the final accounting.

16 110. On or about May 2015, Respondent settled TM's third personal injury matter for  
17 \$8,200.

18 111. On June 2, 2015, Respondent emailed TM and stated, 'your \$8,200 settlement  
19 came. I will be waiving my cost for your case. So after the medical lien and attorney's fees are  
20 paid; you [sic] take home amount will be \$2,122.00.'

21 112. With the email, Respondent attached an accounting which stated that she would  
22 disburse the funds as follows:

23 \$2,702 Attorney's fees  
\$3,372 Roxbury Spine and Wellness Clinic  
\$2,122 client

113. On June 8, 2015, Respondent disbursed \$2,702 to herself and \$2,122 to TM.

114. Respondent did not make any payment to Roxbury.

1 115. Respondent did not inform TM that she had not paid Roxbury the funds.

2 116. On December 14, 2015, Respondent sent an email to TM stating:

3 My former husband, Lawrence Clayman (dba Roxbury Spine and Wellness  
4 Clinic) hired an attorney to send out collection letter [sic] to all of my former  
5 clients claiming money is still owed to him for services provided in matters in  
6 which I was attorney. All bills and medical liens were paid on our client's behalf  
7 from the settlement proceeds.

8 117. Respondent's statement that all bills and medical liens were paid from the  
9 settlement proceeds was false.

10 118. Respondent knew that her statement that all bills and medical liens were paid  
11 from the settlement proceeds was false.

12 119. On September 15, 2016, Respondent removed \$9,452 from her trust account.  
13 The check contained a memo that the funds were for cost reimbursement for TM.

14 120. On September 15, 2016, TM did not owe Respondent costs or any other funds.

15 121. Respondent was not entitled to all or part of the \$9,452 that she took.

16 122. At least \$8,698 of the \$9,452 that Respondent took were funds that Respondent  
17 told TM would be paid to Roxbury.

18 123. Respondent did not inform TM that she had not paid Roxbury the funds  
19 designated for Roxbury in the settlement statement.

20 124. Respondent used the funds for her own benefit, knowing she was not entitled to  
21 the funds.

22 125. Respondent did not inform TM that she had used the funds for her own benefit.

### 23 **COUNT 1**

126. By converting funds from one or more of her clients' settlement funds,  
Respondent violated RPC 1.15A(b) and/or RPC 8.4(c) and/or RPC 8.4(b) (by committing the

1 crime of theft in violation of RCW 9A.56.010-050).

2 **COUNT 2**

3 127. By providing her clients with false accountings and/or by misrepresenting to her  
4 clients that she had paid their medical liens and money owed to Roxbury, when she had not,  
5 and/or by failing to inform her clients that she had taken settlement funds designated for third  
6 parties for herself, Respondent violated RPC 1.4(b), and/or RPC 8.4(c).

7 **COUNT 3**

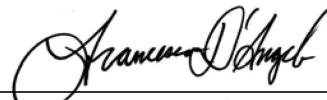
8 128. By representing AC and MG in Roxbury and Clayman's lawsuits against them  
9 when there was a significant risk that the representation would be limited by her own personal  
10 interest, without gaining either client's informed consent, confirmed in writing, Respondent  
11 violated RPC 1.7(a).

12 **COUNT 4**

13 129. By filing an answer in the litigation between AC and Roxbury in which she  
14 falsely denied that AC had failed to pay Roxbury when her case had settled, Respondent  
15 violated RPC 3.1 and/or RPC 3.3(a).

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

19 Dated this 2nd day of July, 2020.

20 

21 \_\_\_\_\_  
22 Francesca D'Angelo, Bar No. 22979  
23 Senior Disciplinary Counsel