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DISCIPLINARY BOARD

## BEFORE THE DISCIPLINARY BOARD OF THE

WASHINGTON STATE BAR ASSOCIATION

Proceeding 14 #000 87

WSBA File No. 13-02171, 13-02277, 14-00184, 14-00239, and 14-00522.

STIPULATION TO DISBARMENT

In re

LAURIE L. MAGAN,

Lawyer (Bar No. 34086).

Under Rule 9.1 of the Rules for Enforcement of Lawyer Conduct (ELC), the following Stipulation to Disbarment is entered into by the Office of Disciplinary Counsel (ODC) of the Washington State Bar Association (Association) through disciplinary counsel Jonathan Burke and Respondent lawyer Laurie L. Magan (Respondent).

Respondent understands that she is entitled under the ELC to a hearing, to present exhibits and witnesses on her behalf, and to have a hearing officer determine the facts, misconduct and sanction in this case. Respondent further understands that she is entitled under the ELC to appeal the outcome of a hearing to the Disciplinary Board, and, in certain cases, the Supreme Court. Respondent further understands that a hearing and appeal could result in an outcome more favorable or less favorable to her. Respondent chooses to resolve this proceeding now by entering into the following stipulation to facts, misconduct and sanction to avoid the

Stipulation to Discipline Page 1

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42. Respondent agreed to handle the appeal of the child support ruling without chargin		
Shipman more fees.		
43. On May 9, 2013, Respondent filed a notice of appeal of the child support ruling.		
44. Respondent did not diligently handle Shipman's appeal.		
45. Respondent did not keep Shipman advised as to the status of the appeal.		
46. During September or October 2013, Respondent sent an email to Shipman informing		
him that she was no longer representing him in his legal matters effective November 1, 2013.		
47. On October 2, 2013, the Court of Appeals moved to dismiss Shipman's appeal		
based on abandonment.		
48. On October 23, 2013, the Court of Appeals entered a ruling terminating review of		
Shipman's appeal.		
49. Respondent never informed Shipman about the status of his appeal.		
50. Respondent never returned any client files to Shipman.		
51. Respondent told Shipman that she would return fees to him but never did so.		
Jiminez Matter		
52. In late June 2013, Julio Jiminez (Jiminez) hired Respondent to seek a modification		
of child support in a marital dissolution in Benton County.		
53. Respondent charged Jiminez an advance fee of \$1,300 and \$120 in advance costs to		
handle the modification.		
54. On June 26, 2013, Jiminez paid Respondent \$1,420 in advance fees and costs to		
handle the modification.		
55. Respondent used the funds paid by Jiminez for other purposes and did not maintain		
the advance fees and costs in her trust account.		
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1	or the client file to Jiminez.		
2	Warren Matter		
3	68. On September 9, 2013, Glen Warren (Warren) hired Respondent to pursue child		
4	support modification.		
5	69. Respondent's fee agreement required Warren to pay \$2,500 in advanced fees, which		
6	he promptly paid by credit card.		
7	70. Respondent used the \$2,500 in advance fees for other purposes before the fees were		
8	earned.		
9	71. Respondent's fee agreement provided that Respondent would prepare client billings		
10	on the 30 <sup>th</sup> day of each month and that payment from the client trust account would be made or		
11	the 10 <sup>th</sup> day of each month.		
12	72. Respondent never sent any billings to Warren.		
13	73. On October 11, 2013, the lawyers for Warren's ex-spouse sent interrogatories and		
14	requests for production to Respondent.		
15	74. Respondent did not inform Warren about the interrogatories and requests for		
16	production. Consequently, Warren did not timely respond to the interrogatories and requests fo		
17	production.		
18	75. Respondent agreed to file a petition for modifying child support as soon as possible		
19	after November 15, 2013, the two year anniversary of Warren's dissolution.		
20	76. Respondent did not timely file the petition for modification of child support as		
21	agreed.		
22	77. On January 3, 2014, Warren terminated Respondent.		
23	78. Respondent did not return unearned fees or the client file to Warren.		
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1	produce the trust account records that were subpoenaed.	
2	89. At Respondent's request, Respondent's deposition was rescheduled until March 24,	
3	2014.	
4	90. Respondent never produced her trust account records and did not appear on March	
5	24, 2014. Instead, Respondent sent a letter to disciplinary counsel by email on the morning of	
6	March 24, 2014 admitting, among other things, that "with full knowledge of the consequences	
7	that [she] mismanaged client funds" and "made advances from the trust account in order to keep	
8	[her] office afloat."	
9	Bradley, Warren, and Shipman Grievances	
10	91. On February 4, 2014, ODC sent a letter to Respondent asking her to file a written	
11	response to the Bradley grievance.	
12	92. When Respondent did not send a written response, ODC sent her a 10-day letter	
13	directing her to provide a written response to the Bradley grievance by March 25, 2014.	
14	93. Respondent never provided ODC with a written response to the Bradley grievance.	
15	94. On February 14, 2014, ODC sent a letter to Respondent asking her to provide a	
16	written response to the Warren grievance.	
17	95. When Respondent did not send a written response, ODC sent her a 10-day letter	
18	directing her to provide a written response by April 1, 2014.	
19	96. Respondent never provided a written response to the Warren grievance.	
20	97. On March 28, 2014, ODC sent a letter to Respondent asking her to provide a writter	
21	response to the Shipman grievance.	
22	98. Respondent never provided a written response to the Shipman grievance.	
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	II	

1	III. STIPULATION TO MISCONDUCT	
2	99. By converting and using client funds belonging to Hogg, the Bradleys, Shipman,	
3	Jiminez, and Warren, Respondent violated RPC 1.15A(b) and (c).	
4	100. By failing to maintain complete trust account records as required by RPC 1.15B	
5	and by withdrawing client funds without providing notice, Respondent violated RPC	
6	1.15A(h)(2) and (3).	
7	101. By failing to return unearned fees and client files to Hogg, the Bradleys,	
8	Shipman, Jiminez, and Warren, Respondent violated RPC 1.5(a) (unreasonable fees) and RPC	
9	1.16(d).	
10	102. By failing to provide an accounting to Hogg, the Bradleys, Jiminez, and Warren,	
11	Respondent violated RPC 1.15A(e).	
12	103. By failing to diligently handle client matters for Hogg, Shipman, Jiminez, and	
13	Warren, Respondent violated RPC 1.3.	
14	104. By failing to reasonably communicate with Hogg, the Bradleys, Shipman,	
15	Jiminez, and Warren regarding the status of their legal matters, Respondent violated RPC 1.4.	
16	105. By failing to cooperate with ODC's investigation of the grievances filed by	
17	Jiminez, Hogg, the Bradleys, Warren, and Shipman, Respondent violated RPC 8.4(1).	
18	IV. PRIOR DISCIPLINE	
19	106. Respondent has no prior discipline.	
20	V. APPLICATION OF ABA STANDARDS	
21	107. The following American Bar Association Standards for Imposing Lawyer	
22	Sanctions (1991 ed. & Feb. 1992 Supp.) apply to this case.	
23	108. ABA Standard 4.1 applies to Respondent's violations for converting, using, and	
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1	misappropriating client funds:			
2	4.1 Failure to Preserve the Client's Property			
3	4.11 Disbarment is generally appropriate when a lawyer knowingly converts client property and causes injury or potential injury to a client.			
5	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.			
6 7	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.			
8	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.			
10	109. Respondent knowingly converted client funds belonging to Hogg, Bradley,			
11	Shipman, Jiminez, and Warren causing injury to the clients.			
12	110. The presumptive sanction for converting client funds is disbarment under ABA			
13	Standard 4.11.			
14	111. ABA Standard 7.0 applies to duties owed as a professional, including (1) the			
15	duty to maintain trust account records and provide clients with notice of using funds, (2) the			
16	duty to charge reasonable fees and return unearned fees to clients, (3) the duty to provide clients			
17	with an accounting, and (4) the duty to cooperate with ODC investigations.			
18	7.0 Violations of Duties Owed as a Professional			
19	7.1 Disbarment is generally appropriate when a lawyer knowingly engages in conduct that is a violation of a duty owed as a professional with the intent to obtain a			
20	benefit for the lawyer or another, and causes serious or potentially serious injury to a client, the public, or the legal system.			
21	7.2 Suspension is generally appropriate when a lawyer knowingly engages in			
22	conduct that is a violation of a duty owed as a professional and causes injury o potential injury to a client, the public, or the legal system.			
23	7.3 Reprimand is generally appropriate when a lawyer negligently engages in			
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1	a client; or			
2	(b) a lawyer knowingly fails to perform services for a client and causes serious or potentially serious injury to a client; or			
3	(c) a lawyer engages in a pattern of neglect with respect to client matters an causes serious or potentially serious injury to a client.			
5	4.42 Suspension is generally appropriate when:			
6	(a) a lawyer knowingly fails to perform services for a client and causes injury potential injury to a client, or			
7	(b) a lawyer engages in a pattern of neglect and causes injury or potential injury to a client.			
8	4.43 Reprimand is generally appropriate when a lawyer is negligent and does			
9	not act with reasonable diligence in representing a client, and causes injury of potential injury to a client.			
10	4.44 Admonition is generally appropriate when a lawyer is negligent and does not act			
1	with reasonable diligence in representing a client, and causes little or no actual or potential injury to a client.			
12	117. Hogg. Respondent knowingly failed to pursue Hogg's client matter resulting in			
13	injury or potential injury to the client. Suspension is the presumptive sanction under ABA			
14 15	<u>Standard</u> 4.42(a).			
16	118. The Bradleys. Respondent negligently failed to reasonably communicate with			
17	the Bradleys resulting in potential injury. Reprimand is the presumptive sanction under ABA			
18	Standard 4.43.			
19	119. Shipman. Respondent engaged in a pattern of neglect in handling the Shipman			
20	matters, including the modification matter and the appeal, resulting in injury or potential injury			
21	to Shipman. Suspension is the presumptive sanction under ABA <u>Standard</u> 4.42(b).			
22	120. <u>Jiminez.</u> Respondent knowingly failed to pursue the modification of child			
23	support for Jiminez resulting in unnecessary delay and injury to Jiminez. Suspension is the			
24	presumptive sanction under ABA Standard 4.42(a).  Stipulation to Discipline Page 14  OFFICE OF DISCIPLINARY COUNSEL OF THE WASHINGTON STATE BAR ASSOCIATION			

1	matter at an early stage of the proceedings.		
2	127. On balance the aggravating and mitigating factors do not require a departure		
3	from the presumptive sanction of disbarment.		
4	VI. STIPULATED DISCIPLINE		
5	128. The parties stipulate that Respondent shall be disbarred.		
6	VII. RESTITUTION		
7	129. Respondent shall pay \$8,176.02 in restitution to the following former clients: (1)		
8	\$656.02 to Hogg, (2) \$1,800 to the Bradleys, (3) \$1,800 to Shipman, (4) \$1,420 to Jiminez, and		
9	(5) \$2,500 to Warren. Reinstatement from disbarment is conditioned on payment of restitution		
10	to the clients or any assignee (including the Lawyers' Fund for Client Protection).		
11	VIII. COSTS AND EXPENSES		
12	130. In light of Respondent's willingness to resolve this matter by stipulation at an		
13	early stage of the proceedings, Respondent shall pay attorney fees and administrative costs of		
14	\$1,033.33 in accordance with ELC 13.9(i). The Association will seek a money judgment under		
15	ELC 13.9(l) if these costs are not paid within 30 days of approval of this stipulation.		
16	IX. VOLUNTARY AGREEMENT		
17	131. Respondent states that prior to entering into this Stipulation she had an		
18	opportunity to consult independent legal counsel regarding this Stipulation, that Respondent is		
19	entering into this Stipulation voluntarily, and that no promises or threats have been made by		
20	ODC, the Association, nor by any representative thereof, to induce the Respondent to enter into		
21	this Stipulation except as provided herein.		
22	x. LIMITATIONS		
23	132. This Stipulation is a compromise agreement intended to resolve this matter in		
24	Stipulation to Discipline Page 16  OFFICE OF DISCIPLINARY COUNSEL OF THE WASHINGTON STATE BAR ASSOCIATION		

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1	I this Supulation will have no force of effect, and heither it flor the fact of its execution will be		
2	admissible as evidence in the pending disciplinary proceeding, in any subsequent disciplinary		
3	proceeding, or in any civil or criminal action.		
4	WHEREFORE the undersigned being fully advised, adopt and agree to this Stipulation		
5	to Discipline as set forth above.		
6	Lawi Ime	Dated: 5/4/14	
7	Laurie L. Magan, Bar No. 64086 Respondent	Dated. 3111	
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10	Jonathan Burke, Bar No. 20910	Dated: $\frac{5/8//4}{}$	
11	Senior Disciplinary Counsel	·	
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24	Stipulation to Discipline Page 18  OF 7	OFFICE OF DISCIPLINARY COUNSEL THE WASHINGTON STATE BAR ASSOCIATION 1325 4th Avenue, Suite 600 Seattle, WA 98101-2539 (206) 727-8207	