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DISCIPLINARY BOARD

BEFORE THE
DISCIPLINARY BOARD
OF THE
WASHINGTON STATE BAR ASSOCIATION

In re

MAGOR JULIAN DENES,
Lawyer (Bar No. 37505).

Proceeding No. 13#00041

STIPULATION TO DISBARMENT

Under Rule 9.1 of the Rules for Enforcement of Lawyer Conduct (ELC), the following Stipulation to disbarment is entered into by the Washington State Bar Association (Association), through disciplinary counsel Erica Temple and Respondent lawyer Magor Julian Denes.

Respondent understands that he is entitled under the ELC to a hearing, to present exhibits and witnesses on his behalf, and to have a hearing officer determine the facts, misconduct and sanction in this case. Respondent further understands that he 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 him. Respondent chooses to resolve this proceeding now by entering into the following stipulation to facts, misconduct and sanction to avoid the risk, time, and expense attendant to further proceedings.

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I. ADMISSION TO PRACTICE

1. Respondent was admitted to practice law in the State of Washington on June 8, 2006.

II. STIPULATED FACTS

2. In December 2008, Scott Romano, pro se, filed for dissolution in Snohomish County Superior Court No. 08-3-03046-8. This became a highly contested proceeding. Mr. Romano was the president of Wendell Scott Development. Julia Romano is Mr. Romano's ex-wife. Lawyer Sarah Epler represented her during the relevant time period.

3. On December 29, 2008, the court entered an Ex Parte Restraining Order/ Order to Show Cause which restrained either party from, "transferring, removing, encumbering, concealing or in any way disposing of any property..."

4. On January 2, 2009, Respondent filed a Notice of Appearance on behalf of Mr. Romano. On January 6, 2009, Mr. Romano gave Respondent a check in the amount of \$25,000 for "legal fees." As of this date, Respondent had an IOLTA account ending in 4971 (IOLTA-1). The check was deposited into Respondent's IOLTA-1 account on that same date.

5. Mr. Romano sought Respondent's assistance in hiding assets from Ms. Romano.

6. On January 7, 2009, the court renewed the December 29, 2008 order relating to property. Respondent signed the order.

7. On January 20, 2009, Respondent wrote a check in the amount of \$4,500, drawn on his IOLTA-1 account, made payable to "cash." He gave the money to Mr. Romano.

8. Between February 4, 2009 and April 7, 2009, 14 checks, made payable to either Mr. Romano or Wendell Scott Development, were deposited into Respondent's IOLTA-1 account. The amount of these checks totaled \$61,939.22.

1 9. Meanwhile, between February 4, 2009 and April 17, 2009, Respondent withdrew
2 cash from IOLTA-1 on six occasions and provided the funds, totaling \$20,170, to Mr. Romano.

3 10. On April 24, 2009, Respondent filed Mr. Romano's Financial Declaration, listing
4 "Total Gross Monthly Income" as \$6,245.00, "cash on hand" as \$700.00 and "on deposit in
5 banks" as \$500.00. In fact, as of that date, funds in Respondent's IOLTA-1 account belonging
6 to Mr. Romano totaled \$47,123.22.

7 11. In a separate declaration filed on April 24, 2009, on Respondent's letterhead, Mr.
8 Romano stated, "Julia has misrepresented the fact that I currently own \$350,000 worth of stock.
9 The fact is that I had sold the stock a long time ago to meet both business and personal
10 obligations."

11 12. On May 8, 2009, Respondent opened a new IOLTA account ending in 7735
12 (IOLTA-2). On that same date, he deposited a check, made payable to Mr. Romano, in the
13 amount of \$329,663.44 into this account. This represented the stock sale proceeds that Mr.
14 Romano claimed on April 24, 2009 to have already sold. Respondent also deposited a check in
15 the amount of \$633.16, drawn on the United States Treasury and made payable to Wendell Scott
16 Development.

17 13. Ms. Epler made several attempts to compel Respondent and Mr. Romano to provide
18 accounting information for Wendell Scott Development, but they produced nothing. On June 1,
19 2009, Respondent provided Ms. Epler with his version of an accounting of the funds held in
20 trust. It was entitled "ROMANO DIVORCE- CONTESTED FUNDS." It listed only a
21 February 20, 2009 deposit of \$34,203.51. The document did not disclose any other deposits.

22 14. On June 10, 2009, Mr. Romano filed a declaration on Respondent's letterhead,
23 stating in part that, "Because of the economy, my business is still stagnant, and the rental
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1 income is the only financial source of money I have.”

2 15. On June 23, 2009, Respondent withdrew \$9,800 from IOLTA-2 and provided it to
3 Mr. Romano at his request.

4 16. On June 30, 2009, Respondent withdrew from representing Mr. Romano.

5 17. On July 8, 2009, pursuant to a court order, Respondent sent Ms. Epler a check in the
6 amount of \$10,000, made payable to Julia Romano, signed by Respondent, drawn on IOLTA-1,
7 with the memo line “Romano trust Acct- \$24,203.51 balance remaining.” In fact, \$27,023.22
8 belonging to Mr. Romano remained in his IOLTA-1 account, and \$319,176.98 remained in his
9 IOLTA-2 account.

10 18. On July 16, 2009, Respondent withdrew all of the funds remaining in IOLTA-2 and
11 provided them to Mr. Romano.

12 19. On October 7, 2009, the court ordered that all funds held in trust by Respondent be
13 transferred to Ms. Epler. On October 8, 2009, Respondent provided a cashier’s check in the
14 amount of \$24,203.51, drawn on IOLTA-1, to Ms. Epler. This left a balance of \$2,819.71
15 belonging to Mr. Romano in IOLTA-1.

16 20. During or about January 2010, Ms. Epler, in an attempt to determine what assets had
17 been held by Mr. Romano, served subpoenas on the sources of income and banks noted on Mr.
18 Romano’s tax return.

19 21. At Ms. Epler’s request, Respondent signed a declaration about the source of the
20 money in IOLTA-2.

21 22. Respondent returned the declaration to Ms. Epler, dated February 5, 2010, signed by
22 him under penalty of perjury. The declaration stated that Respondent was the account owner of
23 a US Bank Account ending in 7735 and that this was his IOLTA account.

1 concealing assets from Ms. Romano, Respondent violated RPC 1.2(d), RPC 4.1(a), RPC 4.1(b),
2 RPC 8.4(c), and RPC 8.4(d).

3 31. Respondent knew material facts about Mr. Romano's finances that were withheld
4 from the court, and failed to disclose those facts to the court. Respondent violated RPC
5 3.3(a)(2).

6 32. Respondent made a false statement, under penalty of perjury, about his knowledge
7 of the source of funds belonging to Mr. Romano. Respondent violated RPC 8.4(b) (through a
8 violation of RCW 9A.72.040, False Swearing) and RPC 8.4(c).

9 33. By failing to maintain IOLTA account records as required by the RPC, withdrawing
10 cash, and failing to refund all funds belonging to Mr. Romano, Respondent violated RPC
11 1.15B(a)(1), RPC 1.15B(a)(2), RPC 1.15A(h)(6), RPC 1.15B(a)(8), RPC 1.15A(h)(5), and RPC
12 1.15A(f).

13 IV. PRIOR DISCIPLINE

14 34. Respondent has no prior discipline.

15 V. APPLICATION OF ABA STANDARDS

16 35. The following American Bar Association Standards for Imposing Lawyer Sanctions
17 (1991 ed. & Feb. 1992 Supp.) apply to this case:

18 36. ABA Standard 6.1 (attached as Appendix A) is most applicable to conduct that is
19 prejudicial to the administration of justice or that involves dishonesty, fraud, deceit, or
20 misrepresentation to a court (violations of RPC 1.2(d), RPC 3.3(a)(2), RPC 4.1(a), RPC 4.1(b),
21 and RPC 8.4(d)).

22 37. Respondent knew that he was submitting false statements to the court and opposing
23 counsel.

1 38. This caused potential serious injury to Ms. Romano, who was entitled, by court
2 order, to full disclosure of Mr. Romano's assets.

3 39. The presumptive sanction is disbarment.

4 40. ABA Standard 5.1 (attached as Appendix A) is most applicable to cases involving
5 commission of a criminal act that reflects adversely on the lawyer's honesty, trustworthiness, or
6 fitness as a lawyer in other respects, or in cases with conduct involving dishonesty, fraud,
7 deceit, or misrepresentation (violations of RPC 8.4(b) and RPC 8.4(c)).

8 41. Respondent committed the crime of False Swearing. The presumptive sanction is
9 disbarment.

10 42. ABA Standard 4.1 (attached as Appendix A) is most applicable to the duty to deal
11 appropriately with client property.

12 43. Respondent was negligent in keeping proper IOLTA records.

13 44. There was injury to Mr. Romano, who was not provided with \$2,819.71 to which he
14 was entitled. There was potential injury to other clients due to Respondent's lack of
15 recordkeeping.

16 45. The presumptive sanction is reprimand.

17 46. The following aggravating factors apply under ABA Standards Section 9.22:

18 (b) dishonest or selfish motive.

19 47. The following mitigating factors apply under ABA Standards Section 9.32:

20 (a) absence of a prior disciplinary record;

21 (f) inexperience in the practice of law [Respondent was admitted to practice
22 in 2006].

23 48. On balance the aggravating and mitigating factors do not require a departure from
24

1 the presumptive sanction.

2 **VI. STIPULATED DISCIPLINE**

3 49. The parties stipulate that Respondent shall be disbarred for his conduct.

4 **VII. RESTITUTION**

5 50. Respondent agrees to pay restitution to Scott Romano in the amount of \$2,819.71.

6 Reinstatement from disbarment is conditioned on payment of restitution.

7 **VIII. COSTS AND EXPENSES**

8 51. In light of Respondent's willingness to resolve this matter by stipulation at an early
9 stage of the proceedings, Respondent shall pay attorney fees and administrative costs of \$500 in
10 accordance with ELC 13.9(i). The Association will seek a money judgment under ELC 13.9(l)
11 if these costs are not paid within 30 days of approval of this stipulation. Reinstatement from
12 disbarment is conditioned on payment of costs.

13 **IX. VOLUNTARY AGREEMENT**

14 52. Respondent states that prior to entering into this Stipulation he had an opportunity to
15 consult independent legal counsel regarding this Stipulation, that Respondent is entering into
16 this Stipulation voluntarily, and that no promises or threats have been made by the Association,
17 nor by any representative thereof, to induce the Respondent to enter into this Stipulation except
18 as provided herein.

19 **X. LIMITATIONS**

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

2 | 54. This Stipulation is not binding upon the Association or the respondent as a statement
3 | of all existing facts relating to the professional conduct of the respondent lawyer, and any
4 | additional existing facts may be proven in any subsequent disciplinary proceedings.

5 | 55. This Stipulation results from the consideration of various factors by both parties,
6 | including the benefits to both by promptly resolving this matter without the time and expense of
7 | hearings, Disciplinary Board appeals, and Supreme Court appeals or petitions for review. As
8 | such, approval of this Stipulation will not constitute precedent in determining the appropriate
9 | sanction to be imposed in other cases; but, if approved, this Stipulation will be admissible in
10 | subsequent proceedings against Respondent to the same extent as any other approved
11 | Stipulation.

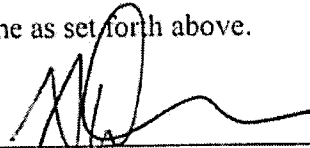
12 | 56. Under Disciplinary Board policy, in addition to the Stipulation, the Disciplinary
13 | Board shall have available to it for consideration all documents that the parties agree to submit
14 | to the Disciplinary Board, and all public documents. Under ELC 3.1(b), all documents that
15 | form the record before the Board for its review become public information on approval of the
16 | Stipulation by the Board, unless disclosure is restricted by order or rule of law.

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

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


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



Magor Julian Denes, Bar No. 37505
Respondent

Dated: 7-31-2013



Erica Temple, Bar No. 28458
Disciplinary Counsel

Dated: 8/5/13