

FILED

Mar 29, 2023

Disciplinary  
Board

Docket # 004

DISCIPLINARY BOARD  
WASHINGTON STATE BAR ASSOCIATION

In re

**MARIBETH MAE HANSON,**

Lawyer (Bar No. 48474).

Proceeding No. 22#00058

ODC File No. 21-01337

STIPULATION TO DISBARMENT

Under Rule 9.1 of the Washington Supreme Court's 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 Kathy Jo Blake and Respondent lawyer Maribeth Mae Hanson.

Respondent understands that they are entitled under the ELC to a hearing, to present exhibits and witnesses on their behalf, and to have a hearing officer determine the facts, misconduct and sanction in this case. Respondent further understands that they are 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 them. Respondent chooses to resolve this proceeding

1 now by entering into the following stipulation to facts, misconduct and sanction to avoid the risk,  
2 time, and expense attendant to further proceedings.

3 Respondent wishes to stipulate to disbarment without affirmatively admitting the facts and  
4 misconduct in ¶¶ 20-21 and ¶¶ 25, rather than proceed to a public hearing. Respondent agrees  
5 that if this matter were to proceed to a public hearing, there is a substantial likelihood that ODC  
6 would be able to prove, by a clear preponderance of the evidence, the facts and misconduct in ¶¶  
7 20-21 and ¶¶ 25, and that the facts and misconduct will be deemed proved in any subsequent  
8 disciplinary proceeding in any jurisdiction.

### 9 I. ADMISSION TO PRACTICE

10 1. Respondent was admitted to practice law in the State of Washington on January 7,  
11 2015.

### 12 II. STIPULATED FACTS

13 2. In the winter of 2015, Robert E. Case, Jr. hired Respondent to represent Case in a  
14 medical malpractice matter related to a personal injury Case sustained in 2014. They entered into  
15 a contingent fee agreement providing that Respondent would receive 33 and 1/3 percent of any  
16 settlement. The fee agreement stated, "Any moneys paid toward expenses by either the law firm  
17 or client shall be tracked and deducted from total recovery before determining each party's share  
18 of the proceeds."

19 3. In May 2019, Case's matter settled at mediation for \$150,000 and by July 2019, all  
20 the settlement proceeds were deposited into Respondent's trust account.

21 4. On October 11, 2019, Respondent told Case that the costs for experts, court fees, and  
22 depositions related to the mediation totaled approximately \$35,000, that Respondent was holding  
23 back \$55,000 in Respondent's trust account to cover potential claims from Case's medical

1 | insurance providers, and that Respondent was “waiting to pull any of my fee until this is settled.”

2 |         5. On October 15, 2019, Respondent sent Case a check for \$20,000 as an initial  
3 | installment of Case’s settlement proceeds along with a letter that stated, “as discussed, the  
4 | remainder of the funds will continue to be held in our IOLTA Trust Account as we settle all  
5 | subrogation claims with your insurance providers.”

6 |         6. The \$20,000 check was unsigned and Case’s bank refused to accept an unsigned  
7 | check.

8 |         7. On October 18, 2019, Respondent issued a new check to Case for \$25,000 to replace  
9 | the unsigned check.

10 |         8. On October 23, 2019, Case asked Respondent whether the \$25,000 payment was  
11 | taxable and whether Case would receive an IRS Form 1099.

12 |         9. Respondent did not respond to, or acknowledge receipt of, Case’s request for tax  
13 | information related to the \$25,000 payment.

14 |         10. Starting in December 2019 and continuing through January 2020, Respondent did not  
15 | respond to, or acknowledge receipt of, Case’s requests for updates and information about  
16 | subrogation payments to Case’s medical insurance provider.

17 |         11. On February 27, 2020, Respondent told Case that Respondent heard from Case’s  
18 | medical insurance provider that there would be a two-to-three-week turnaround timeline  
19 | regarding Case’s health benefit plan’s claim.

20 |         12. On April 7, 2020, Respondent told Case that Respondent needed “maybe another week  
21 | or two” to work with Case’s medical insurance provider regarding Case’s health benefit plan’s  
22 | claim.

23 |         13. On April 21, 2020, Case asked Respondent to provide information about the costs of

1 the mediation. Respondent told Case that Respondent would compile all receipts and check stubs  
2 related to the costs of the mediation and transmit them to Case; but as of October 2021,  
3 Respondent had not done so.

4 14. On June 15, 2020, Respondent disbursed an additional \$12,091.98 to Case. This was  
5 the last disbursement Case received from Respondent prior to the filing of Case's grievance.

6 15. In March 2021, Case received a letter from Case's medical insurance provider that  
7 stated Case may have unpaid medical bills related to Case's 2014 personal injury.

8 16. On March 30, 2021, Respondent told Case that Respondent would communicate with  
9 the representative of Case's medical insurance provider about the March 2021 letter.

10 17. Respondent did not contact Case's medical insurance provider about the March 2021  
11 letter.

12 18. Because Respondent did not resolve the health benefit plan's claim, Respondent  
13 should have been holding \$40,932.55 in trust for Case between June 15, 2020 and when Case  
14 filed this grievance on October 13, 2021.

15 19. In between January 2021 and October 2021, Respondent's trust account balance never  
16 exceeded \$27,415.35. By May 1, 2021, the balance in Respondent's trust account fell to  
17 \$12,415.35. By October 31, 2021, the balance in Respondent's trust account fell to \$5.35

18 20. In between January 2021 and October 2021, Respondent made five transfers from  
19 Respondent's trust account to Respondent's operating account totaling \$22,400.00. These funds  
20 belonged to the Cases. Respondent took the funds without permission or entitlement and used  
21 these funds for Respondent's own benefit.

22 21. Respondent used the money belonging to the Cases to pay personal expenses,  
23 including seven payments to Respondent's Chase credit card, overdraft fees and returned item

1 fees.

2 22. In between July 2019 and February 2022, Respondent made no payments to Case's  
3 medical insurance provider for any health benefit plan's claim.

4 23. When confronted by ODC in February 2022 with the fact Respondent's trust account  
5 showed that Respondent did not have sufficient funds in trust for the Cases, Respondent quickly  
6 acknowledged Respondent's serious misconduct, indicated a desire to accept the disciplinary  
7 consequences of Respondent's actions, and made prompt efforts to remedy the misconduct.

8 24. By March 24, 2022, Hanson restored Hanson's trust account balance to replenish  
9 Case's funds.

10 25. On April 28, 2022, Hanson disbursed \$10,932.55 from Hanson's trust account to Case.

11 26. On May 31, 2022, Hanson disbursed \$30,000 from Hanson's trust account to Case's  
12 health benefit plan.

### 13 III. STIPULATION TO MISCONDUCT<sup>1</sup>

14 27. By intentionally taking funds belonging to the client and/or third parties without  
15 entitlement, Respondent violated Idaho RPC 8.4(b) (by violating Idaho Code Ann. § 18-  
16 2407(1)(b)) and Idaho RPC 8.4(c).<sup>2</sup>

17 28. By failing to respond to Case's reasonable requests for information and by failing to  
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19 <sup>1</sup> RPC 8.5(a) and ELC 1.2 state that a lawyer admitted to practice in Washington is subject to the  
20 disciplinary authority of Washington regardless of where the lawyer's conduct occurs, and a lawyer may  
21 be subject to the disciplinary authority of both this jurisdiction and another jurisdiction for the same  
22 conduct. RPC 8.5(b) states: In any exercise of the disciplinary authority of this jurisdiction, the rules of  
23 professional conduct to be applied shall be as follows: (1) for conduct in connection with a matter pending  
24 before a tribunal, the rules of the jurisdiction in which the tribunal sits, unless the rules of the tribunal  
provide otherwise; and (2) for any other conduct, the rules of the jurisdiction in which the lawyer's conduct  
occurred, or, if the predominant effect of the conduct is in a different jurisdiction, the rules of that  
jurisdiction shall be applied to the conduct. Under RPC 8.5(b)(1) and 8.5(b)(2), Idaho law applies.

<sup>2</sup> Idaho does not have an equivalent of Washington RCP 1.15A(B), which states that a lawyer "must not  
use, convert, borrow or pledge client or third person property for the lawyer's own use."

1 keep Case reasonably and accurately informed about the status of Case's matter, Respondent  
2 violated Idaho RPC 1.4(a) and Idaho RPC 8.4(c).

3 29. By failing to promptly deliver funds to Case and/or third parties entitled to those funds,  
4 Respondent violated Idaho RPC 1.15(d).

#### 5 IV. PRIOR DISCIPLINE

6 30. Respondent has no prior discipline in Washington State.

#### 7 V. APPLICATION OF ABA STANDARDS

8 31. The following American Bar Association Standards for Imposing Lawyer Sanctions  
9 (1991 ed. & Feb. 1992 Supp.) apply to this case:

##### 10 4.1 *Failure to Preserve the Client's Property*

11 Absent aggravating or mitigating circumstances, upon application of the factors set out in  
12 Standard 3.0, the following sanctions are generally appropriate in cases involving the failure to preserve  
13 client property:

- 14 4.11 Disbarment is generally appropriate when a lawyer knowingly converts client  
15 property and causes injury or potential injury to a client.
- 16 4.12 Suspension is generally appropriate when a lawyer knows or should know that he  
17 is dealing improperly with client property and causes injury or potential injury to  
18 a client.
- 19 4.13 Reprimand is generally appropriate when a lawyer is negligent in dealing with  
20 client property and causes injury or potential injury to a client.
- 21 4.14 Admonition is generally appropriate when a lawyer is negligent in dealing with  
22 client property and causes little or no actual or potential injury to a client.

##### 23 4.4 *Lack of Diligence*

24 Absent aggravating or mitigating circumstances, upon application of the factors set out in  
Standard 3.0, the following sanctions are generally appropriate in cases involving a failure to act  
with reasonable diligence and promptness in representing a client:

- 4.41 Disbarment is generally appropriate when:
  - (a) a lawyer abandons the practice and causes serious or potentially serious  
injury to a client; or
  - (b) a lawyer knowingly fails to perform services for a client and causes serious  
or potentially serious injury to a client; or
  - (c) a lawyer engages in a pattern of neglect with respect to client matters and  
causes serious or potentially serious injury to a client.
- 4.42 Suspension is generally appropriate when:
  - (a) a lawyer knowingly fails to perform services for a client and causes injury  
or potential injury to a client, or

1 (b) a lawyer engages in a pattern of neglect and causes injury or potential  
injury to a client.

2 4.43 Reprimand is generally appropriate when a lawyer is negligent and does not act  
with reasonable diligence in representing a client, and causes injury or potential  
3 injury to a client.

4 4.44 Admonition is generally appropriate when a lawyer is negligent and does not act  
with reasonable diligence in representing a client, and causes little or no actual or  
5 potential injury to a client.

### 5.1 *Failure to Maintain Personal Integrity*

6 Absent aggravating or mitigating circumstances, upon application of the factors set out in  
Standard 3.0, the following sanctions are generally appropriate in cases involving commission of  
7 a criminal act that reflects adversely on the lawyer's honesty, trustworthiness, or fitness as a  
lawyer in other respects, or in cases with conduct involving dishonesty, fraud, deceit, or  
8 misrepresentation:

9 5.11 Disbarment is generally appropriate when:

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

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

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

15 5.13 Reprimand is generally appropriate when a lawyer knowingly engages in any other  
conduct that involves dishonesty, fraud, deceit, or misrepresentation and that  
16 adversely reflects on the lawyer's fitness to practice law.

17 5.14 Admonition is generally appropriate when a lawyer engages in any other conduct  
that reflects adversely on the lawyer's fitness to practice law.

18 32. Respondent intentionally took client funds and exerted unauthorized control of client  
19 and third-party funds that should have been held in trust and/or disbursed to the client and/or third  
20 parties.

21 33. Respondent's client was harmed because they were deprived of funds to which they  
22 were entitled. Respondent's conduct also caused harm to the legal profession.

23 34. The presumptive sanction for Respondent's violation of Idaho RPC 8.4(b) and 8.4(c),

1 the knowing conversion and/or theft of client funds, is disbarment under ABA Standard 5.11.

2 35. Respondent knowingly failed to respond to Case's reasonable requests for updates  
3 about the status of the subrogation claim and knowingly failed to provide Case with accurate  
4 information about the status of Case's funds.

5 36. Case was harmed because Case was misled and deprived of information to which Case  
6 was entitled.

7 37. The presumptive sanction for Respondent's violation of Idaho RPC 1.4(a) is  
8 suspension.

9 38. Respondent knew that Respondent was not properly handling client funds and not  
10 promptly disbursing funds to the client and/or third parties. The client and third parties were  
11 harmed because they were deprived of funds to which they were entitled.

12 39. The presumptive sanction for Respondent's violation of Idaho RPC 1.15(d) is  
13 suspension.

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

17 41. The following aggravating factors apply under ABA Standard 9.22:

- 18 (b) dishonest or selfish motive;  
19 (c) pattern of misconduct; and  
(d) multiple offenses.

20 42. The following mitigating factors apply under ABA Standard 9.32:

- 21 (a) Absence of prior disciplinary record;  
22 (c) personal or emotional problems (While representing Case, Respondent  
23 experienced a divorce resulting in the loss of Respondent's home,  
experienced the death of a loved one, and lost Respondent's staff and  
ultimately Respondent's practice during the pandemic. Respondent  
24 experiences anxiety, depression, and ADHD and for at least part of the period



1 of misconduct was on reduced medications due to pregnancy.); and  
2 (l) remorse.

3 43. It is an additional mitigating factor that Respondent has agreed to resolve this matter  
4 at an early stage of the proceedings.

5 44. On balance the aggravating and mitigating factors do not require a departure from the  
6 presumptive sanction of disbarment given the serious nature of Respondent's misconduct.

#### 7 **VI. STIPULATED DISCIPLINE**

8 45. The parties stipulate that Respondent shall be disbarred.

#### 9 **VII. RESTITUTION**

10 46. Reinstatement from disbarment is conditioned on Respondent providing proof that the  
11 contested funds in trust were disbursed to Case and/or Case's medical insurance provider.

#### 12 **VIII. COSTS AND EXPENSES**

13 47. In light of Respondent's willingness to resolve this matter by stipulation at an early  
14 stage of the proceedings, Respondent shall pay reduced attorney fees and administrative costs of  
15 \$750 in accordance with ELC 13.9(i). The Association will seek a money judgment under ELC  
16 13.9(l) if these costs are not paid within 30 days of approval of this stipulation. Reinstatement  
17 from disbarment is conditioned on payment of cost.

#### 18 **IX. VOLUNTARY AGREEMENT**

19 48. Respondent states that prior to entering into this Stipulation Respondent had an  
20 opportunity to consult independent legal counsel regarding this Stipulation, that Respondent is  
21 entering into this Stipulation voluntarily, and that no promises or threats have been made by ODC,  
22 the Association, nor by any representative thereof, to induce the Respondent to enter into this  
23 Stipulation except as provided herein.

24 49. Once fully executed, this stipulation is a contract governed by the legal principles

1 applicable to contracts, and may not be unilaterally revoked or modified by either party.

## 2 X. LIMITATIONS

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

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

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

17 53. Under ELC 9.1(d)(4), the Disciplinary Board reviews a stipulation based solely on the  
18 record agreed to by the parties. Under ELC 3.1(b), all documents that form the record before the  
19 Board for its review become public information on approval of the Stipulation by the Board,  
20 unless disclosure is restricted by order or rule of law.

21 54. If this Stipulation is approved by the Disciplinary Board and Supreme Court, it will  
22 be followed by the disciplinary action agreed to in this Stipulation. All notices required in the  
23 Rules for Enforcement of Lawyer Conduct will be made. Respondent represents that, in addition

1 to Washington, Respondent also is admitted to practice law in the following jurisdictions, whether  
2 current status is active, inactive, or suspended: Idaho, Montana, and North Dakota.

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

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

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11 

12 Maribeth Mae Hanson, Bar No. 48474  
13 Respondent

Dated: 12/1/2022

14 

15 Kevin Bank, Bar No. 28935  
16 Respondent's Counsel

Dated: 12/1/2022

17 

18 Kathy Jo Blake, Bar No. 29235  
19 Managing Disciplinary Counsel

Dated: December 1, 2022