FILED

May 18, 2023

Disciplinary Roard

Docket # 099

DISCIPLINARY BOARD WASHINGTON STATE BAR ASSOCIATION

In re

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RICHARD LLEWELYN JONES,

Lawyer (Bar No. 12904).

Proceeding No. 17#00014

ODC File Nos. 16-00032; 17-01454; 22-00999; and 23-00338

STIPULATION TO TWENTY-ONE MONTH SUSPENSION

Under Rule 9.1 of the Washington Supreme Court's Rules for Enforcement of Lawyer Conduct (ELC), the following Stipulation to Twenty-One Month Suspension is entered into by the Office of Disciplinary Counsel (ODC) of the Washington State Bar Association (Association) through Disciplinary Counsel Benjamin J. Attanasio, Respondent's Counsel Kurt

M. Bulmer and Respondent lawyer Richard Llewelyn Jones.

Respondent understands that Respondent is entitled under the ELC to a hearing, to present exhibits and witnesses, and to have a hearing officer determine the facts, misconduct and sanction in this case. Respondent further understands that Respondent 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

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Stipulation to Discipline Page 1 OFFICE OF DISCIPLINARY COUNSEL
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1	outcome more favorable or less favorable to Respondent. Respondent chooses to resolve this
2	proceeding now by entering into the following stipulation to facts, misconduct and sanction to
3	avoid the risk, time, and expense attendant to further proceedings.
4	I. ADMISSION TO PRACTICE
5	1. Respondent was admitted to the practice of law in the State of Washington on
6	November 3, 1982.
7	II. STIPULATED FACTS
8	FACTS REGARDING STAFFORD MATTER
9	A. Pending Lawsuit and Filing Bankruptcy
10	2. On May 24, 2012, Penny Stafford (Stafford) hired Respondent to represent Stafford
11	in wrongful foreclosure proceedings against Stafford's lenders and other related entities.
12	3. At the time Stafford hired Respondent, Respondent and Respondent's firm had
13	represented clients as counsel in approximately 70 bankruptcies and as Special Counsel in 15
14	bankruptcies since 1982.
15	4. After Respondent commenced litigation for Stafford in several forums, on October
16	24, 2012, the actions were consolidated into one lawsuit (the Lawsuit) and moved to the United
17	States District Court for the Western District of Washington (District Court).
18	5. On July 2, 2013, defendant ForeclosureLink filed a motion for judgment on the
19	pleadings in the Lawsuit.
20	6. On July 29, 2013, defendant SunTrust and other defendants (hereafter jointly
21	referred to as SunTrust) filed a motion for summary judgment to dismiss the Lawsuit.
22	 Respondent recommended that Stafford file a Chapter 7 bankruptcy.
23	8. Respondent referred Stafford to lawyer Larry Feinstein (Feinstein) to file the
24	bankruptcy. Respondent intended to continue to represent Stafford in the Lawsuit after Stafford Stipulation to Discipline Page 2 OF THE WASHINGTON STATE BAR ASSOCIATION

1	filed bankruptcy.
2	9. On July 30, 2013, Feinstein filed Stafford's Chapter 7 bankruptcy (Bankruptcy
3	Case). Respondent did not prepare and was not involved in the preparation of Stafford's
4	bankruptcy petition or schedules.
5	10. On August 1, 2013, Respondent filed a Notice of Appearance and Request for
6	Special Notice in the Bankruptcy Case requesting "notice of all matters for which notice is
7	given to creditors, any creditor's committee, or any other party in interest herein including all
8	schedules, amended schedules, motions, applications, plan of reorganization, disclosure
9	statements, orders, and other documents and pleadings, including those in adversary
10	proceedings."
11	11. Stafford's filing of the Bankruptcy Case temporarily stayed the Lawsuit, including
12	the two pending motions for summary judgment.
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13	B. Facts Regarding Stafford's Payment of Pre-bankruptcy Debt to Respondent
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13	12. At the time the Bankruptcy Case was filed, Stafford owed Respondent at least
13 14 15	12. At the time the Bankruptcy Case was filed, Stafford owed Respondent at least \$9,624.30 in pre-bankruptcy (also known as pre-petition) debt for legal services and associated
13 14 15	12. At the time the Bankruptcy Case was filed, Stafford owed Respondent at least \$9,624.30 in pre-bankruptcy (also known as pre-petition) debt for legal services and associated finance charges.
13 14 15 16	12. At the time the Bankruptcy Case was filed, Stafford owed Respondent at least \$9,624.30 in pre-bankruptcy (also known as pre-petition) debt for legal services and associated finance charges. 13. Under 11 U.S.C. § 362(a)(6), the filing of a bankruptcy petition creates an automatic
13 14 15 16 17	12. At the time the Bankruptcy Case was filed, Stafford owed Respondent at least \$9,624.30 in pre-bankruptcy (also known as pre-petition) debt for legal services and associated finance charges. 13. Under 11 U.S.C. § 362(a)(6), the filing of a bankruptcy petition creates an automatic stay that precludes "any act to collect, assess, or recover a claim against the debtor that arose
113 114 115 116 117 118	12. At the time the Bankruptcy Case was filed, Stafford owed Respondent at least \$9,624.30 in pre-bankruptcy (also known as pre-petition) debt for legal services and associated finance charges. 13. Under 11 U.S.C. § 362(a)(6), the filing of a bankruptcy petition creates an automatic stay that precludes "any act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case"
113 114 115 116 117 118 119	12. At the time the Bankruptcy Case was filed, Stafford owed Respondent at least \$9,624.30 in pre-bankruptcy (also known as pre-petition) debt for legal services and associated finance charges. 13. Under 11 U.S.C. § 362(a)(6), the filing of a bankruptcy petition creates an automatic stay that precludes "any act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case" 14. Respondent continued to send bills to Stafford that included pre-petition debt after
113 114 115 116 117 118 119 120	\$9,624.30 in pre-bankruptcy (also known as pre-petition) debt for legal services and associated finance charges. 13. Under 11 U.S.C. § 362(a)(6), the filing of a bankruptcy petition creates an automatic stay that precludes "any act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case" 14. Respondent continued to send bills to Stafford that included pre-petition debt after the Bankruptcy Case was filed. The bills did not make payment a condition of continuing to

35. On March 20, 2014, Respondent was hired to represent Ben McIndoe (Ben) and
Ben's then wife Chariti McIndoe (Chariti)1 in connection with disputes the McIndoes had
against lenders who had liens against real property that was designated as Ben's separate
property.

- 36. On September 1, 2015, Respondent commenced a lawsuit in state court (State Court Lawsuit) for Ben against a number of entities with liens or other interests in Ben's real property.
- 37. Upon Respondent's recommendation, Ben hired Feinstein to file a Chapter 11 bankruptcy for Ben, but not Chariti.
- 38. Respondent intended to continue representing Ben in the State Court Lawsuit while Feinstein represented Ben in the bankruptcy.
- 39. On December 21, 2015, Feinstein filed a Chapter 11 bankruptcy for Ben as a debtor in possession.
- 40. As of the date Ben filed bankruptcy, Ben and Chariti owed Respondent's law firm between \$2,176 and \$3,126 in pre-bankruptcy (also known as pre-petition) debt.
- 41. On February 2, 2016, Feinstein filed an application to employ Respondent as Special Counsel to continue representing the debtor in connection with the State Court Lawsuit.
- 42. Feinstein's application to appoint Respondent as Special Counsel stated that Respondent "will be paid only after notice and hearing and application under Section 330 and Section 331 of the Bankruptcy Code, pursuant to LR 2016-1."
- 43. Respondent signed a declaration prepared by Feinstein that was filed to support the application to appoint Respondent as Special Counsel.
 - 44. Respondent's declaration stated that Respondent reviewed and is familiar with Local

¹ First names are used to avoid confusion. No disrespect is intended.

disgorge \$39,713.99 of Ben's payments to Ben's bankruptcy estate.

72. In March 2020 and January 2021, Respondent filed pleadings in the trial court



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I	of the court's order.
2	81. On April 19, 2021, Respondent filed a declaration opposing the imposition of
3	sanctions.
4	82. In an order dated June 4, 2021, the court found that Respondent's April 19, 2021
5	declaration "mischaracterized the events of Monday, March 29."
6	83. Also in the June 4, 2021 order, the court found Respondent willfully violated the
7	January 6, 2021 order by appearing in person at the March 29 deposition and found Respondent
8	in contempt of the January 6, 2021 order.
9	84. The court imposed sanctions of \$20,260 against Respondent.
10	85. In an earlier order, dated June 2, 2021, the court imposed \$1,500 in sanctions against
11	Respondent for other actions prior to March 29, 2021.
12	86. This Stipulation is a compromise agreement intended to resolve this matter in
13	accordance with the purposes of lawyer discipline while avoiding further proceedings and the
14	expenditure of additional resources by Respondent and ODC. Both Respondent and ODC
15	acknowledge that the result after further proceedings in this matter might differ from the result
16	agreed to herein.
17	III. STIPULATION TO MISCONDUCT
18	87. By having Penny Stafford and Ben McIndoe pay pre-petition fees and finance
19	charges in violation of the automatic stays in the bankruptcies and the discharge order in the
20	Stafford bankruptcy, Respondent violated RPC 8.4(d).
21	88. By representing Stafford after Stafford filed bankruptcy while simultaneously being
22,	a creditor and collecting pre-petition debt from Stafford, Respondent violated RPC 1.7(a).
23	89. By collecting payments from Stafford and the McIndoes without the bankruptcy
24	Stipulation to Discipline OFFICE OF DISCIPLINARY COUNSEL
	Supulation to Discipline Office Of Discipline

1	court's knowledge or authority and in violation of the bankruptcy court's orders and bankruptcy
2	procedures, Respondent violated RPC 8.4(d).
3	90. By concurrently representing Ben's bankruptcy estate while being a creditor in Ben's
4	bankruptcy, and while representing Ben and non-debtor Chariti in the Land Use Lawsuit,
5	Respondent violated RPC 1.7.
6	91. By bringing the rescission motion that had no basis in law or fact that was not
7	frivolous, Respondent violated RPC 3.1.
8	92. By violating the court's January 6, 2021 order in the Chelan County case,
9	Respondent violated RPC 8.4(d) and 8.4(j).
10	93. By filing the April 19, 2021 declaration in the Chelan County case mischaracterizing
11	the events at the March 29 deposition, Respondent violated RPC 8.4(d).
12	IV. PRIOR DISCIPLINE
13	94. In 2001, Respondent received a reprimand for filing a frivolous third-party
14	complaint, instructing Respondent's client to not answer questions at a deposition, and
15	obstructing another party's access to evidence.
16	95. In 2002, Respondent received a censure for failing to keep trust account records.
17	V. APPLICATION OF ABA STANDARDS
18	96. The following American Bar Association Standards for Imposing Lawyer Sanctions
19	(1991 ed. & Feb. 1992 Supp.) apply to this case: ABA Standard 4.3, ABA Standard 6.2, and
20	ABA Standard 7.0. These ABA Standards are set forth in Appendix A.
21	97. Respondent knowingly demanded and received the payment of pre-petition debt
22	from Stafford and McIndoe, in violation of the automatic stays in both bankruptcies and the
23	discharge order in Stafford's bankruptcy, causing harm to Stafford and McIndoe.
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Stipulation to Discipline Page 16

X. VOLUNTARY AGREEMENT

123. Respondent states that prior to entering into this Stipulation Respondent has consulted independent legal counsel regarding this Stipulation, that Respondent is entering into this Stipulation voluntarily, and that no promises or threats have been made by ODC, the Association, nor by any representative thereof, to induce Respondent to enter into this Stipulation except as provided herein.

124. Once fully executed, this Stipulation is a contract governed by the legal principles applicable to contracts, and may not be unilaterally revoked or modified by either party.

XI. LIMITATIONS

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

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

127. This Stipulation results from the consideration of various factors by both parties, including the benefits to both by promptly resolving this matter without the time and expense of hearings, Disciplinary Board appeals, and Supreme Court appeals or petitions for review. As such, approval of this Stipulation will not constitute precedent in determining the appropriate sanction to be imposed in other cases; but, if approved, this Stipulation will be admissible in