

FILED

May 10, 2024

Disciplinary
Board

Docket # 023

DISCIPLINARY BOARD
WASHINGTON STATE BAR ASSOCIATION

In re

MICHAEL GRAHAM,

Lawyer (Bar No. 37391).

Proceeding No. 22#00033

ODC File Nos. 21-00216, 21-00752

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 Erica Temple, Respondent's Counsel Leland G. Ripley and Respondent lawyer Michael Graham.

Respondent understands that Respondent is entitled under the ELC to a hearing, to present exhibits and witnesses on Respondent's behalf, 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 outcome more favorable or less favorable to Respondent. Respondent chooses to resolve this

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

3 Respondent wishes to stipulate to disbarment without affirmatively admitting the facts and
4 misconduct in ¶¶ 3-128, rather than proceed to a public hearing. Respondent agrees that if this
5 matter were to proceed to a public hearing, there is a substantial likelihood that ODC would be
6 able to prove, by a clear preponderance of the evidence, the facts and misconduct in ¶¶ 3-128, and
7 that the facts and misconduct will be deemed proved in any subsequent disciplinary proceeding
8 in any jurisdiction.

9 I. ADMISSION TO PRACTICE

10 1. Respondent was admitted to practice law in the State of Washington on May 15, 2006.

11 2. Respondent has been suspended beginning on January 13, 2022 pursuant to ELC
12 7.2(a)(3), for failure to cooperate with the ODC's investigation.

13 II. STIPULATED FACTS

14 Michael Medrano Grievance

15 3. In June 2016, a Boeing Company (Boeing) employee, Maravy Ly (Ly), was injured at
16 work and received payments through a workers' compensation claim.

17 4. Sedgwick Claims Management Services (Sedgwick) managed Ly's workers'
18 compensation claim on behalf of Boeing.

19 5. A third party, Acme Aerospace Inc. (Acme), had made a battery that was associated
20 with Ly's injury.

21 6. Ly elected not to pursue a claim against Acme.

22 7. Boeing, as a self-insured employer, pursued a claim against Acme in Ly's name.

23 8. Respondent was hired to represent Boeing in its claim against Acme.

1 9. In May 2019, Respondent filed a lawsuit against Acme and related defendants in
2 Maravy Ly vs. Acme Aerospace Inc., Snohomish County Superior Court No. 19-2-04945-31 (the
3 lawsuit), alleging that Acme's negligence caused Ly's injuries.

4 10. Lawyer Jessica Warren (Warren) was Acme's general counsel and represented Acme
5 in the lawsuit.

6 11. On August 20, 2019, Respondent agreed to Warren's settlement offer of \$20,000.

7 12. Respondent and Warren executed a Confidential Settlement Agreement and Release
8 of Claims (Settlement Agreement).

9 13. Respondent signed the Settlement Agreement as "attorney for Boeing."

10 14. No one from Boeing or Sedgwick signed the Settlement Agreement.

11 15. Respondent notified Sedgwick of the settlement, but did not promptly send Sedgwick
12 or Boeing a copy of the Settlement Agreement.

13 16. On November 20, 2019, the lawsuit was dismissed with prejudice.

14 17. On December 11, 2019, Respondent received a wire transfer of \$20,000 from
15 Warren's client into Respondent's trust account.

16 18. Respondent did not promptly notify Boeing or Sedgwick about receipt of the
17 settlement funds.

18 19. Respondent did not promptly deliver the funds to Boeing.

19 20. On March 12, 2020, Sedgwick emailed Respondent to ask about the status of the
20 claim.

21 21. On March 17, 2020, Respondent wrote to Sedgwick that Respondent was "going into
22 the office today and mailing the check."

23 22. This statement was false; Respondent did not mail the check that day or notify

1 Sedgwick that Respondent had not mailed a check.

2 23. On April 8, 2020, Respondent wrote to Sedgwick that Respondent was going to cancel
3 the check and issue a new one "tomorrow."

4 24. This statement was false; Respondent had not issued a check that Respondent could
5 cancel, and Respondent did not mail the check the next day or notify Sedgwick that Respondent
6 had not mailed a check.

7 25. As of June 30, 2020, the balance in Respondent's trust account was \$6.85.

8 26. Between December 11, 2019 and June 30, 2020, Respondent knowingly converted the
9 \$20,000.00 settlement funds for Respondent's own use without entitlement to the funds.

10 27. Respondent wrongfully obtained and/or exerted unauthorized control over the funds
11 belonging to Boeing, with the intent to deprive Boeing of these funds.

12 28. Respondent acted intentionally when Respondent committed the criminal act of
13 theft.

14 29. Respondent did not provide a written accounting to Sedgwick or Boeing after
15 distributing the settlement funds from trust.

16 30. On October 30, 2020, Respondent wrote to Sedgwick, "Check is mailing today."

17 31. This statement was false; Respondent did not mail the check that day or notify
18 Sedgwick that Respondent had not mailed a check.

19 32. On November 5, 2020, Respondent wrote to Sedgwick that Respondent would "send
20 a photo of the check and envelope being mailed tomorrow."

21 33. Respondent sent a photo to Sedgwick of Check #113, drawn on Respondent's trust
22 account, in the amount of \$20,000.

23 34. However, Respondent did not mail the check.

1 35. During the entire month of November 2020, Respondent's trust account balance was
2 zero.

3 36. On November 13, 2020, the Sedgwick Claims Examiner requested a copy of the
4 signed Settlement Agreement.

5 37. On November 20, 2020, Respondent sent Sedgwick a copy of the Settlement
6 Agreement via email and wrote, "I don't see the check has been cashed," and that Respondent
7 was going to issue a stop payment.

8 38. This statement was false; there was no check to stop payment on.

9 39. On December 1, 2020, Respondent wrote to Sedgwick that Respondent would place a
10 stop payment and send another check with a tracking number.

11 40. This statement was false; there was no check to stop payment on. Respondent did not
12 send another check or notify Sedgwick that Respondent had not sent a check.

13 41. Due to Respondent's delay, Ly went without the settlement funds for over a year.

14 42. Boeing ultimately provided Ly with the settlement funds instead of waiting for
15 Respondent to provide the funds.

16 43. On April 23, 2021, Respondent sent a letter to Sedgwick enclosing Check #1939, in
17 the amount of \$20,000.00, drawn on the checking account of Respondent's family members.

18 44. Respondent's conduct caused serious injury to Boeing and Sedgwick because
19 Respondent lied to them and delayed disbursing the settlement funds.

20 Respondent's Failure to Cooperate

21 45. On February 24, 2021, Boeing employee Michael Medrano filed a grievance with
22 ODC.

23 46. On March 19, 2021, ODC sent a letter to Respondent requesting a response.

1 47. Respondent did not respond to ODC's March 19, 2021 letter.

2 48. On April 22, 2021, ODC sent Respondent a letter requesting a response within ten
3 days.

4 49. Respondent did not respond to ODC's April 22, 2021 letter.

5 50. On October 18, 2021, ODC sent Respondent a Subpoena Duces Tecum for a
6 deposition scheduled on October 28, 2021.

7 51. Respondent received the Subpoena, which demanded the production of documents
8 related to the Medrano grievance.

9 52. On October 27, 2021, Respondent left a voicemail for Disciplinary Counsel that
10 Respondent did not intend to appear at the deposition because Respondent was working, and that
11 Respondent would provide a written response.

12 53. Respondent did not appear at the deposition on October 28, 2021.

13 54. Respondent did not provide a written response to the grievance.

14 55. On November 10, 2021, ODC filed a Petition for Interim Suspension with the
15 Washington Supreme Court based on Respondent's failure to cooperate with ODC's
16 investigation.

17 56. On November 17, 2021, the Court entered an Order to Show Cause ordering
18 Respondent to appear before the Court on January 11, 2022.

19 57. Respondent did not appear before the Court on January 11, 2022.

20 58. On January 13, 2022, the Court entered an Order immediately suspending
21 Respondent's license to practice pending compliance with disciplinary investigation requests and
22 subpoenas.

23 59. Respondent acted knowingly in failing to cooperate with ODC's investigation.

1 60. Respondent's conduct injured the lawyer discipline system, which depends on
2 lawyers' cooperation to function properly.

3 61. Respondent's failure to cooperate caused injury to ODC by impeding ODC's
4 investigation of Medrano's grievance and by requiring the expenditure of time and resources to
5 schedule a deposition and to file a petition for interim suspension.

6 **Shari Kristiansen Grievance**

7 62. On January 9, 2020, Shari Kristiansen (Kristiansen) signed a written fee agreement
8 with Respondent for representation in connection with Kristiansen's open Workers'
9 Compensation claim with the Department of Labor and Industries (L&I).

10 63. Respondent's fee agreement entitled Respondent to ten percent of time-loss payments
11 while the claim was open, and twenty percent of retroactive or other specified types of
12 compensation.

13 64. On January 15, 2020, Respondent notified L&I that Respondent represented
14 Kristiansen and was an authorized delegate.

15 65. After that, L&I sent all correspondence, including payments, to Respondent.

16 66. L&I sent warrants (checks) made payable to Gauntlet Law PLLC, Respondent's law
17 firm.

18 **Mishandling and Theft of Client Funds**

19 67. On February 11, 2021, L&I mailed warrant #254428Q to Kristiansen c/o Gauntlet Law
20 in the amount of \$55,053.39, for time loss compensation benefits.

21 68. Respondent received this warrant, but did not deposit it into Respondent's trust
22 account.

23 69. On February 25, 2021, Respondent issued Check #111, in the amount of \$47,132.13,

1 drawn on Respondent's trust account, to Kristiansen.

2 70. On May 14, 2021, L&I issued warrant #314068Q in the amount of \$2,098.69 to
3 Kristiansen c/o Gauntlet Law.

4 71. Respondent received this warrant. On May 25, 2021, Respondent cashed it at a Money
5 Tree, and did not deposit the funds into a trust account.

6 72. Respondent did not pay any of the funds from warrant #314068Q to Kristiansen.

7 73. On May 21, 2021, L&I issued warrant #318690Q in the amount of \$23,381.80 to
8 Kristiansen c/o Gauntlet Law.

9 74. Respondent received this warrant but did not deposit it into Respondent's trust
10 account.

11 75. Respondent did not pay any of the funds from warrant #318690Q to Kristiansen.

12 76. On May 24, 2021, L&I issued warrant #319517Q in the amount of \$2,846.48 to
13 Kristiansen c/o Gauntlet Law.

14 77. Respondent received this warrant but did not deposit it into Respondent's trust
15 account.

16 78. Respondent did not pay any of the funds from warrant #319517Q to Kristiansen.

17 79. On May 25, 2021, L&I issued warrant #320524Q in the amount of \$15,471.75 to
18 Kristiansen c/o Gauntlet Law.

19 80. Respondent received this warrant but did not deposit it into Respondent's trust
20 account.

21 81. Respondent did not pay any of the funds from warrant #320524Q to Kristiansen.

22 82. On May 28, 2021, Respondent texted Kristiansen, "I just deposited \$41,000 in checks
23 for part of your settlement so I'll have a check for you next week."

1 83. Respondent rescheduled the meeting several times with Kristiansen and provided
2 various excuses about why Respondent was not available.

3 84. On June 7, 2021, Respondent did not show up for a scheduled lunch with Kristiansen.

4 85. Also on June 7, 2021, L&I issued warrant #328381Q in the amount of \$2,846.48 to
5 Kristiansen c/o Gauntlet Law.

6 86. Respondent received this warrant but did not deposit it into Respondent's trust
7 account.

8 87. Respondent did not pay any of the funds from warrant #328381Q to Kristiansen.

9 88. On June 8, 2021, Kristiansen notified L&I that Respondent should be removed as
10 Kristiansen's representative.

11 89. Under the initial fee agreement, Respondent was entitled to some portion of the funds
12 detailed above, but Respondent was not entitled to all of the funds.

13 90. Respondent intentionally converted at least \$37,315.92 belonging to Kristiansen for
14 Respondent's own use.

15 91. Respondent wrongfully exerted unauthorized control over funds belonging to
16 Kristensen, with the intent to deprive Kristensen of the funds.

17 92. Respondent acted knowingly and intentionally when Respondent committed the
18 criminal act of theft.

19 93. Respondent caused serious injury to Kristiansen.

20 Respondent's Failure to Cooperate

21 94. On June 16, 2021, Kristiansen filed a grievance with ODC.

22 95. On August 13, 2021, ODC sent a letter to Respondent requesting a response.

23 96. Respondent did not provide a written response to the grievance.

1 97. On October 8, 2021, ODC requested Respondent's response within ten days.

2 98. Respondent did not provide a written response to the grievance.

3 99. As noted above, ODC filed a Petition for Interim Suspension with the Washington
4 Supreme Court, and the Court entered an order suspending Respondent's license to practice law
5 pending compliance with disciplinary investigation requests.

6 100. Respondent acted knowingly when Respondent failed to cooperate with ODC's
7 investigation.

8 101. Respondent's conduct injured the lawyer discipline system, which depends on
9 lawyers' cooperation to function properly.

10 102. Respondent's failure to cooperate caused injury to ODC by impeding ODC's
11 investigation of Kristiansen's grievance.

12 **III. STIPULATION TO MISCONDUCT**

13 103. By converting Sedgwick's settlement funds for Respondent's own use without
14 entitlement to the funds, Respondent violated RPC 1.15A(b), RPC 8.4(b) (by committing the
15 crime of theft in violation of RCW 9A.56.020(1)(a)), and RPC 8.4(c).

16 104. By failing to promptly notify Boeing and/or Sedgwick about receipt of the
17 settlement funds, Respondent violated RPC 1.15A(d).

18 105. By failing to provide a written accounting to Boeing and/or Sedgwick after
19 distributing the settlement funds from trust, Respondent violated RPC 1.15A(e).

20 106. By failing to promptly pay or deliver the settlement funds to Boeing that Boeing
21 was entitled to receive, Respondent violated RPC 1.15A(f).

22 107. By making false statements to Boeing and Sedgwick about the status of the
23 settlement funds and disbursal, Respondent violated RPC 1.4 and RPC 8.4(c).

1 108. By failing to respond to requests for a response to Medrano's grievance, failing to
2 appear for deposition, and/or failing to produce documents in response to a subpoena, Respondent
3 violated RPC 8.1(b) and RPC 8.4(l) by violating Respondent's duties under ELC 1.5, 5.3(f), and
4 5.3(g).

5 109. By converting Kristiansen's funds for Respondent's own use without entitlement
6 to the funds, Respondent violated RPC 1.15A(b), RPC 8.4(b) (by committing the crime of theft
7 in violation of RCW 9A.56.020(1)(a)), and RPC 8.4(c).

8 110. By failing to deposit L&I's warrants to Kristiansen into a trust account,
9 Respondent violated RPC 1.15A(c)(1).

10 111. By failing to promptly pay or deliver funds to Kristiansen, Respondent violated
11 RPC 1.15A(f).

12 112. By failing to respond to ODC's requests for a response to Kristiansen's grievance,
13 Respondent violated RPC 8.1(b) and RPC 8.4(l) by violating Respondent's duties under ELC 1.5,
14 5.3(f), and 5.3(g).

15 IV. PRIOR DISCIPLINE

16 113. Respondent has no prior discipline.

17 V. APPLICATION OF ABA STANDARDS

18 114. The following American Bar Association Standards for Imposing Lawyer
19 Sanctions (1991 ed. & Feb. 1992 Supp.), apply to this case.

20 115. ABA Standards 4.1 and 5.1 are most applicable to the violations of RPC 1.15A(b),
21 RPC 8.4(b), RPC 8.4(c), RPC 1.15A(f), and RPC 1.15A(c)(1):

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

1 5.11 Disbarment is generally appropriate when:

- 2 (a) a lawyer engages in serious criminal conduct, a necessary element of which
3 includes intentional interference with the administration of justice, false
4 swearing, misrepresentation, fraud, extortion, misappropriation, or theft;
5 or the sale, distribution or importation of controlled substances; or the
6 intentional killing of another; or an attempt or conspiracy or solicitation of
7 another to commit any of these offenses; or
8 (b) a lawyer engages in any other intentional conduct involving dishonesty,
9 fraud, deceit, or misrepresentation that seriously adversely reflects on the
10 lawyer's fitness to practice.

11 116. ABA Standard 4.4 is most applicable to the violations of RPC 1.15A(d), RPC
12 1.15A(e), and RPC 1.4:

13 4.41 Disbarment is generally appropriate when:

- 14 (a) a lawyer abandons the practice and causes serious or potentially serious
15 injury to a client; or
16 (b) a lawyer knowingly fails to perform services for a client and causes serious
17 or potentially serious injury to a client; or
18 (c) a lawyer engages in a pattern of neglect with respect to client matters and
19 causes serious or potentially serious injury to a client.

20 117. ABA Standard 7.0 is most applicable to the violations of RPC 8.1(b) and RPC
21 8.4(l):

22 7.2 Suspension is generally appropriate when a lawyer knowingly engages in conduct
23 that is a violation of a duty owed as a professional and causes injury or potential
24 injury to a client, the public, or the legal system.

118. Respondent acted intentionally in deceiving Boeing and Sedgwick, and in
converting their settlement funds for Respondent's own use.

119. Respondent acted intentionally in deceiving Kristiansen, and in converting funds
belonging to Kristiansen for Respondent's own use.

120. Respondent acted knowingly in failing to cooperate with ODC's investigations.

121. Respondent caused serious injury to Boeing and Sedgwick.

122. Respondent caused serious injury to Kristiansen.

123. Respondent injured the lawyer discipline system, which depends on lawyers'

1 cooperation to function properly.

2 124. The presumptive sanction for Respondent's conduct in deceiving clients and
3 conversion of their funds is disbarment.

4 125. The presumptive sanction for Respondent's failure to cooperate with ODC's
5 investigations is suspension.

6 126. The following aggravating factors apply under ABA Standard 9.22:

7 (b) dishonest or selfish motive;

8 (d) multiple offenses;

9 (i) substantial experience in the practice of law [Respondent was admitted to
10 practice in 2006];

11 (j) indifference to making restitution.

12 127. The following mitigating factors apply under ABA Standard 9.32:

13 (a) absence of a prior disciplinary record;

14 (c) personal or emotional problems including severe amphetamine-type
15 substance abuse (methamphetamine) and severe gambling disorder as listed in
16 DSM-V.

17 128. On balance the aggravating and mitigating factors do not require a departure from
18 the presumptive sanction of disbarment.

19 **VI. STIPULATED DISCIPLINE**

20 129. The parties stipulate that Respondent shall be disbarred.

21 **VII. CONDITIONS OF REINSTATEMENT**

22 130. Reinstatement from disbarment is conditioned on payment of restitution, costs and
23 expenses, as provided below and per Admission and Practice Rule (APR) 25.1(d).

1 **VIII. RESTITUTION**

2 131. Respondent agrees to pay \$37,316 to Shari Kristiansen in accordance with ELC
3 13.7(b). Restitution shall bear interest at a rate of 12% per annum beginning on July 1, 2021.

4 132. Reinstatement from disbarment is conditioned on payment of restitution per APR
5 25.1(d).

6 **IX. COSTS AND EXPENSES**

7 133. In light of Respondent's willingness to resolve this matter by stipulation at an early
8 stage of the proceedings, Respondent shall pay attorney fees and administrative costs of \$1,604.49
9 in accordance with ELC 13.9(i). The Association will seek a money judgment under ELC 13.9(l)
10 if these costs are not paid within 30 days of approval of this stipulation. Reinstatement from
11 disbarment is conditioned on payment of costs per APR 25.1(d).

12 **X. VOLUNTARY AGREEMENT**

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

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

20 **XI. LIMITATIONS**

21 136. This Stipulation is a compromise agreement intended to resolve this matter in
22 accordance with the purposes of lawyer discipline while avoiding further proceedings and the
23 expenditure of additional resources by the Respondent and ODC. Both the Respondent and ODC

1 acknowledge that the result after further proceedings in this matter might differ from the result
2 agreed to herein.

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

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

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

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

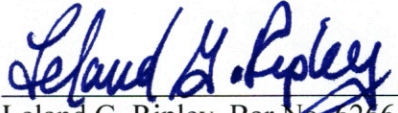
19 141. If this Stipulation is not approved by the Disciplinary Board and Supreme Court,
20 this Stipulation will have no force or effect, and neither it nor the fact of its execution will be
21 admissible as evidence in the pending disciplinary proceeding, in any subsequent disciplinary
22 proceeding,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

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

3 //s/ Michael P. Graham


Dated: March 27, 2024

4 Michael Graham, Bar No. 37391
5 Respondent

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Dated: 3/28/24

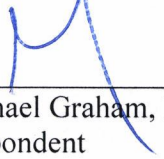
7 Leland G. Ripley, Bar No. 6266
8 Counsel for Respondent

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Dated: April 15, 2024

10 Erica Temple, Bar No. 28458
11 Managing Disciplinary Counsel
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1 WHEREFORE the undersigned being fully advised, adopt and agree to this Stipulation to
2 Disbarment as set forth above.

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4  _____
Michael Graham, Bar No. 37391
Respondent

Dated: 4-1-24

6
7 _____
Leland G. Ripley, Bar No. 6266
Counsel for Respondent

Dated: _____

8
9 _____
Erica Temple, Bar No. 28458
Managing Disciplinary Counsel

Dated: _____