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Disciplinary
Board

Docket # 003

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DISCIPLINARY BOARD
WASHINGTON STATE BAR ASSOCIATION

In re

AMANDA RAE LILLY,
Lawyer (Bar No. 48416).

Proceeding No. 21#00044

ODC File No(s). 21-00055, 21-00124, 21-00125, 21-00173, 21-00259, 21-00314, 21-00446, 21-00503, 21-00609, 21-00732

STIPULATION TO A TWO-YEAR
SUSPENSION

Under Rule 9.1 of the Washington Supreme Court's Rules for Enforcement of Lawyer Conduct (ELC), the following Stipulation to a two-year suspension is entered into by the Office of Disciplinary Counsel (ODC) of the Washington State Bar Association (Association) through Senior Disciplinary Counsel Francesca D'Angelo and Respondent lawyer Amanda Rae Lilly.

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, expense attendant to further proceedings.

3 **I. ADMISSION TO PRACTICE**

4 1. Respondent was admitted to practice law in the State of Washington on December
5 9, 2014.

6 2. On May 5, 2021, Respondent's license to practice law was administratively
7 suspended for failure to pay licensing fees.

8 **II. STIPULATED FACTS**

9 3. Respondent is a family law lawyer who practiced in Yakima, Washington. From
10 January 2019 to January 2021, Respondent owned a solo practice in Yakima.

11 4. In January 2021 Respondent approached a colleague, Tonilynn Savage, to assist
12 Respondent with closing Respondent's practice and disbursing the funds held in Respondent's
13 trust account. At the time, Respondent had 41 active cases. Respondent gave Savage a power
14 of attorney so that Savage could access Respondent's financial records and contact
15 Respondent's clients. In assisting Respondent, Savage noticed that Respondent's projected trust
16 balances did not match the bank records. Savage felt an obligation to report the discrepancies
17 to the Bar Association, and discussed this with Respondent.

18 5. In January 2021, Savage filed notices of withdrawal on behalf of Respondent in
19 Respondent's cases.

20 6. In over 30 client matters, Respondent failed to refund Respondents clients' advanced
21 fee payments that had not been earned or incurred.

22 7. On January 28, 2021, Savage filed a grievance on January 28, 2021, and requested
23 a formal audit of Respondent's trust account.

1 8. ODC conducted an audit and reconstruction of Respondent's trust account for the
2 period from January 1, 2019 through January 31, 2021 ["audit period"].

3 9. During the audit period, Respondent failed to reconcile Respondent's check register
4 balance to Respondent's bank statement balance and failed to reconcile the check register
5 balance to the combined total of all client ledgers.

6 10. In one or more client matters, Respondent disbursed funds on behalf of a client in
7 excess of the funds that Respondent was holding in trust for that client, resulting in negative
8 client ledger balances.

9 11. In six client matters, Respondent recorded cash deposits totaling \$5,713.75 in the
10 trust account records but did not deposit the funds into the trust account.

11 12. In eighteen matters, Respondent paid client expenses to the appropriate third parties
12 using the clients' trust account funds. Respondent then billed the same expenses to the clients
13 on their bi-monthly legal bills, and transferred the expense payment a second time from the
14 clients' trust funds to Respondent's operating account. The eighteen clients therefore paid the
15 same expenses twice, resulting in \$6,339 in overpayments to Respondent.

16 13. Respondent was not entitled to the \$6,339 in overpayments.

17 14. As of January 31, 2021, at least 35 of Respondent's clients had funds in trust that
18 had not been disbursed. These clients collectively were owed \$37,987.97. However, as of
19 January 31, 2021, Respondent's trust account balance was only \$18,537.28, resulting in a trust
20 account shortage of \$19,450.69.

21 **III. STIPULATION TO MISCONDUCT**

22 15. By removing client funds by wrongly charging duplicate expenses, Respondent
23 violated RPC 1.15A(b).

1 16. By failing to place client cash deposits into the trust account, and by disbursing more
2 funds than the clients had on deposit, Respondent violated RPC 1.15A(c)(1).

3 17. By disbursing more funds on behalf of one or more clients than the clients had in
4 trust, Respondent violated RPC 1.15A(h)(8).

5 18. By failing to refund clients' unearned trust funds after withdrawal, Respondent
6 violated RPC 1.16(d) and RPC 1.15A(e).

7 19. By failing to reconcile the check register balance to the bank statement balance and
8 reconcile the check register balance to the combined total of all client ledgers, Respondent
9 violated RPC 1.15A(h)(6).

10 IV. PRIOR DISCIPLINE

11 20. Respondent has no prior discipline.

12 V. APPLICATION OF ABA STANDARDS

13 21. The following American Bar Association Standards for Imposing Lawyer Sanctions
14 (1991 ed. & Feb. 1992 Supp.) apply to this case:

15 ***4.1 Failure to Preserve the Client's Property***

16 4.11 Disbarment is generally appropriate when a lawyer knowingly converts
client property and causes injury or potential injury to a client.

17 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.

18 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.

19 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
20 client.

21 ***7.0 Violations of Duties Owed as a Professional***

22 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 benefit for the lawyer or another, and causes serious or
23 potentially serious injury to a client, the public, or the legal system.

- 1 7.2 Suspension is generally appropriate when a lawyer knowingly engages in
2 conduct that is a violation of a duty owed as a professional and causes
3 injury or potential injury to a client, the public, or the legal system.
4 7.3 Reprimand is generally appropriate when a lawyer negligently engages in
5 conduct that is a violation of a duty owed as a professional and causes
6 injury or potential injury to a client, the public, or the legal system.
7 7.4 Admonition is generally appropriate when a lawyer engages in an isolated
8 instance of negligence that is a violation of a duty owed as a professional,
9 and causes little or no actual or potential injury to a client, the public, or
10 the legal system.

11 22. Respondent should have known that Respondent was dealing improperly with client
12 funds. Respondent knew that she had failed to return client's advanced fees.

13 23. Respondent's clients were injured in that they have not been able to obtain refunds
14 due to shortages in the trust account.

15 24. The presumptive sanction is suspension.

16 25. The following aggravating factors apply under ABA Standard 9.22:

- 17 (c) pattern of misconduct;
18 (d) multiple offenses.

19 26. The following mitigating factors apply under ABA Standard 9.32:

- 20 (a) absence of a prior disciplinary record;
21 (c) personal or emotional problems [See confidential addendum];
22 (d) timely good faith effort to make restitution or to rectify consequences of
23 misconduct [Respondent gave Savage a power of attorney so that Savage could
24 communicate with clients, and gave Savage permission to provide ODC with records so
that ODC could reconstruct the account].

25 27. It is an additional mitigating factor that Respondent has agreed to resolve this matter
26 at an early stage of the proceedings.

27 28. A significant mitigating factor is the contribution this stipulation makes to the

1 efficient and effective operation of the lawyer discipline system considering the effect the
2 COVID-19 public health emergency has had on disciplinary resources and the orderly
3 processing of disciplinary matters.

4 29. Based on the factors set forth above, the presumptive sanction should be a two-year
5 suspension.

6 VI. STIPULATED DISCIPLINE

7 30. The parties stipulate that Respondent shall receive a two-year suspension.

8 Reinstatement Condition- Fitness to Practice Examination

9 31. As a condition of reinstatement, Respondent shall, at least 30 days before a request for
10 reinstatement, undergo an independent examination by a licensed mental health professional
11 approved by ODC to evaluate Respondent's fitness to practice law.

12 32. Respondent shall pay all expenses associated with the examination.

13 33. Respondent shall execute all necessary releases and authorizations to permit the
14 evaluator and disciplinary counsel to obtain full access to all pertinent health care and treatment
15 records for the applicable time period, and to permit the evaluator to release information regarding
16 the evaluation to disciplinary counsel, including a written report of the evaluator's findings,
17 diagnosis, and recommended treatment plan, if any. Respondent shall provide disciplinary
18 counsel with a copy of the releases and authorizations

19 34. If the evaluator concludes there is reasonable cause to believe that Respondent does
20 not have the mental or physical capacity to practice law, then disciplinary counsel may report to
21 a review committee as provided in ELC 8.2.

22 35. If the evaluator recommends treatment, then Respondent shall undergo treatment with
23 a treatment provider during the probation period. The conditions of treatment during the

1 probation period are set forth below.

2 36. If the evaluator does not recommend treatment, then Respondent will not be required
3 to undergo treatment and will not be subject to probation requiring mental health treatment.

4 **Reinstatement Condition- Trust Account**

5 37. As a further condition of reinstatement from suspension, Respondent must complete
6 the following steps to disburse any funds that are owed to clients or third parties and to receive
7 additional education on how to handle client funds in compliance with RPC 1.15A and RPC
8 1.15B of the Washington Supreme Court's Rules of Professional Conduct:

- 9 a) Respondent must provide proof of having deposited Respondent's own funds to the
10 trust account to cure any outstanding shortage reflected in the Revised Reconstructed
11 Client Balance list (filed herewith under seal).
- 12 b) For each of the clients listed in the Revised Reconstructed Client Balance list,
13 Respondent must provide ODC with complete documentary evidence demonstrating
14 either that the client or third party is not entitled to a return of any of the amount listed
15 or that Respondent has provided the client or third party with a complete accounting
16 of funds and returned to the client or third party any unearned amounts and/or any
17 amounts to which Respondent cannot establish entitlement.
- 18 c) For the time frame of February 1, 2021, up through the date of submission to ODC
19 for consideration of reinstatement, Respondent must provide to ODC, for each trust
20 account open during any portion of that time frame, copies of the following:
- 21 • any and all bank statements,
 - 22 • copies of any and all deposited items,
 - 23 • copies of any and all records of disbursements,
 - 24 • a complete and accurate check register identifying every transaction,
 - complete and accurate client ledgers identifying every transaction attributable to a client,
 - monthly reconciliations between the check register and the bank statement,
 - monthly reconciliations between the check register and the client ledgers, and
 - if the Respondent maintains trust-account records in QuickBooks, provide an electronic copy of the file with the trust-account records.

- 1 d) Respondent must carefully review the WSBA publication Managing Client Trust
2 Accounts: Rules, Regulations, and Common Sense, and provide disciplinary counsel
3 with a signed certification that he/she has done so.
4 e) Respondent must complete the WSBA continuing legal education course entitled,
5 “Managing Client Trust Accounts” (October 2014), or an equivalent CLE on
6 managing trust accounts in Washington State, and provide disciplinary counsel with
7 documentation showing completion.
8 f) To be eligible for reinstatement under ELC 13.3(b)(1)(B), Respondent must provide
9 the required documentation to disciplinary counsel at least 30 days prior to seeking
10 certification of compliance with reinstatement provisions.

11 **Probation- Trust Account**

12 38. Respondent will be subject to probation for a period of two years commencing upon
13 final approval of this stipulation, with periodic reviews under ELC 13.8 of Respondent’s trust
14 account practices, and must comply with the specific probation terms set forth below:

- 15 g) Respondent shall carefully review and fully comply with RPC 1.15A and RPC 1.15B,
16 and shall carefully review the current version of the publication, Managing Client
17 Trust Accounts: Rules, Regulations, and Common Sense.
18 h) For all client matters, Respondent shall have a written fee agreement signed by the
19 client, which agreements are to be maintained for least seven years (see RPC
20 1.15B(a)(3)).
21 i) On a monthly basis, using ODC’s form report entitled “Monthly Reconciliation and
22 Review Report,” Respondent shall review the trust-account records detailed on the
23 form report, review the completed report, and sign and date the completed report.
24 j) On a quarterly basis, Respondent shall provide ODC’s audit staff with all trust-
account records for the time period to be reviewed by ODC’s audit staff and
disciplinary counsel for compliance with the RPC:
i) Months 1 – 3. By no later than the 30th day of the fourth month after the
commencement of probation, Respondent shall provide the trust account
records from the date of commencement of probation to the end of the third
full month.
ii) Months 4 – 6. By no later than the 30th day of the seventh month after the
commencement of probation, Respondent shall provide the trust account
records from the end of the previously provided quarter through the end of
month six.

- 1 iii) Months 7 – 9. By no later than the 30th day of the tenth month after the
2 commencement of probation, Respondent shall provide the trust account
3 records from the end of the previously provided quarter through the end of
4 month nine.
- 5 iv) Months 10 – 12. By no later than the 30th day of the thirteenth month after
6 the commencement of probation, Respondent shall provide the trust account
7 records from the end of the previously provided quarter through the end of
8 month twelve.
- 9 v) Months 13 – 15. By no later than the 30th day of the sixteenth month after
10 the commencement of probation, Respondent shall provide the trust account
11 records from the end of the previously provided quarter through the end of
12 month fifteen.
- 13 vi) Months 16 – 18. By no later than the 30th day of the nineteenth month after
14 the commencement of probation, Respondent shall provide the trust account
15 records from the end of the previously provided quarter through the end of
16 month eighteen.
- 17 vii) Months 19 – 21. By no later than the 30th day of the twenty-second month
18 after the commencement of probation, Respondent shall provide the trust
19 account records from the end of the previously provided quarter through the
20 end of month twenty-one.

21 The trust account records Respondent provides to ODC for each quarterly review of
22 his trust account will include: (a) copies of each completed “Monthly Reconciliation
23 and Review Report” referenced in sub-paragraph(c) above, (b) a complete checkbook
24 register for his/her trust account covering the period being reviewed, (c) complete
individual client ledger records for any client with funds in Respondent’s trust
account during all or part of the period being reviewed, as well as for Respondent’s
own funds in the account (if any), and (d) copies of all trust-account bank statements,
deposit slips, and cancelled checks covering the period being reviewed. ODC’s Audit
Manager or designee will review Respondent’s trust account records for each period.

- 25 k) On the same quarterly time schedule set forth in the preceding paragraph, Respondent
will provide ODC’s Audit Manager or designee with copies of any and all fee
agreements entered into within the time period at issue.
- 26 l) ODC’s Audit Manager or designee may request additional financial or client records
if needed to verify Respondent’s compliance with RPC 1.15A and/or 1.15B. Within
twenty days of a request from ODC’s Audit Manager or designee for additional
records needed to verify Respondent’s compliance with RPC 1.15A and/or RPC
1.15B, Respondent will provide ODC’s Audit Manager or designee the additional
records requested.

1 m) Respondent will reimburse the Association for time spent by ODC's Audit Manager
2 or designee in reviewing and reporting on Respondent's records to determine his/her
3 compliance with RPC 1.15A and RPC 1.15B, at the rate of \$85 per hour. Respondent
will make payment within thirty days of each written invoice setting forth the
auditor's time and payment due.

4 **Probation- Mental Health Treatment**

5 39. If the evaluator referenced in paragraph 31, above, recommends treatment,
6 Respondent shall begin treatment with a treatment provider approved by the Probation
7 Administrator within 60 days of reinstatement.

8 40. Respondent shall comply with all requirements and recommendations of the
9 treatment provider, including but not limited to the completion of any period of in-or-out patient
10 treatment and aftercare and the taking of all prescribed medications.

11 41. Respondent shall execute an authorization allowing and directing the treatment
12 provider to take the following actions:

- 13 (a) on a quarterly basis, send written reports to the Probation Administrator that
14 include the dates of treatment, whether Respondent has been cooperative with
treatment, and whether continued treatment is recommended;
- 15 (b) report immediately to the Probation Administrator if Respondent fails to
16 appear for treatment or stops treatment without the provider's agreement and
consent prior to either termination of the treatment plan or expiration of the
17 probation period set forth in this stipulation;
- 18 (c) report immediately to the Probation Administrator if Respondent fails to
19 comply with any treatment recommendations of the treatment provider;
- 20 (d) report immediately to the Probation Administrator if Respondent otherwise
21 violates any of the terms or conditions of treatment;
- 22 (e) report immediately to the Probation Administrator if the provider will no
longer serve as treatment provider to Respondent prior to termination of the
23 treatment plan or expiration of the probation period set forth in this stipulation;
and;
- (f) report to the Probation Administrator if Respondent successfully completes
treatment and is discharged from further treatment.

1 42. Respondent shall provide a copy of the authorization to the Probation Administrator
2 upon execution.

3 43. Respondent is responsible for paying any and all fees, costs, and/or expenses of
4 treatment.

5 **VII. RESTITUTION**

6 44. Respondent shall pay restitution to the following grievants:

- 7 • \$2,150 to Maria Acevedo
- 8 • \$1,112.50 to David Avalos
- 9 • \$1,862.50 to Erika Belles
- 10 • \$2,200 to Abdon Juarez
- 11 • \$967.20 to Trudy Katona
- 12 • \$812.50 to Ampelia Martinez
- 13 • \$462.50 to Deborah McComas
- 14 • \$2,837.50 to Kevin Oravits
- 15 • \$875.00 to Sarah Zumwalt

16 45. Respondent shall pay further restitution in accordance with paragraph 37(b), above.

17 46. Reinstatement is conditioned on full payment of restitution.

18 **VIII. COSTS AND EXPENSES**

19 47. Under the circumstances of this case as set forth in the confidential attachment, costs
20 and expenses under ELC 13.9(c) are waived.

21 **IX. VOLUNTARY AGREEMENT**

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


1 be followed by the disciplinary action agreed to in this Stipulation. All notices required in the
2 Rules for Enforcement of Lawyer Conduct will be made.

3 55. If this Stipulation is not approved by the Disciplinary Board and Supreme Court,
4 this 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 a two-year suspension as set forth above.

9 
10 Amanda Rae Lilly, Bar No. 48416
11 Respondent

Dated: 11/2/2021

12 
13 Francesca D'Angelo, Bar No. 22979
14 Senior Disciplinary Counsel

Dated: 11/8/2021