

Received
Washington State Supreme Court

APR 28 2015

Ronald R. Carpenter
Clerk

Supreme Court No. 201,396-16

-1

IN THE SUPREME COURT
OF THE STATE OF WASHINGTON

In re)	BAR NO. 24663
)	
)	Supreme Court No.
)	201,396-16 -1
)	
DAVID C. REED,)	DECLARATION OF
)	DAVID C. REED
An Attorney at Law,)	
_____)	

David C. Reed, under penalty of perjury, declares as follows:

1. I am the respondent in this pending Petition for Interim Suspension and Show Cause. I have limited resources and because of that I have elected to appear pro se in this matter but also because I want to appear personally in front of the Court at the Show Cause hearing so it may judge for itself if I am such a threat to the public that I should be suspended and my practice ruined on the basis of the untested affidavits and allegations

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submitted in this matter without an evidentiary hearing to present my defenses.¹

2. The basic allegation is that I have mishandled trust funds. I acknowledge that I have not been a good record keeper and not documented matters as well as I should. Perhaps this will ultimately result in sanctions against me but bad bookkeeping without more is not a sufficient reason to summarily suspend my license. If there really is a concern about the record keeping the Court can deny the interim suspension while ordering remedial actions be taken by me in the interim.

3. The Bar's core position is that I should be suspended without benefit of an evidentiary hearing because of the handling of the funds of KE/LE, LB, and GR.

4. Regarding KE/LE - It is true I do not have their funds in trust and cannot immediately replace them but the funds were not stolen by me. They came out trust as a result of a fee claim by me. KE and LE hired me to obtain a replacement for a stolen engagement ring. They had received an

¹ Attorney Kurt M. Bulmer (Bulmer) assisted in the formatting and wording of the initial draft of this Declaration to give me some guidance on how the information provided by to him by me could be presented to the Court. All wording was based strictly on information I provided to him. Bulmer is not personally aware of any of the fact asserted herein and has not investigated them. I am solely responsible for the content of this final version. Bulmer does not represent me in these proceedings.

offer from the insurance company that was less than half the replacement value of the ring.

5. I explained to them that a case like theirs is not very attractive for a lawyer because of the amount of work involved and the relatively small amount in controversy. We developed a plan to pursue a claim for violating the insurance fair conduct act. The plan was to pursue three to five cases against their insurance company at the same time in combination with other clients. They understood that I would use the settlement funds from the ring to finance the development of the larger case including my hourly fees and other costs in connection with that project.

6. I believe they understood that I was removing funds to pay my hourly fees and the costs on the insurance fair conduct case. However, halfway to the finish line LE wanted to stop. That was fine, however, they still had a large outstanding bill exceeding the amount of the ring settlement so it is my position that I have properly removed the funds for fees and that they still owe me fees. The plan was that when we settled the large claim they would get all their money plus more back.

7. I understand they now claim they did not understand all this and want to get their full amount of the ring settlement but that is a contractual

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dispute. I removed the funds under color of right pursuant to my understanding of what they had agreed to regarding the larger case and I did not steal them.

8. Regarding LB – She had three successive auto collisions. She had already collected on the worst of the three claims with her UIM/UM carrier with my assistance through another attorney who I was working with at the time. When I left that attorney to start my own practice, LB decided to come with me to my new firm. I explained to her that I had an idea on how to combine efforts so several smaller cases could be pursued at the same time to avoid a disjointed duplication of efforts.

9. I believe that she understood the plan. She gave me permission to develop the idea with funds from her case. However, she now seems to be asserting that she didn't catch the difference between using the funds to pay for additional claims of hers as opposed to using the funds to develop the system of processing simultaneous cases for multiple clients with the help of computer enhanced efficiency. As with KE/LE, I used her funds under color of right and did not steal them.

10. In regards to GR – He joined in the effort to establish a collaborative effort to resolve cases and was our first test case in the system. His case went much better than expected. We finished the case

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and he was to pay 37.5% plus he would have been required to pay a subrogation claim. We agreed that I would take a lesser fee but seek to recapture some of it by assuming responsibility for the subrogation claim. If I can get that claim reduced, the difference is mine.

11. Based on this I paid him his balance and the rest to me including the amount of the subrogation claim since this was now my responsibility and not his. I have not settled the issue with the subrogate interest but I am hoping I can convince them to compromise their claim. GR is not claiming I have any money to be paid to him. All he is doing is pressuring me to get the subrogated claim paid even if because of the timing it reduces my chances of getting the subrogated interest to reduce its claim.

12. The subrogation amount is not in my trust account but not because I stole it. I had agreed to accept responsibility for paying the claim understood I could use them until I had to pay them. I believe that GR understood and agreed to this since it allowed him a larger payment from the settlement funds.

13. I have not stolen any funds. There are now contractual disputes between me and my clients about these funds but in each and every one, the clients and I discussed that the funds would be applied against fees (KE/LE) or used to fund a program to develop a more efficient processing

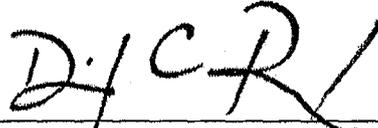
^{Cases ③}
of client funds which ultimately would inure to her benefit (LB) or were mine since I had assumed the responsibility for the subrogation claim (GR).

14. If there is a common thread to these matters it is that I made arrangements with clients to use their funds with what I thought was their understanding and permission. A remedial order denying the Petition for Interim Suspension containing a requirement that I cannot make any similar arrangements with any future clients and must give to all clients all settlement funds less payments made to satisfy any third party obligations of the client² less my contractual fees and costs addresses this issue.

15. I do not believe I represent a threat of harm to the public and should not be suspended in this summary show case process. I ask that the Petition for Interim Suspension be denied.

I declare under the penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signed this 28th day of April, 2015 at Seattle, Washington.



David C. Reed, WSBA # 24663

² If funds have to be held back for third party claims I can be required to put them in another lawyers trust account at the time I make the payout to the client.

³ change made with the above Reed's permission
K. M. [unclear]

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OFFICE RECEPTIONIST, CLERK

To: Kurt Bulmer; Marsha Matsumoto
Cc: David C. Reed
Subject: RE: David C. Reed, Superme Court # 201,396-1

Received 4-28-2015

Supreme Court Clerk's Office

Please note that any pleading filed as an attachment to e-mail will be treated as the original. Therefore, if a filing is by e-mail attachment, it is not necessary to mail to the court the original of the document.

From: Kurt Bulmer [mailto:kbulmer@comcast.net]
Sent: Tuesday, April 28, 2015 4:18 PM
To: OFFICE RECEPTIONIST, CLERK; Marsha Matsumoto
Cc: David C. Reed
Subject: David C. Reed, Superme Court # 201,396-1

On behalf of Mr. Reed, please see attached Declaration filed in his matter, Supreme Court No. 201,396-1.

Thank you.

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