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# WASHINGTON STATE BAR NEWS

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COMPULSORY MALPRACTICE INSURANCE — BENEFIT OR BONANZA

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# MEMORANDUM

TO: All State of Washington Attorneys

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Manager, Legal-Financial Divisions

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## "Cannons" Aid Civil Practice?

Editor:

I recieved today two curious letters from Seattle-King County Bar Asociation. One announced a luncheon to be held "Wednesday, September 25, 0974." It also gave advance notise of an "Aviation Law Seminal" to be held at Sun Mountain Resort. The other leter solisited mony for legal services and made referense to the fact that Congress will provide "financial support consistent with the Cannons in non-criminal proceedings."

I no that lawyers and leagal secraterries are good splers. So, could I have some ansers to the folowing qwestions: (1) Why can't I have better notise of these luncheons? (2) Is Aviation Law realy that fluid? (3) What is the effect of the Gulf of Tonkin Resolution on Congressional suport of legal services?

JAMES B. GORHAM  
Des Moines

## Opposition to Compulsory Insurance

Editor:

I thought perhaps I was alone in my opposition to the State Bar's compulsory Professional Liability Insurance program, until I discussed this with other members at the convention.

I did not talk to anyone who favored it!

Somehow, at a time when we are trying to get all the help we can from any source, it seems patently wrong to me to take our

business from insurance agents that we have done business with for many many years. I have had the same agent since 1953 for my errors and omissions coverage. I have never had a claim.

The board has elected to use essentially a foreign insurance agent, Marsh & McLennan, which is a Chicago based operation, as you well know. They have been active in disseminating literature on No Fault insurance and I think it is wrong when I have to give my business to a company that basically has opposed the lawyers.

We have no assurance that in a year or two the coverage will not be placed in one of the companies that actively advocates Federal No Fault Insurance, such as Fireman's Fund, Aetna or Continental Casualty Company.

My experience in representing the cab industry has been that the first two years of experience will be good and the third year the reserves for the losses will catch up with the insurance co.pany and the rates will be raised. There are many firms, and particularly the larger firms, who have had bad loss experiences, and who have had to place their insurance in a substandard market. I cannot see why we, as individuals and members of smaller firms, should have to support the larger firms, who have traditionally tended to have the poorer loss experience on malpractice coverage.

I, for one, oppose the program and further feel that the State Bar Association should reconsider the proposed program!

ROBERT J. KROUM  
Seattle

## Lawyers Only

Editor:

Re: New rules barring non-lawyers from law library evenings and weekends

Do the new rules apply, as they seem to, to legal assistants doing legal research, and to private citizens appearing *pro se*, and possibly also working for a living during the day?

Compare: the Roman Emperor Caligula, 37-41, whose laws were written in fine print, and then hung on pillars too high for the ordinary passerby to read.

"We hear of tyrants, and those cruel ones; but, whatever we may have felt, we have never heard of any tyrant in such sort cruel, as to punish men for disobedience to laws or orders which he had kept them from the knowledge of." 5 Works of Jeremy Bentham 547 (1843).

I urge the Law Library Board to reconsider this drastic step backward from the goal of equal access to the law for all.

DANIEL HOYT SMITH  
Seattle

## More Sober Reflections

Editor:

After reading "Sober Reflections" in the Aug.-Sept. issue, I feel impelled to write concerning the health hazards of tobacco smoking, whether cigarettes, cigars or pipes. Believe me, the warning on the packaging means what it says and I wish I had known this years ago. My first

legal secretarial job was in a small town law office that had been without a secretary for a couple of months. How I worked to scrub out the gummy residue in the glass ashtrays, little knowing that my bosses' lungs were accumulating the same residue. One boss later died of lung cancer; the other is now sidelined with a heart condition.

A word to the wise—whether to the lawyer, the lawyer's spouse, secretary and clients—if you don't smoke, don't start; if you smoke, then stop; and don't expose yourself to the smoke of others because the chemicals off the burning end of whatever is being smoked are more powerful and do more harm than the smoke drawn through to the lungs of the smoker.

Well, you say you can't stop smoking, you don't have time to go to a clinic, you are going to die anyway, etc. But there is hope for you, no matter if your lungs are already damaged. The American Heart Association has a folder outlining a do-it-yourself program for becoming a non-smoker. This folder ought to be on the reception table of every law office. If you will send a 10c stamped, addressed envelope to me at 4430 Sea-First Bldg., Seattle WA 98154 I will send you (up to 2 oz. in weight) a sample of this "How to Stop Smoking" folder, plus any other folders which you might request on emphysema, chronic cough, chronic bronchitis, smoking and heart disease, etc. Then later you may order larger quantities directly from the Heart Association, Lung Association, or Cancer Society.

The illnesses from smoking have reached epidemic proportions. Many authorities today believe that smoking-related ill-

nesses are American's No. 1 health problem; smoking is a major cause of poverty for low-income people. If you don't want to be disabled in the prime of life; if you don't want your secretaries to be off sick; if you want to keep your clients rather than probate their estates, you will join my campaign to eradicate smoking. You will provide smoke-free areas for your secretaries, remove the ashtrays from your reception area, ask your building manager to post no smoking signs in elevators, ask for smoke-free areas when you dine out, and have no smoking at Bar Association meetings and seminars. There is much to be done. I hope you will join this crusade.

(Miss) MARIAN KOCHER  
Seattle

### **Cut the Costs**

Editor:

At the July 17, 1974 meeting of the Board of Trustees of the Seattle-King County Bar Association there was an extended discussion about the practice of scheduling bar association functions in remote places outside the state. The subject arose when a member, who objected to the scheduling of a CLE program in Palm Springs this coming January, asked the Trustees to express their views upon this practice.

The discussion disclosed a strong consensus among the Trustees that the practice of scheduling bar meetings at remote places outside the state is expensive, inconvenient and inappropriate. As secretary I was instructed to communicate

these views to the Board of Governors and to request that they be given due consideration in forming policy in respect to the location of future bar meetings.

Very truly yours,

PAUL W. STEERE  
Secretary, Seattle-King  
County Bar Association  
Seattle

### **Rain, Wind and Snow at Palm Springs**

Editor:

Today I received a mailing from the Bar about the Palm Springs seminar in January. I suppose it's coincidence that we all got the mailing one day after the deadline for getting material into the November Bar News.

I've never seen anything hokier than this project. In the first place, it's obviously a sop to the rich guys who wanted to have the Bar follow the Board of Governors in meeting at exotic places. Secondly, the schedule is wasteful of valuable time in a remote place, in that two seminars end at 2 p.m. and one at noon. Obviously this is designed to give a tax-deductible basis for the golfers to play the good Palm Springs area courses.

Third, and surely one of the Board of Governors should be smart enough to figure this out, the Palm Springs climate in early January is not only uncertain, it's quite likely to offer continuous rain, wind and even snow—as it did in 1973. Nobody in his right mind is going to spend a bundle to go to some place where the weather may be decent but just as likely won't be.

Finally, more serious seminars, dealing at greater length with some of these subjects, are already in the mill for 1975; why duplicate the effort? I really don't believe most lawyers in this state are dumb enough to be fooled into thinking this is anything but a junket for the golf players and perhaps a few tennis players. And I'd sure like to know what guarantee the Bar had to make to the Palm Springs Riviera Resort Hotel.

IRVING M. CLARK, JR.  
Seattle

## Opposition to Malpractice Program

Editor:

The following are my comments, for whatever they are worth, as to the proposed CPR 6 (DR 6-103).

All responsible practicing attorneys have long carried malpractice insurance. The rates have varied generally based upon the number of claims against them. Attorneys with whom I have spoken and myself have no objection whatsoever to the mandatory requirement of a minimum amount of malpractice insurance.

We do question the propriety and the democracy, however, of requiring that in order to practice one's profession, he must purchase insurance or anything else through a particular insurance carrier. Anti-trust considerations aside, it appears that we who should be leaders of independence and freedom are rushing into the "big brother" concept.

When it becomes mandatory for an insurance carrier to accept all practitioners, it must accept

the high risk practitioner as well as the low or no risk and the premium adjusted accordingly. Under the existing system the high risk practitioner, of whom we hope we have few, must pay a penalty in higher premiums according to his risk. This is as it should be. Under the proposed rule change, there is no incentive for the high risk practitioner to conduct himself to lessen the risk.

Further, as we all know, malpractice claims, whether against members of our profession or against any other profession, are extremely slow to settle. When a claim is filed, this means that a loss reserve is established by the carrier. The actual losses or monies paid out will probably be quite low.

The rates under the existing program are guaranteed for three years. At the end of that three years, the loss reserves may be extremely high, necessitating a doubling or even tripling of the premiums but since the claims will not have been actually paid within that three year period, the insurer's actual losses would be quite low. In other words, the actual losses may not justify a premium increase when the loss reserve, the amount of which is in control of the carrier, may call for an extremely high premium.

I would be interested in hearing the views of others on this as I am confident you are.

JENNINGS P. FELIX  
Seattle

\* \* \*

Editor:

I am, and for now over 42 years have been a respected and responsible sole practitioner. To force me in my declining years to

pay for the mistakes or incompetence of others is foreign to American standards. Designating monopolistic malpractice insurance premiums a "portion of the membership fees" is a specious subterfuge unbecoming the legal profession. And the attempt suddenly to declare the refusal to pay such "fees" a violation of the Code subject to suspension from practice to which one has been duly admitted, is a most regrettable development of contemporary "progressive thinking" in modern law, unparalleled in any other phase of our society.

Even automobile drivers have not been forced to submit to the procedure of tacking liability insurance premiums to their drivers or vehicle license fees. The medical and dental professions about whose practitioners we all hear many more complaints than about lawyers, in spite of ever growing malpractice litigation, have not taken such compulsory measures subject to the loss of their licenses to practice. Not many members of the Washington Bar are incompetent or negligent, and those with unusual and substantial exposure certainly can afford to take out their own malpractice insurance as heretofore without imposing on the whole Bar, mainly to obtain lower wholesale rates.

\* \* \*

The Bar would do much better in serving the public interest and our professional image by disciplining incompetent or negligent practitioners by suspension or disbarment, the same as dishonest ones, perhaps under some Financial Responsibility Law.

H. OTTO GIESE  
Seattle



Last month, we expressed surprise at the lack of complaints about the Bar Association's mandatory malpractice insurance program. Our comment brought forth several letters.

One frequently asked question was: Why should the small town practitioner, with a "low risk" practice, earning \$20,000 a year, be required to pay the same premium as the big city practitioner with a "high risk" practice, earning \$50,000 a year?

Seattle attorney H. Otto Giese's letter summarizes many of the complaints. On the same day Mr. Giese's letter arrived, a pamphlet entitled "Medical Malpractice Position Paper," published by the Defense Research Institute, also reached our desk. In discussing medical malpractice insurance, that report advocated less "merit rating," and a greater spreading of risks among all Doctors. The report states in part:

*"We concur with the . . . recommendation that health-care providers and the insurance industry should study and implement 'alternative methods of classifying individual practitioners and institutions for rate-making purposes; for example, on a group basis to the medical staff of a hospital or to a County Society. Efforts should be made to encourage the availability of medical malpractice coverage on a community rating basis, rather than on an experience rating basis, so that the cost of insuring less desirable risks will be spread over as wide a geographical and numerical area as possible. The impetus for governmental intervention will be decreased if insurance is available on a wide and less discriminatory basis.'"*

The special report on the economics of law practice in the State of Washington, published in the center portion of this issue of the Bar News, shows a wide variance in income of lawyers according to age, experience, and the location of practice. Would the cost of an attempt to "merit rate" these attorneys for purposes of determining different premiums within a group malpractice program be justified by the presumed greater equity involved?

Our guess is that the attempt would not be worthwhile. Given the limited number of members in the Bar Association, and the difficulty of equating risk with income, location, or type of practice, merit rating within the group plan seems impractical.

We solicit your thoughts.

HMcG



It is always a source of amazement to me how each agenda of the Board of Governors can have on it so many critical issues of importance to the profession and the public. The October agenda was no exception.

### Compulsory Malpractice Insurance

The mandatory malpractice insurance proposal was completely reexamined, partly because of the input received by the Board and by the Supreme Court in response to the invitations to comment, and partly because we "green peas" on the Board hadn't had a chance to be heard on the subject.

The principal objection, other than those concerning isolated policy provisions (and many of the suggested provision changes are being implemented now by the peripatetic Mr. Gates), was over the plan to use a single insurer and, even more so, a single agent. Jack Lycette of Seattle and Tom Malott of Spokane, together with Mr. Dow of the industry, favored the board with an articulation of the views of those who oppose the plan as proposed. As well presented as that was, the Board was unanimous in its reaffirmation of the proposal. I was glad that the hearing and rehash were done, because they put to rest my reservations about the one insurer aspect, the no deductible feature, etc. After full exposure of these issues, it was clear to me that the Board acted wisely in the first instance.

### New Disciplinary Rules

After a monumental amount of work, drafting, meetings with the Supreme Court and soul searching, Dick Riddell has completed a total redraft of the *Rules for Discipline of Attorneys*. You will soon receive the draft for comments. We're getting tougher. With the profession expanding at geometric rates, we simply have to tighten up our disciplinary enforcement machinery, particularly in cases of trust account violations and misapplication of funds. The Court is going to advance all disciplinary cases on the calendar as emergency matters. You will see some strict but necessary rules for suspension pending hearing, show cause procedures, and Court supervision of files and trust accounts in certain cases. I suspect there is little disagreement that the time has come to crack down on those few who are a danger to the public and who consistently bring discredit to the profession.

*Ken Skovt*

# WASHINGTON'S COMPULSORY MALPRACTICE INSURANCE PLAN

## **Two Views: I. The Favorable Report**

**by William H. Gates  
Governor, King County at Large  
Washington State Bar Association**

After several years of deliberation by your Bar Association about the necessity of errors and omissions insurance for all members, the Board of Governors agreed early this year that the time was appropriate to implement such a program, in terms of both the professional needs of the Bar and the protection due the general public. A committee of the Board was appointed to research a malpractice insurance plan for the coverage of the entire Bar.

The Board has invested considerable time and effort to produce an acceptable, broad-based program. Presentations were received from a number of leading brokerage firms, and the offerings of several insurance carriers were reviewed.

The best presentation was made by Marsh & McLennan, Inc., a nationwide insurance broker with regional offices in Seattle. Marsh & McLennan developed an insurance plan in cooperation with The Argonaut Insurance Company, a large national carrier. After many sessions with Marsh & McLennan in which the proposed coverage was molded and refined as thoroughly as possible to fit the specific needs of the members of the Washington State Bar, a plan was adopted.

Your Board is pleased with the results obtained, which we believe offer the optimum combination of broad coverage coupled with low rates.

Marsh & McLennan will administer the plan for the State Bar. The major provisions of the plan are as follows:

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William H. Gates, is a partner in the Seattle firm of Schilder, McBroom, Gates & Baldwin and a member of the State Bar Board of Governors. He has intensely studied the compulsory malpractice program through all its stages. He summarizes the plan in this article.

## Major Policy Provisions

### *Effective Date of Coverage*

The effective date of coverage for the Bar-sponsored plan will be February 1, 1975.

If you need coverage in the interim or do not wish to renew other expiring insurance policies for the short term, Marsh & McLennan will provide full coverage, including features and rates identical to the Bar-sponsored plan, during that time if you so request.

### *Limits of Liability*

The policy has an annual limit of \$1 million for each claim and/or an annual aggregate limit of \$1 million for all claims against each attorney or firm of attorneys.

Although the basic insurance requirement is pre-established, any amount of additional coverage is available upon your request, either through Marsh & McLennan or through another broker of your choice.

The basic policy coverage is on a world-wide basis. There is no territorial restriction.



William H. Gates

Coverage is continuous and is not affected when an attorney changes firms. The only obligation is to notify the insurance company within 30 days.

The basic coverages includes, *at no additional premium*, all of your employees such as para-professionals and clerical staff while they are acting in their capacity as employees.

### *Annual premium*

The annual premium will be \$155.00, to be billed and paid as part of your annual Bar Association dues.

### *Major Coverage Features*

A. There are no deductibles. Investigation has shown that premium savings are negligible for deductibles.

B. Full defense costs are covered *in addition* to the limit of liability.

C. There are no exclusions for actions involving Federal or State Securities Acts.

D. Full coverage is provided for services rendered prior to entering the program, provided the claim is brought during the policy period and the attorney had no knowledge of the claim at the inception of coverage. Coverage also includes acts committed during the term of the policy but not discovered until after expiration of the policy. In other words, coverage is not restricted to the usual "claims made during policy period" condition.

E. No "Officers and Directors" exclusion is included. The insurance has no limitation regarding directors and officers duties. The scope of this coverage applies only to the performance of professional services as an attorney. So long as the performance of services is "as an attorney," protection is provided for the "attorney-Client" relationship.

F. Protection as a Fiduciary is included. When acting as an administrator, executor, guardian, trustee, or in any similar capacity, coverage is afforded to the extent that such acts and omissions are those for which, in the usual attorney-client relationship, the attorney would be legally responsible as an attorney for a fiduciary.

G. Coverage of defense costs is provided for actions in which fraud and dishonesty are alleged. Such allegations which appear to fall under policy exclusions will be defended subject to final adjudication of facts.

H. General policy exclusions include and are limited to:

1. Dishonest, fraudulent, criminal or malicious acts.
2. Claims made by an employer against a salaried employee.
3. Bodily injury or property damage.
4. Losses sustained as the beneficiary or distributee of any trust.

1. The insurance company cannot settle a claim without the defendant member's consent. It can limit its liability to the amount of an offer it would accept.

#### *Exemptions*

Every active Bar member in the State will be required to participate in the program, with the following exemptions:

1. Those who practice law on behalf of only one client (i.e., those employed as house counsel or by governmental agencies).
2. Those who do not conduct any private practice, such as law school instructors or retired Bar members.
3. Those who reside outside Washington State and do not conduct any practice in Washington State.

If these categories do not match your situation and you still believe that you may qualify for an exemption, contact the State Bar office for clarification.

#### *Cancellation of Coverage*

Coverage of any individual Bar member may not be cancelled under any circumstance unless the member can no longer legally engage in the practice of law or unless the entire State Bar program is discontinued.

The State Bar program may be discontinued by the insurer only upon anniversary, provided 60 days advance notice is given.

#### **Why Compulsory Insurance Coverage?**

Of all the comments the Board has received concerning the new plan, the subject mentioned least has been the question of the necessity of state-wide, mandatory coverage. The members of our Bar appear to have generally accepted the view that we have a responsibility to ourselves and to the public to guarantee the best quality of legal services by whatever means necessary, including the protection afforded by a compulsory insurance plan.

About a year ago, 72% of the respondents to a survey conducted by the State Bar endorsed the concept of compulsory malpractice insurance. Last May, the participants in a meeting of the local bar presidents in the State unanimously endorsed the concept and urged that it be developed and implemented as soon as possible. Many of our members have carried malpractice insurance in varying forms for a number of years.

The compulsory concept is not one of merely requiring conformity. The issue of responsibility is real. We cherish the exclusive right to practice law. In the exercise of this privilege, our profession has been largely responsible for the current public attitude that every person, whether pedestrian, consumer or patient, has a right to recovery for injury suffered through the negligence of another. We have also been among the major proponents for requiring financial responsibility from those who are in a position to cause injury. We must, as a Bar, face up to the implications of these principles.

It has been suggested by a few of our members that the \$1 million limit may be excessive when applied to the needs of individual practices. It has also been suggested that the known fact that everyone is insured may encourage the filing of lawsuits because the possibility of substantial recovery has been increased.

To our best determination the scope of coverage in the adopted plan is an optimum amount, established as the result of careful appraisal and reappraisal by our Board. The rates for the plan will, by February 1, 1975, be far below those of any other known plan, voluntary or otherwise, with comparable features.

Concerning the possibility of increased lawsuits solely as a result of universal coverage, we have examined the experience of other professions closely and have found little evidence to support such a concern.

Your Board is fully aware that our Bar is the first in the nation to adopt compulsory malpractice insurance. To enable members to arrange to changeover, to set up the procedures and work out details we have delayed the final adoption of the plan for several months. We recognize that actual experience will provide final refinement. We are fully aware of the commitment we have made on your behalf. We intend to monitor developments under the plan closely to safeguard the protection of both our members and the public.

### Why a Single Carrier?

Many of the comments we have received center around the question of using a single broker and carrier for the entire program. Again, your Board explored the concept of permitting other carriers to offer plans which conformed with the general coverage requirements established by the Board. The decision was made to use a single carrier and broker for several reasons.

First, the exceptionally broad coverage and low premium are only possible through the traditional economies of group coverage. Only under this system can we establish our own experience statistics to avoid the prejudice imposed on us by being just a segment of the national statistics. Only under this system can we eliminate the portion of our premium dollar going to sales commission after the first year.

Second, with the leverage that flows from the concentration of the premium dollars to one carrier, we believe that, on behalf of lawyers, the Board will be in the best possible position to require the administration of the program to conform with the reasonable expectation of the insured lawyers. Certainly our position will be stronger than that of a random policy holder of a company selling hundreds of individual policies.

Third, a uniformly broad scope of coverage at the lowest available rates could be guaranteed only by using a single carrier. If several insurance companies were permitted to offer policies, it should be inevitable to have some variations in coverage and rates which would reduce the protection to both our members and to the public.

Fourth, a general agreement between the Bar and the carrier has eliminated the possibility that some carriers would refuse carriage to individual members of the Bar due to past records of litigation. The single carrier *has* to insure all qualified members of the Bar.

Fifth, some concern has been expressed regarding the fate of the program at the end of the present three year plan. We do not anticipate that there will be any drastic circumstances which will cause unworkable rate increases or the failure of either the carrier or the broker to perform according to our agreement. If, for some reason, either the carrier or broker are not retained after the third year anniversary, we anticipate that there will be no dearth of responsible companies ready to fill in. Experience in other group liability insurance programs has confirmed this fact.

To sum up—the public's expectations of the

Bar are rising. We must assume that, as with our friends in medicine and engineering, claims will be increasing. The public is entitled to protection and lawyers should have broad economical coverage. Your Board has looked at all of this as carefully as it knows how and has concluded that the compulsory, group program designed with our broker is a good solution. We believe that time will prove this program, the first of its kind, to have been extremely advantageous to Washington lawyers. We believe it will be an example for other Bars to follow.

Finally, and again, we do appreciate that mandatory group coverage is a somewhat dramatic program. In its first stages there surely will be problems—individual and general. No part of this plan is "cast in concrete." We solicit your continued comments as the plan goes into effect.

### For Further Information

Contact: Marsh & McLennan, Inc.  
Norton Building  
Seattle, Washington 98104  
John McCadam—Program  
Administrator  
Toll Free — 1-800-552-7200

\* \* \* \* \*

### NOTICE The Ralph Bunche Award 1974

The second Ralph Bunche Award will be presented to the **Honorable Edward E. Henry**, Judge, at a Seattle-King County Bar Association luncheon on November 13, 1974, at Seattle.

The Award was created by the World Peace Through Law Committee of the Seattle-King County Bar Association with the concurrence of the Board of Trustees of this Association. The award is to be given to the person making an outstanding contribution to world peace through law and international understanding. Although there are no geographical restrictions on the place of residence of the recipient, special recognition is given to qualified recipients from the Northwestern part of the United States and the Western part of Canada. A certificate is given to the recipient evidencing the award, and the certificate contains a symbol portraying the essential unity of mankind.

# Compulsory Malpractice Insurance (CONT.)

## II. An Insurance Broker's View

by John D. Quinan

Morris, Guedel & Quinan, Inc., Seattle

Fifteen years ago, relatively few law firms were carrying the Lawyer's Professional Liability coverage and those who did were satisfied with limits such as \$15,000 each claim, \$30,000 aggregate with the larger firms buying \$100,000 limits. As late as 1963, we were able to offer \$100,000 limits subject to \$1,000 deductible each claim at an annual premium of less than \$30 per year. In the early 60's claims activity was minimal and the low premium cited was adequate.

As the 60's progressed, and markedly in the 1970's, the claims experience under Lawyer's E & O Insurance deteriorated rapidly. Whereas 15 years ago E & O was written freely across the board by most liability insurers, with not less than 40 such carriers active in the State of Washington, there are presently not more than ten carriers in the State and we estimate that 80% of the business has been concentrated in 2 carriers until as recently as last month.

Various factors have contributed to the reduction in the number of willing carriers in this field in our State. This quotation from a letter sent to me by one of the nation's major insurers in this field just this last August 22nd gets to one aspect of the problem very succinctly: "You might be interested to know that on a comparison basis with our other 14 State Bar programs, Washington ranks 3rd highest in average claim cost and 2nd highest in claim frequency." This particular company is paying far more in losses than it is collecting in premiums.

From an experienced insurer's point of view, there can be no doubt that the acceptability of Lawyer's Professional Liability Insurance is most seriously impaired by the contract form which is described as "Occurrence Form." This is the area where "one man's meat is another man's poison" in that it is good for the insured,

but deadly for the insurer.

This form provides that the insurance carrier will defend and/or pay for claims arising out of an act performed while their insurance was in force, even though such claim might be presented long after the insurance had lapsed or been cancelled. This aspect of the coverage has given rise to the terms "Long Tail" and "IBNR" meaning Incurred But Not Reported. Under the Occurrence Form it becomes necessary for the insurer to set premiums to cover losses which might be reported during the currency of the policy plus additional premium to cover losses which might be reported in later years. With the increasing frequency of claims and with claims amounts being driven up by inflation and the increased costs of defense, it has proven nearly impossible to do this.

A new generation of carriers is entering into the field offering the "Claims Made Form" which provides that they will provide coverage for acts which have occurred prior to the inception of their coverage and during the policy period (special arrangements are made for lawyers retiring from practice or who are elevated to the bench). Carriers operating on this basis are able at the end of each policy year to analyze results and adjust premiums if necessary, which places them in a position somewhat similar to the Fire Insurance carrier or Automobile Insurance carrier, which by January 15th can fairly accurately determine its results for the previous year.

To show the immense impact of the differences in these two forms, a carrier which has been offering the Occurrence Form for many years has had its actuarial department develop "Needed Gross Premium Per Lawyer for 1974, 1975, and 1976 At Limits of \$100,000." The 1974 premium per attorney is \$536; the 1975, \$617; and the 1976, \$709. On the other hand, a Claims Made Form which we are now offering will provide \$100,000 coverage at \$101.

We know that many members of the Bar Association think that this problem can be substantially ameliorated by a large or total participation of the membership paying premiums to one carrier and providing a large pool from which to pay losses. In our opinion this is not the correct analysis. We believe that lawyers who have voluntarily elected to pay for and carry this insurance represent the most responsible element in the Bar. We estimate that presently there are 2500 or 2600 insured lawyers in this State. The enactment of the proposed plan for compulsory insurance will approximately double the number of insureds to 5,000. From our observation of the trend, it is our opinion that the loss ratio will be aggravated. Plaintiffs attorneys would realize in bringing suit against any attorney that the action would be defended by an insurance company, which would tend to eliminate any reluctance to bring an action. Further, the matter of compulsory malpractice insurance has already been reported in newspapers in the area so that the general public may be expected to seek relief in suit.

Returning to the figures which have been developed by a major Washington State carrier, we see that in 1973, they sustained 5.45 claims per 100 policies at an average claim cost of \$16,222. This carrier had an average of 2.85 attorneys per policy. With 5,000 attorneys at the rate of 2.85 attorneys per policy, this would indicate that a carrier would be issuing about 1750 policies. 1750 policies times the factor of 5.45 would generate slightly more than 95 claims, and this multiplied times the \$16,222 average claim cost would produce a claims expense for the year of \$1,541,090. The proposed carrier for the Bar Association is quoting a premium of \$155 per attorney. This premium x 5,000 attorneys develops a total premium volume of \$775,000. It would appear to spell disaster in the first year, but now we must return to the phrase which we mentioned earlier, "Incurred But Not Reported." As you are aware, a principal source for claims, at least half, arise from the failure to perform work before statutes run and since these are often three years or more, the full impact of the loss experience does not descend on the carrier until the program has been in force for a period of several years.

Based on past experience and assuming that there was no increase in the frequency of claims, nor any increase in the average size of claims, we would guess that in the first year the plan,

losses would run somewhere in excess of \$450,000 for a loss ratio somewhere around 60%. We would expect losses to climb to a point somewhere in excess of \$650,000 in the second year, for a loss ratio in the 75% area, presuming that the insurance carrier had increased its premium from \$155 to \$170 per attorney at the first anniversary. We do not have the slightest doubt that in the third year, losses would be very substantially in excess of \$1,000,000. The program offered to the Bar Association would at this point be in deep trouble with a distinct question as to its continuance.

We would suggest that there are other forces in the insurance marketplace to which the Bar should be giving some consideration. The September 20th issue of the National Underwriter, probably the most authoritative journal in the insurance industry, carries the headline "Worst Capacity Crunch Ever, Rampant Insolvencies Forecast." There follows an article by Mr. B. P. Russell, chairman and chief executive officer of Crum and Forster, one of the nation's largest insurance groups, in which he says amongst other things that "The (insurance) industry's financial backbone has been dramatically weakened. . . . surpluses are low, losses are high, and volume is increasing. This is simply skating on thin ice with sharp skates."

We believe that the long range interest of the lawyers of the State of Washington is best protected by letting free competitive forces set policy rates and policy forms with the individual free to select the product suiting his requirements. The prospect of the Washington State Bar not only forcing all lawyers in the State to buy insurance at minimum limits decided by the Bar, but also forbidding them to purchase insurance from a company of their own choice, is not one expressing faith in this state's and this country's creed of freedom of choice for the individual. In fact the Interstate Commerce Commission could very well declare it to be in restraint of trade. We do not think the young man just entering into practice is likely to require a policy providing S.E.C. coverage, nor do we think that this young man should be required to subsidize the substandard practitioner as would be the case in a mandatory program where all applicants would pay the same premium. We believe that the insurance market competing freely will in coming years develop a variety of products and rating approaches to meet the varying requirements of the Washington State lawyer. □



## UPS Report

For the first time in its history, the University of Puget Sound School of Law has a "full house."

A short two years ago, when the law school became the third in the state and the first to be established in Washington in 60 years, 427 students had signed up for classes in day and evening law programs. As of the first day of classes this fall, enrollment had ballooned to 816 first-, second- and third-year students—and a full representation of all three classes for the first time.

New career faculty this fall include Douglas M. Branson, LL.M., 1974, University of Virginia, J.D., 1970, Northwestern University; Sheldon S. Frankel, LL.M. and J.D., Boston University, 1968, 1964; John Q. LaFond, J.D., 1968, Yale University; George Nock, II, J.D., 1966, Hastings School of Law; William Oltman, J.D., 1969, University of Michigan; and John A. Strait, J.D., 1969, Yale University.

Lining the shelves of the university's law library are 72,557 volumes—which far exceeds the 60,000 volume requirement for full accreditation.

Among other recent activities at the state's fledgling law school:

— Puget Sound's first Juris Doctor degrees were bestowed on 18 students August 16—students who had accelerated completion of their requirements by attending school year-round for two years.

— Clinical/practice programs for law students—which take participants out into the Seattle and Tacoma communities for first-hand experience in legal work—have been expanded substantially so that now two full-time faculty members hold primary responsibility in this area.

## Gonzaga Report

Registration at the Gonzaga Law School jumped from 809 last year to 986 during the 1974-75 academic year. There are 555 students attending the Law School's day division and 431 in the evening division. Women in the Law School increased from 54 last year to 85 this year.

## CLE Seminars at Palm Springs, CA

All State Bar members are invited to attend the First Annual Mid-Year Legal Education Seminar Series to be held January 13-15, Monday thru Wednesday, in Palm Springs, California.

A solid three days of informative CLE sessions will be held at the famous Palm Springs Rivera Resort Hotel. The intensive program will be complimented by an ample schedule of social activities, capped by a very special Dinner Dance and Show on Wednesday evening.

Subjects covered by the CLE sessions will include "Real Estate Regulation in 1975: New Pitfalls for the Non-Specialist"; "The Condo Maze: How to Counsel the Client with an Interest or Investment in Condominiums"; and "The Growing New Fringe Benefit: Estate Planning for the Executive and the Professional."

The registration fee of \$125 will include handbooks for all seminars, Continental Coffee Breaks, and two tickets for the Dinner Dance and Show.

Three charter flights have been reserved to make your travel more pleasurable. Two flights will leave Saturday, January 11, one from Seattle and one from Spokane. A second charter flight from Seattle will leave on Sunday, January 12. All return charter flights will leave Palm Springs Thursday, January 16. In addition to charter flights, special group rates will be available for Western Airlines flights from Seattle to Los Angeles, with special sections to be added for our groups from Los Angeles to Palm Springs.

Full travel schedules and other information have been mailed to each member of the Bar. To assure prime flight and hotel accommodations, be sure to make your reservations *early* . . . Return your registration forms to the Bar Office as soon as possible.

This event will begin a tradition for the Washington State Bar. Think ahead to January. . . . It will be about the right time for you and your spouse to "shake off the frost." In spite of the heavy emphasis on legal education in the series, the sun *will* be shining and you just might manage to "get some on you."

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# WASHINGTON STATE BAR NEWS

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## SPECIAL REPORT

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**BAR OFFICE SURVEY RESULTS**  
First of a Two-Part Report

# ECONOMICS OF WASHINGTON LAW PRACTICE

In late 1973 an economic survey questionnaire was mailed to all members of the Washington State Bar Association. Prepared under the direction of the Office Practice Committee, the questionnaire covered three general categories of information including the various types of practices in which Bar members were involved, ranges of compensation according to types of practice and other characteristics such as age, location, length of practice, etc., and the methods of law office management being used by our members.

The questionnaire was mailed to 4,807 lawyers and judges, including all judges in Washington State from the district to the supreme Court levels. While the questionnaire was structured to draw responses from limited segments of the bar in some cases, the total number of questionnaires returned was 1,707, for a total response of 36%.

At the end of February 1974, the questionnaires were tabulated and sent to a service bureau, Corporate Management Inc., for cross tabulations of several types of responses. These items included comparisons of income to such characteristics as age, location, type of organization, size of firm, type of practice, size of town, etc. Additional comparisons were made of income in relation to methods of office management, communications with clients, billing procedures, record keeping, and other key elements of practice efficiency.

Selected information has been extracted from the cross tabulations and is being presented in a two-part summary in the *Bar News*. The information in this issue deals with income comparisons to general categories of practice. Next month's summary will include comparisons of income to office practice efficiency.

The results of the full, twelve-page survey questionnaire, plus all significant cross tabulations in chart form, are available at nominal cost as a package. If you would like to receive the complete package, mail your request to "Economic Survey," Washington State Bar Association, 505 Madison Street, WA 98104. The cost is \$2.00

### Income Comparisons

The level of income received by members of the Bar today may vary slightly from the data given in questionnaire responses, since figures were requested for the last full year of practice—in this case, 1972. However, the *relationships* between various categories are assumed to be substantially the same.

The survey shows the median\* income for the state to be \$21,380 (see Figure No. 1). The \$20,000-\$30,000 income category is the largest, with almost one fourth of the Bar in that category.

According to a study by the Congressional Research Service of the Library of Congress, the national median income for lawyers in 1972 was \$23,448. The same study shows that the median income of non-incorporated doctors was \$42,700, while incorporated doctors earned \$62,500.

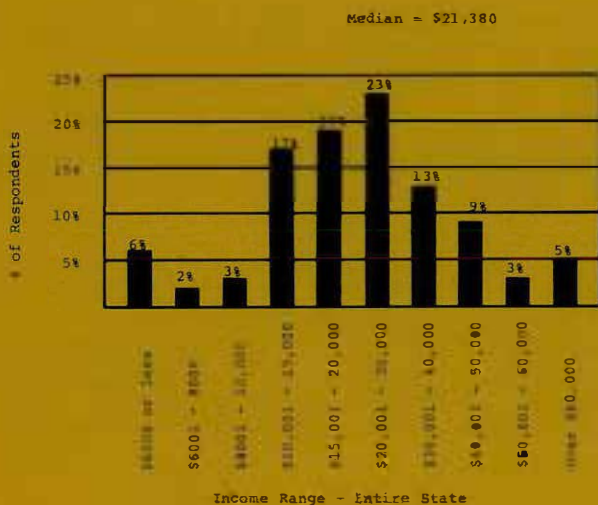
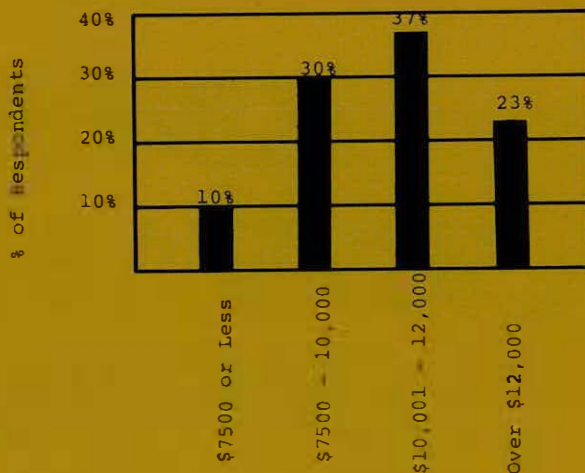


Figure 1

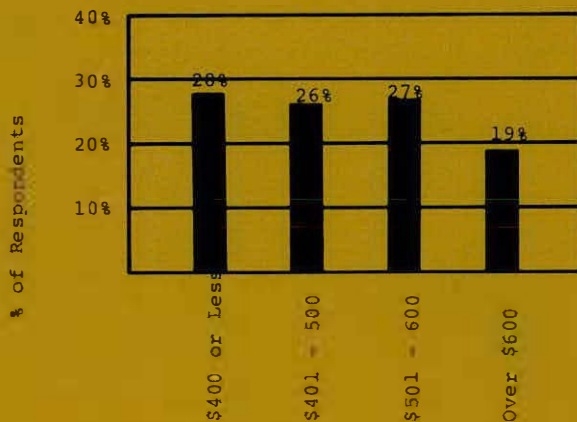
Beginning compensation for new lawyers (see Figure No. 2) is relatively high, with 60% of the respondents reporting incomes of more than \$10,000. Almost one-fourth of the new lawyers in the state receiving beginning compensation of more than \$12,000.

Monthly compensation to law students working as summer clerks (see Figure No. 3) is fairly evenly distributed across the categories shown. It is interesting to note that almost 20% of the students receive more than \$600 per month, a figure that approaches the beginning income of one in ten newly admitted members of the Bar.



Beginning Compensation for New Lawyers

Figure 2



Monthly Compensation to Law Students Working as Summer Clerks

Figure 3

Where do you stand in income according to your age: Are you "ahead" or "behind" in relation to your peers? Figure No. 4A shows the distribution of age groups according to income category. Carrying the age comparison further, Figure No. 4B shows the median income for each age group. Note that the best earning years, according to age, appear to be from forty to sixty-five, with a peak in the fifty to fifty-four range.

A more perceptive way of comparing income success might be in terms of the number of years in practice, since professional progress is more relevant to you than the age at which you began practice. In this case (see Figure No. 5), the highest earnings appear to be generated beginning after the 15th year in practice and continuing through the 39th year. Note that no single peak dominates this 25 year earning period. Does this mean that lawyers reach their maximum productivity after practicing for 15 to 20 years?



Figure 4B

How about income in comparison to geographic location? Do the urbane city slickers on the west side of the Cascades have higher incomes than the cow country practitioners on the east side? If you said yes, guess again. The estimated median income for Eastern Washington is \$22,300, compared to \$21,100 for Western Washington. The general distribution of income is similar for both areas (see Figure No. 6). We may speculate that the median on the west side, where approximately 80% of the membership of the Bar is located, is held down by a larger number of moderately paid young lawyers in larger law firms.

That leads us to a comparison of income levels according to size of town. An assumption that the largest population centers provide more broad opportunity for high income is not necessarily true. Figure No. 7 shows that the highest median income by far is earned in cities with a population range of 50,000-150,000. This does not mean that the largest cities do not afford extremely high income potential, but that more opportunity apparently exists in smaller cities for attaining a generally higher income.

Figure No. 7 also indicates that the very small cities in the state do not necessarily lack income potential. Note that the second highest income median applies to cities with populations ranging from 5,000 to 9,999. The competitive situation

Income Compared to Age % In Each Category

Age of Resident	\$10,000 or less	\$10,001 - \$15,000	\$15,001 - \$20,000	\$20,001 - \$30,000	\$30,001 - \$40,000	\$40,001 - \$50,000	\$50,001 & Over
25-29	28%	57%	14%	1%	--	--	--
30-34	7%	29%	34%	22%	4%	2%	2%
35-39	5%	11%	23%	33%	17%	7%	4%
40-44	4%	3%	16%	28%	23%	16%	10%
45-49	11%	4%	11%	24%	16%	18%	16%
50-54	5%	5%	11%	28%	22%	14%	15%
55-59	11%	2%	11%	26%	18%	13%	19%
60-64	8%	6%	13%	24%	21%	13%	15%
65-69	15%	11%	11%	38%	6%	6%	13%
70 & Over	23%	14%	26%	20%	3%	3%	11%

Figure 4A

may vary between small cities, of course, and some of our members have indicated that competition is extremely tight where they practice. However, the survey data shows that smaller cities should be considered seriously when deciding where you want to practice.



Figure 5

Income Compared to Size of Town  
Median in Each Category

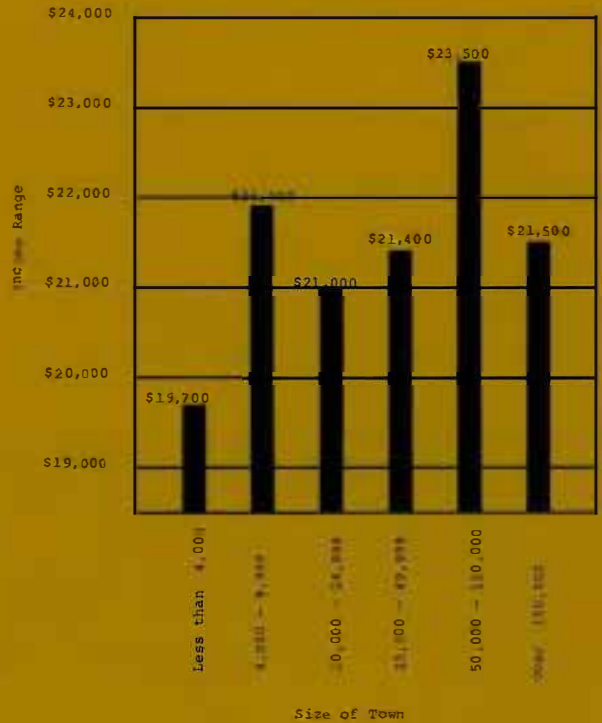


Figure 7

What type of business organization is the most rewarding? As you might expect, partners in firms and shareholders in professional corporations have the highest earnings by considerable margins (see Figure No. 8). Sole practitioners, both individually and when practicing in groups, have median incomes which fall just below the general median of the Bar. And, as you also might expect, associates of sole practitioners, associates in firms and non-shareholders in professional corporations fall at the low end of the scale. Moral: Grow into a position of ownership in your practice.

The survey indicated that as the number of lawyers in a firm increases, the income per lawyer increases. However, the trend also reaches a point of diminishing returns. Figure No. 9 indicates that the highest per lawyer income is enjoyed in firms with 5 to 7 lawyers. The lower income indicated in 4-lawyer firms may be due to a distortion in survey responses, or the problem may be caused by some condition of office efficiency for a firm of that size. Part II of the

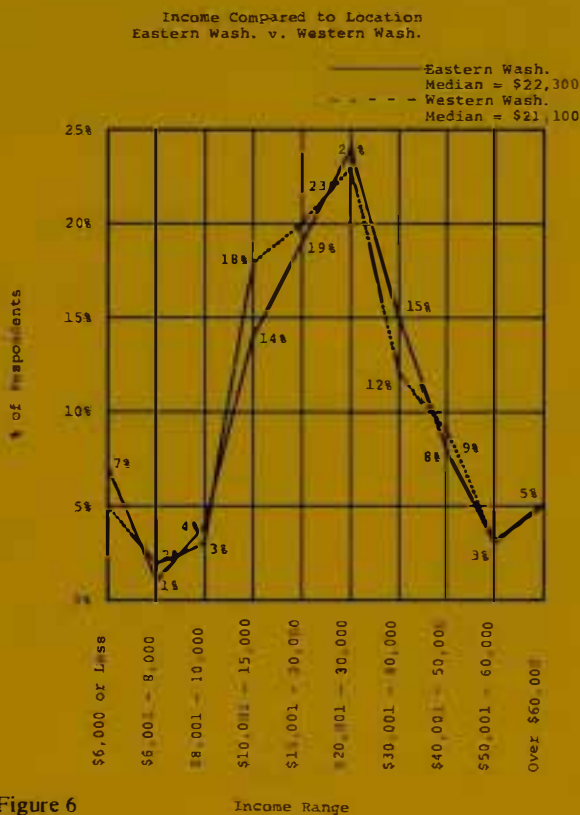


Figure 6

summary may shed some light on that. We speculate that the decline in median per lawyer income as firms grow beyond 7 lawyers may be due to larger numbers of younger members practicing in those firms.

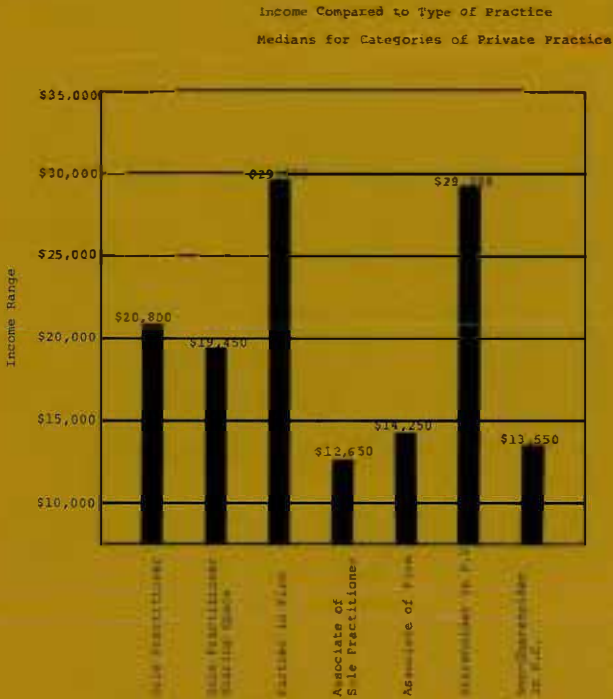


Figure 8

Income Compared to Type of Practice Medians for Categories of Salaried Practice

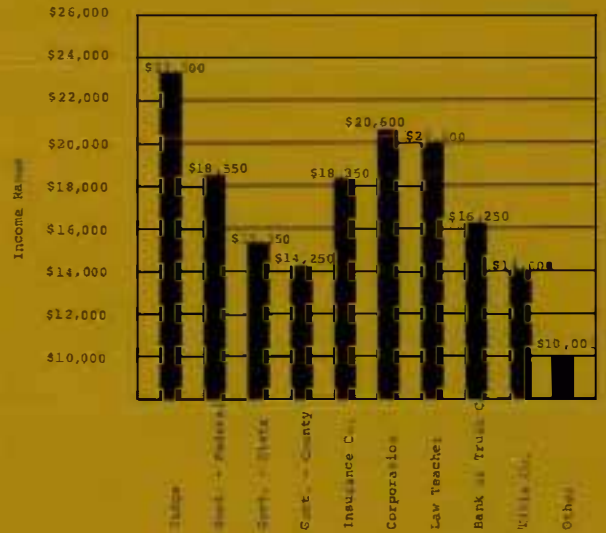


Figure 10

For this summary we have not extrapolated the median incomes for the various specialties of private practice. That comparison will be included in the full survey package now available at the Bar office.

The median incomes for various types of salaried employees is shown in Figure No. 10. With the exception of judges, all income figures fall below the general median for the Bar. Thus, private practice appears to be the most rewarding from a financial standpoint. However, the substantial percentage of lawyers in key salaried positions in this state, 21%, shows that the financial rewards of the profession are not the sole factor that determines the satisfaction of being part of the profession.

Next month . . . Part II of the summary will deal with levels of income in comparison to the efficiency of office practices and procedures. We will test the assumption that lawyers who pay more attention to administrative detail, employ the latest office management practices, and have the best communications with their clients have higher incomes than those who do not. Do you think they do?

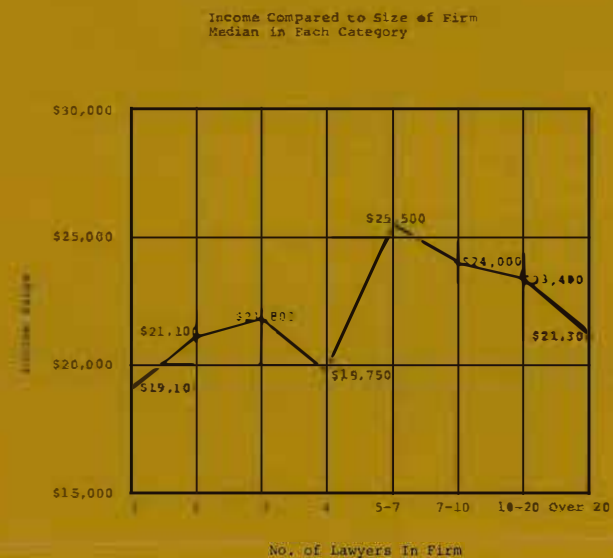


Figure 9



## Around the State

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### SKAGIT REPORT

By DAVID A. WELTS

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A well kept secret surfaced when the mails brought an announcement that Ernest A. Heller has associated with Eugene C. Anderson in Anacortes. Up here we usually know what everyone is doing, but—who's he?

Jim Anderson prevailed in the primary for Prosecutor and faces Pat McMullen in a shootout for all the grief and notoriety that job inevitably brings. Glenn Reed will open shop officing with Angevine & Mullen (Earl and Gil) in a brand new old building that has to be about the smartest thing north of Bellis SFO.

George McIntosh, perceiving that sailing winds were down, ditto the market, and Fall in the ebb, returned to the Courtroom to gain acquittal in a "little ole murder one" case.

At the time of this writing our really swift jury term has four decisions, all for the defense. In number five yours truly has associated Newell Smith (who repeatedly pans condemnation gold from Skagit County). Since we are "defending" a condemnation case (accurate but sounds silly), they better not change sides now.

The new and enlightened Skagit Bar Administration gained a vote of confidence by cancelling the October business meeting and having a social evening stag affair instead.

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### PIERCE REPORT

By KENYON E. LUCE

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Davies, Pearson, Anderson, Gadbow & Hayes, P.S. announce the firm has been changed to Davies, Pearson, Anderson, Gad-

bow, Hayes & Johnson, P.S., and they have moved to new quarters at the address of 945 Fawcett in Tacoma, and further announce that Edwin S. Winskill has become associated with the firm.

Chairman of the Young Lawyers Section for the ensuing year is LeRoy Boice; Vice-Chairman is Jim Manza; Secretary-Treasurer, Mary Howart; Social Chairman, Jack Emery. The Board of Trustees includes: Leonard Moen, Gerry Neil, Mark Bubenik, Tom Larkin, Phil Brandt, Paul Murry, and D. Andrews.

Fritz Hayes (383-5388) is Chairman of the District Court Liaison Committee. Anyone wishing to be on that Committee please contact him. The District Court Judges will be having a meeting with Mr. Hayes soon and if you have anything that you to be brought up at the meeting please call Mr. Hayes.

The Annual Dinner Dance will be held on Saturday, November 2nd at the Lakewood Terrace. Cocktails are at 6:00 P.M. with dinner at 7:30. Reservation deadline is Friday, October 25th. This is an event brought to the local Bar by the Bar Auxiliary.

Golf Tournament for Young and Old Attorneys will be held October 11th. A number of old lawyers are predicting a victory. Pat Comfort is quoted as saying, "They do not have a chance—there are too many good golfers over 36." The young lawyers are already announcing their win. Fred Weedon confidently proclaimed, "We will take them just as we did in softball" Check this column next month for the results!

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### BENTON-FRANKLIN REPORT

By NEAL J. SHULMAN

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Pat Brock, former Assistant City Attorney for Vancouver, Washington, has been appointed Richland City Attorney effective October 10, 1974. He is a 1963 graduate of Lewis and Clark College in Portland, Oregon, where he received a Bachelor's Degree. In 1966 Pat received a Master's Degree in Recreation Administration from the University of Oregon and for the following two years served as an instructor in the Recreation Department of Bemidji State College, Minnesota. A 1971 graduate of the Willamette University College of Law, he received a Master of Law degree in Urban Affairs from the University of Missouri in 1972. Pat, his wife Charlotte and their two children, will reside in Richland.

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### SNOHOMISH REPORT

By JAMES A. SIMONTON

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The Snohomish County Bar Association recently paid its last respects to one of its senior and highly-respected lawyers, Arthur M. Newton, who died from injuries received in an accident on his home property.

Bob Milligan, of Lynnwood, at age 53, reports he hiked the 40-mile Pacific Crest Trail of the Cascade Range, reaching elevations of 7000 feet. This has to be a record.

Ed Novack used a few days this summer to fish off the west side of Vancouver Island.

Many members of the bar made it to the convention in Vancouver and reportedly had a great time.

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## THURSTON-MASON REPORT

By **STEPHEN J. BEAN**

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**Bill Parr** has left the firm of Parr, Cordes & McPhee and has opened his practice in the Evergreen Plaza Building in Olympia. His son John, a 1974 graduate of the University of North Dakota School of Law, plans on joining his father in the practice of law if the Bar results are successful.

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## SEATTLE-KING REPORT

By **GERALD G. TUTTLE**

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Three Seattle lawyers have been accepted as Fellows in the American College of Trial Lawyers. They are **William Wesselhoeft**, **Fred Betts** and **Murray Guterson**.

**Carl P. Gilmore** has become a partner of the firm of Whitmore, Powers & Ishikawa and the firm name has been changed to Whitmore, Powers, Ishikawa & Gilmore.

**Paul Gibbs** of Williams, Lanza, Kastner & Gibbs has been elected Secretary of the Washington Athletic Club.

**Paul J. Fisher** announces the association of Bruce M. Reed.

**Elvidge, Velden, Tewell, Bergmann & Taylor** announce that they have moved their offices to 1710 Pacific Building, Seattle, Washington, effective September 30, 1974. **Ford Q. Elvidge** is now of counsel to the firm.

**Terry Lukens**, formerly a Clerk for the Oregon State Supreme Court, has joined the firm of Karr, Tuttle, Koch, Campbell, Mawer & Morrow as an associate.

**Christopher Duffy** announces the opening of his office for the

practice of law at 4527 Seattle-First National Bank Bldg. with practice restricted to patents, trademarks and related fields.

**David M. (Mac) Shelton** became a partner of the Seattle firm of MacDonald, Hoague & Bayless on July 1, 1974.

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## EAST KING REPORT

By **RALPH I. THOMAS**

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Notwithstanding the petition by Lee Kraft to modify the writ of attendance as being inconsistent with current and modern custom and usage, the East King County Annual Golf, Tennis, Arm Wrestling and Elbow Bending competitions were held on the fields of Glendale Country Club during the better part of Friday, September 20, 1974.

The events were co-sponsored by our friends in the banking business.

I am unable to say whether the events were held *in camera* or on open court. In any event the list of attendees, participants, winners and losers have not been served upon this reporter before the Bar News deadline.

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## YAKIMA REPORT

By **RANDY MARQUIS**

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**George F. Velikanje** has been elected president of the Yakima Estate Planning Council for the 1974-75 term.

**Gary McGlothlen**, officing at the Yakima Legal Center, has now opened a branch office at 425 S. Elm in Toppenish. Office hours are restricted to Mondays at the present time.

**George W. Colby** has been appointed director of the Yakima Nation Public Defender program

sponsored by the Yakima Indian Nation and the Law Enforcement Assistance Administration. The office handles misdemeanors for enrolled members of the Yakima Indian Nation in county district justice courts. George's secretary speaks the language of the Yakima Indian fluently and has offered to assist any attorney having difficulty communicating with his Indian client. The office is at the Indian Agency in Toppenish, telephone number: 865-5121.

The law offices of **Martin & Marquis** have been consolidated with **Tunstall, Kirkevold and Thomas Dietzen** at 1016 Larson Building. The two firms continue as separate entities for the time being.

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## GRAYS HARBOR REPORT

By **JOHN L. FARRA**

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Members of the Grays Harbor County Bar Association were saddened to learn of the death of **Lester Parker**. Mr. Parker was an attorney of state renown, known for his legal expertise and individually as a fine person. Many of the attorneys in Grays Harbor observed some of the finest trial techniques while observing Mr. Parker try cases for an array of plaintiffs and defendants. Mr. Parker's fine legal techniques and individual leadership will be missed by the Grays Harbor Bar Association.

I have noted that there are some new faces in the Grays Harbor Bar Association. Unfortunately, the two young legal interns working for City Attorney, **John Farra**, have left to go back to their respective schools. **Steve Orcutt** has returned to the University of Puget Sound to



complete his third year of law school, and **Jeff Spere** has returned to Willamette University. It would seem that the City Attorney of Aberdeen has to return to the Aberdeen Municipal Court. The Grays Harbor County Prosecutor, **Curtis Janhuen**, has hired a recent graduate from the state of Maine, **George Bowden**. Mr. Bowden is presently working in the Prosecutor's office and waiting for the recent bar exam results. **Paul** and **Les Stritmatter** also have an assistant waiting for the results of the state bar exam, being a recent Gonzaga graduate, **Mike Misner**. Mr. Misner is from Bellevue, Washington, is married, and is the father of twins. The senior member of the Stritmatter firm, **Lester Stritmatter**, recently embarked on a trip with his wife to the eastern part of the United States. The Stritmatters had an interesting time visting Boston, Montreal and Washington, D.C. It is my understanding that this has been the first chance in approximately twenty years for the senior Stritmatter to take time away from his law practice.

It would seem that the Grays Harbor County Bar Association has put together a winning formula in regard to it's annual fishing derby. The four individuals representing the Grays Harbor Bar Association have continually presented a fine program in entertaining attorneys from around the state. Personal thanks should be given to **Ted Zelasko** of Aberdeen, **Warner Poyhonen** of Montesano, his Honor **Edward Brown** of Elma, and **Jerry Hallam** of Aberdeen. It was noted that all of the participants in the fishing derby had a full limit of fish and were back at the dock by 2:00 P.M.

### Increased Bar Dues

**New Bar Dues Effective  
February, 1975**

1. **Year of Admission**
  - a. **After February**  
Exam .....\$ 30.00
  - b. **After July**  
Exam .....\$ 15.00
2. **First two full years of practice** .....\$ 75.00
3. **Thereafter** .....\$100.00

**Compulsory Malpractice  
Insurance Premiums will be  
additional.**

### New Order of the Coif Directory Available

A current Directory of The Order of the Coif is finally available, replacing one long outdated. The 1973 Edition contains approximately 21,000 names: the great percentage of these are of law graduates elected from the top 10% of their respective classes in law schools having Chapters in The Order. Others listed are those elected from law faculties and from the legal profession at large. There are two listings, one alphabetical and the other by Chapter by year of election.

Price is \$3.50 per copy, including postage and handling. Checks accepted in payment.

Direct orders to Ms. June L. Daley, Administrative Assistant; National Office, The Order of the Coif; c/o University of North Carolina School of Law, Chapel Hill, North Carolina 27514.

### Advice to Prosecutors Sought

Suggestions for programs and standards for the training of prosecuting attorneys, municipal attorneys and defense attorneys are being sought by the Prosecutor Training Standards and Education Board of the Washington State Criminal Justice Training Commission.

Ronald L. Hendry, chairman of the Training Board, and Prosecuting Attorney for Pierce County, said that suggestions from the practicing bar are vital to the board's role in providing training standards.

"We want to know what the working lawyer sees as the important areas for the training of municipal, prosecuting and defense attorneys," Hendry said.

Suggestions may be sent to him in care of the Washington Criminal Justice Training Commission, 1107 South Eastside Street, Olympia, Washington 58501, he said.

### Condon Hall Dedication Postponed

Dedication of New Condon Hall, scheduled for November 14, 15, has been postponed. A new date will be announced.

### IRS Seminar — 1974 Pension Reform Act

The IRS and Department of Labor are presenting a free, one-day seminar, November 26, 1974, at Seattle, 9:00 to 4:30, 4th floor auditorium of the New Federal Office Building, 915-2nd Avenue. Twelve topics of the Pension Act will be covered. No pre-registration necessary.

## 444 Pass Bar Exam

*The following remarks of King County Superior Court Judge Donald Horowitz welcomed new members last May as many took their oath of attorneys. As the new group of successful applicants are currently being sworn in around the State, we welcome them to our Association with the timeless remarks of Judge Horowitz:*

Welcome to an exciting profession in an exciting time. I must say, however, that for lawyers times are always exciting, for each day in this country the profession of law is engaged in striving "to maintain the blend of continuity and change," which is the genius of a constitutional democracy. You will, in the course of your careers, I have no doubt, similarly be involved time and again, day after day, in striking and restriking the essential balance of individual and societal needs, of change and stability. No day will be exactly like the day just past.

It is an exciting profession also because every day we learn something new, something about almost every area of human knowledge, from literature to chemistry to economics to anthropology to medicine to electronics. You will mostly, however, learn about people, and not solely as physical beings, nor solely as spiritual beings, not solely as statistics or concepts but as whole, warm-blooded, breathing, hurting, loving human beings. And you will be involved in their lives. As a consequence, you will soon understand that there is and will be no routine case, no unimportant case, although at times you will think that you are involved in a routine or unimportant case. To each

individual his or her problem is very important and is not routine. And each situation is not merely a legal situation but a human situation.

There are many ways a lawyer can serve and no one way is necessarily better than any other; it depends on you; your skills, your desires, your commitments. You can be a solo private practitioner, or a government lawyer, or a legislator, or a judge, or a law teacher or a legal services lawyer, or corporate house counsel or a member of a large firm, but any way you serve you will be adding to the life of other individuals as well as your own, to the life of your community and your country. And there is nothing, nobody, no rule, that says you must be any one thing forever. There may be times when some one part of this great profession will inflame your interest and your dedication, but some other time that interest may flag or something else may attract you. One of the beautiful things about being a lawyer is that you can work and serve effectively in so many ways; that there is so much a variety to stimulate your interest over the years. But if you wish to travel one road, that, too, is a way of serving well and creatively.

You will enter the practice with enthusiasm, and at the beginning I am sure you will be most careful and your standards will be high. But the press of time will soon be upon you and some things will begin to seem commonplace. That is the point of greatest danger; because that

is when standards of practice may suffer and habits of mediocrity may develop. Eternal vigilance and self-examination is required not only to preserve liberty but to preserve the high quality of one's service. Nothing serves justice better in a given case than two well-prepared lawyers carefully presenting their cases. There is nothing a judge or jury likes better or makes a proper decision more likely.

Much has been said recently concerning the ethics of the bar, and we have indeed been in a time of ethical flabbiness in America. We cannot ignore these problems, but we can also celebrate our system of law and the vast, vast majority of its practitioners for searching out the systemic problems that lead to lack of ethics, for finding individuals who have breached the rules of ethics and providing a fair forum which ascertains who is guilty and provides a response—not a perfect response in all cases—but a response from which we will learn and go forward.

Mostly in our society, the law sets a tone—the atmosphere, the mood, the themes by which we live. Each situation, each case contributes to that tone—which in turn affects our conduct and our lives. Consider the impact of just one U.S. Supreme Court decision: *Brown v. Board of Education*, not just that black children can go to school with white children, but that each person in America, Black, Chicano, Asian, Native-American, Caucasian, female and male, is no less than any other, and is

entitled to freedom. We have marched from that case into a new world.

Finally, then, your profession is a tool, as is the law a tool. They are tools to serve people rather than things to be served in themselves. Ultimately the law is only as good as we are, as all citizens are; it is only as good a tool as those who wield it. It can serve to create and develop justice as an instrument both of stability and of change; as an instrument responsive to the needs of the times, or it can be stultifying and destructive. When I take a hammer in my hand, it is likely I will pound my thumb. When a master carpenter takes a hammer in his hand, he will build a beautiful house. Thus with the law. We urge you: Let us build. Let us build together.

\* \* \* \*

A total of 520, the largest number in the history of the Washington State Bar, took the Examination. Eighty-five percent (85%) passed, a total of 444, named as follows:

#### OUT OF STATE

Barrie Lynn Althoff, New York  
Peter Wentworth Bullard, Indiana  
Ross Edmund Campbell, Maryland  
David Stanway Case, Alaska  
Charles Lagrange Coleman III, California  
Gerald Joseph D'Ambrosio, Oregon  
Royce A. Ferguson, Jr., Hawaii  
DeForest Neil Fuller, Oregon  
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John M. Monahan, New York  
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John Graham Pattullo, New York  
Theodore Lee Preg, Maryland  
Eric Nelson Quist, Florida  
William Louis Reinig, Jr., Oregon  
Linnwood Douglas Sampson, Iowa  
Robert James Shaw, Rhode Island  
Kenneth A. Sheppard, Texas  
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Michael Raymond Thorp, Virginia  
Dennis Michael Wallace, Georgia  
David Edward Walsh, California  
Robert L. White, Montana

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John Lawrence Paulson  
Ronald Robert Pinckney

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James L. Murch

#### BURTON

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Michael Philip Roewe

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James Oliver Luce III  
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#### FORKS

Robert Frederic Baker

#### GIG HARBOR

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Leland Barrett Kerr  
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Gary Frederic Faull  
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Homer Duane Evans

#### LACEY

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 Offers New Year's in Paris  
 December 29 to January 4**

Law School Alumni and their families can spend "New Year's" in Paris for \$399.00 plus tax.

That's right . . . mark your calendar for this once in a lifetime offering. The tour leaves on December 29 via Pan American Airlines by Special Chartered Boeing 707, flying non-stop to Paris. The hotel is the new and deluxe Paris Sheraton.

Included are: roundtrip limousine service at the French International airport, baggage handling both at the airport and hotel, a Professional tour guide, Paris City Sightseeing tour, and Continental breakfast every morning.

The Alumni Club has blocked 84 seats on the Special Charter flight and reservations will be taken on a "first come" basis. Your deposit will be your reservation. Deposits of \$100.00 per person are being accepted now. Contact: U of W LAW SCHOOL ALUMNI TRAVEL DESK, c/o Strasser Travel Service, 519 Union Street, Seattle, Washington 98101, (206) 623-1451.

# A NEW BANKRUPTCY ACT

by **Kenneth S. Treadwell,**  
**Bankruptcy Judge**

There is now pending in both houses of Congress a bill entitled "The Bankruptcy Act of 1973." This bill is a product of a three year study by a Bankruptcy Commission created by Congress in July, 1970 to analyze, evaluate and recommend changes to the existing Bankruptcy Act.

The creation of the Commission was preceded by a number of studies, one made by the Brookings Institute that found that although the present bankruptcy system was getting its job done according to the literal requirements of the law, it was doing so with little benefit to the debtors, creditors or public. Such criticism is understandable when one realizes that the present Bankruptcy Act was adopted in 1898 and since that time has undergone only one revision and that in 1938.

## **An Inefficient System for Current Trends**

The present bankruptcy system is predicated upon control by creditors of the liquidation or reorganization of the bankrupt's business under the supervision of the bankruptcy court. The creditors elect the trustee and control the trustee's actions by exercising a veto of any sales, compromises, or other actions proposed by the trustee. Such a system worked when nearly all cases were business bankrupts. However, a most startling fact about bankruptcies is the tremendous increase of consumer (wage earner) bankruptcies since World War II. In 1946 the number of nationwide bankruptcies was slightly in excess of 10,000. That number steadily increased over the next twenty years until the number exceeded 200,000 new cases filed each year. Of these cases over 90% were consumer

bankruptcies and less than 10% businesses. Of course, with the increased filings there necessarily followed an increase in the number of the bankruptcy judges and civil service employees to handle the cases. The administration of these consumer bankruptcies under a system designed to liquidate businesses resulted in an understandable increase in administrative costs and inefficiencies. In the fiscal year 1972 the cost of operating the bankruptcy court exceeded \$17,000,000 of which approximately \$7,000,000 was spent on administering consumer bankruptcy cases which produced no assets or only sufficient to pay part of the costs of administration which resulted in no dividend to creditors. As a matter of fact, a dividend to creditors is so infrequent that most creditors do not bother to file claims and take no interest or part in the bankruptcy proceedings. The failure of creditors to participate in a bankruptcy proceeding necessarily requires the bankruptcy court to undertake many functions with which it was not intended to be burdened.

## **Non-Discharged Debts Nullify Effect of Present System**

A bankruptcy system must be judged not only on the benefit afforded creditors but also the relief granted to the bankrupt. A discharge granted the bankrupt under the present system is not all the relief that the document should warrant. A small loan company still has its claim to non-dischargeability of its debt under Sec. 17a, a right which it exercises frequently. Approximately two hundred and fifty such complaints are filed in the Bankruptcy Court at Sattle each year. A great percentage of these cases is settled without trial to the satisfaction of the lender and undoubtedly many reaffirmations of

such debts are secured without the necessity of such a suit. Also all taxes due the United States, any State or Municipality accruing within three years of the bankruptcy are non-dischargeable. Consequently many a bankrupt leaves court burdened with a non-dischargeable loan or taxes that renders his financial rehabilitation all but impossible.

Another frequent criticism leveled at the present bankruptcy system is its almost total lack of uniformity in administering the Act especially in the treatment of debtors relative to exemptions, choice of remedy and financial advice. Of course, exemptions depend upon State law and they vary greatly. A debtor in one of the New England states will have less than \$1,000 in exemptions while in some Western States the total exemptions will run high in the five figures. In some jurisdictions no wage earner proceedings, providing for instalment payments of debts, are filed while in other jurisdictions such proceedings compose most of the filings. This lack of uniform standards causes unequal treatment of creditors and debtors.

#### **Effects of Proposed Act**

The bankruptcy commission drafted the new Act in the hope of curing some of these deficiencies. The proposed act drastically changes the administrative procedures and substantive laws that affect bankrupts.

#### *New Bankruptcy Court*

Under the proposed new system there would be a complete severance of all administrative duties from judicial functions within the bankruptcy system. The Act creates a new Bankruptcy Court that would be presided over by bankruptcy judges who would be appointed for fifteen year terms by the President with the advice of the Senate. The new Bankruptcy Courts would have complete and exclusive jurisdiction over all controversies between the trustee in bankruptcy against any third party. In other words the Bankruptcy Court would handle and hear all actions to recover preferences, to collect accounts receivable, set aside fraudulent conveyances, etc. The existing concept of plenary and summary jurisdiction of the bankruptcy court will disappear. The Bankruptcy Court will have full powers of the United States District Court including the conduct of jury and non-jury trials, the issuance of restraining orders,

injunctions and powers to punish for contempt. Appeals from the Bankruptcy Court will be taken to the District Court. By separating the judicial and administrative functions it is anticipated that there will be a reduction of approximately seventy-five percent in the number of existing bankruptcy judges.

#### *Duties of Bankruptcy Administration*

The counterpart of the Bankruptcy Court will be the Bankruptcy Administration created in the executive branch, empowered to handle all matters and proceedings under the Act not involving litigation. This part of the bankruptcy system would be staffed by permanent employees under Civil Service and their duties would include many of those presently undertaken by bankruptcy judges, trustees, receivers, auctioneers, appraisers, accountants and attorneys. In short, a corps of in-house professionals would replace the attorneys and others now administering the Bankruptcy Act. The Bankruptcy Administration would have a central office in Washington, D.C., several regional offices and several hundred local offices to provide ready access to debtors and creditors.

Consumer bankrupts would be handled by the Bankruptcy Administration and there would be no resort to the Bankruptcy Court unless some dispute arose between the bankrupt and a creditor or other party in interest. Specifically the new Act provides that a debtor with regular



**Kenneth Treadwell**

income be given the benefit of counselling so each can intelligently choose whether he should seek relief in straight bankruptcy or under a wage earner plan.

#### *National Uniform Exemptions*

The Act establishes a Uniform Federal Exemption which provides for a homestead of \$5,000, plus \$500 for each dependent of the debtor, together with wearing apparel, jewelry, household furnishings and tools of trade not to exceed \$1,000 in value, a burial plot to the value of \$2,500 and other property not to exceed \$500. Waivers of exemptions are made unenforceable and a discharge extinguishes a debt rendering a reaffirmation of a debt a nullity. A debtor may redeem collateral securing a dischargeable debt by paying the appraised value thereof if the value is less than the amount of the debt. Thus the debtor is protected where the lender holds a security interest for a large amount upon the furniture or other property which is of small value. The use of a false financial statement is eliminated as the basis for excepting a consumer debt from the effect of a discharge. The six year bar of a subsequent discharge is reduced to five years.

#### *Business Bankruptcies*

Even more radical changes are proposed in the handling of business bankruptcies. The requirements of filing involuntary petitions and obtaining an adjudication are simplified. The concept of "an act of bankruptcy" is abolished and a debtor is made amenable to an involuntary proceeding when he has ceased to pay his debts as they mature. The estate of the alleged bankrupt is protected against risk of depletion and deterioration pending the hearing on the involuntary petition by the Bankruptcy Administration taking immediate possession of the property. An involuntary petition seeking liquidation may be filed by a creditor or creditors whose claims aggregate \$2,500. One or more creditors having claims aggregating \$10,000 may file a petition seeking reorganization of the debtor. Jury trials on any issue raised on an involuntary proceeding are abolished.

#### *Secret Transfers Invalidated*

An essential feature of any Bankruptcy Act is the inclusion of provisions designed to invalidate secret transfers and to void for the benefit

of all creditors transfers that affect preferences. The trustee's right to set aside fraudulent conveyances and to recover preferences is simplified and eased under the new Act. The trustee is given the benefit of a presumption of insolvency and the necessity of proof that the creditor who received the payment had reasonable cause to believe the bankrupt to be solvent is eliminated. However, in view of easing of the requirements to recover a preference the preference period is reduced to a period of three months preceding the filing of the petition. The new Act also makes special provisions for accounts receivable and inventory financing by setting standards which basically determine whether or not within the three month's period the secured creditor has improved his position. Eliminated is the well established doctrine of *Moore v. Bay*, 284 U.S. 4 (1931). This rule provides that where a trustee who succeeds under Sec. 70e to a lien creditor's right under state law to void a secured transaction and is successful, the security is voided in toto for the benefit of all creditors of the estate, thus creating a windfall for those creditors who could not attack the lien. The new Act limits the recovery for the benefit of only those lien creditors who could have successfully attacked and voided the lien.

#### *Distribution of Assets*

The new Act drastically alters the distribution of assets of the estate. Understandably the first priority is expenses of administration, the next in rank is wages and the Act increased this priority to a maximum of \$1,200 of which \$300 may be fringe benefits. The third and only other priority is granted taxes accruing within one year of the petition in bankruptcy. All statutory liens are denied recognition by the Act as are tax liens for any taxes accruing before the one year period.

#### *Business Rehabilitations*

For the Bankruptcy Bar the most traumatic changes are proposed in proceedings involving business rehabilitations. The present Chapter X (corporate reorganization), Chapter XI (arrangements) and Chapter XII (real property arrangements) proceedings are combined in one new Chapter VII. These proceedings are administered by the Bankruptcy Administration and resort to the Bankruptcy Court occurs only to adjudicate disputes between the debtor and creditors or other parties. The Bankruptcy

Administration selects the trustee, appoints the creditors' committee, and performs all the functions of the Security and Exchange Commission.

### Substantive Law Changes

Some very fundamental changes in substantive law are found in the new Chapter VII. The Act permits the filing of involuntary reorganization proceedings against individuals, partnerships and corporations. Claims of debtors against third parties which were subject to set-offs may be ordered paid to the trustee to be used in the operation of the business if the Court finds that the holder of the set-off can be adequately protected. Public utilities can no longer condition the furnishing or continuation of service to a debtor upon payment by the debtor or trustee of pre-petition bills. Contracts and leases providing for termination upon filing of a bankruptcy petition are made unenforceable providing default can be cured by the debtor and adequate assurance of future performance is evident. A fair and feasible rule is adopted in testing all reorganization plans and all equitable tests are abandoned.

### Potential Objections to New Act

In summary it should be noted that although the proposed Act goes a long way toward correcting some of the inefficiencies and inequities in the existing bankruptcy system its proposals are so far reaching that opposition to it will undoubtedly develop. The Act terminates the tenure of all serving Bankruptcy Judges eighteen months after its enactment. Since it is contemplated that the new Bankruptcy Court will require not more than fifty Bankruptcy Judges to handle the work of the court, the 174 full time and 41 part time Bankruptcy Judges presently serving must be more than a little concerned. If, as provided, the Bankruptcy Administration is to furnish advice and financial counselling to consumer debtors there will be little need for the debtors to seek the services of a lawyer. Computed on a basis of an average fee of \$250 per case this will mean a loss to the legal profession of \$45,000,000 annually. Trustees, appraisers and accountants serving under the present system will not be happy to have their work taken over by civil servants in the Bankruptcy Administration. The Secretary of the Treasury will be upset to learn that the IRS will lose most of its priority and lien rights nor will statutory lien claimants,

from agisters to warehousemen, be happy to find that their liens are lost in a bankruptcy proceedings. The small loan companies, who lose their right to have their debts adjudged non-dischargeable will be heard from. Bankers will be disturbed to learn that all bankruptcy funds will be sent to Washington, D.C. for deposit in a central federal depository. Uniformity of exemptions is desirable but when those exemptions are far less than allowable under State law, it is reasonable to expect objections by consumer groups. Certainly, the Bankruptcy Bar, now handling business rehabilitations, will have many objections.

The administration of bankrupt estates is in dire need of modernization to meet changing conditions but, as in all matters, changes will be achieved only with great difficulty.

### ADDENDUM

Subsequent to submitting the foregoing summary of the "Bankruptcy Act of 1973," on September 12, 1974, the National Conference of Bankruptcy Judges submitted to Congress its proposed bill entitled "The Bankruptcy Act." It follows closely the Commission's bill but a hasty reading discloses some major differences.

The Bankruptcy Administration would be established within the Administrative Office of United States Courts rather than within the executive branch.

Bankruptcy Judges serving on the effective date of the Act would be folded in as judges under the new system for a minimum of six years. Thereafter, Bankruptcy Judges would be appointed by the Judicial Councils of the Circuit Courts rather than by the President.

Appeals from the Bankruptcy Court would be directed to the Circuit Court rather than to the District Court.

The first meeting of creditors in all cases would be held before the Bankruptcy Judge and the creditors at that meeting could elect a trustee.

The Judges' bill establishes minimum Federal exemptions but would permit the bankrupt to elect between the Federal minimums or State exemptions.

The Judges' bill retains the doctrine of *Moore v. Bay* and retains a four month preference period.

The Judges' bill retains separate chapters on reorganizations and arrangements and retains the present concept of SEC participation in such cases. □



## The Board's Work

The Board of Governors met at Vancouver, B.C., on September 11, 1974, and performed as follows:

### Disciplinary Board

Thomas R. Sauriol resigned as a member of the Disciplinary Board. Paul Hoffman, Jr. of Tacoma was named to replace him and to serve until the position is filled by a permanent member from the Sixth District.

### Compulsory Malpractice Insurance Program

The new Article 8, being the By-Law relating to the Compulsory Malpractice Insurance Program, was adopted. It was published in the October issue of the *Bar News*.

### The Budget Committee

(A) The recommendations of the Budget Committee on policy matters were approved except:

(1) That the Budget Committee was directed to review the matters relating to *Section Finances* and that after such "further look," the matter again should be presented to the Board of Governors.

(2) That with reference to Paragraph 9 of the Budget Committee's recommendations relating to the status of District Court Judges and others similarly situated, the President or other designated officer of the District Court Judges Association shall have an opportunity to be heard; arrangements will be made for this discussion at the November meeting of the Board of Governors; and no final decision will be made on this recommendation until after the District Court Judges have had an opportunity to be heard.

(B) The operating budget as approved by the Committee adopted by the Board.

(C) *In accordance with the recommendation of the Budget Committee*, the dues structure beginning with the dues payable on February 1, 1975 was approved as follows:

- (1) Year of admission
  - (a) February Bar Exam — \$30.00
  - (b) July Bar Exam — \$15.00
- (2) First two full years of practice — \$75.00
- (3) Thereafter — \$100.00

### Corrections Committee

An appropriation of \$4,000 was approved, as

matching funds for a grant made to the Bar Association by the Edna McConnell Clark Foundation through the American Bar Association, for a Jail Standards and Rules Project in the State of Washington.

**David B. Kenyon** of Seattle was named Staff Director of the project for the formulation of comprehensive standards and rules for the operation of jail facilities, development of a systematic method for adoption and enforcement of proposed standards and rules, and the establishment of pilot demonstration projects utilizing said standards and rules.

### Rules of Disciplines

Board members Richard H. Riddell and William H. Gates were designated as a subcommittee to meet with appropriate members of the Supreme Court to discuss the language and provisions of the proposed new Rules for Discipline of Attorneys.

### Credit Cards for Legal Fees

The proposed "contract" and "guidelines" for the use of credit cards for the payment of legal fees were referred to the Committee on the Code of Professional Responsibility for an opinion in appropriate form and for a report and recommendation back to the Board at the earliest practicable time.

### Fee Arbitration Board — Appointments

All the names submitted by Members of the Board and presented to the Board of Governors were appointed as members of the Fee Arbitration Board and are subject to assignment for duty as such, conditioned on the willingness of each of the individuals named to serve in this capacity. It was further agreed that the persons so designated be appointed for two-year terms to expire on October 1, 1976.

### Legal Intern Program

A proposed change to Rule 9, implementing the requirement of the payment of a \$15 filing fee for enrollment in the Legal Intern Program, will be forwarded to the supreme Court with the recommendation that the rule change be approved. It was further made a part of this motion and agreed that the effective date of the requirement for the payment of the fee should

be immediate after the approval of the rule by the Supreme Court.

### **Bar Examination Eligibility**

It was moved, and seconded that no certificate of good moral character be required in order for an applicant to be eligible for admission to the Bar Examination. This motion failed, five to four.

A motion, providing that an applicant for admission be permitted to furnish certification of good moral character by persons other than lawyers, failed.

### **Task Force on Criminal Code**

Murray Guterson, appeared before the Board to discuss the work and the work product of the Task Force on the Criminal Code.

It was voted that the Bar Association accept said "work product" with full accolades to every member of the Task Force, and that the Bar Association sponsor the proposed revision of the Criminal Code in the Legislation. The minutes of the Board did not reflect the substance of said "work product" however.

The Board directed that the President of the Bar Association contact the chairpersons of the House and Senate Judiciary Committees, the official organizations of the prosecuting attorneys and trial judges, and other appropriate persons in connection with the sponsorship and support of the proposed revisions to the Criminal Code.

### **Task Force on Professional Utilization**

Robert D. Morrow, presented a report to the Board in connection with the continuing work of the Task Force on Professional Utilization.

Copies of the report of the Task Force will be made available to the Deans of the Law Schools in the state and to other interested parties.

### **Special Committee for Initiative 276**

Upon the recommendation of the Special Committee for Initiative 276, the Board agreed to officially request the Public Disclosure Commission to file written decisions with findings of fact and conclusions of law and to make appropriate regulations for the distribution of such written decisions relating to the granting of exemptions under 276.

### **Family Law Section — Proposal to Admit Lay Members**

The proposal of the Family Law Section to admit laymen to membership in the section was not approved.

### **Amendments to Section By-Laws**

The proposal by the Taxation Section to increase its section dues from \$5.00 to \$10.00 was approved.

The proposal by the Young Lawyers Section to assess section dues of \$5.00 was approved.

### **Court Rules and Procedures**

Action by the Board on an amendment to the Civil Rules for Superior Courts, as proposed by the Washington Judicial Council, being Rule 41, was deferred until the October meeting of the Board. Recommendations are sought from the Court Rules and Procedures Committee and the Trial Practice Section.

### **Committee on Unauthorized Practice of Law**

Jeremiah Long, the Bar Association's Counsel in certain matters relating to the unauthorized practice of law, and William Kinzel and Roger Walsh, both representing the Unauthorized Practice of Law Committee, appeared before the Board to discuss specific alleged claims of unauthorized practice of law.

The Board voted that the Bar Association proceed in accordance with the recommendations of the Committee to resolve and, if necessary, to litigate the five specified violations. In order to accomplish the purposes of the motion, necessary funds will be made available.

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### **Associate Editor Wanted**

Hugh McGough resigned from the post of Editor of the *Bar News*, effective December 31, 1974. The Editorial Advisory Board has appointed Edward W. Huneke as Editor, subject to confirmation by the Board of Governors. An Associate Editor is needed immediately. Due to the nature of the duties, the Associate Editor must frequent the Seattle area. Interested persons are invited to inquire at the Bar Office or to contact Hugh McGough, Edward Huneke or your closest Editorial Advisory Board member for details.



## Section Reports

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### ENVIRONMENTAL LAW

By CHARLES B. ROE, JR.

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#### For State Legislature Watchers

The continuing legislature's October meetings are over. It appears likely that a number of proposals in environmental areas will be considered for passage in the 1975 session beginning in January.

1. Comprehensive Land Use Planning and Regulation.  
(Contact House Local Government Committee — Rep. Joe Haussler, Chairman)
2. Shoreline Management Act of 1971 — areas of discussed modifications include, among others: (a) definition of "wetlands" and "flood plains," (b) the scope of the agricultural structures exemptions to the permit program, and (c) relationship of irrigation canals and wasteways to the act.  
(Contact Senate Ecology Committee, Nat Washington, Chairman)
3. Water Rights Code — A comprehensive revision is contemplated. Early attention will be given to the streamlining the "general adjudication" provisions of the Surface Water Code (RCW 90.03.110 through RCW 90.03.240).  
(Contact House Ecology Committee Rep. Edward Luders, Chairman)
4. Tideland and Shoreland law — The statutes applicable to the Department of Natural Resources area of jurisdiction are being considered for significant revision.  
(Contact House Natural Resources Committee, Rep. John Martinis, Chairman)

#### Forest Practices Act Implementation

The Forest Practices Board, established in 1974, has completed a "discussion draft" of comprehensive forest practice regulations. Hearings thereon are proposed for later this year. Those interested should contact: Secretary, Forest Practices Board, Public Lands Building, Olympia.

#### Master Programs — Shoreline Management Act

Master programs—the heart of the regulatory program of the Shoreline Management Act—are still being developed in many areas of the state. Those interested should contact city or county planning authorities in local areas or the Department of Ecology in Olympia, attention:

Rodney Mack. Mr. Mack reports 10 county and 40 city master programs have been approved by the Department of Ecology.

#### The Latest on the State Environmental Policy Act

1. *In Narrowsview Preservation Association v. City of Tacoma*. (September 26, 1974), Washington Supreme Court.  
The Washington Supreme Court concluded that a decision on a rezone request to a city is potentially a major action. Significantly affecting the quality of the environment for which an impact statement is required prior to the decision.
2. The issue of "standing" to challenge government action based on the State Environmental Policy Act is the subject of the Washington Supreme Court decision in *Leschi Improvement Council v. Washington State Highway Commission*, 84 Wn.2d. 271 (August 22, 1974).

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#### YOUNG LAWYERS

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Pasco Attorney Edward F. Shea has succeeded to the office of Chairperson of the Young Lawyers Section of the Washington State Bar Association. Mr. Shea automatically assumed the leadership of the Section after serving as Chairperson-elect during the past year. He will head the Young Lawyers Section until the end of the 1975 annual meeting of the Washington State Bar Association in Vancouver, British Columbia.

Mr. Shea is a member of the law firm of Peterson, Taylor, Day & Shea, and is engaged in general practice in Benton and Franklin Counties. He is a 1970 graduate of the Georgetown University Law Center and served as a law clerk to the Hon. Harold J. Petrie, Chief Judge, Washington State Court of Appeals, Division II, in 1970-1971.

Elected to the position of Chairperson-elect, to succeed Mr. Shea next year is Seattle attorney Lawrence B. Bailey from the law firm of Quigley, Hatch, Loveridge & Leslie. Members of the Board of Trustees of the Section for 1974-1975 are: J. Kevin Downes of Bellingham; H. John Hall of Campbell & Hall, Chehalis; Elizabeth J. Bracelin of Peterson, Bracelin, Creech & Young, Seattle; Robert L. Burnham, Seattle; Susan F. French of Martin, Niemi, Burch & Mentele, Seattle; Wm. H. Neukom of McDon-

ald, Hoague & Bayless, Seattle; John Lindsay of Spokane; John D. Barline of Comfort, Dolack, Hansler & Billett, Tacoma; and David A. Thorner of Smith, Scott & Hanson, Yakima.

Membership in the Young Lawyers Section is limited to active members of the Washington State Bar Association under the age of 37 years or members admitted to practice for less than five years. The main purposes of the Section are to stimulate the interest and participation of young lawyers in the activities of the Washington State Bar Association, to develop and conduct programs of interest and value to young lawyers and to work to improve and maintain the quality of the legal profession.

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## TAXATION

By MALCOLM KATZ

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If the Supreme Court of the United States accepts the taxpayer's petition for certiorari in *Johnson v. Commissioner*, the Court will have to decide whether the 6th Circuit was right in holding that a donor has to pay income taxes on the differences between a loan that he obtains to pay the gift tax on the transfer and what the stock cost him, where (1) he has no personal liability to repay the loan, (2) subsequent to the transfer, the donee obligates itself to repay the loan, and (3) where the loan exceeds the donor's tax liabilities, thereby leaving him with cash left over and no personal obligation on the loan. More specifically, in *Johnson*, the taxpayer gave \$500 worth of stock (that cost him \$10) to a trust for his children, and paid gift taxes of \$150 by borrowing \$200 from a bank, but he wasn't personally liable to repay the loan. After the transfer, his nonrecourse loan was cancelled, and in lieu thereof, the trust became obligated to repay the loan, leaving him with \$50 of cash and no personal obligation on the loan (all figures are simplified).

In holding that the \$190 difference between the amount of the loan and his investment in the stock was taxable income, the 6th Circuit decided that the transaction could be viewed as if it were a part gift and a part sale of the stock, with the realizable event being the assumption by the trust of the donor's obligation to repay the loan and the amount realized being the amount

of the loan. Since the taxpayer didn't have to pay anything for getting this benefit, he got something for nothing and it was the same as if the taxpayer had found money lying on the sidewalk. Alternatively, the donor could be viewed as having profited from his indebtedness to pay the gift taxes by having them picked up and paid by another, to wit, the donee, and this was the more preferable approach, said the Court, because that's what really happened. The fact that the donor didn't have a personal obligation to repay the loan so that there was nothing which at least on paper was assumable, and the fact that the gift taxes were actually paid by the donor with the donee incurring a loan obligation instead of discharging another's obligation, was overlooked. The *substance* of the transaction, as opposed to its form, was that the taxpayer, while he paid the gift taxes himself, sloughed off the liability that had to be incurred to pay the taxes on someone else.

This case is a good example of an appellate court's finding that a realizable event has occurred, despite the court's admission that there was insufficient evidence to support the tax court's finding that the parties intended a sale. Aside, however, from the *sua sponte* finding that based upon the substance of the transaction, there was a sale, when there was no intent to make a sale, the court equates the incurrence of a loan obligation with the discharge of another's tax liability. Finally, instead of remanding to determine the factual foundation (if any) for applying the substance-over-form argument, the appellate court extended a Supreme Court decision involving a holding that a gain is realized when property is sold subject to a mortgage to a case where there was no sale, and where the obligation instead of being taken over on a "subject to" basis, was nonexistent.

What importance the receipt of the \$50 excess had on the court's decision, and what the decision would have been had there been no excess borrowed or if the stock were worth only the amount loaned, is hard to tell. And without a conflict at the appellate level, the Supreme Court is not likely to grant certiorari in this tax case. Accordingly, the case presents a serious question as to whether there is any way that appreciated property can be gifted away when the property itself is pledged to collateralize money to finance the gift tax, without there being a realizable event which triggers an income tax.



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**SUPREME COURT PRACTICE**By **WILLIAM M. LOWRY***Supreme Court Clerk*

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Procedure by which counsel obtain appellate review is generally set forth by the Rules on Appeal. The procedure by which the Supreme Court accomplishes appellate review is to some extent set forth by the Supreme Court Administrative Rules. Perhaps the Administrative Rules should be more complete. In any event those areas of administrative procedure not defined are the subject of speculation and rumor often far from accurate. Some areas not covered by the administrative rules are set forth below:

**THE PETITION FOR REVIEW.** When a petition for review of a decision of the Court of Appeals is filed, it is set by the Clerk for consideration on the first day (after a 20-day delay) on which the Court is scheduled to consider petitions for review. The 20-day delay is to allow for the consideration of an answer to the petition, which must be filed within fifteen days, and preparation for the petition for review conference. Two petition for review conferences are set each month. Petitions for review are considered by departments of the Court. When the petition for review is set for consideration, an assignment justice of the department is designated. Assignments are rotated. The petition and answer, if any, are delivered to the law clerk of the assignment justice on the day they are received. At least five days prior to the day set for consideration, a copy of the petition for review, the answer if any, and the briefs filed in the Court of Appeals are delivered to each justice of the department considering the petition. In addition, the file of the case has by that time been received from the Court of Appeals and is available to any justice requesting it. Ordinarily five days, but at least one day prior to the consideration, the law clerk of the assignment justice distributes the results of his research. During the conference, the assignment justice reports in the same manner as in a case heard on the regular appeal calendar. If all the justices in the department are not in agreement, the petition is continued for hearing by the en banc court. The same procedure is followed for the preparation of the members of the department which did not originally consider the petition. En banc conferences are scheduled once a month.

**THE PETITION FOR REHEARING.**

Upon the filing of a petition for rehearing it is attached to a passing sheet and sent to the author of the opinion. It is circulated thereafter to the justices in order of seniority, except the Chief Justice is the last to act on the petition. Each of the justices may and frequently does place comments on the passing sheet and indicate his vote to deny or grant or call for an answer. If an answer is called for by the author, the Chief Justice, or a majority of the Court, circulation is held in abeyance until the answer is filed at which time the answer is attached and circulation is recommenced with the author. A rehearing is not granted unless a majority of the members of the Court vote to grant the petition.

**MOTIONS.** Should a motion be made to the Chief Justice or noted for hearing on the motion calendar? The ground rule is that the Chief Justice has authority to act on motions which do not directly affect the merits. Such motions as extension of time and authority to file a type-written brief clearly do not directly affect the merits. While there could possibly be some argument on the basis of the ground rule, the Chief Justice is considered by the Court to have authority to act on interventions, stays, additions or changes in briefs, remands for action by the trial court during pendency of the appeal. In motions made to the Chief Justice, the usual practice is to forward the motion by mail. The Chief Justice will then determine whether oral argument is necessary for a determination.

**JURISDICTION.** The opening brief in many cases filed in the Court of Appeals and in all cases filed in the Supreme Court are reviewed to determine whether the prompt and orderly administration of justice would be served by the Supreme Court exercising original appellate jurisdiction. Since only about one-half of the Supreme Court calendar is filled with cases meeting the criteria of ROA I-14, the objective is to achieve maximum economy of judicial time by filling the rest of the calendar with cases most likely to result in a double review if considered first by the Court of Appeals. Issues of first impression having an important impact on the law, particularly where there is a split of authority in other jurisdictions, are likely prospects for original review by the Supreme Court. The determination of whether the Supreme Court should take or retain jurisdiction is made by a Department of the Court. Determinations are made on the same days that petitions for review

are considered. At least five days prior to the day set for determination, the opening brief, an analysis of the issues made by the Court's staff and any letter received from counsel regarding jurisdiction are distributed to the members of the department. If all members of the department do not agree, the determination is set for the consideration of the full membership of the Court.



Clerks Joe Thibodeau, Reg Shriver

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## COURT OF APPEALS

By JOSEPH A. THIBODEAU

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In Laws of 1971, ch 41, sec 1, the Legislative amended RCW 2.06.040. The amended portion reads as follows:

“In the determination of causes all decisions of the court shall be given in writing and the grounds of the decisions shall be stated. All decisions of the court having precedential value shall be published as opinions of the court. Each panel shall determine whether a decision of the court has sufficient precedential value to be published as an opinion of the court. Decisions determined not to have precedential value shall not be published.”

Since the enactment of this amendment The Court of Appeals has been able to dispose of approximately 40% of their writing assignments by use of the unpublished opinion. From a reading of the Washington Appellate Advance Sheets it is not clear what actually constitutes an unpublished opinion. The unpublished opinion is the same as a published opinion in both types of opinions, which appears in the advance sheet. The Court diligently disposes of each Legal

argument raised by the parties. The only distinction between a published opinion and an unpublished opinion is that the unpublished opinion does not have sufficient precedential value to affect the common Law of our state. Hence, the Court does not deem it necessary to publish it. The criteria for determining whether a case has sufficient precedential value to justify publication is set forth in *State v. Fitzpatrick* 5 Wn App 661, 669 (1971) as follows:

### Opinions of the Court of Appeals Should be Published

- (1) Where the decision determines an unsettled or new question of law of constitutional principle.
- (2) Where the decision modifies, clarifies or reverses an established principle of law.
- (3) Where the decision is of general public interest or importance.
- (4) Where the case is in conflict with a prior opinion of the Court of Appeals.
- (5) Where the decision is not unanimous.

### Opinions of the Court of Appeals Should not be Published:

- (1) Where an affirmance is based upon the conclusion that the evidence is sufficient to sustain the findings of fact of the trial court, except where the issue of sufficiency involves a novel or important question of law.
- (2) Where the decision, whether an affirmance or reversal, is determined by following a legal principle or principles well-established by previous decisions.
- (3) Where the decision, whether an affirmance or reversal, is based upon a question of practice or procedure, except where the question is one of such importance in the administration of the law that it should be settled by an authoritative pronouncement.

If following receipt of an opinion, counsel concludes that such opinion should have been published, counsel should advise the Court by Motion and Affidavit setting forth specific reasons justifying reconsideration of the determination not to publish. Although there is no specific appellate Rule which permits counsel to request that an opinion be published, the Court has adopted the above policy. This motion must be filed within thirty days of the filing of the

opinion. The Court will consider in the same manner as a petition for rehearing. See (CAROA 50).

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## SUPERIOR COURT NEWS

By **JEROME M. JOHNSON**

*King County Superior Court*

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The current year has brought to the State Superior Court bench two new judges in each of Pierce, Snohomish and King Counties, and single appointments in Benton, Clallam-Jefferson, Kitsap and Spokane Counties. All of the judges are married and have children and have all led active, civic-minded lives.

Spokane County Judge **Harold D. Clarke**, age 46, a former Air Force Korean War Colonel, is a 1957 graduate of Washington State University, and a graduate of Gonzaga Law School. He was formerly a partner in the Spokane firm of Hamblen, Gilbert & Brooke. He succeeds the retiring senior trial judge in the state of Washington, Honorable Ralph Foley.

Judge **Terence Hanley**, age 44, succeeds Judge Oluf Johnsen. Judge Hanley is a graduate of the University of Washington and its law school, and is a past-president of the Kitsap County Bar Association. In 1957 he became a partner of the Bremerton firm of Arthur & Hanley. He is a Korean war veteran and a U.S. Navy Reserve Captain.

Benton-Franklin County Judge **Fred Staples**, age 40, was appointed upon the tragic death of Judge James Lawless. Judge Staples was born and raised in Sunnyside, moved to the Tri-Cities area after graduating from Gonzaga University Law School in 1960 and practiced law as a partner in Staples & Felsted. He has been active in business, the Chamber of Commerce and Benton-Franklin County Probation Service.

Judge **Tyler C. Moffett** has filled the newly created position in the Clallam-Jefferson judicial district. Traveling with his lawyer-father who was also a regular Army officer, Judge Moffett grew up in Washington, D.C., South Carolina and Alabama before graduating from the University of Washington Law School in 1949 and clerking for Supreme Court Justice Beale. He is a veteran of 27 months with the Third Armored Division in Europe in World War II, and for 23 years was a partner in Conniff, Taylor, Moffett & Behrhorst in Port Angeles, serving also as the City and Port Attorney for over 15 years. He is

51 years of age.

Judges **Donald J. Horowitz** and **Herbert M. Stephens** are the most recent King County appointees, succeeding, respectively, Judges Theodore S. Turner and Cornelius C. Chavelle. Judge Horowitz, age 39, a native New Yorker and graduate of Columbia University and Yale Law School, clerked for Justice Harry E. Foster in Olympia, practiced law in Seattle for six and one-half years and was a partner in Farris, Bangs & Horowitz. He served as Senior Assistant State Attorney General for three years in legislative and other matters primarily concerning the field of corrections and mental health.

Judge Stephens, 55, is a University of Washington Law School graduate, former King County Deputy Prosecuting Attorney (four years), a practicing lawyer (18 years) and past chairman of the Seattle Civil Service Commission. He was a member of the State Board Against Discrimination and of the Human Rights Commission. A major interest has been his service with the Prisoners Coalition, a citizens' group aimed at helping adult offenders adjust from prison life to the community.

Pierce County Judges **Allen R. Billett**, 39, and **Donald H. Thompson**, 43, succeed Judges Bertil Johnson and William F. LeVeque. Judge Billett, a Tacoma native, is a World War II Army veteran and a graduate of the University of Washington Law School in 1951. He was a partner with the firm of Comfort, Dolack, Hansler & Billett. His service includes six years with the Tacoma City Attorney's Office, a stint on the Tacoma City Council, and for ten years on the Tacoma Civil Service Board. He is an avid skier, hunter and fisherman.

Judge Thompson, also a Naval Reserve Captain, is a graduate of the University of Washington and its law school in 1957. He was City Attorney in his native Port Orchard from 1959 to 1970 and is the immediate past-president of the Pierce County Family Counseling Service. Since 1963 he has been a partner of Lee, Krilich, Lowry & Thompson.

The new Snohomish County judges are **Robert C. Bibb**, 52, and **John Rutter, Jr.**, 44, who follow the retirements of Judges Edward Nollmeyer and Alfred O. Holte. Judge Bibb had his law school education at the University of Washington interrupted by service as a Lieutenant in the Philippines in World War II. Upon his return and graduation in 1949 he practiced law in his

native Seattle for four years and, then, as a partner with Bibb & Bailey, Arlington, Washington, for almost 20 years. He is past-president of the Snohomish County Bar Association and an ardent skier and outdoorsman.

Judge Rutter received his BA from Harvard in 1952 after living in Nebraska and New England. Following two years as an Army Lieutenant in Korea until 1954, he came to Seattle and graduated from the University of Washington Law School. He has practiced law since 1960 in Lynnwood and was a member of Michelson, Rutter and Gallagher.

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## JUDICIAL COUNCIL REPORT

By **Dean R. Sargeant**

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The Council held its quarterly meeting on September 27th and 28th in Olympia. The meeting was devoted to consideration of the proposed rules for appellate procedure. The rules were prepared during the past two years by a task force of attorneys in both public and private practice. The Council has spent the last two meetings in a detailed consideration of the proposed rules. With a number of amendments, the entire draft was adopted by the Council for recommendation to the supreme court. As soon as the revised final draft is prepared, it will be forwarded to the supreme court for its consideration.

On November 8, 1974 a special committee of the Council will meet at the University of Washington Law School to consider a report on the first year of operation of the superior court criminal rules. During the research for this report the Council staff interviewed many judges, prosecutors and attorneys to discover problem areas. A substantial number of recommendations for amendments or additions to the rules has been prepared for the committee's consideration.

The next meeting of the Council will be December 6, 1974, at the Sea-Tac Motor Inn. The agenda will consist primarily of consideration of proposed legislation for the 1975 session. Included will be the judicial article and the juvenile court act. The Council solicits the comments of members of the bar on these and other matters.

All was lull. The bar conventions were all adjourned, sore spots healed and work begun.

### *Births*

Everett: **Stanley Bruhn** opened in the Colby Building as did **William Dunlop** and **Morris Looyesen**. **William Marsh** was appointed deputy prosecutor.

Monroe: **Stores Clough** opened.

Kennewick: **Francis Skidmore** retired from law practice to farm.

Richland: **E. B. Critchlow** and **David E. Williams** became partners and opened there.

Pasco: **Patrick Sullivan** joined the firm of Horrigan, Merrick, Peterson & Merrick.

**John B. Nason** left Washington, D.C. to open there.

Walla Walla: **Arthur L. Hawman** elected prosecuting attorney. **Herbert H. Freise** resigned as deputy and opened in the Jones Building. **Herbert H. "Dutch" Hahner** was elected president of the county bar association, **Charles Synder**, vice president, and **Robert A. Comfort**, secretary. **J. P. Rowe** appointed new Justice of the Peace. **M. A. Stafford** returned from his annual trip to his former home in the Ozarks and gave notice that he was going to retire and return there permanently.

Bellingham: **Tom A. Durham** reelected prosecuting attorney. **F. M. Hamilton** appointed J.P., as was **Jack Kurtz**.

Blaine: **Richard Nelle** appointed J.P. and police judge.

Aberdeen: **Stanley Krause**, formerly of Seattle, elected President of Grays Harbor bar, **Charles Hyndman**, Vice President and **Gregory Nelson**, Secretary-Treasurer.

Seattle: **C. E. Hughes**, **Arthur G. Dunn** and **Daniel B. Allison** formed a partnership and opened in the White-Henry-Stuart Building.

Monroe: **Edward Bascom** crossed the Bar.

It seems that the state bar was quite normal. As usual the legislative committee stated it needed more money. **C. A. Orndorff**, chairman, was begging for \$1200 more.

**David J. Williams**



**Wanted and Unwanted**

**For Sale:** IBM Model IV (MTST) Magnetic Tape Selectric typewriter; 10 pitch pica spacing; fabric ribbon; with code conversion — reverse search — typing stand — approx. 100 tapes included, \$4500 cash or assume contract balance (24 payments at \$209.06 per month). Call Jeff Morris, 838-4261, Spokane.

**For Sale or Trade:** Moving to California? A complete set of Deering's Annotated Calif. Codes. One yr. old and up to date. If interested, please contact David Thorn, E. 402 Nordin, Spokane 99218. (509-487-2135)

**For Sale:** Firm dissolution requires sale of the following: ALR (1st, 2nd, 3rd with all digests and supplements); Am. Jur. (1st and 2nd series to date); Proof of Facts (Vol. 1-30 and Index); Am. Jur. Trials (Vol. 1-20 and Index); Trial Lawyers guide (annual volumes 1957 to date and Index); Medical Trial Technique Quarterly (annual volumes, 1955 to date and Index); Blashfield, Automobile Law & Practice—complete; Lawyers Medical Cyclopedia—complete to date; Products Liability—Frumer & Friedman; Personal Injury Annual—1961 to 1972; Modern Trials—Belli—3 vols.; Trial of Auto. Accident Case—Schwartz—4 vols. Please call John J. Sullivan or Richard L. Butler (206) 622-2418, Seattle.

**For Sale:** RCWA, USCA, AMJur 2nd and Collier on Bankruptcy. Call 624-1442, Seattle.

**For Sale:** RCWA complete, like new, \$850.00 M.S. Raichle, P.O. Box 687, Aberdeen.

- Nov. 1 CLE Seminar, Antitrust law, Ridpath Motor Inn, Spokane; William L. Dwyer, Chairman.
- Dec. 5-6 CLE Seminar, Basics of Trial Advocacy, Seattle Center, Rainier Room, Seattle; Alan A. McDonald, Chairman.
- Dec. 12-13 CLE Seminar, Basics of Trial Advocacy, Davenport Hotel, Spokane; Alan A. McDonald, Chairman.
- Jan. 13-15 Mid-Year Legal Education Seminar; Govt. regulation of real estate; Condominium Law; Ranch and Farm Law. Palm Springs, Calif. Contact Bar office, 505 Madison, Seattle, WA 98104.
- Jan. 30-Feb. 1 Seventh Medical Institute for Attorneys: The Spine: Injuries, Rehabilitation and Disability Evaluation. University of Miami Law Center, P. O. Box 8087, Coral Gables, Florida 33124.

**Will Information Sought**

Attorney who drew up the will of Dorathy Vivian Vittetoe Lavelfe (James P.) Peterson (Clark) about or after 1959, please contact Patricia A. Engstrom, Rt. 7, Box 7821, Bainbridge, WA 98110. Telephone 842-4575.

**Will Sought:** The attorney who made out a will or witnessed the signature to a will for Joe Gurra, Seattle since 1969 or 1968, please notify Mrs. W. McFarlane, 8652-20th S.W., Seattle, RO 7-6880.

**For Sale:** 1-101 Corpus Juris Secundum with digest and 1972-73 pp. 1-35 American Jurisprudence 2nd. 1-28 ALR 3rd. Call Irving Koths (206) 496-5133, Morton.

**For Rent:** Kirkland law office, approx. 860 square feet, across from City Hall. Reasonable. Donald R. Cohan, 622-0193.

**Federal Court Admissions**

The next group ceremony for admission to the bar of the United States District Court for the Western District of Washington at Seattle will be held Friday, November 15, 1974 at 1:30 P.M.

Any attorney filing a petition for admission pursuant to Local Rules, on or before Friday, November 8, 1974 will be eligible for admission. Those planning to be present should so advise the Clerk's Office (308 U.S. Courthouse, Seattle, Washington 98104, or phone 442-5597, 5648 or 5412) by the close of business November 12, 1974. It will not be necessary to have a sponsor present at the time of admission. The statutory fee for admission is \$10.00, which must be paid on Nvember 15, 1974.

The ceremony will be held in the Eighth Floor Courtroom (Room 815) with the Honorable William N. Goodwin, Chief U.S. District Judge, presiding.

WASHINGTON STATE BAR ASSOCIATION

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