

KURT M. BULMER
ATTORNEY AT LAW
201 WESTLAKE AVENUE N.
SEATTLE, WASHINGTON 98109
(206) 343-5700

June 3, 1996

Mike Pan
Pierce County Risk Manager
County-City Building
Tacoma, WA 98402

RECEIVED
JUN 13 1996
PIERCE COUNTY
RISK MANAGEMENT

RE: Judge Grant L. Anderson

Dear Mr. Pan:

As you are aware Judge Anderson has been the subject of an attack by Douglas Shafer in the form of grievances being filed at the Washington State Bar Association and apparently with the Commission on Judicial Conduct.

We have been advised by the Washington State Bar Association of Mr. Shafer's complaint. I have filed a notice of appearance, have been in contact with them, have provided information and will continue to defend Judge Anderson against the complaint.

We have not heard from the Commission on Judicial Conduct but Mr. Shafer has stated in writing that he has filed such a complaint. It is not surprising that we have not heard from the Commission yet since their investigative style is to wait to contact a judge after gathering information from other sources. However, since Mr. Shafer has advised that he has filed such a complaint Judge Anderson needs to be preparing for the inquiry. It does appear likely that Mr. Shafer has filed similar complaints with the Bar Association and the Commission so much of the work being done to defend at the Bar will probably be transferable to any Commission inquiry.

The billing in this matter is complicated by the fact that some of the legal services I have provided to Judge Anderson, while necessary to defend Judge Anderson from this attack, may also be of a personal nature which Judge Anderson might have incurred even if he had not been subject to this attack. Judge Anderson properly feels that such services should not be paid by the County.

Accordingly, what I have done is prepare my "regular" billing and then allocated services based on those which are

Mike Pan - Pierce County Risk Manager
June 3, 1996

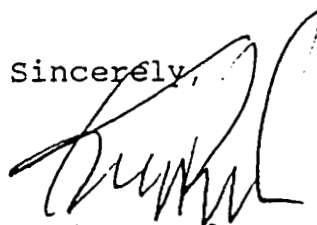
necessary in order to respond to the attacks and grievances being made by Mr. Shafer from those which, while a necessary part of the defense of Judge Anderson, could be considered more personal to him.

I have redacted those services from the billing and provided a billing allocation distribution at the end of the billing. I have also redacted certain other references in the billing which are confidential and/or are attorney work product. I have enclosed that billing and if acceptable to you would appreciate the County paying the portion allocated to it.

Hopefully, this process is acceptable to you. If not please let me know and perhaps an alternative can be worked out.

Thank you for your assistance.

Sincerely,



Kurt M. Bulmer
Attorney at Law
WSBA # 5559

cc: Grant L. Anderson

June 1, 1996

Grant Anderson
PO Box 9025
Tacoma WA 98409

REVISSED W/ ALLOCATIONS
ON PAGE 3

RECEIVED
JUN 13 1996

PIERCE COUNTY
RISK MANAGEMENT

In reference to: WSBA/CJC Grievance

	<u>Time</u>
02/23/96 Roundtrip to Olympia to review records - billed at half rate so only 1 hour billed	1.00
Review all PDC records re Shafer's attack	2.80
03/14/96 Telephone conference with Grant re Hamilton [redacted] history and possible conflicts	0.40
03/20/96 Draft ^{Hamilton Affidavit} [redacted] in several versions; Sent to [redacted] and Grant for review _{Sloan}	2.20
03/28/96 Revise ^{Hamilton Affidavit} [redacted]	0.40
Prepare letter to ^{Sloan} [redacted]; Telephone conference with Grant re corrections and situation of Shafer before Thompson	0.20

03/30/96 [redacted]
[redacted]
[redacted]
[redacted]
[redacted]

Approved For
Payment
John M. Bhead
Chief Civil Deputy
6/17/96

OK [Signature]
6/17/96

	<u>Time</u>	
04/03/96	[REDACTED]	
04/05/96	1.00	
	[REDACTED]	1.50
04/10/96	1.30	
04/30/96	0.20	
	0.40	
	0.30	
05/02/96	0.30	
05/10/96	0.20	
05/21/96	1.20	
05/22/96	0.50	

	<u>Time</u>	<u>Amount</u>
05/22/96 Telephone conference with Grant re WSBA questions, [REDACTED] and question raised by review of [REDACTED]	0.90	
For professional services rendered	22.40	\$3,360.00
Additional charges:		
02/23/96-Copies at PDC - 176 @ .10		17.60
Total costs		<u>\$17.60</u>
Total amount of this bill		\$3,377.60
Previous balance		\$975.00
03/08/96-Payment - Thank You		<u>(\$975.00)</u>
Balance due		<u>\$3,377.60</u>

Tax identification number: 539-46-5643
Billing is at \$150/hour

Revised Time = 14.8 @ \$150⁰⁰ = \$2,220⁰⁰
 Expenses - copies = 17.60

TOTAL \$2,237.60

ALLOCATION:
PIERCE COUNTY = \$2,237.60
 GRANT ANDERSON = \$1,140.00

OK
 [Signature]

[1] and I think they hashed it out, if that is the right word,
 [2] the preparations.
 [3] (Exhibit 8 marked
 [4] for identification.)
 [5] Q: The second page of Exhibit 8, the paragraph that
 [6] begins "The monthly payments I made for Grant," would you
 [7] read that paragraph, please.
 [8] A: "Monthly payments I made for Grant -
 [9] Q: To yourself.
 [10] A: Okay.
 [11] Q: Is that paragraph accurate, particularly the last
 [12] sentence?
 [13] A: Is it accurate?
 [14] Q: Yes.
 [15] A: I would say, as far as it goes, it is accurate. I
 [16] paid off - this says "paid off the balance of the loan,
 [17] some \$8,000," which I did. I paid it to him. What it
 [18] doesn't say is who paid it to the bank or how it got paid,
 [19] and that was the end of the matter.
 [20] Q: Did you discuss this language with Mr. Hamilton or
 [21] a representative of Mr. Hamilton before he signed this?
 [22] A: No.
 [23] Q: Did you resign the presidency of Pacific Lanes,
 [24] Hoffman-Stevenson and Surfside Inn all at the same time?
 [25] A: I suspect I did, but I don't recall, to be

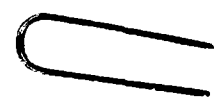


[1] Q: Let me ask it this way: Did Hoffman-Stevenson, at
 [2] that point, hold some kind of deed of trust or mortgage
 [3] interest in the Surfside property?
 [4] A: I don't know.
 [5] Q: To wrap this up then, as I understand it, in your
 [6] dealings with Mr. Feichtinger, as represented in Exhibit 7,
 [7] you were in no way purporting to act or acting on behalf of
 [8] Hoffman-Stevenson, Incorporated?
 [9] A: No.
 [10] Q: My notes, in our original meeting a couple of
 [11] months ago, indicate that you had told us that you had made
 [12] the payments on the Cadillac in response to questions from
 [13] me about whether Sound Bank made the payments. Were my
 [14] notes accurate as to what you told us?
 [15] A: No. I was fully prepared to answer fully any
 [16] question that you asked accurately, and I did.
 [17] Q: When Mr. Hamilton prepared his affidavit in April
 [18] of 1996, did you assist him in preparing that?
 [19] A: No. Did I see it? Yes.
 [20] Q: Did you see it before he signed it?
 [21] A: I probably did. I don't know that I did or
 [22] didn't, but I probably did.
 [23] Q: Did you make suggestions as to the wording or
 [24] language?
 [25] A: No. Mr. Bulmer was in contact with his attorney,

Hamilton's affidavit

Bulmer and Sloan

EXHIBIT N-1



truth. I know that I got a copy of it and that I looked at that and it accurately reflected the transaction as it related to the bank.

The last discussion I had with him about anything to do with this was within the last few weeks when I told him or days - I don't remember how long it has been since we made this appointment today.

Q: What did you tell him?

A: Just the fact that I was going up to give a deposition.

Q: What did he say?

A: I don't believe he said anything, just a matter of fact I think more than anything.

Q: What were the circumstances that led to the creation of the affidavit that has been marked as Exhibit 2?

A: I am not sure I can remember the circumstances. I believe that - I can't tell you whether Mr. Bulmer called me or Judge Anderson called me and asked me to state my recollections in writing. I know that I took a shot at it and talked to Phil.

MR. SLOAN: Didn't I tell you Bulmer asked me to do it?

THE WITNESS: Yes.

MR. SLOAN: Counsel, without testifying, I believe Mr. Bulmer and I spoke and he made the suggestion

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← Hamilton's affidavit

← Bulmer & Sloan

that I obtain this.

Q: Did you know for what purpose this affidavit would be used?

A: No.

Q: Did you ask?

A: Well, I was aware of these ongoing investigations as a result of starting with the conversations with Mr. Schafer and then different interviews and phone calls from the Bar. I don't remember if there was anyone else involved. I don't even recall when that all started taking place. It was quite some time ago. And I involved Phil and Tom immediately upon meeting with Schafer, former partners, including a meeting with Doug at Sloan's office. I didn't find this request inconsistent with anything. It was just stating what my intents were.

(Exhibit 7 marked for identification.)

Q: Take a look at this.

(Short recess.)

(Discussion off the record.)

A: I believe in their office almost daily.

Q: Whose office?

A: The law office.

Q: Sloan, Bobrick & Oldfield?

A: (Witness nods head affirmatively.)

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MR. SLOAN: In Tacoma, it is referred to as "the law office."

(Discussion off the record.)

Q: To your knowledge, has Judge Anderson ever told anyone that the Cadillac payments were a commission for his work in selling the bowling alley to you?

A: I would have no idea what Judge Anderson said about that.

Q: Has anybody ever told you that he made such a statement?

A: Nope.

Q: Was Judge Anderson aware of the \$15,000 payment to the firm of Fisher, Koppe & Hoefel in connection with the final transaction?

A: Not by anything that I would have said.

Q: Is there a reason you did not tell him?

A: One, he didn't ask, and, two, I didn't think it was any of his business.

Q: Why not?

A: Judge Anderson, for my intents and purposes, exited this entire transaction with the closing in '92. The only information or the only communications that I had with him subsequent to that and prior to these - this - whatever the heck you want to call Schafer's ravings - were related to questions about the operation that I felt he

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EXHIBIT N-2

AFFIDAVIT OF WILLIAM L. HAMILTON

I, William L. Hamilton, being first duly sworn on oath, say as follows:

I have prepared this affidavit so there can be no question as to the reason I made a gift of some automobile payments to my long time friend and advisor Grant Anderson.

I have been a businessman in the Pierce County area for over 25 years. I have been involved in a wide number of projects and businesses. In about 1970 I started a bank called "Western Community Bank." Grant Anderson became a customer of the bank in about 1973. The bank was a small personal service oriented institution and as a result I got to know Grant. From this a strong friendship and advisory relationship built up over the years.

As the years went by I found myself having frequent lunches and informal talks with Grant. These would sometimes happen as often as weekly. During these talks I would bounce ideas and proposals off of Grant. He would give me his thoughts and offer insights into possible problems that would need to be addressed. I came to consider him to be an informal business advisor - a sort of "kitchen cabinet" consultant - as opposed to the hired CPAs, attorneys and other professionals I consulted. He never represented me as my attorney, I had other lawyers to do this. He never charged me any fees. This informal consulting relationship lasted for many, many years. I came to value it greatly.

In early-1990, Western Community Bank was sold. In about November, 1990, I started a new bank - Sound Banking Co. Grant was a customer of Sound Banking Co. In the Spring of 1992 I realized I didn't want to continue as chief executive of any bank, so after hiring my replacement, Jim Bisceglia, I resigned as Chairman and Chief Executive in June of 1992. In December, 1992, Sound Banking Co. loaned Grant money so he could buy a new car. In order to take advantage of a year-end sale the loan was initially on a personal note to be transferred to an automobile loan. In January, 1993, the loan was converted to a loan secured by the automobile. At the time the payment structure was set up Grant made a payment of \$9,000 to prepay approximately the first year's payments.

In November, 1992, Grant had been elected a judge. He told me at that time that he could no longer meet with me and give me his opinion on business deals because as a judge that

was not appropriate for him to do. By the time Grant came into the bank to complete the loan transaction in January, 1993, I had come to realize how much I missed those meetings. I appreciated more than ever that Grant had been a valuable contributor to my projects over the years yet he had never asked for and had not received one dime for this.

Not having the ability to counsel with Grant I was forced to seek and pay for advice and services from a variety of attorneys. Having to pay for these services made me realize what a good deal I had from Grant in not having to pay for those services in the past. And so I decided that I wanted to do something for Grant to show him my personal appreciation. I told Grant that I valued his friendship and advice and that I wanted to make a showing of appreciation for past friendship and advice. I talked with Grant about this on my own and he did not in anyway approach me or suggest it. The gift I had decided to make was to pay some of the automobile loan payments for an indeterminate time in the future. After talking with Grant and explaining why I wanted to do this he told me that if this was what I wanted to do that this was very nice and he appreciated the gift. This was an entirely voluntary act on my part. I expected nothing in return and have not received anything in return.

The monthly payments I made for Grant were \$800. I made the payments from January, 1993 until May, 1995. At that time I was aware Grant and his wife Diane were in a dissolution process and I decided that, as I was friends of both, and I didn't want to get involved, I would cease making the payments. I advised Grant of this, he thanked me, paid off the balance of the loan, some \$8,000, and that was the end of the matter.

Grant was and is my friend and I can't conceive that my showing of appreciation and friendship should cause any problem.

I swear and affirm that the above is a true and correct statement to the best of my knowledge.

Dated this 2nd day of April, 1996.



William L. Hamilton

(See page 3 for notatarization)

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IN RE)
) NO. 96-2179
COMMISSION ON JUDICIAL)
CONDUCT) DECLARATION OF DIANE ANDERSON
)
)

1. I make this statement herein of my own personal knowledge.

2. I was formerly married to Grant Anderson. While we were married, in approximately late 1992 or early 1993, Mr. Anderson obtained a Cadillac automobile. I was surprised by this and had questions as to how we were paying for it. In response, Mr. Anderson told me that it was a commission from Mr. William Hamilton in connection with the sale of a bowling alley by an estate Mr. Anderson was handling. He explained that as the attorney handling the transaction, he was entitled to a commission for his efforts.

3. I swear under penalty of perjury that the above is true and correct.

Dated this 31 day of January, 1997.

at Tacoma, Washington

Diane C Anderson

Diane Anderson

Law Offices of

SLOAN BOBRICK & OLDFIELD

P.O. Box 7127
2601 North Alder St.
Tacoma, WA 98407-0127

TACOMA (206) 759-9500
SEATTLE (206) 838-0589
FAX (206) 752-5324

FAX COVER LETTER

TO : Doug Schaefer cc Bill Hamilton
FAX NO. : 572 7226
RE : Confidential Communications
OUR FILE #: _____
DATE : 4/2/96
FROM : Phil Sloan

TOTAL NUMBER OF PAGES (INCLUDING COVER SHEET): 1

REMARKS: Doug per yesterday's mtg - Bill H. instructed you not to disclose any communications re Grant Anderson to anyone IF you do - you will be in violation of RPC 1.6 triggering

If you experience problems or have any questions, please call

_____ at (206) 759-9500.

*action under
RPC 1.6 -*

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Original Document to be Mailed:

YES

NO

EXHIBIT Q

Please protect your family if not yourself and stop your threats, etc. IF I can help please call - Phil