FILE NO. _____

STATE OF MINNESOTA

IN SUPREME COURT

In Re Petition for Disciplinary Action
against VICKI M. AHL,
a Minnesota Attorney,
Registration No. 149548.

PETITION FOR DISCIPLINARY ACTION

TO THE SUPREME COURT OF THE STATE OF MINNESOTA:

The Director of the Office of Lawyers Professional Responsibility, hereinafter Director, files this petition upon the parties' agreement pursuant to Rules 10(a) and 12(a), Rules on Lawyers Professional Responsibility. The Director alleges:

The above-named attorney, hereinafter respondent, was admitted to practice law in Minnesota on October 21, 1983. Respondent currently practices law in Richfield, Minnesota.

Respondent has committed the following unprofessional conduct warranting public discipline:

DISCIPLINARY HISTORY

On September 26, 1991, respondent was issued an admonition for violation of Rules 1.5(e), 7.1(a), and 8.4(a), Minnesota Rules of Professional Conduct (MRPC).

FIRST COUNT

Hedgecoth Trust Matters

1. Respondent, at all times relevant herein, was both a licensed Minnesota lawyer and a Certified Public Accountant.

2. In 1993 respondent was retained by her aunt, Beverly Hedgecoth, to draft an Irrevocable Family Trust (the trust). Beverly Hedgecoth wished to transfer

substantially all of her assets to the trust because she was entering the convent as a cloistered nun and was required to divest herself of all of her property.

3. The beneficiaries of the trust were intended to be Hedgecoth's children and grandchildren: Therese Snyder (daughter), Mary Pelascini (daughter), Gregory Hedgecoth (son), Robert Heinz (grandson), Jacob Snyder (grandson), Brenda Pelascini (step-granddaughter), and Brian Pelascini (step-grandson).

4. It was originally contemplated that Richfield Bank and Trust Co. would serve as trustee of the trust. Richfield Bank, however, declined to serve as trustee because it was their assessment that the fees they would have to charge for administering the trust would deplete the trusts for the four grandchildren before they reached the age where they would be entitled to distributions from the trust. Subsequently, respondent agreed to serve as trustee.

5. The trust was executed on November 5, 1993. The trust agreement named respondent as trustee and the trust was funded with $130,000 cash. The trust agreement contemplated that the trust funds be divided into 13 equal shares with each child being allocated 3 shares ($30,000 original principal amount) and each grandchild or step-grandchild being allocated one share ($10,000 original principal amount). Respondent did not provide a copy of the trust agreement to any of the beneficiaries until 2010.

6. Respondent charged attorney's fees of $750 for drafting the trust. Thereafter, respondent transferred the share of each beneficiary to separate investment accounts – initially with IDS Mutual Fund Group and later with Ameriprise Financial.

7. The terms of the trust required that each beneficiary's share be distributed to him or her upon the beneficiary attaining the age of 35. Mary Pelascini turned 35 on October 4, 1996. Therese Snyder turned 35 on November 29, 1997. Gregory Hedgecoth turned 35 on April 28, 2002.

8. According to accountings prepared by respondent, the value of the funds held on behalf of Mary Pelascini at the end of 1996 was $36,844.48; the value of the funds held on behalf of Therese Snyder at the end of 1997 was $41,996.77; and the value of the funds held on behalf of Gregory Hedgecoth at the beginning of 2002 was $33,867.96.

9. Respondent did not, as required by the terms of the trust, distribute to Snyder, Pelascini, or Hedgecoth their shares of the trust upon their attaining the age of 35 nor did she ever inform them of their right to a distribution.

10. During the period of time respondent served as trustee – from 1993 through 2009 – she paid herself a total of $145,224.17 in fees from the funds held in trust. During this period no distributions from the trust were made to the beneficiaries of the trust. The payments to respondent significantly depleted the trust such that, upon her resignation as trustee on April 2, 2010, the following amounts remained in trust:

Beneficiary	**Original Principal Amount**	**Total Fees Paid to Respondent**	**Fees Paid to Respondent After Date of Required Distribution**	**Balance in Trust as of 35th Birthday**	**Balance in Trust as of 4/1/10**
Therese Snyder	$30,000	$30,968.00	$24,981	$41,996.77 (12/31/97)	$20,705.85
Mary Pelascini	$30,000	$30,451.00	$26,754	$36,844.48 (12/31/96)	$20,723.03
Gregory Hedgecoth	$30,000	$31,256.00	$13,281	$33,867.96 (12/31/01)	$20,416.02
Robert Heinz	$10,000	$12,186.00	N/A	N/A	$2,477.40
Jacob Snyder	$10,000	$12,074.00	N/A	N/A	$2,534.51
Brenda Pelascini	$10,000	$14,157.52	N/A	N/A	-0-
Brian Pelascini	$10,000	$14,131.65	N/A	N/A	-0-

11. The fees charged by respondent were neither reasonable nor necessary in light of the amounts held in trust and in light of the fact that, at least as to Therese Snyder, Mary Pelascini, and Gregory Hedgecoth, there was $65,016 in fees charged to their shares of the trust after those shares should have been fully distributed to them.

12. In May 2010, Therese Snyder initiated a court proceeding to compel an accounting of the funds held in trust by respondent and for restitution and surcharge. That proceeding was ultimately settled by agreement of respondent to refund $139,000 to the trust.

13. On April 2, 2010, respondent resigned as trustee and Michael Snyder was appointed as successor trustee.

14. Prior to commencement of the court proceeding, the attorney for Therese Snyder asked respondent for, among other things, copies of all of her time records kept as trustee.

15. On April 28, 2010, respondent wrote to Snyder's attorney stating, in part, "Copies of time records for 2006-2009 are enclosed. Any other time records would be with my archived corporate tax records, which are in an off-site storage locker, and have not been located as of today." Respondent gave no indication that the time records provided were anything other than copies of time records that were contemporaneously made.

16. In fact, the time records provided by respondent were not contemporaneously made records and contained significant exaggerations of time spent on the trusts. For instance:

a. Respondent listed a 4.4-hour meeting on 6/21/06 with Dave Bloomquist, an Ameriprise Financial Services representative. Dave Bloomquist's records reflect no such meeting.

b. Respondent listed a 3.9-hour meeting on 11/30/06 with Dave Bloomquist. Dave Bloomquist's records reflect no such meeting.

c. Respondent listed 42.3 hours spent from 3/8 to 3/12/07 for the purpose of preparing and mailing tax forms 1041s and M2s for the various trusts. In fact, the tax returns were not complex and required only the information provided by Ameriprise on their year-end form 1099s and the fiduciary fees charged by respondent in order to complete the returns.

d. Respondent listed 6.6 hours spent from 5/3 to 5/4/06 for reading the prospectus for the mutual funds in which the trust funds were invested.

e. Respondent listed a 4.6-hour meeting on 5/8/07 with Dave Bloomquist. Dave Bloomquist's records reflect no such meeting.

f. Respondent listed 3.3 hours spent on 9/1/07 for reading the prospectus for the mutual funds in which the trust funds were invested.

g. Respondent listed a 4.8-hour meeting on 11/14/07 with Dave Bloomquist. Dave Bloomquist's records reflect no such meeting.

h. Respondent listed 40.9 hours spent from 2/2 to 2/5/08 for the purpose of preparing and mailing tax forms 1041s and M2s for the various trusts. In fact, the tax returns were not complex and required only the information provided by Ameriprise on their year-end form 1099s and the fiduciary fees charged by respondent in order to complete the returns.

i. Respondent listed a 4.2-hour meeting on 5/7/08 with Dave Bloomquist. Dave Bloomquist's records reflect no such meeting.

j. Respondent listed a 4.1-hour meeting on 11/20/08 with Dave Bloomquist. Dave Bloomquist's records reflect no such meeting.

k. Respondent listed 41.0 hours spent from 3/9 to 3/13/09 for the purpose of preparing and mailing tax forms 1041s and M2s for the various trusts. In fact, the tax returns were not complex and required only the information provided by Ameriprise on their year-end form 1099s and the fiduciary fees charged by respondent in order to complete the returns.

l. Respondent listed 5.0 hours spent on 10/27/09 for reading the prospectus for the mutual funds in which the trust funds were invested.

m. Respondent listed 39 hours spent from 3/3 to 3/11/10 for the purpose of preparing and mailing tax forms 1041s and M2s for the various trusts. In fact, the tax returns were not complex and required only the information provided by Ameriprise on their year-end form 1099s and the fiduciary fees charged by respondent in order to complete the returns.

17. Respondent's depletion of the trust assets by the charging of excessive and unreasonable fees violated her fiduciary duties as trustee.

18. Respondent's failure to distribute their share of the trust to Therese Snyder, Mary Pelascini, and Gregory Hedgecoth upon their reaching the age of 35, as required by the terms of the trust, violated Rule 1.15(c)(4), MRPC.

19. Respondent's conduct in violating her fiduciary duties as trustee by failing to make distributions as required by the trust agreement and in charging unreasonable and excessive fees violated Rule 8.4(c) and (d), MRPC.

20. Respondent's conduct in misrepresenting that the time records provided to Snyder's attorney were contemporaneously made violated Rule 8.4(c), MRPC.

WHEREFORE, the Director respectfully prays for an order of this Court imposing appropriate discipline, awarding costs and disbursements pursuant to the Rules on Lawyers Professional Responsibility, and for such other, further or different relief as may be just and proper.

Dated: March 28, 2012.

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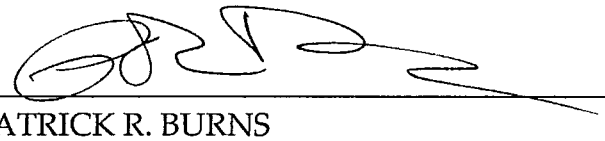
and



PATRICK R. BURNS
FIRST ASSISTANT DIRECTOR
Attorney No. 134004