FILE NO. _____

STATE OF MINNESOTA

IN SUPREME COURT

In Re Petition for Disciplinary Action against CRAIG WILLIAM ANDRESEN, a Minnesota Attorney, Registration No. 186557.	**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 16, 1987. Respondent currently practices law in Bloomington, Minnesota.

Respondent has committed the following unprofessional conduct warranting public discipline:

DISCIPLINARY HISTORY

On September 17, 2009, respondent was issued an admonition for failing to diligently correct an error in a client's bankruptcy petition and failing to communicate with the client prior to later taking action to correct the error, in violation of Rules 1.3 and 1.4(a)(3) and (a)(4), Minnesota Rules of Professional Conduct (MRPC).

FIRST COUNT

Trust Account Shortages, Failure to Safeguard Client Funds, and Failure to Maintain Required Trust Account Books

1. On May 24, 2013, respondent's Wells Fargo Bank trust account no. -7885 became overdrawn, a fact that the bank reported to the Director pursuant to Rule 1.15(j) through (o), MRPC.

2. In response to the Director's inquiry regarding the overdraft, respondent explained that he issued the check causing the overdraft in reimbursement of bankruptcy filing fees respondent had advanced by credit card on behalf of multiple clients. More specifically, respondent's usual practice regarding the payment of bankruptcy court filing fees was to (a) collect the filing fee advance from the client and deposit it into his trust account, (b) pay the filing fee to the bankruptcy court by credit card, which is the form of payment required by the bankruptcy court, and (3) disburse the client's advance from the trust account to the credit card company.

3. During the course of the overdraft inquiry, respondent further explained that the balance in his trust account was insufficient to cover the check at issue as a result of "bookkeeping errors . . . made in the past," including two instances in which he refunded funds from his trust account that he had not actually deposited into the trust account. Also, although the Director requested copies of respondent's trust account check registers, client subsidiary ledgers, trial balances and reconciliations, respondent did not include those materials with his response.

4. Based on the trust account shortages acknowledged by respondent and respondent's failure to provide requested trust account books, the Director converted the trust account inquiry into a formal disciplinary investigation.

5. The Director's review of the materials respondent provided during the course of the disciplinary investigation has revealed the following deficiencies:

a. Respondent routinely deposited filing fee advances he received from clients into his business account and, at some point thereafter, transferred those advances into his trust account. Respondent acknowledges that there were occasions on which he failed to transfer the advances from his business account into his trust account.

b. In October 2010 respondent received a $1,300 retainer from his client R.M. Although the retainer was unearned and should have been deposited into respondent's trust account, respondent deposited it into his business account.

c. In November 2011 respondent received a $1,000 retainer from his client J.P. Although the retainer was unearned and should have been deposited into respondent's trust account, respondent deposited it into his business account.

d. The balance in respondent's trust account was consistently short of that necessary to cover client balances during the periods August 28, 2008, to January 8, 2010, and January 14, 2010, to August 1, 2012. The shortage ranged in amount from $306 to $14,223. The shortage was primarily the result of (i) respondent's disbursement of client filing fees to his credit card company where he had not deposited any, or had not deposited a sufficient amount of, client funds to cover the disbursement, (ii) respondent's issuance of a $1,300 trust account check to R.M. in December 2011 in refund of R.M.'s retainer (which had not been deposited into the trust account), and (iii) respondent's issuance of a $1,000 trust account check to J.P. in refund of J.P.'s retainer (which had not been deposited into the trust account).

e. On a few occasions, respondent disbursed a client's filing fee advance from his trust account to the credit card company before having paid the filing fee on the client's behalf. For example, on November 12, 2009, respondent deposited into his trust account a $299 filing fee advance he received from his clients S.K. and C.K. Respondent disbursed the filing fee advance to the credit card company on November 30, 2009. Respondent did not, however, pay the filing fee to the bankruptcy court on behalf of S.K. and C.K. until June 8, 2010.

f. Respondent maintained a handwritten trust account check register and stated that he reconciled it on a regular basis with the bank statement. Respondent did not, however, retain copies of the reconciliation reports. Further, respondent did not maintain client subsidiary ledgers or trial balances. Respondent's failure to maintain these required trust account books appears to have been the cause of the continuing shortages and eventual overdraft in respondent's trust account.

g. In June and August 2012, respondent deposited funds into his trust account sufficient to eliminate the shortage.

6. Respondent has provided verification that, since August 2012, he has maintained the required trust account books and records and that his trust account balance has been sufficient to cover aggregate client balances.

7. Respondent's conduct in allowing shortages to exist in his trust account, depositing client funds into his business account, and failing to maintain required trust account books, violated Rule 1.15(a), (c)(3) and (h), MRPC, as interpreted by Appendix 1 thereto.

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: February 10, 2014.

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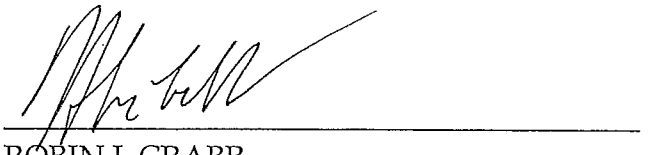

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