FILE NO. _____

STATE OF MINNESOTA

IN SUPREME COURT

In Re Petition for Disciplinary Action
against WILIAM BERNARD BUTLER,
a Minnesota Attorney,
Registration No. 227912.

PETITION FOR DISCIPLINARY ACTION

TO THE SUPREME COURT OF THE STATE OF MINNESOTA:

At the direction of a Lawyers Professional Responsibility Board Panel, the Director of the Office of Lawyers Professional Responsibility, hereinafter Director, files this petition.

The above-named attorney, hereinafter respondent, was admitted to practice law in Minnesota on October 23, 1992. Respondent currently practices law in Minneapolis, Minnesota.

Respondent has committed the following unprofessional conduct warranting public discipline:

FIRST COUNT

Pattern of Frivolous Litigation

***Tully* Matter**

1. On October 28, 2010, respondent filed a civil lawsuit in Minnesota state court on behalf of Mark Tully and 18 other plaintiffs. *Tully, et al. v. Bank of America.* The plaintiffs were homeowners and individual borrowers who claimed ownership in various residential properties. The named defendants included several banks as well as Richard Stanek, in his capacity as Sheriff of Hennepin County. The complaint alleged

the bank defendants did not have possession of the plaintiffs' promissory notes and thus did not have standing to foreclose.

2. The bank defendants removed the action to federal court and filed a motion to dismiss.

3. On December 21, 2010, respondent filed an amended complaint on behalf of the plaintiffs.

4. On January 4, 2011, the bank defendants filed a motion to dismiss the amended complaint. On January 10, 2011, Stanek filed a motion to dismiss.

5. On February 9, 2011, respondent filed a motion to remand on the ground that the federal district court no longer had subject-matter jurisdiction.

6. On May 17, 2011, the court issued an order. The court's order:

   a. Denied plaintiffs' motion to remand, stating the court had subject-matter jurisdiction at the time of removal and because plaintiffs fraudulently joined Stanek, thus making the parties diverse;

   b. Granted bank defendants' amended motion to dismiss;

   c. Granted Stanek's motion to dismiss;

   d. Dismissed plaintiffs' amended complaint, pertaining to Stanek, with prejudice, for lack of standing and inadequate pleading under Fed. R. Civ. P. 8; and

   e. Dismissed plaintiffs' amended complaint, pertaining to bank defendants, without prejudice, for failure to plead detailed factual allegations establishing that plaintiffs have standing to pursue their causes of action.

7. Respondent and his clients did not appeal the court's order.

8. On June 8, 2011, as discussed below in paragraphs 28-33, respondent re-filed a case alleging the same facts in state court with most of the same plaintiffs, now known as *Larsen v. Bank of America.*

***Stein* Matter**

9. On February 4, 2011, while the *Tully* case was pending, respondent filed a notice of appeal in the United States Eighth Circuit Court of Appeals in *Stein v. Chase Home Finance, LLC.* In the underlying matter, Stein, as a *pro se* litigant, made several claims against Chase Home Finance (Chase) and National City Bank (National) in connection with a foreclosure on property owned by Stein. Stein's claims against Chase were based on the argument that Chase was required to produce both the promissory note and mortgage before or during the foreclosure proceedings, and that the failure of Chase to produce the promissory note invalidates the foreclosure proceedings. This type of claim has become known nationwide in the court system as a "show me the note" claim.

10. On November 16, 2010, and January 7, 2011, the Federal District Court for the District of Minnesota dismissed Stein's claims against Chase and National, respectively. With respect to Chase, the court found that Chase did not violate any of the statutory requirements of foreclosure and that Chase was under no obligation to produce the note.

11. On December 1, 2011, the Eighth Circuit affirmed the district court's order, stating in part that Chase was the mortgagee of record and held legal title to the property. Thus, they were entitled to commence foreclosure by advertisement, even if the promissory note was held by someone else. The court relied in part on a decision by the Minnesota Supreme Court in *Jackson v. Mortgage Electronic Registration Systems, Inc.* (MERS), 770 N.W. 2d 487 (Minn. 2009).

Welk **Matter**

12. On August 17, 2011, respondent filed *Welk v. GMAC Mortgage* in state district court.

13. The defendants filed a notice of removal matter to federal court and, shortly thereafter, filed a motion to dismiss.

14. On December 7, 2011, respondent field a motion to remand the matter to state court.

15. On March 29, 2012, the court issued an order granting defendants' motion to dismiss with prejudice and on the merits, and denying respondent's motion to remand.[1] The court's order also sanctioned respondent $50,000, stating, in part:

> The amount of this sanction is based on a number of factors, including the extraordinarily egregious and brazen nature of [respondent's] conduct; the extraordinary burden that he has imposed on this Court and the opposing parties; the fact that he has not been deterred by warnings or motions for sanctions either in this case or in other pending cases; the fact that he was not deterred by this Court's show-cause order from filing an almost entirely frivolous remand motion in violation of the local rules and then ambushing his opponents in the course of briefing that motion; and the harm he has done to his own clients, both by exploiting them financially and by obscuring (and possibly causing them to lose) any legitimate claims than maybe have had.

Failure to Voluntarily Dismiss "Show Me the Note" Lawsuits After *Welk*

16. Between February 2, 2011, and March 28, 2012 (before the March 29, 2012, decision in *Welk*), respondent filed the following 18 cases involving "show me the note" claims as follows:

- *Robinson v. Bank of America*
- *Cartier v. Wells Fargo*

[1] The court stayed the claims of plaintiff Heather Welk to determine whether the court had jurisdiction, and dismissed without prejudice claims of conversion and unjust enrichment against GMAC on behalf of plaintiff Susie Jones. On August 8, 2012, the court dismissed claims against all defendants with prejudice and on the merits except for those against GMAC due to GMAC's pending bankruptcy case.

- *Kent v. Bank of America*
- *Pope v. Wells Fargo*
- *Peterson v. CitiMortgage*
- *Brinkman v. Bank of America*
- *Kraus v. CitiMortgage*
- *Xiong v. Bank of America*
- *Karnatcheva v. JP Morgan*[2]
- *Dunbar v. Wells Fargo*
- *Olson v. Bank of America*
- *Vang v. PNC Mortgage*
- *Mutua v. Deutsche Bank*
- *Adorno v. CitiMortgage*
- *Johnson v. Deustche Bank*
- *Haubrich v. US Bank*
- *Mustafa v. Bank of America*
- *Blaylock v. Wells Fargo*

17. After the court's March 29, 2012, decision in *Welk*, and the Eighth Circuit's December 1, 2011, decision in *Stein*, respondent did not dismiss or withdraw any of the cases listed above.

18. Each of the cases listed in paragraph 15, above, were dismissed by the federal court, save for *Mutua* which was dismissed by the state court after being remanded by the federal court.

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[2] The root premise of Karnatcheva and cases filed after February 17, 2012, are based on "show me the note," but on February 17, 2012, respondent filed an amended complaint in Karnatcheva that alleged that mortgage assignments had not been executed and recorded and thus the chain of title had been broken. Respondent further alleged that due to the broken chain of title, the mortgages and the foreclosures were invalid. On May 11, 2012, the court in Karnatcheva found there was no factual basis for such claims, and dismissed the matter with prejudice.

Filing Frivolous Lawsuits

19. Despite the Eighth Circuit's December 1, 2011, decision in *Stein* and the district court's March 29, 2012, decision in *Welk*, respondent filed at least 24 more cases alleging "show me the note" and "chain of title" theories as follows:

- *Nelson v. Bank of America*
- *Butler v. Federal National Mortgage Association*
- *Welk v. Federal National Mortgage Association*
- *Stilp v. HSBC Bank*
- *Vollmer v. Federal Home Loan Mortgage Corporation*
- *Forseth v. Bank of America*
- *Pope v. Federal Home Loan Mortgage Association*
- *Schumacher v. Federal Home Loan Mortgage Association*
- *Lee v. Federal Home Loan Mortgage Association*
- *McGlory v. CitiMortgage*
- *Warner v. Chase*
- *Segura v. MERS*
- *Ko v. MERS*
- *Quale v. MERS*
- *Lora v. MERS*
- *Gerdes v. Federal Home Loan Mortgage Association*
- *Gharwal v. Federal Home Loan Mortgage Association*
- *Sonsalla v. MERS*
- *Ville v. Federal National Mortgage Association*
- *Xiong v. Federal National Mortgage Association*
- *Yang v. Federal National Mortgage Association*
- *Mondragon v. Federal National Mortgage Association*
- *Lubbers v. Deutsche Bank*

- *Simmer v. HSBC Bank*

20. The 24 cases filed after *Welk*, as listed above, were all dismissed by the federal court.

***Butler v. Bank of America* and Fraudulent Joinder**

21. On January 21, 2011, respondent filed a lawsuit on behalf of himself and his then-wife, Mary S. Butler, against Bank of America, N.A. (BOA), BAC Home Loan Servicing, and Peterson, Fram & Bergman, PA (PFB). This complaint again challenged the foreclosure by advertisement proceeding, asserting that defendants "do not have valid, clear title to the Original note and therefore cannot assert rights under the Mortgage and specifically cannot remove Plaintiffs from their home until the validity and enforceability of the mortgage is fully adjudicated."

22. The defendants removed the action to federal court and filed a motion to dismiss on the grounds that the complaint fails to state a claim on which relief can be granted.

23. On June 15, 2011, respondent filed a motion to remand the case to state court. Respondent's argument in his memorandum in support of the motion to remand was, in part, that there was not complete diversity between the parties as required for the federal court to have subject matter jurisdiction as PFB is a Minnesota law firm.

24. On July 13, 2011, the court issued an order denying plaintiffs' motion to remand. The court found that there was no reasonable basis supporting plaintiff's claim against PFB and thus plaintiff's joinder of PFB was fraudulent and the parties to the action are completely diverse. The court granted the defendants' motions to dismiss, and dismissed the complaint with prejudice. The court agreed with defendants that plaintiffs' "argument that the banks were required to hold the actual note in order to foreclose is wrong under Minnesota law," citing *Jackson v. MERS*. The court also rejected respondent's characterization of the *Jackson v. MERS* decision as argued in

respondent's May 28, 2011, memo in opposition to bank defendants' motion to dismiss, which stated "simply that failure to record transfers within the MERS system does not violate Minnesota Recording Statutes to a degree that would void a foreclosure by Advertisement." The court stated, "While such an interpretation of the holding may be possible based solely on the statement of the certified question and the Minnesota Supreme Court's answer, a reading of the opinion can leave no doubt that Jackson holds that a mortgagee is not required to have any interest in the promissory note in order to Foreclose."

Fraudulent Joinder

25. Despite the court's July 13, 2011, order in *Butler* denying respondent's motion to remand and granting PFB's motion to dismiss, respondent continued in at least the following 16 cases to fraudulently join law firms and frivolously move to remand cases that defendants had removed to federal court:

- *Murphy v. Aurora Loan Services*
- *Pope v. Wells Fargo*
- *Peterson v. CitiMortgage*
- *Jerde v. JP Morgan Chase*
- *Brinkman v. Bank of America*
- *Xiong v. Bank of America*
- *Dunbar v. Wells Fargo*
- *Karnatcheva v. JP Morgan Chase*
- *Olson v. Bank of America*
- *Anderson v. CitiMortgage*
- *Nelson v. The Bank of New York Mellon*
- *Welk v. Federal National Mortgage Association*
- *Stilp v. HSBC*

- *Forseth v. Bank of America*
- *Warner v. Chase*
- *Ko v. MERS*

26. Additionally, in *Welk v. Federal National Mortgage Association* (Fannie Mae) on November 13, 2012, respondent filed an amended complaint naming Curt Trisko, individually, and his law firm Reiter & Schiller, P.A. (among other defendants).

27. On May 17, 2013, the court issued an order in *Welk v. Fannie Mae* dismissing respondent's amended complaint with prejudice. With respect to the claims against Trisko and Reiter & Schiller, P.A., the court found:

> Plaintiff appears to join Minnesota-resident Defendants Reiter & Schiller and Trisko in an effort to avoid the removal of his lawsuit to federal court. However, "there exists no reasonable basis in fact and law supporting a claim against [these] defendants." Mentz v. New Holland N. Am., Inc., 440 F.3d 1002, 1004 (8th Cir. 2006) (quotation omitted). Indeed, Mr. Welk's claims against the law firm and lawyer are even more unreasonable and attenuated than his claims against Fannie Mae. At least Fannie Mae (or its predecessor-in-interest, Wells Fargo) pursued a foreclosure against Mr. Welk's home. The law firm and lawyer were merely carrying out their job for the entities involved, for which the law provides clear protection from liability. Murphy v. Aurora Loan Servs., LLC 699 F. 3d 1027, 1031 (8th Cir. 2012) (citing McDonald v. Stewart, 182 N.W. 2d 437, 440 (Minn. 1970)).

Re-Filing Previously Dismissed Matters

28. Between April 11 and June 7, 2011, while the Butler matter was pending before the federal court, respondent filed five additional lawsuits in state court.[3] These lawsuits named a total of 80 plaintiffs, and asserted "show me the note" claims similar to the Butler case.

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[3] The five matters are as follows: *Jaakola v. CitiMortgage, Emmick v. Bank of America, Lundeen v. CitiMortgage, Rother v. Wells Fargo,* and *Larsen v. Bank of America.*

29. One of the five lawsuits, *Larsen v. Bank of America*, was filed by respondent on June 8, 2011. The *Larsen v. Bank of America* matter named 16 of the 19 original plaintiffs in *Tully*, referenced above, and included nine additional plaintiffs.

30. The defendants removed each of the five cases to federal district court.

31. On July 7, 2011, in *Larsen v. Bank of America*, respondent filed a motion to remand to state district court.

32. On July 21, 2011, the magistrate judge filed a report recommending the motion to remand be denied, stating the case was "properly removed based on diversity of jurisdiction and federal question jurisdiction."

33. Between July 27 and August 1, 2011, shortly after the federal district court's July 13 order in *Butler* dismissing the matter with prejudice and the July 21 recommendation in *Larsen v. Bank of America*, respondent filed notices for voluntary dismissal without prejudice in all five cases.

34. Respondent re-filed the five matters into four matters as follows:

a. On July 22, 2011, respondent filed a notice of voluntary dismissal in federal court in *Emmick v. Bank of America*. That same day, respondent filed *Kent v. Bank of America* in state court. The 18 plaintiffs from *Emmick* are named in the *Kent* matter, along with two new plaintiffs.

b. On July 27, 2011, respondent filed a notice of voluntary dismissal in federal court in *Larsen v. Bank of America*. That same day, respondent filed *Robinson v. Bank of America* in state court. The *Robinson* filing included 24 of the 25 original plaintiffs in *Larsen*, along with 16 new plaintiffs.

c. On July 28, 2011, respondent filed a notice of voluntary dismissal in *Jaakola v. CitiMortgage*. On July 30, 2011, respondent filed a notice of voluntary dismissal in *Lundeen v. CitiMortgage*. On July 28, 2011, respondent filed *Peterson v. CitiMortgage*. The *Peterson* filing included 28 of the 30 combined original plaintiffs in *Jaakola* and *Lundeen*, with the addition of eight new plaintiffs.

d. On August 1, 2011, respondent filed a notice of voluntary dismissal in federal court in *Rother v. Wells Fargo*. That same day, respondent filed *Pope v. Wells Fargo*. The *Pope* matter included seven of the eight original plaintiffs in *Rother*, with the addition of one new plaintiff.

35. Not only were the four re-filed matters listed above ultimately dismissed by the court, but the plaintiffs in two of these matters were sanctioned for bringing a claim that had been previously dismissed pursuant to Rule 41(d), Fed. R. Civ. P., as follows:

a. On April 5, 2013, in *Kent v. Bank of America*, the court issued an order awarding Rule 41(d) costs to defendants in the amount of $5,851.94. The order further stated that the defendants recover these costs in the amount of $487.66 from each of 12 identified plaintiffs.[4]

b. On April 12, 2013, in *Robinson v. Bank of America*, the court issued an order awarding Rule 41(d) costs to defendants in the amount of $16,234. The order further stated that the defendants recover these costs in the amount of $649.36 from each of 25 identified plaintiffs.[5]

Additional Re-Filing of Previously Dismissed Cases

Butler v. Federal National Mortgage Association

36. On September 24, 2012, respondent's petition for rehearing in *Butler v. Bank of America* was denied.

37. On October 5, 2012, respondent filed *Butler v. Federal National Mortgage Association* in state district court.

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[4] Two *Kent* plaintiffs (Theodore Kent and LeMay F. Kent) were not sanctioned as they were not parties in the previously dismissed *Emmick* matter.

[5] Two *Robinson* plaintiffs (Rebecca C. Robinson and Edward B. Hughes) were not sanctioned as they were not parties in the previously dismissed *Larsen* matter.

38. Defendants removed the matter to federal court and sought dismissal; plaintiffs moved to remand.

39. On May 15, 2013, the court issued an order dismissing the matter with prejudice. The court found, in part, that respondent's claims failed "under the well settled issues of collateral estoppel and res judicata," due to the judgment entered in *Butler v. Bank America* and the state court eviction action against respondent.

Welk v. Federal National Mortgage Association

40. Dean Welk, the plaintiff in *Welk v. Federal National Mortgage Association,* was also a plaintiff in *Cartier v. Wells Fargo Bank,* a quiet title matter. Welk's wife at the time, Heather Welk, was also a plaintiff in the lawsuit. In June 27, 2012, the court in *Cartier* issued an order dismissing the matter. Additionally, Heather Welk was a plaintiff in a quiet title matter, *Welk v. GMAC.* The *Welk v. GMAC* matter was dismissed on March 29, 2012.[6]

41. On October 12, 2012, respondent filed *Welk v. Federal National Mortgage Association* in district court. Dean Welk was the only plaintiff in that matter.

42. Defendants removed the matter to federal court and sought dismissal; plaintiffs moved to remand.

43. On February 27, 2013, respondent filed an amended complaint.

44. On May 17, 2013, the court issued an order dismissing the amended complaint with prejudice. The court found the claims failed, in part, due to preclusion, stating, "Mr. Welk's claims here fail for the simple reason that he is estopped from challenging, for the third time in this Court, the foreclosure on his home."

Pope v. Federal Home Loan Mortgage Association

45. Respondent represented Paul and Gretchen Pope, among other plaintiffs, in a quiet title matter, *Pope v. Wells Fargo.* On May 22, 2012, the court dismissed the

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[6] Respondent was the attorney for the plaintiffs in *Cartier v. Wells Fargo* and *Welk v. GMAC.*

matter. On June 25, 2012, plaintiffs appealed to the Eighth Circuit, represented by respondent. On October 18, 2012, the court issued an order dismissing the appeal, based on plaintiffs' October 12 request to voluntarily dismiss the matter.

46. On November 29, 2012, respondent filed *Pope v. Federal Home Loan Mortgage Association*.

47. Defendants removed the matter to federal court and sought dismissal; plaintiffs moved to remand.

48. On May 23, 2013, the court dismissed the matter, citing preclusion in part and stating, "[T]hey are precluded from bringing this lawsuit because they have already litigated, and lost, their challenge to the foreclosure of their home."

DuBe v. Federal National Mortgage Association

49. Respondent represented Robert and Cynthia DuBe, among other plaintiffs, in a quiet title matter, *Peterson v. CitiMortgage*. On May 30, 2012, the court dismissed the matter with prejudice. Plaintiffs appealed to the Eighth Circuit, represented by respondent. On January 29, 2013, the court affirmed the dismissal.

50. On March 5, 2013, respondent filed *DuBe v. Federal National Mortgage Association*. Defendants removed the matter to federal court.

51. On March 22, 2013, respondent filed a motion for temporary restraining order and preliminary injunction, seeking to prevent plaintiffs from being evicted from their home during the pendency of the case.

52. On March 22, 2013 defendants filed a response to respondent's motion stating that plaintiffs cannot show the likelihood of success on the merits necessary for a temporary injunction as their claim is barred by preclusion due to *Peterson v. CitiMortgage*.

53. On April 2, 2013, the court issued an order denying the motion for temporary restraining order stating plaintiffs have "very little likelihood of success on

the merits and analysis of the remaining factors does not tip the balance strongly in their favor."

54. On April 8, 2013, respondent filed a notice of interlocutory appeal to the Eighth Circuit of the court's April 2 order.

55. On April 15, 2013, defendants filed a motion to dismiss, citing preclusion, failure to state a claim, lack of standing, and that amending the complaint would not rectify the defects supporting dismissal.

56. On May 6, 2013, respondent filed a notice of dismissal, requesting a dismissal without prejudice and without costs.

57. On May 24, 2013, defendants filed a response to plaintiffs' May 6 notice of dismissal. Defendants requested that the court, "(1) require that the dismissal be entered with prejudice; and (2) require that Plaintiffs' counsel personally reimburse the Defendants from their attorney's fees and costs incurred in defending this action."

58. On June 10, 2013, the court issued an order granting the voluntary dismissal, stating plaintiffs' attorney has assured the court he will not be involved in a third suit, should the plaintiffs bring one, and that the plaintiffs have moved out of state and have no desire to further litigate. The court further stated that the dismissal does not divest the court of its jurisdiction to consider a motion for sanctions by defendants.

59. The defendants moved for sanctions.

60. On December 6, 2013, the court issued an order stating that although the court believes sanctions against respondent may be appropriate, the pending federal disciplinary matter in which the Chief Judge has found probable cause that respondent has violated the Minnesota Rules of Professional Conduct against respondent may address defendants' concerns. The court further stated defendants will be permitted to renew their motion should the disciplinary proceedings against respondent not sufficiently address their concerns.

61. Respondent's conduct in *Welk v. GMAC* violated Rules 3.1 and 8.4(d), Minnesota Rules of Professional Conduct (MRPC).

62. Respondent's conduct in failing to voluntarily dismiss the 18 pending "show me the note" cases after the court's March 29, 2012, ruling in *Welk v. GMAC* violated Rules 3.1 and 8.4(d), MRPC.

63. Respondent's conduct in filing at least 24 additional "show me the note" and "chain of title" cases after the court's March 29, 2012, ruling in *Welk v. GMAC* violated Rules 3.1 and 8.4(d), MRPC.

64. Respondent's conduct in fraudulently joining law firms, and in frivolously moving to remand cases that defendants had removed to federal court on at least 16 occasions after *Butler v. Bank of America* violated Rules 3.1 and 8.4(d), MRPC.

65. Respondent's conduct in naming attorney Curt Trisko individually as a defendant in *Welk v. Federal National Mortgage Association* violated Rules 3.1 and 8.4(d), MRPC.

66. Respondent's conduct in repeatedly re-filing previously dismissed matters violated Rules 3.1 and 8.4(d), MRPC.

SECOND COUNT

Failure to Pay Sanctions and Attorneys' Fees

67. Respondent has been sanctioned by the courts for his conduct related to filing and pursuing frivolous lawsuits in no fewer than six cases, for a total of $298,258.47.[7]

Welk v. GMAC

68. On March 29, 2012, the federal district court in *Welk v. GMAC Mortgage, LLC*, sanctioned respondent $50,000 for his "unreasonable and vexatious conduct,"

[7] This amount includes sanctions and attorneys' fees assessed against respondent. Respondent's clients have also been personally sanctioned an additional $22,085.94 in connection with quiet title claims.

which included filing a frivolous claim and continuing to advocate frivolous claims throughout the proceedings. The court also granted defendants' motion for sanctions, with the amount to be determined in a subsequent order.

69. On August 8, 2012, the court ordered respondent to pay attorneys' fees in the following denominations:

$5,746.70	Dorsey & Whitney, LLP
$3,020.00	Shapiro and Zielke, LLP
$10,000.00	Faegre and Bakers Daniels, LLP
$6,000.00	Lindquist and Vennum, PLLP
$5,000.00	Dykema Gossett, LLP and Foley and Mansfield, PLLP

70. On September 7, 2012, respondent appealed the August 8, 2012, order.

71. On July 15, 2013, the Eighth Circuit affirmed the August 8, 2012, order.

72. On August 12, 2013, after the Eighth Circuit court in *Welk v. GMAC* affirmed the district court's judgment, the district court ordered respondent to pay the $50,000 sanction and the $29,766.70 in attorneys' fees by August 30, 2013. Respondent failed to do so.

73. On August 30, 2013, respondent wrote the court, stating he is unable to pay the sanctions.

74. On September 3, 2013, the court issued an order to show cause why respondent should not be held in contempt for failure to comply with court orders to pay sanctions and attorneys' fees. The court scheduled an evidentiary hearing for November 5, 2013. On September 25, 2013, the hearing date was continued to December 17, 2013.

75. On January 21, 2014, the court issued an order finding respondent in contempt for failure to comply with the court's August 12, 2013, order to pay sanctions. The court deferred decision on the remedy for respondent's contempt until the court

can determine whether respondent makes a good faith effort to pay as a result of his suspension.[8]

Murphy v. Aurora

76. On May 4, 2012, the court issued an order sanctioning respondent $50,000. The court found that respondent pursued "discredited legal theories" and that he "does not make a good faith effort to argue for a change in the law. Instead he continues to refuse to acknowledge that these 'show me the note' claims are based on a 'legal fallacy.'"

77. On May 14, 2012, respondent filed an objection to the sanctions order.

78. On July 10, 2012, the court affirmed the May 4 order.

79. On September 4, 2012, the court issued an order finding respondent in contempt of court for failure to pay the $50,000 sanction.

80. On July 26, 2013, the Eighth Circuit affirmed the sanction, but remanded the matter to district court to reconsider the amount of the award.

81. On September 5, 2013, the district court sanctioned respondent $50,000. Respondent appealed the September 5, 2013, order and the court has not ruled on the appeal to date.

82. To date, respondent has made no payments towards the sanction against him.

Dunbar v. Wells Fargo

83. On April 23, 2012, the court issued an order sanctioning respondent in an amount to be determined. The court found, "The complaint and filings are contrary to the law of Minnesota. Butler presents no argument for reversing or modifying that law

[8] On December 26, 2013, respondent was suspended from practice in the Eighth Circuit. The federal district court automatically suspended respondent as a result of the Eighth Circuit's suspension.

and instead argues that it does not apply . . . Butler's argument is frivolous under Jackson."

84. On June 6, 2012, the court issued an order sanctioning respondent $11,437.65. The sanction was due immediately and was to be paid to defendants Wells Fargo Bank, N.A., MERS, MERSCORP, Inc., and Federal National Mortgage Association.

85. On June 7, 2012, respondent appealed the June 6 order.

86. On March 14, 2013, the Eighth Circuit affirmed the sanctions.

87. On June 13, 2013, the district court issued an order requiring respondent to pay the sanctions by June 27, 2013.

88. On August 22, 2013, the defendants filed a motion to show cause why respondent should not be held in contempt for his failure to pay the sanction. To date, the court has not ruled on this motion and respondent has not paid the sanction.

Olson v. Bank of America

89. On June 20, 2012, the court issued an order sanctioning respondent $10,000. The court's order referred to respondent's "multiple and vexatious filings," and also cited his "misrepresentations and blame-shifting in his response to Motion for Sanctions" as the cause for the sanctions.

90. On June 29, 2012, respondent wrote the court, requesting to file a motion for reconsideration of the June 20 order.

91. On July 2, 2012, the court denied respondent's June 29 request.

92. On August 2, 2012, respondent filed a notice of appeal with respect to the court's June 20 and July 2 orders.

93. On June 28, 2013, the Eighth Circuit affirmed the district court's sanction.

94. To date, respondent has made no payments towards the sanction against him.

Blaylock v. Wells Fargo

95. On June 29, 2012, the court issued an order sanctioning respondent $75,000, due immediately. The court found sanctions were warranted for the following reasons:

a. The egregious and bad faith nature of Butler's conduct;

b. The significant burden he has imposed on six defendants and their legal counsel;

c. Butler's unflagged filing and continued litigation of claims which have been dismissed by every court to entertain them;

d. His utterly frivolous motion to remand; and

e. His cruel arousal of unrealistic hope in his clients, all of whom face foreclosure and for who this is an extremely emotional issue.

The court's order also requested defendants to file affidavits as to the attorneys' fees and costs they have incurred since April 19, 2012.

96. On July 6, 2012, respondent filed a notice of appeal with respect to the June 29 order.

97. On August 21 and 23, 2012, the court issued orders requiring respondent to pay a total of $26,602.15 in attorneys' fees within 60 days of the date of the order in the following amounts:

$1,575.00	Snyder Gislason Frasier, LLC
$4,567.80	Snell & Wilmer L.L.P
$7,559.50	Briggs and Morgan, P.A.
$3,367.50	Goodwin Procter, LLP
$9,532.35	Faegre and Bakers Daniels, LLP

98. On September 21, 2012, respondent appealed the August 21 and 23 orders.

99. On April 19, 2013, the Eighth Circuit affirmed the award of sanctions and attorneys' fees.

100. To date, respondent has made no payments towards the sanctions and attorneys' fees against him.

Mustafa v. Bank of America

101. On August 20, 2012, the court issued an order sanctioning respondent for "again attempting to assert the consistently rejected 'show me the note' theory, along with similarly baseless quiet title and slander of title claims." The court requested defendants to file affidavits as to the attorneys' fees and expenses incurred.

102. On September 18, 2012, respondent filed a notice of appeal of the August 20 order.

103. On November 30, 2012, the court issued an order requiring respondent to pay attorneys' fees and expenses in the following amounts within 60 days: $21,077.97 to BOA, MERSCORP, and MERS with respect to claims asserted by Chad Everett, and $24,374 to BOA, BOAHLS, MERSCORP, MERS, The Bank of New York Mellon, The Bank of New York Mellon Trust Company, and Freddie Mac for claims asserted by plaintiffs other than Chad Everett.

104. On December 31, 2012, respondent filed a notice of appeal of the court's November 30, 2012, order.

105. On July 12, 2013, the Eighth Circuit affirmed the imposition of sanctions in the district court's November 30 order.

106. To date, respondent has made no payments towards the attorneys' fees assessed against him.

107. Respondent's conduct in failing to pay sanctions and attorneys' fees against him violated Rules 3.4(c) and 8.4(d), MRPC.

THIRD COUNT

Segura Matter

108. On January 14, 2013, Armando and Maria De Jesus Segura retained respondent to represent them in a quiet title action and, ultimately, an eviction action.

109. On January 28, 2013, respondent filed a quiet title action on behalf of the Seguras and against Wells Fargo, Rieter & Schiller, and MERS.

110. In mid-February 2013, Federal National Mortgage Association (Fannie Mae) served the Seguras with a summons and complaint in an eviction action. The Seguras gave the summons and complaint to respondent.

111. On March 5, 2013, respondent appeared in court in the eviction matter on behalf of the Seguras. Respondent informed the court that the parties had reached a stipulation regarding the briefing schedule as follows:

March 8	Defendants' answer and motion due
March 15	Plaintiff's motion for summary judgment due
March 20	Defendants' responsive pleading due
March 22	Replies, if any, due

The court approved the proposed stipulation and scheduled a hearing for March 25, 2013.

112. Respondent failed to file the answer or the motion by March 8, 2013.

113. On March 13, 2013, counsel for Fannie Mae wrote the court requesting a default judgment based on respondent's failure to file an answer or any other pleadings.

114. On March 25, 2013, a hearing took place as scheduled. Respondent failed to appear at the hearing. An attorney from Butler's office contacted counsel for Fannie Mae indicating that no one from respondent's office would be attending the hearing, but neither respondent nor any representative from respondent's office informed the court that no one would be appearing on the Seguras' behalf. The Seguras appeared in

court briefly but left prior to the hearing, stating respondent told them they did not have to stay.

115. At the conclusion of the March 25 hearing and based on respondent's failure to appear and to comply with the scheduling order, the court ordered the court administrator to issue judgment for Fannie Mae for recovery of the premises. Judgment was entered on April 1, 2013.

116. Respondent's conduct in the Segura matter violated Rules 1.3, 1.4(b), 3.4(c), and 8.4(d), 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: April 10, 2014.

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