

**FILE NO. A04-0303**

STATE OF MINNESOTA

IN SUPREME COURT

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In Re Petition for Disciplinary Action  
against JOHN AUGUST KRUEGER,  
a Minnesota Attorney,  
Registration No. 211503.  
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**STIPULATION  
FOR DISCIPLINE**

THIS STIPULATION is entered into by and between Kenneth L. Jorgensen, Director of the Office of Lawyers Professional Responsibility, hereinafter Director, and John August Krueger, attorney, hereinafter respondent.

WHEREAS, respondent has concluded it is in respondent's best interest to enter into this stipulation,

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and between the undersigned as follows:

1. Pursuant to the Rules on Lawyers Professional Responsibility (RLPR), the parties agree to dispense with further proceedings under Rule 14, RLPR, and respondent agrees to the immediate disposition of this matter by the Minnesota Supreme Court under Rule 15, RLPR.
2. Respondent understands this stipulation, when filed, will be of public record.
3. It is understood that respondent has certain rights pursuant to Rule 14, RLPR. Respondent waives these rights, which include the right to a hearing before a referee on the petition; to have the referee make findings and conclusions and a

recommended disposition; to contest such findings and conclusions; and to a hearing before the Supreme Court upon the record, briefs and arguments.

4. Respondent withdraws the answer filed herein and unconditionally admits the following allegations of the petition which may be summarized as follows:

a. In 1997 respondent notarized a settlement release that contained a forged client signature. Respondent was unaware that the settlement release contained a forged client signature because of his failure to supervise a non-lawyer assistant as recounted in paragraph (c) below.

b. In 1997 respondent endorsed settlement checks on a no-fault and uninsured motorist claim that contained forged client signatures. Respondent deposited the checks into his trust account and withdrew attorney fees. Respondent was unaware that the settlement checks contained forged signatures because of his failure to supervise a non-lawyer assistant as recounted in paragraph (c) below.

c. Respondent failed to supervise a non-lawyer assistant, which enabled the non-lawyer assistant to negotiate and settle claims on behalf of a deceased client in a personal injury case. Respondent's failure to supervise included:

(i) The non-lawyer assistant making withdrawals from respondent's client trust account without supervision and without respondent's signature;

(ii) The non-lawyer assistant meeting and advising a client without any supervision or review; and

(iii) The non-lawyer assistant managing, negotiating and settling no-fault and underinsured motorist claims with insurance companies without supervision.

Respondent affirmatively states that he has since implemented office procedures to ensure the supervision of non-lawyer assistants consistent with his obligations under the Minnesota Rules of Professional Conduct (MRPC).

d. Respondent failed to timely file his state and federal individual income tax returns for 1996 and 1997. Respondent affirmatively states that since 1997 he has timely filed state and federal tax returns.

e. Respondent admits that his conduct violated Rules 4.1, 5.3(a), (b) and (c), 5.5 and 8.4(c) and (d), MRPC.

f. The Director dismisses the remaining allegations contained in paragraphs 31, 32, 33, and 38 and the last sentence of paragraph 40 of the Petition for Disciplinary Action.

5. Respondent understands that based upon these admissions, this Court may impose any of the sanctions set forth in Rule 15(a)(1) - (9), RLPR, including making any disposition it deems appropriate. Respondent understands that by entering into this stipulation, the Director is not making any representations as to the sanctions the Court will impose.

6. The Director and respondent join in recommending that:

a. The appropriate discipline is a 30-day suspension pursuant to Rule 15, RLPR, and supervised probation for a period of two years under the conditions set forth in paragraphs 7(a) through (g). The suspension shall be effective fourteen days from the date of the Court's suspension order;

- b. The reinstatement hearing provided for in Rule 18(a) through (d), RLPR, be waived;
  - c. Respondent be required to successfully complete the professional responsibility portion of the state bar examination within one year of the date of this Court's order;
  - d. Respondent comply with Rule 26, RLPR;
  - e. Respondent pay \$900 in costs pursuant to Rule 24(a), RLPR, and \$825 as disbursements pursuant to Rule 24(b), RLPR; and
  - f. Respondent be reinstated following the expiration of the suspension provided that at least 15 days before the expiration of the suspension period, respondent files an affidavit with the Clerk of Appellate Courts and the Director's Office establishing that respondent is current with Continuing Legal Education, has fully complied with Rules 24 and 26, RLPR, and has satisfactorily completed all other conditions imposed by the Court in its decision.
7. Upon reinstatement, respondent shall be placed on supervised probation for a period of two years on the following conditions:
- a. Respondent shall cooperate fully with the Director's Office in its efforts to monitor compliance with this probation and promptly respond to the Director's correspondence by the due date. Respondent shall cooperate with the Director's investigation of any allegations of unprofessional conduct which may come to the Director's attention. Upon the Director's request, respondent shall provide authorization for release of information and documentation to verify compliance with the terms of this probation.
  - b. Respondent shall abide by the Minnesota Rules of Professional Conduct.

c. Respondent shall be supervised by a licensed Minnesota attorney, appointed by the Director to monitor compliance with the terms of this probation. Respondent shall provide to the Director the names of four attorneys who have agreed to be nominated as respondent's supervisor within two weeks from the date this stipulation is executed. If, after diligent effort, respondent is unable to locate a supervisor acceptable to the Director, the Director will seek to appoint a supervisor. Until a supervisor has signed a consent to supervise, the respondent shall on the first day of each month provide the Director with an inventory of active client files described in paragraph (d) below. Respondent shall make active client files available to the Director upon request.

d. Respondent shall cooperate fully with the supervisor in his/her efforts to monitor compliance with this probation. Respondent shall contact the supervisor and schedule a minimum of one in-person meeting per calendar quarter. Respondent shall submit to the supervisor an inventory of all active client files by the first day of each month during the probation. With respect to each active file, the inventory shall disclose the client name, type of representation, date opened, most recent activity, next anticipated action, and anticipated closing date. Respondent's supervisor shall file written reports with the Director at least quarterly, or at such more frequent intervals as may reasonably be requested by the Director.

e. Within thirty days from the execution of this stipulation, respondent shall provide to the Director and to the probation supervisor, a written plan outlining office procedures designed to ensure that respondent is in compliance with probation requirements. Such office procedures shall ensure that respondent has procedures in place to ensure the supervision of non-lawyer

assistants consistent with respondent's obligations under the MRPC.

Respondent shall provide progress reports as requested.

f. Respondent shall maintain law office and trust account books and records in compliance with Rule 1.15, MRPC, and LPRB Opinion No. 9. These books and records include the following: client subsidiary ledger, checkbook register, monthly trial balances, monthly trust account reconciliation, bank statements, canceled checks, duplicate deposit slips and bank reports of interest, service charges and interest payments to the Lawyer Trust Account Board. Such books and records shall be made available to the Director within 30 days of the approval of the court's order and thereafter shall be made available to the Director at such intervals as he deems necessary to determine compliance.

g. Respondent shall timely file all required state and federal tax returns, including individual and employer withholding returns, and timely pay the taxes due thereon. Respondent shall affirmatively report to the Director, on or before the due date of the required returns, his compliance with filing and payment requirements. Such reports shall include copies of the required returns. On or before the filing deadline, respondent shall provide the Director with copies of all applications for filing extension and proof of approval of such applications. Respondent shall provide all of the documents and information required herein without specific reminder or request.

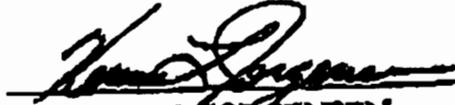
8. This stipulation is entered into by respondent freely and voluntarily, without any coercion, duress or representations by any person except as contained herein.

9. Respondent hereby acknowledges receipt of a copy of this stipulation.

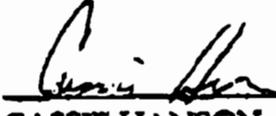
10. Respondent has been advised by the undersigned counsel concerning this stipulation and these proceedings generally.

IN WITNESS WHEREOF, the parties executed this stipulation on the dates indicated below.

Dated: May 27, 2004.

  
KENNETH L. JORGENSEN  
DIRECTOR OF THE OFFICE OF LAWYERS  
PROFESSIONAL RESPONSIBILITY  
Attorney No. 159463  
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345 St. Peter Street  
St. Paul, MN 55102-1218  
(651) 296-3952

Dated: May 27, 2004.

  
CASSIE HANSON  
ASSISTANT DIRECTOR  
Attorney No. 303422

Dated: 5/27, 2004.

  
JOHN AUGUST KRUEGER  
RESPONDENT

Dated: 5/27, 2004.

  
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