

FILE NO. _____

STATE OF MINNESOTA

IN SUPREME COURT

In Re Petition for Disciplinary Action
against CHANEL GIGI MELIN,
a Minnesota Attorney,
Registration No. 342506.

**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 December 14, 2004. Respondent is currently not practicing law, but resides in Vail, Colorado. Respondent was suspended on July 1, 2011, for non-payment of lawyer registration fees.

Respondent has committed the following unprofessional conduct warranting public discipline:

FIRST COUNT

1. In October 2005, respondent began renting an apartment in a building located at 3906 Thomas Avenue South, Minneapolis, Minnesota ("building"). Respondent lived in unit 201.

2. In May 2007, the building was purchased by Brian and Maria McCarthy with the intent of converting the building into condominiums. Also, the McCarthys

established the Thomas Place Condominium Association (“association”) and were on the board of directors for the association.

3. In September 2007, respondent purchased a condominium in the building from the McCarthys. Respondent purchased the smallest unit (unit 102) in the building for \$149,000. This was the first home respondent had purchased and it was also the first condominium in the building to be purchased. The other four condominiums were sold, but those owners did not live in the building and instead rented their condominiums out to renters.

4. In September 2008, Brian McCarthy wrote a letter to the condominium owners in the association stating that he would no longer be operating the association.

5. Respondent began investigating into the association and discovered that the other four condominiums in the building had either been fraudulently sold or the owners were unwilling to assist the association.

6. In October 2008, respondent provided notice of a board meeting to the other association members. At the October 2008 association meeting, no other owners attended other than respondent. At the October 2008 association meeting, respondent was elected president, treasurer, and secretary of the association. As association president, respondent retained her own law firm, Melin Law Office, to represent the association.

7. Respondent began using the association’s funds for her own personal use; specifically, from November 2008 until April 2010, respondent spent \$11,396.86 of the association’s funds. In June 2009 and October 2009, respondent was paid attorney’s fees in the amount of \$6,370 for her work for the association. Respondent’s attorney’s fees were placed in the association’s account.

8. In October 2009, Katherine Mader Halcrow purchased a condominium in the building. Prior to Halcrow’s purchase of the condominium, Halcrow asked respondent if the building was insured. Respondent informed Halcrow that the

building was insured. However, the insurance on the building lapsed on October 30, 2009.

9. In August 2010, Halcrow and her husband Casey discovered that respondent had not been acting in the best interests of the association.

10. On August 11, 2010, there was an association meeting. Respondent and the Halcrows were present at the association meeting. Elections for board positions for the association were held. Casey Halcrow was elected president, respondent was elected vice-president, and Katherine Halcrow was elected secretary and treasurer.

11. Also at the August 11, 2010, meeting, respondent falsely told the Halcrows that the insurance was effective. Respondent also falsely told the Halcrows that the association's bank account was closed on August 11, 2010.

12. On August 16, 2010, there was another association meeting. Respondent admitted that she had lied to the Halcrows at the August 11, 2010, meeting. Respondent admitted that the insurance for the building had lapsed and that the association's bank account was actually closed in April 2010 due to overdrafts.

13. On August 19, 2010, respondent admitted that she had used the association funds for her own personal use. Respondent also admitted that the total amount of the association's funds used was \$5,026.86 (the \$11,396.86 spent by respondent was offset by the \$6,370 in attorney's fees earned by respondent).

14. Respondent has provided full restitution to the association for the funds she used for her personal use.

15. Respondent's conduct of misappropriating \$5,026.86 from the association for her own personal use violated Rule 8.4(c), Minnesota Rules of Professional Conduct (MRPC).

16. Respondent's false statement to the association on August 11, 2010, that the building was covered by insurance violated Rule 8.4(c), MRPC.

17. Respondent's false statement to the association on August 11, 2010, that the association's bank account had been closed on August 11, 2010, 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: January 9, 2012.



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