

FILE NO. _____

STATE OF MINNESOTA

IN SUPREME COURT

In Re Petition for Disciplinary
Action against WILLIAM D. PAUL,
an Attorney at Law of the
State of Minnesota.

**STIPULATION FOR DISPENSING
WITH PANEL PROCEEDINGS,
FOR FILING PETITION FOR
DISCIPLINARY ACTION,
AND FOR DISCIPLINE**

THIS STIPULATION is entered into by and between Edward J. Cleary, Director of the Office of Lawyers Professional Responsibility, hereinafter Director, and William D. Paul, 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. It is understood that respondent has the right to have charges of unprofessional conduct heard by a Lawyers Professional Responsibility Board Panel prior to the filing of a petition for disciplinary action, as set forth in the Rules on Lawyers Professional Responsibility (RLPR). Pursuant to Rule 10(a), RLPR, the parties agree to dispense with Panel proceedings under Rule 9, RLPR, and respondent agrees to the immediate filing of a petition for disciplinary action, hereinafter petition, in the Minnesota Supreme Court.

2. Respondent understands that upon the filing of this stipulation and the petition, this matter 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. Respondent hereby admits service of the petition.

4. Subject to the mitigating and explanatory fact set forth in Paragraph 5, hereunder, respondent waives the right to answer and unconditionally admits the allegations of the petition which may be summarized as follows:

a. Respondent's pattern of neglect in the Corwin and Wolfe matters, pattern of failing to keep Corwin and Wolfe advised of the status of their matters, misrepresentation to Corwin concerning preparation of the complaints, failure to promptly return client funds or an accounting to Corwin, and failure to return client materials to Corwin after termination of representation, violated Rules 1.3, 1.4(a), 1.15(b), 1.16(d), 4.1 and 8.4(c) and (d), Minnesota Rules of Professional Conduct (MRPC).

b. Respondent's pattern of failure to deposit the Corwin cost advances, other cost advances and unearned fee advances into a trust account and deposit of these funds into his non-fiduciary business account, and failure to safeguard client funds, violated Rule 1.15(a), MRPC.

c. Respondent's failure to cooperate with the Director's investigation violated Rule 8.1(a)(3), MRPC, Rule 25, RLPR, and the Minnesota Supreme Court's holding in *In re Cartwright*, 282 N.W.2d 548 (Minn. 1979).

5.

a. Respondent's failure to draft the QDRO, as described in paragraphs 24 through 28 of the petition, caused no prejudice to his client, as the client's right to participate in the pension was several years in the future.

b. Respondent should have been, but was not, aware that the MRPC required him to deposit cost advances and unearned fee advances into a trust account until the costs were incurred or the fees were earned. After an audit of respondent's accounts, the Director is unaware of any evidence that respondent intended to permanently deprive clients of their monies, as all fee advances appear to have been earned and all cost advances were paid over to third parties (for example, to the clerk of court for filing fees).

6. 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 sanction the Court will impose.

7. The Director and respondent join in recommending that the appropriate discipline is public reprimand and a two-year period of probation pursuant to Rule 15, RLPR. Respondent agrees to the imposition and payment of \$900 in costs pursuant to Rule 24, RLPR.

8. Respondent's two-year period of probation shall be subject to 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. Respondent shall initiate and maintain office procedures which ensure that there are prompt responses to correspondence, telephone calls, and other important communications from clients, courts and other persons interested in matters which respondent is handling, and which will ensure that

respondent regularly reviews each and every file and completes legal matters on a timely basis.

f. Within thirty days from the execution of this stipulation, respondent shall provide to the Director and to the probation supervisor, if any, a written plan outlining office procedures designed to ensure that respondent is in compliance with probation requirements. Respondent shall provide progress reports as requested.

g. 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 this stipulation and thereafter shall be made available to the Director at such intervals as he deems necessary to determine compliance.

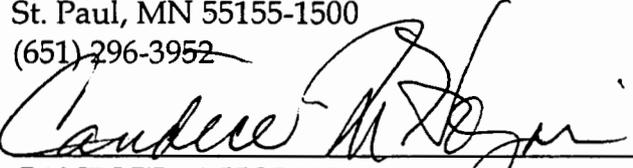
9. This stipulation is entered into by respondent freely and voluntarily, without any coercion, duress or representations by any person except as contained herein.

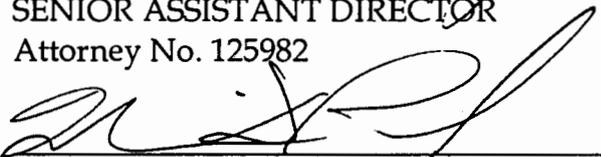
10. Respondent hereby acknowledges receipt of a copy of this stipulation.

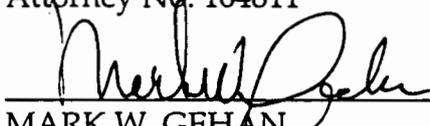
11. Respondent has been advised by the undersigned counsel concerning this stipulation and these proceedings generally.

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

Dated: Feb. 7, 2000. 
EDWARD J. CLEARY
DIRECTOR OF THE OFFICE OF LAWYERS
PROFESSIONAL RESPONSIBILITY
Attorney No. 17267
25 Constitution Avenue, Suite 105
St. Paul, MN 55155-1500
(651) 296-3952

Dated: Feb 3, 2000. 
CANDICE M. HOJAN
SENIOR ASSISTANT DIRECTOR
Attorney No. 125982

Dated: Feb 11, 2000. 
WILLIAM D. PAUL
RESPONDENT
Attorney No. 164811

Dated: Feb 8, 2000. 
MARK W. GEHAN
ATTORNEY FOR RESPONDENT
Attorney No. 33984
W-1100 First National Bank Building
332 Minnesota Street
St. Paul, MN 55101-1379