

FILE NO. A031979

STATE OF MINNESOTA

IN SUPREME COURT

In Re Petition for Disciplinary Action
against JULIA K. SATTERLEE RHODES,
a Minnesota Attorney,
Registration No. 307713.

**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 Julia K. Satterlee Rhodes, 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 December 16, 2003, petition for disciplinary action filed and served by the Director; 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 waives the right to answer the petition for disciplinary action and unconditionally admits the allegations of the petition, which may be summarized as follows:

a. Respondent (1) improperly advised her client in a medical malpractice action to enter into an agreement with a financing company that called for, in exchange for a \$7,000 advance to the client, payment of \$26,495.00 to the financing company from any proceeds of a verdict or settlement in the action, (2) misappropriated at least \$3,609.28 of the \$7,000 received from the financing company, and (3) misrepresented to the Director how the funds had been spent, in violation of Rules 1.1, 1.7(b), 1.15(a), 8.1(a)(1), and 8.4(c), Minnesota Rules of Professional Conduct (MRPC).

b. Respondent failed to act diligently and promptly in three client matters and failed to adequately communicate with those clients in violation of Rules 1.3 and 1.4, MRPC.

c. Respondent failed to cooperate in these disciplinary proceedings in violation of Rule 8.1(a)(3), MRPC, and Rule 25, RLPR.

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 the appropriate discipline is an indefinite suspension with a three-year minimum term pursuant to Rule 15, RLPR. The reinstatement hearing provided for in Rule 18, RLPR, is not waived and it is agreed that respondent may not petition for reinstatement until after the three year minimum term has expired. Reinstatement is conditioned upon: (1) payment of costs in the amount of \$900 pursuant to Rule 24(d), RLPR; (2) compliance with Rule 26, RLPR;

(3) successful completion of the professional responsibility examination pursuant to Rule 18(e); (4) satisfaction of the continuing legal education requirements pursuant to Rule 18(e), RLPR; and (5) payment of \$7,000.00 restitution to Jaronda Wilks.

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

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

9. Respondent has been advised of the right to be represented herein by an attorney but has freely chosen to appear *pro se*.

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

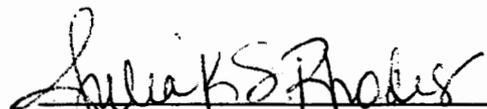
Dated: February 17, 2004.


KENNETH L. JØRGENSEN
DIRECTOR OF THE OFFICE OF LAWYERS
PROFESSIONAL RESPONSIBILITY
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Dated: FEBRUARY 16, 2004.


PATRICK R. BURNS
SENIOR ASSISTANT DIRECTOR
Attorney No. 134004

Dated: 2/13/04, 2004.


JULIA K. SATTERLEE RHODES
RESPONDENT
P.O. Box 5613
Hopkins, MN 55343

MEMORANDUM

The Director submits this memorandum to the Court by way of further explanation of two issues considered in agreeing to enter into this stipulation with respondent.

First, while the petition for disciplinary action and the summary of misconduct contained in this stipulation recite that respondent misappropriated at least \$3,609.28 of \$7,000 entrusted to her, the stipulation calls for payment of restitution in the full amount of \$7,000. It is the Director's contention that full restitution is appropriate under the circumstances of this case. As alleged in the petition, respondent advised her client to enter into an onerous agreement to, in large part, advance respondent's own financial interests, not the client's. There is no evidence that respondent advised or assisted the client in exploring other avenues of funding her litigation that were less costly, including associating with counsel who was better able to advance the costs of litigation. Additionally, that portion of the \$7,000 not explicitly charged in the petition as funds that were misappropriated (the payments for secretarial and research and investigation services), while arguably related to the litigation, were not expenses that the client agreed to pay in advance of recovery. While these funds were not misappropriated directly to respondent's benefit, they were improperly applied. Finally, there is evidence that the \$7,000 advance was to be used exclusively for payment of expert witness fees. No portion of the funds was applied to expert witness fees.

The Director also recognizes that a case involving misappropriation, client neglect, and extensive failure to cooperate in the disciplinary process would ordinarily merit disbarment. The Director considered two mitigating factors in agreeing to a disposition less than disbarment. The first is respondent's inexperience in the practice of law at the time she undertook the medical malpractice case. The second is respondent's agreement to repay the full \$7,000 as restitution. The Director believes

that, within the context of this stipulation, these factors warrant agreeing to a disposition less than disbarment.

K.L.J.