

FILE NO. A04-1072

STATE OF MINNESOTA

IN SUPREME COURT

In Re Petition for Disciplinary Action
against MARTHA G. SCHMITT,
a Minnesota Attorney,
Registration No. 147023.

**STIPULATION
FOR DISCIPLINE**

THIS STIPULATION is entered into by and between Betty M. Shaw, Acting Director of the Office of Lawyers Professional Responsibility, hereinafter Director, and Martha G. Schmitt, 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. Respondent is currently the subject of a May 19, 2004, petition for disciplinary action. Respondent was temporarily suspended from the practice of law by Supreme Court order dated June 15, 2004. Respondent agrees to the immediate filing of an amended and supplementary petition for disciplinary action, hereinafter amended and supplementary petition, in the Minnesota Supreme Court.

2. 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.

3. Respondent understands this stipulation, when filed, will be of public record.

4. 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 amended and supplementary 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.

5. Respondent waives the right to answer and unconditionally admits the allegations of the amended and supplementary petition which may be summarized as follows:

a. Respondent, in five separate matters, misappropriated funds from clients and her employer, in some cases making false statements and submitting false documentation to the court to conceal her misappropriations. At least one of the matters involved misappropriation of funds from a vulnerable adult. Respondent was convicted on a charge of theft by swindle over \$35,000 as a result of the misappropriations.

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 sanctions the Court will impose.

7. Respondent states that she used most of the misappropriated funds identified in the petition for purchase of drugs from an internet pharmacy. Respondent believes that she is and at relevant times has been chemically dependent. Respondent also believes that her chemical dependency played some role in her misappropriations. Respondent acknowledges, however, that she is unable to prove by clear and convincing evidence the criteria required by law for her chemical dependency to be a substantially mitigating circumstance. Respondent also represents that her chemical

dependency does not impair her ability to understand this stipulation and its consequences.

8. The Director and respondent join in recommending that the appropriate discipline is disbarment pursuant to Rule 15, RLPR. Respondent agrees to the imposition and payment of \$900 in costs pursuant to Rule 24, RLPR.

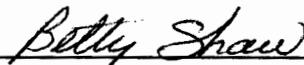
9. This stipulation is entered into by respondent freely and voluntarily, without any coercion, duress or representations by any person except as contained herein.

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.

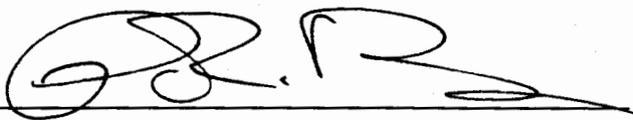
IN WITNESS WHEREOF, the parties executed this stipulation on the dates indicated below.

Dated: February 28, 2006.



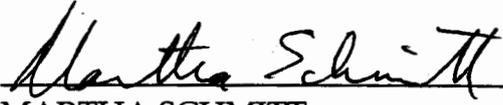
BETTY M. SHAW
ACTING DIRECTOR OF THE OFFICE OF
LAWYERS PROFESSIONAL RESPONSIBILITY
Attorney No. 130904
1500 Landmark Towers
345 St. Peter Street
St. Paul, MN 55102-1218
(651) 296-3952

Dated: February 28 2006.



PATRICK R. BURNS
SENIOR ASSISTANT DIRECTOR
Attorney No. 134004

Dated: February 23, 2006.



MARTHA SCHMITT
RESPONDENT

Dated: February 27, 2006.



WILLIAM J. WERNZ
ATTORNEY FOR RESPONDENT
Attorney No. 1159X
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402
(612) 340-5679