

**OFFICE OF
LAWYERS PROFESSIONAL RESPONSIBILITY**

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NEWS RELEASE

For immediate release
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DISCIPLINE OF ATTORNEY SOUGHT

ST. PAUL -- A petition for disciplinary action seeking appropriate discipline of Duluth attorney William D. Paul was filed today in the Minnesota Supreme Court by Susan M. Humiston, Director of the Office of Lawyers Professional Responsibility. The petition was filed after a three-member hearing Panel of the Lawyers Professional Responsibility Board found probable cause to believe that public discipline is warranted. A copy of the petition is attached.

Mr. Paul has 20 days to answer the allegations. The Minnesota Supreme Court will make the final decision on the appropriate discipline to be imposed, if any. Final action can include dismissal of the petition or discipline ranging from reprimand to disbarment.

- END -

FILE NO. _____

STATE OF MINNESOTA

IN SUPREME COURT

In Re Petition for Disciplinary Action
against WILLIAM D. PAUL,
a Minnesota Attorney,
Registration No. 0164811.

**PETITION FOR
DISCIPLINARY ACTION**

TO THE SUPREME COURT OF THE STATE OF MINNESOTA:

At the direction of a Lawyers Professional Responsibility Board Panel, the Director of the Office of Lawyers Professional Responsibility (Director) files this petition.

The above-named attorney (respondent) was admitted to practice law in Minnesota on May 15, 1985. Respondent currently practices law in Duluth, Minnesota.

Respondent has committed the following unprofessional conduct warranting public discipline:

DISCIPLINARY HISTORY

- A. On December 10, 2021, respondent received an admonition for failing to prepare written discovery responses for 10 months and failing to follow up with his client for additional information to respond to discovery for nearly six months, in violation of Rules 1.3 and 3.2, Minnesota Rules of Professional Conduct (MRPC); failing to explain strategic decisions to his client in a manner sufficiently clear or direct for respondent's client to understand and make informed decisions, in violation of Rule 1.4(a)(3)-(4), MRPC; failing to clearly explain the basis of a flat fee and failing to establish a fee within a reasonable time of commencing representation, in violation of Rule 1.5(b)(1), MRPC; failing to have a receipt for a cash

payment countersigned by the payor; in violation of Rule 1.15(h), MRPC, as interpreted by Appendix 1, at Section II(2); see also Appendix 1, at Section I(6); and delaying the filing of his notice of withdrawal in a matter until approximately three months after termination of representation, in violation of Rule 1.16(c), MRPC.

- B. On December 19, 2013, respondent received an admonition for pre-suspension misconduct of dividing a fee with another lawyer who did not perform any legal services for the client and did not assume joint responsibility for the representation of the client, in violation of Rule 1.5(e), MRPC.
- C. On September 23, 2013, respondent received an admonition for pre-suspension misconduct of failing to comply with discovery deadlines imposed by the Minnesota Rules of Civil Procedure and court order and failing to timely serve and file a reply to counterclaims in a matter, in violation of Rules 3.4(c) and 8.4(d), MRPC.
- D. On February 15, 2012, respondent received an additional admonition for failing to cooperate with the Director's investigation of another matter, in violation of Rule 8.1(b), MRPC, and Rule 25, Rules on Lawyers Professional Responsibility (RLPR).
- E. On February 15, 2012, respondent received an admonition for failing to file an informational statement, failing to appear at a telephone scheduling conference, and failing to appear at a pretrial hearing in a client's matter, in violation of Rules 1.3, 3.2, 3.4(c), and 8.4(d), MRPC; and for failing to cooperate with the Director's investigation of that matter, in violation of Rule 8.1(b), MRPC, and Rule 25, RLPR.
- F. On February 8, 2012, the Supreme Court suspended respondent for a minimum of four months, for failing to timely file a required statement of

the case and certificate as to transcript in a matter, in violation of Rule 3.2, MRPC; in a second matter, making a belated and ineffectual attempt to obtain a continuance of a hearing and failing to appear at the hearing and his office's instruction to his client not to appear for the hearing, in violation of Rules 1.1 and 1.3, MRPC; in a third matter, failing to properly serve a motion and amended motion and failing to respond to an instruction from the court in violation of Rules 3.4(c) and 8.4(d), MRPC; and failing to cooperate promptly with the Director's investigations, in violation of Rule 25, RLPR. *In re Paul*, 809 N.W.2d 693, 700, 702 (Minn. 2012). Respondent was reinstated follow a hearing on January 15, 2014. *In re Reinstatement of Paul*, 842 N.W.2d 1 (2014) (Minn. 2014).

- G. On October 13, 2006, respondent received a separate admonition for failing to provide an accounting of his attorney's fees upon the client's request, in violation of Rules 1.4 and 1.15(b), MRPC.
- H. On October 13, 2006, respondent received an admonition for conditioning a refund of attorney's fees upon a client agreeing not to file an ethics complaint, in violation of Rule 8.4(d), MRPC.
- I. On January 22, 2004, respondent was placed on private probation for two years for neglecting a client matter and failing to communicate adequately with the client, in violation of Rules 1.3 and 1.4, MRPC.
- J. On April 4, 2000, respondent was publicly reprimanded and placed on probation for two years for neglecting client matters, failing to keep the clients informed and making misrepresentations to one client, failing to promptly return the file to the client, engaging in a pattern of depositing fee and cost advances in his business account and failing to safeguard client funds, and failing to cooperate with the Director's investigation,

violating Rules 1.3, 1.4(a), 1.15(a) and (b), 1.16(d), 4.1, 8.1(a)(3), 8.4(c) and (d), MRPC.

- K. On November 26, 1997, respondent received an admonition for failing to pay a valid, law-related judgment, in violation of Rule 8.4(d), MRPC.
- L. On June 4, 1997, respondent received an admonition for neglecting a client matter and failing to adequately communicate with his client, in violation of Rules 1.3 and 1.4, MRPC.
- M. On October 1, 1991, respondent received an admonition for failing to instruct his investigators not to question a represented party and then attempting to use that party's admissions to respondent's investigator at trial, in violation of Rules 4.2, 8.4(a), and 5.3, MRPC.

FIRST COUNT

1. In 2016, AllenMax Construction, LLC (AllenMax) commenced an action against Wright Group, LLC (Wright) and Morex Properties, LLC (Morex) (*AllenMax v. Morex*).
2. Respondent represented Morex. Sauro & Bergstrom, PLLC (S&B) represented AllenMax.
3. Following a jury trial, the district court entered judgment in favor of AllenMax on its claim against Morex. Respondent, on behalf of Morex, appealed.
4. While an appeal is pending, a party may collect on a judgment unless the district court orders a stay of collection efforts pending appeal. Minn. R. Civ. P. 108.01-.02. In this matter, the district court did not stay collection efforts. Therefore, while the appeal was pending, AllenMax was able to collect on its judgment against Morex and successfully did so.
5. After that, the Court of Appeals reversed the judgment, remanded the case, and instructed the district court to enter judgment in favor of Morex and against AllenMax. Whether Morex was entitled to restitution of the money AllenMax collected

from Morex during the appeal was not an issue on appeal, and the Court of Appeals decision did not require AllenMax to return any of the money it collected on the judgment to Morex.

6. On remand to the district court, the district court held a hearing to consider the case in light of the Court of Appeals decision. During that hearing, one of the issues considered was how the court should handle Morex's potential restitution rights—given that AllenMax had collected from Morex on a now-reversed judgment.

7. Complying with the Court of Appeals decision, the district court vacated AllenMax's judgment against Morex. The district court did not award restitution to Morex and no judgment in favor of Morex and against AllenMax was issued.

8. On or about April 23, 2021, respondent started a new case on behalf of Morex. Respondent did not name AllenMax as a defendant, but respondent named S&B as one of the defendants. Respondent brought claims against S&B for restitution and unjust enrichment.

9. The court granted S&B's motions to dismiss and for sanctions. The court awarded sanctions in the amount of \$18,230.81 in favor of S&B and against respondent and his client.

10. Respondent appealed, the Court of Appeals affirmed, and the Supreme Court declined further review.

11. On August 17, 2023, judgment in favor of S&B and against respondent and Morex was docketed in district court.

12. Respondent failed to pay the judgment and failed to make any effort to pay or to enter into a mutually acceptable payment agreement with S&B.

13. On October 27, 2023, S&B (through counsel) served collection discovery on a credit union at which respondent had at least one account. On or about October 31, 2023, respondent's account was levied, and the judgment was satisfied.

14. Respondent's failure to pay a professionally incurred judgment against him violated Rule 8.4(d), MRPC.

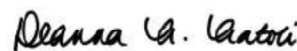
WHEREFORE, the Director respectfully prays for an order of this Court imposing appropriate discipline, awarding costs and disbursements pursuant to the Rules on Lawyers Professional Responsibility, and for such other, further or different relief as may be just and proper.



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