

FILED

May 12, 2016

**OFFICE OF
APPELLATE COURTS**

FILE NO. A15-1855

STATE OF MINNESOTA

IN SUPREME COURT

In Re Petition for Disciplinary Action
against PAUL ROBERT HANSMEIER,
a Minnesota Attorney,
Registration No. 0387795.

**SUPPLEMENTARY 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 supplementary petition for disciplinary action pursuant to Rules 10(e) and 12(a), Rules on Lawyers Professional Responsibility (RLPR).

Respondent is currently the subject of an October 28, 2015, petition for disciplinary action.

The Director alleges that respondent has committed the following additional unprofessional conduct warranting public discipline:

FIFTH COUNT

Lightspeed Media Corp. v. Smith Matter – Additional Misconduct

130. The Director re-alleges paragraphs 58 through 94 of the October 28, 2015, petition for disciplinary action and asserts the following as additional misconduct committed by respondent in the *Lightspeed Media Corp. v. Smith* matter.

131. On November 13, 2013, a hearing was held on the various motions brought by Comcast and AT&T seeking an award of attorney's fees against respondent and others (*see* paragraph 75 of the October 28, 2015, petition for disciplinary action). As noted in paragraph 77 of the petition for disciplinary action, on November 27, 2013, the court assessed a total of \$261,025 in fees against respondent, Duffy, and Steele.

132. On December 27, 2013, the defendants in the *Lightspeed* matter brought a motion seeking to have respondent, Duffy, and Steele held in contempt for failure to comply with the November 27 order.

133. On February 13, 2014, a hearing was held on the contempt motion and the court docketed a minute entry. In that minute entry, the court directed that respondent submit to the court an asset statement prepared by a certified public accountant on or before February 24, 2014. The purpose for requiring submission of the asset statement was for consideration of respondent's allegation that he did not have the ability to pay the \$261,025 in sanctions previously ordered by the court in its November 27, 2013, order.

134. On February 24, 2014, respondent submitted to the court a financial statement that was false, misleading, and deceptive.

135. The February 24, 2014, financial statement (hereinafter, the financial statement) purported to demonstrate respondent's net worth as of December 1, 2013. The financial statement, however, substantially understated respondent's net worth. Respondent failed to disclose his interests in various entities or undervalued his interest in real property as follows:

a. On November 22, 2013, less than two weeks after the November 13, 2013, hearing in *Lightspeed* but prior to the issuance of an order granting the motions for attorney's fees, respondent transferred \$175,000 from the Monyet, LLC Scottrade account to a TCF Bank account held by his wife, Padraigin Browne. As noted in paragraph 43 of the October 28, 2015, petition for disciplinary action, the funds held by respondent in the Monyet, LLC Scottrade account were regularly applied to and available for respondent's own personal financial obligations.

b. On December 13, 2013, Browne, in turn, withdrew \$150,000 in cash from her TCF Bank account. That cash was then put in a box in a closet at the residence shared by respondent and Browne.

c. On February 18, 2016, at a deposition in respondent's bankruptcy proceedings, Browne testified that the purpose in holding the \$150,000 in cash at home was to ensure that respondent's creditors would not be able to access those funds.

d. The financial statement disclosed only \$500 in cash and did not include the \$150,000 in cash in respondent's closet.

e. At the time respondent submitted the financial statement to the court he knew of the existence of the \$150,000 in cash in his closet. At a February 25, 2016, § 341 hearing in his bankruptcy proceeding, respondent testified as follows:

Q. Okay. Did you help her [Padraigin Browne] count the \$150,000 cash withdrawal?

A. No.

Q. But you knew it was in a box, stored in a box in your house after she withdrew it, correct?

A. Yes.

f. At a January 21, 2016, § 341 hearing in his bankruptcy, respondent testified that the \$150,000 was used for his and his wife's household expenses.

g. The financial statement falsely valued respondent's personal residence at only \$750,000. In fact, respondent had purchased the residence on February 25, 2013, for \$775,000. The 2013 assessment of the value of the residence for taxes payable in 2014 was \$770,000. Respondent sold the residence on December 15, 2015, for \$1,200,000.

h. The financial statement failed to disclose respondent's interest in Livewire Holdings, LLC. On June 27, 2013, respondent transferred \$10,000 from the Monyet Scottrade account to Livewire Holdings, LLC with the notation "Investment/loan to Livewire." On June 28, 2013, respondent transferred another \$10,000 from the Monyet Scottrade account to Livewire Holdings, LLC with the notation "Business transfer." Respondent asserts in these proceedings that there was only one \$10,000 transfer from the Monyet Scottrade account to Livewire Holdings, LLC.

i. The financial statement failed to include respondent's ownership interest in Class Justice, PLLC. Respondent is the sole owner of Class Justice, PLLC, a limited liability company whose articles of organization were filed with the Minnesota Secretary of State on July 3, 2013.

j. Between July 2013 and March 2014 respondent transferred \$115,000 from the Monyet Scottrade account to Class Justice, PLLC.

k. The financial statement failed to include respondent's ownership interest in Class Action Justice Institute, LLC. Respondent was the sole organizer and managing member of Class Action Justice Institute, LLC, a limited liability company whose articles of organization were filed with the Minnesota Secretary of State on October 9, 2012. Respondent, in the Statement of Financial Affairs filed in his bankruptcy action, listed an ownership interest in Class Action Justice Institute, LLC from 2012 through 2013.

l. As of December 1, 2013, Class Action Justice Institute, LLC had \$24,160.25 on deposit in a TCF Bank account. Between December 3, 2012, and July 18, 2013, respondent paid himself over \$23,000 from the Class Action Justice Institute checking account.

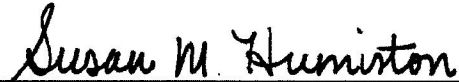
m. The financial statement failed to reflect the funds held by respondent on his behalf in the Monyet, LLC Scottrade account (*see* paragraph 43

of the October 28, 2015, petition for disciplinary action). As of December 1, 2013, the total account value in the Monyet, LLC Scottrade account was \$183,642.30. As noted in paragraph 43 of the October 28, 2015, petition for disciplinary action, the funds held by respondent in the Monyet, LLC Scottrade account were regularly applied to and available for respondent's own personal financial obligations.

136. Respondent's conduct violated Rules 3.3(a)(1) and (3), and 8.4(c) and (d), Illinois Rules of Professional Conduct.

WHEREFORE, the Director respectfully prays for an order of this Court disbarring respondent, 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: May 4, 2016.



SUSAN M. HUMISTON
DIRECTOR OF THE OFFICE OF LAWYERS
PROFESSIONAL RESPONSIBILITY
Attorney No. 0254289
1500 Landmark Towers
345 St. Peter Street
St. Paul, MN 55102-1218
(651) 296-3952

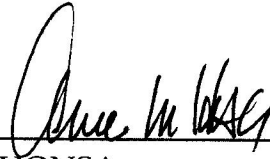
and



PATRICK R. BURNS
FIRST ASSISTANT DIRECTOR
Attorney No. 0134004

This supplementary petition is approved for filing pursuant to Rule 10(e), RLPR,
by the undersigned.

Dated: May 2, 2016.



ANNE M. HONSA
PANEL CHAIR, LAWYERS PROFESSIONAL
RESPONSIBILITY BOARD