

FILED

August 20, 2025

**OFFICE OF
APPELLATE COURTS**

FILE NO. _____

STATE OF MINNESOTA

IN SUPREME COURT

In Re Petition for Disciplinary Action
against MICHELLE L. MacDONALD,
a Minnesota Attorney,
Registration No. 0182370.

**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 September 11, 1987. Respondent is currently suspended from the practice of law. Respondent has committed the following unprofessional conduct warranting public discipline:

DISCIPLINARY HISTORY

- A. On August 10, 2012, respondent received a private admonition for failing to deposit settlement proceeds into a trust account, failing to maintain proper trust account books and records, failing to promptly deliver funds to a client, failing in her duty to be responsible for the conduct of a non-lawyer and failing to cooperate with the Director's investigation, in violation of Rules 1.15(a), (c)(3) and (4); 1.16(d); 5.3(c)(2); and 8.1(b), Minnesota Rules of Professional Conduct (MRPC), and Rule 25, Rules on Lawyers Professional Responsibility (RLPR).

- B. On January 17, 2018, respondent was suspended from the practice of law for 60 days for engaging in serious misconduct in a dissolution action that included, among other misconduct, filing and making frivolous claims, engaging in disruptive court room behavior, and knowingly making false statements with reckless disregard for the truth about the presiding judge, in violation of Rules 1.1, 3.1, 3.4(c), 3.5(h), 4.4(a), 8.2(a), 8.4(c), and 8.4(d), MRPC.
- C. On June 30, 2021, respondent was indefinitely suspended from the practice of law for a minimum of four months for failing to comply with fee-sharing rules and repeating the prior misconduct of making false statements about the integrity of a judge, while on disciplinary probation, in violation of Rules 1.5(e)(2), 8.2(a) and 8.4(d), MRPC.
- D. On December 21, 2021, respondent received a private admonition for advising and assisting her client to create and serve on third parties and to report to law enforcement, frivolous notices, which had no substantial purposes other than to harass, intimidate and burden those third parties, in violation of Rules 3.1, 4.4(a), and 8.4(a), MRPC.

FIRST COUNT

Dishonest Conduct Related to Mortgage Notary Matter

1. In February 1987, respondent became a notary public. Her original commission expired in January 1995, but respondent renewed her commission in December 1999. Respondent's notary remained effective until February 7, 2020.
2. In 2007, respondent's husband, T.S., and his brother, R.S., were the co-owners of a business. In 2014, R.S. died. At the time of R.S.'s death, T.S. was personally indebted to R.S. in the approximate amount of \$135,000.
3. Approximately one week before R.S.'s death, a cross-purchase agreement was executed by T.S. and R.S. which detailed what would happen with the business

upon the death of one of them. One of the cross-purchase agreement's terms was for the surviving brother to pay \$600,000 to buy out the decedent brother's remaining share of the business. T.S. and R.S. agreed that \$500,000 would be payable from the proceeds of a life insurance policy each brother had and the remaining \$100,000 would be paid by the surviving brother pursuant to a promissory note. When R.S. died, T.S. obtained \$500,000 from R.S.'s life insurance policy and executed a \$100,000 promissory note. R.S.'s wife then signed over the business shares that she owned (as R.S.'s survivor) to T.S. and T.S. received a new stock certificate reflecting such. However, T.S. made no payments on the \$100,000 promissory note.

4. In April 2018, R.S.'s wife filed a civil matter against T.S. that related to his failure to pay the personal debts and the claims arising from the cross-purchase agreement.

5. In May 2019, a mortgage on the business was recorded showing that T.S. had provided three loans to the business in the amounts of \$300,000; \$53,502; and \$59,603, between January 5, 2015, and June 1, 2017, for a total amount of \$413,105. The terms of the mortgage were false.

6. In truth, T.S. did not personally provide any monetary loans to the business.

7. For the mortgage to be valid, it needed to be notarized. *See* Minn. Stat. § 507.24, subdiv. 2(a) ("Unless otherwise provided by law, an instrument affecting real estate that is to be recorded . . . must contain the original signatures of the parties who execute it and of the notary public or other officer taking an acknowledgment."). Respondent notarized the mortgage on July 19, 2017. As T.S.'s spouse, respondent would have known that T.S. did not provide the significant monetary amounts to the business as outlined in the mortgage she notarized. Yet, she still notarized the document knowing that it would be used and recorded though it contained false information. In doing so, she assisted T.S. in recording a false mortgage document.

8. The circumstances surrounding the mortgage notarized by respondent were raised in the civil lawsuit brought by R.S.'s wife. On this issue, the district court found that there was no evidence T.S. ever paid the amounts reflected in each of the promissory notes and that each one was false, invalid, and of no legal force or effect. The district court also found that the mortgage itself was invalid and of no legal force or effect. Respective to respondent, the district court found "As [T.S.]'s wife, [respondent] would have known [T.S.] did not have a personal account and did not provide \$413,105.00 to [the business]."

9. Respondent's conduct in notarizing a mortgage that contained information she knew to be false and would be recorded violated Rule 8.4(c) and 8.4(d), MRPC.

SECOND COUNT

Dishonest Conduct Related to Professional Firms Certification

10. In October 2016, respondent hired attorney C.F. as an independent contractor with her law firm. C.F. would be paid one-third of the billable fees or one-third of any flat fee and only after payment was received from a client.

11. C.F.'s job duties included "perform[ing] the duties of an attorney, including meeting with and representing clients, and performing such duties as may be assigned from time to time."

12. On January 17, 2018, respondent was suspended from the practice of law for 60 days.

13. As a suspended attorney respondent could no longer own her law firm or have governance authority. See Rule 5.4(d), MRPC. She would therefore need to divest her interest and someone else would need to have governance authority over the firm. Section 319B.02, subdiv. 9, Minn. Stat., defines "Governance authority" for professional firms such as law firms to mean "the authority and responsibility to: (1) determine important policies for a professional firm; (2) superintend the professional firm's overall

operations; and (3) maintain general, active management of and ultimate control over all matters involving professional judgment.”

14. To ensure that law firms are not operated by nonlawyers, the Professional Firms Act, as codified in Minn. Stat. § 319B.11, requires any professional firm operating in Minnesota to file an annual report with the appropriate regulatory board. Law firms organized for profit are required to complete a Professional Firms Annual Report with the Director.

15. The Professional Firms report required that any person with “an ownership interest or holds a position of governance with authority” be identified.

16. On January 31, 2018, respondent wrote to C.F. memorializing an update to the prior agreement whereby C.F. would act as “managing attorney” at respondent’s firm from February 1 through April 1, 2018 (the duration of respondent’s suspension).

17. C.F.’s job duties as managing attorney included “oversee[ing] the law office” and to “handle his/her own caseload proportionate to management and administrative duties, and provide supervision to support staff, working with staff in reviewing and assigning new clients, overseeing office administrative matters, supervising the office’s administration, and handling client matters and complaints.” C.F.’s rate of pay as a managing attorney was modified to “an additional minimum monthly payment of \$200.00.”

18. C.F.’s duties did not include “governance authority” as defined by Minn. Stat. § 319B.02. And, as further discussed below, C.F. had the same responsibilities he had as a contract attorney, though he had the title of “managing attorney” and a raise in pay.

19. On March 31, 2018, respondent was conditionally reinstated to the practice of law. After respondent’s reinstatement, C.F. continued to work for respondent’s firm as an independent contractor under the same terms that he had initially agreed to in October 2016, though he no longer had the title of “managing

attorney.” June 30, 2021, the Minnesota Supreme Court indefinitely suspended respondent from the practice of law for a minimum of four months.

20. That same day, respondent wrote to C.F. seeking to update the two prior agreements by again having C.F. act as “managing attorney” at respondent’s firm for an indefinite period of time beginning July 1, 2021. C.F.’s duties as the managing attorney were to be identical to those identified in the January 31, 2018, letter: “oversee[ing] the law office” and to “handle his/her own caseload proportionate to management and administrative duties, and provide supervision to support staff, working with staff in reviewing and assigning new clients, overseeing office administrative matters, supervising the office’s administration, and handling client matters and complaints.” Again, C.F.’s rate of pay as a managing attorney was modified to “an additional minimum monthly payment of \$200.00.” However, C.F.’s duties did not include “governance authority” as defined by Minn. Stat. § 319B.02 and C.F.’s work for respondent’s firm was essentially the same as when respondent was not suspended.

21. For example, while respondent was suspended and C.F. became “managing attorney,” C.F.’s job duties did not change; he had no role in the oversight of the firm, did not make any decisions about how the firm operated, and was paid by submitting monthly timesheets to the firm. These were the same duties that C.F. had when he was an independent contract attorney and respondent governed her law firm. While suspended, respondent continued to govern her law firm, including decisions on how the firm operated, assigning cases to C.F. and handling all of the billing and finances.

22. During each of respondent’s suspensions, C.F. was the only attorney working for respondent’s firm. Therefore, at the time of respondent’s suspensions, respondent was required to turn over ownership of the firm or to provide true governance authority to C.F. Respondent did neither.

23. In December 2021, respondent completed a Professional Firms annual report related to her law firm. Respondent included herself as the “owner” and noted she was authorized to practice through July 14, 2021. Respondent also included C.F. on the form, noting that he was the “managing attorney.” Respondent’s designations on the form were false and misleading. Respondent was prohibited from being the owner of the firm due to her suspension and could not list herself as “owner” and C.F. had no ownership interest nor governance authority.

24. Respondent drafted the annual report form and asked C.F. to sign the document once she had completed it. C.F.’s signature appears after the attestation stating, “The undersigned is an owner or employee of the firm, licensed to practice law, and authorized to make the above statements on behalf of the firm.” This statement is false.

25. Respondent was aware that C.F. was always an independent contractor at respondent’s firm, and not an owner or employee, and did not have governance authority over the firm as the form claims. Therefore, C.F.’s attestation as drafted by respondent and provided to C.F. to sign, was false and in inducing C.F. to sign the form, respondent was assisting another in making a false statement on the form.

26. Respondent’s conduct in completing the Professional Firms annual report, which misrepresented herself as an owner and claimed that C.F. was an owner or employee of respondent’s firm when he was not, and inducing C.F. to sign the false report, violated Rule 8.4(a) and 8.4(c), MRPC.

THIRD COUNT

Dishonest Conduct Related to Election Certification

27. In June 2021, the Minnesota Supreme Court issued an order suspending respondent from the practice of law for four months. Respondent was required to petition for reinstatement.

28. In December 2021, respondent petitioned for reinstatement. By order dated July 26, 2023, the Minnesota Supreme Court denied respondent's petition and respondent's attorney license remained suspended throughout that time and to date.

29. In 2024, respondent sought election to the Minnesota Supreme Court. To appear on the November 2024 ballot, an applicant needed to complete an affidavit of candidacy form before June 5, 2024.

30. On June 4, 2024, respondent completed the affidavit of candidacy form seeking to appear on the November 2024 general election ballot for an Associate Justice position on the Minnesota Supreme Court.

31. The affidavit of candidacy form has an affirmation section which requires the signor to swear or affirm the accuracy of various statements. With respect to a Supreme Court Justice position, the signor is required to affirm "I am learned in the law and licensed to practice law in Minnesota." Respondent cannot attest to this statement because respondent's law license was suspended meaning that she was and is not licensed to practice law in Minnesota.

32. Despite not having a license to practice law, on June 4, 2024, respondent signed the affidavit of candidacy before a notary representing her affirmation as to the truth of the affidavit of candidacy's statements, and representing she had a license to practice law in Minnesota.

33. Respondent's signature on the affidavit of candidacy affirming that she was licensed to practice law in Minnesota was knowingly false and misleading due to her suspension in violation of Rule 8.4(c), MRPC.

FOURTH COUNT

Noncooperation with the Director: False Statement and Failure to Fully Cooperate

34. In December 2022, respondent's husband, T.S., testified at the trial in a civil matter (*see* first count above) that he did not personally provide any money to the business despite the representations in the mortgage that was notarized by respondent.

35. In January 2023, the Director sent a notice of investigation to respondent related to the mortgage notary matter. During the investigation, respondent was asked to respond to questions.

36. Specifically, in April 2024, the Director asked respondent "What information did you have related to the validity of the mortgage that you notarized for [T.S.]?"

37. Respondent's written answer stated "I have personal knowledge of my husband's payment of \$300,000, \$53,502 and \$59,603" to the business. Because T.S., through his own testimony, admitted that he did not personally provide the payments indicated in the mortgage notarized by respondent, respondent's statement to the Director cannot be true and was knowingly false.

38. This false information provided to the Director is material because it supports whether respondent knew that the mortgage she was notarizing was false, a core element to whether she engaged in misconduct.

39. On February 10, 2023, the Director sent out a notice of investigation related to the professional firms report (*see* second count above) and respondent's continued operation of her solo law firm while suspended. The notice of investigation informed respondent that her response and specific requests for information and documents would be requested at a later date.

40. On July 31, 2024, the Director sent respondent a letter seeking a response to the February 10, 2023, notice of investigation and financial information related to her

firm. Specifically, the Director requested that respondent provide information relating to the firm's IOLTA account; Form 1099s for C.F. during each of the years that he did work for her firm; detailed information related to her own compensation from the firm during the 2018 and 2021 suspensions; documents related to the firm's business or general account(s); and the date, along with any corresponding documents, related to the dissolution of the firm. Respondent's response was requested no later than August 30, 2024.

41. On the morning of August 30, 2024, respondent sought an extension which the Director granted until 4:30 p.m. on September 6, 2024.

42. During the afternoon of September 6, 2024, respondent had a lengthy conversation with the Director's office to discuss various matters, including the outstanding requests for information. During this call, respondent was informed that the financial information was specifically related to whether respondent's firm was sharing fees with a nonlawyer (respondent), which is not permitted by Rule 5.4, MRPC. The Director agreed to again extend respondent's deadline, allowing her response to be received by midnight (instead of 4:30 p.m.).

43. On September 7, 2024, at 12:50 a.m., respondent emailed the Director and included two attachments, the first of which was her purported response to the notice of investigation. Instead of responding to the Director's questions, which the Director had made clear to respondent as to why the information was relevant to the investigation, respondent asserted that the Director lacked jurisdiction over her and that the Director's investigation was barred by the doctrines of laches, waiver, estoppel, *res judicata*, double jeopardy, and mootness. Respondent cited no legal support for her claims. Respondent also raised a statutory issue regarding the removal of attorneys from the practice of law before addressing the alleged misconduct. Respondent later sent two additional emails which contained legal pleadings filed in the United States Supreme Court.

44. The information respondent provided on September 7, 2024, was not fully responsive to the Director's July 31, 2024, request and none of respondent's claims for failing to cooperate are valid or supported by rule or law. Respondent also did not seek a protective order or other relief under Rule 25, RLPR, that is available if a respondent feels that a request is disproportionate to the gravity and complexity of the alleged ethics investigation. The Director understood respondent's response and lack of other action to mean that respondent had no intention of cooperating with the Director related to these issues; the Director therefore continued the investigation without the benefit of respondent's cooperation.

45. On June 4, 2025, the Director gave respondent one last chance to cooperate and sent a final letter asking respondent to provide the information that was initially requested on July 31, 2024. The Director reminded respondent that failing to cooperate with the Director's investigation was independent grounds for discipline. The Director requested that respondent provide the requested information by June 18, 2025, and warned respondent that her continued failure to cooperate may result in discipline for noncooperation. Respondent did not respond to the Director's June 4, 2025, letter.

46. Respondent's conduct in providing a knowingly false statement of material fact to the Director during the course of the Director's investigation violated Rule 8.1(a), MRPC.

47. Respondent's failure to respond to the Director's reasonable request for relevant information asked in the course the Director's investigation violated Rule 8.1(b), MRPC, and Rule 25, RLPR.

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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