

NOTICE OF REPRIMAND

Case No. 92-238-GA

C. Michael Gorte, P-14213, Bay City, Michigan, by Attorney Discipline Board Genesee County Hearing Panel #3.

- 1) Reprimand;
- 2) Effective November 9, 1993.

A client, through discussions with respondent's investigator, retained respondent to assist in the collection of a \$5000 debt. The client was advised by the investigator that a \$500 retainer was required. At the investigator's request, and with respondent's express or implied knowledge and consent, the client paid the \$500 retainer directly to the investigator. The investigator misappropriated the client's \$500 retainer.

Respondent pled no contest to allegations that: Respondent knew his investigator had a felony criminal record, but failed to conduct an appropriate inquiry into the investigator's background, or to contact the investigator's former employers, to ensure that he could be placed in a position of trust or otherwise have access to clients and/or client property; he entrusted the investigator with access to and knowledge of client matters although he knew or should have known that the investigator was unfit to receive such information; he failed to adequately supervise the investigator's conduct as an employee of his law office; he failed to take any remedial action against the investigator or to implement policies and/or procedures to guard against such conduct; and, he permitted the investigator to remain in his employ and to continue to have client contact for approximately five months after the misappropriation.

Respondent's conduct was alleged to be in violation of MCR 9.104(1)-(4); the Michigan Rules of Professional Conduct, 8.4(a)and(c); and Canon 1 of the then-applicable Code of Professional Responsibility, DR 1-102(A)(1),(5)and(6). Costs were assessed in the amount of \$1557.97.