

NOTICE OF REPRIMAND
(By Consent)

Case No. 91-7-GA

William J. Napieralski, P28086, Grand Rapids, Michigan, by
Attorney Discipline Board Kent County Hearing Panel #1.

- 1) Reprimand;
- 2) Effective August 16, 1991.

The respondent and the grievance administrator filed a stipulation for consent order of discipline pursuant to MCR 9.115 (F)(5) which was approved by the hearing panel and the Attorney Grievance Commission. Respondent admitted the allegations of the formal complaint. From 1978 through 1989, respondent provided legal representation to certain clients with included tax law advice. During the period from December 31, 1986 to August 24, 1987, these clients gave respondent the total of \$50,000.00 in investments and guaranteed loans to a partnership and a business in which respondent served as president. Subsequently, the clients lost money on the partnership investment and the corporation defaulted on the loans. Additionally, respondent failed to fully perform on the loan guarantee. In violation of his duties, respondent failed to disclose to his clients any conflicts of interest; failed to make a full and fair disclosure to his clients of his financial circumstances or the financial circumstances of the business of which he was president; failed to promptly prepare, execute and deliver to his clients proper loan documentation and appropriate security for repayment; failed to advise his clients to seek the advice of an independent counsel and/or financial consultant regarding the wisdom and/or propriety of the investment and loans; and failed to withdraw as counsel for his clients when his independent professional judgment may have been impaired by his own financial, business, property, or personal interests. Respondent's conduct was found to be in violation of MCR 9.104(1-4) and Canons 1 and 5 of the Code of Professional Responsibility, DR 1-102(A) (1,4-6); DR 5-104(A). Costs were assessed in the amount of \$87.40.