

Attorney Discipline Board



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This is to inform the Courts of the State of Michigan of the following Order of Discipline:

NOTICE OF DISBARMENT

File Nos. 36977, 37029, 37030,
 37053, 37054, & 37065

PHILIP SCOTT SCHERRER (P24126), 32330 West Twelve Mile Road, Farmington Hills, MI 48018, by Attorney Discipline Board Wayne Circuit Hearing Panel "I", pursuant to an Order filed July 29, 1980, and retroactive to March 1, 1979. No appeal has been filed with the Attorney Discipline Board.

Respondent was charged in a nine-count Formal Complaint with: As part of several fraudulent schemes, advising clients to entrust to Respondent funds in excess of \$142,000, the commingling and conversion to Respondent's own use in excess of \$117,000 of said funds which had been deposited in Respondent's Client Trust Account under the pretense of investment on behalf of certain clients or the purchase of certain property on behalf of said clients, engaging in a fraudulent scheme whereby Respondent collected \$15,000 from a certain client ostensibly to be used to pay corporate bills of said client and the commingling and conversion to his own use of said funds; advising a separate client that sums could be deposited in Respondent's Trust Account as a tax shelter and the taking of over \$62,500 of said client's funds, eventually converting over \$42,600 of said funds which had been deposited in the trust account. The Formal Complaint also alleged that Respondent had pleaded guilty in Oakland County Circuit Court with the following felonies: three counts of embezzlement over \$100, two counts of uttering and publishing, one count of fraudulent acts in the sale of securities, three counts of obtaining money under false pretenses over \$100, one count of acting as an unlicensed broker-dealer; Respondent was sentenced to a period of not less than two nor more than fourteen years by the Oakland County Circuit Court.

The Complaint alleged violations of GCR 953 (1-5), and several sub-sections of Canons 1, 5, and 9 of the Code of Professional Responsibility.

Respondent filed a Motion for Transfer to Inactive Status alleging that he had been judicially declared incompetent within the meaning of GCR 970.1; this Motion was denied by the Attorney Discipline Board Hearing Panel which based its conclusions on the findings of the Oakland County Probate Court. The Grievance Administrator stipulated to dismissal without prejudice of Counts I through VIII of the Formal Complaint, which counts involved allegations of misconduct coming within the scope of Respondent's relationship with the several clients. The Grievance Administrator offered evidence regarding the criminal conviction of ten separate felony counts as alleged in Count IX of the Complaint; Respondent admitted to the validity of the proof of these convictions which led to the Panel finding of a violation of GCR 953.5.

David Baker Lewis

David Baker Lewis, Secretary
 ATTORNEY DISCIPLINE BOARD

September 15, 1980.