

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 SUSPENSION

File No. DP-180/80

Related No. 2158/80

ROBERT M. SCHMIDT (P20011) 6290 W. Surrey, Birmingham, MI 48010, by an Order of the Attorney Discipline Board, approving discipline by consent.

- (1) Suspension;
- (2) For a period of 3 years;
- (3) Effective December 9, 1980.

The Formal Complaint charged that Respondent was instrumental in having four of his clients invest approximately \$200,000.00 in a precious metals investment scheme, that Respondent prepared loan agreements, that the borrowers did not repay Respondent's clients, that collateral which had been offered was found to be of significantly less value than represented by the borrowers, that Respondent became aware of the lack of value of said collateral but, nevertheless, subsequently recommended participation in the venture to yet another individual without advising said individual regarding the deficiency of said collateral, and that Respondent participated in approximately \$400,000.00 in additional investments by other individuals by preparing legal documents, including promissory notes, collateral agreements, royalty agreements, and UCC financing statements, without disclosing to the new investors the aforementioned history of the venture, to-wit: failure of the borrower to repay prior loans and inadequacies of and misrepresentation regarding said collateral. The Complaint charged that most of the loans were in default, and that, although Respondent personally believed in the venture, he failed to investigate the same and adequately prepare himself to advise the investors completely. The Complaint

charged violations of GCR 953 (2) (4) and Canon 6, DR 6-101 (A) (2) of the Code of Professional Responsibility.

The Respondent and the Grievance Administrator entered into an Agreement and Stipulation for Consent Order of Discipline wherein Respondent admitted in full the allegations in the Formal Complaint in exchange for a stated form of discipline. The Attorney Discipline Board approved said consent discipline.



David Baker Lewis, Secretary
ATTORNEY DISCIPLINE BOARD

Date of Issuance: FEB 6 1981