

## NOTICE OF SUSPENSION WITH CONDITIONS

Case Nos. 96-168-GA; 96-197-FA

William L. Cahalan, P-40433, Petoskey, Michigan, by Attorney Discipline Board Grand Traverse County Hearing Panel.

- 1) Suspension - Nine (9) Months;
- 2) Effective August 9, 1997.

Respondent represented the first complainant in a divorce action. Pursuant to the divorce settlement, the complainant's ex-husband issued a \$3000 check made payable to respondent and the complainant. The complainant endorsed the check and entrusted it to respondent with the understanding that he was to negotiate the check, retain \$1500 for his fee, and remit the remaining \$1500 to the her. Respondent deposited the check into his business checking account. The panel found, by default, that respondent commingled the complainant's funds with his own; withdrew funds from his account, resulting in misappropriation; issued a check to the complainant which was dishonored for nonsufficient funds; and failed to pay the complainant the funds to which she was entitled until after she notified the police and the court of his conduct.

Respondent retained the second complainant as an expert witness in a criminal matter in Emmet County Circuit Court. Respondent submitted a statement of services to the court requesting payment of the complainant's expert fees in the amount of \$1800. The court approved payment for respondent's fees and the complainant's expert fees for a total sum of \$5884. Emmet County issued respondent a check in that amount. Respondent deposited the check into his personal credit union account. The panel found, by default, that respondent commingled the complainant's funds with his own; failed to notify the complainant of his receipt of the funds; withdrew funds from his personal account, resulting in misappropriation; issued two separate checks to the complainant which were both dishonored for nonsufficient funds; and failed to pay the complainant the funds to which he was entitled until after the he notified the police of his conduct. Respondent also failed to timely answer Formal Complaint 96-168-GA.

Respondent's conduct was found to be in violation of MCR 9.104(1)-(4) and (7) and Michigan Rules of Professional Conduct 1.15(a)-(c) and 8.4(a)-(c).

The panel ordered that respondent be suspended from the practice of law for nine months, subject to conditions involving continuing legal education in ethics. Costs were assessed in the

amount of \$1105.79.