

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST
SHAWN G. RICE
ATTORNEY AT LAW.

OFFICE OF LAWYER REGULATION,

Complainant;

SHAWN G. RICE,

Respondent.

Case No. 2014AP 2307 -D

Case Code: 30912

RECEIVED

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COMPLAINT

CLERK OF SUPREME COURT
OF WISCONSIN

NOW COMES, the Wisconsin Supreme Court - Office of Lawyer Regulation (“OLR”), by retained counsel, Richard P. Mozinski, and alleges as follows:

1. The OLR is a body organized under and pursuant to Wisconsin Supreme Court Rules for the purpose of assisting the Supreme Court in the discharge of its constitutional responsibility to supervise the practice of law and protect the public from professional misconduct by persons practicing law in Wisconsin. This Complaint is filed pursuant to SCR 22.11.

2. SHAWN G. RICE (hereinafter referred to as “Rice”), is an attorney admitted to practice law in Wisconsin on May 24, 1993 (State Bar No. 1020000). Rice’s Wisconsin law license is currently active and in good standing. Rice’s address listed with the State Bar of Wisconsin is 101 Falls Road, Suite 601, Grafton, WI 53024-1913.

3. Rice’s disciplinary history is that on June 7, 2007 he received a public

reprimand for three counts of professional misconduct related to his personal involvement in a commercial real estate transaction. Rice violated SCR 20:8.4(c) by twice making false statements in a deposition and by executing a document falsely reflecting an individual as a member of an LLC. *Disciplinary Proceedings Against Rice*, 2007 WI 68.

***Regarding Testwuide Trust
(OLR Matter No. 2011MA1323)***

4. In 1992, the parents of Liesl Testwuide (hereinafter “Testwuide”) created a trust for the benefit of Testwuide and her children. At the time, Testwuide was unmarried and childless. Testwuide was co-trustee of the trust.

5. In 1996, Testwuide and Rice were married. In 2010, Testwuide filed for divorce from Rice. *In Re the marriage of Liesl Testwuide Rice and Shawn Gerard Rice*, Sheboygan County Case Number 2010FA000328 (the divorce case).

6. In July of 2011, Testwuide filed a grievance with OLR alleging that Rice had removed over \$600,000 in funds from the trust without proper authorization and that Rice achieved this by forging the names of Testwuide and another co-trustee to various documents. At about the same time Testwuide filed her grievance against Rice, Rice self-reported to OLR that he had “violated the rules of professional responsibility by executing checks and other documents in my role as de facto Trustee without a formal power of attorney document.” (Shawn G. Rice letter to OLR, dated 7/19/11.)

7. In response to Testwuide’s grievance, Rice admitted to OLR that he had forged the signatures of both Testwuide and the other co-trustee and, that in doing so, he had violated SCR 20:8.4(c). Rice stated that he had engaged in the violative conduct for a 12-year period, from 1998 until Testwuide filed for divorce in 2010. Rice stated that he had forged signatures on “letters, checks, emails, faxes, tax returns and other documents.” (Shawn G. Rice Response

to Testwuide Grievance, dated September 30, 2011, pg. 5). For example, Rice stated that the payment and paperwork related to the trust's purchase of \$60,000 worth of stock in an energy company was "probably entirely handled" by him. (Shawn G. Rice Response to Testwuide Grievance, dated September 30, 2011, pg. 5). Rice also handled the paperwork for the purchase and sale of property and made monthly mortgage payments related to the purchased property. Rice also wrote checks to pay utilities and property taxes. Rice admitted to signing forms and communications required by third-party investment firms to manage the trust's assets. This included signing off on documents transferring funds from one account to another.

8. In October of 2011, a judgment of divorce was entered in the divorce case.

9. On November 21, 2012, Testwuide filed a civil action against Rice and his former law firm, alleging fraud, conversion, legal malpractice. *Liesl Testwuide vs. Shawn G Rice et al*, Sheboygan County Case No, 2011CV1184 (the civil case).

10. On December 18, 2011, the judge in the civil case granted a defense motion for summary judgment, barring all claims against Rice arising prior to November 21, 2005. The judge ruled that the statute of limitations had run on all prior claims. A stipulation and order dismissing the remaining claims against Rice was entered in the civil case on May 29, 2013.

11. Rice and Testwuide presented different positions, assertions, perspectives and opinions regarding Rice's forgeries, leading to different conclusions regarding whether or not Rice's conduct was explicitly or implicitly approved by Testwuide.

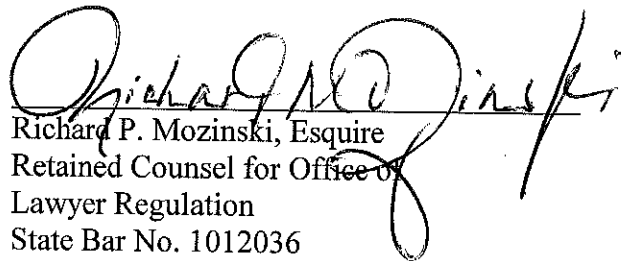
Count 1

12. By forging the signatures of the co-trustees of the Liesl M. Testwuide 1992 Trust on various checks and documents, thereby executing those documents without proper legal authorization to do so, **Rice violated SCR 20:8.4(c)**¹.

WHEREFORE, the Office of Lawyer Regulation asks that Attorney Shawn G. Rice be found to have committed professional misconduct as alleged in this Complaint, and that the Court suspend Attorney Rice's license to practice law for a period of six (6) months, and order such further relief as may be just and equitable, including an assessment of the costs of this disciplinary proceeding.

Dated: September 30, 2014.

OFFICE OF LAWYER REGULATION


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¹ SCR 20:8.4(c) provides: "It is professional misconduct for a lawyer to engage in conduct involving dishonesty, fraud, deceit or misrepresentation."