

**IN DISCIPLINARY DISTRICT III
BOARD OF PROFESSION RESPONSIBILITY
OF THE
SUPREME COURT OF TENNESSEE**

**IN RE: FRED T. HANZELIK,
BPR #004773, Respondent
An Attorney Licensed and
Admitted to the Practice of
Law in Tennessee
(Hamilton County)**

DOCKET No. 2008-1757-3-SG

JUDGMENT OF THE HEARING COMMITTEE

This cause came on to be heard by the Hearing Committee of the Board of Professional Responsibility of the Supreme Court of Tennessee on March 17-18, 2010. At the request of the Hearing Panel, both parties filed post-hearing briefs on March 26, 2010. The Hearing Committee deliberated immediately after the hearing on March 18 and then again by telephone on April 7. This Hearing Committee, Chester Crews Townsend, Chair, Robert G. Norred, Jr., and Frank C. Lynch, make the following Findings of Fact and submits its judgment in this cause as follows:

INTRODUCTORY STATEMENT

A Petition for Discipline was filed on June 24, 2008 against Fred T. Hanzelik based upon the complaint of Amy S. Walden. Subsequently, the Board filed a Supplemental Petition for Discipline against Mr. Hanzelik based upon the complaint of Lynn Hatler.

The first Petition relates to Mr. Hanzelik's representation of Amy and Michael Walden and/or Walden Security in a collection case against the Raddison Read House. The Supplemental Petition for Discipline relates to Mrs. Hatler's hiring Respondent on September 28, 2005 to collect a promissory note and to foreclose on real estate located at 3504 Marport Drive,

Chattanooga, Tennessee. The separate complaints were consolidated by Order entered on September 4, 2008.

Although both the Petition and Supplemental Petition relate to Mr. Fred Hanzelik and were heard together on March 17 and 18, they arise from separate and independent facts and the causes of action alleged by the Board are different. Consequently, the Hearing Panel will address the two matters separately.

COMPLAINT OF AMY S. WALDEN

A. Findings of Facts

1. On June 24, 2008 the Board of Professional Responsibility filed a Petition for Discipline against Fred T. Hanzelik ("Respondent").

2. The Complaint alleged, and the Hearing Panel finds that Amy S. Walden retained the Respondent on December 7, 2001 to represent Metropolitan Security d/b/a/ Walden Security ("Walden Security") in a collections case against the Raddison Read House, (the "Read House") a hotel in downtown Chattanooga.

3. Respondent filed suit in the General Sessions Court of Hamilton County, Tennessee and on June 3, 2002 the Respondent obtained a judgment in the amount of Nine Thousand Nine Hundred Fifty-Four Dollars and Thirty-Six Cents (\$9,954.36).

4. The Raddison Read House was experiencing financial difficulties at the time Respondent obtained the judgment against it.

5. As evidenced by a letter dated February 19, 2004, Respondent reached a settlement with the Raddison Read House whereby Walden Security would accept Eight Thousand Five Hundred Dollars (\$8,500.00) in full satisfaction of its Judgment if the Read

House would make two payments by a certain date. Amy Walden and Mike Walden were copied on this letter. The Panel finds that the Waldens received the letter.

6. The Panel finds that Amy and Mike Walden had notice of the settlement with the Raddison Read House and either agreed to the settlement prior to February 19, 2004, or acquiesced in the settlement shortly thereafter. Given the facts and circumstances that surround the judgment and Mr. Hanzelik's attempts to collect it, the Panel finds that the settlement was reasonable, that the Walden's had notice of the settlement and agreed to it, and that monies were received from the Read House pursuant to the settlement. Respondent has collected Eight Thousand Two Hundred Ninety-Two Dollars and Thirty-Four Cents (\$8,292.34) from the Raddison Read House, which he has applied toward the judgment amount.

7. Although the Read House has made payments, it failed to comply with the settlement terms. It appears to the Panel that the Read House owes the full amount of the judgment minus payments made.

8. Mr. Hanzelik's agreement with the Waldens was that he would be paid a one-third contingency on the amount collected. All parties understood this arrangement. In addition, the Waldens agreed and understood that Mr. Hanzelik would disburse the funds collected to them after he collected the entire amount of the judgment, or as much as he could reasonably expect to collect.

9. Over a period spanning more than ten (10) years, Respondent represented Amy and Mike Walden and Walden Security on numerous matters, some of which were collection matters and others were hourly fee billed cases. For the collection cases, the parties' course of dealing was for Respondent to receive a one-third contingency fee based on the amount collected.

10. Amy and Mike Walden were vague, evasive and inconsistent with respect to their testimony concerning the matters that Respondent handled for them and the degree of communication Respondent had with them about the cases. It is clear, however, that Mr. and Mrs. Walden continued to hire Mr. Hanzelik over approximately a ten (10) year period to handle a variety of matters for them. Other than the Read House case, they were satisfied with Respondent's representation.

11. Respondent communicated with Amy and Mike Walden on numerous occasions about the Read House matter.

12. Respondent's billing practices were inconsistent and poorly documented.

13. The testimony of Amy and Mike Walden does not reflect that they placed particular interest in or importance to the Read House matter until a fee dispute arose as to other matters.

14. It is clear from the testimony of Mr. Hanzelik, Mr. Walden and Mrs. Walden that a fee dispute exists deriving from the hourly fee matters Mr. Hanzelik handled for the Waldens and Walden Security.

15. Because of the other fee disputes between the Waldens and Mr. Hanzelik, Mr. Hanzelik has withheld the monies he collected from the Read House. He intends to hold these monies until the other fee disputes are resolved. Respondent and his attorneys have recently made efforts to resolve these other fee disputes. The Board did not carry its burden of proof to show that Respondent has failed to make a good faith effort to resolve the fee disputes.

16. The Waldens have objected to Respondent's withholding of the Read House funds, and that objection appears to be the primary basis for Respondent's complaint against Mr. Hanzelik.

17. Respondent deposited the monies he collected from the Read House in an account at SunTrust Bank. These funds have been comingled with Respondent's personal funds and other funds that relate to his business. Both the Respondent and the Waldens have failed to act promptly or reasonably in attempting to resolve this long-term fee dispute.

18. At times, the balance of the SunTrust account dipped below the amount of undisbursed funds Respondent had collected from the Read House.

19. Funds presently exist in the Respondent's SunTrust account to pay the Waldens the full amount Mr. Hanzelik collected from the Read House.

20. The Panel finds that Mr. and Mrs. Walden are sophisticated business people, and sophisticated users of legal services.

21. On January 22, February 6, February 25, March 17 and May 9, 2008, Disciplinary Counsel for the Board of Professional Responsibility requested information from Respondent. The purpose of these requests was to investigate the Complaint filed against Respondent by Amy and Mike Walden. Respondent was slow and evasive with his response and did not treat the Board's requests seriously. Respondent's lack of diligence hindered the Board's investigation.

B. Conclusions of Law

22. Rule 1.3 of the Tennessee Rules of Professional Conduct requires that "a lawyer shall act with reasonable diligence and promptness in representing a client". The Hearing Panel finds that Respondent complied with this Rule.

23. Rule 1.4 requires that a lawyer keep a client reasonably informed about the status of a matter, comply with reasonable requests for information within a reasonable time, and explain a matter to the extent reasonably necessary to permit the client to make informed

decisions regarding the representation. The Hearing Panel finds that Respondent complied with this Rule.

24. Rule 1.5 requires that a lawyer's fee and charges be reasonable and communicated to the client within a reasonable time after commencing the representation. The Hearing Panel finds that Respondent complied with Rule 1.5.

25. Rule 1.15 requires a lawyer to hold property and funds of clients for third persons that are in a lawyer's possession separate from the lawyer's own property and funds. This Rule allows an attorney to withhold the disputed portion of a fee and to keep such funds in trust, if there is a risk that the client may divert the funds without paying the fee. See Rule 1.15(b) and (c) and comment 7. Respondent **violated** this Rule. He did not violate it to the detriment of his clients.

26. Rule 8.1(b) requires a lawyer to cooperate fully with an investigation by the Board into a lawyer's conduct. The Panel finds that Respondent failed to fully cooperate with the Board's investigation, and, therefore, violated rule 8.1(b).

C. Finding of Mitigating Circumstances

27. The Hearing Panel finds that the Respondent has a good faith dispute with the Waldens concerning fees and expenses for matters outside the Read House case, and that the Waldens have not cooperated in resolving these other disputes.

JUDGMENT IN WALDEN

It is, therefore, Ordered by the Hearing Panel as follows:

1. That the Respondent receive a public censure for failure to keep the settlement proceeds from the Read House case segregated in a trust account as required by Rule 1.15 (a) and (c), for failing to cooperate fully with the Board's investigation of this matter and for failing

to promptly deliver client funds or provide an accounting regarding such funds under Rule 1.15 (b).

2. That the Respondent give restitution to the Waldens by immediately remitting the full amount collected from the Read House minus his one-third contingency fee. The amount collected was Nine Thousand Five Hundred Sixty-Nine Dollars (\$9,569.00). Respondent's one-third contingency fee is Three Thousand One Hundred Eighty-Nine Dollars and Sixty-Six Cents (\$3,189.66).

3. Except for the Read House fee disputes, the Panel makes no ruling on fee disputes between Respondent and the Waldens.

4. All other allegations and claims against the Respondent that relate to the Complaint of Amy Walden are dismissed with prejudice and on the merits.

5. All costs are taxed against the Respondent.

COMPLAINT OF BENNEL LEE HATLER

This Complaint involves the foreclosure on an apartment complex located at 3504 Marport Drive, Chattanooga, Tennessee. Ms. Hatler was the holder of a Promissory Note ("the Note") the obligors on which were Staci and Damon Roddy secured by a Deed of Trust ("the Deed of Trust") to the Marport Drive property. Ms. Hatler hired the Respondent to provide legal advice and assistance regarding the Note and Deed of Trust. At the time Ms. Hatler hired the Respondent, the Note was in default. The amount due and owing on the Note was approximately Thirty-Two Thousand Seven Hundred Dollars (\$32,700.00). In order to collect the amount due on the Note, Mr. Hanzelik conducted a foreclosure sale at the Hamilton County Courthouse on November 14, 2005. At the foreclosure sale Mr. Hanzelik's son Ryan D. Hanzelik submitted a successful bid of Thirty-Two Thousand Seven Hundred Thirty-Seven Dollars and Four Cents

(\$32,700.04) and purchased the property. The purchase price was for substantially less than the property's appraised value. Ms. Hatler's Complaint arises from the way Mr. Hanzelik conducted the foreclosure sale.

A. Findings of Facts

6. On September 28, 2005 Ms. Hatler employed the Respondent to advise her with respect to a Note that was in default that was secured by a Deed of Trust to property at 3504 Marport Drive, Chattanooga, Tennessee.

7. The amount due on the Note was approximately Thirty-Two Thousand Seven Hundred Dollars (\$32,700.00). Regions Bank held a second in priority lien against the property in the amount of approximately Eighty Thousand Dollars (\$80,000.00). Regions Bank held a second deed of trust that secured its promissory note . The appraised value of the property was One Hundred Forty-Seven Thousand Five Hundred Dollars (\$147,500.00), as of January 26, 2004, according to an appraisal admitted as Exhibit 31.

8. An attorney-client relationship was formed between the Respondent and Ms. Hatler.

9. In order for Respondent to serve as Trustee under the Deed of Trust, it was necessary for him to be appointed as Substitute Trustee. Therefore, Respondent prepared an instrument entitled Appointment of Substitute Trustee, naming Respondent as Substitute Trustee, which Plaintiff signed on October 10, 2005. At the time Ms. Hatler signed this document she met with the Respondent and discussed the foreclosure procedure.

10. The Hearing Panel specifically finds that Respondent initially advised Ms. Hatler adequately of her rights under the Note, the process and timing for a foreclosure sale, and her

rights at the foreclosure sale. The Panel finds that Ms. Hatler's primary interest at the time she employed Mr. Hanzelik was to be paid in full on her Note.

11. Mr. Hanzelik prepared a Notice of Substitute Trustee Sale which he forwarded to the *Chattanooga Times Free Press* for publication. The Notice of Substitute Trustee's Sale was published in the *Chattanooga Times Free Press* on the following dates: October 14, 2005; October 21, 2005; October 28, 2005; and November 4, 2005.

12. As reflected in these notices, the foreclosure sale was set on November 14, 2005. The Panel specifically finds that Ms. Hatler had notice of the foreclosure sale and had a basic understanding of what would take place at the Foreclosure Sale.

13. Respondent gave Regions Bank notice of the foreclosure sale. Respondent expected, based on his experience, that Regions Bank would either purchase Ms. Hatler's Note prior to the foreclosure sale or bid the amount of its second lien at the foreclosure sale.

14. Respondent has conducted foreclosure sales for over thirty-five (35) years and his experience is extensive.

15. The foreclosure sale went forward on November 14, 2005, as noticed.

16. At the time of the foreclosure sale, Respondent knew that the property's value far exceeded Thirty-Two Thousand Dollars (\$32,000.00). The Panel did not accept the Respondent's testimony that he had no idea as to the property's value at the time of the sale.

17. Regions Bank was not present at the foreclosure sale and did not contact Respondent prior to the foreclosure sale.

18. Ms. Hatler asked for and personally went to the Respondent's office and received the Notice of Trustee's Sale. Exhibit 19.

19. At the time of the foreclosure sale, Respondent's son Ryan Hanzelik worked for him as a paralegal.

20. The Hearing Panel makes the inference from the facts that sometime before the foreclosure sale Respondent suspected that Regions Bank would not be present at the foreclosure sale. The facts that lead to this conclusions include (i) Respondent's advice to his son about the investment value of the property, (ii) Ryan Hanzelik's presence at the foreclosure sale, and (iii) Respondent's agreement with his son prior to the foreclosure sale to fund his son's purchase. All of these facts and others suggest to the Panel that Respondent suspected Regions Bank would not be present at the foreclosure sale.

21. At the time of the foreclosure sale, Respondent's son Ryan had graduated from law school - but had not yet become a licensed attorney.

22. Prior to the foreclosure sale, Respondent suggested to his son Ryan that the apartment complex would be a good investment. Respondent offered to loan his son the money necessary to purchase the property. Respondent did not advance cash directly to his son prior to the foreclosure sale. At the time of the foreclosure sale, Ryan Hanzelik's ability to purchase the property was solely dependent on his father's promise to loan him the purchase money.

23. The foreclosure sale went forward as scheduled on November 14, 2005. At that time, Respondent appeared at the foreclosure sale accompanied by his son Ryan.

24. Several people were present at the sale, including real estate agent Stacy Mark Lawson, and another gentleman whose last name was Miller.

25. At the foreclosure sale, someone, probably Mr. Miller, asked Respondent whether he had time to go to the bank. Respondent replied that he did not know. The person who asked the question did not go to the bank. The foreclosure sale went forward as scheduled.

Although under normal circumstance Respondent's refusal to postpone the sale for thirty (30) minutes would be difficult to question, Respondent's interest in the transaction brings the Respondent's refusal into question.

26. At the foreclosure sale, Mr. Ryan Hanzelik was the sole and high bidder for the property. He purchased the property for a promise to pay Thirty-Two Thousand Seven Hundred Thirty-Seven Dollars and Four Cents (\$32,737.04).

27. At the foreclosure sale, Respondent announced that the sale would be a cash sale. Respondent did not allow a bidder to provide ten (10) or twenty (20) percent of purchase money at the sale and the remainder within twenty-four (24) hours. Mr. Ryan Hanzelik did not have cash available at the auction and could not have purchased the property without his father's promised financing.

28. Ryan D. Hanzelik signed a promissory note payable to his father in the amount of Thirty-Two Thousand Seven Hundred Thirty-Seven Dollars and Four Cents (\$32,737.04) on December 2, 2005.

29. On or about December 2, 2005, Respondent delivered to Ms. Hatler a check drawn on Mr. Hanzelik's account at SunTrust Bank in the amount of Thirty-Two Thousand Seven Hundred Thirty-Seven Dollars and Four Cents (\$32,737.04). At the same time, Mr. Hanzelik charged Ms. Hatler with costs over and above his original fee for publication of the sale in the *Chattanooga Times Free Press*. Because of this charge, the sales proceeds were not sufficient to make Ms. Hatler completely whole.

30. After Ms. Hatler learned the amount of the successful bid and that the property had been purchased by Respondent's son, she returned the purchase money check to Respondent, and later sued Respondent. That case was ultimately settled as reflected in Exhibit 36.

31. The Roddy's sued Ms. Hatler and the Respondent for , among other things, failing to obtain the highest price possible at the foreclosure sale. Respondent worried prior to the foreclosure sale that the Roddy's might file a lawsuit. The Roddy's ultimately dismissed their lawsuit.

B. Conclusions of Law

The issue in this case is quite simple. Did Respondent create a conflict of interest when prior to the foreclosure sale he informed his son that the property would be a good investment and then supplied the financing necessary for his son to purchase the property? The evidence does not preponderate one way or the other as to whether Ms. Hatler informed Respondent prior to the sale that she desired to purchase the property. The Regions Bank second lien suggests the issue was never discussed. Regions Bank's lien substantially reduced a potential buyer's incentive to purchase the property at the foreclosure sale. However, when Regions Bank failed to contact Mr. Hanzelik prior to the sale or to participate in the sale the dynamics changed. Because of Regions Bank's absence, an opportunity developed to purchase the property free and clear of this second lien. Respondent provided his son with the information and financing to take advantage of this opportunity. Ms. Hatler felt that she was deprived of this unexpected opportunity by Respondent's failure to keep her fully informed and by his making the purchase possible for his son.

With this explanation, the Hearing Panel makes the following conclusions of law.

1. A lawyer-client relationship existed between Respondent and Ms. Hatler that encompassed the entire scope of Respondent's efforts to collect the Note and foreclosure on the property that secured the Note. Respondent did not limit the scope of these duties pursuant to Rule 1.2 of the Rules of Professional Responsibility.

2. Mr. Hanzelik's duties included advising Ms. Hatler and protecting her from a possible lawsuit from the occupants of the secured property.

3. In *Wilson v. Hayes*, 193 S.W.2d 107 (Tenn. Ct. App. 1945), the Tennessee Court of Appeals set aside a sale of stock finding "that a trustee cannot buy trust property from himself in the manner attempted in this case is too well settled to require discussion. Such a purchase is always voidable at the election of the beneficiary unless, being *sui juris* and having full knowledge of the facts, he has affirmed it." The Court of Appeals in *Wilson* further found:

The rule is inflexibly established that where, in the management and performance of the trust, trust property of any description, real or personal property, or mercantile assets is sold, the trustee cannot, without the knowledge and consent of the *cestui que* trust, directly or indirectly become the purchaser. Such a purchase is always voidable, and will be set aside on behalf of the beneficiary, unless he has affirmed it, being *sui juris*, after obtaining full knowledge of all the facts. It is entirely immaterial to the existence and operation of this rule that the sale is intrinsically a fair one, that no undue advantage is obtained or that a full consideration is paid, or even that the price is the highest which could be obtained. The policy of equity is to remove every possible *temptation* from the trustee. The rule also applies alike where the sale is private, or at auction, where the purchase is [***9] made directly by the trustee himself, or indirectly [**110] through an agent, where the trustee acts simply as agent for another person, and where the purchase is made from a co-trustee. Finally, the rule extends with equal force to a purchase made under like circumstances by a trustee from himself. A trustee acting in his fiduciary character, and without the intervention of the beneficiary, cannot sell the trust property to himself, nor buy his own property from himself for the purpose of the trust. *Id.* at 4 (citing Pomeroy's Eq. Jur., Vol. 2, Sec. 953; see also, Vol. 3, Sec. 1075.)

The parties agree that this is the law in Tennessee.

Similarly, In *Mitchell v. Sherrell*, the Tennessee Court of Appeals set aside a foreclosure sale at which the mortgagee purchased the property finding that the mortgagee had a duty to exercise a higher than ordinary degree of care and diligence to obtain as large a price as he reasonably can. *Mitchell v. Sherrell*, 11 Tenn. App. 210 (1929).

4. Rule 1.4 of the Tennessee Rules of Professional Responsibility provides:

- (a) a lawyer shall keep a client reasonably informed about the status of a matter and comply with reasonable requests for information within a reasonable time; and
- (b) a lawyer shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

Although Mr. Hanzelik may have complied with this rule at the time Ms. Hatler initially employed him, he did not do so immediately prior to the foreclosure sale.

5. Rule 1.7(b) provides that a lawyer shall not represent a client if the representation of that client may be materially limited by the lawyer's responsibilities to another client or to a third person, or by the lawyers own interests, unless:

- (1) the lawyer reasonably believes the representation will not be adversely affected; **and**
- (2) the client consents in writing after consultation. When representation of multiple clients in a single matter is undertaken, the consultation shall include explanation of the implications of the common representation and the advantages and risks involved.

6. By advising his son to purchase the property at the foreclosure sale and providing the means for his son to make that purchase, Mr. Hanzelik limited his ability to represent Ms. Hatler. His actions created doubt about whether he obtained the highest price possible for the property. In addition, Respondent failed to explain to Ms. Hatler the nature of the conflict or to obtain her consent to the representation in writing. Respondent's actions in effect foreclosed alternatives that might otherwise have been available to his client. Comment 8 to Rule 1.7 states, "if the probity of a lawyer's own conduct in a transaction is in serious question, it may be difficult or impossible for the lawyer to give a client detached advise".

7. Respondent argues that he did not violate his duties as trustee or his responsibilities under Rule 1.7 because he did not purchase the property himself; but instead as substitute trustee he sold the property in an arms length transaction to a bidder who happened to

be his son. The Hearing Panel rejects this argument because Respondent advised his son to purchase the property and provided the necessary funds. He played a role in the purchase and had an interest in the transaction even if he was not technically the purchaser. Because Mr. Hanzelik played a role outside of his role as substitute trustee, judgments he made are subject to question that otherwise would not be.

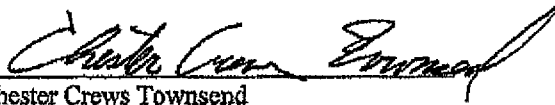
JUDGMENT OF THE HEARING COMMITTEE IN HATLER

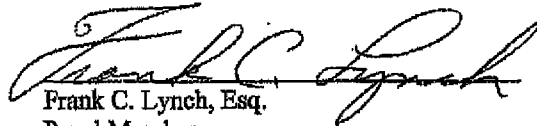
After having heard the testimony of witnesses, argument of counsel, and statements of the Respondent, and having reviewed the Exhibits and considered the record in this cause, it is the conclusion of the Hearing Committee that Respondent has violated Rules 1.4 and 1.7 of the Tennessee Rules of Professional Responsibility and his common law and contractual duties as a substitute trustee under a deed of trust. Consequently, it is

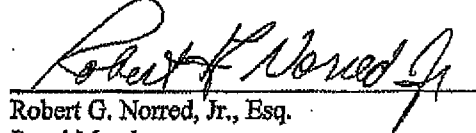
ORDERED, ADJUDGED and DECREED that:

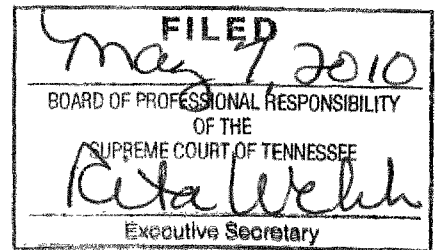
- (1) Respondent shall be suspended from the practice of law for Thirty (30) days;
- (2) In the time between now and the time the suspension begins, Mr. Hanzelik shall send a letter to all of his present clients to inform them of this suspension;
- (3) Respondent must make plans for the adequate representation of his clients while he serves his suspension;
- (4) Respondent will be automatically reinstated to the practice of law after serving the Thirty (30) day suspension;
- (5) The costs of this action are taxed against the Respondent;
- (6) All other claims made by the Board of Professional Responsibility against Respondent that relate to the Complaint of Ms. Hatler are dismissed with full prejudice.

The findings of fact, conclusions of law and judgments for the cases consolidated as *In Re Fred Hanzelik*, Doc. No. 2008-1757-3-SG, are hereby entered this 16th day of April, 2010.


Chester Crews Townsend
Panel Chairperson


Frank C. Lynch, Esq.
Panel Member


Robert G. Norred, Jr., Esq.
Panel Member



**IN DISCIPLINARY DISTRICT III
BOARD OF PROFESSION RESPONSIBILITY
OF THE
SUPREME COURT OF TENNESSEE**

**IN RE: FRED T. HANZELIK,
BPR #004773, Respondent
An Attorney Licensed and
Admitted to the Practice of
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(Hamilton County)**

DOCKET No. 2008-1757-3-SG

ORDER AMENDING JUDGMENT

This case came back before the Hearing Panel on April 30, 2010 upon the Board of Professional Responsibility's Motion to Alter or Amend the Judgment filed April 19, 2010. Basically, the Board points out that the judgment did not give the Board or the Respondent the necessary time to seek a review of the judgment pursuant to Tenn. Code. Ann. § 27-9-101 et seq. More specifically, the judgment requires the Respondent to begin serving a suspension prior to the sixty (60) days within which the Respondent and the Board have the right to seek review of the judgment. The Hearing Panel finds that the motion is well taken and should be granted. Accordingly, the Hearing Panel

ORDERS that the judgment entered in this cause on April 19, 2010 be amended to remove the date on which the Respondent's suspension from the practice of law would begin and end, and the date by which Respondent must notify his clients of his suspension. Page 15 of the judgment should be amended to accomplish this change. A revised and amended page 15 of the judgment is attached hereto and incorporated herein as Exhibit A. A redlined comparison that compares the altered page 15 to the original language of page 15 is attached hereto as Exhibit B. The revised page 15 will be substituted for the original page 15 of the judgment entered on April

be his son. The Hearing Panel rejects this argument because Respondent advised his son to purchase the property and provided the necessary funds. He played a role in the purchase and had an interest in the transaction even if he was not technically the purchaser. Because Mr. Hanzelik played a role outside of his role as substitute trustee, judgments he made are subject to question that otherwise would not be.

JUDGMENT OF THE HEARING COMMITTEE IN HATLER

After having heard the testimony of witnesses, argument of counsel, and statements of the Respondent, and having reviewed the Exhibits and considered the record in this cause, it is the conclusion of the Hearing Committee that Respondent has violated Rules 1.4 and 1.7 of the Tennessee Rules of Professional Responsibility and his common law and contractual duties as a substitute trustee under a deed of trust. Consequently, it is

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- (1) Respondent shall be suspended from the practice of law for Thirty (30) days;
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- (4) Respondent will be automatically reinstated to the practice of law after serving the Thirty (30) day suspension;
- (5) The costs of this action are taxed against the Respondent;
- (6) All other claims made by the Board of Professional Responsibility against Respondent that relate to the Complaint of Ms. Hatler are dismissed with full prejudice.



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ORDERED, ADJUDGED and DECREED that:

- (1) Respondent shall be suspended from the practice of law for Thirty (30) ~~days beginning on May 13, 2010;~~
- (2) In the time between now and the time the suspension begins May 10, Mr. Hanzelik shall send a letter to all of his present clients to inform them of this suspension;
- (3) Respondent must make plans for the adequate representation of his clients while he serves his suspension;
- (4) Respondent will be automatically reinstated to the practice of law after serving the Thirty (30) day suspension on June 12, 2010;
- (5) The costs of this action are taxed against the Respondent;
- (6) All other claims made by the Board of Professional Responsibility against Respondent that relate to the Complaint of Ms. Hatler are dismissed with full prejudice.

