

SUPREME COURT OF WISCONSIN
OFFICE OF LAWYER REGULATION

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Michael G. Mack, Attorney at Law

Michael G. Mack is a Wisconsin attorney whose State Bar identification number is 1018553. Mack practices law in Brookfield, Wisconsin. Mack was first licensed to practice law in Wisconsin on May 18, 1987.

Facing financial difficulties, Mack filed a Chapter 13 bankruptcy petition. Mack prepared his own petition, schedules, and Statement of Financial Affairs and signed them under penalty of perjury. Mack filed schedules showing ownership of one checking account, no jewelry, a Chevrolet Suburban, and ownership of his law firm, valued at \$15,000, with net monthly income of \$1,500. Counting monthly gifts from his parents, Mack estimated joint monthly income of \$4,500. In addition, Mack indicated that he had not transferred any property within two years of filing the petition and had not closed any financial accounts within one year of filing the petition.

On February 19, 2015, Mack testified at a ¶ 341 meeting of creditors before Trustee Rebecca Garcia that the schedules he filed were true, correct and complete. Seeking to update his financial information, Mack testified that he had sold a 1961 Austin Healey for \$4,200, that he was no longer receiving financial assistance from his parents, that he would be filing amended schedules, and that he would provide the Trustee his 2012 and 2013 personal and business tax returns along with a profit and loss statement for the law firm.

When Mack did not appear for the next scheduled creditors' meeting (and failed to supply the promised information to the Trustee), the Trustee moved to dismiss the Chapter 13 petition. In response, Mack filed an application to convert his Chapter 13 petition to a Chapter 7 petition.

The Trustee held a ¶ 341 meeting of creditors on May 27, 2015. Mack appeared and testified under oath that he had not made any transfers of property in the past 4 years, that he had received money from his parents in the form of a loan (approximately \$11,000), that he prepared the schedules filed in the case, had reviewed them carefully, that they listed all his assets and debts (including those of his spouse), and that the schedules were true and correct. Mack testified that the schedules accurately listed the value of all his personal property. Mack further testified that he would be amending his schedules to include a claim against a creditor who was violating the stay in the proceedings. Later, Mack testified before the Trustee that the gross business income from his law firm was about \$1,500 a month, and, coupled with the \$3,000 a month he received from his parents, his total income was \$4,500.

On July 10, 2015, Mack filed an amended Schedule B and Schedule C. In his amended Schedule B, Mack revised the value of his law firm to \$3,000 and added a potential claim against a creditor. Mack signed Amended Schedule B, certifying under penalty of perjury "that the information contained in the foregoing Amended Schedule B is true and correct to the best of my knowledge and belief." Also on July 10, 2015, Mack filed an Amended Statement of Financial Affairs listing the amount of money his parents had loaned him in 2014 and 2015, or \$11,000. Mack did not make any other amendments to the Statement of Financial Affairs.

Mack's disclosures in his bankruptcy petition and associated schedules were false, misleading, and inaccurate. Mack did not list the sale of the 1961 Austin Healey in his amended

Statement of Financial Affairs. In addition, Mack did not disclose that his parents had loaned him \$25,000 in February, 2013, that these funds were deposited into an undisclosed bank account owned by Mack, and that in March, 2013, \$22,000 of these proceeds were transferred to another undisclosed bank account owned by Mack. These transfers were required to be disclosed on the Statement of Financial Affairs.

In addition, Mack did not list in either Amended Schedules B or C, or in the Amended Schedule of Financial Affairs, that he owned interests in other business entities and had other bank accounts besides those disclosed in his schedules. He also failed to disclose the closure of multiple bank accounts owned by him and his spouse prior to filing for bankruptcy.

Moreover, in his Amended Statement of Financial Affairs, Mack stated that the “income from employment or operation of business” was \$25,000. Yet, draft 2014 tax returns provided by Mack to the Trustee showed gross receipts of \$219,926 for the calendar year 2014. Furthermore, in Schedule I of his Petition, Mack stated his business income was \$1,500, when copies of bank statements obtained by the Trustee show that Mack and his spouse were charging approximately \$4,600 a month in personal expenses and personal business draws from the various Mack-owned bank accounts. Mack also failed to disclose in his Petition or Schedules B and C ownership in a variety of other entities he and his wife owned in 2014. Mack signed a declaration that, “I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct.” Mack’s declaration was false as the Petition and schedules he filed contained false, misleading, and inaccurate information.

On August 17, 2015, Mack received a discharge in his Chapter 7 petition. The Trustee's Report of No Distribution showed discharged debts of \$1,174,976 (not including value of collateral or debts excepted from discharge).

On October 20, 2015, Mack's spouse filed a Chapter 13 petition and later a Chapter 7 petition. Mack's wife was represented by another attorney from Mack's law firm. Based on information provided by Mack's wife in her bankruptcy schedules, and what the Trustee perceived to be misrepresentations contained in the sworn schedules and the false testimony provided by Mack regarding the accuracy of his own bankruptcy schedules, the Trustee sought to reopen and revoke Mack's Chapter 7 bankruptcy discharge. Mack ultimately stipulated to the waiver of his discharge.

By knowingly making false statements (or statements in reckless disregard for the truth), in the Petition and schedules, including failing to disclose multiple bank accounts held, failing to provide accurate income information (including money received from his parents), failing to disclose ownership interests in multiple entities, failing to disclose the transfer of funds between owned entities within two years of filing the Petition, and failing to disclose the closure of multiple bank accounts in the year proceeding the bankruptcy filing, Mack violated, in each instance, SCR 20:3.3(a)(1).

By swearing under oath that the information contained in his the Petition, the schedules (and amended schedules), and the Statement of Financial Affairs were true and accurate, when the Petition, schedules and Statement of Financial Affairs contained false, misleading and inaccurate information, Mack violated SCR 20:3.3(a)(1).

By testifying under oath at the February 19, 2015 Chapter 13 meeting of creditors as well as at the May 27, 2015 Chapter 7 meeting of creditors that the schedules and Statement

