

WAKE COUNTY  
NORTH CAROLINA

BEFORE THE DISCIPLINARY HEARING COMMISSION  
OF THE NORTH CAROLINA STATE BAR  
02BCS01

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IN THE MATTER OF THE )  
TENDER OF LICENSE OF: )  
PERCEL H. BROWN ) ORDER OF DISBARMENT  
)  
)

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THIS MATTER coming to be heard and being heard by the Council of the North Carolina State Bar pursuant to Section .0017 of Subchapter B of the Rules and Regulations of the North Carolina State Bar upon an affidavit of tender of license executed by Percel H. Brown and filed in the offices of the North Carolina State Bar on May 7, 2002.

Based upon the affidavit, the Council finds that Percel H. Brown's conduct of misapplying and appropriating client funds and failing to keep appropriate records of her trust account are grounds for discipline pursuant to N.C. Gen. Stat. Section 84-28(b)(2) in that Percel H. Brown violated Rules 8.4(c), 1.15-2(a), (m) & (o), and 1.15-3(a), (c) & (f) of the Revised Rules of Professional Conduct.

WHEREFORE, upon motion being duly made and seconded, the Council enters the following order:

1. The tender of surrender of license of Percel H. Brown is accepted.
2. Percel H. Brown hereby is DISBARRED from the practice of law in North Carolina.
3. Percel H. Brown shall comply with the provisions of Subchapter B, Section .0024 of the Rules and Regulations of the North Carolina State Bar and shall surrender her license and permanent membership card to the Secretary of the North Carolina State Bar along with the affidavit required by Subchapter B, Section .0024.
4. That the costs of this action be taxed against Percel H. Brown.

Done and Ordered this 19<sup>th</sup> day of July, 2002.

  
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E. Fitzgerald Parnell III, President  
North Carolina State Bar

North Carolina

Durham County

**AFFIDAVIT**

TO: The Council of The North Carolina State Bar

I, Percel H. Brown, hereby tender my license to practice and desire to resign from The North Carolina State Bar. My resignation is tendered freely and voluntarily, is not the result of coercion or duress, and I am fully aware of the implications of submitting the resignation.

I am aware that there are presently pending investigations or other proceedings regarding allegations that I have been guilty of misconduct, specifically that:

1) On or about May 28, 1998, funds totaling \$97,687.20 were wired into my trust account for a loan closing on behalf of David Stauffenberg. About a week after the closing the lender rescinded the loan and demanded the funds be returned. Even though checks totaling \$13,457.28 relating to the Stauffenberg loan had cleared the trust account, I returned the entire loan amount to the lender. This caused a defalcation in my trust account of \$13,457.28. Stauffenberg refused to repay the trust account. Although I have received fees that could have been used to replace at least part of the funds misappropriated, I have not replaced any of these funds. I chose to use fees received for business and personal purposes.

2) On January 5, 2001, I closed a loan for Jeffrey Frierson. Due to my error, I disbursed to the seller over \$4,800 more than he should have received causing an additional defalcation in my trust account. I have not made any attempt to recover these funds from the seller and have not replaced them in my trust account. Although I have received fees that could have been used to replace at least part of the funds misappropriated, I chose to use fees received for business and personal purposes.

3) I have failed to keep adequate and accurate records of my trust account transactions, as required by the Rules of Professional Conduct. As a result in numerous instances I have failed to disburse all closing funds received on behalf of clients. Presently, there is not enough money in my trust account for all money owed to or on behalf of clients.

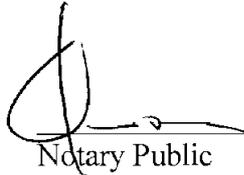
4) I have fully cooperated in the investigation by the State Bar.

I acknowledge that the material facts set forth in paragraphs 1 through 4 are true. I am submitting my resignation because I know that if charges were predicated upon the misconduct under investigation I could not successfully defend against them.

This 6 day of May, 2002

Perce H. Brown  
Perce H. Brown

Subscribed and sworn to before me this 6<sup>th</sup> day of  
May, 2002.

  
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Notary Public

My commission expires 6/15/2005