

NORTH CAROLINA

WAKE COUNTY

BEFORE THE
GRIEVANCE COMMITTEE
OF THE
NORTH CAROLINA STATE BAR
05G0498

IN THE MATTER OF)

Steven E. Philo,)
Attorney At Law)

REPRIMAND)

On July 12, 2007 the Grievance Committee of the North Carolina State Bar met and considered the grievance filed against you by the North Carolina State Bar.

Pursuant to Section .0113(a) of the Discipline and Disability Rules of the North Carolina State Bar, the Grievance Committee conducted a preliminary hearing. After considering the information available to it, including your response to the letter of notice, the Grievance Committee found probable cause. Probable cause is defined in the rules as "reasonable cause to believe that a member of the North Carolina State Bar is guilty of misconduct justifying disciplinary action."

The rules provide that after a finding of probable cause, the Grievance Committee may determine that the filing of a complaint and a hearing before the Disciplinary Hearing Commission are not required, and the Grievance Committee may issue various levels of discipline depending upon the misconduct, the actual or potential injury caused, and any aggravating or mitigating factors. The Grievance Committee may issue an admonition, a reprimand, or a censure to the respondent attorney.

A reprimand is a written form of discipline more serious than an admonition issued in cases in which an attorney has violated one or more provisions of the Rules of Professional Conduct and has caused harm or potential harm to a client, the administration of justice, the profession, or a member of the public, but the misconduct does not require a censure.

The Grievance Committee was of the opinion that a censure is not required in this case and issues this reprimand to you. As chairman of the Grievance Committee of the North Carolina State Bar, it is now my duty to issue this reprimand.

You are associated with an entity called Gina & Vic, Inc., which owns a franchise of a business company called The Closing Place. The Closing Place provides settlement agent services in residential real estate closings, and Gina & Vic, Inc. sought to engage in such business in Franklin, North Carolina. You sent a letter to realtors in about April 2005 on letterhead bearing the caption "Philo & Spivey, P.A., Attorneys For The Closing

Place” with a Franklin, North Carolina address. The letter contained statements suggesting that an entity named The Closing Place could provide services for real estate closings, including your firm’s legal services, for the fees quoted in the letter. You utilized the services of Gina & Vic, Inc., doing business as The Closing Place, in certain real estate transactions, and disbursed funds to “The Closing Place” to compensate the company for its work. Your association with this company and communication to others by the April 2005 letter described herein and by similar sign assisted this company in holding itself out as capable of providing legal services to others, a form of unauthorized practice of law, in violation of Rule 5.5(d).

You are hereby reprimanded by the North Carolina State Bar for your professional misconduct. The Grievance Committee trusts that you will heed this reprimand, that it will be remembered by you, that it will be beneficial to you, and that you will never again allow yourself to depart from adherence to the high ethical standards of the legal profession.

In accordance with the policy adopted October 15, 1981 by the Council of the North Carolina State Bar regarding the taxing of the administrative and investigative costs to any attorney issued a reprimand by the Grievance Committee, the costs of this action in the amount of \$50.00 are hereby taxed to you.

Done and ordered, this the 6th day of August, 2007


James R. Fox, Chair
Grievance Committee

JRF/lr