

NORTH CAROLINA
WAKE COUNTY

BEFORE THE
GRIEVANCE COMMITTEE
OF THE
NORTH CAROLINA STATE BAR
05G0652 & 06G0480

IN THE MATTER OF)	
)	
Richard E. Steinbronn,)	REPRIMAND
Attorney At Law)	
)	

On July 12, 2007 the Grievance Committee of the North Carolina State Bar met and considered the grievances filed against you by R. E and 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 a business company called The Closing Place which provides settlement agent services for residential real estate transactions. The Closing Place received a letter of caution to cease and desist the unauthorized practice of law in February 2004 from the North Carolina State Bar and you received a reprimand for assisting The Closing Place in the unauthorized practice of law in August 2004. Since that time, The Closing Place continued to

hold itself out as able to provide legal services or as having provided legal services, as manifested in use of letterhead by The Closing Place that listed you as attorney with that company and by the listing of The Closing Place on HUD-1 Settlement Statements as having performed the legal service of a title examination. During this time you shared office space with The Closing Place, including the sharing of a reception area, receptionist, and telephone and fax lines with The Closing Place, which heightened the appearance that The Closing Place could provide customers with your legal services. Your arrangement with The Closing Place as described above continued to assist The Closing Place in holding itself out as able to provide legal services to others in violation of Rule 5.5(d). The risk of a customer believing that The Closing Place could provide him or her with your legal services was manifested in the grievance filed by R.E., file number 05G0652. The Grievance Committee considered your prior discipline for unauthorized practice of law with The Closing Place to be an aggravating factor. The Grievance Committee considered your cooperation with the State Bar and the changes you have made to office location, information provided to parties at real estate closings, and to your HUD-1 Settlement Statements to address the appearance issues raised to be mitigating factors.

Your trust account was examined in file 06G0480. The evidence in file 06G0480 showed a check deposited into your trust account for a real estate transaction was returned with insufficient funds, creating a shortfall in your account for that transaction. Although some funds were deposited promptly to partially reimburse the trust account of the shortfall, a deficit for that transaction remained for a significant period of time until total reimbursement was made. The evidence also showed a transaction in which disbursements were made several weeks prior to funds being deposited into your trust account for that transaction. Such unsupported disbursements potentially place other client funds at risk and are in violation of Rule 1.15-2(a) and (m). Overall, however, the evidence showed proper management of your trust account. The Grievance Committee considered your cooperation with the State Bar, the overall proper management of your trust account, your prompt reimbursement of your trust account when the remaining deficit referenced above came to your attention during the pendency of this grievance file, and the changes you have made with your deposit procedures as mitigating factors.

The evidence in file 06G0480 also showed you shared legal fees with a person who was not licensed to practice law in North Carolina, although she was licensed to practice law elsewhere. This is in violation of Rule 5.4(a). The Grievance Committee considered your cooperation with the State Bar as a mitigating factor.

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