

NORTH CAROLINA
WAKE COUNTY

BEFORE THE
GRIEVANCE COMMITTEE
OF THE
NORTH CAROLINA STATE BAR
06G0233

IN THE MATTER OF)
)
LAWRENCE S. MAITIN,) CENSURE
ATTORNEY AT LAW)
)

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

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

The Grievance Committee believes that a hearing before the Disciplinary Hearing Commission is not required in this case and issues this censure to you. As chairman of the Grievance Committee of the North Carolina State Bar, it is now my duty to issue this censure. I am certain that you will understand fully the spirit in which this duty is performed.

You became associated with Eric August, a nonlawyer who owned and operated a real estate closing business known as Preferred Closing Services, Inc. The two of you worked together on a contract basis to facilitate real estate closings. You gave August the authority to handle real estate closings and also gave August authority to write checks against your trust account.

In the summer of 2004 you opened a new trust account with a different bank. Your previous trust account with CCB contained the funds for Ms. D's real estate closing and was to be used to pay off a mortgage. In December 2004 August took \$140,000 from the CCB trust account and loaned it to DL, a third party. You did not discover August's theft until February 2006. You failed to reconcile and

close out the CCB trust account on a quarterly basis and have thus violated Rule 1.15-3(c), Records and Accountings.

In April 2005 August handled a fraudulent closing for FL and VM, in which you appeared on the HUD statement as the closing agent. Through his company Preferred Closing Services, Inc., August was successful in closing many real estate matters, including the one for FL and VM, because of your contractual relationship. You knew from the beginning that (1) August was not a lawyer, (2) August was running a business to facilitate real estate closings, (3) August was advertising the ability to provide all services connected with real estate closings, including legal services, and (4) that August was using your services to allow Augusts' business to practice law or offer legal services, all of which are in violation of NCGS §84. By agreeing to be the closing agent for Augusts' clients, you assisted August in the unauthorized practice of law in violation of Rule 5.5(d), Unauthorized Practice of Law.

You also failed to adequately supervise August and as a result August stole client money, engaged in UPL, and facilitated a fraudulent real estate transfer. You have violated Rule 5.3(a)(b), Responsibilities Regarding Nonlawyer Assistants.

You are hereby censured by the North Carolina State Bar for your violation of the Rules of Professional Conduct. The Grievance Committee trusts that you will ponder this censure, recognize the error that you have made, and that you will never again allow yourself to depart from adherence to the high ethical standards of the legal profession. This censure should serve as a strong reminder and inducement for you to weigh carefully in the future your responsibility to the public, your clients, your fellow attorneys and the courts, to the end that you demean yourself as a respected member of the legal profession whose conduct may be relied upon without question.

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 censure by the Grievance Committee, the costs of this action in the amount of \$50.00 are hereby taxed to you.

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



James R. Fox, Chair
Grievance Committee
The North Carolina State Bar