

SEP 29 2008

NORTH CAROLINA
WAKE COUNTY

BEFORE THE
GRIEVANCE COMMITTEE
OF THE
NORTH CAROLINA STATE BAR
07G0742

IN THE MATTER OF)	
)	
SANDRA L. KNOX,)	CENSURE
ATTORNEY AT LAW)	
)	

On July 17, 2008, the Grievance Committee of the North Carolina State Bar met and considered the grievance filed against you by Ms. Bumgarner.

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.

On March 20, 2006 you closed a residential real estate transaction on behalf of the buyer, Ms. Bumgarner. Shortly after the closing, you learned that a second property map was filed prior to the closing. The second map, which was never disclosed to Ms. Bumgarner, changed the property lines on Ms. Bumgarner's lot. The builder had constructed a house on an adjacent lot concurrently with the construction of Ms. Bumgarner's and the house encroached on Ms. Bumgarner's property. Upon discovering the encroachment issue, you contacted both parties and explained what was required to rectify the problem. Based on both parties agreement to sign the necessary documents, you prepared a "corrected" deed containing a different property description than the original deed provided at closing

and also prepared a quitclaim deed returning a portion of Ms. Bumgarner's land to the builder and requested both parties come to your office to sign.

The Committee found that you did initially have some communication with Ms. Bumgarner regarding the deeds, but when it became clear that Ms. Bumgarner was not going to sign the quitclaim deed, you stopped responding to Ms. Bumgarner's request for information in violation of Rule 1.4(a): Communication. In addition, you failed to adequately explain the consequences of Ms. Bumgarner signing the quitclaim deed in violation of Rule 1.4(b): Communication.

You obtained the builder's signature on the "corrected" deed and without Ms. Bumgarner's knowledge or consent, filed the "corrected" deed. By filing the deed without Ms. Bumgarner's consent you violated Rule 1.2(a): Scope of Representation and Allocation of Authority. Moreover, filing a corrected deed was not proper under NCGS §47-36.1: Correction of errors in recorded instruments. The statute permits correction of typographical errors and minor errors. The act of preparing and then filing the "corrected" deed without the knowledge and consent of Ms. Bumgarner deceived Ms. Bumgarner in violation of Rule 8.4(c): Misconduct.

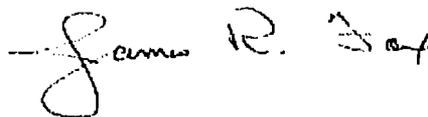
The Committee further determined that preparations of the deeds were more favorable to the builder and were contrary to the best interest of your client, Ms. Bumgarner in violation of Rule 1.7(a): Conflict of Interest: Current Clients.

Furthermore, you indicated in your response to the grievance that you had "... attempted to cooperate with every attorney Ms. Bumgarner has hired ..." In fact, you failed to respond to two of Ms. Bumgarner's attorneys. Your statement was therefore false and/or misleading and thus a violation of Rule 8.4(c): Misconduct.

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 \$100.00 are hereby taxed to you.

Done and ordered, this 29 day of SEPTEMBER, 2008.



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