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THE NORTH CAROLINA STATE BAR
105 Fayetteville Street
Raleigh, North Carolina 27611

January 9, 1979

Mr. Grady B. Stott
President, The North Carolina State Bar
Post Office Box 25850
Raleigh, North Carolina 27611

Re: Application of W. Arnold Smith for
reinstatement of his law license
following its suspension.

Dear Mr. Stott:

This is the report of the Special Committee you appointed to study the above matter pursuant to a Resolution adopted by the Council of the State Bar on October 19, 1978.

The Committee met, with all members attending, at 11:30 a.m. on January 2, 1979, in Suite 2300 of the Wachovia Building in Winston-Salem. Mr. Smith was also present.

The Committee had available the following writings:

1. A file prepared by the State Bar from its records concerning Mr. Smith, a copy of which was provided to Mr. Smith;
2. The original transcript of a hearing before the Disciplinary Hearing Commission on June 24, 1977 concerning two charges by the State Bar against Mr. Smith, these being identified by the Commission as 77 DHC 4 and 77 DHC 8;
3. The Affidavit of Crawford Williams, submitted by Mr. Smith;
4. The Affidavit of Robert J. Cook, submitted by Mr. Smith; and
5. The Affidavit of Hubert Owen, submitted by Mr. Smith.

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Mr. Smith orally presented his views to the Committee and answered numerous questions directed to him.

The Committee has considered itself to be acting under Rule IX, Section 25 (A) (4) of the Rules and Regulations of the State Bar for the purpose of making such inquiry into this matter as the Council deems necessary. Conditions applying to Mr. Smith are contained in Rule IX, Section 24 (A) (1), which states that no member of the State Bar suspended may resume practice until reinstated by the order of the Council, and Rule IX, Section 24, which in part requires a suspended attorney to give notice of his suspension to his clients and certain other persons.

As a result of the hearing on June 24, 1977, the Commission made findings favorable to Mr. Smith in 77 DHC 8 but found against him in 77 DHC 4 and imposed discipline. The terms of the discipline were to suspend Mr. Arnold from the practice of law for the period of one year, beginning on August 1, 1977, and to tax him with the costs in 77 DHC 4. It was ordered that Mr. Smith might apply for reinstatement six months after the date of the suspension of his license. Mr. Coley, counsel for the State Bar, advises that Mr. Arnold has paid the costs in question, and it is clear the period of the suspension of his law license has expired.

Mr. Smith told the Committee that he has fulfilled all of the requirements set forth in Rule IX, Section 24; that, although he has a history of alcoholism, he has not indulged in alcohol since June 13, 1976; that nothing has occurred since August 1, 1977 which reflects adversely on his character or his ability to practice law; and that there are no complaints against him now pending with the State Bar.

Prior to the meeting, Mr. Coley confirmed there were no complaints pending against Mr. Smith, and advised that the State Bar has no evidence of developments since August 1, 1977 which reflect adversely on Mr. Smith's character or his ability to practice law. The file prepared by the State Bar contains Mr. Smith's Affidavit dated August 10, 1977, that he has complied with Rule 24.

There are several negative factors appearing in Mr. Smith's history: the matter of his alcoholism, now apparently under control;

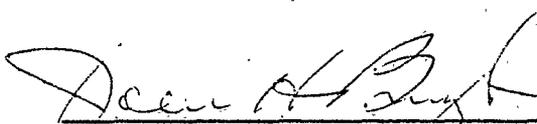
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a substantial assessment made against him several years ago by the Internal Revenue Service with respect to income taxes; and the testimony at the hearing on June 24, 1977 of several members of the Raleigh Bar, who expressed adverse opinions concerning Mr. Smith's reputation as a lawyer. However, each of these factors existed when discipline was imposed on him on July 31, 1977. Moreover, as noted above, Mr. Smith has complied with the terms of that discipline.

Accordingly, the Committee finds no sufficient reason for further disciplinary proceedings against Mr. Smith, and is of opinion that his law license must be reinstated.



ROY W. DAVIS, JR.
Chairman



JOHN H. BINGHAM



SAMUEL GRIMES

Enclosures:

Affidavits by Crawford Williams,
Robert J. Cooke, and Hubert Owen

The North Carolina State Bar

NORTH CAROLINA
WAKE COUNTY

IN THE MATTER OF
W. ARNOLD SMITH, PETITIONER

RESOLUTION OF REINSTATEMENT OF
CERTIFICATE OF LICENSE TO PRACTICE LAW

The following Resolution was adopted by the Council of The North Carolina State Bar at its meeting on January 12, 1979.

IN THE MATTER OF W. ARNOLD SMITH, Petitioner, Raleigh, Wake County,
North Carolina:

It appearing to the Council of The North Carolina State Bar that a report of the Special Committee of the Council appointed to make inquiry into the application and Petition for Reinstatement of W. Arnold Smith was considered and discussed by the Council at its quarterly meeting held on January 12, 1979. The members of the Special Committee inquired into the record and transcript of the trial held before a trial committee of the Disciplinary Hearing Commission of The North Carolina State Bar, interviewed the Petitioner personally and inquired of the Office of Counsel of the State Bar as to matters and things concerning the record of the Petitioner, and as a result thereof filed its report recommending that the license of W. Arnold Smith to practice law in the State of North Carolina be restored to him.

It appearing to the Council of The North Carolina State Bar that W. Arnold Smith was suspended from the practice of law by Order of the Disciplinary Hearing Commission of The North Carolina State Bar on July 31, 1977.

And it further appearing to the Council that on August 3, 1978, W. Arnold Smith filed with the office of The North Carolina State Bar a Petition for the Reinstatement of his certificate to practice law in North Carolina;

And the Council finds from the Petition and based upon the report of the Special Committee that W. Arnold Smith has complied with all the conditions set forth in the Order of Suspension issued by the Disciplinary Hearing Commission of The North Carolina State Bar; and that during the

period of said suspension, W. Arnold Smith has demonstrated that he has the moral qualifications, competency and learning in law required for admission to practice law in this State, and that the resumption of the practice of law within the State by the Petitioner will neither be detrimental to the integrity and standing of The North Carolina State Bar or the administration of justice nor subversive to the public interest.

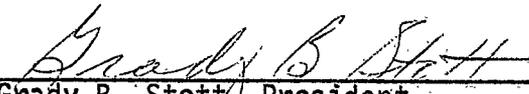
NOW, THEREFORE, BE IT RESOLVED that W. Arnold Smith heretofore suspended by the Disciplinary Hearing Commission of The North Carolina State Bar be reinstated as an attorney at law with the rights and privileges to practice law in North Carolina.

The Secretary is hereby directed to restore and deliver to the Petitioner the certificate of license now in the possession of the Secretary.

The Secretary is further directed to forward a copy of this Resolution to the Supreme Court of North Carolina, the Court of Appeals of North Carolina, and the Clerk of Superior Court of Wake County.

BE IT FURTHER RESOLVED that the Petitioner is taxed with the cost of this proceeding as certified by the Secretary.

By Order of the Council this 12th day of January, 1979.



Grady B. Stott, President
The North Carolina State Bar

I, B. E. James, Secretary-Treasurer of The North Carolina State Bar hereby certify that the above Resolution of Reinstatement of Certificate of License to Practice Law was duly adopted by the Council of The North Carolina State Bar at its meeting on January 12, 1979.

Given over my hand and seal of The North Carolina State Bar, this the 29th day of January 1979.



B. E. James, Secretary-Treasurer
The North Carolina State Bar