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STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE
GRIEVANCE COMMITTEE
OF THE
NORTH CAROLINA STATE BAR
94G1397 (II)

IN THE MATTER OF

KAREN B. SHIELDS
ATTORNEY AT LAW

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REPRIMAND

On April 13, 1995, the Grievance Committee of the North Carolina State Bar met and considered the grievance filed against you by Mark V. Gray.

Pursuant to section 13(A) of article IX of the Rules and Regulations 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, reprimand, or 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 and I am certain that you will understand fully the spirit in which this duty is performed.

In March 1993 you were retained by the guardian for Peter A. Fore, Jr. to represent him in a wrongful death action where his father, Peter A. Fore, Sr. was killed during a high speed chase. You were also retained by Alberta High, the administratrix of Peter Fore Sr.'s estate, to represent her and to institute legal proceedings on behalf of her as representative of the heirs of

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the late Peter Fore, Sr. At the time you contracted with High, you believed that the decedent's only heir was the one minor son. Later you learned that there was another potential heir, LaToya Fore, the decedent's child by a previous marriage. You contacted LaToya Fore's mother and told her she should retain separate counsel which she did.

You continued, however, to represent the administratrix and Peter Fore, Jr. until the administratrix fired you on September 2, 1994. During the time that you represented both parties, you and another attorney negotiated with the insurance company for a settlement.

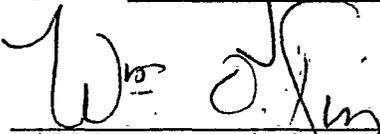
While it appears that you had no conflict of interest initially because you knew of only one heir to Fore's estate, you had a conflict in representing both the administratrix and Peter Fore, Jr. once you learned of the putative heir. An attorney for the administratrix in the wrongful death action, has a fiduciary duty to the heirs and should seek to treat all heirs fairly and reasonably.

Your conduct in representing both the administratrix and the guardian for Peter A. Fore, Jr. in the wrongful death case without full disclosure of the advantages and risks involved in such dual representation violates Rule 5.1(b) of the Rules of Professional Conduct.

You are hereby reprimanded by the North Carolina State Bar due to 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 8th day of May, 1995.



William O. King, Chairman
The Grievance Committee
North Carolina State Bar

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