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NORTH CAROLINA
WAKE COUNTY

BEFORE THE
GRIEVANCE COMMITTEE
OF THE
NORTH CAROLINA STATE BAR
96G1309(II)

IN THE MATTER OF)	
)	
MICHAEL STONE,)	REPRIMAND
ATTORNEY AT LAW)	
)	

On January 15, 1998, the Grievance Committee of the North Carolina State Bar met and considered the grievance filed against you by Clarence Caviness.

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, and I am certain that you will understand fully the spirit in which this duty is performed.

Between November 1995 and September 1996, you and your law partner conducted a number of residential real estate closings for Chase Mortgage Brokers. Between approximately May and September 1996, your law firm did all of Chase's closings and you ultimately opened four offices across the state for this purpose. These closings were handled primarily by non-lawyer assistants and on many occasions, neither you nor any other attorney from your office attending the closings. Additionally, it appears that some of the closing documents, such as

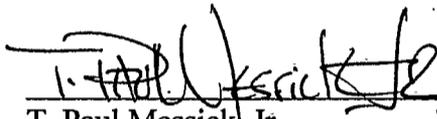
deeds and deeds of trust, were drafted by your non-lawyer assistants and were not properly reviewed by you or another attorney prior to closing. Moreover, it appears that your office took on more work than it could properly handle, as there was often a substantial delay before all documents were recorded and the final title premium checks were mailed.

The Grievance Committee concluded that you failed to properly supervise your non-lawyer assistants in this matter, in violation of Rule 3.3 and that your failure to supervise your assistants, coupled with the excessive work load which your office evidently accepted, led to the neglect of a number of real estate closing matters, in violation of Rule 6(b)(3).

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 24th day of JANUARY, 1998.



T. Paul Messick, Jr.
Chair, Grievance Committee
The North Carolina State Bar