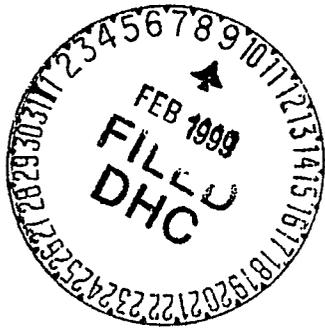


WAKE COUNTY
NORTH CAROLINA



9947

BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF THE
NORTH CAROLINA STATE BAR
98 DHC 27

THE NORTH CAROLINA STATE BAR,)	
)	
Plaintiff,)	
)	
v.)	CONSENT ORDER OF DISCIPLINE
)	
A. RAY MATHIS, Attorney,)	
)	
Defendant.)	

This matter came before a Hearing Committee of the Disciplinary Hearing Commission composed of James R. Fox, Chair; Joseph G. Maddrey and Robert B. Frantz, pursuant to Section .0114 of the Discipline and Disability Rules of the North Carolina State Bar (hereinafter "Bar"). Defendant, A. Ray Mathis, was represented by Alan M. Schneider. The plaintiff was represented by Douglas J. Brocker. Both parties stipulate and agree to the findings of fact and conclusions of law recited in this consent order and to the discipline imposed. Based upon the consent of the parties the hearing committee hereby enters the following:

FINDINGS OF FACT

1. The plaintiff, the North Carolina State Bar, is a body duly organized under the laws of North Carolina and is the proper party to bring this proceeding under the authority granted it in Chapter 84 of the General Statutes of North Carolina, and the Rules and Regulations of the North Carolina State Bar promulgated thereunder.
2. The defendant, A. Ray Mathis (hereinafter "Mathis"), was admitted to the North Carolina State Bar on August 22, 1981 and is, and was at all times referred to herein, an Attorney at Law licensed to practice in North Carolina, subject to the rules, regulations, and Rules of Professional Conduct of the North Carolina State Bar and the laws of the State of North Carolina.
3. During the times relevant to this complaint, Mathis actively engaged in the practice of law in the State of North Carolina and maintained a law office in the city of Charlotte, Mecklenberg County, North Carolina.
4. Mathis waived his right to a formal hearing.
5. Mathis was properly served with process and the hearing was held with due notice to all parties.

6. Mathis concentrates his practice in the area of real estate law.

7. From March 1992 until March 1998, Mathis contracted with several companies to certify title for loans on real property in North Carolina (hereafter referred to collectively as "title search companies"). The title search companies with whom Mathis contracted included General America Corporation, ATM, ValuAmerica, Service Link, National Real Estate Services, and Chesapeake Appraisal and Settlement Services, Inc.

8. The title search companies, not Mathis, contracted directly with independent paralegals and other non-lawyers (hereafter referred to as "abstractors") all over North Carolina. The abstractors searched the public records in their respective areas and prepared an abstract or property report (hereafter "abstract").

9. The abstracts were then sent to Mathis by the title search companies or the abstractors along with a title certification for Mathis to execute.

10. The title search companies, not Mathis, selected the abstractors, controlled the manner in which they performed their title searches and abstracts and paid the abstractors for their work.

11. Mathis did not personally train or supervise most of the abstractors.

12. Mathis' office issued 12,000 title certifications to the title search companies from March 1992 to March 1998.

13. From at least October 1992 through June 1996, Mathis regularly allowed non-lawyer employees in his office to stamp his signature to the title certifications sent to him by the title search companies or abstractors. Mathis regularly allowed the non-lawyer employees in his office to stamp his signature to the title certifications without having personally reviewed the abstracts or any other materials provided along with each proposed title certification.

14. Respondent terminated his relationship with all the title search companies in March 1998, after receiving notice that the Consumer Protection Committee of the North Carolina State Bar recently issued Letters of Caution to several of his clients for committing the unauthorized practice of law. The Consumer Protection Committee found that several title search companies had committed the unauthorized practice of law by contracting directly with non-lawyers to provide abstracts, which were used to certify title for property located in North Carolina. The Committee further found that an attorney's after-the-fact review of the abstracts did not absolve the companies previous unauthorized practice of law violations.

15. The Consumer Protection Committee and the Ethics Committee of the State Bar recently issued several significant opinions regarding the use of independent title abstractors, the preparation of preliminary title reports, and the appropriate attorney supervision of independent abstractors.

16. Since the filing of the grievance, Mathis has thoroughly familiarized himself with the ethics opinions addressing the use of independent abstractors, the preparation of preliminary title opinions, and the required supervision by a licensed attorney.

Based upon the consent of the parties and the foregoing Findings of Fact, the hearing committee enters the following:

CONCLUSIONS OF LAW

1. All parties are properly before the hearing committee and the committee has jurisdiction over the defendant and the subject matter of this proceeding.

2. Mathis' conduct, as set forth in the Findings of Fact above, constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) and the Rules of Professional Conduct as follows:

- (a) By contracting with the title search companies to use abstracts provided by abstractors hired directly by the title search companies and by providing title certifications based on those abstracts, Mathis aided persons or corporations not licensed to practice law in North Carolina in the unauthorized practice of law in violation of Rule 3.1(a);
- (b) By using abstracts prepared by non-lawyers whom he did not adequately train or supervise, Defendant:
 - (i) aided persons not licensed to practice law in North Carolina in the unauthorized practice of law in violation of Rule 3.1(a),
 - (ii) failed to properly supervise the non-lawyer abstractors and failed to have in effect measures giving reasonable assurance that the conduct of the non-lawyer abstractors was compatible with his professional obligations in violation of Rule 3.3(a) & (b), and
 - (iii) handled a legal matter without preparation adequate under the circumstances, in violation of Rule 6(a)(2).
- (c) By directing and allowing non-lawyers in his office to stamp his signature on title certifications based on title searches, abstracts and other information that he did not personally review, Defendant:
 - (i) aided persons not licensed to practice law in North Carolina in the unauthorized practice of law in violation of Rule 3.1(a),
 - (ii) failed to properly supervise the non-lawyers in his office and failed to have in effect measures giving reasonable assurance that the

conduct of the non-lawyers in his office was compatible with his professional obligations in violation of Rule 3.3(a) & (b), and

- (iii) handled a legal matter without preparation adequate under the circumstances, in violation of Rule 6(a)(2).

Based upon the consent of the parties, the hearing committee also enters the following:

FINDINGS OF FACT REGARDING DISCIPLINE

1. The defendant's misconduct is aggravated by the following factors:
 - (a) a pattern of misconduct,
 - (b) multiple offenses, and
 - (c) substantial experience in the practice of law.
2. The defendant's misconduct is mitigated by the following factors:
 - (a) absence of a prior disciplinary record,
 - (b) absence of dishonest motive,
 - (c) cessation of conduct once on notice that the State Bar considered his conduct to constitute a violation,
 - (d) good character and reputation, and
 - (e) cooperative attitude toward proceedings.

Based upon the foregoing findings of fact and conclusions of law and the findings regarding discipline and based upon the consent of the parties, the hearing committee enters the following:

ORDER OF DISCIPLINE

1. Defendant, A. Ray Mathis, is hereby suspended from the practice of law for two years, effective 30 days from service of this order, upon the defendant. The suspension is STAYED for a period of two years, upon compliance with the following terms and conditions during all two years of the stayed suspension:
 - (a) Mathis shall thoroughly review and properly supervise all work performed by any non-lawyers employed or hired by him. Specifically, Mathis shall take reasonable steps to ascertain that any non-lawyer he utilizes to perform legal services is competent to perform such services and to assure

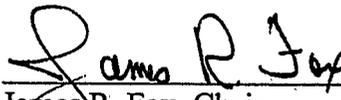
that non-lawyers conduct is otherwise compatible with his professional obligations. Mathis also shall give the non-lawyer appropriate instruction and supervision.

- (b) Mathis shall personally sign all legal documents in his office, including but not limited to title certifications. Under no circumstances shall Mathis permit his signature to be stamped on any legal document. Mathis also shall not execute or certify any title opinions that were prepared by an unsupervised non-lawyer.
- (c) Mathis shall forward to the State Bar a quarterly report certifying that he has complied with conditions (a) & (b) above and all ethics rules and opinions in practicing law in the previous quarter. These reports shall be due no later than January 1, April 1, July 1, and October 1 for each year of the stayed suspension.
- (d) Mathis shall not violate any provisions of the Revised Rules of Professional Conduct.
- (e) Mathis shall not violate any state or federal criminal laws.
- (f) Mathis shall pay the costs of this proceeding as assessed by the Secretary within 30 days of service of this order on him.
- (g) Mathis shall send copies of the this order to all of the following:
 - (i) All the title search companies with whom he did business during the period March, 1992 to March, 1998, including General America Corporation, ATM, ValuAmerica, Service Link, National Real Estate Services, and Chesapeake Appraisal and Settlement Services, Inc.,
 - (ii) All the title insurance companies he sent title opinions to during the period March, 1992 to March, 1998, and
 - (iii) His professional liability insurance carrier(s) during the period March, 1992 to March, 1998.
- (h) Mathis shall send the order to all of the above entities certified mail, return receipt requested. Mathis shall provide copies of all the mail receipts to the State Bar within 60 days of entry of this order.
- (i) Mathis shall attend 3 hours of continuing legal education ("CLE") on general ethics and the Revised Rules of Professional Conduct during both years of the stayed suspension. This 3 hours of general ethics CLE shall be in addition to all Mathis' normal CLE requirements.

2. If Defendant's suspension is activated, the defendant shall comply with all provisions of 27 N.C. Admin. Code Chapter 1, Subchapter B, § .0125(b) of the N.C. State Bar Discipline & Disability Rules, prior to seeking reinstatement of his license.

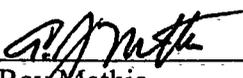
Signed by the undersigned hearing committee chair with the consent of the other hearing committee members.

This the 29th day of January, 1999.

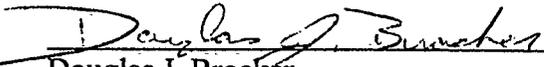


James R. Fox, Chair
Disciplinary Hearing Committee

We Consent:



A. Ray Mathis



Douglas J. Brocker
Deputy Counsel
North Carolina State Bar



Alan M. Schneider
Attorney for Defendant