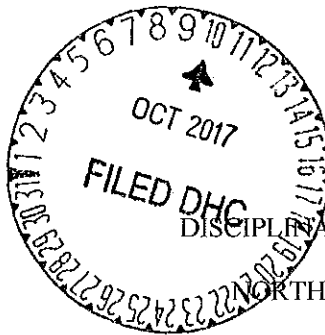


STATE OF NORTH CAROLINA

WAKE COUNTY



BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF THE
NORTH CAROLINA STATE BAR
17 DHG 25

THE NORTH CAROLINA STATE BAR,

Plaintiff

v.

JERRY B. CLAYTON, ROBERT W.
MYRICK, ROBERT D. McCLANAHAN,
RONALD G. COULTER, AND GLADYS
NICOLE CLAYTON, Attorneys,

Defendants

COMPLAINT

Plaintiff, complaining of Defendant, alleges and says:

1. Plaintiff, the North Carolina State Bar ("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 (Chapter 1 of Title 27 of the North Carolina Administrative Code).

2. Defendant, Jerry B. Clayton ("J. Clayton"), was admitted to the North Carolina State Bar in 1970, and is, and was at all times referred to herein, an attorney at law licensed to practice in North Carolina, subject to the laws of the State of North Carolina, the Rules and Regulations of the North Carolina State Bar and the Rules of Professional Conduct.

3. Defendant, Robert W. Myrick ("R. Myrick"), was admitted to the North Carolina State Bar in 1971, and is, and was at all times referred to herein, an attorney at law licensed to practice in North Carolina, subject to the laws of the State of North Carolina, the Rules and Regulations of the North Carolina State Bar and the Rules of Professional Conduct.

4. Defendant, Robert D. McClanahan ("R. McClanahan"), was admitted to the North Carolina State Bar in 1978, and is, and was at all times referred to herein, an attorney at law licensed to practice in North Carolina, subject to the laws of the State of North Carolina, the Rules and Regulations of the North Carolina State Bar and the Rules of Professional Conduct.

5. Defendant, Ronald G. Coulter ("R. Coulter"), was admitted to the North Carolina State Bar in 1980, and is, and was at all times referred to herein, an attorney at law licensed to

practice in North Carolina, subject to the laws of the State of North Carolina, the Rules and Regulations of the North Carolina State Bar and the Rules of Professional Conduct.

6. Defendant, Gladys Nicole Clayton ("N. Clayton"), was admitted to the North Carolina State Bar in 2005, and is, and was at all times referred to herein, an attorney at law licensed to practice in North Carolina, subject to the laws of the State of North Carolina, the Rules and Regulations of the North Carolina State Bar and the Rules of Professional Conduct.

Upon information and belief:

7. During all or part of the relevant periods referred to herein, Defendants were engaged in the practice of law in the State of North Carolina and maintained a law office operating under the name of Clayton, Myrick, McClanahan, & Coulter, P.L.L.C. (hereinafter "the firm") in Durham, Durham County, North Carolina.

8. On March 17, 2015, the firm's trust account was audited subject to a subpoena for random audit served on N. Clayton.

9. The following violations of Rule 1.15-3 were found during the random audit:

- a. The firm did not have any quarterly reconciliations for the firm's trust account for the preceding year.
- b. The firm had only three monthly reconciliations for the firm's trust account for the preceding year.
- c. The firm had not identified the client for which cash deposits were made into the trust account.
- d. The firm occasionally failed to indicate on trust account checks the client from whose funds in the trust account the trust account check was drawn.

10. Pursuant to 27 N.C. Admin. Code § 1B.0128(b), on May 11, 2015 the State Bar sent N. Clayton a letter seeking to confirm N. Clayton had taken appropriate corrective action to come into compliance with the Rules of Professional Conduct.

Requests to N. Clayton for trust account reconciliation

11. The State Bar requested N. Clayton confirm compliance with Rule 1.15 of the Rules of Professional Conduct by providing a trust account reconciliation.

12. In its May 11, 2015 letter, the State Bar requested N. Clayton provide a trust account reconciliation through April 2015 on the three-way reconciliation form provided, along with the supporting documents, by May 29, 2015.

13. On May 19, 2015, N. Clayton requested an extension of time, and the deadline

was extended to July 31, 2015.

14. N. Clayton did not provide the requested reconciliation by July 31, 2015.

15. On September 4, 2015, the State Bar sent N. Clayton a letter noting the State Bar had not received a response from N. Clayton to its May 11, 2015 letter and asking N. Clayton to provide the requested trust account reconciliation with supporting documents by September 30, 2015.

16. N. Clayton did not respond to the State Bar's September 4, 2015 letter.

17. On November 9, 2015, the State Bar sent N. Clayton a letter noting the State Bar had not received a response from N. Clayton to its prior requests and asking N. Clayton to provide a trust account reconciliation on the three-way reconciliation form provided through October 2015 with supporting documents by November 20, 2015.

18. N. Clayton did not respond to the State Bar's November 9, 2015 letter.

19. On March 11, 2016, the State Bar sent N. Clayton a letter noting the State Bar had not received a response from N. Clayton to its prior requests and asking N. Clayton to provide a trust account reconciliation on the three-way reconciliation form provided through March 2016 with supporting documents by April 20, 2016.

20. On April 20, 2016, a firm employee contacted the State Bar by e-mail and stated the firm would be e-mailing the requested reconciliation and documents on April 21, 2016.

21. The State Bar received nothing from N. Clayton or the firm on April 21, 2016.

22. On May 4, 2016, the State Bar responded to the firm employee's prior e-mail and notified her that the State Bar had not received the promised reconciliation. The employee responded and stated she would e-mail the documents the following day.

23. The State Bar received nothing from N. Clayton or the firm on May 5, 2016.

24. On May 20, 2016, the State Bar responded to the firm employee's prior e-mail and notified her that the State Bar had not received the promised reconciliation. The employee responded and stated she would e-mail the documents and put a paper copy in the mail that day.

25. The State Bar received nothing from N. Clayton or the firm on May 20, 2016 or in the next several days.

26. On May 25, 2016, the State Bar sent N. Clayton a letter by certified mail noting the State Bar had not received a response from N. Clayton to its prior requests and asking N. Clayton to provide a trust account reconciliation on the three-way reconciliation form provided through March 2016 with supporting documents by June 3, 2016.

27. The State Bar's May 25, 2016 letter was served by certified mail on May 26,

2016.

28. N. Clayton failed to respond to the State Bar's May 25, 2016 letter.

29. On June 20, 2016, the State Bar served N. Clayton with a letter of notice by certified mail.

30. The letter of notice notified N. Clayton that a grievance file had been opened and instructed N. Clayton to include with her response certain documents, including monthly and quarterly trust account reconciliations meeting the respective descriptions in Rule 1.15-3(d), trust account records, and client ledgers for the period of January 2014 to May 2016.

31. N. Clayton responded to the letter of notice by letter dated July 6, 2016 and admitted that she was asked for a three-way reconciliation of her trust account through March 2015 and that as of the date of her response that reconciliation had not been submitted.

32. N. Clayton made separate arrangements to provide records pursuant to the requests made in the letter of notice, but in the records subsequently provided she did not provide monthly and quarterly trust account reconciliations meeting the respective descriptions in Rule 1.15-3(d) or the majority of the other records requested.

33. On July 28, 2016, the State Bar served N. Clayton with a subpoena requiring production of the trust account records, client ledgers, and list of client balances she had failed to provide.

34. On July 29, 2016, the State Bar sent N. Clayton a letter noting she had failed to provide the requested reconciliations or answer the associated questions in the letter of notice, and asking for her response to questions set out therein regarding the firm's trust account reconciliation and management procedures by August 12, 2016.

35. Although N. Clayton provided the majority of the subpoenaed records, she did not provide a response to the State Bar's July 29, 2016 letter.

36. On September 8, 2016, the State Bar sent N. Clayton a letter calling to her attention her failure to respond to the July 29, 2016 letter and asking her to provide her response and the missing subpoenaed records by October 7, 2016.

37. On October 7, 2016, N. Clayton e-mailed one page of a three page letter to the State Bar. Additionally, a box of documents was delivered to the State Bar on October 7, 2016, but certain records were still missing.

38. On October 17, 2016, the State Bar sent N. Clayton a letter noting the pages missing from her letter and the remaining outstanding documents. The State Bar asked N. Clayton to provide the missing pages and documents by October 26, 2016.

39. By facsimile dated October 26, 2016, N. Clayton provided all three pages of her

response to the State Bar's July 29, 2016 letter along with some additional documents.

40. In her response to the State Bar's July 29, 2016 letter, N. Clayton described the reconciliation process that she said was conducted by the firm monthly.

41. N. Clayton was the attorney with the firm who worked with the firm's staff on the management and reconciliation of the trust account.

42. The reconciliation process of the firm that N. Clayton described was a comparison of the balance of the trust account on the firm's general ledger with the bank statement balance, adjusted for any outstanding checks or deposits.

43. The reconciliation process described by N. Clayton met the description of the monthly reconciliation required under Rule 1.15-3(d)(2) but did not include the comparison with the total of client balances required for a quarterly reconciliation under Rule 1.15-3(d)(1).

44. N. Clayton admitted that at the time of the March 2015 audit she was not aware of a three-way reconciliation process that would add the comparison of the client balance total to the comparison of the general ledger balance and bank statement balance, and that she was not aware of the firm doing that type of a reconciliation of the trust account.

45. On November 10, 2016, a State Bar deputy counsel and a State Bar investigator met with N. Clayton. After the meeting, the State Bar sent N. Clayton a letter confirming that by December 2, 2016 she would provide the State Bar with a quarterly reconciliation for the third quarter of 2016 using the three-way reconciliation form provided to her, with the associated documents listed on the form and the additional items listed in the letter.

46. N. Clayton responded by letter dated December 2, 2016 and provided certain records. She did not provide the requested quarterly reconciliation for the third quarter of 2016 using the three-way reconciliation form provided to her. Instead, she stated in her letter that she hoped to be in a position the following week to utilize the firm's computer software to produce the requested reconciliation.

47. N. Clayton did not provide the requested quarterly reconciliation for the third quarter of 2016 in December 2016.

48. On January 4, 2017, the State Bar sent N. Clayton a letter by e-mail and regular mail noting she had failed to provide the reconciliation requested in the State Bar's November 10, 2016 letter to her, and asking her to provide quarterly reconciliations on the State Bar's three-way reconciliation form for both the third quarter and fourth quarter of 2016 by January 31, 2017.

49. N. Clayton acknowledged receipt of the State Bar's e-mail on January 4, 2017.

50. N. Clayton did not provide the requested reconciliations for the third and fourth quarters of 2016 to the State Bar by January 31, 2017.

51. On February 7, 2017, the State Bar sent N. Clayton a letter calling to her attention her failure to provide the requested reconciliations, and asking her to provide the reconciliations for the third and fourth quarters of 2016 using the State Bar's three-way reconciliation form no later than February 21, 2017.

52. The State Bar served its February 7, 2017 letter on N. Clayton by certified mail on February 10, 2017.

53. N. Clayton did not respond to the State Bar's February 7, 2017 letter and did not provide the requested three-way quarterly trust account reconciliations.

Concurrent requests to J. Clayton for reconciliation in December 2016 and February 2017

54. On December 6, 2016, the State Bar served J. Clayton with a letter of notice concerning a notice of insufficient funds received by the State Bar concerning the firm's trust account.

55. The State Bar asked J. Clayton to include in his response to the letter of notice a copy of the firm's most recent three-way reconciliation for the firm's trust account along with supporting documentation. The three-way quarterly reconciliation required under Rule 1.15-3(d)(1) that would have been most recent to the State Bar's request would have been for the third quarter of 2016.

56. J. Clayton responded to the letter of notice on December 14, 2016 but did not include the requested three-way quarterly reconciliation with supporting documents.

57. On February 16, 2017, the State Bar sent J. Clayton a letter calling to his attention his failure to provide the requested reconciliation and supporting documents, and asked him to provide the reconciliation and documents by March 3, 2017.

58. J. Clayton did not respond to the State Bar's February 16, 2017 letter and did not provide the requested three-way quarterly reconciliation.

Subpoenas to J. Clayton, R. Myrick, R. McClanahan, and R. Coulter for reconciliations

59. On March 10, 2017, the State Bar served subpoenas on J. Clayton, R. Myrick, R. McClanahan, and R. Coulter requiring the production by 10:00 a.m. on March 27, 2017 of documents including the quarterly reconciliations required by Rule 1.15-3(d)(1) for the third and fourth quarters of 2016 with itemized supporting documentation.

60. At about 9:30 a.m. on March 27, 2017, N. Clayton notified the State Bar that a firm employee would be delivering the subpoenaed documents that morning.

61. A firm employee came to the State Bar on March 27, 2017 with a folder containing a State Bar three-way reconciliation form and attached documents for each month from July 2016 to December 2016.

62. The firm employee stated that these were the original documents and asked the State Bar to make a copy.

63. The State Bar retained the originals and provided the firm employee a copy for the firm.

64. The supporting documents attached to the three-way reconciliation forms included printed reports from the firm's trust account software and trust account records printed from the bank's website.

65. The date on which certain of those software reports and website records were printed was covered with white-out tape on documents attached to each month's reconciliation form.

66. The covered date was March 27, 2017 on records containing white-out tape attached to the July, August, September, October, and December 2016 reconciliations, with the exception of one of the reports attached to the December 2016 reconciliation which had a covered date of January 26, 2017.

67. The covered date was March 26, 2017 on bank records printed from the bank's website included with the November 2016 reconciliation.

68. There were handwritten reconciliation notations on certain of the documents with covered March 2017 print dates, including those attached to the reconciliations for August 2016, September 2016, October 2016, November 2016, and December 2016.

Subsequent inquiries to all Defendants

69. The State Bar served all Defendants by certified mail with requests that each respond to the concern that they had attempted to mislead the State Bar regarding when the reconciliations produced on March 27, 2017 had been conducted by covering the print dates with white-out tape, and to the concern that the firm was still not timely reconciling its trust account since it appeared that these reconciliations for July through December 2016 had not been done until March 26 and 27, 2017.

70. J. Clayton was served with the State Bar's request by certified mail on March 30, 2017. His response was due on April 28, 2017. J. Clayton failed to respond to the State Bar's letter.

71. R. McClanahan was served with the State Bar's request contained in a letter of notice by certified mail on April 4, 2017. His response was due on April 19, 2017. R. McClanahan failed to respond to the State Bar's letter of notice.

72. R. Myrick responded by letter dated April 12, 2017, in which he stated:

a. He did not prepare and was not involved with the preparation of the documents produced in response to the subpoena, and was unaware at the time of the

subpoena which the firm signed for on his behalf but of which he was not notified.

b. He is not present in the firm on a regular basis.

c. Although he utilized the firm's trust account he was not involved in the management or reconciliation of the trust account. He believed that the firm was audited by the State Bar the prior year and was found to be in compliance with the State Bar rules.

73. R. Coulter responded by letter dated April 13, 2017, in which he stated:

a. Although he utilized the firm's trust account, in his role he was not involved in the management or reconciliation of the trust account. He stated the firm's bookkeeper worked with N. Clayton to manage all banking accounts of the firm, including the trust account.

b. He believed the firm had recently been successfully audited by the State Bar.

c. He understood that the firm's trust account had been reconciled monthly for years within ten days of month's end by the office bookkeeper with oversight by N. Clayton.

d. N. Clayton told him that as she printed out previously obtained forms for submission to the State Bar, the computer she used automatically printed the date of printing on the documents. She could have reprinted the forms on another computer with no date added, but saw no problem with removing the dates that would have incorrectly indicated when the statements were prepared.

74. N. Clayton responded in a letter dated April 28, 2017, in which she stated:

a. Since she met with the State Bar deputy counsel the preceding year [on November 10, 2016], the firm began doing the three-way reconciliations monthly between the 5th and 10th day of each month.

b. She reviewed the documents to be delivered to the State Bar late on the night of March 26, 2017. She noticed that on many of the documents there were a lot of scribbles and notes from where the reconciliation had been done and she reprinted the documents. She did so because she wanted to provide the State Bar with copies of documents that didn't have so much "chicken scratch" on them. When she printed off clean copies, one of the computers she used printed the date of printing on the documents.

c. The printed date alarmed her because she did not want the State Bar to think the reports were being printed just for compliance with the subpoena.

d. She wasn't sure what to do, but decided to white-out the date on the documents

she had reprinted.

74. R. Coulter pointed out to her that she had not filled in the date on the top page of when the reconciliations were performed. She told him they were prepared between the 5th and 10th of each month.

75. On April 13, 2017, the State Bar wrote to R. Myrick and called to his attention comment [27] of Rule 1.15 discussing the professional responsibility of any lawyer who deposits entrusted funds into a trust account regardless of whether the lawyer directly participates in the administration of the trust account. R. Myrick was invited to provide any additional response he wished to have considered by May 12, 2017.

76. On April 17, 2017, the State Bar wrote to R. Coulter and noted the same information from comment [27] of Rule 1.15. Additionally, the State Bar called to R. Coulter's attention that the firm had not successfully completed its random audit, and that the documents with the whited-out dates were not previously obtained forms but rather electronically accessed bank records and software reports containing handwritten reconciliation notes made after the records were printed. R. Coulter was invited to provide any additional response he wished to have considered by May 12, 2017.

77. On April 28, 2017, the State Bar sent N. Clayton a letter asking her to explain why she had failed to provide the three-way reconciliations repeatedly requested of her on November 10, 2016, January 4, 2017, and February 7, 2017 prior to the issuance of the subpoenas, if the reconciliations had been done monthly as she claimed. The State Bar also asked for the original documents with "scribbles and notes" that she claimed to have replaced with clean documents on which she whited-out the print dates. N. Clayton's response was due May 19, 2017.

78. On May 1, 2017, the State Bar sent R. McClanahan a letter noting his failure to respond to the letter of notice served upon him on April 4, 2017.

79. On May 5, 2017, the State Bar sent a letter to J. Clayton noting his failure to respond to the State Bar's letter served upon him on March 30, 2017, and asking him to provide his response by May 19, 2017.

80. On May 9, 2017, R. McClanahan responded to the State Bar's May 1, 2017 letter and stated the firm delivered all subpoenaed documents and he had not received any response to those materials.

81. On May 10, 2017, the State Bar responded to R. McClanahan that the letter of notice expressly addressed the documents delivered by the firm and required his response to concerns raised by those documents. R. McClanahan was given until May 26, 2017 to provide a response that addressed the issues raised in the letter of notice.

Response from all Defendants

82. On May 26, 2017, Defendants sent the State Bar a letter, signed by each Defendant. In this letter, the Defendants stated the following:

a. The firm is performing three-way reconciliations monthly, between the 5th and 10th of each month.

b. In preparation for submission of the documents on March 27, 2017, N. Clayton reviewed the documents and realized many of the documents contained scribbles and notes from where the reconciliation had been done. Therefore, she reprinted the documents on March 27, 2017.

c. When she reprinted the documents on March 27, 2017, the date of printing was automatically printed on the documents, which would give the false impression that the reconciliations were performed on March 27, 2017.

d. The above explanation addresses the second concern raised by the State Bar in the Defendants' grievances, in that the State Bar alleged that they attempted to mislead the State Bar concerning when the reconciliations were conducted by applying, or directing another to apply, white-out tape to dates showing the supporting trust account reports and bank documents were printed on March 26 and March 27, 2017.

e. While the documents were printed on March 26 and March 27, 2017, the actual reconciliations provided to the State Bar were conducted between the 5th and 10th of each month.

f. The firm had elected to utilize the multi-lawyer firm procedures of Rule 1.15-4 and anticipated providing the attendant documentation to the State Bar within the following two weeks.

g. Regarding the State Bar's request for the pages with "scribbles" that were purportedly replaced with the reprinted pages, the shredding company was retrieving the documents and the firm would provide them to the State Bar the following week.

83. The letter did not address why the reconciliations had not been previously provided by N. Clayton if the reconciliations were in existence at the time of the requests.

84. The firm did not provide anything further to the State Bar, providing neither the Rule 1.15-4 documentation nor the purportedly replaced pages.

85. The statement made by Defendants in the May 26, 2017 letter that the reconciliations provided to the State Bar had been conducted between the 5th and 10th of each month during the pertinent time period was false.

86. The statement made by Defendants in the May 26, 2017 letter that the pages with whited-out dates provided to the State Bar were reprinted pages to replace previously existing pages containing reconciliation notes was false.

87. The Defendants knew at the time they made the statements described in paragraphs 85 and 86 that they were material to the issues under investigation by the State Bar.

88. Defendant N. Clayton knew at the time she made the statements described in paragraphs 85 and 86 that they were false.

89. Defendants J. Clayton, R. Myrick, R. McClanahan, and R. Coulter either knew at the time they made the statements described in paragraphs 85 and 86 that they were false, or they made the statements in unwarranted reliance on N. Clayton with no apparent attempt to verify the accuracy of the statements.

90. N. Clayton purposefully covered print dates on documents provided to the State Bar with the reconciliations.

91. N. Clayton covered the print date on documents provided to the State Bar with the reconciliations because she knew that the timeliness of the reconciliations was material in the State Bar's investigation.

92. N. Clayton covered the print date on documents provided to the State Bar with the reconciliations because she was concerned that the dates would allow the conclusion to be drawn that the reconciliations had not been conducted until the print dates on the documents.

THEREFORE, Plaintiff alleges:

A. That Defendant N. Clayton's foregoing actions constitute grounds for discipline as follows:

1. Pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant N. Clayton violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

(a) By failing to always identify the client for whom cash deposits were made into the trust account, N. Clayton failed to maintain required trust account records in violation of Rule 1.15-3(b)(1);

(b) By failing to always identify on trust account checks the client from whose funds in the trust account the trust account check was drawn, N. Clayton failed to maintain required trust account records in violation of Rule 1.15-3(b)(2);

(c) By failing to reconcile the balance of the firm's trust account as shown in the firm's records with the bank statement balance for the trust account each month and/or maintain the records of such reconciliations, N. Clayton failed to conduct the

required monthly reconciliations in violation of Rule 1.15-3(d)(2) and/or failed to maintain required reconciliation records in violation of Rule 1.15-3(d)(3);

(d) By failing to reconcile the total of individual client balances with the bank statement balance at least quarterly, and by failing to reconcile the balance from a general ledger for the firm's trust account with the total of client balances and with the bank statement balance at least quarterly after September 30, 2016, N. Clayton failed to conduct the required quarterly reconciliations in violation of Rule 1.15-3(d)(1);

(e) By failing to provide the reconciliation and supporting documents requested by the State Bar pursuant to 27 N.C. Admin. Code § 1B.0128(b) in relation to the violation of the Rules of Professional Conduct discovered in the random audit of the firm's trust account, N. Clayton failed to produce in a random audit records required by Rule 1.15 upon request in violation of Rule 1.15-3(h);

(f) By failing to provide a full response to certain inquiries of the State Bar and by failing to provide any response to other inquiries of the State Bar, N. Clayton knowingly failed to respond to a lawful demand for information from a disciplinary authority in connection with a disciplinary matter in violation of Rule 8.1(b);

(g) By applying white-out tape to hide the print date of documents provided to the State Bar with the three-way reconciliations for July through December 2016, N. Clayton knowingly made false statements of material fact in violation of Rule 8.1(a) and engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in violation of Rule 8.4(c);

(h) By misrepresenting to the State Bar that the pages with whited-out dates provided to the State Bar were reprinted pages to replace previously existing pages with reconciliation notes with clean copies, N. Clayton knowingly made a false statement of material fact in violation of Rule 8.1(a) and engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in violation of Rule 8.4(c); and

(i) By misrepresenting to the State Bar that the reconciliations provided to the State Bar on March 27, 2017 had been done on a contemporaneous monthly basis between the 5th and 10th day of each month, N. Clayton knowingly made a false statement of material fact in violation of Rule 8.1(a) and engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in violation of Rule 8.4(c).

2. Pursuant to N.C. Gen. Stat. § 84-28(b)(3) in that N. Clayton failed to answer formal inquiries of the North Carolina State Bar in a disciplinary matter and in that N. Clayton made knowing misrepresentations of facts or circumstances surrounding any complaint, allegation or charge of misconduct to the State Bar.

B. That Defendant J. Clayton's foregoing actions constitute grounds for discipline as follows:

1. Pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant J. Clayton violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

(a) By failing to reconcile the balance from a general ledger for the firm's trust account with the total of client balances and with the bank statement balance at least quarterly after December 2016, J. Clayton failed to conduct the required quarterly reconciliations in violation of Rule 1.15-3(d)(1);

(b) By failing to respond to certain inquiries of the State Bar, J. Clayton knowingly failed to respond to a lawful demand for information from a disciplinary authority in connection with a disciplinary matter in violation of Rule 8.1(b);

(c) By misrepresenting to the State Bar that the pages with whited-out dates provided to the State Bar were reprinted pages to replace previously existing pages with reconciliation notes with clean copies, either knowingly or with reckless disregard for the truth or falsity of the statement, J. Clayton knowingly made a false statement of material fact to the State Bar in violation of Rule 8.1(a), engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in violation of Rule 8.4(c), and/or engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d); and

(d) By misrepresenting to the State Bar that the reconciliations provided to the State Bar on March 27, 2017 had been done on a contemporaneous monthly basis between the 5th and 10th day of each month, either knowingly or with reckless disregard for the truth or falsity of the statement, J. Clayton knowingly made a false statement of material fact to the State Bar in violation of Rule 8.1(a), engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in violation of Rule 8.4(c), and/or engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d).

2. Pursuant to N.C. Gen. Stat. § 84-28(b)(3) in that J. Clayton failed to answer formal inquiries of the North Carolina State Bar in a disciplinary matter and in that J. Clayton made knowing misrepresentations of facts or circumstances surrounding any complaint, allegation or charge of misconduct to the State Bar.

C. That Defendant R. McClanahan's foregoing actions constitute grounds for discipline as follows:

1. Pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant R. McClanahan violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

(a) By failing to provide a timely and full response to the letter of notice of the State Bar, R. McClanahan knowingly failed to respond to a lawful demand for information from a disciplinary authority in connection with a disciplinary matter in violation of Rule 8.1(b);

(b) By misrepresenting to the State Bar that the pages with whited-out dates provided to the State Bar were reprinted pages to replace previously existing pages with reconciliation notes with clean copies, either knowingly or with reckless disregard for the truth or falsity of the statement, R. McClanahan knowingly made a false statement of material fact to the State Bar in violation of Rule 8.1(a), engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in violation of Rule 8.4(c), and/or engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d); and

(c) By misrepresenting to the State Bar that the reconciliations provided to the State Bar on March 27, 2017 had been done on a contemporaneous monthly basis between the 5th and 10th day of each month, either knowingly or with reckless disregard for the truth or falsity of the statement, R. McClanahan knowingly made a false statement of material fact to the State Bar in violation of Rule 8.1(a), engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in violation of Rule 8.4(c), and/or engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d).

2. Pursuant to N.C. Gen. Stat. § 84-28(b)(3) in that R. McClanahan failed to answer formal inquiries of the North Carolina State Bar in a disciplinary matter and in that R. McClanahan made knowing misrepresentations of facts or circumstances surrounding any complaint, allegation or charge of misconduct to the State Bar.

D. That Defendant R. Myrick's foregoing actions constitute grounds for discipline as follows:

1. Pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant R. Myrick violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

(a) By misrepresenting to the State Bar that the pages with whited-out dates provided to the State Bar were reprinted pages to replace previously existing pages with reconciliation notes with clean copies, either knowingly or with reckless disregard for the truth or falsity of the statement, R. Myrick knowingly made a false statement of material fact to the State Bar in violation of Rule 8.1(a), engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in violation of Rule 8.4(c), and/or engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d); and

(b) By misrepresenting to the State Bar that the reconciliations provided to the State Bar on March 27, 2017 had been done on a contemporaneous monthly basis between

the 5th and 10th day of each month, either knowingly or with reckless disregard for the truth or falsity of the statement, R. Myrick knowingly made a false statement of material fact to the State Bar in violation of Rule 8.1(a), engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in violation of Rule 8.4(c), and/or engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d).

2. Pursuant to N.C. Gen. Stat. § 84-28(b)(3) in that R. Myrick made knowing misrepresentations of facts or circumstances surrounding any complaint, allegation or charge of misconduct to the State Bar.

E. That Defendant R. Coulter's foregoing actions constitute grounds for discipline as follows:

1. Pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant R. Coulter violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

(a) By misrepresenting to the State Bar that the pages with whited-out dates provided to the State Bar were reprinted pages to replace previously existing pages with reconciliation notes with clean copies, either knowingly or with reckless disregard for the truth or falsity of the statement, R. Coulter knowingly made a false statement of material fact to the State Bar in violation of Rule 8.1(a), engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in violation of Rule 8.4(c), and/or engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d); and

(b) By misrepresenting to the State Bar that the reconciliations provided to the State Bar on March 27, 2017 had been done on a contemporaneous monthly basis between the 5th and 10th day of each month, either knowingly or with reckless disregard for the truth or falsity of the statement, R. Coulter knowingly made a false statement of material fact to the State Bar in violation of Rule 8.1(a), engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in violation of Rule 8.4(c), and/or engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d).

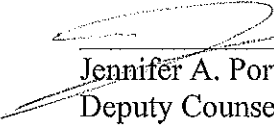
2. Pursuant to N.C. Gen. Stat. § 84-28(b)(3) in that R. Coulter made knowing misrepresentations of facts or circumstances surrounding any complaint, allegation or charge of misconduct to the State Bar.

WHEREFORE, Plaintiff prays that:

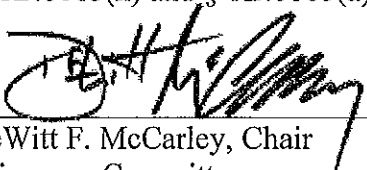
(1) Disciplinary action be taken against each Defendant in accordance with N.C. Gen. Stat. § 84-28(a) and § .0114 of the Discipline and Disability Rules of the North Carolina State Bar (27 N.C. Admin. Code § 1B.0114), as the evidence on hearing may warrant;

- (2) Each Defendant be taxed with the administrative fees and costs permitted by law in connection with this proceeding; and
- (3) For such other and further relief as is appropriate.

This the 10th day of October 2017.


Jennifer A. Porter
Deputy Counsel
State Bar No. 30016
The North Carolina State Bar
P.O. Box 25908
Raleigh, NC 27611
919-828-4620
Attorney for Plaintiff

Signed pursuant to 27 N.C. Admin. Code
§ 1B.0113(n) and § 1B.0105(a)(10).


DeWitt F. McCarley, Chair
Grievance Committee