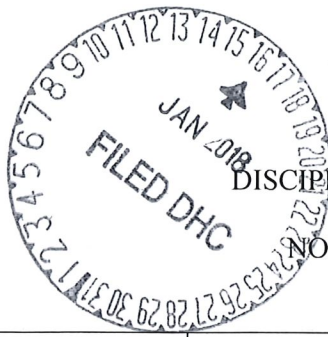


STATE OF NORTH CAROLINA

WAKE COUNTY



BEFORE THE  
DISCIPLINARY HEARING COMMISSION  
OF THE  
NORTH CAROLINA STATE BAR  
18 DHC 8

THE NORTH CAROLINA STATE BAR,

Plaintiff

v.

JEFFREY G. DALRYMPLE, Attorney,

Defendant

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, Jeffrey G. Dalrymple ("Dalrymple"), was admitted to the North Carolina State Bar in 1989, 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:

3. During all or part of the relevant periods referred to herein, Defendant was engaged in the practice of law in the State of North Carolina and maintained a law office in Matthews, North Carolina.

#### FIRST CLAIM FOR RELIEF

4. Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 3 above as if set forth in full herein.

5. In 2014, Defendant became a "partner" with Upright Law ("Upright Law") of Chicago, Illinois.

6. Upright Law is registered as an interstate law firm with the North Carolina State Bar.

7. Upright Law maintains a website, advertising that it can provide legal representation for consumers filing for bankruptcy or in financial distress across the nation.

8. Defendant agreed to provide legal services in North Carolina to North Carolina residents in association with Upright Law.

9. If a North Carolina consumer responds to Upright Law's advertising through the website or contacts Upright Law on its toll-free telephone line, the consumer first discusses his or her matter with non-attorneys in a call center in Chicago.

10. Defendant assumed responsibility for supervising the non-attorney assistants in the call center in Chicago insofar as those assistants were providing services to his Upright Law clients.

11. Defendant rarely spoke with the non-attorney assistants in the call center in Chicago and was not privy to those conversations with his Upright Law clients.

12. After speaking with the non-attorney assistants in the call center in Chicago, the North Carolina consumers speak to an attorney physically located in the Chicago office who is licensed to practice law in North Carolina.

13. The North Carolina attorney physically located in the Chicago office does not represent or assume responsibility for the provision of legal services to Defendant's North Carolina clients.

14. After speaking with the North Carolina attorney physically located in the Chicago office, the clients begin to pay funds to Upright Law for future legal services to be provided by Defendant.

15. Once the North Carolina clients have paid sufficient funds to Upright Law, Upright Law will put the North Carolina clients in touch with Defendant.

16. The funds Defendant's North Carolina clients pay to Upright Law for future legal services and for filing fees are entrusted funds.

17. Defendant drafts and determines when to file the bankruptcy pleadings on behalf of his Upright Law clients.

18. Defendant utilizes the filing fees paid by his Upright Law clients to Upright Law to pay the Bankruptcy Court filing fees when he files the clients' bankruptcy pleadings.

19. The entrusted funds paid by Defendant's Upright Law clients were not maintained by Defendant or anyone under his supervision, nor were they maintained by the North Carolina attorney physically located in the Chicago office.

20. The entrusted funds of North Carolina clients were deposited and disbursed by non-attorney employees of Upright Law into and from an interest-earning account at a bank that was not an "eligible bank" pursuant to 27 N.C. Admin. Code 1D.1316(b).

21. The account into which entrusted funds of North Carolina clients were deposited was not reconciled on a monthly basis in accordance with the North Carolina Rules of Professional Conduct.

22. The account into which entrusted funds of North Carolina clients were deposited was not reconciled on a quarterly basis in accordance with the North Carolina Rules of Professional Conduct.

23. Defendant did not conduct reconciliations of the Upright Law trust account containing his clients' entrusted funds and had no knowledge of or supervision over any such reconciliations.

24. No other North Carolina attorneys at Upright Law assumed responsibility for the legal representation of Defendant's Upright Law clients.

25. Defendant and Upright Law claimed to Upright Law's North Carolina clients that North Carolina attorneys were performing all of the legal work provided by the law firm.

26. Defendant did not provide all of the legal services to the North Carolina clients of Upright Law.

27. In some instances, Defendant did not negotiate with the creditors of his Upright Law clients, even when the debts of those clients were the subjects of litigation.

28. In some instances, non-attorneys at Upright Law, and not Defendant, negotiated with the creditors of some of Defendant's Upright Law clients, even when the debts of his clients were the subjects of litigation.

29. Defendant did not supervise or control these negotiations.

30. In some instances, non-attorneys at Upright Law, and not Defendant, determined when to enter into a settlement with a creditor.

31. Some of Defendant's Upright Law clients paid Upright Law for legal services but never received those services and were not provided with a refund.

THEREFORE, Plaintiff alleges that Defendant's foregoing actions constitute grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

(a) By failing to supervise non-attorney employees of Upright Law while they were answering questions from his North Carolina clients and negotiating the resolution of his clients' debts that were subject to litigation, Defendant failed to take reasonable efforts to ensure that his non-attorney assistants acted in accordance with the professional obligations of the profession in violation of Rule 5.3(a);

(b) By not supervising the handling of entrusted funds paid by his North Carolina clients to Upright Law, Defendant failed to adequately supervise his assistants –

employees of Upright Law – and ensure proper maintenance of entrusted funds in violation of Rule 5.3(b) and 1.15-2(a);

(c) By failing to ensure the Upright Law trust account in which his clients' entrusted funds were maintained was reconciled on a monthly and quarterly basis, Defendant failed to ensure the required reconciliations were accomplished in violation of Rule 1.15-3(d); and

(d) By permitting Upright Law to hold the interest-earning entrusted funds of his clients at a bank that was not an "eligible bank" pursuant to 27 N.C. Admin. Code 1D.1316(b), Defendant violated Rule 1.15-2(b).

## SECOND CLAIM FOR RELIEF

32. Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 3 above as if set forth in full herein.

33. In addition to and separate from his work with Upright Law, Defendant has, since 1991, maintained his own law practice in Matthews, North Carolina, focusing on bankruptcy law.

34. In his own law practice, Defendant maintained a trust account at Bank of America, account number ending in digits 5562, since 2006.

35. From at least January 2014 to June 2017, Defendant consistently failed to conduct monthly and quarterly reconciliations of his trust account.

36. Defendant commingled attorney and client funds by failing to remove earned fees or reimburse costs promptly and by failing to promptly disburse entrusted funds from his trust account for at least 300 clients between January 2014 and August 2017.

37. From at least January 2014 to June 2017, Defendant consistently failed to provide annual accountings of the receipts and disbursements of all trust funds to clients for whom he retained entrusted funds for over one year.

38. From at least October 1, 2016 to June 2017, Defendant consistently failed to provide accountings of the receipts and disbursements of all trust funds to clients upon the complete disbursement of the trust funds.

39. From at least October 1, 2016 to June 2017, Defendant consistently failed to escheat unidentified/abandoned funds.

40. From at least January 2014 to June 2017, Defendant consistently failed to identify the clients from whose balance in the trust account funds were being disbursed on checks drawn from his trust account.

41. From at least January 2014 to June 2017, Defendant consistently failed to review his bank statements and cancelled checks on a monthly basis.

42. From at least January 2014 to June 2017, Defendant consistently failed to conduct transaction reviews quarterly or sign the same.

THEREFORE, Plaintiff alleges that Defendant's foregoing actions constitute grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

(a) By failing to conduct monthly and quarterly reconciliations of his trust account, Defendant violated Rule 1.15-3(d);

(b) By commingling attorney and client funds by failing to remove earned fees or reimburse costs promptly, Defendant failed to maintain entrusted funds separate from his property in violation of Rule 1.15-2(a), as well as in violation of Rule 1.15-2(f) as amended effective September 30, 2016;

(c) By failing to provide annual accountings of the receipts and disbursements of all trust funds to clients for whom he retained entrusted funds for over one year, Defendant violated Rule 1.15-3(e);

(d) By failing to provide accountings of the receipts and disbursements of all trust funds to clients upon the complete disbursement of the trust funds, Defendant violated Rule 1.15-3(e);

(e) By failing to promptly disburse entrusted funds, Defendant violated Rule 1.15-2(n) (designated as Rule 1.15-2(m) prior to the amendments effective September 30, 2016);

(f) By failing to escheat unidentified or abandoned funds, Defendant violated Rule 1.15-2(r) (designated as Rule 1.15-2(q) prior to the amendments effective September 30, 2016);

(g) By failing to identify the clients from whose balance in the trust account funds were being disbursed on checks drawn from his trust account, Defendant failed to disburse funds only in accordance with Rule 1.15 in violation of Rule 1.15-2(a) and failed to maintain required records in violation of Rule 1.15-3(b)(2);

(h) By failing to review his bank statements and cancelled checks on a monthly basis, Defendant violated Rule 1.15-3(i)(1); and

(i) By failing to conduct transaction reviews quarterly or sign the same, Defendant violated Rule 1.15-3(i)(2).

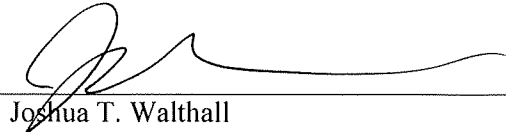
WHEREFORE, Plaintiff prays that:

(1) Disciplinary action be taken against Defendant in accordance with N.C. Gen. Stat. § 84-28(a) as the evidence on hearing may warrant;

(2) 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 16<sup>TH</sup> day of JANUARY 2018.



Joshua T. Walthall  
Deputy Counsel  
State Bar No. 46482  
The North Carolina State Bar  
P.O. Box 25908  
Raleigh, NC 27611  
919-828-4620  
Attorney for the Plaintiff

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



DeWitt F. McCarley, Chair  
Grievance Committee