

**REPORT OF THE OFFICE OF COUNSEL
TO THE N.C. STATE BAR COUNCIL
OCTOBER 31, 2025**

ATTORNEY CLIENT ASSISTANCE PROGRAM

During the third quarter of 2025, ACAP staff responded to 1,486 phone calls from members of the public and placed 46 calls to lawyers. Staff also responded to 1,048 emails from members of the public and attorneys and responded to 545 letters from inmates and the public. In addition, 8 documents submitted in Spanish were translated. Intake logged 3,085 entries this quarter.

The State Bar opened 111 fee dispute resolution files during the third quarter.

GRIEVANCE

Increasing Grievance Submissions

The annual number of grievance complaints received by the State Bar continues to increase:

Year	Total Grievances Filed
2018	1,247
2019	1,254
2020	927
2021	986
2022	1,404
2023	1,504
2024	1,515

Beginning on 1 August 2024 (the effective date of 2024 statutory amendments modifying certain grievance procedures), all grievance submissions have been screened by an attorney to determine whether they meet the statutory criteria (e.g., standing, allegation of cognizable Rule violation) before a file is opened. Under this new screening process, the Office of Counsel has declined to open 827 files since 1 August 2024.

The trend of increased complaints against lawyers continues. To date in 2025, the State Bar has received 1758 incoming complaints and has opened another 105 grievance investigations on its own initiative. Between 1 January 2025 and 15 October 2025, the Intake Unit reviewed a total of 1797 files (1055 grievances opened; 742 declined to open).

Current Grievance Statistics

As of 15 October 2025, 1,384 grievances were pending. Five of those pending files were in judicial district grievance committees or had been returned by district committees within the past 30 days. The OOC has made its recommendation in 131 of the pending files and those files are ready for the Grievance Committee's decision. Of the remaining 1,253 files in which no recommendation has yet been made, 882 were more than six months old; of those, 409 were more than 18 months old. The OOC is placing special emphasis on disposing of grievances that have been pending for more than 18 months. One hundred twenty-three grievances are currently stayed.

In the third quarter of 2025, 327 files were dismissed by the Grievance Chair or by the Grievance Chair and a Vice Chair.

There were no inquiries about lawyer advertising in the third quarter of 2025.

Grievance Review Panels

Office of Counsel/Committee Leadership Achievements

Despite the record-high volume of complaints against lawyers, **the number of pending grievances has been reduced by 27.2% in the last year** (1,900 vs. 1,384 currently) and **48.4% in the past two years** (2,681 vs. 1,384 currently).

The **number of pending grievances that are more than 18 months old has been reduced by 34.7% in the last year** (626 vs. 409 currently).

The significant decrease in aging and pending files is attributable to extraordinary efforts by OOC staff and the Grievance Chair and Vice-Chairs. This progress is particularly notable because it has been accomplished notwithstanding an escalating workload due to process changes and the ever-increasing volume of complaints received.

There were no Grievance Review Panels held this quarter as none were requested from the April 2025 Grievance Committee dispositions.

One Grievance Review Panel was requested from the July 2025 Grievance Committee dispositions. That GRP will be held on October 31, 2025.

**DISCIPLINE AND DISABILITY
CASES**

MATTERS COMPLETED DURING THE THIRD QUARTER OF 2025

Completed Disciplinary Cases Before the DHC

The OOC completed two disciplinary cases before the DHC this quarter.

Elizabeth Caviness – 25 DHC 1

Caviness, of Siler City, engaged in a wide-spread pattern of client neglect, made misrepresentations to the tribunal and to clients, failed to respond to the State Bar, and failed to comply with the wind-down provisions of a noncompliance suspension order. Caviness did not file an answer or participate in the proceedings. On 25 September 2025, the DHC entered an order suspending Caviness’s license for five years with an opportunity to apply for a stay of the remainder of the suspension after three years upon compliance with conditions.

Christopher Sanders—25 DHC 11

Sanders, of Matthews, failed to communicate with over a dozen clients before they were scheduled to appear at their involuntary commitment petition hearings, made multiple false statements to the Court, failed to correct false information that he provided or adopted as true to the Court, and made false statement to the State Bar during the grievance process. On 30 September 2025, the DHC entered a Consent Order of Discipline suspending Sanders from the practice of law for six months.

Completed Petitions for Reinstatement/Stay Before the DHC - Uncontested

Nicolle Phair – 23DHC11R

Phair, of Sanford, sought a stay of the remainder of the 2024 suspension for engaging in fraud upon the court during her representation of a criminal defendant by having a stranger pretend to be her client when her client’s case was called for trial and failing to return to an afternoon session of court as directly ordered by the court, resulting in unnecessary continuances for clients who remained in jail. With consent of the OOC, the DHC granted Phair’s petition for stay.

Richard Batts – 25 DHC 6N

Batts, of Rocky Mount, sought reinstatement from an order of noncompliance suspension entered by the DHC on 19 August 2025. With the consent of the OOC, the DHC entered an order reinstating Batts’s license.

Completed Petitions for Reinstatement/Stay Before the DHC - Contested

Matthew Ragaller – 25 BCR 3

Ragaller, of Asheville, sought reinstatement following his 2015 disbarment for misappropriating approximately \$21,500 in estate funds by disbursing the amount to himself without prior court authorization. On 23 September 2025, while discovery was ongoing, Ragaller voluntarily withdrew his petition.

Interim Suspensions

No orders of interim suspension were entered this quarter.

Completed Motions to Show Cause

No motions to show cause were heard by the DHC this quarter.

Completed Grievance Noncompliance Actions before the DHC

Richard Batts – 25 DHC 6N

Batts, of Rocky Mount, failed to comply with a grievance investigation, including failing to appear pursuant to subpoena. On 19 August 2025, the DHC entered an Order suspending his law license for noncompliance. (Batts has since been reinstated).

Andre Hogan – 25 DHC 9N

Hogan, of Wilmington, failed to comply with a grievance investigation. On 11 August 2025, the DHC entered an Order suspending his law license for noncompliance.

Completed Discipline and Disability Proceedings in the Courts

No judicial discipline or disability proceedings involving the Office of Counsel were completed this quarter.

Preliminary Injunctions

W. Travis Barkley – 25 CV 031276

Barkley, of Raleigh, was enjoined from handling entrusted funds by Consent Order of Preliminary Injunction entered by the Wake County Superior Court on 11 September 2025.

Korey D. Kiger – 25 CV 032452

Kiger, of Garner, was enjoined from handling entrusted funds by Consent Order of Preliminary Injunction entered by the Wake County Superior Court on 29 September 2025.

Orders of Reciprocal Discipline

No orders of reciprocal discipline were entered this quarter.

Transfers to Disability Inactive Status

Karen Biernacki, of Cleveland, was transferred to disability inactive status by consent order entered by the Chair of the Grievance Committee.

Larry J. McGlothlin, of Fayetteville, was transferred to disability inactive status by consent order entered by the Chair of the Grievance Committee.

Completed Surrenders to the Council

John H. Painter, of Monroe, surrendered his license and was disbarred by the Council at its July 2025 meeting after acknowledging that he could not successfully defend against allegations that he improperly borrowed money from a client and failed to timely repay it, failed to refund an unearned \$30,000.00 fee, and failed to properly maintain and pay over employee income tax withholdings during the period from 1999 through 2016.

PENDING DISCIPLINE AND DISABILITY PROCEEDINGS IN THE COURTS

In re Dant – 24SP001304 (Alamance County Superior Court) – Dant, of Colfax, is alleged to have exhibited professional incompetence, filed frivolous pleadings, violated rules and orders of the tribunal, and engaged in conduct prejudicial to the administration of justice across multiple cases. The court appointed the OOC to investigate and prosecute the case. The court also appointed counsel for Dant due to disability allegations. The court has instructed the parties to confer about possible dates for a status conference to occur before 1 February 2026. Dant is presently enjoined from the practice of law.

PENDING DISCIPLINE AND DISABILITY CASES IN THE DHC

Active Cases

Brian R. Harwell – 22 DHC 3

Harwell, of Mooresville, pled guilty in Iredell County Superior Court to felony possession of methamphetamine, misdemeanor harboring a fugitive, and misdemeanor resisting a public officer. It is alleged that Harwell also made one or more false statements to police officers regarding a client's whereabouts when the officers came to Harwell's home to serve a warrant for the client's arrest. Based on the criminal convictions, the DHC placed Harwell on interim suspension. The disciplinary complaint has not yet been filed.

Allan R. Grimsley—22 DHC 6

It is alleged that Grimsley, of Nags Head, improperly deposited entrusted funds into his operating account, misappropriated client funds, did not conduct required trust account reconciliations and reviews, and did not timely file and pay federal individual income taxes for several years. He is enjoined from handling entrusted funds. An amended complaint was filed and answered. Hearing is set for November 4-5, 2025.

Harry C. Marsh – 23 DHC 4

It is alleged that Marsh, of Matthews, engaged in misconduct in many real estate matters, including: Recording a document that falsely appeared to create an encumbrance on title, knowing his client would use that document to extract payment from the owner to release the purported encumbrance; misappropriating entrusted funds provided by an investor for the benefit of the buyer/borrower and without the investor's knowledge or consent; intentionally failing to record a deed of trust and then closing a subsequent sale of the same property without paying off the debt that should have been secured by the unrecorded deed of trust; preparing multiple HUD-1 Settlement Statements providing different information to different recipients to induce the Bankruptcy Court to approve a debtor's sale of property by misrepresenting the nature of the transaction; not complying with the Bankruptcy Court's directive regarding disbursement of closing funds; making misrepresentations to the Grievance Committee; not timely responding to the Grievance Committee; several trust accounting violations; and engaging in a conflict of interest. He is enjoined from handling entrusted funds. Hearing has been continued and has not yet been rescheduled.

Anita B. Hunt – 23 DHC 8

It is alleged that Hunt, of Durham, did not properly maintain and disburse entrusted funds and handled entrusted funds in violation of an injunction. She is enjoined from handling entrusted funds. An amended complaint has been filed after the DHC case was stayed pending additional investigation. Hearing has not been scheduled.

Hayes Hofler – 24 DHC 5

It is alleged that Hofler, of Hillsborough, filed frivolous motions, made inflammatory unfounded accusations, and prolonged proceedings by repeatedly filing interlocutory appeals and seeking to recuse judges. It is also alleged that he is disabled. The State Bar has filed for sanction based on Hofler failure respond to discovery requests. Hofler's time to submit to a neuropsychological evaluation expired in September 2025. The State Bar will pursue sanctions for his failure to submit. Hearing has not been scheduled.

Brian Walker – 24 DHC 7

It is alleged that Walker, of Wilmington, neglected and failed to communicate with a client, resulting in entry of default judgment against his client. It is also alleged that Walker failed to appear in court on the day of another client's felony trial, resulting in Walker's conviction for criminal contempt of court. Hearing has not been scheduled.

Patrick Megaro – 24 DHC 13

It is alleged that Megaro, who is currently suspended, filed a frivolous complaint to collect legal fees from two mentally disabled former clients and their guardians. The DHC proceedings were stayed while his co-defendant pursued an appeal. With the appeal resolved, the parties will consult on a revised scheduling order. If unable to submit a consent order, the Hearing Panel Chair will hold a scheduling conference in early November.

Lee Bettis Jr. – 24 DHC 21

It is alleged that Bettis, of New Bern, made several false statements to the State Bar during a grievance investigation. The case is stayed to allow for investigation of other potential misconduct.

J. Michael Edney – 25 DHC 7

It is alleged that Edney, of Hendersonville, failed to respond to the State Bar on multiple occasions and mismanaged entrusted funds resulting in a deficit in his trust account, the investigation of which was impeded by his failure to respond to the State Bar. It is further alleged that Edney failed to communicate with a client, failed to provide the client with an accounting of entrusted funds, prepared and recorded an invalid deed for a client, and improperly engaged in a business transaction with a client. Hearing has not been scheduled.

Timothy Lyons – 25 DHC 8

Lyons, of Cary, pleaded guilty to one count of secret peeping using an electronic device. It is alleged that the conduct underlying his conviction is a criminal offense reflecting adversely on his trustworthiness or fitness as a lawyer. The parties have submitted a proposed consent order of discipline to the hearing panel.

Erin Phillips – 25 DHC 10

It is alleged that Phillips, of Cashiers, misappropriated entrusted funds, failed to respond to grievance investigations, failed to comply with a court order of preliminary injunction, and neglected client matters. On September 29, the DHC entered a Default Order. A Phase II hearing is scheduled for 13 January 2026.

Jason Davis – 25 DHC 12

It is alleged that Davis, of Cary, pled guilty in July 2024 in Wake County Superior Court, pursuant to *North Carolina v. Alford*, to three counts of felony larceny of a firearm and one count of second-degree arson. Hearing has not been scheduled.

R. Steve Monks – 25 DHC 14

It is alleged that Monks, of Raleigh, failed to act with reasonable diligence, failed to communicate with a client, engaged in conduct involving misrepresentation that reflects adversely on his fitness as a lawyer, and continued to represent a client after a conflict of interest arose without getting their informed consent in an immigration matter. It is also alleged that Monks failed to make reasonable efforts to ensure that his law firm had measures in effect that gave reasonable assurance that his

nonlawyer paralegal's conduct was compatible with his professional obligations. The parties will submit a proposed consent order of discipline when a hearing panel is assigned.

Indefinitely Stayed DHC Cases

Robert Melville, Jr. – 13 DHC 9

The DHC entered an order of interim suspension of the law license of Lake Waccamaw lawyer Robert Melville based on his federal convictions of conspiracy to commit bank fraud and wire fraud. Melville was already on disability inactive status when the order of interim suspension was entered. The disciplinary action is stayed until Melville is returned to active status.

Michael J. Anderson – 15 DHC 47 & 15 DHC 47D

It is alleged that Anderson, of Wilson, provided fabricated and misleading documents to the State Bar and/or did not correct a misapprehension he caused by such documents; did not keep required trust account reconciliation records; did not respond to the Grievance Committee; made statements with no substantial purpose other than to embarrass a third person; engaged in undignified or discourteous conduct degrading to a tribunal; and engaged in conduct prejudicial to the administration of justice. The hearing panel found probable cause to believe Anderson is disabled, stayed the disciplinary proceeding pending resolution of the disability issue, and repeatedly ordered Anderson to undergo evaluation. Anderson defied several DHC orders requiring him to undergo evaluation. The DHC stayed the disability case until Anderson complies with those orders. In May 2016, the Wake County Superior Court entered a preliminary injunction prohibiting Anderson from practicing law until the discipline and disability cases are concluded.

Wendelyn R. Harris – 18 DHC 14 & 18 DHC 14D

It is alleged that Harris, of Virginia and formerly of Raleigh, submitted a purported order to the Department of Motor Vehicles on which she forged a judge's signature and blamed her nonlawyer assistant for these actions. Harris's assistant was convicted of forgery at a trial in which it is alleged that Harris testified falsely. Harris was automatically transferred to disability inactive status when she raised the issue of disability. After a hearing, Harris was continued on disability inactive status. The disciplinary action is stayed until Harris is returned to active status.

James Averitt – 16 DHC 4

It is alleged that Averitt, of Cary, obtained property by false pretenses by falsely advertising Masters golf tickets for sale. The DHC initiated a disability proceeding and Averitt was transferred to disability inactive status by consent. The disciplinary action is stayed until Averitt is returned to active status.

Michael H. Griffin – 18 DHC 20

It is alleged that Griffin, formerly of Shelby and now of Florida, misappropriated entrusted funds. He is enjoined from handling entrusted funds. The DHC initiated a

disability proceeding and Griffin was transferred to disability inactive status by consent. The disciplinary action is stayed until Griffin is returned to active status.

Patricia W. Harvey – 21 DHC 22

It is alleged that Harvey, of Asheville, failed to file and pay personal income taxes, employee withholding taxes, and FICA taxes for five years, resulting in a criminal conviction for embezzlement of state property. Harvey was transferred to disability inactive status by consent. The disciplinary action is stayed until Harvey is returned to active status.

Paris Peppers – 22 DHC 2

It is alleged that Peppers, of Henderson, while representing two of her cousins, made false promises to defraud them out of property inherited from their grandmother, did not comply with discovery requests and orders in a civil case her cousins brought against her, and made false representations to the Grievance Committee. She is enjoined from handling entrusted funds. Peppers was automatically transferred to disability inactive status upon filing a notice of disability in the DHC case. After Peppers underwent a medical evaluation, the DHC entered a consent order continuing Peppers' disability inactive status. The disciplinary action is stayed until Peppers is returned to active status.

Richard T. Dail – 22 DHC 7

It is alleged that Dail, of Thomasville, misappropriated, did not properly maintain, and improperly disbursed entrusted funds; made a false statement to a client regarding entrusted funds; and did not promptly complete disbursements, deposit entrusted funds into his trust account, conduct required trust account reconciliations and reviews, and maintain required trust account records. He is enjoined from handling entrusted funds. Upon Dail's assertion that he is disabled, he was immediately transferred to disability inactive status and the disciplinary action was stayed. After Dail underwent a medical evaluation, the DHC entered a consent order continuing Dail's disability inactive status. The disciplinary action is stayed until Dail is returned to active status.

Pending Petitions for Reinstatement/Stay - Uncontested

No uncontested petitions for reinstatement or stay of suspension are currently pending.

Pending Petitions for Reinstatement/Stay – Contested

Charles Blackmon – 25 BCR 1

Blackmon, of Greensboro, petitioned for reinstatement following his 2019 disbarment for misappropriating entrusted funds to which his employer was entitled. After a hearing in May 2025, the DHC entered an order recommending that the petition be denied. Blackmon filed a notice of appeal to the State Bar Council. The parties are in the process of settling the record.

David Payne – 25 BCR 2

Payne, of Zirconia, petitioned for reinstatement from his 2019 disbarment for making false statements to a bank to obtain a loan, resulting in a federal felony conviction. After an April 2025 hearing, the DHC entered an order recommending that the petition be denied. Before the DHC’s written order was entered, Payne sought to voluntarily dismiss his petition. On the State Bar’s motion, the DHC vacated the purported dismissal and entered its order recommending that reinstatement be denied. Payne filed notice of appeal to the North Carolina Court of Appeals from the DHC’s orders vacating the dismissal and denying reinstatement. The parties are in the process of settling the record.

Carson Freeman Taylor – 25 BCR 4

Taylor, of Newton, petitioned for reinstatement from her 2018 disbarment for mishandling and embezzling entrusted funds. Hearing is scheduled for 16 December 2025.

Penny Bell – 21 DHC 17R

Bell, of Dunn, petitioned for the stay of the remainder of a three-year suspension imposed in 2024 for making multiple false statements under oath while testifying during a *Batson* remand hearing, engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, and making multiple false statements to the Bar in conjunction with a grievance matter. The Office of Counsel filed an objection to the petition on 30 September 2025. Hearing has not been scheduled.

Tony Botros – 25 RD 1

Botros, of Cary, petitioned for reinstatement from disability inactive status. Hearing is scheduled for 6 January 2026.

Warren Ballentine – 25 BCR 5

Ballentine, of Tucson, Arizona, petitioned for reinstatement from his 2016 disbarment based on mail, wire and bank fraud convictions. Hearing has not been scheduled.

Pending Motions to Show Cause

No motions to show cause are currently pending.

Pending Grievance Noncompliance Actions before the DHC

Mary L. Rogers – 25 DHC13 N

Rogers, of Charlotte, failed to respond to four grievance matters. The State Bar’s Petition for an Order to Show Cause for Grievance Noncompliance was granted on 21 October 2025. Rogers’ response to the Order to Show Cause is due 4 November 2025.

APPEALS IN DISCIPLINE & DISABILITY CASES

Completed Appeals

Jaime Halscott – 24 DHC 13

Halscott, of Winter Park, Florida, filed an appeal challenging the State Bar’s jurisdiction to bring a disciplinary action against him because he does not hold a North Carolina law license. After the Court of Appeals issued its opinion in *State Bar v. Musinguzi*, the Office of Counsel on July 9 dismissed the underlying DHC case. Halscott subsequently voluntarily dismissed his appeal as moot.

Pending Appeals

Mark T. Cummings – 22 DHC 25

In April 2024, Cummings, of Greensboro, was suspended for five years by the DHC for failure to comply with employee tax withholding laws, several acts of dishonesty, deceit, fraud, or misrepresentation reflecting adversely on his fitness as a lawyer, and conduct prejudicial to the administration of justice. He filed Rule 59 and Rule 60 motions and a notice of appeal. The Court of Appeals ordered limited remand to allow the DHC to hear the post-trial motions. The DHC entered orders denying both post-trial motions and certified those orders to the Court of Appeals. Cummings filed notice of appeal from both orders and a petition for writ of supersedeas and a motion for temporary stay with the Court of Appeals. In September 2024, the Court of Appeals issued a writ of supersedeas staying the Order of Discipline. Cummings’ appellant brief is due November 12.

Richard E. Batts – 24 DHC 1

Batts, of Rocky Mount, failed to conduct required trust account reconciliations and reviews, failed to maintain accurate client ledgers, failed to deposit entrusted funds into his trust account, failed to promptly transfer entrusted funds received via PayPal to the trust account, failed to make transfers from PayPal to the trust account in a manner that identified the clients whose funds were being deposited and in what amounts, and improperly disbursed funds from the trust account. The DHC imposed a one-year stayed suspension. Batts filed post-trial motions for relief, which were denied by the DHC; entry of those orders is pending. Batts filed notice of appeal, which automatically stayed the Order of Discipline because his suspension was for a period of less than 18 months. Batts’ appellant brief is due November 7.

Mark A. Key – 21 DHC 23

The DHC concluded that Key, of Lillington, chronically failed to comply with the law regarding personal and business taxes, engaged in felony mortgage fraud, disclosed client confidences, mismanaged his trust account, was disruptive during a Superior Court trial, made misrepresentations to an employee and knowingly underreported her wages to the IRS, and made misrepresentations to the Grievance Committee. The DHC suspended Key, who has a 20-year history of professional discipline, for five years with a possible stay after three years upon compliance with various conditions.

The parties cross-appealed the DHC’s decision. The Court of Appeals issued an opinion affirming essentially all facts and conclusions in the Order of Discipline but holding that the DHC erred by failing to consider Key’s commission of multiple felonies and Key’s “bad faith obstruction of the disciplinary proceedings,” which are among the factors that must be considered in determining the appropriate discipline. The Court of Appeals vacated the portion of the Order of Discipline suspending Key’s license and remanded for further proceedings consistent with its opinion.

Following a November 2024 remand hearing, the DHC imposed the same five-year suspension with a possible stay after three years upon compliance with various conditions. The State Bar again appealed the DHC’s decision. The sole issue on appeal is whether the DHC abused its discretion by imposing a sanction against Key’s license to practice law that is not reasonably related to the protection of the public and is inadequate to protect the public, the profession, and the administration of justice. The State Bar filed its appellant brief on 8 September 2025, and Key’s appellee brief is due 27 October 2025.

R. Jonathan Charleston – 22DHC16

Charleston, of Fayetteville, engaged in improper *ex parte* communications with a Superior Court judge, failed to notify opposing counsel of his *ex parte* communications, and did not disclose material information to the court during those communications. Charleston filed notice of appeal from the DHC’s July 8 order censuring him for that misconduct. The parties are in the process of settling the record on appeal.

**TRUST ACCOUNT COMPLIANCE
DEPARTMENT**

One hundred sixty-seven lawyers have completed the TAC Program since its inception. One lawyer accepted an offer to participate in the TAC Program after the July 2025 quarterly meeting. Currently, there are 47 participants in the program. The Trust Account Compliance Specialist monitors the TAC Program participants and DHC defendants whose stayed suspensions include trust account compliance conditions.

AUTHORIZED PRACTICE

The Authorized Practice Committee opened 40 new files this quarter. There are 13 files on the Committee's October agenda.

Authorized Practice Litigation

N.C. State Bar v. Eric Olsen (Wake County Superior Court). The Executive Committee authorized counsel to pursue injunctive relief against Eric Olsen, an Oregon lawyer who has held himself out as representing North Carolina residents in debt collection matters. On 15 September 2025, the State Bar filed a Complaint for Permanent Injunction and Motion for Preliminary Injunction in Wake County Superior Court alleging that Olsen engaged in activities constituting the unauthorized practice of law. Olsen has not yet filed a responsive pleading.

N.C. State Bar v. Tigress McDaniel (Wake County Superior Court/ N.C. Court of Appeals/ U.S. District Court, EDNC/ 4th Circuit Court of Appeals). The Executive Committee authorized counsel to pursue injunctive relief against Tigress McDaniel, the recipient of a juris doctorate from a non-accredited law school who has not been licensed to practice. McDaniel maintains a website and Facebook page operating under the name "The Ethical Gatekeeper" on which she offers legal document preparation and legal advice. In May 2024, the State Bar filed a Complaint for Permanent Injunction and Motion for Preliminary Injunction in Wake County Superior Court alleging that McDaniel engaged in activities constituting the unauthorized practice of law. Shortly thereafter, McDaniel filed a notice of removal to the U.S. District Court for the Eastern District of North Carolina. [Long story short, the case was remanded to state court in late August 2024 and McDaniel's frivolous appeal from the remand order was finally dismissed by the 4th Circuit in March 2025.]

The State Bar's Motion for Temporary Injunction was granted in November 2024. McDaniel, who did not participate in the hearing on the temporary injunction, filed notice of appeal from that decision. Over the ensuing two months, McDaniel repeatedly and unsuccessfully sought writs of supersedeas and temporary stays from both the North Carolina Court of Appeals and the North Carolina Supreme Court. The appeal was not docketed due to McDaniel's failure to serve a proposed record. Meanwhile, in Wake County Superior Court, McDaniel failed to meaningfully respond to State Bar discovery requests served in preparation for the hearing on a permanent injunction. After an order compelling discovery was entered, McDaniel produced the same deficient responses a second time. In July 2025, the court entered an order granting the State Bar's motion to dismiss McDaniel's counterclaims and entered a default judgment for permanent injunction as a sanction for McDaniel's refusal to comply with the order compelling discovery. To address McDaniel's repeated violations of the permanent injunction, the State

Bar filed a Motion for Civil Contempt in September 2025. The contempt hearing is scheduled for 10 November 2025.

Prepaid Legal Services Plan Registration

The State Bar received two initial registration statements (for National Plan 26 and National Plan Enhanced 26) during the third quarter of 2025. No proposed amendments to existing prepaid legal services plans were received in the second quarter.

OTHER LITIGATION IN THE STATE AND FEDERAL COURTS

Pending Litigation

Richard Polidi¹ v. Moore Van Allen PLLC, et al (Wake County Superior Court). In 2020, disbarred lawyer Richard Polidi filed a complaint alleging that various named defendants, including State Bar Counsel Carmen Bannon, two law firms, and “John Does 1-20” engaged in “misappropriation of trade secrets” by allegedly disclosing or receiving information related to grievance files against Polidi. Approximately every ninety days for the ensuing five years, Polidi had alias and pluries summonses issued but did not serve any of the defendants. In July 2025, Polidi finally transmitted the summons and complaint to various defendants, including Bannon. A status conference is scheduled for 27 October 2025. All defendants have filed motions to dismiss and requested those motions be set for hearing the week of 12 January 2026. The Office of Counsel represents Bannon.

Jennifer Gauze v. N.C. State Bar (Alamance County Superior Court). In June 2025, Gauze filed a “Petition for Writ of Mandamus” asking the Alamance County court to compel the State Bar to take action on a grievance she filed. The petition

¹ Polidi has filed many lawsuits against State Bar actors related to his 2014 disbarment:

In *Polidi v. Willoughby et al* (17 CVS 8932), former President Colon Willoughby, former Counsel Katherine Jean, and the State Bar were named as defendants but never served. E-Courts reflects that the case was involuntarily dismissed by the Wake County Superior Court in 2019, although Polidi has continued to issue A&P summonses to all twenty-seven named defendants, most recently on 29 September 2025.

In *Polidi v. Bannon et al*, (17 CVS 15314), Counsel Carmen Bannon and Investigator Wayne Truax were named as defendants but never served. E-Courts reflects that the case was discontinued in 2022.

In *Polidi v. Boente et al*, (EDNC/4th Circuit) filed in 2022 and finally dismissed in 2025, former Deputy Counsel Margaret Cloutier and immediate past President Todd Brown were named as defendants.

Polidi v. Walthall et al (23 CVS 30956), which named former Deputy Counsel Josh Walthall, former Counsel Katherine Jean, former Deputy Counsel Margaret Cloutier, immediate past President Todd Brown, and the State Bar as defendants, was filed in 2023 and is still pending in Wake County Superior Court. None of the defendants have been served, but Polidi obtained a new round of A&P summonses on 4 August 2025.

cites no applicable authority for the relief sought. The petition was sent to the Office of Counsel by certified mail, but no complaint or summons was filed or served. To the extent a responsive filing is necessary, the Office of Counsel will represent the State Bar.

Hankins v. Wells Fargo et al (U.S. District Court, EDNC). In December 2024, a former grievance complainant filed a complaint containing wide-ranging, vague, and unintelligible allegations of purported malfeasance by the State of North Carolina, several municipalities, State, county, and local officials, approximately a dozen lawyers, four banks, an insurance company, and Whole Foods Market, among others. State Bar Senior Deputy Counsel Jennifer Porter was not listed as a defendant in the case caption but was served with a summons and copy of the complaint, which cited more than a dozen federal statutes but only occasionally specified which claims he was asserting against which defendants. Porter was only mentioned in a single sentence fragment in the complaint. In January 2025, the Office of Counsel filed a motion to dismiss for failure to state a claim on behalf of Porter. On 5 August 2025, the U.S. Magistrate Judge entered a Memorandum and Recommendations recommending that Porter’s motion to dismiss, along with approximately seventeen similar motions filed by other defendants, be granted. Hankins was required to file any objection to the Magistrate’s recommendations by 22 September 2025 but failed to do so.

In January 2024, **Morag Black Polaski, Shawana Almendarez, and the North Carolina Justice for All Project** filed a lawsuit in the United States District Court for the Eastern District of North Carolina. Plaintiffs alleged that they would like to provide legal services to North Carolinians both without charge and for compensation but are prohibited from doing so by North Carolina’s statutes and regulations prohibiting the unauthorized practice of law. They sought a declaratory judgment that enforcement of North Carolina’s statutes and regulations prohibiting UPL violates the First Amendment as applied to them; a permanent injunction enjoining future enforcement of those statutes and regulations; attorney fees; and costs. Although the complaint was originally against then-Attorney General Josh Stein, a March 2024 amended complaint removed Stein as the defendant and replaced him with five elected district attorneys and State Bar President A. Todd Brown in his official capacity. The amended complaint sought the same relief from the new defendants. The State Bar retained outside counsel to represent President Brown and their motion to dismiss for failure to state a claim was granted by Judge Boyle in December 2024. Plaintiffs filed Notice of Appeal to the 4th Circuit, which entered an order holding the appeal in abeyance until the United States Supreme Court rules on the petition for certiorari filed by the plaintiff in *360 Virtual Drone Servs. LLC v. Ritter*, 102 F.4th 263 (4th Cir. 2024). It is anticipated that the Court will not rule on the *360 Virtual Drone* petition before it decides *Chiles v. Salazar*, No. 24-539, 2025 WL 746313 (U.S. Mar. 10, 2025), expected in the summer of 2026. Thus, the Polaski appeal is unlikely to return to active status before the summer of 2026.

Completed Litigation

No litigation involving the State Bar or its constituents was completed during the third quarter of 2025.

OTHER MATTERS

Disbursement Cases

The Office of Counsel did not file any motions for disbursement on behalf of the Disbursements Committee this quarter.

Trusteeships

During the third quarter of 2025, the OOC filed 8 petitions seeking appointment of trustees to wind down the practices of **Joseph Elmer Stroud, Jr.** of Richlands, **Joseph Robert Hurwitz** of Lake Lure, **Adam Gabriel Wood** of Ohio, **Jason Ryan Binette** of Charlotte, **Allen Wilton Wood, III** of Newton, **H. Trade Elkins** of Horse Shoe, **Christian Kaunas Glista** of Matthews, and **Larry J. McGlothlin** of Fayetteville.

Client Security Fund Claims/Subrogation Cases

The Client Security Fund Board held its quarterly meeting on 24 July 2025. The Board granted and paid 4 claims and denied 9 claims, including 1 request for reconsideration. The Board will consider 30 claims at its October meeting. There are currently no lawsuits pending in Superior Court seeking reimbursement for payments made by the CSF.

PERSONNEL

The OOC welcomed a new Grievance Intake Coordinator, Lily Dyson. Lily has quickly adapted to the challenges of coordinating our very lively grievance intake process and is considering a future career in the legal profession.

Kerry Sullivan is the State Bar's newest Deputy Counsel. Kerry graduated from Appalachian State University in 2020 and received her J.D. from Campbell Law School this spring. She was previously a summer intern *and* a law school extern in the Office of Counsel. In September, she returned to the OOC as a full-time employee.

OOO LAWYERS' OTHER ACTIVITIES

Many of her coworkers attended the 16 October 2025 special ceremonial session of court in which she was sworn in as an attorney by Judge Paul Ridgeway. We are delighted that Kerry has joined the team.

Alec oversees all wire fraud grievances received by the OOC. Alec taught his first CLE on ethics and the grievance process in March and has two more scheduled through the end of the year.

Alex supervises the OOC's grievance operations and oversees the Grievance Intake Unit's screening of incoming grievance complaints. As Grievance Supervisor, he assigns files and monitors Deputy Counsels' grievance caseloads and backlogs. Alex spearheaded many of the process improvement initiatives related to grievance intake and continues to standardize and improve grievance processing within the office. Alex regularly helps his colleagues navigate technological challenges, is the point of contact with the software developers for the OOC's database, and helps oversee administration of our legal research and investigative software.

Cameron pinch hits for Ryan on trusteeships. In addition to grievance and DHC work, he often serves as counsel when the OOC is appointed to prosecute judicially initiated disciplinary actions across the state. He is a member of the Wake County Bar Association's History Committee.

Carmen is an Associate Adjunct Professor of professional responsibility at UNC Law: Although she now teaches only two semesters per year instead of three, her students' energy and idealism remains therapeutic. Carmen is increasingly involved in the National Organization of Bar Counsel, frequently presenting at their national conferences: She was a presenter for two sessions at the NOBC annual conference in August. In the last quarter, Carmen gave two presentations on new grievance processes for the NC Conference of District Attorneys: One at the elected DAs' fall meeting, and one at the ADAs' fall meeting.

Danielle shares responsibility with Rob and Kathryn for the State's Bar's appellate work and outside litigation. This quarter she took on a new role as counsel to the Client Security Fund.

Jennifer volunteers as a judge with the Capital Area Teen Court program in Raleigh and Holly Springs, which serves the dual purposes of providing the opportunity for teens charged with minor offenses to have the charges dismissed upon successful completion of the program and providing teens interested in the law with the opportunity to serve as youth attorneys in Teen Court hearings. Jennifer also serves as a judge for collegiate mock trial competitions. Jennifer, assisted greatly by Litigation Manager Brittany Wilson, tracks trust account-related cases and updates the disposition charts annually. Jennifer also serves on the History Committee of the Wake County Bar Association.

Jessica teaches CLEs on ethics and the grievance process.

Katherine shares responsibility with Ryan for appointment and supervision of trustees, oversees all reports of third-party fraud against trust accounts, and reviews Reports of Counsel and Substances of Grievance prepared by new Deputy Counsels.

Kathryn shares responsibility with Rob and Danielle for the State Bar's appeals and outside litigation.

Kelley serves as the OOC's liaison to the judiciary and regularly teaches CLEs on ethics and the grievance process. In the last quarter, she gave a presentation on the organization of the State Bar at the Wake County Bar Association's Professionalism for New Attorneys Program. When not fielding calls from judges or working on her grievance matters, you can find her playing French Horn for a local community band.

Liza and her husband welcomed their first child, daughter Reece Nottingham Starnes, on 6 September.

Michael and his wife welcomed their first child, daughter Rina Iris Manset, on 12 October.

Rob handles disbursements from the trust accounts of disbarred and suspended lawyers. He recruits and supervises our summer interns. He also shares responsibility for the State Bar's appeals and outside litigation with Kathryn and Danielle.

Ryan works with the Grievance Intake Unit to screen the ever-increasing grievance filings. Ryan is also responsible for the appointment and supervision of trustees for unavailable attorneys. She also teaches CLEs on ethics and the grievance process.

Savannah's second baby boy is due this week! She and her husband are excited (and terrified) to join the two-under-two club. For the past year, Savannah has been working with the Grievance Intake Unit to screen the ever-increasing grievance filings, but she looks forward to officially rejoining our litigation team after returning from parental leave. Additionally, after noble service as Interim Counsel to the Client Security Fund since January 2025, Savannah handed off that responsibility to Danielle during the last quarter.

Tessa staffs the Authorized Practice Committee.