

**REPORT OF THE OFFICE OF COUNSEL  
TO THE N.C. STATE BAR COUNCIL  
JULY 25, 2025**

**ATTORNEY CLIENT ASSISTANCE PROGRAM**

During the second quarter of 2025, ACAP staff responded to 1,353 phone calls from members of the public and placed 42 calls to lawyers. Staff also responded to 676 emails from members of the public and attorneys and responded to 959 letters from members of the public and inmates. In addition, 14 documents submitted in Spanish were translated. Intake logged 3,077 entries this quarter.

The State Bar opened 121 fee dispute resolution files during the second quarter. A

**GRIEVANCE**

total of 1,515 grievance files were opened in 2024. The annual number of grievance complaints received by the State Bar continues to increase, as indicated by the following data:

<b>Year</b>	<b>Total Grievances Filed</b>
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 622 files since 1 August 2024.

As of 14 July 2025, 1,456 grievances were pending.<sup>1</sup> Seven 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 112 of the pending files and those files are ready for the Grievance Committee’s decision. Of the remaining 1,337 files in which no recommendation has yet been made, 947 were more

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<sup>1</sup> Despite the continued record-high filing rate of new grievances, **the number of pending grievances has been reduced by 37% in the last year**: 2,302 in July 2024 vs. 1,456 in July 2025. For reference, two years ago the total number of pending grievances was 2,258, so the decrease in pending files is a significant departure from historical baseline attributable to OOC staff efforts in the face of increased workload.

than six months old; of those, 430 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.<sup>2</sup> One hundred twenty-two grievances are currently stayed.

In the second quarter of 2025, 461 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 second quarter of 2025.

### **Grievance Review Panels**

Five Grievance Review Panels were conducted this quarter. The GRP affirmed the original disposition in one file and remanded four files with recommendations that the proposed discipline be reduced from Censure to Reprimand in two matters and reduced from Reprimand to Admonition in two matters.

No Grievance Review Panels were requested for April 2025 Grievance Committee dispositions, so GRPs will not be convened in the upcoming quarter.

## **DISCIPLINE AND DISABILITY CASES**

### **MATTERS COMPLETED DURING THE SECOND QUARTER OF 2025**

#### **Completed Disciplinary Cases Before the DHC**

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

#### **Jonathan Charleston – 22 DHC 16**

Charleston, of Fayetteville, engaged in improper *ex parte* communications with a superior court judge who was formerly a board member of the plaintiff, failed to notify opposing counsel of his *ex parte* communications, and did not disclose material information to the court during those communications. The DHC case was stayed while Charleston sought writs in the Court of Appeals to prevent the DHC case from going forward. All writs were denied, the stay was lifted, and after a hearing on March 10-12, the parties concluded Phase I. After a Phase II hearing on June 23, the DHC censured Charleston for his misconduct.

#### **Anastasia Cowan – 24 DHC 18**

Cowan, of Charlotte, volunteered to the court to take possession of the passports of her client's child to prevent the child's abduction by her client. It was alleged that after Cowan's client abducted the child and took the child to Pakistan, Cowan

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<sup>2</sup> The **number of pending grievances that are more than 18 months old has been reduced by 20% in the last year**: 536 in July 2024 vs. in 430 July 2025.

testified falsely about advice she received from State Bar ethics counsel. At the close of the State Bar's evidence during the May 6 hearing, the DHC granted Cowan's motion to dismiss.

**John Mansfield—24 DHC 19**

Mansfield, of Raleigh, engaged in criminal conduct, including assault on a female, during his tumultuous relationship with a woman who eventually became his client. On June 2, the DHC entered a Consent Order of Discipline suspending Mansfield from the practice of law for two years, with conditions and the opportunity to seek a stay after six months of active suspension.

**Jaime Halscott – 24 DHC 13**

It was alleged that Halscott, who is licensed and practices in Florida, filed a frivolous complaint to collect legal fees from two mentally disabled former clients and their guardians. Halscott's motion to dismiss for lack of jurisdiction was denied and he filed a notice of appeal. After the Court of Appeal's decision in *State Bar v. Muzinguzi*, the State Bar voluntarily dismissed the complaint against Halscott.

**Robert Tucker – 25 DHC 2**

Tucker, of Asheville, failed to timely file and pay over income taxes withheld from employees in 2009-2011. Following Tucker's default, the DHC entered an Order of Discipline suspending Tucker's license for three years, with the opportunity to seek a stay after one year upon compliance with conditions.

**Completed Petitions for Reinstatement/Stay Before the DHC - Uncontested**

**Emily C. Moore Tyler – 19DHC24R**

Tyler, of Raleigh, sought reinstatement from her 2020 suspension for changing a filed pleading after being told by the court that it could not be corrected and falsely representing to courthouse staff and judges that someone else changed the filed pleading. With consent of the OOC, the DHC granted Tyler's petition for reinstatement.

**Completed Petitions for Reinstatement/Stay Before the DHC - Contested**

**Jeffrey D. Smith, 15 DHC 27R2 & 18 DHC 26R2**

Smith, of Charlotte, sought reinstatement from the suspension imposed in two DHC cases for his mishandling of entrusted funds and trust accounting deficiencies. After a hearing on June 27, Smith's petition was denied by the DHC.

**Charles Blackmon - 25 BCR 1**

Blackmon, of Greensboro, sought reinstatement from his 2019 disbarment for misappropriating entrusted funds to which his employer was entitled. After a hearing on May 21, the DHC recommended that Backmon's petition be denied.

**David R. Payne – 25 BCR 2**

Payne, of Zirconia, sought reinstatement from his 2019 disbarment for making false statements to a bank to obtain a loan, resulting in a federal felony conviction. After a hearing on April 10, the DHC recommended that Payne’s petition be denied. After the decision was rendered but before the DHC entered its written order, Payne filed a notice of voluntary dismissal. On the State Bar’s motion, the DHC vacated the purported dismissal and entered its order. Payne filed notice of appeal to the Court of Appeals.

**Mark V. Gray – 25 BSR 1**

Gray, of Greensboro, sought reinstatement from his 2018 suspension for failing to timely file federal and state income tax returns, failing to pay federal and state income taxes, improperly disbursing money from his trust account, improperly commingling earned fees with the entrusted funds of his clients, failing to maintain accurate client ledgers, and failing to conduct required quarterly reconciliations of his trust account. On July 2, before the OOC responded, Gray voluntarily dismissed 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**

**Tiana Danise Young Morris – 25 DHC 5N**

Young Morris, of Houston, failed to comply with grievance investigations. On July 10, the DHC entered an Order suspending her 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**

**Taylor M. Dant – 25 CV 011675-910**

**Dant**, of Colfax, was enjoined from the practice of law until such time as Dant can prove to the satisfaction of the court by clear, cogent, and convincing evidence via a completed mental health evaluation by a qualified mental health practitioner that she does not have “a mental and/or physical condition which significantly impairs her professional judgment, performance, or competence as an attorney.” The injunction was entered due to ongoing allegations of misconduct that suggest she is disabled.

## Orders of Reciprocal Discipline

**Raymond Sitar**, of New Haven, Connecticut, was reprimanded for violations of Rules 4.4(a) and 8.4(d) of the North Carolina Rules of Professional Conduct in an order of reciprocal discipline entered by the Chair of the Grievance Committee on April 24.

### Transfers to Disability Inactive Status

**Duane S. Miller**, of Concord, **Thomas E. Barwick**, of Clayton, and **Eric R. Inhaber**, of Charlotte, were transferred to disability inactive status by consent order entered by the Chair of the Grievance Committee.

### Completed Surrenders to the Council

There were no surrenders to the Council this quarter.

## 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 OOC was appointed to prosecute the judicially-initiated disciplinary case. The Court appointed counsel for Dant due to disability allegations. The OOC and defense counsel are mid-discovery, and hearing is expected to be scheduled for October 2025.

## 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 September 16-17, 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. The hearing was 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 misappropriated entrusted funds. She is enjoined from handling entrusted funds. The case is stayed to allow for investigation of other potential misconduct.

**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. Various preliminary motions have been filed and Hofler was ordered to submit to a neuropsychological evaluation. 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 are stayed.

**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. Hearing has not been scheduled.

**Elizabeth Caviness – 25 DHC 1**

It is alleged that Caviness, of Charlotte, neglected and did not communicate with her client, deceived her client, did not respond to the Grievance Committee, and falsely claimed that she could not respond to a Grievance Committee subpoena due to COVID. It is further alleged that after she was suspended for noncompliance with the grievance process, Caviness did not wind down, continued to practice, ignored the Grievance Committee and clients who were unaware of her suspended status, and misled a State Bar investigator. Caviness has since abandoned her law practice. Caviness did not file an answer and default has been entered. Hearing has not been scheduled.

**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. Hearing has not been scheduled.

**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**

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

**Pending Motions to Show Cause**

There are no pending motions to show cause.

**Pending Grievance Noncompliance Actions before the DHC**

**Richard E. Batts – 25 DHC 6N**

It is alleged that Batts failed to produce documents requested by the State Bar and failed to appear and produce documents pursuant to subpoena issued by the Chair of the Grievance Committee. Hearing is set for 29 July 2025.

## APPEALS IN DISCIPLINE & DISABILITY CASES

### Completed Appeals

#### **Martin Musinguzi – 22 DHC 21**

Musinguzi, of New York, was disbarred by the DHC in a January 2024 default order of discipline. Musinguzi filed a motion for relief from judgment in the DHC, as well as a notice of appeal from the DHC's order. The DHC held a hearing on the motion for relief from judgment and denied it. Musinguzi filed petitions in the Court of Appeals and Supreme Court seeking to stay the order of disbarment during his appeal. The Supreme Court granted a temporary stay. The Court of Appeals reversed the decision of the DHC in an opinion issued in June 2025.

### 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. The State Bar was served with the proposed record on appeal and served its objections and requests for amendment.

#### **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. The State Bar was served with the proposed record on appeal and served its objections and requests for amendment. Batts obtained an extension of time through 21 July 2025 to settle the record.

### **Patrick Megaro & Jaime Halscott – 24 DHC 13**

It is alleged that Megaro, who is currently suspended, and his law partner, Halscott, who practices in Florida, filed a frivolous complaint to collect legal fees from two mentally disabled former clients and their guardians. Halscott’s motion to dismiss for lack of personal jurisdiction was denied, and he filed notice of appeal. The DHC case was stayed. Following Court of Appeal’s decision in *State Bar v. Muzinguzi*, the State Bar dismissed the complaint against Halscott. Halscott has represented that he will withdraw his appeal.

### **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. Both parties appealed the DHC’s decision. The Court of Appeals issued its opinion affirming essentially all facts and conclusions in the Order of Discipline and ruling 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 filed notice of appeal from 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’s brief is due 8 September 2025.

## **TRUST ACCOUNT COMPLIANCE DEPARTMENT**

One hundred sixty-four lawyers have completed the TAC Program since its inception. Ten lawyers accepted offers to participate in the TAC Program after the April 2025 quarterly meeting. Currently, there are fifty participants. The Trust Account Compliance Specialist monitors the TAC Program participants and two DHC defendants whose stayed suspensions include trust account compliance conditions.

## **AUTHORIZED PRACTICE**

The Authorized Practice Committee opened twenty-nine new files this quarter. There are ten files on the committee's July agenda.

### **Authorized Practice Litigation**

**N.C. State Bar v. Tigress McDaniel (Wake County Superior Court/ U.S. District Court, EDNC/ 4<sup>th</sup> Circuit Court of Appeals).** At its January 2024 meeting, 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 appeal from the remand order was finally dismissed by the 4<sup>th</sup> Circuit in March 2025.]

The State Bar's Motion for Preliminary Injunction was granted in November 2024. McDaniel, who did not participate in the hearing on the preliminary 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 Court of Appeals and the 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 permanent injunction. After an order compelling discovery was entered, McDaniel produced the same deficient responses a second time. At a hearing on 26 June 2025, the court granted the State Bar's motion to dismiss McDaniel's counterclaims and entered default judgment against McDaniels as a sanction for refusing to comply with the order compelling discovery. The sanctions order and the order dismissing McDaniel's counterclaims were filed 8 July 2025.

### **Prepaid Legal Services Plan Registration**

The State Bar received three initial registration statements (for Choice Legal Plan, Select Legal Plan, and Select Plus Legal Plan) during the second quarter of 2025. No proposed amendments to existing prepaid legal services plans were received in the second quarter.

### **Pending Litigation**

## OTHER LITIGATION IN THE STATE AND FEDERAL COURTS

**Jennifer Gauze v. N.C. State Bar (Alamance County Superior Court).** On 23 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 cites no applicable authority for the relief sought. The petition was sent to the State Bar by UPS delivery to the front desk, 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.

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 4<sup>th</sup> Circuit, which entered an order holding the appeal in abeyance until the 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 will likely not return to active status before the summer of 2026.

**Hankins v. Wells Fargo et al (U.S. District Court, EDNC).** On 13 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. On 9 January 2025, the Office of Counsel filed a motion to dismiss for failure to state a claim on behalf of

Porter which, along with dozens of similar motions by other defendants, has been referred to the U.S. Magistrate Judge.

### **Completed Litigation**

**Richard Polidi v. A. Todd Brown and Margaret Cloutier (U.S. District Court, EDNC).** Polidi did not sue the State Bar or any of its representatives in his first complaint in this action. In November 2023, he filed an amended complaint asserting claims against State Bar President A. Todd Brown and former (now retired) State Bar deputy counsel Margaret Cloutier, in both their individual and official capacities. In the amended complaint, Polidi alleged that Brown, Cloutier, and others engaged in a conflict of interest when the State Bar investigated and dismissed a grievance he filed against an OOC lawyer. The Attorney General represented Cloutier and Brown. Their motions to dismiss were referred to the U.S. Magistrate Judge, who entered a lengthy memorandum recommending dismissal. In July 2024, the District Court entered an order dismissing all claims with prejudice. In August 2024, Polidi filed a motion to set aside the judgment and for a new hearing. That motion was denied on in October 2024. Polidi filed notice of appeal to the Fourth Circuit and was allowed several extensions of time to file his informal opening brief. On 12 March 2025, the Court notified Polidi that the case was subject to dismissal if he did not file his brief by 27 March 2025. Polidi did not file a brief by that deadline. On 16 April 2025, the 4<sup>th</sup> Circuit dismissed the appeal for failure to prosecute. While the appeal was pending, Polidi had filed yet another motion to set aside (this time targeting the District Court’s order denying his first motion to set aside). On 20 May 2025, after receiving the 4<sup>th</sup> Circuit’s mandate, the District Court denied Polidi’s second motion to set aside. It appears the case is, at long last, over.

**Ka’lah Martin, et al v. State of North Carolina, et al (U.S. District Court, MDNC).** On 4 February 2025, licensee Taylor Dant, who is the subject of a pending disciplinary action in the courts, filed this lawsuit on behalf of five named plaintiffs and “John and Jane Does A-Z.” The named defendants included the State Bar, State Bar Deputy Counsels Kelley DeAngelus and Cameron Lee, and scores of others, including courts, counties, clerks of court, court buildings, law enforcement agencies, boards of elections, and private individuals and entities, such as Bissell Pet Foundation. The complaint was 130 pages long and incomprehensible. The plaintiffs purported to seek compensatory and punitive damages in unspecified amounts and attorney fees for alleged violations of the U.S. Constitution and alleged violation of the North Carolina False Claims Act. Dant never served any of the defendants.

On 21 April 2025, the same day she was enjoined from practicing law by the Wake County Superior Court, Dant filed a notice of voluntary dismissal without prejudice. The next day, the District Court issued an order requiring Dant to show cause why she should not be enjoined from practicing in the federal court. In the resulting order enjoining Dant from practice in the MDNC, the court noted that the complaint in this case was “largely incoherent and nonsensical,” and observed that Dant—who has

engaged in increasingly erratic behavior—"seemed befuddled about basic rules of procedure, jurisdiction, and who could be a plaintiff in a lawsuit."

**Teresa Waters v. "State of North Carolina Bar Association" (NC Industrial Commission).** Waters filed this purported tort claim, alleging that the "State of North Carolina Bar Association" failed to investigate grievances she filed. Waters sought unquantified recovery for alleged financial harm and emotional distress, costs, and attorney fees. She also filed a purported tort claim against the Judicial Standards Commission. The two claims were consolidated for hearing by the deputy commissioner, who dismissed the claims with prejudice in June 2023. Waters appealed. The Full Commission affirmed. Waters filed notice of appeal to the Court of Appeals but failed to serve a proposed record, so the appeal was never docketed. From December 2023 through April 2024 Waters filed a flurry of unsuccessful petitions for writs and motions in the Court of Appeals, culminating in three successive "Motions for Clarification" in May 2024. There has been no additional activity in the case for over a year.

### Disbursement Cases

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

### Trusteeships

During the second quarter of 2025, the OOC filed eight petitions seeking appointment of trustees: Trustees were appointed to wind down the practices of **L. Ragan Dudley** of Mooresville, **Travis H. Simpson** of Winston Salem, **Barry D. Nakell** of Chapel Hill, **James Lynwood Wilson** of Liberty, **Lucian Holt Felmet, Jr.** of Lillington, **Thomas E. Barwick** of Clayton, **Ronald Barbee** of Greensboro, and **Joseph Elmer Stroud, Jr.** of Richlands.

### Client Security Fund Claims/Subrogation Cases

The Client Security Fund Board held its quarterly meeting on 22 April 2025. The Board paid three claims and denied four claims. The Board will consider thirteen claims at its July meeting. There are currently no lawsuits pending in Superior Court seeking reimbursement for payments made by the CSF.

**PERSO  
NNEL**

The OOC welcomed our newest paralegal, Emily Welch, in May.

Deputy Counsel Michael Manset joined the OOC team in June. Michael is a graduate of UC Berkeley and Duke Law School. He was a staff attorney for Legal Aid of North Carolina for five years before coming to the State Bar.

Lucas Lawrence, a rising 3L at UNC, began his eight-week summer internship with the Office of Counsel on June 9.

**OOO LAWYERS' OTHER ACTIVITIES**

Alec oversees all wire fraud grievances received by the OOC.

Alex oversees the Grievance Intake Unit's screening of incoming grievance complaints. As Grievance Supervisor, he assigns files and monitors Deputy Counsels' grievance caseloads and backlog. He spearheaded many of the process improvement initiatives related to grievance intake. Alex teaches CLEs on ethics and technology and regularly helps his colleagues navigate technological challenges. Alex 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.

Danielle shares responsibility with Rob and Kathryn for the State's Bar's appellate work and outside litigation. This quarter she assisted Savannah in her role as interim 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.

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 teaches CLEs on ethics and the grievance process. She is currently working on developing protocols for implementation of the new rules on individualized grievance deferral programs. When not fielding calls from judges or working on her cases, you can find her playing French Horn for a local town band.

Liza and her husband are expecting their first child in September.

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 is working with the Grievance Intake Unit to screen the ever-increasing grievance filings. Savannah is also serving as Interim Counsel to the Client Security Fund. Savannah's second baby boy is due around Halloween. She and her husband are excited (and terrified) to join the two-under-two club.

Tessa staffs the Authorized Practice Committee.