

NORTH CAROLINA
WAKE COUNTY

BEFORE THE
GRIEVANCE COMMITTEE
OF THE
NORTH CAROLINA STATE BAR
15G0494

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| IN THE MATTER OF |) | |
| |) | REPRIMAND |
| JEFFREY B. STEPHENSON, JR., |) | |
| ATTORNEY AT LAW |) | |

On October 22, 2015 the Grievance Committee of the North Carolina State Bar met and considered the grievance filed against you by the North Carolina State Bar. The grievance was assigned to a Subcommittee, which thoroughly reviewed the results of the State Bar staff's investigation of this matter.

Pursuant to Section .0113(a) of the Discipline and Disability Rules of the North Carolina State Bar, the Grievance Subcommittee conducted a preliminary hearing. After considering the information available to it, including your response to the letter of notice, the Grievance Subcommittee found probable cause. Probable cause is defined in the rules as "reasonable cause to believe that a member of the North Carolina State Bar is guilty of misconduct justifying disciplinary action."

The rules provide that after a finding of probable cause, the Grievance Committee may determine that the filing of a complaint and a hearing before the Disciplinary Hearing Commission are not required, and the Grievance Committee may issue various levels of discipline depending upon the misconduct, the actual or potential injury caused, and any aggravating or mitigating factors. The Grievance Committee may issue an admonition, a reprimand, or a censure to the respondent attorney.

A reprimand is a written form of discipline more serious than an admonition issued in cases in which an attorney has violated one or more provisions of the Rules of Professional Conduct and has caused harm or potential harm to a client, the administration of justice, the profession, or a member of the public, but the misconduct does not require a censure.

The Grievance Committee was of the opinion that a censure is not required in this case and issues this reprimand to you. As chairman of the Grievance Committee of the North Carolina State Bar, it is now my duty to issue this reprimand.

In the spring of 2011, you agreed to work as an attorney for South Mountain Group, Inc., ("SMG") a company incorporated in Georgia doing business in North Carolina. Your services include providing "initial title opinions" on each of SMG's customers' properties so that SMG could obtain binders for title insurance. You do not update title at the time of the closing or afterward to provide a final opinion of title against which title insurance can be issued. In

addition, you draft the deed for the seller in purchase transactions at the direction of and upon payment from SMG. You rarely, if ever, speak to the borrowers or sellers. You state that you consider SMG to be your client and that you are providing legal services to SMG. You are paid \$125.00 per "initial title search" and \$25.00 per deed.

By drafting a deed for another at the direction of and upon payment from SMG so that SMG can then turn around and sell that deed – a legal document – to its customer, you are aiding SMG in providing legal services to others, thus aiding a business in the unauthorized practice of law. This activity is in direct violation of N.C. Gen. Stat. § 84-5 and constitutes a violation of Rule 5.5(f) (formerly 5.5(d)) and Rule 5.4(a).

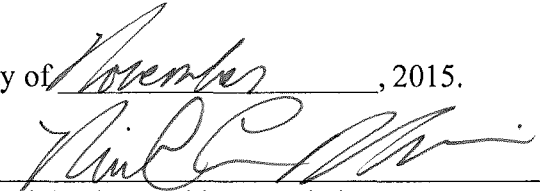
The Committee considered your contention regarding 2004 Formal Ethics Opinion 10 but did not find it to be persuasive or applicable as that Ethics Opinion only permits a "lawyer for the buyer of residential real estate" to "prepare the deed without creating a client-lawyer relationship with the seller provided the lawyer makes specific disclosures to the seller and clarifies her role for the seller." It does not allow a company to sell a deed – a legal document – to others; nor does it permit an attorney for a third party title insurance broker to provide a deed to the seller in a real estate transaction at the direction of and upon payment from the broker.

In determining that a reprimand was appropriate in this case, the Committee took into account the harm that necessarily results whenever attorneys aid unregistered, out-of-state entities in the unauthorized practice of law, particularly when money exchanges hands and legal forms are drafted or filed on behalf of others. The Committee specifically considered the length of time you worked for SMG, the number of North Carolina residents potentially harmed as a result of your relationship with SMG, the amount of money you earned through your relationship with SMG, the lack of remorse expressed in your response, and the fact that you continue to provide legal services through SMG even after being made aware of the problems with their services and procedures.

You are hereby reprimanded by the North Carolina State Bar for your professional misconduct. The Grievance Committee trusts that you will heed this reprimand, that it will be remembered by you, that it will be beneficial to you, and that you will never again allow yourself to depart from adherence to the high ethical standards of the legal profession.

In accordance with the policy adopted July 23, 2010 by the Council of the North Carolina State Bar regarding the taxing of administrative fees and investigative costs to any attorney issued a reprimand by the Grievance Committee, an administrative fee in the amount of \$350.00 is hereby taxed to you.

Done and ordered, this the 4th day of November, 2015.



Michael L. Robinson, Chair
Grievance Committee