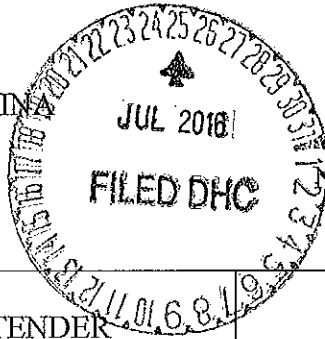


STATE OF NORTH CAROLINA

WAKE COUNTY



BEFORE THE COUNCIL
OF THE
NORTH CAROLINA STATE BAR
16 BCS 3

IN THE MATTER OF THE TENDER
OF SURRENDER OF LICENSE OF

JOSEPH HAL KINLAW, JR.

ORDER OF DISBARMENT

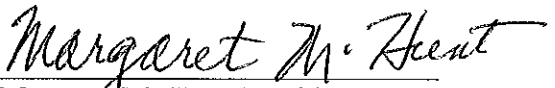
THIS MATTER coming on to be heard and being heard by the Council of the North Carolina State Bar pursuant to 27 N.C. Admin. Code, Chapter 1, Subchapter B, Section .0117(a) of the State Bar Discipline & Disability Rules upon tender of an affidavit of surrender of license executed by Joseph Hal Kinlaw, Jr. ("Kinlaw") on July 12, 2016 and filed in the offices of the North Carolina State Bar on July 13, 2016.

Based upon the affidavit, the Council finds that the conduct to which Kinlaw pled guilty, to wit: engaging in the felony offense of bank fraud in violation of 18 U.S.C. § 1344, as charged in the attached Information filed in the United States District Court for the Eastern District of North Carolina, Docket Number 7:16-cr-00047-BO-1, is in violation of Rules 8.4(b) and 8.4(c) of the Rules of Professional Conduct. Kinlaw's conduct is grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(1) and (2).

WHEREFORE, upon motion made and duly seconded, the Council enters the following Order:

1. The tender of surrender of license of Joseph Hal Kinlaw, Jr. is hereby accepted.
2. Joseph Hal Kinlaw, Jr. is hereby DISBARRED from the practice of law in North Carolina.
3. Kinlaw shall comply with the provisions of 27 N.C. Admin. Code, Chapter 1, Subchapter B, Section .0124 of the State Bar Discipline & Disability Rules. Kinlaw shall surrender his license and permanent membership card to the Secretary of the North Carolina State Bar along with the affidavit required by § .0124 of the State Bar Discipline & Disability Rules within ten (10) days of the entry of this order.
4. The administrative fees and costs of this action are taxed against Kinlaw.

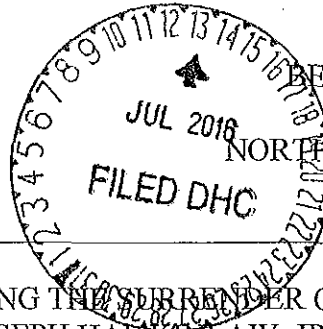
Done and ordered this 22nd day of July, 2016.



Margaret M. Hunt, President
North Carolina State Bar

STATE OF NORTH CAROLINA

WAKE COUNTY



BEFORE THE COUNCIL
OF THE
NORTH CAROLINA STATE BAR
16 BCS 3

AFFIDAVIT TENDERING THE SURRENDER OF THE LICENSE OF
JOSEPH HAL KINLAW, JR.

I, Joseph Hal Kinlaw, Jr., being first duly sworn, say:

1. I desire to resign and hereby tender my license to practice law in North Carolina pursuant to the provisions of Section .0117 of the North Carolina State Bar Discipline and Disability Rules, 27 N.C. Admin. Code Chapter 1, Subchapter B, Section .0117.
2. My resignation is freely and voluntarily rendered. It is not the result of coercion or duress. I am fully aware of the implication of submitting my resignation.
3. I am aware that there is presently pending an investigation including allegations that I engaged in the felony offense of bank fraud in violation of 18 U.S.C. § 1344, as charged in the Information filed in the United States District Court for the Eastern District of North Carolina, Docket Number 7:16-cr-00047-BO-1, a copy of which is attached. On 1 June 2016, I pled guilty as charged in this Information.
4. I acknowledge that the material facts upon which the investigation is predicated are true.
5. My resignation is being submitted because I know that if charges were predicated upon the misconduct under investigation, I could not successfully defend against them.
6. I understand that the hearing by the Council of the North Carolina State Bar with regard to the acceptance of the tender of surrender of my license to practice law will occur at the regularly scheduled meeting of the Council of the North Carolina State Bar on Friday, July 22, 2016 at the Chetola Resort in Blowing Rock, North Carolina.
7. I hereby waive any further notice of the hearing before the Council on my affidavit of surrender. I waive any claim, argument, or assertion that I have not received proper or timely notice of the hearing before the Council on my affidavit of surrender or any other defect in notice. I further waive any and all right or privilege to appear before the Council at that hearing.

(CONTINUED ON NEXT PAGE)

8. I affirm that I have had a full opportunity to seek the advice and counsel of an attorney in filing my Affidavit of Surrender and in waiving any rights set forth herein.

Respectfully submitted, this the 12th day of July, 2016.

J Hal Kinlaw
Joseph Hal Kinlaw, Jr.

I, Robyn C. Milanes, Notary Public of the County of Onslow, State of North Carolina, certify that Joseph Hal Kinlaw, Jr. personally appeared before me this day, was sworn, attested that the foregoing Affidavit is true and accurate of his own personal knowledge, and executed the foregoing Affidavit.

This the 12 day of July, 2016

Robyn C. Milanes
Notary Public
(print name) Robyn C. Milanes

My commission expires: 5/22/2021

WMG

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
SOUTHERN DIVISION

NO. 7:16-CR-47-IFL

FILED

APR 26 2016

JULIE RICHARDS JOHNSTON, CLERK
U.S. DISTRICT COURT, EDNC
BY KM DEP GLK

UNITED STATES OF AMERICA)

v.)

JOSEPH HAL KINLAW, JR.)

CRIMINAL INFORMATION

The United States Attorney charges that:

INTRODUCTION

1. During all times relevant to this Criminal Information,
JOSEPH HAL KINLAW, JR. was a licensed North Carolina attorney who operated various alleged real estate investment and development entities in the area of Onslow County, within the Eastern District of North Carolina.

2. Group Eight, Ltd. was a business entity formed on January 14, 1988 by the defendant's late father and various other investors, including investors with initials R.E.P. and R.L.M. KINLAW was originally identified as the registered agent and secretary of the company.

3. Parnell-Kinlaw Group, Inc. was a business entity formed on January 8, 1991 by the defendant's late father and investors R.E.P. and R.L.M. KINLAW was originally identified as the registered agent

Identify the original to be true and correct copy of the original.
Julie Richards Johnston, Clerk
United States District Court
Eastern District of North Carolina

1

By Mark Ballou
Deputy Clerk

and secretary.

4. Kinlaw Investment Company, Inc. was a business entity formed on April 15, 1993 by the defendant's late father and sister, A.J.T. KINLAW was originally identified as the registered agent and secretary.

5. Maclaw Group, Inc. was a business entity formed on October 26, 2005 by R.L.M. Kinlaw was originally identified as the registered agent, vice-president, secretary, and treasurer.

6. Hurst-Law Group, Inc. was a real estate development entity formed on May 19, 1999, for which KINLAW was originally identified as the registered agent, vice-president, secretary, and treasurer.

7. After their formation, Group Eight, Ltd., Parnell-Kinlaw Group, Inc., Kinlaw Investment Company, Maclaw Group, Inc., and Hurst-Law Group, Inc., each established bank accounts for their business operations. Each of these entities also entered into loans with various financial institutions to fund their real estate activities. Banks extended loans to these entities under the auspices that the entities would be engaged in real estate development activities, and that loan interest payments would be funded by real estate development activities.

8. Branch Banking and Trust (BB&T) was a banking institution whose deposits were insured by the Federal Deposit Insurance Corporation. By March of 2004, BB&T had begun to extend loans to

Parnell-Kinlaw Group, Inc. By November of 2004, BB&T had begun to extend loans to Group Eight Ltd. By March of 2009, BB&T had begun to extend loans to Kinlaw Investment Company. By February of 2011, BB&T had begun to extend loans directly to KINLAW. By May 30, 2012, BB&T had begun to extend loans to Maclaw Group, Inc.

9. First Citizens Bank was a banking institution whose deposits were insured by the Federal Deposit Insurance Corporation. By August of 2009, First Citizens Bank had begun to extend loans to KINLAW and his wife, M.K. By November of 2009, First Citizens Bank had begun to extend loans to Parnell-Kinlaw Group. By July of 2010, First Citizens Bank had extended loans to KINLAW's sister, A.J.T., and investors R.L.M. and R.E.P.

10. By 2008, KINLAW had assumed control of the business operations of Group Eight, Ltd., Parnell-Kinlaw Group, Inc., Kinlaw Investment Company, Inc., and Hurst-Law Group, Inc. After assuming control of these entities, KINLAW used them to fund his real estate development projects and other personal interests in the Onslow County area.

11. Beginning at a time unknown, but no later than January of 2011, and continuing to a time unknown, but no earlier than April of 2013, KINLAW used Group Eight, Ltd., Parnell-Kinlaw Group, Inc., Maclaw Group, Inc., and Kinlaw Investment Company, Inc., to defraud BB&T and First Citizens Bank on multiple loans. KINLAW committed

the fraud in two ways:

(A) False Legal Descriptions of Collateral. When extending loans to the entities and investors referenced in this Criminal Information, BB&T and First Citizens Bank required security for the debt. Specifically, BB&T and First Citizens Bank required a Deed of Trust on the real estate that was the subject of the development loan. The purpose of the Deed of Trust was to provide First Citizens Bank and BB&T recourse in the event of default on a loan. BB&T and First Citizens Bank relied upon KINLAW, as a licensed attorney, to draft the Deeds of Trust. Instead of providing the accurate legal description of the collateral for the loans, KINLAW substituted a legal description of unrelated real estate of a substantially lesser value. In some instances, the false legal descriptions related to unimproved swampland instead of improved residential real estate. These false legal descriptions were material because when entities and individuals defaulted on loans, the collateral for the loans was worth only a fraction of the disbursed loan proceeds. By drafting a false legal description of the property in the deed of trust, KINLAW was able to use the collateral for other real estate investment activities and loans.

(B) Unauthorized Release of Collateral By Deed. In many instances, after loan proceeds had already been disbursed to one of KINLAW's entities or investors, but before the loans had been

satisfied, KINLAW drafted and filed fraudulent and unauthorized deeds conveying rights to collateral belonging to BB&T and First Citizens Bank to entities controlled by KINLAW, such as Hurst-Law Group, Inc. In some instances, KINLAW then conveyed the properties to third parties for value. In other instances, KINLAW conveyed the properties back to himself, to other investors, or other entities. On certain loans from First Citizens Bank, KINLAW further drafted fraudulent satisfactions of liens to make it appear that the bank's loan had been paid off when, in fact, it had not. All of these fraudulent actions were material to BB&T and First Citizens Bank because, in the event of default, BB&T and First Citizens Bank no longer had good title to the collateral for their loans. By fraudulently releasing the banks' collateral before the banks' loans had been satisfied, KINLAW was able, in several instances, to convey the collateral to third parties for value and further perpetuate the scheme.

12. To perpetuate the scheme and prevent its discovery, KINLAW used outside funds, that is, funds unrelated to the real estate development activity that was the subject of each loan, to make ongoing loan interest payments to BB&T and First Citizens Bank. In some instances, KINLAW used loan proceeds on one transaction to make loan interest payments on another transaction. In other instances, KINLAW fraudulently extracted funds from other investors and their

business interests to make payments on the loans.

13. Ultimately, KINLAW and the various investors and investment entities referenced in this Criminal Information defaulted on numerous loans to BB&T and First Citizens Bank. Due to KINLAW's fraudulent actions referenced above, the banks were not able to foreclose upon the real property that was intended to serve as collateral for the loans.

14. Due to KINLAW's actions reference above, First Citizens Bank, BB&T, and various other individuals and entities suffered substantial losses.

COUNT ONE
BANK FRAUD
18 U.S.C. § 1344

THE SCHEME

15. Beginning at a time unknown, but no later than January of 2011, and continuing to a time unknown, but no earlier than April of 2013, within the Eastern District of North Carolina and elsewhere, the defendant, JOSEPH HAL KINLAW, JR., devised a scheme and artifice:

a. To defraud Branch Banking and Trust (BB&T) and First Citizens Bank, financial institutions whose accounts were insured by the Federal Deposit Insurance Corporation, and

b. To obtain moneys, funds, assets, securities, and other property owned by and under the custody and control of BB&T and First Citizens Bank by means of materially false and fraudulent pretenses

and representations.

MANNER AND MEANS

16. Introductory paragraphs 1 through 14 are realleged and incorporated herein as though fully set forth in this Count.

EXECUTION OF THE SCHEME

17. On or about the dates set forth in the table below, in the Eastern District of North Carolina and elsewhere, the Defendant, JOSEPH HAL KINLAW, JR., executed and attempted to execute the scheme and artifice described above, in that with respect to each of the loans described on the table below, the defendant committed the specific fraudulent acts of execution, including those described below:

DATE	VICTIM	ACCOUNTHOLDER UTILIZED	NOTE/LOAN	ACT OF EXECUTION
1/4/2011	BB&T	Parnell-Kinlaw Group	Note 198	False legal description of collateral
1/27/2011	BB&T	Parnell-Kinlaw Group	Note 199	False legal description of collateral
2/17/2011	BB&T	Joseph Hal Kinlaw, Jr.	Note 188	False legal description of collateral
3/22/2011	BB&T	Parnell-Kinlaw Group	Note 205	False legal description of collateral
3/29/2011	BB&T	Parnell-Kinlaw Group	Note 200	False legal description of collateral
3/29/2011	BB&T	Parnell-Kinlaw Group	Note 201	False legal description of collateral
3/29/2011	BB&T	Parnell-Kinlaw Group	Note 202	False legal description of collateral
3/29/2011	BB&T	Parnell-Kinlaw Group	Note 203	False legal description of collateral
3/29/2011	BB&T	Parnell-Kinlaw	Note 204	False legal description

		Group		of collateral
4/8/2011	BB&T	Joseph Hal Kinlaw, Jr.	Note 188	Unauthorized release of collateral by deed
4/27/2011	BB&T	Joseph Hal Kinlaw, Jr.	Note 182	False legal description of collateral
4/27/2011	BB&T	Parnell-Kinlaw Group	Note 207	False legal description of collateral
4/27/2011	BB&T	Parnell-Kinlaw Group	Note 208	False legal description of collateral
4/27/2011	BB&T	Group Eight Ltd.	Note 222	False legal description of collateral
4/27/2011	BB&T	Group Eight Ltd.	Note 223	False legal description of collateral
4/27/2011	BB&T	Group Eight Ltd.	Note 224	False legal description of collateral
4/27/2011	BB&T	Group Eight Ltd.	Note 225	False legal description of collateral
5/9/2011	BB&T	Group Eight Ltd.	Note 221	False legal description of collateral
5/9/2011	First Citizens Bank	A.J.T.	Loan ending in 1590	Unauthorized release of collateral by deed
5/9/2011	First Citizens Bank	A.J.T.	Loan ending in 1611	Unauthorized release of collateral by deed
5/11/2011	First Citizens Bank	R.L.M.	Loan ending in 1865	Unauthorized release of collateral by deed
5/26/2011	BB&T	Parnell-Kinlaw Group	Note 209	False legal description of collateral
8/1/2011	BB&T	Joseph Hal Kinlaw, Jr.	Note 158	Unauthorized release of collateral by deed
11/3/2011	BB&T	Parnell-Kinlaw Group	Note 211	Unauthorized release of collateral by deed
11/3/2011	BB&T	Group Eight Ltd.	Note 238	Unauthorized release of collateral by deed
11/15/2011	BB&T	Group Eight Ltd.	Note 236	False legal description of collateral
12/19/2011	BB&T	Group Eight Ltd.	Note 237	False legal description of collateral
2/3/2012	BB&T	Group Eight Ltd.	Note 236	False legal description of collateral
5/30/2012	BB&T	Maclaw Group, Inc.	Note 16	False legal description of collateral

7/25/2012	First Citizens Bank	Joseph Hal Kinlaw, Jr. and M.K.	Loan ending in 9018	Unauthorized release of collateral by deed
7/25/2012	First Citizens Bank	Joseph Hal Kinlaw, Jr. and M.K.	Loan ending in 2286	Unauthorized release of collateral by deed
7/25/2012	First Citizens Bank	Joseph Hal Kinlaw, Jr. and M.K.	Loan ending in 6154	Unauthorized release of collateral by deed

All in violation of Title 18, United States Code, Section 1344.

[REMAINDER OF PAGE IS BLANK]

FORFEITURE NOTICE

Upon conviction of the foregoing offense of the Criminal Information herein, Defendant shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2)(A), any property constituting, or derived from, the gross proceeds obtained directly or indirectly as a result of the said offense, including, but not limited to, a money judgment in an amount equivalent to the gross proceeds of the offense.

If any of the above-described forfeitable property, as a result of any act or omission of the Defendant, cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any property of said defendant up to the value of the forfeitable property described above.

JOHN STUART BRUCE
Acting United States Attorney


BY: WILLIAM M. GILMORE
Assistant United States Attorney