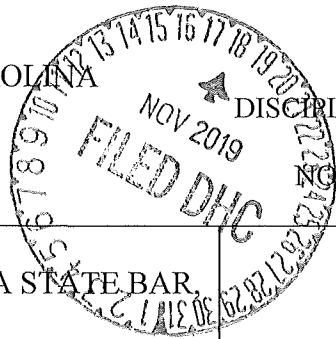


STATE OF NORTH CAROLINA
WAKE COUNTY



BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF THE
NORTH CAROLINA STATE BAR
19 DHC 15

THE NORTH CAROLINA STATE BAR,

Plaintiff

v.

KAREN C. WRIGHT, Attorney,

Defendant

CONSENT
ORDER OF
DISCIPLINE

THIS MATTER was considered by a Hearing Panel of the Disciplinary Hearing Commission composed of Stephanie N. Davis, Chair, and members Maya Madura Engle and Tyler B. Morris. Jennifer A. Porter represented Plaintiff, the North Carolina State Bar. Defendant, Karen C. Wright, was represented by Deanna S. Brocker. Defendant stipulates and agrees to the findings of fact and conclusions of law recited in this consent order and to the discipline imposed. Defendant has freely and voluntarily stipulated to the foregoing findings of fact and consents to the conclusions of law and entry of the order of discipline. Defendant freely and voluntarily waives any and all right to appeal the entry of this consent order of discipline.

Based upon the pleadings and the stipulated facts and with the consent of the parties, the Hearing Panel finds by clear, cogent and convincing evidence the following:

FINDINGS OF FACT

1. Plaintiff, the North Carolina State Bar ("State Bar"), is a body duly organized under the laws of North Carolina and is the proper party to bring this proceeding under the authority granted it in Chapter 84 of the General Statutes of North Carolina, and the Rules and Regulations of the North Carolina State Bar (Chapter 1 of Title 27 of the North Carolina Administrative Code).

2. Defendant, Karen C. Wright ("Wright"), was admitted to the North Carolina State Bar in 1990, and is, and was at all times referred to herein, an attorney at law licensed to practice in North Carolina, subject to the laws of the State of North Carolina, the Rules and Regulations of the North Carolina State Bar and the Rules of Professional Conduct.

3. Defendant was properly served with process and the matter came before the Hearing Panel with due notice to all parties.

4. During all or part of the relevant periods referred to herein, Wright was engaged in the practice of law in the State of North Carolina and maintained a law office in Shelby, Cleveland County, North Carolina. During all or part of the relevant periods referred to herein, Defendant was engaged in the practice of law in the State of North Carolina and maintained a law office in Charlotte, Mecklenburg County, North Carolina.

5. Defendant was appointed by the Cleveland County Clerk of Court (hereinafter "the Clerk," which shall refer to the Clerk or any Assistant Clerk as applicable) to serve as personal representative of estates in Cleveland County, including in the following estates:

- a. Estate of B. Cooke, file no. 97 E 569
- b. Estate of B.J. Treadway, file no. 98 E 699
- c. Estate of B.A. Treadway, file no. 00 E 205
- d. Estate of B. Padgett, file no. 99 E 073
- e. Estate of H. Owens, file no. 99 E 497
- f. Estate of O.D. Moore, file no. 99 E 519
- g. Estate of R. Hill, file no. 00 E 456
- h. Estate of D. West, file no. 04 E 150
- i. Estate of E. Whitesides, file no. 07 E 015
- j. Estate of M. White, file no. 07 E 527
- k. Estate of M. Clark, file no. 08 E 537
- l. Estate of V. Grigg, file no. 09 E 756
- m. Estate of M. Fitts, file no. 10 E 671
- n. Estate of T. McSwain, file no. 11 E 297

6. Additionally, Defendant was retained to assist with the administration of the estate by individuals who had been appointed to serve as personal representative of various estates in Cleveland County, including in the following estates:

- a. Estate of R. Cody, file no. 93 E 628
- b. Estate of E. Lutz, file no. 97 E 459
- c. Estate of W. Youngblood, file no. 99 E 448

- d. Estate of E. Brewer, file no. 04 E 364
- e. Estate of D. Camp, file no. 06 E 134
- f. Estate of B. Price, file no. 10 E 733
- g. Estate of C. Perkins, file no. 11 E 836
- h. Estate of S. Freeman, file no. 12 E 444
- i. Estate of B. Horton, file no. 12 E 654
- j. Estate of B. Smith, file no. 12 E 696
- k. Estate of A. Saults, file no. 13 E 485
- l. Estate of A. Babineau, file no. 13 E 718

7. The personal representative of an estate has various duties, including preparing and filing a timely and accurate inventory, taking possession of and/or receiving assets for the estate, preserving and maintaining the assets of the estate, promptly distributing the estate assets, preparing and filing timely and accurate annual accounts each year the estate is open, and preparing and filing a timely and accurate final account.

8. Defendant was personally responsible for carrying out the duties of personal representative for the estates for which she was appointed personal representative.

9. Defendant was responsible for assisting the personal representative in carrying out the duties of personal representative for those estates in which she was retained by the personal representative to assist with the administration of the estate.

10. Defendant failed to timely fulfill her responsibilities as personal representative or as counsel for the personal representative in the estate matters listed in paragraphs 4 and 5 above, including by failing to timely collect and preserve assets, failing to timely prepare and/or file inventories, annual accounts, and final accounts, and failing to timely disburse the estate assets and complete settlement of the estate.

11. In certain of the estate matters listed in paragraphs 5 and 6 above and in paragraph 12 below, Defendant made disbursements to herself from the estate's funds at times when she was not fulfilling her responsibilities in those estate matters, including not filing the statutorily required inventories and/or accountings.

12. In certain estate matters, Defendant did not accurately and timely report to and/or obtain approval from the Clerk for disbursements she made to herself from estate funds, including as follows:

a. Estate of R. Cody, file no. 93 E 628

- 1) The annual account Defendant filed on behalf of the personal representative on or about October 14, 2008 was inaccurate. Defendant failed to include the disbursement of \$200.00 for attorney's fees she had made to her firm from the estate's funds in May 2007 and the annual account stated that the balance in her trust account for this estate was \$319.78 when at that time her records showed the balance was \$119.78.
- 2) No subsequent account was approved by the Clerk and filed in this estate matter.
- 3) The estate was administratively closed by the Clerk in 2018 without any account that was approved by the Clerk and filed showing the \$200.00 disbursement to Defendant's firm in May 2007 or subsequent disbursements to her firm in December 2008 and March 2010 totaling \$1,750.00.
- 4) Defendant did not otherwise submit for the Clerk's review or obtain approval from the Clerk for the disbursements she made to herself from the estate's funds.

b. Estate of B. Cooke, file no. 97 E 569

- 1) The account Defendant filed as personal representative on or about October 20, 2008 was inaccurate. Defendant failed to include sixteen disbursements totaling \$18,010.00 that she had made to her firm from the estate's funds since the June 8, 2005 annual account, and the annual account stated the balance in her trust account for this estate was \$43,017.45 when at that time her records showed the balance was \$25,832.98.
- 2) Defendant did not report the sixteen disbursements to herself totaling \$18,010.00 until the February 17, 2014 annual account.

c. Estate of B.J. Treadway, file no. 98 E 699

- 1) The account Defendant filed as personal representative on October 16, 2008 was inaccurate. Defendant failed to include twelve disbursements totaling \$9,225.00 that she had made to her firm from the estate's funds between March 2003 and July 2007 and the annual account stated the balance in her trust account for the estate was \$20,089.67 when at that time her records showed the balance was \$8,277.11.
- 2) On February 21, 2019, the date set for a show cause hearing against Defendant, Defendant filed fourteen annual accounts spanning from March 21, 2003 to August 14, 2018, on which she reported the above-referenced

twelve disbursements along with four subsequent disbursements to her firm in 2012 and 2013 totaling \$3,200.00.

- 3) The Clerk did not approve these accounts. The Clerk allowed only a commission of \$1,342.86 and required Defendant to refund all remaining amounts she had collected in the total amount of \$11,082.14.

d. Estate of B.A. Treadway, file no. 00 E 205

- 1) The account Defendant filed as personal representative on October 16, 2008 was inaccurate. Defendant failed to include six disbursements totaling \$6,400.00 that she had made to her firm from the estate's funds between July 2004 and February 2007 and the annual account stated the balance in her trust account for the estate was \$7,873.10 when at that time her records showed the balance was \$1,443.10.
- 2) Defendant presented no subsequent account to the Clerk for this estate until the show cause hearing against her on February 21, 2019. The Clerk did not approve her accounts at that time and granted her until June 25, 2019 to file revised accounts.
- 3) On July 3, 2019, Defendant filed an annual account for the period of October 16, 2008 to August 14, 2009 which began with a beginning balance of \$7,873.10, showed an undated disbursement to Defendant's firm for \$6,400.00 for fees, an undated disbursement to the Clerk for \$30.00, and an ending balance of \$1,443.10.
- 4) On July 3, 2019, Defendant also filed nine annual accounts for the periods from August 15, 2009 to August 14, 2018. All of these annual accounts showed a beginning and ending balance of \$1,443.10 with no activity.
- 5) The Clerk did not approve the annual accounts identified in the two preceding paragraphs, based on her disapproval of the \$6,400.00 to Defendant in fees. The Clerk allowed only a commission of \$996.12 and required Defendant to refund \$5,403.28 to the Estate.

e. Estate of W. Youngblood, file no. 99 E 448

- 1) Defendant made nine disbursements to her firm from this estate's funds from 2004 to 2009 totaling \$6,425.00 but filed no account reporting she disbursed funds to her firm until August 21, 2018.

f. Estate of R. Hill, file no. 00 E 456

- 1) Defendant made two disbursements to her firm from this estate's funds in 2005 and 2006 totaling \$750.00 but filed no account reporting she disbursed funds to her firm until February 3, 2012.

g. Estate of D. West, file no. 04 E 150

- 1) The account Defendant filed as personal representative on or about August 4, 2005 was inaccurate. Defendant failed to include the disbursement in the amount of \$1,500.00 that she had made to her firm from the estate's funds during the covered time period and the annual account stated the balance in her trust account for the estate was \$42,455.91 when at that time her records showed the balance was \$40,955.91.
- 2) On October 12, 2007, Defendant filed a Petition for Payment of Commission to the Personal Representative in this estate file. In the Petition, Defendant asked that commissions in the amount of \$5,169.62 be allowed and ordered. The order Defendant prepared stated that Defendant was "authorized and directed to make payment of such commission." Defendant failed to disclose that she had already previously collected \$5,169.62 from the funds of the estate through seven disbursements she made to the firm from July 2004 through October 12, 2007.

h. Estate of M. White, file no. 07 E 527

- 1) Defendant made twenty-five disbursements to her firm from this estate's funds from 2007 to 2009 totaling \$39,475.00 but filed no account reporting disbursements to her firm until August 21, 2009.
- 2) The account Defendant filed as personal representative on or about August 21, 2009 was inaccurate. Defendant reported having disbursed \$36,475.00 to herself for "fees and Commission" when by that date she had disbursed a total of \$39,475.00 to herself. The annual account stated the balance in her trust account for the estate was \$19,052.93 when at that time her records showed the balance was \$16,135.93.
- 3) The omitted \$3,000.00 in disbursement(s) to Defendant was not reported on an annual account until June 6, 2018, when it was inaccurately shown in an annual account purportedly showing receipts and disbursements for the period of August 8, 2009 to August 8, 2010. There were no disbursements to Defendant from the estate's funds during that time period.
- 4) In 2012, Defendant made three additional disbursements to herself from this estate's funds totaling \$2,550.00. She did not report these disbursements until she filed annual accounts in June 2018.

i. Estate of M. Clark, file no. 08 E 537

- 1) Defendant made six disbursements to her firm from this estate's funds from 2009 to 2013 totaling \$3,025.00 but filed no accounting reporting that she disbursed \$3,025.00 to her firm until July 6, 2018.

j. Estate of B. Price, file no. 10 E 733

- 1) Defendant made two disbursements to her firm from this estate's funds in 2011 totaling \$3,000.00 but filed no account reporting that she disbursed \$3,000.00 to her firm until May 4, 2015.

k. Estate of T. McSwain, file no. 11 E 297

- 1) Defendant made fourteen disbursements to her firm from this estate's funds from 2011 to 2012 totaling \$12,600.00.
- 2) As of August 15, 2019, Defendant had filed no accounting with the Clerk reporting that she disbursed these funds to her firm from the estate's funds.
- 3) Defendant did not otherwise obtain approval from the Clerk to disburse the above-identified funds to herself from the estate's funds

13. Defendant failed to promptly disburse funds for clients and estates, including in the following matters:

- 1) Alexander, R.
- 2) Allen, C. & L.
- 3) Allen, D.W. (211 Cedar St.)
- 4) Allmond, C. (Estate)
- 5) Beck, J. (Estate)
- 6) Bell, S. (Estate)
- 7) Bridges, M.
- 8) Brooks, J. & T.
- 9) Bryant, R.
- 10) Cable, M.
- 11) Cash, J.
- 12) Caviness, A. (Estate)
- 13) Clark, M. (Estate)
- 14) Cochran, J.
- 15) Cody, R. (Estate)
- 16) Collum, J. & J. (Supply, NC)
- 17) Collum, J. (143-1 Sweetbriar Cir)
- 18) Collum, J. (3 Echo Drive)
- 19) Collum, J. (Boonesboro Rd)
- 20) Collum, J. (Georgia Bridges Est – 331 Gantts Grove Ch Rd)
- 21) Cooke, B. (Estate)
- 22) Council on Aging
- 23) Darnell, J.
- 24) Darnell, S. & Gold, N. & L. (836 E. Zion Rd.)
- 25) Davis, M.
- 26) Dawkins, Howard (Estate)

- 27) Dillow, K.
- 28) Edge, S.
- 29) Ellis, S. & J. (399 & 401 Seattle St., 123 Crane St.)
- 30) Elmore, M.
- 31) Emory, J. & S.
- 32) Ewing, A.
- 33) First Choice Properties (314 Grice St. & 201 Cherryville Rd)
- 34) First Choice Properties (325 Morrison St.)
- 35) Fitts, M. (Estate)
- 36) Freeman, S. (Estate)
- 37) Goforth, S. & J.
- 38) Gold, N. & L. (2114 Chatfield Rd)
- 39) Gold, N. (2114 Chatfield Rd.) 1-02-540E
- 40) Gold, N. (2114 Chatfield Rd.) 1-02-540F
- 41) Greene, A.
- 42) Greene, A. (2111 Rehobeth Church Rd.)
- 43) Greene, A. (Highway 226 Property)
- 44) Greene, M. & E.
- 45) Halsey, W.
- 46) Harmon, P.
- 47) Head, J.C. (Guardianship Estate)
- 48) Herndon, D. (110 Herndon Springs Lane)
- 49) Horton, B. (Estate)
- 50) Ivester, S. & J.
- 51) Kee, C.
- 52) Lankford, N.
- 53) Lewis, W. & G. (302 Ebenezer Dr.)
- 54) Lewis, W. & G. (409 Whisnant St.)
- 55) Lewis, W. (125 Branchwood Dr)
- 56) Lewis, W. (2056 Green Oak Dr)
- 57) Lutz, E. (Estate of)
- 58) Marshall, L.
- 59) McLean, D.
- 60) McSwain, T. (Estate)
- 61) Meeks, D.
- 62) Moore, O.D. (Estate)
- 63) Moose, D.
- 64) Pearson, Tr.
- 65) Perkins, C. (Estate)
- 66) Pitchford, A. (Estate)
- 67) Price, B. (Estate)
- 68) Pryor, D.
- 69) Ramirez, L.
- 70) Reeves, J. & J.

- 71) Sellers, J.
- 72) Shoffner, R.
- 73) Shoup, A.
- 74) Smith, B. (Estate)
- 75) Smith, W.
- 76) Spikes, J.
- 77) Styles, E.
- 78) Tallent, B.
- 79) Treadway, B.J. (Estate)
- 80) Treadway, B.A. (Estate)
- 81) Trelzo, LLC
- 82) Ussery, I.
- 83) Velthuysen, H.
- 84) Vess, J. (2006)
- 85) Waldt, C.
- 86) Webber, J.
- 87) West, D. (Estate)
- 88) White, M. (Estate)
- 89) Wilson, B. & K.
- 90) Wilson, R.
- 91) Wine, O.
- 92) Wright, L. (Estate)

14. On certain occasions during the period of 2004 to 2014, Defendant failed to indicate on the trust account check the client from whose funds in the trust account the check was disbursing funds, including but not limited to on the trust account checks with the following numbers: 5760, 6320, 6458, 6552, 6596, 6714, 6724, 6734, 6826, 6920, 6927, 7217, 7270, 7482, 7483, 7484, 7500, 7565, 7607, 7663, 7771, 7773, 7800, 7826, 7835, 7876, 7877, 7878, 7895, 7948, 8454, 8590, 8693, 8694, 9245, 9248, 9243, 9509, 9564, 9613, 9694, 9718.

15. On certain occasions during the period of 2004 – 2014, Defendant failed to keep accurate records, including attributing disbursements to one client on a trust account check but to a different client on her client ledgers, identifying one payee on a trust account check but a different payee on the client ledger, and not accurately identifying the check numbers or dates of disbursements on her client ledgers.

16. On occasion between 2004 and 2014, Defendant disbursed more from her trust account than she had in her trust account for the matter at issue, including as follows:

- a. W. Greene. In September 2004, Defendant disbursed funds for this client matter before depositing funds into her trust account for this client matter.

- b. F. Laborn. In March 2007, Defendant disbursed funds for this client matter before depositing funds into her trust account for this client matter.
- c. W. and G. Lewis. In February 2005, Defendant disbursed funds for this client matter before depositing funds into her trust account for this client matter.
- d. E. Lutz estate matter. In March 2004, Defendant disbursed more from her trust account than she had in her trust account for this client matter. Then between May 2004 and March 2005, the amount Defendant disbursed for this matter exceeded the funds Defendant had for this matter in her trust account, including for each of the 28 disbursements made during that time. The deficit increased during that time to a total of \$4,400.00 and was not cured until March 2005.
- e. B. McMurry. In September 2007, Defendant disbursed \$.45 more for this client than she had in her trust account for this client.
- f. A. Neal estate matter. In November 2008, Defendant disbursed more from her trust account than she had in her trust account for this client matter. The deficit was cured at the beginning of December 2008.
- g. Office ledger. Check order charges were paid from the trust account, including in May 2008 and August 2009. The disbursements in May 2008 and August 2009 exceeded the amount of office funds Defendant maintained in the trust account for bank fees and charges. The deficit remained from May 2008 to September 2009 and was cured in September 2009.

17. Defendant failed to deposit and maintain funds for estate matters in dedicated trust accounts or fiduciary accounts when holding more than nominal funds for the estate for significant periods of time.

Based upon the consent of the parties and the foregoing stipulated Findings of Fact, the Hearing Panel enters the following:

CONCLUSIONS OF LAW

1. All parties are properly before the Hearing Panel and the Panel has jurisdiction over Defendant and the subject matter of this proceeding.
2. Defendant's conduct, as set out in the stipulated Findings of Fact above, constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) as follows:
 - (a) By failing to timely file inventories and accountings, to timely and promptly administer and settle the estates, and to timely and promptly disburse funds belonging to the estate in estate matters for which she was serving as personal representative, Defendant failed to file requisite accountings with the court in

violation of Rule 1.15-3(f) and engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d);

- (b) By failing to timely prepare and/or file inventories and accountings and by failing to assist with and ensure the timely and prompt settlement of estates in estate matters for which she was serving as counsel for the estate's personal representative, Defendant failed to act with reasonable diligence and promptness in representing a client in violation of Rule 1.3 and engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d);
- (c) By failing to promptly disburse funds to or on behalf of clients and for estates for which she represented the personal representative, Defendant failed to act with reasonable diligence and promptness in representing a client in violation of Rule 1.3 and failed to promptly disburse funds in violation of Rule 1.15-2(m)¹;
- (d) By submitting accountings to the Clerk that failed to report disbursements to her firm during the pertinent time period, and by submitting documents to the Clerk in estate matters that failed to accurately reflect the timing of certain disbursements to her firm, Defendant made false statements of material fact to a tribunal in violation of Rule 3.3(a), engaged in conduct involving dishonesty and misrepresentation in violation of Rule 8.4(c), and engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d);
- (e) By failing to deposit and maintain funds for estate matters in dedicated trust accounts or fiduciary accounts when holding more than nominal funds for the estate for significant periods of time, Defendant failed to properly deposit and maintain funds in violation of Rule 1.15-2(b);
- (f) By collecting attorney's fees from estate funds while failing to perform the work necessary for the estate to be properly and promptly administered and settled and for statutory inventory and accounting requirements to be timely met, Defendant collected clearly excessive fees in violation of Rule 1.5(a);
- (g) By collecting attorney's fees from estate funds in estates for which she served as personal representative without obtaining the Clerk's authorization or approval for the fees she collected, Defendant collected attorney's fees that were illegal in that they were collected without the authorization required under of N.C. Gen. Stat. § 28A-23-4 in violation of Rule 1.5(a);
- (h) By failing to include on certain trust account checks information identifying the client whose funds in the trust account were being disbursed by the check, Defendant failed to include required client identification information on trust account checks in violation of Rule 1.15-3(b)(2);

¹ Rule 1.15-2(m) is currently codified as Rule 1.15-2(n).

- (i) By failing to keep accurate records, including attributing disbursements to one client on a trust account check but to a different client on her client ledgers, identifying one payee on a trust account check but a different payee on the client ledger, and not accurately identifying the check numbers or dates of disbursements on her client ledgers, Defendant failed to accurately keep required records in violation of Rule 1.15-3(b); and
- (j) By disbursing more funds from the trust account than she had in the trust account for the pertinent matter, Defendant failed to properly maintain and disburse entrusted funds in violation of Rule 1.15-2(a), (j)², and (m).

Upon the consent of the parties, the Hearing Panel also enters the following:

FINDINGS OF FACT REGARDING DISCIPLINE

1. Defendant has a prior admonition issued in April 2010 for her neglect and failure to communicate with respect to Estate of M. White, file no. 07 E 527, listed above. Defendant filed the overdue account and made two significant distributions to the two beneficiaries while the grievance was pending, but then filed no subsequent accounts until 2018. Despite receiving this admonition, Defendant continued to neglect this estate matter.

2. Defendant has a prior reprimand issued in April 2014 for her neglect and failure to communicate with respect to the estates of the parents of D.G., one of which was the Estate of V. Grigg, 09 E 756, listed above.

3. In 2016, Defendant met with counsel from the State Bar and responded in writing to inquiries regarding estates in which she had failed to file required accounts, including matters listed above. Defendant indicated that she would take action to file required accounts and/or the final account, but did not do so.

4. Defendant has engaged in an extensive and ongoing pattern of neglect in these matters which she has failed to rectify, despite notices from the Clerk, despite her statements to the State Bar, and despite prior discipline for neglect and lack of communication in estate matters.

5. Defendant has placed her own interests above those of her clients and above those of the beneficiaries of these estates by collecting fees while failing to do what was necessary for required accounts to be filed and for the estates to be closed.

6. One client wrote in a letter to Defendant that Defendant seemed to take no action from one meeting to the next meeting. That pattern of taking no action until attention from a client or the court was applied was manifest throughout the above-listed estate files.

7. Defendant's failure to take the action necessary to file required accounts and close the above-listed estates caused significant harm to her clients and to the

² Rule 1.15-2(j) is currently codified as Rule 1.15-2(k).

administration of justice, by causing these estates to remain open for many years, by causing the Clerk to try to monitor and gain action in these many estates over the years, and by leaving her clients with open estates and notices from the Clerk for failure to file accounts for many years.

8. Defendant's collection of fees from the estates during periods when she did not file accounts or otherwise report her collection of fees to the Clerk caused significant harm to the administration of justice by depriving the Clerk of the information necessary for the Clerk to make the required assessments of whether the disbursement of those estate funds in that manner was appropriate.

9. Proper maintenance and protection of entrusted funds depends upon keeping accurate records.

10. Allowing entrusted funds to be improperly maintained or disbursed, even if inadvertently, places entrusted funds at risk and erodes the confidence clients place in attorneys who handle their affairs. As a result, such conduct harms the profession as a whole.

11. Defendant caused significant harm to clients with funds in her trust account and to the beneficiaries of estates the funds for which were in her trust account when she disbursed more funds for clients, estates, or office expenses than she had in the trust account for such clients, estates, or office expenses as described above, thereby misusing other entrusted funds in her trust account.

12. Defendant was cooperative with the State Bar in its investigation.

13. The Hearing Panel has carefully considered all of the different forms of discipline available to it, including admonition, reprimand, censure, suspension, and disbarment, in considering the appropriate discipline to impose in this case.

Based on the Findings of Fact and Conclusions of Law above and the additional Findings of Fact Regarding Discipline, the Hearing Panel makes the following:

CONCLUSIONS WITH RESPECT TO DISCIPLINE

1. The Hearing Panel has carefully considered all of the different forms of discipline available to it.

2. The Hearing Panel has considered all of the factors enumerated in 27 N.C. Admin. Code 1B.0116(f)(1), which are to be considered in imposing suspension or disbarment, and concludes the following factors are present in this case:

- a. Factor (B), Intent of Defendant to commit acts where the harm or potential harm is foreseeable;
- b. Factor (D), Elevation of Defendant's own interest above that of the client;

- c. Factor (E), Negative impact of Defendant's actions on client's and public's perception of the profession;
- d. Factor (F), Negative impact of Defendant's actions on the administration of justice;
- e. Factor (G), Impairment of the client's ability to achieve the goals of the representation; and
- f. Factor (H), Effect of Defendant's conduct on third parties.

3. The Hearing Panel has considered all of the factors enumerated in 27 N.C. Admin. Code 1B.0116(f)(2) and concludes no factors are present in this case that would warrant consideration of disbarment.

4. The Hearing Panel has considered all of the factors enumerated in 27 N.C. Admin. Code 1B.0116(f)(3), which are to be considered in all cases, and concludes the following factors are present in this case:

- a. Factor (A), Prior disciplinary offenses in the state of North Carolina;
- b. Factor (D), Failure to timely make a good faith effort to rectify consequences of misconduct;
- c. Factor (F), A pattern of misconduct;
- d. Factor (G), Multiple offenses;
- e. Factor (K), Full and free disclosure to the hearing panel and a cooperative attitude toward the proceedings;
- f. Factor (P), Remorse; and
- g. Factor (S), Significant degree of experience in the practice of law;

5. Defendant's conduct, if continued by Defendant or tolerated by the Bar, poses significant potential harm to future clients.

6. The Hearing Panel has considered issuing an admonition, reprimand or censure but concludes that such discipline would not be sufficient discipline because of the gravity of the harm to the clients, third parties, and the administration of justice. The Panel further concludes that such discipline would fail to acknowledge the seriousness of the offenses committed by Defendant and send the wrong message to attorneys regarding the conduct expected of members of the Bar in this State. The Panel also noted that prior written discipline failed to prevent Defendant from engaging in subsequent violations of the Rules of Professional Conduct.

7. This Hearing Panel has considered lesser alternatives and concludes that a suspension is necessary for the protection of clients and the public. Conditions for reinstatement to active status and conditions during any stayed period of suspension are appropriate to ensure compliance with the Rules of Professional Conduct.

8. For these reasons, this Hearing Panel finds that an order imposing discipline short of a suspension of Defendant's law license would not be appropriate.

Based upon the foregoing findings of fact and conclusions of law and the findings of fact and conclusion regarding discipline, and based upon the consent of the parties, the Hearing Panel enters the following:

ORDER OF DISCIPLINE

1. Defendant, Karen C. Wright, is hereby suspended from the practice of law for five years.

2. Defendant shall wind down her law practice and comply with all provisions of 27 N.C. Admin. Code 1B.0128.

3. Within 15 days of the effective date of this order, Defendant shall provide the State Bar with an address and telephone number at which clients seeking information or return of files can communicate with Defendant and obtain such files, and Defendant shall promptly return all files to her clients upon request.

4. Defendant is taxed with the administrative fees and costs of this proceeding. Defendant shall pay the administrative fees and costs of this proceeding, as assessed by the Secretary of the North Carolina State Bar, within 30 days of service of the statement of fees and costs.

5. After the completion of two years of suspension, Defendant may file a motion with the Disciplinary Hearing Commission pursuant to 27 N.C. Admin. Code 1B.0118(c) to have the remaining period of suspension imposed by this Order stayed. If a stay is granted, the remaining period of active suspension shall be stayed for three years, and the order granting the stay shall set out any applicable conditions of that stay in addition to what is set out below.

6. To be eligible to have the remaining period of suspension stayed after completing the year of suspension identified above, Defendant must comply with the requirements of 27 N.C. Admin. Code 1B.0118, and must show by clear, cogent, and convincing evidence the following:

- a. That she properly wound down her law practice and timely complied with all provisions of 27 N.C. Admin. Code 1B.0128.

- b. That she timely paid the costs and administrative fees of this proceeding as assessed by the Secretary.
- c. That she timely complied with the requirements of 27 N.C. Admin. Code 1B.0129(b).
- d. That by the end of the wind down period provided in 27 N.C. Admin. Code 1B.0128, in all open estate matters in which Defendant represented the personal representative and for which an inventory or account was due or past due, Defendant submitted an inventory or account, as applicable, with all necessary documents to each client who she was assisting with estate administration, for the client to file with the Clerk. In all such estate matters for which an inventory or account was not yet due, Defendant provided the client with a status of the assets and a draft inventory or account if possible, with all supporting documents, and an explanation of actions necessary to finalize the inventory or account for filing. In all open estate matters in which Defendant represented the personal representative, Defendant shall have filed any motions and taken all actions necessary to withdraw from representation of such clients, and shall ensure the Clerk is aware that Defendant provided the client with information and documents pursuant to this paragraph regarding any inventory or account that was due, past due, or upcoming.
- e. That within 60 days of the entry of this order, in all open estate matters in which Defendant served as personal representative and for which an inventory or account was due or past due, Defendant submitted an inventory or account, as applicable, with all necessary documents to the Clerk. In all open estate matters in which Defendant served as personal representative, Defendant shall have filed any motions and taken all actions necessary to be removed as personal representative from such estates. For any open estate for which Defendant served as personal representative but the inventory or account was not yet due at the time she was removed as personal representative, Defendant shall provide the newly appointed personal representative with a status of the assets and a draft inventory or account if possible, with all supporting documents, and an explanation of actions necessary to finalize the inventory or account for filing. For all open estate matters in which Defendant served as personal representative, Defendant shall provide the newly appointed personal representative with all estate file materials and property within 20 days of the appointment of the successor personal representative.
- f. That no later than 90 days of the entry of this order, Defendant disbursed all funds from all trust or fiduciary accounts to the appropriate recipients.
- g. That Defendant established an arrangement with a member of the North Carolina State Bar to serve as her law practice monitor for the period of

stayed suspension. The selected monitor must be an active member of the North Carolina State Bar in good standing who practices law in North Carolina and who has been approved by the Office of Counsel of the North Carolina State Bar. The selected monitor must agree in writing to meet with Defendant and to engage in the monitoring and complete the reports to the Office of Counsel as set out below. Defendant will pay the cost, if any, charged by the monitor for this supervision.

7. If Defendant is not granted a stay of any portion of the five-year suspension, or if a stay was granted but then lifted and any portion of the remaining suspension activated, then before Defendant may be reinstated to active status she must prove compliance by clear, cogent, and convincing evidence with the requirements of paragraphs 6a-6f above.

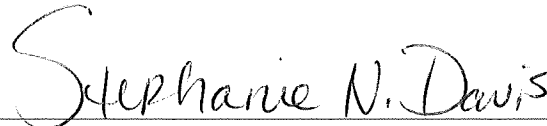
8. If Defendant is granted a stay of her suspension, the stay of her suspension will remain in effect only if Defendant complies, and continues to comply, with the following conditions:

- a. Defendant has a member of the North Carolina State Bar serving as her law practice monitor. The selected monitor must be an active member of the North Carolina State Bar in good standing who practices law in North Carolina and who has been approved by the Office of Counsel of the North Carolina State Bar. The selected monitor must agree in writing to meet with Defendant and to engage in the monitoring and complete the reports to the Office of Counsel as set out herein. The monitor must meet with Defendant at least monthly to review Defendant's cases. The monitor will supervise all client matters and will ensure Defendant is meeting deadlines, conferring with clients and attending court dates. The monitor will submit written quarterly reports of this supervision to the Office of Counsel of the State Bar, such reports due on the following dates as they occur during the stay of this suspension: January 15, April 15, July 15, and October 15. This monitoring will occur for the duration of any stay of this suspension. Defendant will pay the cost, if any, charged by the monitor for this supervision.
- b. Defendant will meet at least once a month with her monitoring attorney, to whom she will report the status of all current client matters, cooperate with the monitor attorney and provide any information the monitor attorney deems reasonably necessary to ensure Defendant is handling all client matters in a timely fashion, meeting deadlines and attending court dates.
- c. Defendant will ensure the monitoring attorney sends a written report each quarter to the Office of Counsel of the State Bar as described above.
- d. Defendant will cooperate with the Office of Counsel and make appropriate arrangements for an alternate monitoring attorney if needed during the stay of this suspension.

- e. Pay all Membership dues and Client Security Fund assessments and comply with all Continuing Legal Education requirements on a timely basis.
- f. Keep her address of record with the North Carolina State Bar current, accept all certified mail from the North Carolina State Bar, and respond to all letters of notice and requests for information from the North Carolina State Bar by the deadlines stated in the communication.
- g. Not violate any of the Rules of Professional Conduct in effect during the period of the stay.
- h. Not violate any laws of the State of North Carolina or of the United States during the period of the stay.
- i. Pay all costs of this proceeding as assessed by the Secretary within 30 days after service of the statement of costs on her.

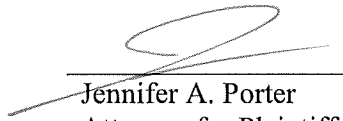
9. If an order staying any period of the suspension imposed by this Order is entered and Defendant fails to comply with any one or more of the conditions set out in this Order of Discipline, then the stay of the suspension of her law license may be lifted as provided in 27 N.C. Admin. Code 1B.0118.

Signed by the Chair with the consent of the other Hearing Panel members, this the 18th day of November 2019.



Stephanie N. Davis, Chair
Disciplinary Hearing Panel

Agreed and consented to by:



Jennifer A. Porter
Attorney for Plaintiff

11-13-19

Date

Karen C. Wright
Defendant

Date

Deanna S. Brocker
Attorney for Defendant

Date

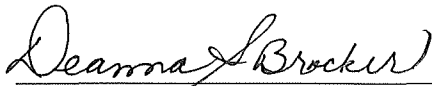
Agreed and consented to by:

Jennifer A. Porter
Attorney for Plaintiff

Date

Karen C. Wright
Defendant

Date



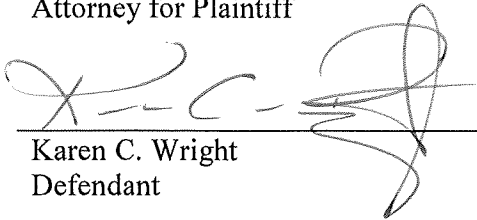
Deanna S. Brocker
Attorney for Defendant

11/8/19
Date

Agreed and consented to by:

Jennifer A. Porter
Attorney for Plaintiff

Date



Karen C. Wright
Defendant

11/10/2019
Date

Deanna S. Brocker
Attorney for Defendant

Date