

STATE OF NORTH CAROLINA  
WAKE COUNTY



BEFORE THE DISCIPLINARY HEARING  
COMMISSION  
NORTH CAROLINA STATE BAR  
22 BCR 3

IN RE: THE MATTER OF THE PETITION  
FOR REINSTATEMENT OF:

DEMETRIUS G. RAINER,  
*Petitioner.*

**ORDER DENYING REINSTATEMENT**

THIS MATTER was heard on 3 March 2023, by a hearing panel of the Disciplinary Hearing Commission composed of Stephanie N. Davis, Chair, Jaye P. Meyer, attorney member and Jane B. Weathers, public member. Petitioner, Demetrius G. Rainer (“Rainer”), was represented by Kimberly Best. Deputies Counsel Patrick Murphy and Terrie Nelson represented the North Carolina State Bar. Based upon the record in 09 CV 004279, the evidence and argument presented at the hearing, and making credibility determinations, the Hearing Panel makes the following:

**FINDINGS OF FACT**

1. Rainer was licensed to practice law in North Carolina in August 2003.
2. After Rainer was licensed, she practiced with two law firms before opening her own law practice in Charlotte, N.C. in August 2004.
3. As a solo practitioner, Rainer handled federal and state criminal cases, workers’ compensation cases, and real estate closings. Rainer’s trial experience as a solo practitioner was limited to state district court trials.

**RAINER’S CRIMINAL ACTIVITY**

4. In or about 2007 through in or about January 2008, Rainer performed real estate closings for a group of individuals referred to in a Bill of Information charging her with three federal crimes as Mortgage Fraud Cell No. 3 (“Cell No. 3”).
5. In or about 2008, Rainer was contacted by the United States Attorney’s Office for the Western District of North Carolina regarding her activities with Cell No. 3. Rainer met with the Assistant United States Attorney (“AUSA”) prosecuting Cell No. 3 and agreed to cooperate with the prosecution.
6. On 20 November 2008, a Bill of Information was filed in U.S. District Court for the Western District of North Carolina charging Rainer with conspiracy to commit mortgage fraud, conspiracy to commit money laundering, and mail fraud related to her assisting the

activities of Cell No. 3.

7. On 2 December 2008, a Bill of Information was filed in U.S. District Court for the Eastern District of Virginia charging Rainer with conspiracy to commit money laundering.

8. During her discussions with the AUSA in the Western District of North Carolina and investigators about Cell No. 3 activities, Rainer did not tell the AUSA about her money laundering activities in Virginia.

9. On or about 12 November 2008, Rainer and the AUSA prosecuting the Virginia case signed a document captioned Statement of Facts (“Statement”). The document states, *inter alia*, that if the Virginia charge was to go to trial, the government would be able to prove the facts contained in the document beyond a reasonable doubt.

10. The Virginia prosecution was transferred to the Western District of North Carolina to be joined with Rainer’s cases pending in the Western District.

11. On 6 January 2009, Rainer plead guilty to conspiracy to commit mortgage fraud, mail fraud, and two counts of conspiracy to commit money laundering in U.S. District Court for the Western District of North Carolina (3:08CR239 and 3:08CR241).

12. On 2 February 2009, Rainer submitted an Affidavit of Surrender in *The North Carolina State Bar v. Demetrius G. Rainer*, 09CV004279 (Wake County) resigning and tendering her North Carolina law license.

13. By a Consent Order of Disbarment dated 5 March 2009, Rainer was disbarred by the Superior Court of Wake County. The findings and conclusions of the 5 March 2009 Consent Order of Disbarment in 09CV 004279 are incorporated herein.

14. On 22 January 2015, Rainer was sentenced for the offenses referenced in paragraph 11 above.

15. The judgment imposed an active sentence of eighteen months with three years of supervised release at the conclusion of her active sentence.

16. Rainer reported for incarceration on or about 15 June 2015, and served an active sentence of one year and ten days.

17. On or about 4 October 2019, Rainer completed her term of supervised release.

18. From November 2008 through October 2019, Rainer was under restrictions – pretrial release, incarceration and supervised release - imposed by the U.S. District Court for the Western District of North Carolina.

19. On 27 October 2022, Rainer filed a petition for reinstatement to The North Carolina Bar (“State Bar”) pursuant to 27 N.C. Admin. Code, Subchap. 1B §.0129.

20. Rainer was deposed by the State Bar on 2 February 2023 and testified at her reinstatement hearing. At both times, Rainer was asked, *inter alia*, about the underlying facts and circumstances of her conspiracy to commit money laundering in Virginia.

21. At her deposition, Rainer testified under oath that a friend, Alfreda McLean (“Alfreda”), was involved with Rainer in the money laundering activity. Alfreda contacted Rainer wanting to establish credit and wanted Rainer to hire her. When Rainer told Alfreda that she could not hire her, Alfreda proposed that Alfreda give money to Rainer so that Rainer could put Alfreda on Rainer’s payroll to make it appear that Alfreda was working for Rainer. Rainer agreed to the arrangement.

22. Rainer further testified at her deposition that Alfreda delivered cash to Rainer in approximately \$30,000 increments that Rainer deposited into the operating account of Rainer’s law practice. Rainer structured her deposits of the cash to avoid having to fill out currency transaction reports for her bank. Rainer did not ask Alfreda where the cash came from, but Alfreda told Rainer it was coming from the backyard of Alfreda’s father’s house where she had buried the money.

23. Rainer testified that she did not get a cut from the money she obtained from Alfreda.

24. In conflict with Rainer’s deposition testimony, the Statement Rainer signed with the AUSA prosecuting the Virginia money laundering charge provides: 1) Rainer knowingly conspired with Alfreda to conduct financial transactions that involved the proceed of unlawful activity, to wit: the distribution of controlled substances, knowing the transactions were designed to conceal the source of the proceeds; 2) Rainer knew the money she received from Alfreda was the proceeds of drug trafficking; 3) that Rainer and Alfreda devised the payroll scheme to conceal Alfreda’s drug trafficking profits; and 4) that Alfreda paid Rainer a nonrefundable fee of \$30,000.

25. The Statement further discloses that Rainer made approximately fourteen cash deposits into her business account as part of the agreement with Alfreda and, at Alfreda’s instructions, Rainer on or about 16 February 2008 wired \$25,000 of the money received from Alfreda to a lawyer in Virginia who was representing a drug trafficking courier who was employed by Alfreda and another conspirator. Rainer wired the money to the lawyer in Virginia knowing the money was the proceeds of drug trafficking.

26. When confronted with the Statement at the hearing, Rainer was evasive about its terms, asserted that the amounts recorded in the Statement and allegedly paid by Alfreda to Rainer did not add up, and claimed she signed the Statement without closely reading it.

27. Rainer’s deposition testimony related to her money laundering in Virginia noted above is not credible.

## UNAUTHROIZED PRACTICE OF LAW

28. On or about 3 November 2017, while Rainer was still on supervised release from her federal criminal convictions, Rainer drafted a letter to an insurance adjuster on behalf of a family member, Alfred Johnson (“Johnson”).

29. The letter refers to Johnson as “My Client,” and the body of the letter states that Rainer was “retained by [Johnson] for representation in connection with personal injuries from a car accident[.]”

30. At the hearing, Rainer denied that the letter and circumstances of her conduct on Johnson’s behalf constituted the unauthorized practice of law.

31. Rainer testified that she was just trying to help a family member with a personal injury claim, and mistakenly used a form letter she’d used when she was licensed.

32. In a 28 November 2017 letter to the Authorized Practice Committee of the State Bar responding to a letter of notice she had received about her conduct on behalf of Johnson, Rainer stated, *inter alia*, that she did send a letter on her letterhead for Johnson to negotiate settlement of his personal injury claim; that she never held herself out as an attorney to the adjuster; that she could see how the letter could be confusing since she stated that she was retained but she had mistakenly used a form letter that she used when she was in practice; that she never gave Johnson legal advice and did not charge him for her help; and that she did not view the letter as a legal document.

33. Rainer’s statements in her response to the Authorized Practice Committee were evasive and lacked candor. It is not credible that her statements in the letter were the product of oversight.

34. Rainer demonstrated by her conduct and actions that she did engage in the unauthorized practice of law during the time of her disbarment.

## POST SUSPENSION CONDUCT

35. Rainer’s entry of a guilty plea to federal felony offenses resulted in the loss of Rainer’s citizenship. Rainer’s citizenship was restored on 15 October 2019.

36. At the time of disbarment, Rainer properly wound down her law practice.

37. Rainer complied with the 5 March 2009 Consent Order of Disbarment.

38. Rainer complied with the terms of her plea arrangement including serving active time, and supervised release.

39. Rainer had the benefit of counsel when she pled guilty to the criminal offenses and throughout the disciplinary process.

40. The Client Security Fund did not disburse funds to any of Rainer's clients as a result of Rainer's misconduct.

41. Prior to filing her petition, Rainer published a notice of her intent to seek reinstatement in *The North Carolina State Bar Journal*.

42. At the time of disbarment, Rainer did not owe dues, Client Security Fund assessments, or CLE fees to the North Carolina State Bar.

43. Rainer testified at the hearing that she disagreed with and criticized the content of the Statement she signed as part of her guilty plea and her Virginia case being transferred to the Western District of North Carolina. She attributed discrepancies to, in part, her wanting "to get it all behind her" and that she hurriedly signed the document without reading it closely.

44. Rainer's testimony and excerpts from articles written by Rainer and published during the period of disbarment expressed her perspective that the reinstatement process was another collateral consequence of her convictions.

45. The Hearing Panel reviewed and considered letters written on Rainer's behalf from local lawyers, elected officials, and other friends and acquaintances. The Hearing Panel also heard the testimony of Hon. Garland E. Pierce, North Carolina House of Representatives, District 48.

46. 27 N.C. Admin. Code, Subchap. 1B §.0129(a)(3) assigns the burden of proof in this proceeding to Rainer to prove by clear, cogent, and convincing evidence each item in paragraphs (A) through (N) of the rule.

47. Rainer was in private practice less than four years prior to being charged with mortgage fraud and the other offenses for which she was convicted. During that time, Rainer used her law practice to support the activities of Cell No. 3 and the money laundering activities of Alfreda McLean's drug trafficking enterprise.

48. Over the next ten years, 2009-2019, Rainer's conduct was restricted by the terms of the federal process put in motion by her criminal activity. During that time, it was in Rainer's best interests to comply with all restrictions placed upon her.

49. During Rainer's federal criminal prosecution, media reported on Rainer's prosecution stating facts and circumstances of her offenses as contained in court filings. News media reports of Rainer's criminal conduct was detrimental to the integrity and standing of the bar and was detrimental to the public interest.

50. Rainer's deposition and hearing testimony was not credible on many facts as noted, in part, above. Evasiveness and untruthfulness under oath is antithetical to the demonstration of reformed conduct and moral character.

51. Rainer testified that she took CLE courses online, however, she failed to show how those courses assisted her in understanding the current Rules of Professional Conduct.

52. Professionalism, truthfulness and candor are bedrock requirements for licensed attorneys in North Carolina. A licensed attorney's utilization of her law practice to actively promote criminal activity, as Rainer did, is serious and grave misconduct detrimental to the integrity and standing of the bar, to the administration of justice, and to the public interest.

BASED UPON the foregoing Findings of Fact, the Hearing Panel makes the following:

### CONCLUSIONS OF LAW

1. Rainer has failed to prove by clear, cogent and convincing evidence that she has reformed and presently possesses the moral character required for admission to practice law in this state taking into account the gravity of her misconduct which resulted in her disbarment. Rainer has not satisfied her burden pursuant to § .0129(a)(3)(C).

2. Rainer has failed to prove by clear, cogent and convincing evidence that permitting her to resume the practice of law within the state will not be detrimental to the integrity and standing of the bar, to the administration of justice, or to the public interest, taking into account the gravity of the misconduct which resulted in the order of disbarment. Rainer has not satisfied her burden pursuant to § .0129(a)(3)(D).

3. Rainer did engage in the unauthorized practice of law during disbarment. Rainer has not satisfied her burden pursuant to § .0129(a)(3)(I).

4. Rainer has failed to prove by clear, cogent and convincing evidence that she understands the current Rules of Professional Conduct. Rainer has not satisfied her burden pursuant to § .0129(a)(3)(K).

BASED UPON the foregoing Findings of Fact, Conclusions of Law, the Hearing Panel enters the following Order:

1. The Hearing Panel considered all the evidence offered at Rainer's reinstatement hearing and recommends to the State Bar Council that Rainer's Petition for Reinstatement to the practice of law in North Carolina be DENIED.
2. If Rainer chooses not to ask the Council to review the decision of this Hearing Panel, this order will constitute the final order of this matter.

3. Rainer is taxed with the cost and administrative fees associated with this proceeding as assessed by the Secretary.

Signed on this 31<sup>st</sup> day of MARCH 2023 with the knowledge and consent of the other members of the panel.

*Stephanie N. Davis*

Stephanie N. Davis, Chair  
Disciplinary Hearing Panel