

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE  
GRIEVANCE COMMITTEE  
OF THE  
NORTH CAROLINA STATE BAR  
13G1125

---

IN THE MATTER OF	)	
	)	REPRIMAND
BETSY BUTLER,	)	
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.

Your trust accounts were randomly audited by the State Bar in September 2013. The audit revealed that although the bookkeeper you had hired earlier that year was complying with the trust accounting rules, her predecessor had not done so. Prior to the replacement of the bookkeeper in 2013, you had not performed quarterly reconciliations of your trust accounts in violation of Rule 1.15-3 (d), and had not always identified the source of deposits or the recipients

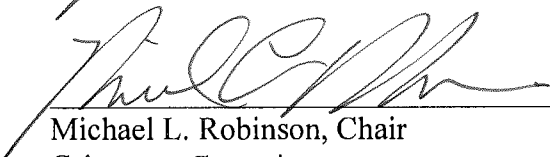
of disbursements made by wire/electronic transfer in violation of Rule 1.15-3(b). Prior to the audit, you also had not directed your banks to notify the State Bar if an item drawn on one of your trust accounts was presented against insufficient funds in violation of Rule 1.15-2(k). Your failure to reconcile your trust accounts over a period of years made it possible for a non-lawyer employee to divert funds out of one of your trust accounts undetected, thereby creating a risk of harm to entrusted client funds. Your inadequate supervision of this employee was in violation of Rule 5.3(a).

In determining that a reprimand is sufficient discipline in this case, the Committee noted the following factors: (a) you cooperated and were candid with the State Bar's auditor; (b) you responded promptly and fully to the Letter of Notice regarding this grievance; and (c) you had already established proper trust accounting procedures before the random audit, which demonstrated your ability and willingness to comply with the trust accounting rules.

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 6<sup>th</sup> day of November, 2015.

  
\_\_\_\_\_  
Michael L. Robinson, Chair  
Grievance Committee

MLR/hp