

NORTH CAROLINA
WAKE COUNTY

BEFORE THE
GRIEVANCE COMMITTEE
OF THE
NORTH CAROLINA STATE BAR
12G1217

IN THE MATTER OF

Christopher D. Lane
Attorney At Law

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REPRIMAND

On January 23, 2014 the Grievance Committee of the North Carolina State Bar met and considered the grievance filed against you by Mr. and Mrs. Johnny Lily.

Pursuant to Section .0113(a) of the Discipline and Disability Rules of the North Carolina State Bar, the Grievance Committee conducted a preliminary hearing. After considering the information available to it, including your response to the letter of notice, the Grievance Committee 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 September 2010, you entered into an agreement with a California and Illinois law firm named Krohn and Moss, Ltd. (Krohn and Moss) to serve "Of Counsel." You had no prior relationship with Krohn and Moss. Under the agreement, you agreed to allow Krohn and Moss to establish a systematic and continuous presence in North Carolina with your office as its physical address even though none of the attorneys with Krohn and Moss were licensed to practice in North Carolina. Krohn and Moss maintained a website on which they advertised that the firm could provide legal services in North Carolina, particularly legal services related to consumer automobile "lemon law" claims. No North Carolina attorney, including you, is

identified as a member of the firm. The firm is not authorized under North Carolina law to provide legal services in North Carolina. Krohn and Moss agreed to pay you \$150 as an initial case acceptance fee for North Carolina clients procured through their website. Krohn and Moss agreed to pay other fees and expenses based on the work you provided to Krohn and Moss's North Carolina clients.

The Lilys are North Carolina residents. Problems arose with a vehicle the Lilys purchased. The Lilys found the Krohn and Moss website and contacted Krohn and Moss in early October 2012. After sending Krohn and Moss information about the problems with their vehicle, the Lilys were notified by a Krohn and Moss staff person that the firm would accept their case without charging them any attorneys' fees. You did not review the information submitted by the Lilys or agree that the firm should represent the Lilys. The Lilys agreed to the firm's representation. A Krohn and Moss staff attorney forwarded the Lilys an engagement letter for the Lilys to sign and a demand letter the firm intended to send to the vehicle manufacturer. The letters purported to be from you, with the electronic signature indicating that you were "of counsel" to Krohn and Moss. The letters identified your address as the firm's Chicago address, although the letters bore your local North Carolina telephone numbers.

In early November 2012, another Krohn and Moss staff person forwarded the Lilys a letter purporting to be from you, again bearing your electronic signature, indicating that the Lilys were required to take their vehicle to a local dealership for inspection. After problems with the vehicle continued, Krohn and Moss attorneys and nonlawyer staff, but not you, communicated to the Lilys a series of settlement offers from the vehicle manufacturer, and counter-offers by the Lilys to the vehicle manufacturer. Ultimately, the Lilys agreed to a settlement of \$5,200, inclusive of the Krohn and Moss attorneys' fees of \$3,500, based on advice from one of Krohn and Moss's Chicago attorneys. As a result, the Lilys received only \$1,700. By your own admission, you never spoke directly with the Lilys until after Krohn & Moss's Chicago attorney had negotiated the Lilys's settlement with the vehicle manufacturer and the Lilys filed their grievance against you. Your only involvement was your receipt of correspondence and offers from the vehicle manufacturer's counsel, which you forwarded to Krohn & Moss's Chicago attorneys. You abdicated the direct negotiations with the vehicle manufacturer and the communications with the Lilys about the negotiations to Krohn & Moss's Chicago attorneys and staff. You provided no settlement advice to the Lilys.

The settlement advice and negotiations on behalf of the Lilys constituted the practice of law. By lending your name to the introductory communications with the Lilys without active participation in the negotiations and settlement, you assisted Krohn & Moss's non-admitted attorneys in the unauthorized practice of law in North Carolina in violation of Rule 5.5(a) and 8.4(a). Your name and signature on the communications made it appear that you had an active role in the process and representation of the Lilys, when, in fact, your involvement was merely *pro forma*. Your October 23, 2012 letter to the Lilys concerning important guidelines falsely stated that you were employed in Krohn & Moss's Chicago office. Thus, these communications also made a false or misleading communication about you in violation of Rule 7.1(a).

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 14th day of MARCH, 2014.



John M. Silverstein, Chair
Grievance Committee

JMS/lb