

STATE OF NORTH CAROLINA

WAKE COUNTY



BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF THE
NORTH CAROLINA STATE BAR
06 DHC 31

THE NORTH CAROLINA STATE BAR,

Plaintiff

v.

JANET M. REED, Attorney,

Defendant

Findings of Fact, Conclusions of Law
and Consent Order of Discipline

This matter was considered by a hearing committee of the Disciplinary Hearing Commission composed of Stephen E. Culbreth, Chair, and members Michael A. Grace and Pamela U. Weis. Katherine E. Jean represented the Plaintiff, the North Carolina State Bar. Gwendolyn S. Hailey represented defendant Janet Reed. Both parties stipulate and agree to the findings of fact and conclusions of law recited in this consent order and to the discipline imposed. Defendant freely and voluntarily waives any and all right to appeal the entry of this consent order of discipline. Based upon the stipulations of fact and the consent of the parties, the hearing committee hereby finds by clear, cogent, and convincing evidence the following:

FINDINGS OF FACT

1. Plaintiff, the North Carolina 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 promulgated thereunder.

2. Defendant, Janet P. Reed ("Reed"), was admitted to the North Carolina State Bar on September 12, 1997 and is, and was at all times referred to herein, an attorney at law licensed to practice in North Carolina, subject to the rules, regulations and Rules of Professional Conduct of the North Carolina State Bar and the laws of the State of North Carolina.

3. During all of the periods relevant hereto, defendant was engaged in the practice of law in Onslow County, North Carolina.

4. Beginning in 2003, defendant represented Charlotte Houston in *Charlotte Houston v. Christopher Houston*, Onslow County district court file 03 CVD 1086 (hereafter "03 CVD 1086").

5. Issues presented for the court's determination in 03 CVD 1086 included custody of the Houstons' minor children.

6. Attorney Andrew Wigmore represented Mr. Houtson in 03 CVD 1086.

7. On January 25, 2005, the Honorable Louis F. Foy, Jr. allowed Mr. Houston's motion to dismiss 03 CVD 1086.

8. On January 25, 2005, after Judge Foy dismissed 03 CVD 1086, defendant filed a new complaint on Mrs. Houston's behalf against Mr. Houston, styled *Charlotte Houston v. Christopher Houston*, Onslow County district court file 05 CVD 269 (hereafter "05 CVD 269").

9. The complaint defendant filed in 05 CVD 269 sought custody of the Houstons' minor children.

10. The complaint defendant filed in 05 CVD 269 did not disclose that the parties had been involved in prior related litigation.

11. Also on January 25, 2005 in 05 CVD 269, defendant sought an ex parte emergency custody order of the Houstons' minor children from the Honorable William M. Cameron III.

12. Local rules and customs of Onslow County required defendant to seek an ex parte order from a judge who was scheduled to preside in domestic court rather than from a judge who was scheduled to preside in criminal court.

13. When defendant sought the ex parte order, Judge Cameron was scheduled to preside in criminal court.

14. The only district court judge who was scheduled to preside in domestic court that week was Judge Foy.

15. Defendant sought the ex parte order from Judge Cameron rather than from Judge Foy because she knew that Judge Foy was aware Wigmore represented Mr. Houston.

16. When defendant sought the ex parte order, defendant did not inform Judge Cameron that Judge Foy had dismissed a prior lawsuit between the same parties earlier that day.

17. When defendant sought the ex parte custody order, defendant did not inform Judge Cameron that Mr. Houston had been represented by Wigmore in substantially related litigation which was dismissed earlier that day.

18. When defendant sought the ex parte order, defendant knew that Wigmore represented Mr. Houston in substantially related litigation which was dismissed earlier that day.

19. Defendant had strong reason to believe that Wigmore would represent Mr. Houston in 05 CVD 269.

20. Defendant did not inform Wigmore that she would seek an ex parte order and did not simultaneously provide Wigmore with a copy of the order she tendered to the court.

21. On January 26, 2005, after Judge Cameron entered the ex parte order, defendant filed an amended complaint in 05 CVD 269 in which she disclosed the existence of 03 CVD 1086.

22. Onslow County district court rules and customs and Rules 3.3(d) and 3.5 of the Revised Rules of Professional Conduct required defendant to inform Judge Cameron that a substantially related action between the same parties was dismissed the day defendant sought the ex parte order and that Wigmore represented Mr. Houston in the dismissed action.

23. Onslow County district court rules and customs and Rule 3.5 of the Revised Rules of Professional Conduct required defendant to notify Wigmore that defendant was seeking the ex parte order and to provide Wigmore simultaneously with a copy of the ex parte order defendant tendered to the court.

24. Defendant knew that Onslow County district court rules and customs and Rules 3.3(d) and 3.5 of the Revised Rules of Professional Conduct imposed upon defendant the requirements set forth in paragraphs 22 and 23 above.

25. Defendant knowingly and intentionally violated Onslow County rules and customs and Rules 3.3(d) and 3.5 of the Revised Rules of Professional Conduct.

26. When Judge Cameron learned about the existence of 03 CVD 1086 and about Wigmore's representation of Mr. Houston, Judge Cameron asked defendant for an explanation of her conduct.

27. Defendant contended to Judge Cameron that because Wigmore had not made an appearance in 05 CVD 269, defendant was not obligated to inform Judge Cameron about 03 CVD 1086, was not obligated to inform Judge Cameron that Wigmore represented Mr. Houston and was not obligated to inform Wigmore of the ex parte communication.

28. Defendant's contentions set forth in paragraph 27 above indicate that defendant lacks the knowledge and skill necessary for minimally competent practice.

29. Judge Cameron entered an order finding that defendant had violated Onslow County rules and customs and Rules 1.1, 3.5(a), 3.3(d), 3.3(a), and 8.4 of the Revised Rules of Professional Conduct.

30. Defendant represented Barbara Ayuso Sturgis in Onslow County District Court action 00 CVD 1896 captioned *Richard Ayuso v. Barbara Ayuso (Sturgis)*.

31. On April 28, 2004, defendant issued a subpoena to Mr. Ayuso by leaving it at his place of business on April 28, 2004 commanding that Mr. Ayuso appear and produce documents in court at 9:30 am on April 29, 2004.

32. On May 13, 2004, the court quashed the April 28, 2004 subpoena on grounds that the subpoena was unreasonable and oppressive, failed to allow reasonable time for compliance and was procedurally defective in that defendant failed to follow the North Carolina Rules of Civil Procedure.

33. On May 13, 2004, the court sanctioned defendant and ordered defendant to pay Mr. Ayuso's lost wages of \$200 and attorney fees of \$525 for her conduct in issuing the April 28, 2004 subpoena.

34. On March 4, 2005, defendant issued a second subpoena commanding that Mr. Ayuso appear in court and produce documents on March 11, 2005.

35. Mr. Ayuso appeared in court on March 11, 2005 pursuant to defendant's subpoena but defendant was not present when the case was called for hearing.

36. The only matter which could possibly be heard in court on March 11, 2005 in the Ayuso litigation was a hearing on Mr. Ayuso's motion to hold Mrs. Ayuso in contempt.

37. The documents Mr. Ayuso was commanded to produce in the March 4, 2005 subpoena were not relevant to the motion to hold Mrs. Ayuso in contempt.

38. On March 11, 2005 the court quashed the March 4, 2005, subpoena on grounds that it was unreasonable and oppressive.

39. On March 11, 2005, the court sanctioned defendant and ordered her to pay \$800 in attorney fees to opposing counsel not later than April 30, 2005 for her conduct in issuing the March 4, 2005 subpoena.

40. The March 11, 2005 order contains findings of fact that Mr. Ayuso and his attorney were present and ready to proceed when the case was called for hearing at 9:30 a.m. and that defendant was not present and did not appear in court until 11:45 a.m.

41. On May 3, 2005, defendant issued a third subpoena commanding Mr. Ayuso to appear and bring his minor child to court on May 11, 2005.



42. On May 11, 2005, the court quashed the May 3, 2005 subpoena on grounds that it was defective and unreasonable.

43. In its May 11, 2005 order, the court ordered defendant to pay \$600 to opposing counsel as sanctions for her conduct in issuing the subpoena.

44. In its May 11, 2005 order, the court ordered that before defendant can issue another subpoena, defendant must file an affidavit with the court attesting to the fact that defendant has read and understands Rule 45 of the North Carolina Rules of Civil Procedure.

45. On September 22, 2005, defendant represented Carolyn Chadwick in Jones County District Court action 05 CVD 143 captioned *Carolyn Chadwick vs. Joseph Chadwick, Sr.* (hereafter "05 CVD 143"). 05 CVD 143 included a claim for custody of the Chadwicks' minor children.

46. On November 2, 2005, M. Lynn Smith (hereinafter "Smith") made an appearance on behalf of Joseph Chadwick in 05 CVD 143.

47. On December 6, 2005, Smith filed motions to dismiss, for sanctions and for attorney's fees on behalf of Mr. Chadwick.

48. On December 22, 2005, defendant filed an action for domestic violence protective order on behalf of Mrs. Chadwick and against Mr. Chadwick styled *Carolyn Chadwick v. Joseph Chadwick Sr.*, Jones County file 05 CVD 198 (hereafter "05 CVD 198").

49. Also on December 22, 2005, defendant approached the Honorable Henry L. Stevens IV ex parte and requested that Judge Stevens sign a domestic violence protective order in 05 CVD 198.

50. Defendant knew when she approached Judge Stevens for the ex parte order that Smith represented Mr. Chadwick in pending related litigation.

51. Defendant did not inform Judge Stevens that there was pending related litigation between the Chadwicks and did not inform Judge Stevens that Mr. Chadwick was represented by counsel.

52. Defendant did not notify Smith that defendant would ask Judge Stevens to enter a domestic violence protective order and did not provide a copy of the ex-parte order to Smith when defendant submitted the order to Judge Stevens.

53. Defendant knew when she sought the ex parte order that she was required by local rules and customs and by Rules 3.3(d) and 3.5 of the Revised Rules of Professional Conduct to inform Judge Stevens that Smith was representing Mr. Chadwick in a related pending action.

54. Defendant knew when she sought the ex parte order that she was required by local rules and customs and by Rule 3.5 of the Revised Rules of Professional Conduct to inform Smith that defendant would seek an ex parte order and simultaneously to provide Smith with a copy of the proposed order when defendant tendered it to the court.

55. Prior to December 22, 2005, members of the judiciary for the 4th Judicial District had previously instructed plaintiff on more than one occasion that all pertinent information, including pending litigation involving the same parties and representation of the opposing party by counsel, must be revealed when seeking any type of ex parte relief.

56. On January 6, 2006, the date set for the return hearing on the ex parte order, defendant took a voluntary dismissal of 05 CVD 198.

57. On February 27, 2006, the court entered an order requiring defendant to pay opposing counsel \$250 as a sanction for her misconduct in obtaining the ex parte order.

58. The complaint filed by defendant in 05 CVD 143 and verified by Mrs. Chadwick contained false allegations about the date of the parties' separation.

59. On January 6, 2006, defendant admitted in open court that the date of separation alleged three times in the complaint was incorrect and that Mr. Chadwick had lived continuously in the home with Mrs. Chadwick during the period when defendant's complaint alleged that the parties were separated.

60. On February 27, 2006, the court entered an order in 05 CVD 143 containing a finding of fact that because of the false allegations, Mr. Chadwick incurred unnecessary attorney fees and requiring defendant to pay opposing counsel \$450 as a sanction for filing a complaint containing false allegations.

61. Defendant represented Ramona Poindexter in Onslow County District Court action 06 CVD 1070 captioned *Robert W. Poindexter v. Ramona Scalf Poindexter* (hereafter "the Poindexter case").

62. The Poindexter case involved issues of child custody and support.

63. On May 10, 2006 a hearing was held in the Poindexter case regarding Mr. Poindexter's petition for a paternity test.

64. Defendant and opposing counsel were directed by the judge to return after lunch for a hearing at 2:00 p.m.

65. Defendant knew court reconvened at 2:00 p.m.

66. Defendant did not appear in court at 2:00 p.m.

67. The hearing in the Poindexter case was held in defendant's absence.

68. Sometime after 2:00 p.m. on the afternoon of May 10, 2006, defendant appeared in court.

69. Defendant made no attempt to explain her absence.

70. Defendant did not inquire about the outcome of the hearing.

71. Defendant is frequently late for the court or absent from scheduled hearings in cases in which she represents a party.

72. Defendant's tardiness to court caused disruption to the court proceedings, wasted judicial resources, evidenced disrespect for the court and was prejudicial to the interests of her client.

73. Defendant represented Gina Karole Julian in Onslow County District Court action 06 CVD 2274 captioned *Gina Karole Julian v. Jason James Julian* (hereafter "06 CVD 2274").

74. Defendant filed a complaint on Mrs. Julian's behalf in 06 CVD 2274.

75. At the time defendant filed the complaint in 06 CVD 2274, there was already a case pending in court in Marion County, Florida between the parties in which Mr. Julian was the plaintiff and Mrs. Julian was the defendant (hereafter "the Florida litigation").

76. The Florida litigation raises substantially the same issues as are raised in the complaint defendant filed in 06 CVD 2274.

77. At the time defendant filed the complaint in 06 CVD 2274, defendant knew there was already litigation pending in Marion County, Florida between the parties in which substantially the same issues were presented for the Florida court's determination as were raised by the complaint in 06 CVD 2274.

78. Defendant did not disclose to the court in 06 CVD 2274 that the Florida litigation was pending.

79. The fact that the Florida litigation was pending was a material fact which defendant was obligated by local rules and local customs to disclose to the court in 06 CVD 2274.

80. Defendant knew when she filed the complaint in 06 CVD 2274 that local rules and customs required her to disclose to the North Carolina court the existence of the Florida litigation.

81. Defendant filed the complaint in 06 CVD 2274 for an improper purpose.

82. In 06 CVD 2274, the complaint which was signed and filed by defendant and verified by defendant's client contains a false representation that Mr. Julian was at the time of filing the complaint a citizen of Onslow County.

83. Defendant knew or should have known when she advised her client to sign a sworn verification of the complaint that it contained a false representation about Mr. Julian's citizenship.

84. Defendant knew or should have known when she signed and filed the complaint that it contained a false representation about Mr. Julian's citizenship.

85. Defendant filed the complaint containing the false representation with the intention of misleading the court.

86. On July 19, 2006, defendant appeared before the Honorable Sarah Seaton in 06 CVD 2274.

87. Defendant affirmatively represented to Judge Seaton on July 19, 2006 that Mr. Julian was a resident of North Carolina.

88. Defendant knew when she made the representation set forth in paragraph 87 above that the representation was false.

89. Defendant made the representation set forth in paragraph 87 above with the intention of misleading the court.

90. Also on July 19, 2006, defendant falsely represented to the court that her client, Mrs. Julian, was not present at the scheduled hearing because Mrs. Julian was in the hospital.

91. Also on July 19, 2006, defendant relied upon her false representation that Mrs. Julian was in the hospital as support for her request to continue the hearing.

92. Defendant knew when she represented to the court that her client was in the hospital that the representation was false.

93. Defendant falsely represented to the court that her client was in the hospital with the intention of misleading the court.

94. Defendant represented Michael Walker in Onslow County District Court file 06 CVD 1088 captioned *Nicole C. Walker v. Michael S. Walker*.

95. Mr. Walker was subpoenaed by opposing counsel to appear and produce documents in court on May 2, 2006.

96. Mr. Walker was properly served with the subpoena.

1

2

3

4

97. In reliance upon defendant's advice and/or instruction, Mr. Walker did not appear in response to the subpoena.

98. The court entered an order holding Mr. Walker in contempt for failing to obey the subpoena.

99. On May 18, 2006, the court vacated its order and held a hearing on the matter.

100. During the May 18, 2006 hearing, defendant admitted to the court that it was her fault Mr. Walker had not appeared in response to the subpoena.

101. Defendant told the court her employee instructed Mr. Walker that he did not need to appear in response to the subpoena.

102. During the May 18, 2006 hearing, the court offered defendant the choice among three alternatives: (a) being sanctioned herself, (b) having her client Mr. Walker sanctioned, or (c) having defendant's employee sanctioned for engaging in the unauthorized practice of law.

103. During the May 18, 2006 hearing, defendant informed the court that she chose among the alternatives offered by the court to have her client, Mr. Walker, sanctioned for failing to comply with the subpoena.

104. After the May 18, 2006 hearing, the court entered an order requiring defendant to pay opposing counsel \$750 as a sanction for violation of Rule 11 of the North Carolina Rules of Civil Procedure.

Based upon the foregoing findings of fact and the stipulations of the parties, the Committee makes the following

CONCLUSIONS OF LAW

1. By advising her client not to appear in court when commanded to do so by subpoena, defendant engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d) and intentionally harmed her client during the professional relationship in violation of Rule 8.4(g) of the Revised Rules of Professional Conduct.

2. By allowing her client to be held in contempt and by electing among the alternatives offered by the court to have her client held in contempt for conduct for which defendant admitted she was responsible, defendant engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d) and intentionally harmed her client during the course of the professional relationship in violation of Rule 8.4(g) of the Revised Rules of Professional Conduct.



3. By filing a complaint in 05 CVD 269 on the same date the court dismissed 03 CVD 1086 without disclosing the existence and disposition of 03 CVD 1086, defendant engaged in conduct involving dishonesty, fraud, deceit and misrepresentation and engaged in conduct prejudicial to the administration of justice in violation of Rules 8.4(c) and (d) of the Revised Rules of Professional Conduct.

4. By seeking the ex parte order from Judge Cameron rather than from Judge Foy and by failing to inform Judge Cameron of all relevant facts about the prior pending litigation and about Wigmore's representation of Mr. Houston, defendant failed to inform the tribunal of all material facts known to defendant so as to enable the tribunal to make an informed decision in violation of Rule 3.3(d), engaged in conduct involving dishonesty, fraud, deceit and misrepresentation in violation of Rule 8.4(c), engaged in conduct prejudicial to the administration of justice in violation of Rules 8.4 (d), engaged in improper ex parte communications with a judge in violation of Rule 3.5(a)(3), and knowingly disobeyed an obligation under the rules of the tribunal in violation of Rule 3.4(c) of the Revised Rules of Professional Conduct.

5. By failing to inform Wigmore that she would seek an ex parte order and by failing to provide Wigmore simultaneously with a copy of the order tendered to the court, defendant engaged in improper ex parte communications with a judge in violation of Rule 3.5(a)(3), knowingly disobeyed an obligation under the rules of the tribunal in violation of Rule 3.4(c), engaged in conduct involving dishonesty, fraud, deceit 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) of the Revised Rules of Professional Conduct.

6. By issuing subpoenas which were unreasonable and oppressive, which failed to allow parties reasonable time for compliance, and which were not in compliance with Rule 45 of the North Carolina Rules of Civil Procedure, defendant engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d) and handled legal matters that she knew or should have known she was not competent to handle without associating a lawyer who was competent to handle the matter in violation of Rule 1.1 of the Revised Rules of Professional Conduct.

7. By failing to appear in court in a timely manner, defendant failed to make reasonable efforts to expedite litigation in violation of Rule 3.2 and engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d) of the Revised Rules of Professional Conduct.

8. By issuing a subpoena the day before the appearance and production of documents was commanded to occur at a hearing at which the documents had no relevance, defendant employed means which had no substantial purpose other than to embarrass, delay or burden Mr. Ayuso in violation of Rule 4.4(a) and engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d) of the Revised Rules of Professional Conduct.

1

2

3

9. By engaging in ex-parte communications with Judge Stevens, by failing to inform Judge Stevens that the opposing party was represented by counsel, by failing to inform Smith that she would seek an ex parte order and by failing to provide Smith simultaneously with a copy of the order she presented to the court, defendant did not inform the court of all material facts known to her so as to enable the court to make an informed decision in violation of Rule 3.3(d), knowingly disobeyed an obligation under the rules of the tribunal in violation of Rule 3.4(c), communicated with a judge ex parte orally without providing notice to opposing counsel and in a writing which was not simultaneously provided to opposing counsel in violation of Rule 3.5(a)(3), engaged in conduct involving dishonesty, fraud, deceit 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) of the Revised Rules of Professional Conduct.

10. By signing and filing a verified complaint containing false allegations and by failing to correct the false allegations, defendant knowingly made false statements of material fact to the tribunal and failed to correct the false statements of material fact in violation of Rule 3.3(a)(1), falsified evidence and counseled and assisted a witness to testify falsely in violation of Rule 3.4(b), engaged in conduct involving dishonesty, fraud, deceit 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) of the Revised Rules of Professional Conduct.

11. By failing to appear timely in court when a case in which she represented a party was scheduled for hearing, defendant engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d), intentionally harmed her clients during the course of the professional relationship in violation of Rule 8.4(g), impeded the ability of the court to dispose of cases expeditiously in violation of Rule 3.2 and engaged in conduct intended to disrupt a tribunal in violation of Rule 3.5(a)(4) of the Revised Rules of Professional Conduct.

12. By filing a lawsuit in North Carolina for an improper purpose and by failing to disclose to the North Carolina court the prior pending action in Florida, defendant engaged in conduct involving dishonesty, fraud, deceit 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) of the Revised Rules of Professional Conduct.

13. By making false representations in pleadings filed with the court and in oral representations made to the court in open court, defendant made false representations of material fact to the court in violation of Rule 3.3(a), engaged in conduct involving dishonesty, fraud, deceit and misrepresentation in violation of Rule 8.4(c), engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d) and intentionally damaged her client during the professional relationship in violation of Rule 8.4(g) of the Revised Rules of Professional Conduct.

1

2

3

4

Based upon the stipulations of fact and the consent of the parties, the hearing committee hereby finds by clear, cogent, and convincing evidence the following additional

FINDINGS OF FACT REGARDING DISCIPLINE

1. Reed's misconduct is aggravated by the following factors:
 - a. Dishonest or selfish motive;
 - b. A pattern of misconduct;
 - c. Multiple offenses;
 - d. Substantial experience in the practice of law.
2. Reed's misconduct is mitigated by the following factors:
 - a. Personal or emotional problems;
 - b. Full and free disclosure to the hearing committee;
 - c. Cooperative attitude toward the proceedings;
 - d. Physical or mental disability or impairment;
 - e. Imposition of other penalties or sanctions, to wit: monetary sanctions imposed by trial courts;
 - f. Remorse;
 - g. Acknowledgment of wrongdoing.
3. The aggravating factors outweigh the mitigating factors.
4. Reed significantly harmed the court system by causing the courts to devote time and resources to addressing cases which the courts would not have addressed had Reed not made false allegations in the complaint and had Reed made appropriate disclosures of material fact to the court.
5. Reed significantly harmed the court system by filing lawsuits for improper purposes resulting in waste of the court system's resources.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and the role of the accounting department in ensuring the integrity of the financial statements. It also highlights the need for transparency and accountability in the reporting process.

2. The second part of the document focuses on the implementation of internal controls to prevent fraud and errors. It outlines the key components of a robust internal control system, including segregation of duties, authorization procedures, and regular monitoring and evaluation.

3. The third part of the document addresses the challenges faced by the organization in managing its financial resources. It identifies the main areas of concern, such as budgeting, cash flow management, and debt servicing, and provides recommendations for addressing these challenges.

4. The fourth part of the document discusses the role of the audit committee in overseeing the financial reporting process. It emphasizes the importance of the audit committee in ensuring the accuracy and reliability of the financial statements and in identifying and addressing any potential issues.

5. The fifth part of the document provides a summary of the key findings and recommendations of the audit. It highlights the areas where the organization has made progress and the areas where further action is needed to improve its financial management practices.

6. Reed significantly harmed the court system and the standing of the legal profession by causing courts to enter orders affecting ongoing litigation which orders the courts would not have entered had Reed not concealed material information she was obligated to reveal and had Reed made the disclosures to the courts that she was obligated to make.

7. Reed's tardiness to court and absence from scheduled court hearings caused disruption to the court proceedings, wasted judicial resources, evidenced disrespect for the court and was prejudicial to the interests of her client.

8. Reed's misconduct caused actual harm to Richard Ayuso, an opposing party, by causing him to miss work and to incur costs complying with repeated improper, unreasonable and procedurally defective subpoenas.

9. Reed's misconduct caused actual harm to her client, Richard Walker, by causing the court to issue an order requiring Mr. Walker to show cause why he should not be held in contempt for failing to obey a valid subpoena.

10. Reed's misconduct harmed the standing of the legal profession by undermining trust and confidence in lawyers and in the legal system.

11. This DHC Committee has considered lesser alternatives and finds that a public censure or reprimand would not be sufficient discipline because of the gravity of the harm caused by the conduct of Reed.

12. This DHC Committee finds that Reed's conduct caused significant harm and significant potential harm to clients, to the administration of justice, to the profession, and to members of the public, and that a discipline more severe than public censure or reprimand is necessary to protect the public.

13. Entry of an order imposing lesser discipline than suspension would fail to acknowledge the seriousness of the offenses committed by Reed and would send the wrong message to attorneys regarding the conduct expected of members of the Bar in this State.

14. For those reasons, this DHC Committee believes and so finds that an Order calling for a discipline short of a suspension of Reed's law license would not be appropriate.

Based upon the foregoing factors and with the consent of the parties, the hearing committee hereby enters the following

ORDER OF DISCIPLINE

1. The license of defendant, Janet P. Reed, is hereby suspended for five (5) years.

1

2

3

2. The suspension of Reed's law license is stayed for five (5) years upon the following terms and conditions. During the stayed suspension, Reed shall:

- a. Not violate any laws of the State of North Carolina or of the United States;
- b. Not violate any provision of the Revised Rules of Professional Conduct;
- c. Not violate any local court rules;
- d. Pay the costs of this proceeding as assessed by the Secretary of the North Carolina State Bar within 30 days of notice of the costs being served upon her;
- 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, promptly 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 such communications;
- g. Within 1 year of entry of this Order, Reed shall satisfactorily complete a law office management course taught by a law office management consultant whose qualifications, experience and program are approved in writing by the Office of Counsel;
- h. Throughout the period of stayed suspension, Reed shall receive psychological or mental health treatment from a psychologist or psychiatrist whose experience and qualifications are approved in writing by the Office of Counsel. Reed shall receive such treatment twice each month. If the psychologist or psychiatrist recommends that Reed receive treatment more often, Reed shall receive treatment at the more frequent intervals recommended by the psychologist or psychiatrist;
- i. Reed shall promptly and completely comply with all treatment recommendations made by the psychologist or psychiatrist from whom she receives psychological or mental health treatment;
- j. Reed shall execute and forward to any and all psychiatrists or psychologists from whom she obtains any diagnosis and/or treatment a written, signed release instructing and authorizing such mental health professionals to provide to the Office of Counsel all information regarding Reed's diagnosis, treatment, prognosis, progress and compliance or lack of compliance with such mental health professional's treatment recommendations;

k. Reed shall instruct any psychiatrist or psychologist from whom she is receiving treatment to mail to the Office of Counsel monthly reports reflecting the status of Reed's compliance with treatment recommendations. It is Reed's responsibility to ensure that each mental health professional from whom she is receiving treatment provide such a report to the Office of Counsel each month that such professional provides treatment to Reed;

l. Within six (6) months of entry of this Order, Reed will complete a lawyer's ethics continuing legal education course with the primary emphasis upon professionalism within the practice of law;

m. Within one (1) year of entry of this Order, Reed will complete a practical skills continuing legal education course in the area of Family Law; and

n. Within 2 months of the effective date of this order, Reed will contract with a licensed North Carolina attorney who maintains a private law practice in the judicial district in which Reed maintains her primary office for her practice, other than her legal counsel in this proceeding, to serve as a practice monitor. Reed will first secure the approval of her proposed practice monitor by the Office of Counsel of the North Carolina State Bar, which approval will not be unreasonably withheld. Reed will personally meet with her practice monitor at least once a month throughout the stayed suspension of her law license. Reed will keep the monitor apprised of all open and pending client matters and the status of all such matters. Within 15 days after the end of each calendar quarter (i.e., by January 15, April 15, July 15, and October 15) of each year during the stayed suspension of her law license, Reed will deliver to the Office of the Counsel written reports signed by the practice monitor confirming that the meetings are occurring and reporting any problems or potential problems with any of Reed's client matters. It is Reed's responsibility to ensure that the practice monitor prepares such quarterly reports. Reed will be solely responsible for all costs associated with the monitoring of her law practice.

3. If during the stay of the five (5) year suspension Reed fails to comply with any one or more of the conditions stated in Paragraph 2(a) through 2(n) above, the stay of the suspension of her law license may be lifted as provided in § .0114(x) of the North Carolina State Bar Discipline and Disability Rules.

4. If the stay of the suspension is lifted and the suspension is activated for any reason, Reed must show by clear, cogent, and convincing evidence that she complied with each of the following conditions before seeking reinstatement:

a. That she submitted her license and membership card to the Secretary of the North Carolina State Bar no later than 30 days from the effective date of the order activating her suspension;

b. That she complied with all provisions of 27 N.C. Admin. Code Chapter 1, Subchapter B, § .0124 of the N.C. State Bar Discipline & Disability Rules on a timely basis;

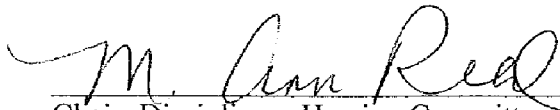
c. That she has complied with all of the conditions 2(a) through 2(n) above;

d. That she is not then suffering from any disability that would or could impair her ability to practice law.

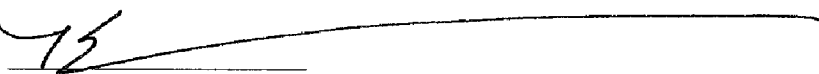
5. At the end of the 5 year period of suspension, if the stay has not been lifted and the suspension activated, it shall be Reed's burden to demonstrate that she has complied with all conditions set forth in paragraphs 2(a) through 2(n) above before the stay of the suspension is lifted.

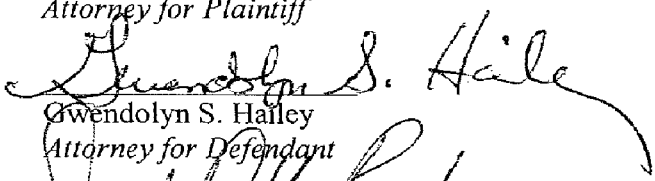
6. The Disciplinary Hearing Commission will retain jurisdiction of this matter pursuant to 27 N.C. Admin. Code Chapter 1, Subchapter B, § .0114(x) of the North Carolina State Bar Discipline and Disability Rules throughout the period of the stayed suspension.

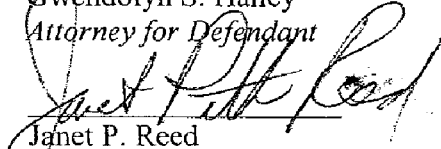
Signed by the Chair with the consent of the other hearing committee members, this the 15th day of October, 2027.


Chair, Disciplinary Hearing Committee

CONSENTED TO BY:


Katherine E. Jean
Attorney for Plaintiff


Gwendolyn S. Halley
Attorney for Defendant


Janet P. Reed
Defendant

