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STATE OF NORTH CAROLINA
COUNTY OF WAKE

FILED
1978 FEB 13 AND DISCIPLINARY HEARING COMMISSION
BEFORE THE
OF THE
B.E. JAMES, SE NORTH CAROLINA STATE BAR
THE N.C. STATE BAR
77 DHC 15
77 DHC 16

THE NORTH CAROLINA STATE BAR,
Plaintiff
vs.
LARRY C. HINSON, ATTORNEY,
Defendant

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

This cause coming on to be heard and being heard before the undersigned hearing committee of the Disciplinary Hearing Commission of The North Carolina State Bar on January 16, 1978, in the office of The North Carolina State Bar, 107 Fayetteville Street Mall, Raleigh, North Carolina. The North Carolina State Bar was represented by M. Bays Shoaf, Jr. and C. Christopher Bean, Staff Attorneys, and the Defendant was represented by Stephen Poe of Craighill, Rendlemen and Clarkson, P.A., of Charlotte, North Carolina. The hearing began at 10:00 A.M. with all parties properly before the hearing committee, and no objection was made by the Defendant or The North Carolina State Bar who both expressly waived any objection to the members constituting the hearing committee to hear the evidence in both causes. The hearing committee having heard the evidence and argument of counsel, as appears of record, makes the following Findings of Fact and Conclusions of Law in each case:

77 DHC 15:

1. The 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.

2. The Defendant, Larry C. Hinson, is a citizen and resident of Mecklenburg County, North Carolina and was admitted to The North Carolina State Bar in 1968, and is, and was at all times relevant to this proceeding, an attorney at law licensed to practice law in the State of North Carolina and is subject to the rules, regulations, canons of ethics and Code of Professional Responsibility of The North Carolina State Bar and the laws of the State of North Carolina.

3. A duly verified Complaint, setting forth the charges against the Defendant, was filed in the office of The North Carolina State Bar on September 27, 1977. Notice thereof was given to the Defendant by personal service upon the Defendant of a copy of the Complaint, Notice and Summons by the Sheriff of Mecklenburg County on October 12, 1977.

4. No Answer was filed by the Defendant.

5. In October, 1976, the Defendant was acting as counsel for James W. McClenney in a civil action in the United States District Court for the Western District of North Carolina, Charlotte Division, said civil action being entitled "James W. McClenney and McClenney Patterson Company, Inc. vs. Columbus Mills, Inc".

6. The Defendant negotiated a settlement on behalf of his clients with Mr. A. Ward McKeithen, Attorney for Columbus Mills, Inc., wherein Defendant's clients would recover the sum of \$18,412.42. On November 3, 1976, McKeithen delivered a check payable to Defendant in the settlement amount in exchange for a release and dismissal signed by McClenney.

7. During the months of November and December of 1976, James McClenney contacted Defendant several times in regard to the settlement but was told by Defendant that no settlement had been reached.

8. On January 12, 1977, McClenney contacted Defendant and was told that a check had come in and McClenney would have the money the next Monday. When the money was not paid the

subsequent Monday, McClenney arranged a meeting with the Defendant and on January 20, 1977, Defendant told McClenney that there had been a "miscalculation" and asked that he accept a partial payment. He also asked that McClenney not tell anyone of this or he "would be disbarred".

9. In April, 1977, McClenney, through attorney Cecil R. Jenkins filed a Motion in the lawsuit to have the settlement set aside for failure of Defendant to pay over the settlement money. On May 10, 1977, Defendant paid McClenney the settlement amount plus nine percent interest, and the Motion to set aside the settlement was withdrawn.

10. The Defendant offered no evidence to controvert the testimony of the witnesses of The North Carolina State Bar.

11. BASED UPON THE FOREGOING FINDINGS OF FACT, THE HEARING COMMITTEE CONCLUDES that the conduct of the Defendant as set forth above constitutes a violation of Chapter 84, Section 28(b)(2) of the General Statutes of North Carolina, in that:

- a. The Defendant failed to maintain complete records of all funds of his client coming into his possession and failed to render an appropriate account of the same to his client, in violation of Disciplinary Rule 9-102(B)(3) of the Code of Professional Responsibility.
- b. The Defendant failed to pay or deliver to his client when requested by his client the funds in Defendant's possession which the client was entitled to receive in violation of Disciplinary Rule 9-102(B)(4) of the Code of Professional Responsibility.
- c. The Defendant engaged in conduct involving moral turpitude in wrongfully withholding his client's funds and converting the same to his own use in violation of Disciplinary Rule 1-102(A)(3) of the Code of Professional Responsibility.

- d. the Defendant engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in failing to pay over his client's funds when requested in violation of Disciplinary Rule 1-102(A)(4) of the Code of Professional Responsibility.
- e. The Defendant engaged in professional conduct that adversely reflects upon his fitness to practice law by withholding and converting his client's funds in violation of Disciplinary Rule 1-102(A)(6) of the Code of Professional Responsibility.

12. The conduct of the Defendant as set forth above does not constitute a violation of North Carolina General Statute 84-28(b)(2) in that The North Carolina State Bar failed to show that the Defendant failed to preserve the funds deposited with him on behalf of his client, in violation of Disciplinary Rule 9-102(A) of the Code of Professional Responsibility.

77 DHC 16:

1. The 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.

2. The Defendant, Larry C. Hinson, is a citizen and resident of Mecklenburg County, North Carolina and was admitted to The North Carolina State Bar in 1968, and is, and was at all times relevant to this proceeding, an attorney at law licensed to practice law in the State of North Carolina and is subject to the rules, regulations, canons of ethics and Code of Professional Responsibility of The North Carolina State Bar and the laws of the State of North Carolina.

3. A duly verified Complaint setting forth the charges against the Defendant was filed in the office of The North Carolina State Bar on October 18, 1977. Notice thereof was given to the Defendant by personal service upon the Defendant of a copy of the Complaint, Notice and Summons by the Sheriff of Mecklenburg County on October 26, 1977.

4. No Answer was filed by the Defendant.

5. During March of 1977, the Defendant was acting as attorney for Michael D. Campbell and wife, Susan M. Campbell in the purchase of certain property and the closing of a loan with Great Century Mortgage Company of Charlotte, North Carolina. A check for \$27,325.00 was issued by Great Century Mortgage Company made payable to the Defendant and Michael D. Campbell and Susan M. Campbell on March 29, 1977.

6. On April 6, 1977, Michael D. and Susan M. Campbell met in the Defendant's office to close the loan on the purchase of the aforementioned property and each one endorsed the \$27, 325.00 check in the presence of each other. The Defendant retained the check for the purpose of closing the aforementioned loan, which included among other things, the payment of two outstanding deeds of trust against the property in question.

7. On May 19, 1977, Great Century Mortgage Company received a check signed by the Defendant and drawn on his "Operating Account" for \$1,400.70 for prepaids and escrow pertaining to the aforementioned Campbell loan. The check was returned for lack of sufficient funds. On June 3, 1977, the Defendant supplied a certified check to cover these items.

8. In late June of 1977, pending foreclosure proceedings by Cameron-Brown Company, which held one of the outstanding deeds of trust on the aforementioned property being purchased by Michael D. and Susan M. Campbell, came to the attention of Sanford Bailey, President of Great Century Mortgage Company. As a result of the information, Mr. Bailey determined that neither outstanding deed of trust had been paid

by the Defendant since the loan closing on April 6, 1977, but the check for \$27,325.00, which was for payment of the outstanding deeds of trust, among other things, had been cashed on April 7, 1977.

9. On July 7, 1977, Sanford Bailey contacted both holders of the outstanding deeds of trust to request that foreclosure proceedings be delayed. Sanford Bailey also contacted Mr. and Mrs. Michael Campbell and the Defendant to apprise them of the situation.

10. As a result of the outstanding deeds of trust not being paid by the Defendant, Mr. and Mrs. Michael Campbell consulted and paid another attorney to represent them in trying to get the Defendant to apply the funds to the purposes for which the money was paid to him as attorney. Sanford Bailey, acting for great Century Mortgage Company, retained an attorney to protect the interests of its deed of trust.

11. In late July, 1977, the outstanding deeds of trust were paid and on August 7, 1977, the deeds of trust were marked as satisfied in the Register of Deeds office of Mecklenburg County.

12. The Defendant offered no evidence to controvert the testimony of the witnesses of The North Carolina State Bar.

13. BASED UPON THE FOREGOING FINDINGS OF FACT, THE HEARING COMMITTEE CONCLUDES that the conduct of the Defendant as set forth above constitutes a violation of Chapter 84, Section 28(b)(2) of the General Statutes of North Carolina, in that:

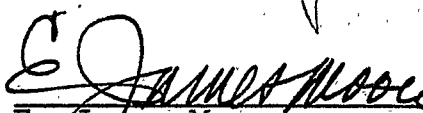
- a. The Defendant failed to maintain complete records of all funds of his clients coming into his possession and failed to render an appropriate account of the same to his clients, in violation of Disciplinary Rule 9-102(B)(3) of the Code of Professional Responsibility.
- b. The Defendant failed to pay or deliver to his clients when requested by his clients the funds in

Defendant's possession which the clients were entitled to receive in violation of Disciplinary Rule 9-102(B)(4) of the Code of Professional Responsibility.

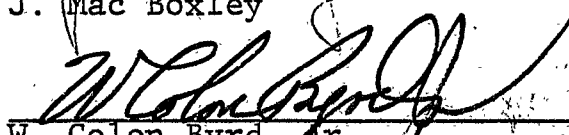
- c. The Defendant engaged in conduct involving moral turpitude in wrongfully withholding his clients' funds and converting the same to his own use in violation of Disciplinary Rule 1-102(A)(3) of the Code of Professional Responsibility.
- d. The Defendant engaged in conduct involving dishonesty, fraud, deceit, or misrepresentation in failing to pay over his clients' funds when requested in violation of Disciplinary Rule 1-102(A)(4) of the Code of Professional Responsibility.
- e. The Defendant engaged in professional conduct that adversely reflects upon his fitness to practice law by withholding and converting his clients' funds in violation of Disciplinary Rule 1-102(A)(6) of the Code of Professional Responsibility.

14. The conduct of the Defendant as set forth above does not constitute a violation of North Carolina General Statute 84-28(b)(2) in that The North Carolina State Bar failed to show that the Defendant failed to preserve the funds deposited with him on behalf of his clients, in violation of Disciplinary Rule 9-102(A) of the Code of Professional Responsibility.

This the 26th day of January, 1978.


E. James Moore


J. Mac Boxley


W. Colon Byrd, Jr.

STATE OF NORTH CAROLINA
COUNTY OF WAKE

FILED

1978 FEB 13 AM 11:00
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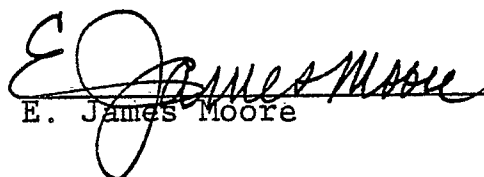
ORDER

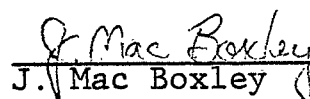
Based upon the foregoing findings of fact and conclusions of law and pursuant to Section 9 of Article IX, Discipline and Disbarment of Attorneys, the undersigned Hearing Committee of the Disciplinary Hearing Commission hereby issues the following Order.

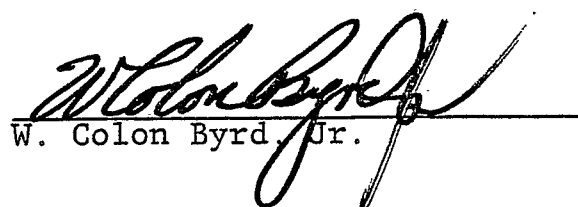
IT IS HEREBY ORDERED that the Defendant, Larry C. Hinson, be suspended from the practice of law in the State of North Carolina for a period of two years.

IT IS FURTHER ORDERED that Larry C. Hinson be taxed with the costs of this hearing.

This the 26th day of January, 1978.


E. James Moore


J. Mac Boxley


W. Colon Byrd, Jr.