

NORTH CAROLINA

WAKE COUNTY

BEFORE THE  
GRIEVANCE COMMITTEE  
OF THE  
NORTH CAROLINA STATE BAR  
12G0174

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IN THE MATTER OF

Stephen C. Holton,  
Attorney At Law

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REPRIMAND

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On July 16, 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.

Over a period of years, you failed to properly reconcile your trust account, did not render written accountings to clients for entrusted funds, and maintained inadequate trust account documentation in violation of Rule 1.15-3. You had delegated responsibility for the trust account

to a non-lawyer employee, whom you failed to adequately supervise in violation of Rule 5.3. Due to your lack of supervision, that employee's embezzlement of entrusted funds went undetected for several years.

Although your conduct created a significant risk of harm to client funds, the Grievance Committee determined that reprimand was the appropriate discipline for the following reasons: (a) you have no prior discipline; (b) you were very cooperative with the State Bar; (c) you took extensive corrective measures and appear to now fully appreciate your responsibilities in handling entrusted funds; (d) you expressed credible intent to manage your trust account properly going forward; and (e) based on your current trust accounting practices, you appear to be at low risk for jeopardizing client funds in the future.

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 7th day of August, 2015.

  
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John M. Silverstein, Chair  
Grievance Committee

JMS/lb