

STATE OF NORTH CAROLINA

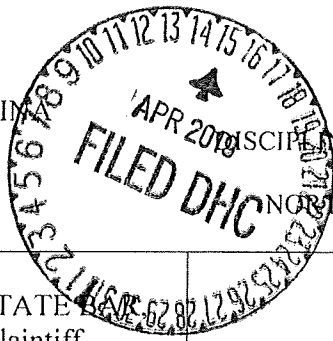
WAKE COUNTY

THE NORTH CAROLINA STATE BAR

Plaintiff

v.

RYAN D. SHOAF, Attorney,
Defendant



BEFORE THE

DISCIPLINARY HEARING COMMISSION

OF THE

NORTH CAROLINA STATE BAR

18 DHC 33

CONSENT ORDER
OF
DISCIPLINE

This matter was considered by a Hearing Panel of the Disciplinary Hearing Commission composed of R. Lee Farmer, Chair, and members, Fred W. DeVore, III and John M. Kane, Jr., pursuant to 27 N.C. Admin. Code 1B § .0115(i). Plaintiff was represented G. Patrick Murphy. Defendant Ryan D. Shoaf was represented by Dudley A. Witt. Defendant waives a formal hearing in this matter. The parties stipulate and agree to the findings of fact and conclusions of law recited in this order, and consent to the discipline imposed by this order. By consenting to the entry of this order, Defendant knowingly, freely, and voluntarily waives his right to appeal this consent order or to challenge in any way the sufficiency of the findings and conclusions herein.

Based upon the pleadings in this matter, the parties' stipulations of fact, facts developed during the pending litigation, and with the consent of the parties, the Hearing Panel hereby finds by clear, cogent, and convincing evidence the following:

FINDINGS OF FACT

1. Plaintiff, the North Carolina State Bar (hereafter "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, Ryan D. Shoaf (hereafter "Defendant" or "Shoaf"), was admitted to the North Carolina State Bar on August 24, 2001 and is an attorney at law 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 the relevant period referred to herein, Defendant was actively engaged in the practice of law in Raleigh, Wake County, North Carolina.

4. At all times relevant to this complaint, American Home Title, LLC ("AHT") was a domestic limited liability company registered with the North Carolina Secretary of State. The principal office of AHT is in Charlotte, North Carolina.

5. Robyn H. Norwood is listed as the managing member of AHT in filings with the North Carolina Secretary of State.

6. AHT's website identified Norwood as the CEO/Director of AHT.

7. Robyn H. Norwood is not licensed to practice law in North Carolina.

8. AHT is not an entity authorized to practice law in North Carolina.

9. In or about 2016 and 2017 and for some period of time before the, AHT's website held the entity out as available to provide customers with all of the services necessary to conduct real estate closings in North Carolina.

10. AHT advertised to the public in North Carolina that: "Our range of products include Title, Closing & Escrow, Property Reports, full Purchase and Refinance products, including an experienced Reserve Mortgage team. You will find one point of contact. From application to closing, we provide the products and services that reduce your cycle times."

11. The drafting of legal documents necessary for the transfer of real estate title constitutes the practice of law in North Carolina.

12. AHT promoted on its website, "Our Purchase Concierge team will be happy to answer any of your questions!" None of the individuals identified as a member of the "Purchase Concierge" team are North Carolina lawyers.

13. Answering questions about the application of law to a party's legal needs to close a real estate transaction is the practice of law.

14. AHT arranges for the provision of legal services to its clients.

15. At some time in or before 2016, Defendant entered into an agreement with AHT to purportedly provide the supervision of the real estate closing services that AHT advertises that it provides to its clients.

16. Defendant represented to Plaintiff that he does not provide legal services on behalf of AHT; rather, he provides legal services to clients referred to him by AHT which clients retain and pay for Defendant's services. In actual practice, the process does not work as Defendant represented to Plaintiff.

17. Defendant represented to Plaintiff that 1) he operates independent from AHT; and 2) he is "not employed by" AHT but that he is "actually hired by the clients." In actual practice, the process does not work as Defendant represented to Plaintiff.

18. For each real estate transaction handled by AHT, AHT collects and disburses the proceeds. Defendant does not receive any funds from the borrower or the lender. After the conclusion of the transaction, AHT sends to Defendant his fee for legal

services as AHT disbursed any other funds such as lien payoffs and real estate broker commissions.

19. From 2016 through 2018, Defendant handled approximately 3,400 title searches for North Carolina clients of AHT.

20. Defendant's fee for his services to North Carolina clients of AHT was \$325.00 per closing.

21. Clients of AHT in whose closings Defendant participated did not choose Defendant to be their attorney; rather, AHT arranged for Defendant to provide legal services to them.

22. Kristin Miller is not an attorney and is not licensed to practice law in North Carolina.

23. Kristin Miller was identified on another website as being associated with AHT and providing attorney services.

24. V. Scarlett, a client of AHT, contacted Kristin Miller and asked to enlist her attorney services for a home purchase.

25. Kristin Miller replied to this request not with a statement that she was not an attorney or that AHT could not provide V. Scarlett with legal services, but with an affirmative offer to assist with the purchase of her new home.

26. V. Scarlett later learned that Defendant signed the title certification and purportedly provided the legal services necessary to complete V. Scarlett's transaction, despite the fact that V. Scarlett did not communicate with or choose Defendant and did not know of Defendant's existence or involvement in the transaction.

27. AHT may not provide legal services or the services of lawyers to its clients even if those services are performed by licensed North Carolina attorneys.

28. Defendant rarely communicated with parties to the real estate transactions for which he provided legal services. The parties to the real estate transaction for which Defendant provided legal services clients communicated with AHT and AHT, in turn, communicated with Defendant.

29. Defendant did not witness the execution of closing documents in most if not all real estate transactions for which he provided legal services to AHT clients.

30. Defendant rarely if ever visited the location of AHT to participate in real estate transactions for which he provided legal services.

31. In violation of N.C. Gen. Stat. § 84-5, Defendant allowed AHT to represent in its marketing and advertising that Defendant provides or provided legal services on behalf of AHT to AHT's customers.

CONCLUSIONS OF LAW

1. All parties are properly before the Hearing Panel and the Panel has jurisdiction over Defendant and the subject matter of this proceeding.

2. Defendant's conduct, as set out in the Findings of Fact above, constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) as follows:

- a) By providing legal services to North Carolina residents on behalf of AHT, Defendant aided AHT in the unauthorized practice of law in violation of Rule 5.5(f); and
- b) By accepting legal fees in an arrangement that promoted the unauthorized practice of law by AHT, Defendant collected illegal fees in violation of Rule 1.5(a).

Based upon the consent of the parties, the Hearing Panel also finds by clear, cogent, and convincing evidence the following:

ADDITIONAL FINDINGS REGARDING DISCIPLINE

1. The findings of fact and conclusions of law above are reincorporated as if set forth herein.

2. Defendant was admitted to the North Carolina State Bar in 2001 and has substantial experience in the practice of law.

3. Defendant has prior discipline in North Carolina: a 2009 Reprimand and a 2018 Admonition for conduct unrelated to the conduct in this matter.

4. The Hearing Panel has carefully considered all of the different forms of discipline available to it, including admonition, reprimand, censure, suspension, and disbarment, in determining the appropriate discipline to impose in this case.

Based upon the Findings of Fact, Conclusions of Law, and Additional Findings of Fact Regarding Discipline, and with the consent of the parties, the Hearing Panel also enters the following:

CONCLUSIONS REGARDING DISCIPLINE

1. The Hearing Panel has considered all of the factors enumerated in 27 N.C. Admin. Code 1B.0116(f)(1) of the Discipline and Disability Rules of the North Carolina State Bar and concludes that the following factors that warrant suspension or disbarment are present:

- a) elevation of Defendant's own interest above that of the client.

2. The Hearing Panel has considered all of the factors enumerated in 27 N.C. Admin. Code 1B.0116(f)(2) of the Discipline and Disability Rules of the North Carolina State Bar and concludes that no factors are present that would warrant disbarment.

3. The Hearing Panel has considered all of the factors enumerated in 27 N.C. Admin. Code 1B.0116(f)(3) of the Discipline and Disability Rules of the North Carolina State Bar and concludes the following factors are applicable in this matter:

- a) prior disciplinary offenses in this State;
- b) remoteness of one of the prior offenses;
- c) a pattern of misconduct;
- d) multiple offenses;
- e) cooperative attitude toward the proceedings;
- f) Defendant's degree of experience in the practice of law.

4. The Hearing Panel has considered lesser alternatives and finds that a reprimand or admonition would be insufficient discipline because of the significant potential harm to the administration of justice and the legal profession caused by Defendant's conduct.

5. The Hearing Panel has considered all forms of discipline available and finds that Defendant's conduct, in the context of this case, does not warrant a suspension of his law license or any greater degree of discipline.

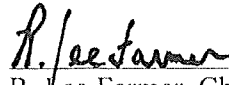
6. A censure is warranted because entry of an order imposing less severe discipline would fail to acknowledge the seriousness of the conduct and would send the wrong message to attorneys and the public about the conduct expected of members of the Bar of this State.

Based upon the foregoing Findings of Fact, Conclusions of Law, and Findings and Conclusions Regarding Discipline, the Hearing Panel enters the following:

ORDER OF DISCIPLINE

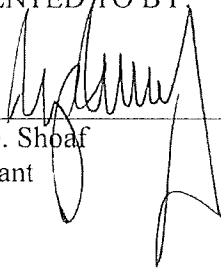
1. Defendant, Ryan D. Shoaf, is hereby Censured for his conduct.
2. Defendant is taxed with the administrative fees and costs of this action as assessed by the Secretary which Defendant shall pay within thirty days of service of the notice of costs upon Defendant.

Signed by the Chair with the consent of the other Hearing Panel members, this the 15th day of April, 2019.

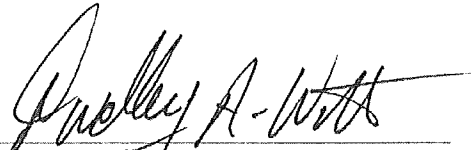


R. Lee Farmer, Chair
Disciplinary Hearing Panel

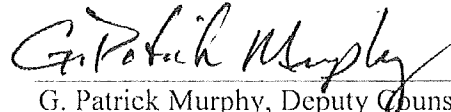
CONSENTED TO BY:



Ryan D. Shoaf
Defendant



Dudley A. Wirt
Attorney for Defendant



G. Patrick Murphy, Deputy Counsel
Attorney for Plaintiff
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