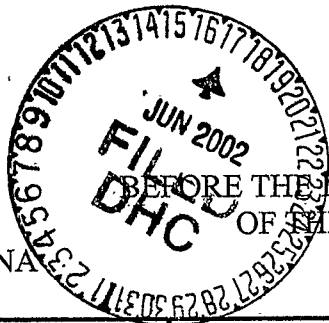


WAKE COUNTY  
NORTH CAROLINA



916  
BEFORE THE DISCIPLINARY HEARING COMMISSION  
OF THE NORTH CAROLINA STATE BAR  
01 DHC 5

THE NORTH CAROLINA STATE BAR,  
Plaintiff,

v.

DOUGLAS P. CONNOR,  
Defendant.

CONSENT ORDER  
OF DISCIPLINE

This matter came on to be considered by a duly appointed Hearing Committee of the Disciplinary Hearing Commission composed of Elizabeth Bunting, Chair; Fred H. Moody, Jr. and Lorraine Stephens pursuant to North Carolina Administrative Code, Title 27, Chapter 1, Subchapter B, §.0114(h). The parties stipulate and agree to the following Findings of Fact, Conclusions of Law, and Additional Findings of Fact Relevant to Discipline recited in this Consent Order and to the discipline imposed. The Defendant has agreed to waive formal hearing in the above-referenced matter. The parties stipulate that these matters may be resolved by the undersigned Hearing Committee, and that the Defendant further waives his right to appeal this Consent Order. The Hearing Committee therefore enters the following:

FINDINGS OF FACT

1. 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 North Carolina General Statutes and the Rules and Regulations of the North Carolina State Bar.

2. The Defendant, Douglas P. Connor (hereafter, Connor), was admitted to the North Carolina State Bar in 1964, and is, and was at all times relevant hereto licensed to practice law in North Carolina, subject to the rules, regulations, and Revised Rules of Professional Conduct of the North Carolina State Bar and the laws of the State of North Carolina.

3. During all periods referred to herein, Connor was actively engaged in the practice of law and maintained a law office in Mount Olive, North Carolina.

4. On November 6, 1992 another attorney filed Articles of Incorporation, forming Harold W. Hall, Inc. (hereafter, HWHI).

5. Sandra Hall and Harold Hall, who were then husband and wife, were the sole members of the initial board of directors of HWHI. Sandra Hall served as secretary-treasurer and Harold Hall served as president.

6. At the time of HWHI's incorporation, Harold Hall and Sandra Hall contemplated that each would receive a 50% interest in the corporation. Nevertheless, the stocks were not issued at the time of the incorporation of HWHI.

7. In 1996, Connor advised Harold Hall and Sandra Hall about tax problems they were experiencing as a result of the operation of their various businesses, handled a reorganization of HWHI, incorporated three spin off corporations for them and drafted a management contract for HWHI and two other corporations owned by the Halls.

8. On or about July 6, 1998, the Halls separated.

9. On or about July 6, 1998, Connor prepared a separation agreement for Sandra Hall and her husband, Harold Hall.

10. Sandra Hall did not have separate counsel when Connor prepared the separation agreement for the parties.

11. On or about July 7, 1998, at the direction of Harold Hall, Connor prepared stock certificates, giving 5 shares to Sandra Hall, 200 shares to Harold Hall and 5 shares to their daughter, Kristy Renee Hall. Connor backdated all the stock certificates to January, 1993.

12. On or about July 7, 1998, at the direction of Harold Hall, Connor also prepared minutes of HWHI, entitled "First Meeting of Incorporators and Stockholders of Harold W. Hall, Incorporated." The minutes indicated that a meeting was held and the following shares were given: Harold W. Hall, 200, Sandra Hall, 5, and Kristy Renee Hall, 5. The minutes did not reflect the date on which they were drafted or adopted but did disclose they were adopted "nunc pro tunc to January 15, 1993."

13. Sandra Hall was not present at any meeting where such a share allocation was discussed, nor did she consent to such a share allocation

14. Connor knew that it was not the Halls' original intent to allocate only 5 shares of HWHI stock to Sandra Hall and Connor also knew that Sandra Hall had not agreed to change the share allocation..

15. The issuance of HWHI stock and drafting of the minutes of the first stockholder meeting of HWHI were matters that were substantially related to legal matters which Connor had previously handled for Sandra Hall and Harold Hall jointly.

16. The interests of Sandra Hall and Harold Hall were adverse to one another regarding the issuance of HWHI stock and the drafting of the stockholder meeting minutes.

17. Sandra Hall did not consent to Connor's representation of Harold Hall in preparing the HWHI minutes and issuing HWHI stock.

18. Between July 6, 1998 and Sept. 4, 1998 the Halls attempted, unsuccessfully, to resolve their domestic differences amicably.

19. By letter dated September 4, 1998, Connor advised Sandra Hall that Harold Hall had engaged him to handle such domestic relations matters as separation, divorce, child custody, child, support, and equitable distribution.

20. Sandra Hall did not consent to Connor's representation of Harold Hall in the domestic relations matters.

21. Thereafter, Ms. Hall retained separate counsel and filed suit for equitable distribution, child custody and child support. Connor withdrew as domestic counsel for Mr. Hall, who also retained separate counsel.

22. The stock which Connor issued to Mr. Hall in 1998 and which was back dated to 1993 was never signed by the corporate secretary.

23. Pursuant to the order of equitable distribution entered in the Halls' domestic case on Jan. 27, 1999, Ms. Hall was awarded ownership of all stock in HWHI.

24. In July 1999, after the equitable distribution order was entered, Connor entered an appearance as counsel for Mr. Hall in a dispute which had arisen between the parties concerning the implementation of the equitable distribution order.

25. Ms. Hall and her attorney consented to Connor's participation as co-counsel in the July 1999 proceeding.

26. In August 1999, Connor filed a complaint for divorce for Harold Hall against Sandra Hall.

27. The action for divorce filed by Connor was substantially related to the separation agreement which Connor had previously drafted for the Halls jointly.

28. Although he did not obtain Ms. Hall's consent prior to filing the complaint for divorce on behalf of Mr. Hall, Connor mistakenly believed that she had waived the conflict of interest created by his appearance because she had consented to his appearance in the July 1999 litigation concerning the implementation of the equitable distribution order and because the divorce action was uncontested. Connor also

mistakenly relied on the fact that Ms. Hall's attorney did not object to his participation in the divorce action.

Based upon the consent of the parties and the foregoing Findings of Fact, the Committee makes the following:

#### CONCLUSIONS OF LAW

1. By representing Harold Hall against Sandra Hall in matters in which their interests were adverse and which were substantially related to matters concerning which Connor had represented Sandra Hall and Harold Hall jointly without first obtaining Sandra Hall's consent, Connor engaged in a conflict of interest in violation of Rule 5.1(d) of the Superseded Rules of Professional Conduct and/or Rule 1.9(a) of the Revised Rules of Professional Conduct.

2. By preparing stock certificates indicating that Sandra Hall held only 5 of 210 shares in HWHI when he knew that the Halls originally contemplated that she would take a 50% interest and when he knew that Sandra Hall had not agreed to alter the distribution, Connor engaged in a conflict of interest in violation of Rule 1.9(a) of the Revised Rules of Professional Conduct.

3. By preparing corporate minutes in 1998 that stated that a stockholders meeting had been held on Nov. 6, 1993 at which it was agreed that only 5 of 210 shares of HWHI would be issued to Sandra Hall and which implied that all of the shareholders were present when he knew that no such meeting was ever held, Connor engaged in conduct involving a misrepresentation in violation of Rule 8.4(c) of the Revised Rules of Professional Conduct.

Based upon the consent of the parties, the Committee hereby enters the following:

#### ADDITIONAL FINDINGS OF FACT RELEVANT TO DISCIPLINE

1. Connor's misconduct is aggravated by the following factors:

a. substantial experience in the practice of law

2. Connor's misconduct is mitigated by the following factors:

a. good character or reputation

b. no prior discipline

c. Ms. Hall was not financially harmed by Connor's misconduct.

d. The conflict of interest created by Connor's appearance in the divorce case in August 1999 was caused at least in part by his mistaken belief that Ms. Hall had previously consented to his involvement in all aspects of the Halls' domestic action.

3. The mitigating factors outweigh the aggravating factors.

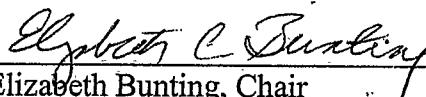
Based upon the consent of the parties and the foregoing Findings of Fact, Conclusions of Law, and Additional Findings of Fact Relevant to Discipline, the Committee hereby enters the following:

#### ORDER OF DISCIPLINE

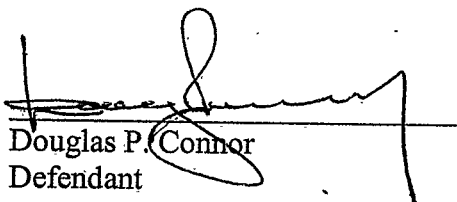
1. The Defendant, Douglas P. Connor, shall be suspended from the practice of law in North Carolina for one year, effective 30 days from the date of service of this order upon him.
2. The one-year suspension is stayed for one year, based upon the following conditions:
  - a. Connor shall respond to all letters of notice and requests for information from the North Carolina State Bar by the deadline stated within the communication.
  - b. Connor shall not violate any of the Revised Rules of Professional Conduct during the period of the stay.
  - c. Connor shall not violate any laws of the State of North Carolina or of the United States during the period of the stay.
3. Connor shall pay the costs of this proceeding within 90 days after service of the disciplinary order upon him.

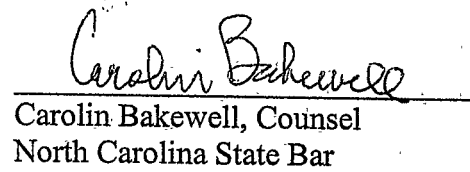
This the 5<sup>th</sup> day of June, 2002.

Signed by the Chair of the Hearing Committee with the consent of the other Hearing Committee members.

  
Elizabeth Bunting, Chair  
Disciplinary Hearing Committee

Seen and consented to:

  
Douglas P. Connor  
Defendant

  
Carolin Bakewell, Counsel  
North Carolina State Bar