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NORTH CAROLINA

WAKE COUNTY

BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF THE
NORTH CAROLINA STATE BAR
91 DHC 4

THE NORTH CAROLINA STATE BAR, Plaintiff,	)	
vs.	)	FINDING OF FACTS AND CONCLUSIONS OF LAW
GEORGE COLLIE, ATTORNEY Defendant.	)	

THIS MATTER coming on before the undersigned Hearing Committee of the Disciplinary Hearing Commission pursuant to Sec. 14A of Article IX of the Rules and Regulations of the North Carolina State Bar; Plaintiff in this case was represented by A. Root Edmonson, and the Defendant was represented by Gary L. Murphy, of the Mecklenburg County Bar. Based upon the evidence, the prehearing stipulations, and the pleadings, the Committee makes the following FINDING OF FACTS:

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, and the Rules and Regulations of the North Carolina State Bar promulgated thereunder.

2. The Defendant, George Collie, was admitted to the North Carolina State Bar in 1967, and is, and was at all times referred to herein, an Attorney of Law licensed to practice in North Carolina, subject to the rules and regulations, Rules of Professional Conduct of the North Carolina State Bar and the laws of the State of North Carolina.

3. During all of the perods referred to herein, Defendant was actively engaged in the practice of law in the State of North Carolina and maintained a law office in the City of Charlotte, Mecklenburg County, North Carolina.

4. On March 1, 1978, Defendant was retained by Bobbie Jean Hewett to represent her husband's estate in a wrongful death suit. Defendant negotiated a favorable settlement on behalf of Ms. Hewett as the personal representative in her husband's estate.

5. In July 1979, Ms. Hewett executed a revokable trust agreement naming Defendant as trustee . On July 5, 1979, Ms. Hewett delivered $150,000 to Defendant to be invested at his discretion as trustee of the revokable trust.

6. In July 1979, Defendant opened a separate trust account at NCNB, account number 001509249, in his name as trustee for the benefit of Bobbie Jean Hewett.

7. Defendant also opened an investment account at Interstate Securities in his name as trustee for the benefit of Bobbie Jean Hewett.

8. All withdrawals from the Intersate Securities account were deposited into the trust account at NCNB except a $6,000 withdrawal on September 5, 1979.

9. The $6,000 withdrawal on September 5, 1979 was paid to Robert Wilkinson from whose corporation Defendant was purchasing a duplex for the benefit of Ms. Hewett.

10. Robert Wilkinson was a friend of Defendant and also was a client or former client of Defendant.

11. On October 15, 1979, Defendant wrote check number 105 from the trust account to Armcorp, Inc., a corporation owned in part by Robert Wilkinson, in the sum of $14,500.

12. On October 15, 1979, Robert Wilkinson executed a deed as president of Armcorp, Inc. to George C. Collie, trustee for Bobbie Jean Hewett conveying real property as described in the deed. This deed was recorded in the Mecklenburg County Register of Deeds Office on October 22, 1979.

13. Defendant's January 24, 1980 accounting to Ms. Hewett of the status of the trust as of December 31, 1979 reported the cost basis of the duplex described in the aforementioned deed as being $14,500. He listed the fair market value of the duplex at $17,000 in that accounting.

14. The January 24, 1980 accounting further listed 600 shares of Armcorp, Inc., stock at a cost basis of $6,000 as an asset of the trust. No shares of stock actually ever changed hands. The reflection of $6,000 in Armcorp, Inc. stock in the January 24, 1980 accounting was not a truthful disclosure. The payment of $6,000 in cash was for the purpose of aiding Robert Wilkinson in avoiding tax obligations.

15. The records of the Secretary of State of the State of North Carolina reflect that Armcorp, In. was chartered on October 1, 1975 and suspended on April 28, 1978. Defendant was the incorporator of Armcorp, Inc. Armcorp, Inc. was suspended in April 1978 from doing further corporate business, and the defendant was aware of such.

16. Defendant's February 11, 1981 accounting to Bobbie Jean Hewett for calendar year 1980 listed the asset value of the duplex as $18,000. The Armcorp Inc. stock was not listed on that accounting either as an asset or as an amount gained or lost on the sale of that stock.

17. By deed dated October 8, 1981, Defendant, as trustee for Bobbie Jean Hewett deeded the duplex to Warren B. Rogers and wife.

18. On October 22, 1981, Defendant deposited $14,347.64 into the Hewett trust account as the net proceeds of the sale of the duplex.

19. Out of those proceeds, Defendant wrote a check to Robert Wilkinson in the amount of $1,000 as a commission on the sale. This check was number 201 on the Hewett trust account.

20. Defendant reported the $370 interest on the accounting he gave to Ms. Hewett for calendar year 1980 dated February 11, 1981.

Based upon the foregoing Findings of Fact, the Hearing Committee makes the following Conclusions of Law:

1. That by failing to adequately report the purchase of the duplex from Armcorp, Inc. on the accounting provided to Ms. Hewett in January, 1980, the Defendant engaged in conduct involving deceit and misrepresentation, in violation of DR1-102(A)(4), and knowingly made a false statement of fact, in violation of DR7-102(A)(5).

2. That Plaintiff has failed to prove by clear, cogent and convincing evidence the other charges against the Defendant in the complaint, and the same are dismissed.

Signed by the Chairman with the consent of all Committee members.

This the 2 day of August, 1991.

Robert C. Bryan
Chairman

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NORTH CAROLINA

WAKE COUNTY

BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF THE
NORTH CAROLINA STATE BAR
91 DHC 4

THE NORTH CAROLINA STATE BAR, Plaintiff,	)	
vs.	)	ORDER OF DISCIPLINE
GEORGE COLLIE, ATTORNEY Defendant.	)	

This cause was heard by a Hearing Committee of the Disciplinary Hearing Commission consisting of Robert C. Bryan, Chairman; Fred Folger, Jr. and Emily W. Turner on 2 August 1991. Based upon the Finding of Facts and Conclusions of Law, the Hearing Committee enters the following:

ORDER OF DISCIPLINE

1. The Defendant, George Collie, is hereby publicly reprimanded for violation of DR1-102(A)(4) and DR7-102(A)(5).

2. The Defendant shall pay the costs of this proceeding.

Signed by the Chairman with the consent of all Committee members.

This the 7 day of August, 1991.

Robert C. Bryan
Chairman

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NORTH CAROLINA

WAKE COUNTY

BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF THE
NORTH CAROLINA STATE BAR
91 DHC 4

THE NORTH CAROLINA STATE BAR, Plaintiff,	)	
vs	)	PUBLIC REPRIMAND
GEORGE COLLIE, ATTORNEY Defendant.	)	

This Reprimand is delivered to you pursuant to Sec. 23A of Article IX of the Rules and Regulations of the N. C. State Bar as ordered by a Hearing Committee of the Disciplinary Hearing Commission.

In July 1979, you represented Ms. Bobbie Jean Hewett to prepare and execute a revokable trust agreement naming you as trustee. On July 5, 1979 Ms. Hewett delivered to you $150,000 to be invested at your discretion as trustee of the revokable trust. You also opened an investment account at Interstate Securities in your name as trustee for the benefit of Bobbie Jean Hewett.

In September 1979, you purchased on behalf of Ms. Hewett for investment purpose, two duplexes for a total purchase price of $20,500.00. You wrote a check from the trust account to Armcorp, Inc. for said duplexes in the amount of $14,500. You also withdrew from the trust account at NCNB the sum of $6,000, which you paid to the seller, a friend of yours and an officer in Armcorp, Inc., in cash. You did this knowingly for the purpose of aiding the seller, at his request, to accomplish his individual purpose. You listed the $6,000, which you paid to the seller, as a purchase price of 600 shares of Armcrop, Inc. in a statement to Ms. Hewett on January 24, 1980. As a matter of fact, you did not purchase 600 shares of Armcorp, Inc. Armcorp, Inc. was suspended in April of 1978 from doing further corporate activities.

You failed to advise Ms. Hewett of the payment of $6,000 to the seller, and in all correspondance with her, you led her to believe that she was the owner of 600 shares of Armcorp, Inc. stock when such was not the case.

By failing to adequately report the total purchase price of the duplex from Armcorp, Inc. to Ms. Hewett in the January 1980 accounting to her, and for failing thereafter to explain the full purchase price of the duplex to her, you engaged in conduct involving deceit and mispresentation in violation of DR1-102A(4), and you knowingly made

a false statement of fact, in violation of DR7-102A(5) of the North Carolina Code of Professional Responsibility.

You are hereby publicly reprimanded by the North Carolina State Bar for violation of the rules of professional conduct set out above.

The Disciplinary Hearing Committee trusts that this public reprimand will be heeded by you, that it will be remembered by you, and that it will be beneficial to you. This Committee trusts that you will never again allow yourself to depart from the adherence to the high ethical standards of the legal profession. In order to remain a respected member of the legal profession whose conduct may be relied upon without question, you must in the future carefully weigh your responsibility to the public, your clients, your fellow attorneys and the courts. The Disciplinary Hearing Committee expects that no professional misconduct will occur in the future.

Signed by the Chairman with the consent of all Committee members.

This 2 day of August, 1991.

Robert C. Bryan,
Chairman

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