

MEMORANDUM

To: Gary Loflin, Chair  
North Carolina Bar Association Real Property Section Consumer Protection  
Committee (“Committee”)

CC: Robert Allen, Chair, Real Property Section  
RPS Section Council Officers  
RPS Consumer Protection Committee Members

From: Benjamin R. Kuhn, Consumer Protection Counsel

Re: Summary of Recent Items of Interest and Update

Date: May 29, 2009

**I. Authorized Practice Committee Meeting (April 22, 2009)**

The State Bar Authorized Practice Committee met in Raleigh on April 22, 2009. Attached as Exhibit A hereto is a copy of the minutes of the AP Committee meeting. Below is a list of the real estate related matters on the agenda which were referred by the Consumer Protection Committee, which include:

- **09AP0001 – Stephen A. Winter (RPS File 5017.132)**: Georgia attorney organizes a North Carolina real property development company and prepares restrictive covenants and organizes the homeowners' association for the North Carolina development. The State Bar AP Committee issued a Letter of Caution to Respondent dated May 8, 2009.
- **06AP0089 – American Title, Inc. (RPS File 5017.148)**: Out of state “title” company offers to provide residential real estate closings nationwide and provide title search reports in North Carolina. The State Bar AP Committee issued a Letter of Caution to Respondent.
- **08AP0089 – Synergy Title Services, LLC (RPS File 5017.122)**: Out of state based title insurance agency conducts its own examination of title and prepares legal documents, including deeds from sellers to buyers, from an office in North Carolina. The State Bar AP Committee issued a Cease and Desist letter to Respondent dated May 8, 2009.

- **08 AP0103 - Leila Hansen (RPS File 5017.130)**: Nevada Attorney operating a business by the name of uDeed offering to provide and providing deeds and other legal documents in individuals and mortgage lenders in NC. The State Bar AP Committee issued a Cease and Desist letter to Respondent dated May 8, 2009.
- **08AP0030 – Single Source Real Estate Services, Inc. (RPS File 5017.049)**: Title insurance agent advertises that it can close residential real estate loan transactions. Single Source was previously issued a Letter of Caution by the State Bar dated November 1, 2006 (05AP0019). See <http://yourslingshot.wordpress.com/authorized-practice/cd-letters/state-bar-cease-and-desist-loc-letter-to-single-source-05ap00191/>. The State Bar AP Committee issued another Letter of Caution to Respondent dated May 8, 2009. This is the third Letter of Caution issued to Single Source by the State Bar AP Committee.
- **08AP0088 – Quality Abstract Service (RPS File 5017.119)**: Respondent offers title search and abstracting services to the public. The State Bar AP Committee issued a Cease and Desist letter to Respondent dated May 8, 2009.
- **08AP0016 – Search 2 Close (RPS File 5017.113)**: Out of state "title" company with a Charlotte office holds itself out as able to close residential real estate loans by engaging an attorney to certify title and prepare legal documents. The State Bar AP Committee issued a Letter of Caution to Respondent dated May 8, 2009.
- **07AP0110 – American Home Closings (RPS File 5017.077)**: Title insurance agency holds itself out as capable of providing real estate closings and identified itself on HUD-1's as collecting fees for title searches and document preparation. The State Bar AP Committee issued a Letter of Caution letter to Respondent dated May 8, 2009. The State Bar in its letter clarified to Respondent that their business is not legally permitted to "provide the services of attorneys by arranging for or controlling or directing the attorney provided services for the parties to the real estate transaction, including the title search and opinion and the legal document preparation." The State Bar AP Committee issued a Letter of Caution to Respondent dated May 8, 2009.
- **07AP0097 – US Land Title (RPS File 5017.111)**: Business company offers to provide title search services to lenders and close real estate transactions between REO sellers and buyers by arranging for North Carolina attorneys for the sellers. The AP Committee continued this matter until the next quarterly meeting in July, 2009.
- **08 AP0069 – Triad Title Searching (RPS File 5017.112)**: Respondent operates a business and maintains a website under the name Triad Title Searching and offers to provide title searches to mortgage lenders and brokers, including limited searches and a "full title search." The company's website also stated that they "determine that the title to the property is free and clear of all encumbrances that could affect the use

and/or value of the property.” Respondent advised the State Bar they are closing their business, and at last check, the company’s website ([www.triadtitlesearching.com](http://www.triadtitlesearching.com)) was not accessible. The State Bar AP Committee issued a Letter of Caution to Respondent dated May 8, 2009.

## II. New Investigation Files Opened Since Last Quarterly Report in January 2009

- A. **American Title - 5017.148**: Consumer protection inquiry regarding “Save Your Home” program and services offered in NC by Florida based company. Pending and under investigation by Consumer Protection Counsel.
- B. **Eric C. Darden/Renaissance Development - 5017.149**: Consumer protection inquiry regarding alleged mortgage fraud. Matter is pending and under investigation by Consumer Protection Counsel.
- C. **The Property Liquidator - 5017.150**: Consumer protection inquiry regarding alleged or potential UPL. Matter is pending and under investigation by Consumer Protection Counsel.
- D. **Service Link - 5017.151**: Consumer protection inquiry regarding alleged or potential UPL. Matter is pending and under investigation by Consumer Protection Counsel.
- E. **Carolina Mobile Closings - 5017.152**: Consumer protection inquiry regarding alleged or potential UPL. Matter is pending and under investigation by Consumer Protection Counsel.
- F. **Title Source, Inc. - 5017.153**: Consumer protection inquiry regarding alleged or potential UPL. Matter is pending and under investigation by Consumer Protection Counsel.
- G. **Widmer Closing Services - 5017.154**: Consumer protection inquiry regarding alleged or potential UPL. Matter is pending and under investigation by Consumer Protection Counsel.
- H. **Adelman Smith & Carter - 5017.155**: Consumer protection inquiry regarding alleged or potential UPL. Matter is pending and under investigation by Consumer Protection Counsel.

END OF CONSUMER PROTECTION COUNSEL REPORT

## EXHIBIT A MINUTES OF AP COMMITTEE MEETING (4.22.09)

### **AUTHORIZED PRACTICE COMMITTEE**

April 22, 2009

The Authorized Practice Committee met on Wednesday, April 22, 2009 at 2:00 p.m. in the University BC meeting room of the Marriott Raleigh City Center, Raleigh, North Carolina. Members of the Committee attending were Joshua W. Willey, Jr., Chair; David W. Long, Vice-Chair; Julius E. Banzet, III; John A. Bowman; W. Edward Bunch; John H. Byrd; Nelson M. Casstevens, Jr.; William M. Claytor; R. Lee Farmer; Nancy S. Ferguson; J. Nick Fountain; Sidney J. Hassell, Jr.; F. Fincher Jarrell; Margaret McCreary; Joseph G. Maddrey; Mark W. Merritt; Steven H. Messick; William R. Purcell; Jimmy D. Reeves; Sally H. Scherer; John M. Silverstein; G. Gray Wilson; Lissa L. Broome; Louise Paglen; Celia A. Pistolis; and Harriet F. Worley. Also attending were staff counsel David Johnson and Fern Gunn Simeon, counsel Katherine Jean, staff investigator Scott Perry, and staff assistant Becky Carroll. Guests attending the meeting were Austin Chestnut, Reid L. Phillips, Robert Simpson, Don Lampe, John Akins, Douglas Brocker, Ben Kuhn, JoAnn Knorr, and Darryl Noren.

The Chair called the Committee to order at 2:02 p.m. The Chair informed the Committee members of their duty to avoid conflicts of interest and inquired of the members if anyone knew of any personal conflicts with respect to matters on the agenda in accordance the State Ethics Act. In accordance with the requirements of the act, the following members reported their recusals on these agenda items:

- Harriett Worley: Agenda Items 22 and 32 (08AP0034 – Morgan Drexen and 08AP00111 – Quality Recreational Services)
- Nancy Ferguson: Agenda Items 47, 51, and 56 (08AP0016 – Search2Close, 07AP0097 – US Land Title, and 07AP0001 – Don Laney dba Trinity Title)
- Josh Willey: Agenda Item 33 (06AP0089 – American Title, Inc.)

While in open session the Committee took action by majority vote of the members present as follows:

#### **A. Letters of Caution Issued**

1. 08AP0028 – Financial Soundings: Financial planning website offers to prepare wills and other estate planning documents using an interactive software program.

2. 09AP0003 – R. Michael Flanders: Father of the owner of a small business prepares and serves interrogatories on behalf of the business in a small claims action as the "Financial Counsel" for the business.
3. 09AP0002 – Julie Moreno: Accountant who provides accounting services to Hispanics allegedly prepared articles of incorporation for the businesses of her clients.
4. 08AP0114 – Lorena Romero dba L&L General Services: Spanish language interpreter is preparing an immigration form for another.
5. 08AP0042 – Latin American Service: Business is listed in online telephone directories under "Immigration Law Attorneys" and "Immigration & Naturalization Consultants."
6. 08AP0076 – Jennifer Crigler: Self-described paralegal places an ad on craigslist.org offering to handle immigration matters.
7. 09AP0001 – Stephen A. Winter: Georgia attorney organizes a North Carolina real property development company and prepares restrictive covenants and organizes the homeowners' association for the North Carolina development.
8. 07AP0095 – Angelica Zapata: Spanish language interpreter is alleged to solicit business from Hispanic defendants in District Court on behalf of a lawyer.
9. 08AP0111 – Quality Recreational Services, LLC: Timeshare resale broker prepares deeds conveying property from the seller to the eventual buyer and claims to offer to facilitate sales through its "licensed in-house attorney."
10. 06AP0089 – American Title, Inc.: Out of state "title" company offers to provide residential real estate closings nationwide and provide title search reports in North Carolina.
11. 08AP0074 – James E. Jones: Individual distributes business card identifying himself as an attorney. The Committee also referred the matter to the DA.
12. 09AP0019 – Tarasa (Kenner) Ford: Individual posts an ad on craigslist offering to help others prepare their "divorces."
13. 09AP0029 – O'marr Reid: Individual signs a pro se legal pleading identifying himself as a "legal specialist."
14. 08AP0030 – Single Source Real Estate Services, Inc.: Title insurance agent advertises that it can close residential real estate loan transactions.

15. 09AP0015 – John Leaberry: Out of state attorney attempts to expand his practice to North Carolina by associating "local counsel" on a systematic and continuous basis.
16. 08AP0066 – Brian Poe dba Expungement Assistance Services: Out of state business purports to prepare petitions to expunge the records of criminal offenses for North Carolina customers.
17. 08AP0097 – James Populorum: Individual advertises under the trade name "Legal Assistance Services" and offers to provide an "attorney approved" living will.
18. 08AP0038 – Martha Irma Diaz: Respondent operated a Spanish translation service and accompanied customers to court.
19. 08AP0078 – Ashwini Pathak: Respondent advertised on craigslist that he could provide wills and powers of attorney.
20. 08AP0016 – Search 2 Close: Out of state "title" company with a Charlotte office holds itself out as able to close residential real estate loans by engaging an attorney to certify title and prepare legal documents.
21. 07AP0110 – American Home Closings: Title insurance agency holds itself out as capable of providing real estate closings and identified itself on HUD-1's as collecting fees for title searches and document preparation.
22. 08AP0069 – Margaret Tobin: Respondent advertises that she is able to provide title abstracts and an opinion of title on real property.

#### **B. Letter of Caution to Cease and Desist**

1. 09AP0007 – James Brian Stevenson: Respondent is holding himself out as an attorney and helped at least one person prepare a court motion for pro se filing. The Committee also referred the matter to the DA.
2. 08AP0090 – Jay Vincent: Individual attempts to intervene on behalf of homeowners by preparing documents that purportedly convey the property to a trust and appearing in court on behalf of the trust. The Committee also voted to refer the matter to the DA and the federal authorities investigating mortgage fraud.
3. 08AP0089 – Synergy Title Services, LLC: Out of state based title insurance agency conducts its own examination of title and prepares legal documents, including deeds from sellers to buyers, from an office in North Carolina.
4. 08AP0103 – Leila Hansen: Nevada attorney is preparing deeds for North Carolina residential real estate loans.

5. 08AP0088 – Quality Abstract Service: Respondent offers title search and abstracting services to the public.

### **C. Complaints Dismissed**

1. 09AP0011 – LaKiesha Ingram: Out of state attorney prepares a motion for a client to file pro se in a North Carolina proceeding.

2. 09AP0005 – Maxwell Herrington: Risk manager for a hospital is alleged to have held himself out as an attorney.

3. 09AP0027 – Robertson & Anschutz: Out of state law firm provides lender with the results of a "high cost calc test" for a Texas lender providing a loan in North Carolina.

4. 08AP0031 – Bill McFadden dba Immigrants Assistance Service: Respondent provides services to Hispanic immigrants.

5. 08AP0041 – Su Mano Amiga: Business catering to Hispanics continues to advertising immigration consulting services after receiving a letter of caution.

6. 08AP0043 – JoAnn G. Knorr: Recently divorced spouse offers through craigslist to prepare legal documents related to divorce for others based on her documents.

### **D. Files Closed with No Action**

1. 07AP0001 – Don Laney dba Trinity Title: Title insurance agent prepares closing documents and conducts residential real estate closings for others but has since closed business.

2. 09AP0020 – Amy Russell: Nonlawyer places advertisement on craigslist offering to prepare "divorce kits."

3. 08AP0109 – William G. Vehlewald: Respondent posted an advertisement offering to prepare legal documents under "Legal Services" in the Greensboro craigslist website.

### **E. Prepaid Legal Plans**

1. The Committee accepted the registrations of the following prepaid legal service plans:

- Family (Life Events) Plan
- Law Officers Plan
- Business Plan
- Commercial Drivers Plan
- Home Based Business Plan

- Self Employed Plan
- Comprehensive Group Plan
- Real Estate Plan
- Primerica Legal Plan
- Primerica Business Plan
- i-Plan
- Legal Shield Plan
- Legaline Plan
- 210 Family
- 210 D
- Professional Legal Plans
- Hyatt Legal Plans Estate Resolution Services

2. The Committee voted to accept the registration of the amendment to the American Heritage Pre-Paid Legal Services Plan

3. The Committee continued consideration of My Family Plan, which submitted changes to the plan one week before the meeting.

4. The Committee noted that two plans submitted by Prepaid Legal Services for registration identified in association with LegalZoom were withdrawn by Prepaid Legal Services before the meeting.

#### **F. Other**

1. The Committee voted to continue any consideration of 08AP0034 – Morgan Drexen until July 2009 with the understanding that the firm had reached an accord with the Attorney General.

2. The Committee voted to refer 09AP0035– Shelley F. Bennett, a former INS officer who is preparing immigration petitions and applications for others, to the DA. The Committee had previously issued a cease & desist letter. There was evidence that Bennett may have left the state, but continues to have relatives in North Carolina and could return.

3. The Committee voted to continue consideration of 07AP0097 – US Land Title, a Georgia business company that offers to provide title search services to lenders and close real estate transactions between REO sellers and buyers in anticipation of receiving additional information from the company that recently retained local counsel.

4. The Committee voted to go into closed session pursuant to N.C. Gen. Stat. § 143-318.11(a)(3) to receive advice of counsel on the impact of a recent Massachusetts court decision on potential litigation involving complaints concerning real property settlement companies. The closed session began at 4:10 pm upon motion duly made and seconded and ended at 4:15 upon motion

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duly made and seconded. The Committee also received updates on the status of two pending litigation items during the session. No actions were taken by the Committee in closed session.

There being no further matters before the Committee, the Committee adjourned at 4:16 p.m. on April 22, 2009.

Joshua W. Willey, Jr., Chair  
Authorized Practice Committee