Spring is here! The flow- ers are blooming, the trees are budding, the temperatures are rising, and the fraudsters are diligently working on new scams. Fraud via the internet is here to stay, and real estate closings are a favorite, and quite profitable, target. Time pressure, last minute changes, swift movement of funds in and out of the account from multiple sources to multiple accounts – it’s a fraud- ster’s dream come true. Protecting against fraud has become a critical element of our practice, and it is vital that dirt lawyers stay informed about the ever-evolving schemes, and update and refine their procedures to prevent loss. But one of the critical elements that lawyers sometimes forget in the stress and pressure of our practice is keeping our staff educated about the latest ploys.

We have all heard about fraudulent wiring instructions, and we know the measures to pro- tect ourselves and our clients, but the fraudsters are getting bolder and more sophisticated.

Recently, I attended the annual meetings of North Carolina Land Title Association and RELANC, two key partners of our section. Both meetings included detailed presentations and stern warnings about fraud – from fraudulent transfer deeds, complete with fake notarization, to last minute changes to wiring instructions in

“At twenty years of age, the will reigns; at thirty, the wit; and at forty, the judgment.” —Benjamin Franklin

By Garrett Walker

A very wise, long-time professor of property law at the UNC School of Law taught his students that to understand where the law is and where it is going one needs first to understand its origins and the path it took to the present. Such is the case with the Real Property Section of the North Carolina Bar Association. This year at the Annual Meeting in May the section will recognize the 40th year of its existence. Anniversaries, particularly 40th anniversaries, are a time for reflection — a time to examine the triumphs and challenges of the past, to take stock of the present and to plan for the future. As a part of the celebration of our 40th anniversary, the CLE program will include a panel of four former chairs of the section who will discuss some of the topics and issues of interest to the section and its membership in the first 40 years of its existence and how those issues and the section's responses to them help explain where we are now and where we are headed.

The materials accompanying the panel discussion will include a brief history discussing why the section was created, who was involved in its creation and what they sought to accomplish. The history will include a year-by-year catalog of the major activities and accomplishments of the section. In order to recognize and celebrate the service and commitment of the many section members who expended their time and talents in promoting the section and its activities, the materials include a year-by-year listing of the officers of the section and the mem- bers of the council. To add depth and additional insight about the formation of the section, an article entitled "The Real Property Section: Remembering the Beginnings" written by D. G. Martin, the first chair of the section, on the occasion of the section's 25th anniversary, is included. Personal reflections from Woody Har- rison Jr., the sixth chair of the section, and from Margaret Shea Burnham, the 21st chair of the section and the first women to serve as chair of the section, are also included. So that section members may explore for themselves the major topics
Blockchain and Real Estate

By Thomas Brooke

In recent years, emerging technologies like blockchain have become a topic of significant discussion by lawyers, not only as a regulatory concern, but also as an opportunity to move the practice of law in new directions. We have all read about the rise of Bitcoin and we have heard about how JP Morgan, IBM and even Facebook are looking at blockchain. Given blockchain technology's prevalence and complexity, the North Carolina Bar Association’s Future of Law Committee has continued to study blockchain and its use cases in the law. As described in the Future of Law Committee’s inaugural report, “[a]t its core, blockchain technology is software that enables transactions on a publicly accessible, immutably distributed ledger.” This technology has the potential “to severely curtail the need for intermediaries such as financial institutions, title registries, and a host of other ‘trusted agents,’ at least in their current form.”

The good news is that real estate law practitioners already have a leg up when it comes to blockchain technology and most of you probably haven’t even realized it. As real estate practitioners, our lives revolve around a single trusted ledger, the register of deeds. All of our homes and businesses depend on the integrity of the records in the register of deeds. The register of deeds is elected and bonded to promote trust. We totally trust the register of deeds system and we have taken extreme measures to insure it remains trustworthy.

In his paper: Bitcoin: A Peer-to-Peer Electronic Cash System, “Satoshi Nakamoto,” the name used by the person(s) who developed bitcoin, said “What is needed is an electronic payment system based on cryptographic proof instead of trust, allowing any two willing parties to transact directly with each other without the need for a trusted third party.” What if we applied this to the register of deeds? Can we replace the trust we have in the register of deeds position with “a system based on cryptographic proof”? Suppose the County Commissioners decided, as a cost saving measure, to eliminate the register of deeds position and move to blockchain? The first step would be to convert the existing system into an immutable ledger. Each record or deed is already timestamped as it is given to everybody. No one is in control, no one can tamper with the records, it can’t be lost or broken. The first one to solve the puzzle gets a reward and the transaction gets added to the blockchain and we now have a new blockchain that is given to everybody. No one is in control, no one can tamper with the records, it can’t be lost or broken.

Now someone decides to sell their house. How do you add the transaction to the ledger? Satoshi solved this problem. Anyone can simply add a transaction to their copy of the ledger and send it out to everybody else. A race begins as everybody tries to add the new transaction to the chain of records by solving a computational intense puzzle. If someone else enters a conflicting transaction it will be taken up as part of the race but there will be only one winner. The first step would be to convert the existing system into an immutable ledger. Each record or deed is already timestamped as it is given to everybody. No one is in control, no one can tamper with the records, it can’t be lost or broken.

Welcome to the world of blockchain, an idea that can shake the foundations of the way we do business. At the annual meeting we will be exploring how blockchain impacts real estate transactions, real estate financing, real estate listings and the register of deeds.