

FILED

STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE

WAKE COUNTY

2014 FEB 28 PM 2:20

SUPERIOR COURT DIVISION

FILE NO.: 14 CVS 581

THE NORTH CAROLINA STATE BAR,

Petitioner

v.

LENA WATTS-ROBINSON, Attorney,

Respondent

ORDER OF
PRELIMINARY INJUNCTION

THIS MATTER was heard by the undersigned Judge of the Superior Court of Wake County on Monday, 17 February 2014, Tuesday, 18 February 2014 and Wednesday, 19 February 2014 on motion of Petitioner, the North Carolina State Bar ("State Bar"). Petitioner was represented by Leonor Bailey Hodge. Respondent, Lena Watts-Robinson, appeared *pro se*. Based upon the evidence presented at the hearing, the Court makes the following:

FINDINGS OF FACT

1. Respondent, Lena Watts-Robinson ("Watts-Robinson"), was licensed to practice law in North Carolina in 2006.
2. Watts-Robinson practices law in Charlotte and Gastonia, North Carolina. The State Bar's membership database shows the following address for Watts-Robinson: 1882 S. New Hope Road, #550271, Gastonia, NC 28054.
3. From 1 January 2011 through 29 November 2013, Watts-Robinson received and disbursed entrusted funds on behalf of clients.
4. From 1 January 2011 through 14 October 2011, Watts-Robinson deposited these entrusted funds into her Wachovia Business High Performance Money Market Account ending in no. 6677 ("Wachovia 6677"). Watts-Robinson also disbursed entrusted funds from this account.
5. The owner of Wachovia 6677 was listed on each bank statement as: "Law Office of Lena Watts-Robinson, Lena Watts-Robinson, Trust Account IOTA."
6. Wells-Fargo Bank acquired and/or merged with Wachovia Bank.
7. As a result of the change in bank ownership, beginning on or about 15 October 2011 the title of Wachovia 6677 changed to Wells Fargo Business Performance Savings Account ending in no. 6677 ("Wells Fargo 6677"). Thus, after 15 October 2011,

Watts-Robinson deposited entrusted funds into and disbursed entrusted funds from Wells Fargo 6677.

8. There was no reference to "trust account" or "IOTA" on the bank statements for Wells Fargo 6677.

9. Interest was earned on the deposits Watts-Robinson made into the Wachovia 6677 and Wells Fargo 6677 accounts. However, none of the interest earned on these accounts was disbursed to IOLTA or to the clients on whose funds the interest was earned.

10. Watts-Robinson made several disbursements of legal fees to herself from Wells Fargo 6677 by electronic transfer that did not indicate on the item the client balance from which the disbursement was made.

11. Watts-Robinson was retained by Louis Billips ("Billips") in or about February 2009 to represent him in an employment discrimination matter. Watts-Robinson and Billips entered into an hourly fee agreement at that time.

12. Later during the representation in May 2012, Billips and Watts-Robinson entered into a contingent fee agreement for her representation of him in the employment discrimination matter.

13. On 8 August 2011 the Honorable David C. Keesler, Magistrate Judge for the United States District Court for the Western District of North Carolina entered an order in the matter of Billips v. NC Benco Steel, Inc., Civil Action No. 5:10-CV-095-RLV-DCK imposing a \$2,500.00 sanction against Watts-Robinson "because she impeded, delayed, and frustrated the fair examination of her client."

14. On 22 May 2012, the Honorable Richard L. Voorhees, United States District Judge affirmed the order imposing sanctions against Watts-Robinson.

15. Watts-Robinson was personally responsible for payment of the \$2,500 sanction. It was not the responsibility of Billips.

16. On or about 28 May 2013, Watts-Robinson received three checks on behalf of Billips in settlement of his case: a check made payable to Billips in the amount of \$3,067.50; a check made payable to Billips in the amount of \$96,011.92; and a check made payable to Law Offices of Lena Watts-Robinson, PA in the amount of \$83,998.08.

17. Watts-Robinson deposited the \$83,998.08 made payable to her into her business operating account.

18. On 3 June 2013, she returned the \$96,011.92 check payable to Billips under cover of letter that requested that this check be reissued made payable to either:

“Law Office of Lena Watts-Robinson OR Louis Billips” or “Law Office of Lena Watts-Robinson on behalf of Louis Billips.”

19. On or about 12 July 2013, Watts-Robinson received another check for \$96,011.92. This time, the check was made payable to: “The Law Offices of Lena Watts-Robinson on behalf of Louis Billips.”

20. Watts-Robinson deposited the reissued check into Wells Fargo 6677 on or about 26 July 2013.

21. On or about 4 September 2013, Watts-Robinson transferred \$9,493.84 to her operating account in reimbursement of purported expenses related to her representation of Billips.

22. Included in the \$9,493.84 amount was reimbursement to Watts-Robinson of the \$2,500.00 sanction Watts-Robinson had previously paid pursuant to Judge Keesler’s order.

23. The \$2,500.00 sanction against Watts-Robinson was not an expense of Billips. Watts-Robinson improperly deducted the \$2,500.00 amount from Billips’ settlement proceeds.

24. Watts-Robinson failed to disburse any portion of Billips’ settlement proceeds to Billips until she disbursed \$86,508.08 to him by cashier’s check on or about 24 September 2013.

25. Watts-Robinson did not inform Billips that she had used \$2,500.00 of Billips’ funds to reimburse herself for payment of the personal sanctions against her until after his receipt of the cashier’s check.

26. Billips’ funds earned approximately \$13.00 of interest while Watts-Robinson held them in Wells Fargo 6677.

27. Watts-Robinson did not disburse this interest to Billips. Instead, it accrued to her benefit in Wells Fargo 6677.

BASED UPON THE FOREGOING FINDINGS, the Court makes the following Conclusions of Law:

1. Prompt action, pursuant to N.C. Gen. Stat. 84-28(f), is necessary to preserve the status quo while the State Bar completes its investigation of Watts-Robinson’s misconduct and to ensure that no further client funds are mishandled.

2. This Court has personal jurisdiction over Watts-Robinson and jurisdiction over the subject matter. This matter is properly before the Wake County Superior Court pursuant to N.C. Gen. Stat. 84-28(f).

3. Watts-Robinson failed to maintain a separate account in which to deposit, hold and disburse entrusted client funds in violation of Rule 1.15-2(a).

4. Watts-Robinson failed to maintain her client's entrusted funds in a trust account as required by Rule 1.15-2(b).

5. Watts-Robinson misappropriated \$2,500.00 of her client's entrusted funds which she charged to and deducted from her client as an expense to pay a court ordered monetary sanction that was specifically imposed on her by a federal magistrate judge in violation of Rule 1.15-2(j).

6. Watts-Robinson failed to pay to her client interest earned on his entrusted funds and instead allowed the interest to accrue to her benefit in violation of Rule 1.15-2(p).

7. Watts-Robinson should be enjoined from accepting any further funds from or on behalf of clients or other individuals in a fiduciary capacity, from writing checks against or withdrawing funds from any account in which client or fiduciary funds have been deposited, and from directing any employee or agent over whom Watts-Robinson exercises control to withdraw funds from and/or draw a check on any account in which client or fiduciary funds have been deposited, except as expressly authorized by this Court pursuant to further order from this Court.

8. To assist the State Bar's analysis of her account(s), Watts-Robinson should provide the State Bar with records of all accounts in which client or fiduciary funds have been deposited and with all client files requested by the State Bar as set forth below.

9. To assist the State Bar's analysis of her account(s), Watts-Robinson should provide the State Bar with the reconciliation reports required to be prepared and maintained pursuant to Rule 1.15-3(d) of the Rules of Professional Conduct.

10. Watts-Robinson should be prohibited from serving as a trustee, attorney-in-fact, executor, personal representative or in any other fiduciary capacity.

THEREFORE, IT IS HEREBY ORDERED:

1. Lena Watts-Robinson's Motion to Dismiss is denied.
2. The North Carolina State Bar's Motion for Preliminary Injunction is allowed. The Court does disapprove of the investigator of the State Bar recording a

telephone conversation that he had with Lena Watts-Robinson, a lawyer he was specifically investigating, without informing her that he was doing so.

3. Watts-Robinson is enjoined from accepting or receiving any funds from clients or third parties in a fiduciary capacity, from withdrawing any funds from and/or drawing any checks or other instruments against any account in which client or fiduciary funds have been deposited, and from directing or permitting any employee or agent over whom Watts-Robinson exercises control to withdraw funds from and/or to draw any checks on or otherwise disburse or withdraw funds from any account in which client or fiduciary funds have been deposited, until and unless expressly permitted to do so by subsequent orders of this Court.

4. Watts-Robinson, or any other person having custody or control of records relating to any account into which client or fiduciary funds have been deposited, shall immediately produce to the State Bar at its offices in Raleigh, North Carolina for inspection and copying all of Watts-Robinson's financial records relating to any account into which client or fiduciary funds have been deposited, including, but not limited to bank statements, canceled checks, deposit slips, identification of deposited items, credit card payment receipts, client ledger cards, check stubs, deposited items and debit memos and any other records relating to the receipt and disbursement of client and/or fiduciary funds, as requested by the State Bar.

5. Watts-Robinson, or any other person having custody or control over records relating to individuals for whom Watts-Robinson has provided legal services, shall produce to the State Bar at its offices in Raleigh, North Carolina, for inspection and copying, all records and documents including but not limited to, client files, billing statements, memoranda and receipts. Current client files shall be produced within 24 hours of demand by the State Bar and closed client files shall be produced within 3 days of demand by the State Bar.

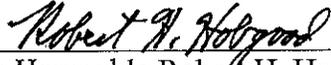
6. If Watts-Robinson does not have possession of the minimum records required to be maintained regarding trust and fiduciary funds pursuant to Rule 1.15-3 of the Rules of Professional Conduct, she shall immediately direct the bank(s) where her account(s) are maintained, to copy and transmit within 10 days of the date of this order any such missing records directly to the State Bar at its offices in Raleigh, North Carolina, at Watts-Robinson's expense.

7. Watts-Robinson shall immediately produce to the State Bar at its offices in Raleigh, North Carolina the monthly and quarterly reconciliation reports for any and all trust accounts that she is required to produce and maintain pursuant to Rule 1.15-3(d) of the Rules of Professional Conduct. If Watts-Robinson has not prepared such reports as required, Watts-Robinson is hereby ordered to conduct the monthly and quarterly reconciliations required by Rule 1.15-3(d) of the Rules of Professional Conduct for the time period required under the Rules of Professional Conduct, or a lesser period if so specified by the State Bar, and produce the reports to the State Bar within two weeks of the date of this order or by the deadline set by the State Bar, whichever is later.

8. Watts-Robinson is hereby enjoined from serving as an attorney-in-fact, trustee, executor, personal representative or in any other fiduciary capacity.

9. This Order of Preliminary Injunction shall remain in effect until further order of this Court.

This the 28th day of February, 2014.



The Honorable Robert H. Hobgood
Wake County Superior Court Judge
Presiding

CERTIFICATE OF SERVICE

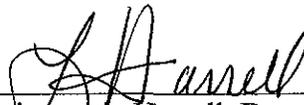
The undersigned Deputy Clerk of Court of Wake County hereby certifies that a copy of the forgoing Order was served on the following parties to this action by:

facsimile hand delivery by depositing a copy of the same in the United States Mail postage prepaid and addressed to:

Leonor Bailey Hodge, Deputy Counsel
P.O. Box 25908
Raleigh, NC 27611

Lena Watts-Robinson, Esq, P.A.
P.O. Box 550271
Gastonia, NC 28054

This the 3rd day of March, 2014



Luizamaria Harrell, Deputy Clerk
Wake County Clerk of Superior Court
P.O. Box 351,
Raleigh, NC 27602-0351
316 Fayetteville, Street Mall
Raleigh, NC 27606