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STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE

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SUPERIOR COURT DIVISION

WAKE COUNTY

WAKE COUNTY, C.S.C.

FILE NO.: 05 CVS 10637

BY \_\_\_\_\_  
THE NORTH CAROLINA STATE BAR,

Plaintiff

v.

LIGHTHOUSE TITLE AGENCY, INC.;  
LIGHTHOUSE TITLE AGENCY, INC. d/b/a  
LTA CORP; WILLARD BRADLEY LAMB;  
and WILLARD BRADLEY LAMB d/b/a  
LIGHTHOUSE TITLE AGENCY, INC.  
and/or LTA CORP

Defendants

CONSENT ORDER OF  
PERMANENT INJUNCTION

THIS MATTER comes before the Court on the consent of the parties before the undersigned Judge of Superior Court of Wake County. Jennifer A. Porter represented the Plaintiff, the North Carolina State Bar. Amanda A. Mingo represented the Defendants, Lighthouse Title Agency, Inc. and Willard Bradley Lamb. Based upon the State Bar's verified complaint and the exhibits attached thereto and with the stipulation and consent of the parties, the Court hereby enters the following

#### FINDINGS OF FACT

1. Plaintiff, the North Carolina State Bar (hereinafter "State Bar"), is a body duly organized under the laws of the state of North Carolina and is a proper body to bring this proceeding under the authority granted to it in Chapter 84 of the General Statutes of North Carolina and the rules and regulations of the State Bar promulgated pursuant thereto.

2. The Authorized Practice Committee is a standing committee of the State Bar appointed and authorized, pursuant to N.C. Gen. Stat. § 84-37(a) and 27 N.C.A.C. Chapter 1, Subchapter D, §§ .0201 et. seq., to investigate any charges or complaints of the unauthorized practice of law and bring actions against any person or entity that engaged in rendering any legal services unauthorized or prohibited by law.

3. Lighthouse Title Agency, Inc. is, and has been at all times relevant, a North Carolina business corporation conducting business and trade under the name of "Lighthouse Title Agency, Inc." at 4801 East Independence Boulevard, #307, Charlotte, NC 28212 (hereafter "Lighthouse").

4. Willard Bradley Lamb ("Lamb") is a citizen and resident of Mecklenburg County, North Carolina and is Lighthouse's president and registered agent.

5. In about January 2005 Lamb and Lighthouse began doing business as LTA Corp in addition to doing business as Lighthouse Title Agency, Inc. LTA Corp has not filed incorporation papers with the North Carolina Secretary of State's Office. In about January 2005 the Defendants began doing business from the address of 9115 Harris Corners Parkway, Suite 540, Charlotte, NC 28269.

6. Defendant Lighthouse is not a corporation authorized to practice law in North Carolina under the provisions of Chapter 55B of the General Statutes of North Carolina, nor is there a corporation by the name of LTA Corp authorized to practice law in North Carolina under the provisions of Chapter 55B of the General Statutes of North Carolina.

7. Defendant Lamb is not a licensed attorney at law in North Carolina and is not authorized to practice law in North Carolina.

8. As part of its business, Lighthouse provides title insurance policies to parties with interests in real property, including owners and mortgage lenders, as an agent of Stewart Title. Stewart Title is an insurance company organized and authorized to issue title insurance policies in accordance with Chapter 58 of the General Statutes of North Carolina.

9. In addition to providing title insurance to customers, Lighthouse offers to provide loan closing services for residential real estate transactions to the public as part of its usual and customary business, including services associated with loan closings in both purchase and refinance transactions.

10. In its promotional materials, both in printed form and/or in electronic form on internet sites affiliated with Lighthouse, Lighthouse offers to provide "complete Title and Closing services" in several states, including North Carolina. It states that it offers "24 - 48 hour turnaround on Title Searches" and states that "Timely, accurate title searches . . . are our standard." In its materials, Lighthouse also offers "Preparation of Subordination Agreements"

and "Recordation of appropriate documents." Included in the list of title search related services, Lighthouse offers "Personal attention to the clearing of title issues."

11. Lighthouse has been listed on line 1204 of HUD-1 Settlement Statements as having performed "Update & Recording Bringdown" services for closings.

12. Lighthouse customers have requested Lighthouse provide opinions of title on real property without issuing a title insurance policy. Lighthouse has provided title opinions without issuing title insurance for such customers. Lighthouse has hired non-attorneys to prepare title abstracts that Lighthouse then provided to an attorney retained by Lighthouse for review/certification. Lighthouse received the title abstract from the attorney and then provided the title opinion to the Lighthouse customer.

13. Preparation of title opinions constitutes abstracting or passing upon titles. Nothing in Chapter 58 of the General Statutes authorizes title insurance companies or their agents to give an opinion of title or to abstract or pass upon titles to customers.

14. In the course of providing loan closing services for some residential real estate transactions, Lighthouse has prepared and otherwise provided the deeds and other legal documents for its customers.

15. On those occasions when Lighthouse provided a title opinion to a customer for a residential real estate transaction, Lighthouse listed itself on line 1102 of the HUD-1 Settlement Statement as receiving a fee for "Abstract or Title Search."

16. On those occasions when Lighthouse provided a deed or other legal documents for a customer for a residential real estate transaction, Lighthouse listed itself on line 1105 the HUD-1 Settlement Statement as receiving a fee for document preparation and indicated the fee was for preparation of a deed.

17. When Lighthouse is hired to conduct a residential real estate closing for a customer, a non-attorney agent of Lighthouse is sent to conduct that closing. When conducting a closing, the agent of Lighthouse informs the borrower that the agent is not an attorney. The agent has the borrower sign a "Scope of Representation" form. This form states that Lighthouse represents the lender in that transaction. It also creates the impression that Lighthouse could represent the borrower and/or seller by its statements "We are limiting our representation to make it more convenient for you. The North Carolina State Bar would require a lawyer meet with you if we represented you."

18. While conducting a closing, if a borrower has a question that the Lighthouse agent feels can be answered from the documents being signed to close the residential real estate transaction and/or loan, the agent will direct the borrower to the document and/or a provision within the documents.

19. In addition, Lighthouse has retained an attorney and offers the services of its attorney to respond to borrower questions.

20. After the closing, Lighthouse has the appropriate documentation recorded at the appropriate register of deeds office.

### CONCLUSIONS OF LAW

1. The Court has both personal jurisdiction over the defendant and subject matter jurisdiction in this cause.

2. Plaintiff, the North Carolina State Bar, has the authority to bring this action pursuant to N.C. Gen. Stat. § 84-37.

3. Plaintiff's verified complaint is accepted as an affidavit of the Chair of the Authorized Practice Committee of the North Carolina State Bar.

4. Preparation of deeds is the practice of law in North Carolina as defined by N.C. Gen. Stat. § 84-2.1.

5. Preparation of title opinions constitutes abstracting or passing upon titles and is the practice of law in North Carolina as defined by N.C. Gen. Stat. § 84-2.1.

6. Utilizing non-attorneys to prepare title abstracts for third parties enabled Lighthouse to abstract or pass upon title, which is the practice of law in North Carolina as defined by N.C. Gen. Stat. § 84-2.1.

7. Under N.C. Gen. Stat. § 84-5, it is unlawful for a corporation not authorized to practice law under the provisions of Chapter 55B of the General Statutes of North Carolina to practice law or provide legal services or advice.

8. The listing of Lighthouse on HUD-1 Settlement Statements on line 1102 to receive compensation for "Abstract or Title Search" and/or on line 1105 to receive compensation for the preparation of a legal document and/or on line 1204 to receive compensation for "update & Recording Bringdown" is a holding out of Lighthouse as able to provide these legal services to others.

9. Lighthouse's Scope of Representation form suggests Lighthouse is providing legal representation to the lender and is a holding out of Lighthouse as able to provide legal representation in a real estate transaction in general.

10. Through its promotional materials, Lighthouse offers to provide legal services to others, including the drafting of legal documents, title abstracting, and representation for the "clearing of title issues."

11. Under N.C. Gen. Stat. § 84-5, it is unlawful for a corporation not authorized to practice law under the provisions of Chapter 55B of the General Statutes of North Carolina to hold itself out to the public as being entitled to provide legal services or advice to others or to otherwise practice law.

12. By identifying certain sections of documents as responsive to a borrower's question, the non-attorney agents of Lighthouse are exercising legal judgment and providing legal advice.

13. Under N.C. Gen. Stat. § 84-4, it is unlawful for any person other than an active member of the Bar of the State of North Carolina admitted and licensed to practice as an attorney-at-law to provide legal advice to another.

14. Under N.C. Gen. Stat. § 84-5, it is unlawful for a corporation not authorized to practice law under the provisions of Chapter 55B of the General Statutes of North Carolina to give legal advice to another or to provide legal services to the public or customers of that corporation even if provided by a licensed attorney at law employed or retained by the corporation.

15. The above-described acts, activities, and representations constitute the unauthorized practice of law by Defendants, both individually and collectively, in violation of N.C. Gen. Stat. §§ 84-2.1, 84-4, and 84-5.

16. If Defendants are not enjoined from engaging in acts that violate the statutes prohibiting the unauthorized practice of law, there is a risk that members of the public will suffer injury, loss and damages as a result of such acts.

17. Pursuant to N.C. Gen. Stat. § 84-37(a), no bond for costs is required for the issuance of this permanent injunction order.

Based upon the foregoing findings of fact and conclusions of law and with the consent of the parties, IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that:

1. Defendants Willard Bradley Lamb and Lighthouse Title Agency, Inc., in their own name or doing business as LTA Corp or any other name, and any corporate affiliates, including franchisors, franchisees, parents, subsidiaries, and divisions, and any persons, association of persons, or corporations associated with or employed, operated, or controlled by Defendants are hereby permanently enjoined from engaging in, or aiding or abetting others in engaging in any acts and activities constituting the practice of law in North Carolina, as defined in N.C. Gen. Stat. §§ 84-2.1, 84-4, and 84-5, including prohibition of the following specific acts:

- a. any express or implicit holding out or representation to the public by appearance on a HUD-1 Settlement Statement, by advertising, or otherwise, that Defendants may prepare legal documents for any person, firm, or corporation, specifically including but not limited to deeds and other legal documents associated with residential real estate transactions and/or loan closings;
- b. any express or implicit holding out or representation to the public by appearance on a HUD-1 Settlement Statement, by advertising, by promotional materials, by internet sites, or otherwise, that Defendants may abstract or pass upon title for any person, firm, or corporation or may represent or otherwise assist any person, firm, or corporation resolve title issues;
- c. any express or implicit holding out or representation to the public by appearance on a HUD-1 Settlement Statement, by advertising, by promotional materials, by internet sites, or otherwise, that Defendants may provide legal services to any person, firm, or corporation or may otherwise engage in the practice of law;
- d. contracting with any person, firm, or corporation to provide or prepare legal documents for another, specifically including but not limited to deeds and other legal documents associated with residential real estate transactions and/or loan closings;

- e. contracting with any person, firm, or corporation to abstract or pass upon title, including but not limited to providing title opinions, to any person, firm, or corporation;
- f. offering to contract with, or contracting with, any person, firm, or corporation for any services that constitute legal advice or counsel to another in any manner, including but not limited to providing representation or other assistance to resolve issues with title;
- g. providing to and/or preparing any legal documents for any person, firm, or corporation, specifically including but not limited to deeds and other legal documents associated with residential real estate transactions and/or loan closings;
- h. utilizing a Scope of Representation form or indicating in any other manner that suggests either Defendant provides legal representation to the lender and/or is able to provide legal representation in a real estate transaction in general;
- i. abstracting or passing upon title, including but not limited to providing title opinions, to any person, firm, or corporation, including but not limited to performing an update search of title for another person, firm, or corporation prior to recording documents from a real estate transaction; and
- j. providing legal advice to any person, firm, or corporation, including but not limited to non-attorney agents of Lighthouse identifying certain sections of documents at a residential real estate transaction/loan closing as responsive to a borrower's question and offering the services of legal counsel, including an attorney employed or retained by Lighthouse.

2. On condition that, and to the extent that, Defendants do not engage in acts that violate N.C. Gen. Stat. §§ 84-2.1, 84-4, and 84-5, Defendants may engage in the administrative activities for residential real estate loan closings listed in Authorized Practice Advisory Opinion 2002-1, to wit: "(1) present and identify the documents necessary to complete a North Carolina residential real estate closing, direct the parties where to sign the documents, and ensure that the parties have properly executed the documents; or (2) receive and disburse the closing funds."

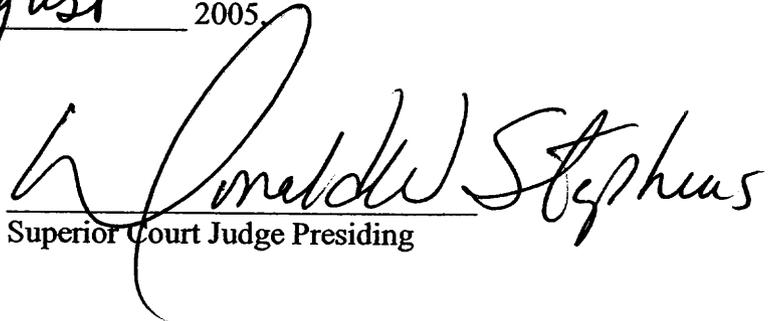
3. Defendants shall take notice that any willful violation of this Permanent Injunction may be treated as civil and criminal contempt leading to the imposition of sanctions upon him, including incarceration and fines.

4. This Order is binding upon Defendants, its officer, agents, servants, employees, attorneys, and upon those persons or entities in active concert or participation with Defendants who receive actual notice in any manner of the order by personal service or otherwise.

5. The parties agree to bear their respective costs of this action.

6. The court shall retain jurisdiction of this matter for further proceedings to enforce this Order.

Issued this the 29 day of August 2005.

  
\_\_\_\_\_  
Superior Court Judge Presiding

By signing below, the parties affirm their consent and agreement to the entry of the foregoing Consent Order of Permanent Injunction in Wake County file number 05 CVS 10637.

For the Plaintiff

For the Defendants

  
\_\_\_\_\_  
Jennifer A. Porter  
Attorney for Plaintiff

  
\_\_\_\_\_  
Amanda A. Mingo  
Attorney for Defendants

  
\_\_\_\_\_  
Willard Bradley Lamb, Individually and as  
Authorized Agent for Lighthouse Title  
Agency, Inc.