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November 9, 2017

Dean Martin Brinkley
UNC School of Law
Van Hecke-Wettach Hall
160 Ridge Road, CB #3380
Chapel Hill, North Carolina 27599-3380

LETTER OF CAUTION

Re: Allegation of Unauthorized Practice of Law—The Center for Civil Rights
File number: 17AP0078

Dear Dean Brinkley:

On October 25, 2017, the Authorized Practice Committee of the North Carolina State Bar met and considered the results of its investigation into the above referenced matter as it is charged with doing by N.C. Gen. Stat. § 84-37 and the State Bar's rules and regulations. As Dean of the UNC School of Law with which the Center for Civil Rights is connected, you were informed of the allegations before the Committee and given an opportunity to respond. You responded and appeared at the Committee meeting to address the Committee. The Committee carefully considered your response, your presentation at the Committee meeting, and the other information received by it.

Based upon all of the information available to it, the Committee believes these are the pertinent facts in this matter:

The University of North Carolina at Chapel Hill School of Law operates a constituent unit called the Center for Civil Rights (Center). The Center was established under the School of Law in 2001. Its initial director was Julius Chambers. The Director of the Center is a professor at the law school who is not licensed to practice in North Carolina. The Center also has two full-time employees who are licensed North Carolina attorneys. They teach 1 or 2 classes a year at the law school. The director works for the Center about a quarter of the time and is paid a stipend for that service in addition to his salary as a professor at the law school. The Center is housed in leased space off-campus, not at the law school.

The Center states that it has three functions: 1) training law students in civil rights law, 2) conducting and supporting empirical research, and 3) offering legal assistance, including litigation, for lower income and minority residents of North Carolina and the southeast.

Alan S. Hicks, Chair Matthew W. Smith, Vice-Chair The North Carolina lawyer employees of the Center have engaged in litigation in the Center's name on behalf of others. Much of the litigation on behalf of others has been for group and entity clients, such as Habitat for Humanity and the NAACP, not individuals. The North Carolina lawyer employees of the Center, with input by the Director, decide who the Center will accept as clients. The Center must seek permission from you, as Dean, to undertake its litigation efforts.

The Center is not a legal clinic under N.C. Gen. Stat. § 84-7.1. While there are community outreach programs within the Center where students assist in the preparation of wills and advance directives and advise on voting rights issues, these are not conducted under the auspices of a law school legal clinic.

The Center is not a separate entity from the Law School or the University. It is a constituent part of the University. The University is a statutory corporation. The University does not qualify for the exception for indigent legal services or public interest law firm services under N.C. Gen. Stat. § 84-5.1.

The North Carolina General Statutes define "practice law" to include giving legal advice, preparing legal documents such as court pleadings, wills and powers of attorney, and representing parties before courts or other tribunals. N.C. Gen. Stat. §§ 84-2.1, 4, and 5. The statutes prohibit individuals other than active members of the North Carolina State Bar from practicing law or providing or offering to provide legal services in North Carolina to other persons, firms, or corporations. N.C. Gen. Stat. § 84-4. The statutes also prohibit corporations, other than law firms and certain tax-exempt corporations, from providing legal services to other persons, firms, or corporations even if those services are performed by North Carolina licensed attorneys. N.C. Gen. Stat. §§ 84-5 and 5.1; State ex rel. Seawell v. Carolina Motor Club, Inc., 209 N.C. 624, 184 S.E. 540 (1936), Gardner v. The North Carolina State Bar, 316 N.C. 285, 341 S.E.2d 517 (1986). The University is not a corporation authorized to practice law under those statutes. The Center, as a constituent component of the University and not a separate entity, is likewise not a corporation authorized to provide legal services. Therefore, the Committee voted to issue this Letter of Caution.

The Committee understands and appreciates the laudable intentions of the Center. The Committee also understands the argument that the Center qualifies as a law school clinic under N.C. Gen. Stat. § 84-7.1. However, the University has repeatedly stated that the Center is not a legal clinic and that it would require significant restructuring to qualify as a legal clinic. The Committee understands that the University Board of Governors has adopted a policy that prohibits the Center from engaging in litigation after September 8, 2017. The Committee appreciates that the Center intends to take remedial actions and comply with the statutes going forward.

The Committee's opinion expressed herein is not a legal determination. The State Bar does not have the authority to order the Center to discontinue its current practices. Only a court may determine that the Center has violated, or is violating, any law, and, if appropriate, impose a

Dean Martin Brinkley Page 3 of 3

remedy or penalty for such violation. The State Bar has authority to file a lawsuit for injunctive relief, but the Committee is using its discretion not to pursue any proceedings for injunction or Thank you for your accounts. other action at this time.

Thank you for your cooperation in this matter. Please contact the Committee's counsel, David R. Johnson or Joshua T. Walthall, if you have any questions.

Alan S. Hicks, Chair

Sincerely,

Authorized Practice Committee