

STATE OF NORTH CAROLINA
WAKE COUNTY

FILED
IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION

2016 AUG 30 FILE NO. 14 CVS 5183

THE NORTH CAROLINA STATE BAR

Petitioner

v.

WILLIAM R. SAGE, Attorney,

Respondent

WAKE COUNTY, C.S.C.

**CONSENT ORDER GRANTING
PETITIONER'S MOTION TO
DISBURSE TRUST ACCOUNT FUNDS**

THIS MATTER came on for consideration by the undersigned Judge of the Superior Court of Wake County on motion of Petitioner ("Petitioner" or "State Bar"), with the consent and concurrence of the Respondent, William R. Sage (hereinafter "Sage"), for entry of an Order disbursing trust account funds that were frozen pursuant to this Court's Consent Order of Preliminary Injunction filed on April 24, 2014 enjoining Sage from accepting or disbursing any further client or fiduciary funds in or from his trust account. Petitioner was represented by Barry S. McNeill, Deputy Counsel, Office of Counsel to the North Carolina State Bar. Respondent, William R. Sage, was represented by Alan M. Schneider, Cheshire, Parker, Schneider & Bryan, PLLC, 133 Fayetteville St., Raleigh, NC 27601. Based upon the motion and with the consent of the parties, the Court makes the following:

FINDINGS OF FACT

1. Petitioner, the State Bar, is a state agency duly organized under the laws of North Carolina and is the proper party to bring this motion under the authority granted it in Chapter 84 of the General Statutes of North Carolina, and the Rules and Regulations of the North Carolina State Bar (Chapter 1 of Title 27 of the North Carolina Administrative Code).
2. Sage was licensed to practice law in North Carolina in 1975.
3. The State Bar's membership database shows the following address for Sage: P.O. Box 589, Oriental, North Carolina 28571-0589.
4. As a practicing attorney, Sage maintained an IOLTA attorney trust account, account number ending with -2056, at First-Citizens Bank & Trust Co., 409 Broad St., Oriental, North Carolina 28571 (hereinafter "Sage trust account").
5. On April 24, 2014, this Court, upon consent of the State Bar and Sage, entered and filed a Consent Order of Preliminary Injunction ("Consent Order") enjoining Sage from

accepting and disbursing any further client or fiduciary funds in or from his above-identified trust account.

6. The freeze on the Sage trust account became effective on April 25, 2014, and had the effect of freezing the contents of the Sage trust account until further Order by this Court.

7. On October 23, 2015, based upon Sage's affidavit of surrender, an order disbaring Sage was entered by the Council of the State Bar.

8. As of the date of this motion, the balance in the Sage trust account is \$7,866.57.

9. Following entry of the preliminary injunction against Sage, the State Bar reviewed Sage's bank records and took other steps to attempt to determine the owners of the funds remaining in the Sage trust account.

10. Based upon the State Bar's investigation, Sage should have the amounts on deposit in his trust account for the individuals or entities shown in Exhibit 1 attached.

11. As of the date of this petition, the total known claims against funds on deposit in the Sage trust account are \$8,156.78.

12. Because there are insufficient funds (a shortfall of \$290.21) in the account to pay all known claimants in Exhibit 1, the State Bar has recommended that disbursements from the account be made on a last in-first out basis; that is the funds left from the most recent transactions should be disbursed until the funds are exhausted.

13. Many of these funds are amounts withheld from real estate closing transactions to pay for title insurance premiums. This Court agrees that it is beyond the scope of the State Bar's analysis to determine if policies may be issued simply upon payment of the premium without a new examination of title. Accordingly, this Court further agrees with the State Bar's recommendation that the funds in question be paid to the borrower. The borrower will need to determine from the lender if a policy is still needed and arrange for payment of the policy premium. Similarly, some amounts were withheld for payment of other closing items. This Court also agrees that these amounts should be paid to the borrower and the borrower will need to pay any amounts still owed from the transaction.

14. Based on the State Bar's analysis and with the concurrence of Sage, this Court agrees that the funds should be disbursed as shown in Exhibit 2 attached.

15. The client(s) who will not receive full disbursements may apply to the Client Security Fund for reimbursement subject to the requirements of the Client Security Fund, or Sage may pay the client(s) the balances owed.

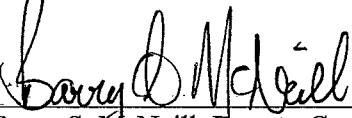
THEREFORE, IT IS HEREBY ORDERED:

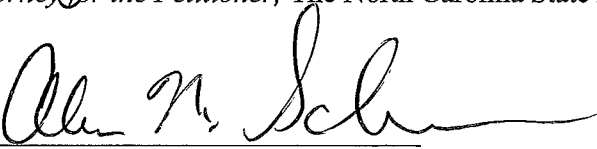
1. First-Citizens Bank shall disburse the funds in the Sage trust account by first disbursing any accrued IOLTA interest to IOLTA and issuing a check payable to the State Bar for the balance of the funds remaining in the account, at present \$7,866.57;
2. First-Citizens Bank shall close the Sage trust account, account number ending with -2056, after all funds are disbursed as set out herein;
3. The State Bar shall disburse the funds received from the Sage trust account as shown in Exhibit 2 attached;
4. The State Bar shall escheat any funds for any clients who cannot be paid from the received funds after reasonable efforts; and,
5. This Court's injunction prohibiting Sage from receiving and disbursing client funds continues in effect until further order of this Court, and will be reviewed only if and when Sage is reinstated to the practice of law.

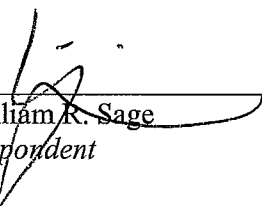
THIS the 30th day of August, 2016.


Wake County Superior Court Judge Presiding

WE CONSENT:


Barry S. McNeill, Deputy Counsel
Attorney for the Petitioner, The North Carolina State Bar


Alan M. Schneider, on behalf of William R. Sage
Respondent


William R. Sage
Respondent

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Exhibit 1

<i>Transaction Date</i>	<i>Client</i>	<i>Reason (if known)</i>	<i>Account Balance</i>
03/31/14	LouAnn Cartiglia	Refund to client	\$2,642.23
07/30/13	Thomas and Kelly Brna	Pre-paid Homeowner's Insurance	449.00
04/24/13	Richard Vogt	Title Insurance	82.00
02/21/13	Ed Kobylarz	Title Insurance	219.63
11/05/12	George Cutler		52.05
10/31/12	Dennis J. Humenik/Sachiko E. Hoffman	Title Insurance	474.45
10/26/12	Henry Privette		100.00
09/21/12	Ralf & Judith Heit		578.20
08/08/12	Deaton Enterprises		583.00
07/26/12	Raymond Everest		210.97
06/20/12	Dan and Katherine Campbell	Title Insurance	468.50
12/19/11	Sutliff/B. Paul Bogardus		25.50
09/12/11	Leslie Auth/Karen Auth	Title Insurance	314.90
08/16/11	Deaton Enterprises		176.80
08/16/11	Doris McGee		76.00
06/27/11	Penelope Crew		182.45
06/22/11	Arthur Volkle		140.25
03/15/11	Bow to Stern, Inc.		330.50
01/31/11	Nancy Inger		220.90
01/24/11	Alfred and Joann Ulvog	Title Insurance	419.45
11/23/10	Jeffrey Kenyon/Roland and Colleen Crane		100.00
04/09/10	Robert W. Carr		60.00
12/31/09	William F. Doman		250.00
Total			\$8,156.78

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Exhibit 2

<i>Transaction Date</i>	<i>Client</i>	<i>Account Balance</i>
03/31/14	Renee Talbot	\$2,642.23
07/30/13	Thomas and Kelly Brna	449.00
04/24/13	Richard Vogt	82.00
02/21/13	Ed Kobylarz	219.63
11/05/12	George Cutler	52.05
10/31/12	Dennis J. Humenik/Sachiko E. Hoffman	474.45
10/26/12	Henry Privette	100.00
09/21/12	Ralf & Judith Heit	578.20
08/08/12	Deaton Enterprises	583.00
07/26/12	Raymond Everest	210.97
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06/22/11	Arthur Volkle	140.25
03/15/11	Bow to Stern, Inc.	330.50
01/31/11	Nancy Inger	220.90
01/24/11	Alfred and Joann Ulvog	419.45
11/23/10	Kenyon & Crane	100.00
04/09/10	Robert W. Carr*	19.79
Total		\$7,866.57

*The amount due to Robert W. Carr is \$60. However, there is only \$19.79 in the account after payment of the prior items, and therefore Mr. Carr is receiving only \$19.79 of the \$60.00 owed to him, leaving a balance owed to Mr. Carr of \$40.21. Due to exhaustion of funds, William F. Doman is not receiving the \$250 owed to him. The total shortfall of funds is \$290.21.