



PARASIGHT

APRIL/MAY 2017

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President's Message *The Billable Time Dilemma*

Recording billable time is probably one of the worst tasks a paralegal has to keep up with on a daily basis. Do you wait until the end of the day, then attempt to recall the tasks and projects that were completed and have to guess how long it took to do each one? Do you jot down notes, then input all your time later in the day, or worse, later in the week? Or do you input your time as you finish a task or project? Do you feel like you work hard all day, but your billable hours don't show it? Do you have a billable hours' goal either set by the firm or yourself?

At my first job, paralegals were required to bill 1,200 hours a year, which came to about 5 hours a day if you allow for two weeks of vacation and one week of sick leave. While this doesn't sound like a difficult goal to reach, I think many of the paralegals at the firm were hard pressed to meet it. There were just too many non-billable duties a paralegal had to do during the day. If I allotted time for reviewing files, conducting administrative duties, meetings with attorneys for instructional purposes, contributing to the firm's quarterly newsletter which most of the paralegals did, and walking to the law library or the Register of Deeds Office to conduct research (this was pre-Internet and while we billed for

research time, we couldn't bill for foot travel), the occasional chatting up of co-workers, and, of course, bathroom breaks, billing 1,200 hours a year was an arduous task. I have read that for every hour of time recorded, there is, on average, a 30 minute lag in billable time, which is why you can work a steady 8 hours, but only be able to bill 4 or 6 hours.

Make sure time entries are detailed, all words are spelled correctly, and the description is clear enough that the client will know exactly what you did for him or her.

The second law firm I worked for did not require a set number of billable hours since attorneys understood that a paralegal's work load was dependent on the amount of work the attorneys gave her. However, time still had to be manually recorded in a journal which took some time, especially when time entries were required to be very specific. Time entries were scrutinized by the attorneys who were more than happy to coach us on the intricacies of wording a time entry. What it came down to was making sure the time entry would be understood by a layman and that each client had a clear understanding of what type of

work was done for them. For example, we could not say, "Phone call to the Secretary of State's Office", but rather "Phone call to the Secretary of State's Office to inquire if ABC Corporation had filed Articles of Merger." I must admit that after 10 years of writing very descriptive time entries, I am not able to do otherwise and sometimes have to laugh at my long winded time entries when compared to the short and sweet versions that attorneys at PHD typically write (obviously, they were not properly coached).

Law firms have since upgraded to electronic billing programs where attorneys and paralegals can input their billable time directly into the billing system, which makes inputting time more immediate, but on days when I feel like I am working at Grand Central Station, I sometimes forget to input time when receiving one phone call after another. You can lose up to 20% of your billable time if you don't record it immediately so it is important to make sure all time is captured, even short phone calls and emails.

Here are some tips designed to help keep up with time entries and increase billable hours:

- Gather and organize work for the next day at the end of the current day.

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MEMBER SPOTLIGHT - ELAINE BIVENS

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I am a lifelong resident of North Carolina and have always lived in Morganton. I started my paralegal career in 2003 when I began working for a criminal defense attorney, and went on to become a certified paralegal in 2007. I am now in my 5th year working as support staff in the Morganton office of Legal Aid.

Some of my time at Legal Aid is spent screening clients for Legal Aid eligibility. I also set up clinics in several counties for the senior citizens to have their Wills and Advance Directives prepared. This is the most enjoyable aspect of my job, as I have a lot of respect for our "older" generation and always enjoy speaking with them. In addition, I answer numerous telephone calls at my position. This can be the least enjoyable aspect of the

job, since sometimes the callers can be quite rude.

I enjoy being a part of the CVPA. It's always nice to see everyone and the CPEs are very informative. Anyone deciding to go into the paralegal field can expect

unhappy people at times and to not take it personally.

Previous positions I've held include working for local area churches as an administrative assistant and as a case manager for a facility that did substance abuse assessments and treatment. For a year or so I had three part-time jobs, which was great, as long as I could remember where I was when the telephone rang.

If they ever made a movie of my life, I think Jody Foster should play my character since I have been told that I look like her, and I also think she's a great actress.

My favorite vacation spot is the beach. There's nothing like listening to the waves crashing in and seeing that great big ocean.



**Elaine Bivens
NCCP**

to learn something new everyday, which makes this an interesting career. They should also be prepared to deal with

Calling All Writers!

**If you would like to submit an article for the newsletter,
please contact Kelley Walker, Beverly Cook or Laurie Hayden.**



HOUSE BILL 870 (MANUFACTURED HOUSING)

AN ACT TO CLARIFY THE RENEWAL, RELEASE, AND CANCELLATION PROCESS FOR SECURITY INTERESTS ON A CERTIFICATE OF TITLE FOR A MANUFACTURED HOME

This Bill amends NCGS Chapter 20 in part as follows:

G.S. § 20-58, *Perfection by indication of security interest on certificate of title*, was rewritten to state that an application for the notation of a security interest on a certificate of title for a manufactured home shall state the maturity date of the secured obligation.

A new section, 20-58.3A, called *Automatic expiration of security interest in manufactured home; renewal of security interests in manufactured homes*, was added for the purpose of defining the term “secured party” and “borrower”. The term “secured party” means “the secured party named on a certificate of title for a manufactured home and those parties that succeed to the rights of the secured party as a secured creditor by assignment or otherwise.” The term “borrower” means “the homeowner or the debtor on the obligation secured by the security interest noted on the certificate of title for a manufactured home.” This section also states that the perfection of a security interest in a manufactured home that is perfected by a notation on the certificate of title shall automatically expire 30 years after the date of the issuance of the original certificate of title, unless a different maturity date is stated on the title.

The perfection of a security interest in a manufactured home perfected by a notation on the certificate of title automatically expires as follows:

(1) If the perfection of the security interest has not been renewed, on the earlier of (i) 90 days after the maturity date stated on the application for the security interest or (ii) 15

years plus 180 days after the date of issuance of the original certificate of title containing the notation of the security interest.

(2) If the perfection of the security interest has been renewed, on the earlier of (i) 10 years after the date of the renewal of the perfection of the security interest, (ii) 90 days after the original maturity date of the security interest, if the original maturity date has not been extended, or (iii) 90 days after any extended maturity date stated on the application of renewal.

Upon receipt of the application for renewal, the Division of Motor Vehicles (hereafter “Division”) may issue a new certificate of title bearing the original or extended maturity date of the security interest if the existing certificate of title is included with the application for renewal. If the existing certificate of title is in the possession of a prior secured party, the Division may request the certificate of title from the party in possession for the purpose of notating the original or extended maturity date of the security interest. Once the notations have been made, the Division shall return the certificate of title to the secured party. If the existing certificate of title is not obtained upon request, the Division shall cancel the existing certificate of title and issue a new certificate of title listing all known security interests and shall bear a notation that shows the original or extended maturity date of the security interest. Each renewed security interest shall retain its original date of perfection and the perfection shall expire on the earlier to occur of (i) 10 years after the date of renewal of the perfection of the security interest, (ii) 90 days after the original maturity date of the security interest, if the original maturity date has not been extended, or (iii) 90 days after any extended maturity date stated on the application of renewal. Perfection of a security interest in a manufactured home may be renewed more than once.

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CHOWAN COUNTY COURTHOUSE

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Chowan County is the smallest County in North Carolina with a geographical size of 233 square miles. The first explorers of the Chowan River area were an **English exploration group from the Roanoke Island settlement** in the late 1500's. By 1650 residents of Virginia, which is about 60 miles to the north, started to settle in the area. Around 1663 the province was divided into three counties, one being Albemarle County. In 1668, the county of Albemarle was divided into precincts, one of which was named Chowan, a Native American word meaning "People of the South." Farms and plantations were established in Chowan Precinct after 1675. Merchants moved into Chowan in the early 1690's. In 1712, a town was established and was later incorporated in 1722 as "Edenton" which continues to be the county seat and considered to be the first permanent European settlement in North Carolina.

The first courthouse was built in 1719 and was the seat of the colonial assembly. By 1760 the courthouse was in very poor condition. An advertisement in the *Virginia Gazette* of June 4, 1767, sought bids for building "a brick Court-House 68 ft. by 45." There is no documentation as to who built the 1767 courthouse, but it has been attributed to architect John Hawks who designed Tryon Palace in New Bern and to carpenter and joiner, Gilbert Leigh, both of whom lived in Edenton during this time period. The 1767 Chowan County Courthouse is separated from the city waterfront by a one-block park. It is considered one of the finest examples of public Georgian architecture in the American South. There is a large courtroom on the ground floor of the courthouse and a ballroom on the second floor. It was declared a [National Historic Landmark](#) in 1970.

The current courthouse which is used by the Clerk of Court and Register of Deeds is located at 101 S. Broad Street in Edenton and was designed by architect, J. Everette Fauber, Jr. and built in 1979 by Barnhill Contracting Co.



1767 Courthouse

**The 1767 Courthouse
has been
attributed to architect John
Hawks who designed the
Tryon Palace in New Bern.**

1979 Courthouse





UCC AND THE MIDDLE NAME

Court Holds that Middle Name Matters on Driver's License

By: Paul Hodnefield
Corporation Service
Company

The 2010 Amendments to UCC Article 9, which took effect in most states on July 1, 2013, provided new rules for the sufficiency of an individual debtor name. Most states enacted a legislative option which required a financing statement to provide the name of an individual debtor that was indicated on the person's unexpired driver's license issued by the state where the record was filed. A court recently addressed the effect of an individual debtor name that appears differently on the financing statement than on the individual's driver's license. The case is *In re: Markt*, 2017 Bankr. LEXIS 472 (Bankr. S.D. Ind. Jan. 23, 2017).

In this case, Ronald and Sherry Nay (the "Debtors") had granted MainSource Bank (the "Bank") a security interest in substantially all of their assets to secure the repayment of multiple loans. The Bank properly perfected its security interest by filing a financing statement with the Office of the Indiana Secretary of State ("IN SOS") in February 2014.

In December 2015, Debtor Robert Nay ("Nay") took out two loans with LEAF Capital Funding, LLC ("LEAF") to finance the acquisition of two

Terex Dump Wagons (the "Equipment"). To secure these obligations, Nay granted LEAF purchase money security interests in the Equipment.

To perfect its security interests, LEAF filed two financing statements with the IN SOS, each naming Nay as the debtor. Nay's most recently issued unexpired driver's license listed his name as "Ronald Markt Nay". However, both of LEAF's financing statements listed the debtor name as "Ronald *Mark* Nay". (Emphasis added).

The 2010 Amendments to UCC Article 9 included two legislative alternatives for individual debtor name sufficiency under UCC § 9-503(a). Legislative Alternative A provided that if the debtor is an individual to whom the state has issued an unexpired driver's license, the financing statement is sufficient only if it provides the individual name of the debtor indicated on the driver's license. Legislative Alternative B offered a safe harbor whereby the name indicated on the driver's license is sufficient as the name of the debtor, but other names could be sufficient as well.

Indiana, like the vast majority of states, adopted the 2010 Amendments to UCC Article 9 with Legislative Alternative A. The new individual debtor name rules took effect there on July 1, 2013.

The Debtors commenced a chapter 11 bankruptcy case in

May 2016. LEAF filed a proof of claim in which it asserted that it held the first priority security interests in the Equipment. The Bank objected to LEAF's proof of claim, arguing that LEAF's omission of the "T" from the Nay's middle name rendered the two financing statements seriously misleading. The Bank then brought an adversary action seeking a declaratory judgment that the Bank had the first priority security interest in the Equipment and moved for summary judgment.

The court first determined that the misspelled debtor name was not sufficient because it did not provide the debtor name as indicated on the driver's license. Therefore, the financing statement seriously would be misleading under UCC § 9-506 (b), unless LEAF could establish that a search of the correct debtor name using the search logic promulgated by the IN SOS would disclose the record as provided by UCC § 9-506(c).

Nay, arguing in favor of LEAF's position, claimed that a filing office administrative rule permitted searches on variants of the "full correct name" of the debtor. The Bank, however, pointed out the "full correct name" might not be the same as the "correct name" and that the applicable statute already provided the "correct name" to search. That was the name indicated on the driver's license. The court agreed with the Bank,

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HOUSE BILL 870 - MANUFACTURED HOUSING (continued)

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G.S. §20-58.4, *Release of security interest*, now allows for the owner of a mobile home to submit to the Division proof of the discharge of the debt if the secured party does not release the lien on the certificate of title. The owner must also submit a sworn affidavit stating that the debt has been satisfied.

G.S. 20-85(a)(8) sets the fee for renewing a security interest on a certificate of title or removing a lien or security interest from a certificate of title at \$20.00.

G.S. 20-109.2(d), *Application for Title after Cancellation*, now states that if the owner of a manufactured home whose certificate of title has been cancelled wishes to separate the manufactured home from the real property, the owner may apply for a new certificate of title by submitting an affidavit to the Division verifying

that the manufactured home has been removed from the real property and stating the identity of the current owner of the real property upon which the manufactured home was located. The owner must also submit the written consent of any affected owners of recorded mortgages, deeds of trust, or security interests in the real property where the manufactured home was placed. Upon receipt of the affidavit, written consent, title application and required fee, the Division shall issue a new title for the manufactured home in the name of the current owner of the real property upon which the manufactured home is located.

Except for Section G.S. 20-109.2(d) of this act which became effective August 1, 2016, the act becomes effective July 1, 2017.

Interest/ Other

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UCC AND THE MIDDLE NAME (continued)

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reasoning that to do otherwise would contravene the language and intent of the statute.

The court, considering the plain language of the statute, given its ordinary meaning, and reading § 9-503 and § 9-506 together, determined that it was clear the only correct name of the debtor was that indicated on the driver's license. Therefore, § 9-506(c) provided relief only to the extent the standard search logic would disclose the financing statements, which it did not. Despite its observation that the result in this case seemed harsh, the court granted summary judgment in favor

of the Bank.

The important thing to take away from this case is that there is little margin for error when it comes to debtor names. That is especially the case when the debtor name is that of an individual. The individual debtor name search logic used by most jurisdictions is even stricter than that used for organization debtor names. It generally does not disregard common errors in spacing, punctuation and endings and rarely will find records with spelling deviations.

As a result, when using the driver's license as the source of an individual debtor name, the secured party must ensure that the name provided on the

financing statement *exactly* matches the name on the driver's license. That is the case even if the name on the individual's driver's license appears to contain misspellings, omissions or other deviations from the person's actual name. Remember, the name on the driver's license is *the* debtor name for purposes of the financing statement.

Paul Hodnefield is the associate general counsel for Corporation Service Company® and is a frequent speaker and writer on UCC due diligence issues.

*****Article Courtesy of Corporation Service Company***



THE BILLABLE TIME DILEMMA (continued)

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- Keep a list of projects and due dates and update the list on a regular basis.
- Allot one or two hours in the day for less time-consuming projects like drafting correspondence and short documents, filing documents online or organizing files.
- Devote large blocks of time to large projects. If you have a project that will take more than one day to complete, make sure to plan your time accordingly.
- Focus on large projects during the time of day when you have the most energy.
- Keep a pad of paper on your desk to jot down phone calls just in case you fail to put the call on the billing system right away.
- Keep your desk clear of everything except the file you are working on.
- Stay focused.
- Minimize disruptions and try not to get side-tracked by co-workers, email or the Internet. Close your door or put your phone on *do not disturb* mode if you need to concentrate on a project.
- Return all phone calls and answer all emails during a specific time of day instead of intermittently throughout the day.
- Record all time, including .10 entries for short phone calls, emails or discussions with an attorney.
- Input time immediately after completing a task. Don't wait until later in the day as you may forget.
- If your firm does not have a billing system with a timer that allows you to keep track of your time from start to finish, write down the time you start each project and the time you finish. Keep track of time intervals where you momentarily stop working on a project to do something else (i.e. take an unrelated phone call) to make sure you have an accurate account of all time invested in a project.
- If your billing system allows it, use coded entries for common tasks where you type in a code and press the space bar and the full description pops up.
- Make sure time entries are detailed, all words are spelled correctly, and the description is clear enough that the client will know exactly what you did for him or her.

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DID YOU KNOW?

It is unlawful for a person to hold himself or herself out as a North Carolina certified paralegal by use of the designations "North Carolina Certified Paralegal," "North Carolina State Bar Certified Paralegal," or "Paralegal Certified by the North Carolina State Bar Board of Paralegal Certification," when an individual has not been certified in accordance with the rules adopted by the North Carolina State Bar.

[NCGS 84-10.1]



THANK YOU/UPCOMING CPE

Thank
You/
Upcoming
CPE

UPCOMING SEMINARS



JUNE 13, 2017

Debra Bechtel, Catawba County Attorney
6:00 PM - Catawba Valley Community
College - Room WW120

AUGUST 8, 2017

Sandy Costner, Firm Administrator for
Patrick, Harper & Dixon L.L.P.
Trust Accounts
(Ethics CPE)
6:00 PM - Catawba Valley Community
College - Room WW120

**If you have a CPE topic
you would like to see presented,
please let us know.**

Thank you!

Jerry Lee

**for your many years of
dedicated service to the
CVPA.**

Did you know . . .

PARALEGALS MAY PRESENT A CPE
AND RECEIVE CREDIT.

IF YOU HAVE A TOPIC IN WHICH YOU
ARE KNOWLEDGEABLE AND WOULD
LIKE TO PRESENT TO THE MEMBERS
OF THE CVPA, PLEASE CONTACT US.





CVPA ROSTER OF COMMITTEE MEMBERS

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CPE

CHAIR NEEDED

Leah Poovey

Laurie Hayden

Community Outreach

Amanda Bentley (Chair)

Catawba County Attorney's Office
abentley@catawbacountync.gov

Fundraising

Amanda Bentley (Chair)

Catawba County Attorney's Office
abentley@catawbacountync.gov

Crystal Campbell

Membership

Laurie Hayden (Chair)

Patrick, Harper & Dixon L.L.P.
lhayden@phd-law.com

Newsletter

Beverly Cook (Chair)

Patrick, Harper & Dixon L.L.P.

bcook@phd-law.com

Leah Poovey

Laurie Hayden

Publicity

Leah Poovey (Chair)

Alex Lee, Inc.

leah.poovey@alexlee.com

Social

Crystal Campbell (Chair)

carolina_gal118@yahoo.com

Heather Misenheimer

Website

Laurie Hayden (Chair)

Patrick, Harper & Dixon L.L.P.

lhayden@phd-law.com

Crystal Campbell (Facebook)

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