



# ADVISORY OPINION OF THE THE NORTH CAROLINA DISPUTE RESOLUTION COMMISSION

## **Advisory Opinion Number 25 (2013)**

*(Adopted and Issued by the Commission on February 1, 2013; Amended September 20, 2024.)*

### **Attendance at a Mediated Settlement Conference by an Unrepresented Corporation, Rule 4.**

**The mediator is not required to police the attendance issues and may allow an unrepresented corporation to participate and attend a mediation under Rule 4.**

#### **Concern Raised**

One of the parties to a court-ordered superior court mediation is a corporation. An officer of the corporation filed the answer and several motions relating to discovery on behalf of the corporation. No outside counsel has made an appearance on behalf of the corporation. The attorney for one of the other parties informed the mediator assigned to the case that he would not participate in the mediation unless the corporation obtained legal counsel to participate in the mediation. Mediator now asks what he should do if the corporation does not have an attorney present for the mediation. He also asks whether, if he convenes the conference and allows the corporate officer to negotiate on the corporation's behalf, he would be facilitating the unauthorized practice of law.

#### **Advisory Opinion**

The mediator has a duty to serve as a neutral facilitator of the parties' negotiations. Public policy encourages the process of bringing the parties together. While parties and their attorneys are required to attend pursuant to the Rules for Mediated Settlement Conferences and Other Settlement Procedures in Superior Court Civil Actions (MSC) and the Rules for Settlement Procedures in District Court Family Financial Cases (FFS) the mediator is not required to police attendance issues. The mediator should proceed to hold the conference, facilitate the parties' negotiations, and report to the court those individuals who were present at the conference. The parties should direct any questions about attendance to the court.

N.C.G.S. § 84-5 prohibits a corporation from practicing law, and case law interpreting the statute, with certain exceptions, holds that a non-attorney employee of a corporation may not litigate on behalf of a corporation. Furthermore, Rule 5.5(d) of the North Carolina State Bar Rules of Professional Conduct (RPC) prohibits a lawyer from assisting another person in the unauthorized practice of law. Serving as a mediator, however, is not the practice of law, and therefore, as long as the lawyer mediator is acting as a mediator consistent with court-ordered program rules and the Standards of Professional Conduct for Mediators (Standards), the mediator will not be assisting in the unauthorized practice of law by conducting the settlement conference as ordered by the court,

and would not be in violation of RPC Rule 5.5(d) by doing so. Absent an order of the court dispensing with the mediation, the mediator should hold the conference as originally ordered by the court.

In an effort to help the parties make informed decisions about attendance, and to help make their time spent at mediation more productive, mediators are encouraged to engage the parties (whether together or separately) in conversation about attendance issues. Mediators may help the parties become aware of the attendance requirements, raise questions about the consequences of the parties' decisions regarding attendance, help the parties identify persons who need to be a part of their team's discussions and negotiations at mediation, and help the parties identify the appropriate officials who may meet the attendance requirements.

This scenario also presents a "best practice" issue. Questions about attendance often arise before mediation is scheduled or held, and such disputes can become highly charged and confrontational. Mediators who go beyond the suggestions discussed above and take a position on an attendance issue may find themselves in an adversarial relationship with one or more parties. If there are concerns of lack of impartiality, the mediator may be in violation of Standard 2, which requires the mediator to maintain impartiality toward the parties, and pursuant to Standard 2(c), may be required to withdraw. Additionally, if the mediator gives legal advice about attendance issues, this will violate Standard 6, which requires the mediator to limit himself or herself solely to the role of mediator and instructs the mediator not to give legal or other professional advice during the mediation. However, if a party not required to attend becomes disruptive to the mediation process, the mediator may remove the disruptive party from the mediation under Rule 6(a) of the MSC and FFS Rules. Ultimately, as noted above, the parties should address attendance questions to the court.

N.C. Gen. Stat. §7A-38.2(b) provides, "[t]he administration of mediator certification, regulation of mediator conduct, and certification shall be conducted through the Dispute Resolution Commission, established under the Judicial Department." On August 28, 1998, the Commission adopted an Advisory Opinions Policy encouraging mediators to seek guidance on dilemmas that arise in the context of their mediation practice. In adopting the Policy and issuing opinions, the Commission seeks to educate mediators and to protect the public.