

Colorado Supreme Court 2 East 14th Avenue Denver, CO 80203	DATE FILED: April 27, 2015 CASE NUMBER: 2014SA282
Original Proceeding in Unauthorized Practice of Law, Office of Attorney Regulation Counsel, 2014UP004 & 2014UP042	
<p>Petitioner:</p> <p>The People of the State of Colorado,</p> <p>v.</p> <p>Respondents:</p> <p>Swift Rock Financial, Inc, d/b/a Worldlaw Debt, Worldlaw Direct, and Worldlaw Group; Orion Processing, LLC d/b/a/ Worldlaw Processing, Worldlaw Direct and Worldlaw Group; Family Capital Investment & Management, LLC; and Derin Scott.</p>	Supreme Court Case No: 2014SA282
ORDER OF INJUNCTION	

Upon consideration of the Order Entering Default Judgment Pursuant to C.R.C.P. 55(b) and Report of Hearing Master Pursuant to C.R.C.P. 236(a) filed in the above cause, and now being sufficiently advised in the premises,

IT IS ORDERED that Respondents, SWIFT ROCK FINANCIAL, INC., d./b/a WORLDLAW DEBT, WORLDLAW DIRECT, and WORLDLAW GROUP; ORION PROCESSING, LLC, d/b/a WORLDLAW PROCESSING, WORLDLAW DIRECT, and WORLDLAW GROUP; FAMILY CAPITAL INVESTMENT & MANAGEMENT, LLC; and DERIN SCOTT, shall be, and the

same hereby are, PERMANENTLY ENJOINED from engaging in the Unauthorized Practice of Law in the State of Colorado.

IT IS FURTHER ORDERED that Respondents are assessed costs in the amount of \$827.76. Said costs to be paid to the Office of Attorney Regulation Counsel, within (180) days of the date of this order.

IT IS FURTHER ORDERED that Respondents jointly and severally pay a fine in the amount of \$3,000.00.

IT IS FURTHER ORDERED that Restitution be imposed in the amounts outlined in the section entitled Restitution, Fines and Costs of the March 19, 2015 Order Entering Default Judgment Pursuant to C.R.C.P. 55(b) and Report of Hearing Master Pursuant to C.R.C.P. 236(a)

BY THE COURT, APRIL 27, 2015

<p>SUPREME COURT, STATE OF COLORADO</p> <p>ORIGINAL PROCEEDING IN THE UNAUTHORIZED PRACTICE OF LAW BEFORE THE OFFICE OF THE PRESIDING DISCIPLINARY JUDGE 1300 BROADWAY, SUITE 250 DENVER, CO 80203</p>	
<p>Petitioner: THE PEOPLE OF THE STATE OF COLORADO</p> <p>Respondents: SWIFT ROCK FINANCIAL, INC., d/b/a WORLDSLAW DEBT, WORLDSLAW DIRECT, AND WORLDSLAW GROUP; ORION PROCESSING, LLC, d/b/a WORLDSLAW PROCESSING, WORLDSLAW DIRECT, AND WORLDSLAW GROUP; FAMILY CAPITAL INVESTMENT & MANAGEMENT, LLC; AND DERIN SCOTT</p>	<p>Case Number: 14SA282</p>
<p>ORDER ENTERING DEFAULT JUDGMENT PURSUANT TO C.R.C.P. 55(b) AND REPORT OF HEARING MASTER PURSUANT TO C.R.C.P. 236(a)</p>	

Before the Presiding Disciplinary Judge (“the PDJ”) are three motions filed by Kim E. Ikeler and Marie E. Nakagawa, Office of Attorney Regulation Counsel (“the People”): “Petitioner’s Motion for Default Judgment as to Respondents’ Representation of James T. Coleman, Jr. and Sharon Coleman,” filed on February 11, 2015; “Petitioner’s Motion for Default Judgment as to Respondents’ Representation of Katherine Ewing,” filed on February 12, 2015; and “Petitioner’s Motion for Default Judgment as to Respondents’ Representation of Carol Mast,” filed on February 23, 2015. Swift Rock Financial, Inc, d/b/a Worldlaw Debt, Worldlaw Direct, and Worldlaw Group; Orion Processing, LLC, d/b/a Worldlaw Processing, Worldlaw Direct, and Worldlaw Group; Family Capital Investment & Management, LLC; and Derin Scott (“Respondents”) have not responded to any of the motions.

I. PROCEDURAL HISTORY

The People filed a “Petition for Injunction” on September 16, 2014, alleging Respondents engaged in the unauthorized practice of law. On October 3, 2014, the Colorado Supreme Court issued an “Order to Show Cause,” directing Respondents to answer in writing and show cause within twenty-one days of service why they should not be enjoined from the unauthorized practice of law. The People filed proofs of service on November 14, 2014.

On December 17, 2014, the Colorado Supreme Court issued an “Order Appointing Hearing Master,” referring this matter to the PDJ for findings of fact, conclusions of law, and

recommendations under C.R.C.P. 234(f) and 236(a). On December 22, 2014, the PDJ entered an order directing Respondents to answer the People's petition no later than January 5, 2015, and warning Respondents that if they failed to do so, the PDJ might deem the claims alleged in the People's petition to have been proved. In the same order, the PDJ advised Respondents that business entities may appear in Colorado courts only through a licensed attorney.¹ Respondents still did not file a response.

On January 6, 2015, the People moved for entry of default. The PDJ granted that motion by order dated January 7, 2015. Upon entry of default, the allegations contained in the petition for injunction, including the allegation that Respondents engaged in the unauthorized practice of law, were deemed admitted.²

Also on January 6, 2015, the People filed "Petitioner's Forthwith Motion for Recommendation of Immediate Entry of Temporary Injunctive Relief," asking the PDJ to recommend that the Colorado Supreme Court immediately enjoin Respondents from the unauthorized practice of law under C.R.C.P. 237(b). The PDJ granted the motion on January 27, 2015, and recommended entry of an immediate injunction. The Colorado Supreme Court enjoined Respondents from practicing law on February 2, 2015.

II. PETITIONER'S MOTIONS FOR DEFAULT JUDGMENT

The People have followed the procedure for default judgments set forth in C.R.C.P. 55 and 121 section 1-14 by showing valid service on Respondents and by submitting an affidavit indicating that venue is proper and that Respondents are not minors, incapacitated persons, officers of the state, or in the military.³ Accordingly, the PDJ **GRANTS** the People's three motions for default judgment.

III. FINDINGS OF FACT AND CONCLUSIONS OF LAW

The PDJ issues the following report to the Colorado Supreme Court pursuant to C.R.C.P. 236(a).

¹ *United Sec. Corp. v. Pantex Pressing Mach.*, 98 Colo. 79, 85, 53 P.2d 653, 656 (1935) ("a corporation can appear in a court of record only by an attorney at law"); *Bennie v. Triangle Ranch Co.*, 73 Colo. 586, 588, 216 P. 718, 719 (1923) ("a corporation can only appear by attorney"); *Gilley v. Shoffner*, 345 F. Supp. 2d 563, 566 (M.D.N.C. 2004) (collecting cases and holding that the rule requiring corporations to appear only through licensed counsel applies to all forms of business entities, including limited liability companies).

² See C.R.C.P. 8(d); *Orebaugh v. Daskocil*, 145 Colo. 484, 487-88, 359 P.2d 671, 673 (1961) (noting that defendant's failure to answer within the required time constitutes his admittance of the allegations of the complaint and they need not be proved); see also *Denman v. Burlington N. R.R. Co.*, 761 P.2d 244, 247 (Colo. App. 1988) (finding defendant impliedly admitted the averments in the complaint by failing to deny them in a timely responsive pleading) (citing C.R.C.P. 8(d) and C.R.C.P. 55(a)).

³ Petitioner's Mot. for Default J. as to Colemans Ex. A.

Factual Findings

The factual allegations of the People’s petition are summarized below. The petition contains numerous additional averments, all of which have been deemed admitted by the PDJ’s entry of default.

Background

Respondent Swift Rock Financial, Inc. (“Respondent Swift Rock”) is a Texas domestic for-profit corporation that was a predecessor of Respondent Orion Processing, LLC (“Respondent Orion Processing”).⁴ Worldlaw Debt is an assumed name of Respondent Swift Rock, which also has used the trade names of Worldlaw Direct and Worldlaw Group.⁵

Respondent Orion Processing is a Texas domestic limited liability company, which uses Worldlaw Processing as an assumed name, and which also has used the trade names of Worldlaw Direct and Worldlaw Group.⁶

Respondent Family Capital Investment & Management, LLC (“Respondent Family Capital”) is a Delaware limited liability company that is responsible for managing the day-to-day operations of Respondent Orion Processing.⁷

Respondent Derin Scott (“Respondent Scott”) is an owner of Respondent Swift Rock, Respondent Orion Processing, and Respondent Family Capital (collectively, the “corporate Respondents”).⁸ Respondent Scott is an officer of Respondent Swift Rock and a managing member of Respondent Orion Processing.⁹ He has had authority to direct and control the actions of the corporate Respondents and their employees, and he in fact did direct and control the activities of the corporate Respondents at relevant times.¹⁰

The corporate Respondents do not employ lawyers licensed in Colorado or any other state for the purpose of assisting their “clients,” and Respondent Scott is not a licensed lawyer.¹¹

At Respondent Scott’s direction, employees of one of the corporate Respondents maintain a website, www.Worldlawdirect.com, which offers legal advice.¹² The website states: “WorldlawDirect is the leading interactive provider of U.S. and international legal

⁴ Pet. ¶¶ 22-23.

⁵ Pet. ¶¶ 24-25.

⁶ Pet. ¶¶ 29-31.

⁷ Pet. ¶¶ 35, 37.

⁸ Pet. ¶¶ 39-41.

⁹ Pet. ¶¶ 39-40.

¹⁰ Pet. ¶¶ 42-43.

¹¹ Pet. ¶¶ 44-45.

¹² Pet. ¶¶ 47-48.

solutions. We've resolved legal issues for over 150,000 satisfied clients."¹³ This website permits customers to order a variety of legal forms.¹⁴

Respondents also maintain a second website, www.Worldlawdebt.com.¹⁵ This website states:

We solve debt issues: personal debt evaluation, structured debt settlements, client has personally assigned state attorney, 24 hour access to legal advice for our clients, paid and free ask-a-lawyer services Our attorneys and legal assistants have years of experience with positive results in the debt reduction/debt relief field . . . Clients work directly with our lawyers and legal assistants.¹⁶

The assertion that customers will be able to “work directly” with lawyers is false, since the corporate Respondents do not employ licensed lawyers to assist their “clients.”¹⁷ In some instances, the “attorneys” ostensibly available to assist customers “had not been not employed by Respondents for several years, and then only in a limited capacity.”¹⁸ Respondents continued to use these lawyers’ names without their permission.¹⁹

The People’s petition focuses on Respondents’ actions with respect to three so-called “clients.”

Mast Matter

On October 9, 2012, Carol Mast signed a “Client Service Agreement” with World Law Debt, “the marketing and client assistance division of World Law Group.”²⁰ The agreement defines World Law Group as “the law firm that provides . . . attorney representation to the undersigned of this agreement” and states that the agreement is “for World Law Debt to provide bundled legal services” to be performed by an unspecified “Attorney.”²¹ World Law Debt promised to assign a local attorney to provide legal advice to Mast.²² Mast agreed to deposit \$230.00 on semi-monthly basis into an account administered by a company called Global Client Solutions, LLC, and she began making those payments in fall 2012.²³ The agreement characterized all fees received from Mast as “legal fees.”²⁴

¹³ Pet. ¶ 49.

¹⁴ Pet. ¶ 50.

¹⁵ Pet. ¶ 51.

¹⁶ Pet. ¶ 52.

¹⁷ Pet. ¶¶ 53-54.

¹⁸ Pet. ¶ 55.

¹⁹ Pet. ¶ 56.

²⁰ Pet. ¶ 57.

²¹ Pet. ¶¶ 59-61.

²² Pet. ¶ 65.

²³ Pet. ¶¶ 69, 73.

²⁴ Pet. ¶ 70.

Mast had a delinquent charge account with Discover Bank.²⁵ When Discover Bank demanded payment, Mast wrote to World Law Group, enclosing dunning letters she had received, a summons, and a complaint filed against her in Adams County District Court by Discover Bank.²⁶

On September 18, 2013, a nonlawyer identified as part of the “Litigation Clerical Team” at World Law Processing emailed Mast.²⁷ The email directed Mast to “file or risk a default judgment” and enclosed “documents prepared by the Attorneys in response to your recent case documents.”²⁸ The email further directed Mast to print the attachment, fill in her contact information, sign where highlighted, complete the certificate of service, attach to the answer an included exhibit that discussed the case of *Citibank South Dakota v. Whiteley*, file the answer with the court clerk, confirm any future court dates with the clerk, mail a copy of the answer to the plaintiff’s attorney, and notify the “Litigation Department” when these steps were completed.²⁹ Mast filed her answer, using the form provided by Respondent Orion Processing.³⁰ The answer quoted from the *Whiteley* decision, asserted that there was no valid credit card agreement, and attached eight affirmative defenses, including defenses based on Discover Bank’s supposed violations of the Fair Debt Collection Practices Act.³¹

Mast subsequently sent to World Law Group Discover Bank’s initial disclosures, notices from Discover Bank, and a letter from Discover Bank’s counsel regarding conferral.³² On January 8, 2014, she received an email from “attorneys17@Worldlawdirect.com” giving her one sentence to read or say in court: “The Discover Card Agreement gives me the right to choose private federal arbitration in any card dispute at any time before judgment is made (even if a claim is already in court), and I am choosing to use federal arbitration at this point instead of using the court.”³³ In a separate email sent the same day from the same address, a nonlawyer advised Mast that her cardholder agreement allowed her to elect federal arbitration and that electing federal arbitration would stay the court case.³⁴

Mast was also a party to a cardholder agreement with Bank of America.³⁵ The credit card issuer made demand for payment, and the owner and holder of the indebtedness sued Mast in Adams County County Court.³⁶ Mast sent the summons and complaint to World Law

²⁵ Pet. ¶¶ 77, 79.

²⁶ Pet. ¶¶ 80-81, 83, 85-87.

²⁷ Pet. ¶¶ 88-89.

²⁸ Pet. ¶¶ 92-93.

²⁹ Pet. ¶ 94.

³⁰ Pet. ¶¶ 96-97.

³¹ Pet. ¶¶ 98-99, 101.

³² Pet. ¶¶ 103-114.

³³ Pet. ¶¶ 116-17.

³⁴ Pet. ¶¶ 118-20.

³⁵ Pet. ¶ 133.

³⁶ Pet. ¶¶ 135, 137-38.

Group.³⁷ On or about February 6, 2014, Mast filed an answer, using the form of answer supplied by employees of Respondent Orion Processing.³⁸ The answer contended that there was no valid account agreement and the plaintiff had no legal standing to initiate the action against Mast, and the answer set forth eight affirmative defenses.³⁹ As in the Discover Bank matter, a nonlawyer using the email address “attorneys17@Worldlawdirect.com” advised Mast that the cardholder agreement allowed her to elect federal arbitration and that electing federal arbitration would stay the court case.⁴⁰

Coleman Matter

On May 31, 2010, James and Sharon Coleman entered into a “Client Service Agreement” with World Law Group.⁴¹ World Law Group agreed to help the Colemans resolve their debts with a number of creditors by providing debt management and settlement services.⁴² World Law Group agreed that an attorney licensed in Colorado would give the Colemans legal advice, including by explaining their options if they were sued and helping them file an answer to any law suit.⁴³ The Colemans made monthly payments to World Law Group of \$1,010.22 for fees and settlement payments.⁴⁴

On March 29, 2011, Discover Bank sued Ms. Coleman in Adams County District Court to collect a credit card debt.⁴⁵ Ms. Coleman filed a reply and answer drafted by Respondent Orion Processing’s nonlawyer employees.⁴⁶ The pleadings quote language from case law and cite a statute.⁴⁷ A nonlawyer associated with World Law Processing explained to the Colemans the supposed significance of a legal ruling by the court.⁴⁸ In addition, the same nonlawyer drafted for the Colemans a motion to continue the case management hearing and instructed the Colemans to file it.⁴⁹ Ms. Coleman filed the motion on July 15, 2011.⁵⁰

On November 4, 2011, the court entered judgment against Ms. Coleman for \$16,172.30, plus interest and attorney’s fees, noting that that no objection had been filed to Discover Bank’s motion for summary judgment.⁵¹ Later that month, a Rule 69 hearing was set in the case.⁵² The Colemans forwarded the notice of hearing and a subpoena to

³⁷ Pet. ¶ 140.

³⁸ Pet. ¶¶ 144-45.

³⁹ Pet. ¶¶ 146, 148.

⁴⁰ Pet. ¶¶ 156-58.

⁴¹ Pet. ¶ 166.

⁴² Pet. ¶ 168.

⁴³ Pet. ¶¶ 169-70.

⁴⁴ Pet. ¶ 172.

⁴⁵ Pet. ¶ 173.

⁴⁶ Pet. ¶¶ 174-75.

⁴⁷ Pet. ¶¶ 176-79.

⁴⁸ Pet. ¶¶ 186-88.

⁴⁹ Pet. ¶¶ 195-99.

⁵⁰ Pet. ¶ 201.

⁵¹ Pet. ¶¶ 210-11.

⁵² Pet. ¶ 220.

Worldlaw Group.⁵³ A nonlawyer responded, promising that a local attorney would contact them.⁵⁴ On January 2, 2013, Ms. Coleman filed a “Motion for Continuance and Judgment Entry” that had been drafted by employees of Respondent Orion Processing.⁵⁵ After the Rule 69 hearing was continued until March 2013, another nonlawyer from Worldlaw Processing sent the Colemans a draft “Motion for Continuance and Judgment Entry.”⁵⁶ The day before the scheduled hearing, on March 25, 2013, a nonlawyer advised Ms. Coleman by email not to attend the hearing.⁵⁷ The motion for continuance was denied and the Rule 69 hearing went forward without Ms. Coleman.⁵⁸

Employees of Worldlaw Processing continued to negotiate with Discover Bank in the Colemans’ matter.⁵⁹ On December 16, 2013, a nonlawyer associated with World Law Processing emailed the Colemans a proposed settlement offer of \$7,000.00 plus a \$779.48 settlement fee.⁶⁰ After the nonlawyer assured the Colemans that “the World Law attorneys have reviewed this offer and they believe this is in your best interest,” the Colemans agreed to the settlement.⁶¹

CACH, LLC sued the Colemans in Adams County County Court to recover \$3,606.19 in credit extended by GE Capital Retail Bank.⁶² On January 2, 2013, the Colemans forwarded the summons and complaint to World Law Group.⁶³ A week later, Worldlaw Processing sent the Colemans an answer for filing, stating that it had been prepared by attorneys.⁶⁴ This answer, which in fact was prepared by nonlawyer employees of Respondent Orion Processing, cited case law and asserted nine affirmative defenses, including violation of the federal Fair Debt Collection Practices Act.⁶⁵

On February 23, 2011, FIA Card Services, N.A. sued Mr. Coleman in Adams County District Court to recover \$44,848.35—the liquidated balance of his credit card account.⁶⁶ The Colemans forwarded the summons and complaint to Respondent Orion Processing.⁶⁷ On March 16, 2011, a nonlawyer employee of World Law Processing sent Mr. Coleman an email with an answer for filing, stating that it had been “prepared by the attorney in response to

⁵³ Pet. ¶¶ 221-23.

⁵⁴ Pet. ¶¶ 226-27.

⁵⁵ Pet. ¶ 230.

⁵⁶ Pet. ¶¶ 231, 234-37.

⁵⁷ Pet. ¶¶ 241-43.

⁵⁸ Pet. ¶¶ 246-48.

⁵⁹ Pet. ¶ 254.

⁶⁰ Pet. ¶¶ 255-58.

⁶¹ Pet. ¶¶ 259, 261.

⁶² Pet. ¶ 262.

⁶³ Pet. ¶ 263.

⁶⁴ Pet. ¶¶ 265-66.

⁶⁵ Pet. ¶¶ 267-68, 271.

⁶⁶ Pet. ¶ 281.

⁶⁷ Pet. ¶ 282.

case documents you recently sent us.”⁶⁸ Mr. Coleman signed and filed the answer, which alleged that there was “no valid contract” between Mr. Coleman and the plaintiff and which cited case law and listed affirmative defenses.⁶⁹ Later, a nonlawyer employee of Respondent Orion Processing prepared responses to disclosures requested by the plaintiff.⁷⁰ The responses did not meet the substance of the requests and were designed to delay the discovery process.⁷¹

Ewing Matter

Katherine Ewing contacted Respondents for assistance with her credit card debts.⁷² On December 14, 2011, she entered into a “Client Service Agreement” with World Law Debt.⁷³ The agreement stated that World Law Debt was a division of World Law Group, a “law firm” providing “attorney representation to the undersigned of this agreement.”⁷⁴ In fact, Respondents did not employ attorneys or provide attorneys to serve their “clients.”⁷⁵ The agreement required Ewing to pay over \$10,000.00 in “legal fees.”⁷⁶ Ewing made payments on these fees for the next two years.⁷⁷

Ewing had an unpaid balance on her Discover Card, and Discover Bank sued her in El Paso County County Court.⁷⁸ Nonlawyer employees of Respondent Orion Processing prepared and sent to Ewing an answer to file in this case.⁷⁹ The answer, among other things, cited case law, requested federal arbitration, and asserted affirmative defenses.⁸⁰ Ewing filed the answer on July 31, 2013.⁸¹ Nonlawyer employees of Respondent Orion Processing also prepared and sent to Ewing a “Motion to Compel Arbitration” and a proposed order, which she also filed with the court.⁸²

Ewing was sued in El Paso County County Court by American Express Centurion Bank, the holder of indebtedness on her American Express card.⁸³ Nonlawyer employees of Respondent Orion Processing prepared and sent to Ewing an answer containing allegations, arguments, case citations, and affirmative defenses that were virtually identical to those in

⁶⁸ Pet. ¶¶ 283-87.

⁶⁹ Pet. ¶¶ 290-94.

⁷⁰ Pet. ¶¶ 297, 300.

⁷¹ Pet. ¶ 301.

⁷² Pet. ¶¶ 315-16.

⁷³ Pet. ¶ 317.

⁷⁴ Pet. ¶ 319.

⁷⁵ Pet. ¶ 335.

⁷⁶ Pet. ¶¶ 329-32.

⁷⁷ Pet. ¶ 334.

⁷⁸ Pet. ¶¶ 337-38.

⁷⁹ Pet. ¶¶ 339-40.

⁸⁰ Pet. ¶¶ 340-44.

⁸¹ Pet. ¶ 345.

⁸² Pet. ¶¶ 346-50.

⁸³ Pet. ¶¶ 353-54.

the answer prepared for Ewing's Discover Bank case.⁸⁴ Ewing filed the answer on August 2, 2012.⁸⁵

Ewing completed forms demanding arbitration in this case and sent them to the American Arbitration Association.⁸⁶ Ewing understood from Respondent Orion Processing that attorneys provided by World Law Group would represent her in the arbitration.⁸⁷ When Ewing asked for an update regarding an arbitration hearing, a nonlawyer employee of Respondent Orion Processing falsely told her that a new arbitrator had been appointed at the request of World Law Debt.⁸⁸ Another nonlawyer employee of Respondent Orion Processing emailed the arbitrator to give notice that World Law Debt would not attend the hearing and would be lodging a "de novo" appeal.⁸⁹ When the arbitrator responded, stating in part that he would hold the hearing open so that the employee could call in, the employee directed the arbitrator to close the hearing.⁹⁰ Notwithstanding representations made by their nonlawyer employees, Respondents failed to appeal the matter.⁹¹

Ewing received a letter from the attorney for American Express stating that no attorney from World Law Debt had appeared at the arbitration hearing and a decision had been entered against Ewing.⁹² In response to Ewing's inquiry, a nonlawyer informed Ewing that World Law Debt had "exercised our option to appeal the arbitration and seek a new arbitrator" and advised Ewing to ignore the letter from the lawyer for American Express.⁹³ The court confirmed the arbitration award, and Ewing's wages were garnished.⁹⁴ Ewing requested an explanation from World Law Debt when she learned that no appeal had been filed, but she never received the promised explanation from an attorney.⁹⁵

Respondents' employees prepared and sent to Ewing similar answers and motions in three additional cases in El Paso County County Court.⁹⁶

Conclusions of Law

The Colorado Supreme Court, which exercises exclusive jurisdiction to define the practice of law within the State of Colorado,⁹⁷ restricts the practice of law to protect

⁸⁴ Pet. ¶¶ 355-57.

⁸⁵ Pet. ¶ 357.

⁸⁶ Pet. ¶ 358.

⁸⁷ Pet. ¶ 359.

⁸⁸ Pet. ¶¶ 361-64.

⁸⁹ Pet. ¶¶ 365, 368.

⁹⁰ Pet. ¶¶ 371-72.

⁹¹ Pet. ¶¶ 375-76.

⁹² Pet. ¶¶ 379-80.

⁹³ Pet. ¶¶ 381-84.

⁹⁴ Pet. ¶¶ 385, 387.

⁹⁵ Pet. ¶¶ 392-95.

⁹⁶ Pet. ¶ 397.

⁹⁷ C.R.C.P. 228.

members of the public from receiving incompetent legal advice from unqualified individuals.⁹⁸ To practice law in the State of Colorado, a person must have a law license issued by the Colorado Supreme Court, unless a specific exception applies.⁹⁹ Colorado Supreme Court case law holds that “an unlicensed person engages in the unauthorized practice of law by offering legal advice about a specific case, drafting or selecting legal pleadings for another’s use in a judicial proceeding without the supervision of an attorney, or holding oneself out as the representative of another in a legal action.”¹⁰⁰ For a nonlawyer to advertise as a lawyer also amounts to the unauthorized practice of law.¹⁰¹

Here, Respondents engaged in the unauthorized practice of law by offering to perform legal services through the www.Worldlawdirect.com and www.Worldlawdebt.com websites.¹⁰² These websites offered “legal solutions” and “legal advice.”¹⁰³ Indeed, the second website explicitly promised that lawyers would provide legal services to “clients,” even though the corporate Respondents in fact did not employ licensed lawyers. Respondents’ advertisements constitute the unauthorized practice of law.

In the Mast, Coleman, and Ewing matters, Respondents also engaged in the unauthorized practice of law by offering legal advice and drafting legal pleadings.¹⁰⁴ Respondents drafted answers, motions, disclosure responses, and at least one proposed order. These pleadings cited legal authorities, thereby bearing one of the hallmarks of the practice of law: the exercise of legal judgment, knowledge, or skill.¹⁰⁵ In a similar vein,

⁹⁸ *Unauthorized Practice of Law Comm. v. Grimes*, 654 P.2d 822, 826 (Colo. 1982); see also *Charter One Mortg. Corp. v. Condra*, 865 N.E.2d 602, 605 (Ind. 2007) (“Confining the practice of law to licensed attorneys is designed to protect the public from the potentially severe consequences of following advice on legal matters from unqualified persons.”); *In re Baker*, 85 A.2d 505, 514 (N.J. 1952) (“The amateur at law is as dangerous to the community as an amateur surgeon would be.”).

⁹⁹ See C.R.C.P. 201-227.

¹⁰⁰ *People v. Shell*, 148 P.3d 162, 171 (Colo. 2006); see also C.R.C.P. 201.3(2)(a)-(f) (defining the practice of law).

¹⁰¹ See C.R.S. § 12-5-112 (2014) (“Any person who, without having a license from the supreme court of this state so to do, advertises, represents, or holds himself out in any manner as an attorney, attorney-at-law, or counselor-at-law . . . is guilty of contempt of the supreme court of this state”); *Binkley v. People*, 716 P.2d 1111, 1114 (Colo. 1986) (“Anyone advertising as a lawyer holds himself or herself out as an attorney, attorney-at-law, or counsel-at-law and, if not properly licensed, may be held in contempt of court for practicing law without a license.”); see also *Statewide Grievance Comm. v. Zadora*, 772 A.2d 681, 684 (Conn. App. 2001) (“Advertising alone is sufficient to constitute the unauthorized practice of law if the advertisement is for activity that amounts to legal services.”).

¹⁰² See *People v. Gregory*, 135 Colo. 438, 439, 312 P.2d 512, 512 (1957) (finding that two laypersons had engaged in the unauthorized practice of law by holding themselves out in advertisements and in person as qualified to prepare legal documents and render legal services); *People v. Castleman*, 88 Colo. 207, 207, 294 P. 535, 535 (1930) (finding that a layperson engaged in the unauthorized practice of law by appearing in court for a client and by advertising himself as an attorney on his business card).

¹⁰³ Pet. ¶¶ 49, 52.

¹⁰⁴ See *Title Guar. Co. v. Denver Bar Ass’n*, 135 Colo. 423, 434, 312 P.2d 1011, 1016 (1957) (holding that preparation of legal documents for others amounts to the unauthorized practice of law).

¹⁰⁵ See *People v. Adams*, 243 P.3d 256, 266 (Colo. 2010) (noting that nonattorneys are barred from performing on another’s behalf activities that require the exercise of legal discretion or judgment); *Grimes*, 759 P.2d at 3-4 (ordering a layperson who had been enjoined from the practice of law to refrain from “prepar[ing] any document for any other person or entity which would require familiarity with legal principles”); *Denver Bar*

Respondents prepared a statement for Mast to read in court regarding her legal rights and decisions.

In addition, Respondents gave Mast, the Colemans, and Ewing legal advice. For instance, a nonlawyer advised Mast that her cardholder agreement allowed her to elect federal arbitration and that electing federal arbitration would stay her court case. And in the Coleman matter, a nonlawyer advised Ms. Coleman not to attend a Rule 69 hearing and advised the Colemans to accept a settlement offer. Respondents' legal advice amounted to the unauthorized practice of law.

Restitution, Fines, and Costs¹⁰⁶

C.R.C.P. 237(a) authorizes the Colorado Supreme Court to order payment of restitution.¹⁰⁷ The People request awards of restitution for the Mast, Coleman, and Ewing matters. Each request is supported by an affidavit from the aggrieved customer. First, the People ask that Respondent be required to pay Mast restitution of principal plus 8% interest per annum of \$6,435.25, as well as interest at 8% per annum on the restitution, from February 1, 2015, forward. Second, the People ask that Respondent be required to pay the Colemans restitution of principal plus 8% interest per annum of \$21,838.04, as well as interest at 8% per annum on the restitution, from February 1, 2015, forward. Third, the People ask that Respondent be required to pay Ewing restitution of principal plus 8% interest per annum of \$7,914.75, as well as interest at 8% per annum on the restitution, from February 1, 2015, forward. The factual findings here fully support the People's requested awards of restitution.

C.R.C.P. 236(a) provides that, if a hearing master makes a finding of the unauthorized practice of law, the hearing master shall also recommend that the Colorado Supreme Court impose a fine ranging from \$250.00 to \$1,000.00 for each such incident. The People request imposition of a fine of \$1,000.00 for each customer representation. In assessing fines for the unauthorized practice of law, the Colorado Supreme Court previously has examined whether a respondent's actions were "malicious or pursued in bad faith" and whether the respondent engaged in unlawful activities over an extended timeframe despite warnings.¹⁰⁸ The PDJ finds that Respondents acted in bad faith and engaged in the unauthorized practice

Ass'n v. Pub. Utils. Cmm'n, 154 Colo. 273, 280, 391 P.2d 467, 471-72 (1964) (stating that the practice of law encompasses the preparation for others of "procedural papers requiring legal knowledge and technique").

¹⁰⁶ On March 9, 2015, the People filed "Petitioner's Notice to the Court of Respondent Orion Processing, LLC's Bankruptcy Filing," stating that Respondent Orion Processing filed for Chapter 11 protection in the U.S. Bankruptcy Court for the Western District of Texas, Austin Division, Case No. 15-10279-TMD. The People assert that this filing does not operate as a stay of the PDJ's recommendation as to relief or of the granting of that relief by the Colorado Supreme Court.

¹⁰⁷ See *People v. Love*, 775 P.2d 26, 27 (Colo. 1989) (ordering a nonlawyer to make restitution of fees received through the unauthorized practice of law).

¹⁰⁸ *Adams*, 243 P.3d at 267-68.

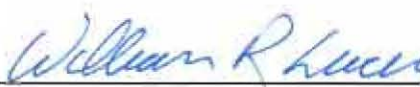
of law repeatedly and to the detriment of unsuspecting customers. A \$1,000.00 fine for each of the three representations is thus warranted.¹⁰⁹

The People filed a statement of costs, reflecting \$827.76 in costs.¹¹⁰ Respondents have not filed a response. The People are the prevailing party here, and the PDJ finds that their requested costs—which primarily reflect charges for a deposition, service of process, and an administrative fee—are reasonable.¹¹¹

IV. RECOMMENDATION

The PDJ **RECOMMENDS** that the Colorado Supreme Court **FIND** that Respondents engaged in the unauthorized practice of law and permanently **ENJOIN** them from the unauthorized practice of law. The PDJ further **RECOMMENDS** that the Colorado Supreme Court enter an order requiring Respondents jointly and severally to pay (1) a **FINE** of \$3,000.00; (2) **COSTS** of \$827.76; and (3) **RESTITUTION** in the amounts outlined in the section directly above.

DATED THIS 19th DAY OF MARCH, 2015.


WILLIAM R. LUCERO
PRESIDING DISCIPLINARY JUDGE



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¹⁰⁹ See *id.* at 267, n.7 (holding that a respondent who provided legal services to five separate individuals engaged in five instances of the unauthorized practice of law for purposes of C.R.C.P. 236).

¹¹⁰ Mot. for Default J. as to Colemans Ex. B.

¹¹¹ See C.R.S. § 13-16-122 (setting forth an illustrative list of categories of “includable” costs in civil cases, including “[a]ny fees for service of process”).

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Colorado Supreme Court

Via Hand Delivery