

# COMMITTEE ON ALTERNATIVE BUSINESS STRUCTURES

## Meeting Agenda – Tuesday, March 9, 2021

Arizona Supreme Court -1501 West Washington Street

Phoenix, Arizona 85007 – 9:00 A.M. – Conference Room 109

General Inquiries Call: (602) 452-3378 (Certification and Licensing Division Line)

Members of the Public May Attend Meeting in Person

For any item listed on the agenda, the Board may vote to go into Executive Session for advice of counsel and/or to discuss records and information exempt by law or rule from public inspection, pursuant to the Arizona Code of Judicial Administration, Code Section 1-202(C).

**CALL TO ORDER.....Hon. Scott Bales, Chair**

**1) REVIEW AND APPROVAL OF MEETING MINUTES.....Hon. Scott Bales, Chair**

*1-A: Review, discussion, and possible action regarding approval of the regular session minutes of the meeting of December 8, 2020.*

**2) INITIAL LICENSURE AND ELIGIBILITY..... Division Staff**

*2-A: Review, discussion and possible action regarding application for initial licensure as an alternative business structure for the following applicants:*

1. Trajan Estate, LLC
2. Payne Huebsch, PLC

**3) ADMINISTRATIVE ISSUES.....Division Staff**

*3-A: Review, discussion and possible action regarding the draft 2020 Report of the Committee on Alternative Business Structures to the Supreme Court.*

*3-B: Review, discussion and possible action regarding 2021 meeting calendar.*

**CALL TO THE PUBLIC.....Hon. Scott Bales, Chair**

**ADJOURN .....Hon. Scott Bales, Chair**

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**1) REVIEW AND APPROVAL OF MINUTES**

*1-A: Review, discussion and possible action regarding the regular session minutes of the meeting held on December 8, 2020.*

Attached for the Board's review are the regular session minutes from the Committee meeting of December 8, 2020.

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### 2) INITIAL LICENSURE AND ELIGIBILITY

*2-A: Review, discussion and possible action regarding application for initial licensure as an alternative business structure for the following applicants:*

1. Trajan Estate, LLC submitted its application on December 30, 2020.

Trajan Estates, LLC is a newly formed limited liability company. It is owned by Kent Phelps PLC and Leola Marketing, LLC. Kent Phelps, LLC and Leola Marketing, LLC are controlled by Stephen Kent Phelps (“Phelps”) and Jeffery B. Junior (“Junior”) respectively. Each has a 50% interest in Trajan Estates, LLC. Background investigations were completed, and staff found no issues to report to the Committee.

Phelps was admitted to the State Bar of Arizona in 1996 and has been actively engaged in the practice of law since that time. Junior is the CEO of Trajan Wealth, LLC, a company that provides financial services to consumers. Phelps and Trajan Wealth LLC have an existing relationship in which they refer clients to each other.

Upon licensure as an Alternative Business Structure, Trajan Estates, LLC intends to provide only legal services. All employees of Trajan Estates, LLC will be solely engaged in providing legal services. Trajan Estates, LLC office is located in Gilbert Arizona and, with the exception of Junior, only Trajan Estates, LLC employees have access to the office and client files.

Trajan Estates, LLC and Trajan Wealth, LLC have entered into an agreement in which they agree to only refer clients exclusively to each other. While Trajan Estates, LLC has an office in Gilbert, it has also agreed with Trajan Wealth, LLC that Trajan Wealth, LLC will provide prospective client meeting facilities, schedule Trajan Estates, LLC’s prospective client meetings and perform Trajan Estates, LLC’s prospective client intake. Trajan Wealth, LLC employees performing prospective client intake will be trained on issues regarding confidentiality of client information.

In as much as Trajan Estates, LLC will have only law related clients and employees, the Committee identified only two Rule 33.1 governance issues for consideration: (i) confidentiality of records and (ii) lawyers make decisions in the best interest of the clients. As described in the application, Trajan Estates has an acceptable policy regarding confidentiality of client records.

Trajan Estates, LLC represents that, notwithstanding Junior’s 50% interest in Trajan Estates, LLC, he will not be involved in any decisions related to the provision of legal services to firm clients. Trajan Estates, LLC intends to operate as a traditional law firm and the non-lawyer owner will not affect legal representation.

Staff recommends that Trajan Estates, LLC be granted licensure as an Alternative Business Structure. Pursuant to Rule 33.1, upon the Committee’s determination of whether to recommend licensure, the application and the Committee’s determination shall be forwarded to the Supreme Court for review and further action.

2. Payne Huebsch, PLC submitted its application on February 2, 2021.

Payne Huebsch, PLC was formed in 2017 and presently primarily provides accounting and tax services. Payne Huebsch, PLC will be owned by Payne Law PLC and Huebsch Financial LLC. Payne Law PLC and Huebsch Financial LLC are controlled by Michael Payne (“Payne”) and Chad Huebsch (“Huebsch”) respectively. Each has a 50% interest in Payne Huebsch, PLC. Background investigations were completed, and the staff found no issues to report to the Committee.

Payne was admitted to the State Bar of Arizona in 2012 and is a certified public accountant and has been engaged in the practice of law and accounting.

Upon licensure as an Alternative Business Structure, Payne Huebsch, PLC intends to add legal services to the accounting and tax services it presently provides. The firm provides no products or financial investment advice to its clients. The legal services will be primarily provided to new businesses that are seeking advice on formation and contract/transaction matters while the remainder of the firm will provide accounting advice and tax consequence advice. Legal services will be provided by one of the two licensed attorneys or the paralegal. Other members of the firm will not be involved in providing legal services. Payne Law PLC will cease providing legal services.

Payne Law PLC and Huesbch Financial LLC presently have a business relationship, and each maintains separate systems. Upon licensure, Payne Huesbch PLC will maintain separate systems as required by confidentiality and trust accounting. The lawyers and paralegals involved in providing legal advice are not supervised by non-legal owners, managers or staff.

Staff recommends that Payne Huebsch, PLC be granted licensure as an Alternative Business Structure. Pursuant to Rule 33.1, upon the Committee’s determination of whether to recommend licensure, the application and the Committee’s determination shall be forwarded to the Supreme Court for review and further action

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**3) ADMINISTRATIVE ISSUES**

*3-A: Review, discussion and possible action regarding the draft 2020 Report of the Committee on Alternative Business Structures to the Supreme Court.*

Staff will present a Draft April 1, 2021 Report from the Committee on Alternative Business Structures to the Supreme Court on the status of ABS program.

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**3) ADMINISTRATIVE ISSUES**

*3-B: Review, discussion and possible action regarding 2021 meeting calendar.*

The Committee on Alternative Business Structures is asked to consider and approve the 2021 meeting calendar.

Therefore, it is recommended the 2021 meeting calendar be set as follows:

April 13, 2021  
May 11, 2021  
June 8, 2021  
July 13, 2021  
August 6, 2021  
September 14, 2021  
October 12, 2021  
November 9, 2021  
December 14, 2021

All meetings to begin at 9:00 a.m.