

BOARD OF LEGAL DOCUMENT PREPARERS

Meeting Agenda – Monday, July 20, 2020

Arizona Supreme Court -1501 West Washington Street

Phoenix, Arizona 85007 – 10:00 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.....*Mary Carlton, Chair*

1) REVIEW AND APPROVAL OF MEETING MINUTES.....*Mary Carlton, Chair*

1-A: Review, discussion, and possible action regarding approval of the regular session minutes of the meeting of May 18, 2020.

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

2-A: Review, discussion and possible action regarding the following applications for initial individual and business entity legal document preparer certification and business entity exemption requests:

1. Adam Tasse
2. Credit Union Financial Network, LLC
3. Rivera Legal Services, LLC
4. Resolute Document Preparation, PLLC
5. Don Larson
6. Kevin Maloney
7. Elizabeth Brown

2-B: Review, discussion and possible action regarding initial application from Gregory Kelly.

CALL TO THE PUBLIC.....*Mary Carlton, Chair*

ADJOURN*Mary Carlton, 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 May 18, 2020.

Attached for the Board's review are the regular session minutes from the Board meeting of May 18, 2020.

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2) INITIAL CERTIFICATION AND ELIGIBILITY

2-A: Review, discussion and possible action regarding the following applications for initial individual and business entity legal document preparer certification and business entity exemption requests:

1. Adam Tasse applied for initial individual legal document preparer certification. Mr. Tasse successfully passed the program examination and has submitted a complete application demonstrating that he meets the minimum education and experience requirements.

The Division recommends approval of initial legal document preparer certification for Adam Tasse.

2. Credit Union Financial Network, LLC applied for business legal document preparer certification. Andrea Winterhof is listed as the designated principal. Credit Union Financial Network, LLC has also applied for a business entity exemption. The company is in good standing with the Arizona Corporation Commission and has no other legal document preparers or trainees listed on the application.

Staff recommends approval of initial legal document preparer certification for Credit Union Financial Network, LLC to include approving the business entity exemption.

3. Rivera Legal Services, LLC applied for business legal document preparer certification. Erik Rivera is listed as the designated principal. Rivera Legal Services, LLC has also applied for a business entity exemption. The company is in good standing with the Arizona Corporation Commission and has no other legal document preparers or trainees listed on the application. Mr. Rivera redisclosed matters that have been previously presented to the Board with no further issues noted.

Staff recommends approval of initial legal document preparer certification for Rivera Legal Services, LLC to include approving the business entity exemption.

4. Resolute Document Preparation, PLLC applied for initial business legal document preparer certification. Lindsay McWhorter is listed as the designated principal. Resolute Document Preparation, PLLC has also applied for a business entity exemption. The company is in good standing with the Arizona Corporation Commission and has no other legal document preparers or trainees listed on the application.

Staff recommends granting initial business certification for Resolute Document Preparation, PLLC to include approval of the business entity exemption.

5. Don Larson applied for initial legal document preparer certification. The applicant successfully passed the program examination and has submitted a complete application demonstrating that he meets the minimum education and experience requirements. Mr. Larson

disclosed his involvement in several civil matters to include a 2014 relinquishment of his CPA certification in lieu of formal disciplinary proceedings.

Mr. Larson disclosed involvement in a 2012 bankruptcy that contained two adversarial proceedings that are listed below. Mr. Larson failed to disclose a 2011 superior court case in which he was listed as a defendant regarding a breach on contract on a property. Mr. Larson stated that he failed to disclose the matter because it did not involve misrepresentation, material omission, fraud, misappropriation, theft or conversion. Mr. Larson stated that the case revolved around an office condo that they could no longer afford, and the case was dismissed due to Mr. Larson filing bankruptcy.

There were two 2012 civil cases that led to a complaint being filing against Mr. Larson's CPA certificate. Both were adversarial proceedings handled by the bankruptcy court and were consolidated into one case.

In the first case the plaintiff's alleged that Mr. Larson committed fraud when he was acting as the plaintiff's financial advisor and encouraged the plaintiffs to personally guaranty a loan and to pledge he cash value of certain annuities and insurance products. \$250,000 funds were invested by the plaintiffs and were to be held in escrow conditional upon the offering raising not less than \$2,000,000. Failing the minimum capitalization of \$2,000,000 would result in an immediate refund of the \$250,000 to which was not promptly refunded. The case was settled in the sum of \$83,333 in favor of the plaintiffs.

In the second case the plaintiff's alleged that that Mr. Larson in the capacity of their tax advisor, financial advisor, investment advisor encouraged the plaintiffs to invest in several real estate investments and benefited off their losses and did not properly inform them of the risk. Plaintiffs alleged that they suffered in excess of \$500,000 in losses through their investment. A settlement of \$6,250 was reached in favor of the plaintiffs.

Mr. Larson stated that there were several factors that attributed to his involvement in the adversarial proceedings to included, limited experience in preparing business tax returns and internal pressures of working in a firm.

Mr. Larson was also subject to a 2014 Consent Order in regard to his CPA certification to include but not limited to:

- o Returning certification.
- o Prohibited use of the CPA title.
- o Destruction of all business paraphernalia indicating he was a CPA.
- o Reimbursement of the Boards cost which totaled \$6,681.25.
- o Reparation to the complainant which totaled \$83,333.
- o Acknowledgement of unprofessional conduct.

Applicant stated that all conditions of his Consent Order have been met with the exception of the complete payment of reparations to the complainant which he stated he is about two years away from paying off.

In 2017 he had his CPA license reinstated after demonstrating proper rehabilitation efforts to include 160 hours of continuing education with a good portion of them relating to ethics and training. Furthermore, Mr. Larson stated that he changed his business practices to become a sole owner to not have internal pressures on assignments, disengages from client relationships upon refusal to correct accounting documents, avoids complex private placement entities, provide services only for which he has expertise and knowledge, and contain copies of necessary documentation for accounting and tax engagements.

Division recommends that initial legal document preparer certification be granted to Don Larson with the standard non-disclosure language.

6. Kevin Maloney applied for initial legal document preparer certification. The applicant successfully passed the program examination and has submitted a complete application demonstrating that he meets the minimum education and experience requirements. Mr. Maloney disclosed his involvement as a listed party in several civil and criminal matters.

Mr. Maloney disclosed a 2013 DUI conviction (misdemeanor) and a 2017 misconduct involving weapons conviction (misdemeanor). Mr. Maloney stated that there was a raid in his house due to an incident regarding his son. During the raid the police found a weapon with a defaced serial number. Mr. Maloney denies that he knowingly knew the weapon was at his residence but based on the advice of his attorney pled to a reduced charged and served six months of unsupervised probation.

Mr. Maloney disclosed several civil suits regarding debt in which he was listed as a defendant that were eventually dismissed in his 2019 bankruptcy. There were no adversarial proceedings listed in his bankruptcy. Mr. Maloney also disclosed a 2010 medical malpractice in which he was listed as a plaintiff and a 2009 dissolution of marriage. Two Order of Protections were included in the dissolution of marriage in which Mr. Maloney is listed as a defendant and a plaintiff. Division staff reviewed the Orders of Protection and did not see any allegations regarding threats or physical violence.

During the investigation by Division staff it was revealed that Mr. Maloney failed to disclose a 2009 disorderly conduct/fighting conviction (misdemeanor). Mr. Maloney stated that he thought he had sent the disclosure to Division staff. Mr. Maloney previously held LDP certification and this specific matter was discussed in detail at the October 26, 2009 Legal Document Preparer Board Meeting with the Board ultimately approving the renewal of his certification. Mr. Maloney also failed to disclose involvement in a 2018 bankruptcy filing. Mr. Maloney stated that he did not disclose it because it was dismissed due to filing the wrong bankruptcy and was later disclosed in his application when he disclosed the 2019 bankruptcy.

Division recommends that initial legal document preparer certification be granted to Kevin Maloney with the standard non-disclosure language.

7. Elizabeth Brown applied for initial legal document preparer certification. The applicant successfully passed the program examination and has submitted a complete application

demonstrating that she meets the minimum education and experience requirements. Ms. Brown disclosed a 2010 civil case in which she was listed as a defendant in a matter regarding unpaid debt that was ultimately satisfied. Ms. Brown also disclosed four work terminations that occurred in the years, 2008, 2017, 2019 and 2020. Ms. Brown stated that two out of the four work terminations that occurred in 2008 and 2019 were layoffs due to budget cuts.

Division recommends that initial legal document preparer certification be granted to Elizabeth Brown.

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2) INITIAL CERTIFICATION AND ELIGIBILITY

2-B Review, discussion and possible action regarding initial application from Gregory Kelly.

Gregory Kelly's initial application was denied by the Board on November 18, 2019, for failing to meet the qualifications and eligibility requirements as outlined in the Arizona Code of Judicial Administration ("ACJA") § 7-201(E)(2)(c)(1) and ACJA § 7-208(E)(3)(b)(6)(b).

Mr. Kelly initially stated in his application that he had three years of law related experience under the supervision attorney of an attorney but failed to provide any information or documentation that helped support that claim.

Following a subsequent request by Division staff, Mr. Kelley provided a statement that he had been periodically preparing documents under the supervision of an attorney for a period of eight years. Division staff believe that Mr. Kelly has failed to properly demonstrate that he has at least one-year full time equivalency preparing documents under the supervision of an attorney as well as not meeting the other minimum standards as listed above.

Mr. Kelly timely requested a hearing which took place on May 22, 2020. The Hearing Officer recommended the Board affirm the denial of Mr. Kelly's application.

The Division recommends the Board accept the Hearing Officer's recommendation and affirm the denial of initial certification for Gregory Kelly.