

# ALTERNATIVE BUSINESS STRUCTURES COMMITTEE



**Location:** Conference room 106 / Zoom  
**Date:** Tuesday, February 13<sup>th</sup>, 2024  
**Time:** 10:00 A.M.  
 State Courts Building  
 1501 West Washington Street  
 Phoenix, Arizona 85007

*For any item listed on the agenda, the Board may vote to go into Executive Session for advice of counsel (under ACJA Sec. 1-202(C)(5)(c)) or for discussion or consideration of records or matters made confidential or privileged by statute, court rule, or the Arizona Code of Judicial Administration (under ACJA Sec. 1-202(C)(5)(b))*

Member Attendance	In Person	Zoom	Absent
Hon. Charles Harrington (Chair) (Retired)			X
Hon. Anni Hill Foster	X		
Katie Bryant		X	
Steve German		X	
John Hay	X		
Andy Kvesic	X		
Lynda Shely	X		
Martin Shultz			X
Mike Widener	X		
Tracy Ward	X		

Staff	Guest	Guest
Aaron Nash	Andy Halaby	Richard Traulsen
Megan Foster	Andy Halaby Two	SBS
Ash Foster	Ashok Pinto	Scott
Daisy Cambron-Perez	BF	Suzanne Porter
Jim Morrow	Binh Dang	Thomas Arthur
	Brad Denton	Tom Galvani
	Carolina Johnson	Mark Sullivan
	Cathryn Paine	Scott Hayes
	Dave Byers	Mandeep Dhillon
	Erin Mulvaney	Louis Kachulis
	Evan	Don Bivens
	Greg Kallbaugh	Sanford Greenberg
	Greyson Clymer	Cy Hainey
	Iphone	Joshua Lucas
	Jared Keating	Jose Rivera
	Johnathan Edge	Mackenzie Shane
	Joseph Napoli	Adam Lerner
	Kathy Brody	Patrick Babnies
	Kent Phelps	Paul Lynch
	Kevin Miller	Richard Nearhood

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Laura Ruhl  
Lee Nisson  
Lucian Pera  
David McValli  
Marcus Reinkensmeyer  
Mollie Wander  
Oscar Navalon

Rich Frankenberg  
Rebekah Browder  
Patricia Sallen  
Patrick Forrest  
Otto  
Nick Gillspy  
Nathan Morris

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**CALL TO ORDER**

**John Hay**

**1) REVIEW AND APPROVAL OF MEETING MINUTES**

**John Hay**

*1-A: Review, discussion, and possible action regarding approval of the regular session minutes of the meeting of January 9th, 2024.*

**Motion:** Approve the regular session minutes of the January 9th, 2024, meeting.

**Motion Proposals:** First: Lynda Shely  
Second: Andy Kvesic

**Recused:**

**Pass/Fail:** Pass 8-0-2

**2) RENEWAL LICENSE APPLICATIONS**

**Ash Foster**

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

1. Scout Law Group, LLC
2. Trajan Estate, LLC
3. Axiom Advice & Counsel, LLC

1. Scout Law Group, LLC

**Discussion:** Scout Law Group, LLC representatives Chris Spillman and Mollie Wander were present and addressed the Committee.

**Motion:** Approve the renewal application for Scout Law Group, LLC.

**Motion Proposals:** First: Hon. Anni Hill Foster  
Second: Katie Bryant  
**Recused:** Lynda Shely  
Steve German  
**Pass/Fail:** Pass 5-1-4

2. Trajan Estate, LLC

**Discussion:** Trajan Estate, LLC representative Kent Phelps was present via Zoom and addressed the Committee.

**Motion:** Approve the renewal application for Trajan Estate, LLC.

**Motion Proposals:** First: Hon. Anni Hill Foster  
Second: Andy Kvesic  
**Recused:**  
**Pass/Fail:** Pass 8-0-2

3. Axiom Advice & Counsel, LLC

**Discussion:** Mike Widener recommended this item be discussed in the Executive Session.

**Motion:** Enter executive session for advice of counsel under ACJA Sec. 1-202(C)(5)(c) or for discussion or consideration of records or matters made confidential or privileged by statute, court rule, or the Arizona Code of Judicial Administration under ACJA Sec. 1-202(C)(5)(b).

**Motion Proposals:** First: Mike Widener  
Second: Hon. Anni Hill Foster  
**Recused:** Lynda Shely  
**Pass/Fail:** Pass 7-0-3

**Discussion:** On return to public session, Committee members noted concerns about the renewal application of Axiom Advice & Counsel, LLC, discussed Axe Holdings 10% ownership, and advised Division staff to gather additional information related to the renewal application. Division staff and Committee members discussed a timeframe that would allow Axiom Advice & Counsel, LLC to provide information for Division staff to review and process before staff could present a recommendation to the Committee. After discussing the motion's phrasing, the following was offered:

**Motion:** To defer Axiom Advice & Counsel, LLC's renewal application to allow Axiom Advice & Counsel to provide additional information, including relevant operating agreements. Division staff to coordinate review of propriety information as needed, including whether review in executive session will be required and whether some documents should be reviewed but not retained.

**Motion Proposals:** First: Mike Widener  
Second: Hon. Anni Hill Foster  
**Recused:** Lynda Shely  
**Pass/Fail:** Pass 4-3-3

**3) INITIAL LICENSURE AND ELIGIBILITY**

**Division Staff**

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

1. Healthcare Law Group, PLLC
2. National Niner, LLC
3. JusticeDirect Law Firm, LLC
4. Patriot Law Group, LLC

1. Healthcare Law Group, PLLC

**Ash Foster**

**Discussion:** Healthcare Law Group, PLLC representatives Adam Lerner and Paul Lynch were present and addressed the Committee. Lynda Shely and Mike Widener asked Division staff if there was an Authorized Person (Entity) Application for Queens Town Trust, but no application was made.

**Motion:** Defer to have Healthcare Law Group, PLLC appear at the April 9<sup>th</sup>, 2024, meeting after the application for Queens Town Trust is provided.

**Motion Proposals:** First: Hon. Anni Hill Foster  
Second: Mike Widener  
**Recused:**  
**Pass/Fail:** Pass 8-0-2

2. National Niner, LLC

**Megan Foster**

**Discussion:** National Niner, LLC representatives Cy Hainey, and Joshua Lucas Sardena were present in person and Oscar Navalon was present via Zoom and addressed the Committee.

**Motion:** Approve the initial application for National Niner, LLC with the following condition:

- (i) National Niner, LLC’s compliance lawyer shall conduct semi-annual audits to review the firm’s compliance with Arizona Supreme Court Rule 33.1, ACJA § 7-

209 and its internal policies and procedures, and at the completion of each audit prepare and retain a written report of the findings.

**Motion Proposals:** First: Hon. Anni Hill Foster  
Second: Mike Widener  
**Recused:** Lynda Shely  
**Pass/Fail:** Pass 6-0-3

3. JusticeDirect Law Firm, LLC

**Megan Foster**

**Discussion:** JusticeDirect Law Firm, LLC representatives Binh Dang and Patrick Forrest were present via Zoom and addressed the Committee.

**Motion:** Approve the initial application for JusticeDirect Law Firm, LLC with the following condition:

(i) JusticeDirect Law Firm, LLC’s compliance lawyer shall conduct semi-annual audits to review the firm’s compliance with Arizona Supreme Court Rule 33.1, ACJA § 7-209 and its internal policies and procedures, and at the completion of each audit prepare and retain a written report of the findings.

**Motion Proposals:** First: Andy Kvesic  
Second: Hon. Anni Hill Foster  
**Recused:** Lynda Shely  
**Pass/Fail:** Pass 6-0-3

4. Patriot Law Group, LLC

**Ash Foster**

**Discussion:** Patriot Law Group, LLC representatives Don Bivens and Jose Rivera were present in person alongside Greyson Clymer and Richard Frankenberg via Zoom and addressed the Committee.

**Motion:** Approve the initial application for Patriot Law Group, LLC with the following condition:

(i) Patriot Law Group, LLC’s compliance lawyer shall conduct semi-annual audits to review the firm’s compliance with Arizona Supreme Court Rule 33.1, ACJA § 7-209 and its internal policies and procedures, and at the completion of each audit prepare and retain a written report of the findings.

**Motion Proposals:** First: Hon. Anni Hill Foster  
Second: Andy Kvesic  
**Recused:** Lynda Shely  
**Pass/Fail:** Pass 6-0-3

#### 4) LICENSEE UPDATES

Ash Foster

4-A: *Review, discussion, and possible action regarding application for change in Authorized Persons for:*

1. Bar Pilot, LLC- Compliance Lawyer change to Sanford Greenberg
2. Motion Law, LLC- Compliance Lawyer change to Brad Denton
3. Scout Law Group, LLC- Designated Principal change to Steve Pasko and Compliance Lawyer change to Christopher Spillman

1. Bar Pilot, LLC- Compliance Lawyer change to Sanford Greenberg

**Discussion:** Sanford Greenberg representative of Bar Pilot, LLC was present in person and addressed the Committee.

2. Motion Law, LLC- Compliance Lawyer change to Brad Denton

**Discussion:** Brad Denton representative of Motion Law, LLC was present via Zoom and addressed the Committee.

3. Scout Law Group, LLC- Designated Principal change to Steve Pasko and Compliance Lawyer change to Christopher Spillman

**Discussion:** There were no representatives for Scout Law Group, LLC to address the Committee.

#### 5) ADMINISTRATIVE ITEMS

Division  
Staff  
Megan  
Foster

5-A: *Update on Alternative Business Structure program and Legal Paraprofessional program*

**Discussion:** Megan Foster reported program data. The Committee had questions regarding the timeframes from initial application to approval in the ABS program. Division staff stated the timeframe depends on the number of sub-applications and other factors. The Division provided information on case-aging tracking. Andy Kvesic discussed a news article, "The World Needs More Lawyers."

#### LP:

- There are currently 56 licensed legal paraprofessionals holding a total of 60 licensed practice areas approved by the Board of Nonlawyer Legal Service Providers and authorized to provide services in the following areas:
  - 47 family law
  - 8 civil
  - 5 criminal

\*Applicants may be licensed to provide services in more than one practice area.

**ABS:**

- Current total of 67 licensed ABSs.
- There are currently 38 pending ABS applications, containing 74 sub-applications requiring background investigation. See the ABS case aging report for more details.
- There are currently 25 pending renewal applications.
- [The World Needs More Lawyers - Regulatory Transparency Project \(fedsoc.org\)](https://www.fedsoc.org/)

*5-B: Review, discussion, and possible action regarding working groups to address regulatory tasks, including:*

**Aaron Nash**

**Discussion:** Director Aaron Nash reported data on work groups.

**Audits:** Andy Kvesic- Added new people to the sub-committee including members of the judiciary and members of state consumer regulatory environments, along with other members of the ABS community subjected to audits. Had a productive meeting in February regarding the current template, the goal is to have suggested redlines regarding the thoughts on the audit process at the next meeting on April 9, 2024.

**Data Gathering:** This workgroup has not met.

**ACJA changes:** Identified areas for committee input – will have redline soon

**Application changes:** Crossover with this and code changes – redline draft soon. The Committee may want to schedule a special session to review the redlines.

**Training for nonlawyers and other applicants:** This workgroup has not met.

*5-C: Division Updates*

**Aaron Nash**

**Discussion:** Director Aaron Nash went over the addition of “Division Updates” as a standing agenda item for boards and committees staffed by the Division. Nash updated the Committee on the departure of Megan Foster and this being her last meeting. Nash gave information regarding both the ABS and LP programs being split with a manager over each program and with upcoming investigators for both programs in addition to having access to external investigators. Daisy Cambron-Perez will be assisting both programs and managers. Nash discussed the pending applications for ABS in the past six months, which averaged six initial applications per month. Nash stated the ABS program added temporary staff to help with the backlog of initial and renewal applications. The ABS calendar year 2023 annual report will be on the April 9, 2024, agenda for final review before publishing. The Administrative Office of the Courts approved the purchase and installation of new visual and audio equipment for conference rooms 106 and 109.

*5-D: Renewal Process*

**Aaron Nash**

**Discussion:** Director Aaron Nash discussed the renewal process with the Committee, regarding background checks and how the overall process works by viewing the materials provided, along with the case aging report.

*5-E: Review and discussion regarding Petition to Amend §ACJA 7-209 submitted by representatives of the Greater Phoenix Chamber and other stakeholders* **John Hay**

**Discussion:** John Hay discussed the Petition to Amend ACJA 7-209 submitted by the Greater Phoenix Chamber and other stakeholders, stating the matter is not on the agenda for discussion on its merits at this time and directed that this be an agenda item for the April 9, 2024, meeting. Director Aaron Nash explained that the proposed code change to ACJA 7-209 was captioned as a rule petition although it would proceed as a code change and described the two processes.

**6) CALL TO THE PUBLIC**

**John Hay**

Mackenzie Shane and Ashok Pinto of the Greater Phoenix Chamber and Nathan Morris of the U.S. Chamber of Commerce presented to the Committee about the proposed changes regarding Alternative Business Structures. Nathan Morris presented to the Committee, regarding support of the petition for the Greater Phoenix Chamber, the issue with third-party litigation, and the potential for abuse of the ABS program. Ashok Pinto presented to the Committee regarding the benefits of having this change for Alternative Business Structures.

**John Hay**

**ADJOURN**

**John Hay**

The meeting adjourned at 1:05 P.M.