

ALTERNATIVE BUSINESS STRUCTURES COMMITTEE



Location: Conference room 109 / Zoom
Date: Tuesday, April 9, 2024
Time: 10:00 A.M.
 State Courts Building
 1501 West Washington Street
 Phoenix, Arizona 85007

Regular Meeting Minutes

Zoom Meeting Video Recording: [April 9, 2024, ABS Committee Meeting](#)

Passcode: !4d^+W5^

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 | |
| Patrick Barnes | | | X |

| Staff | Guest | Guest |
|---------------------|-----------------------------|--------------------|
| Aaron Nash | Ahslin Quirk | Johnathan Edge |
| Marquita Brazil | Avi Goldenberg | Laura Ruhl |
| Daisy Cambron-Perez | Austin Hill | Louis Kachulis |
| Mark McCall | Adam Lerner | LS Law |
| Ainslee Marcus | Andrea Libardi | Mark Rinehart |
| | Carly Whiteside | Matthew Brycer |
| | Carl Engstrand | Matthew Levine |
| | Catherine Kemnitz | Mike Lacione |
| | Chris Hickman | Neil Peretz |
| | Crispin Passmore | R. Christian Wyatt |
| | Chuck Browder | Robert Scotford |
| | Daniel Wilde (Law On Call) | Samsun SM |
| | Daren Harris | Sara |
| | Don Bivens | Sean Bonner |
| | Elias Mendoza | Seth Persily |
| | Elias Mendoza Two | Teri Bouchard |
| | Evan | Whitney Cummings |

| | |
|------------------|-------------------|
| Evan Bortz | Glenda Brooks |
| Farin Holland | HF |
| Greg Harris | Thomas Arthur |
| Hamady Diallo | Rob |
| Heather Jaconson | David Proman |
| Iphone 4 | Paul Lynch |
| James P. | Rebekah Browder |
| J.C. | Richard Nearhood |
| Jeffery Crandall | William Gould |
| Jeffery Harris | Ken |
| Jessica Kemper | Michael Melfi |
| Jessica Mah | SPB Iphone |
| Jim Hill | Zoila Mena Harpin |
| Josh Rosenthal | |
| Johnathan Edge | |
| Jordan Nold | |

CALL TO ORDER

Hon. Charles Harrington

1) REVIEW AND APPROVAL OF MEETING MINUTES

1-A: Review, discussion, and possible action regarding approval of the regular session minutes of the meeting of February 13, 2024.

Motion: Approve the regular session minutes of the February 13, 2024, meeting.

Motion Proposals: First: Lynda Shely
 Second: Martin Shultz

Recused:

Pass/Fail: Pass 9-0-2

1-B: Review, discussion, and possible action regarding approval of the executive session minutes of the meeting of February 13, 2024.

Motion: Approve the executive session minutes of the February 13, 2024, meeting.

Motion Proposals: First: Hon. Anni Hill Foster
 Second: John Hay

Recused: Lynda Shely

Pass/Fail: Pass 8-0-3

2) RENEWAL LICENSE APPLICATIONS

Marquita Brazil

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

1. Copper Wren Law, LLC: Licensure period 1/11/2024 - 1/10/2025
2. Wall and Olson (dba Bridgemont Group): Licensure period 9/30/2023 - 9/29/2024
3. Redwood Grove Law, LLC (formerly Arizona Redwood Partners, PLLC): Licensure period 9/20/2023 - 9/19/2024
4. PatentVest, Inc.: Licensure period 9/20/2023 - 9/19/2024
5. eLegacy Law, PLLC: Licensure period 8/25/2023 - 8/24/2024
6. Law on Call, LLC: Licensure period 9/20/2023 - 9/19/2024
7. Sunridge Law Group, LLC: Licensure period 12/13/2023 – 12/12/2024
8. Elias Mendoza Hill Law Group, P.C.: Licensure period 9/30/2023 – 9/29/2024
9. Axiom Advice & Counsel, LLC: Licensure period 05/19/2023- 05/18/2024

1. Copper Wren Law, LLC
3. Redwood Grove Law, LLC
7. Sunridge Law Group, LLC

Discussion: The Committee and Division staff discussed voting these in groups due to the large number of renewals. Applications one, three, and seven are to be voted on first due to recusal. During this agenda item, Carly Whiteside from Copper Wren Law, LLC stated a dashboard showing the progress of pending applications would be helpful.

Motion: Approve the renewal applications for the above applicants.

Motion Proposals: First: John Hay
Second: Andy Kvesic
Recused: Lynda Shely
Pass/Fail: Pass 8-0-3

2. Wall and Olson, LLC
4. PatentVest, Inc
5. eLegacy Law, PLLC
6. Law on Call, LLC
8. Elias Mendoza Hill Law Group, P.C

Discussion: The Committee and Division staff discussed voting these in groups due to the large number of renewals. Applications two, four, five, six, and eight are to be voted on second for approval. During voting, Lynda Shely asked, “How do the applicants feel about longer renewal periods instead of annually?” Elias Mendoza from Elias Mendoza Hill Law Group, P.C. stated he had no objection to the two or three-year renewal period and had no issue with the annual renewal, but requested notice ahead of when renewals are due to help with tracking licensure status. Mendoza stated they helped process 50,000 immigration renewals since becoming an ABS.

Motion: Approve the renewal applications for the above applicants.

Motion Proposals: First: Lynda Shely
Second: Andy Kvesic

Recused:

Pass/Fail: Pass 9-0-2

9. Axiom Advice & Counsel, LLC

Discussion: The Committee and Division staff discussed voting on Axiom Advice & Counsel, LLC as a standalone topic for renewal. Catherine Kemnitz, Crispin Passmore, and Mathew Levine were present via Zoom and presented to the Committee. Discussion included ACJA definition of 10% ownership. Passmore stated there are about 1500 ABSs in England and Wales now and about one-third of all new law firms are ABSs. Their process is to review control of the ABS and they started investigating entities and not individuals within the entities when they had an entity applicant with 25,000 individuals. Passmore recommended looking for red flags and investigating those during initial applications, then enforce robustly after licensure, including following up on consumer complaints and applying strong sanctions to deter misconduct. Passmore stated investors don't want to make day-to-day decisions and don't want to do business with ABSs that might stray outside the regulatory lines because that approach is bad for business. The members thanked the presenters and thanked the applicant for their patience and persistence in responding to the members' and staff's inquiries.

Motion: Approve the renewal application for Axiom Advice & Counsel, LLC.

Motion Proposals: First: John Hay
Second: Hon. Anni Hill Foster

Recused: Lynda Shely

Pass/Fail: Pass 8-0-3

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. EAAZ Law, LLC

Marquita Brazil

1. Healthcare Law Group, PLLC

Discussion: Healthcare Law Group, PLLC representatives Adam Lerner and Paul Lynch were present and addressed the Committee.

Motion: Approve the initial application for Healthcare Law Group, PLLC with the following condition:

- (i) Healthcare Law Group, PLLC’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: Lynda Shely
Second: Martin Shultz

Recused:

Pass/Fail: Pass 9-0-2

Marquita Brazil

2. EAAZ Law, LLC

Discussion: EAAZ Law, LLC representatives Rebekah Browder and Jordan Nold were present in person and addressed the Committee.

Motion: Approve the initial application for EAAZ Law, LLC, with the following condition:

- (i) EAAZ Law, 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: Mike Widener

Recused: Lynda Shely

Pass/Fail: Pass 8-0-3

4) LICENSEE UPDATES

Daisy Cambron- Perez

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

- 1. Scout Law Group, LLC
- 2. Copper Wren Law, LLC

1. Scout Law Group, LLC- Change in Authorized Persons removing Damien Alfalla and David Hough.

Discussion: There was no representative for Scout Law Group, LLC to address the Committee.

2. Copper Wren Law, LLC - Change in Authorized Persons adding Christopher Hickman

Discussion: Chris Hickman and Carly Whiteside, representatives of Copper Wren Law, LLC, were present via Zoom and addressed the Committee.

Marquita Brazil

4-B: Review, discussion, and possible action regarding voluntary surrender of licensure from Cactus Blossom Legal, LLC under ACJA § 7-209(E)(6):

1. Cactus Blossom Legal, LLC- Voluntary Surrender of license.

Discussion: There was no representative for Cactus Blossom Legal, LLC to address the Committee.

Motion: Approve the voluntary surrender for Cactus Blossom Legal, LLC.

Motion Proposals: First: Mike Widener
Second: John Hay

Recused:

Pass/Fail: Pass 9-0-2

5) ADMINISTRATIVE ITEMS

**Division Staff
Marquita Brazil**

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

Discussion: Marquita Brazil reported program data with new updates regarding both programs. Lynda Shely asked Division staff if it was possible to continue providing a case aging report every month. Director Aaron Nash stated that the Division is working on this goal to have this added to the agenda every month, currently working on this now for accuracy and tracking the items.

LP:

- As of April 1, 2024, there are 58 licensed legal paraprofessionals holding a total of 59 licensed practice areas approved by the Board of Nonlawyer Legal Service Providers. LPs may be licensed to provide services in more than one practice area. Current practice area licenses:
 - 46 family law
 - 5 civil
 - 8 criminal

- 00 administrative
- 00 juvenile (anticipated mid-2024)
- 00 probate (pending)
- Informational updates: Exam creation progress and pending pilot programs
- The Juvenile Law exam is nearing completion with the assistance of subject matter experts. A draft will soon be available for the Division to complete a final review.
- The upcoming 5-year Strategic Agenda of the incoming Chief Justice includes an expansion of Legal Paraprofessional services.

ABS:

- The Alternative Business Structures Unit reports the following as of April 1, 2024:
- 71 ABSs have been approved for licensure by the Court (all time)
- 70 ABSs are currently active
- 1 ABS initial application has been denied by the Court (all time)
- 00 ABS renewal applications have been denied by the Committee (all time)
- 40 Pending initial ABS applications
 - 80 sub-applications
 - The average time from application to first placement on the committee agenda is 5 months.
 - Note: “application” is all initial materials were received and fees paid.
- There are 25 ABS renewal applications pending
 - 75 sub-applications
 - The average time from application to first placement on committee agenda is 3 months.
- Informational updates
 - Multiple working groups are gathering to improve the Alternate Business Structures Program.
 - These groups include audits, data gathering, ACJA changes, application changes, and changes for non-lawyers and applicants.

Aaron Nash

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

Discussion: Director Aaron Nash reported data on work groups. Andy Kvesic and Lynda Shely stated that additional working group reports should wait until after the Court’s ABS Task Force completes its work and recommendations to avoid conflicting approaches.

Audits: Red lines have been prepared based on the subcommittee's meeting.

Data Gathering: This workgroup has not met.

ACJA changes: Will have a special session or adding this to an agenda item.

Application changes: Will have a special session or adding this to an agenda item.

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

Aaron Nash

5-C: Division Updates: Staff will provide division updates as applicable.

Discussion: Director Aaron Nash stated the Division is working on the new Case Aging report, reorganizing how records are currently being kept or haven't been kept. Intend to have the Case Aging report provided monthly to give the Committee an idea of the number of pending applications and how long they are taking to process. Once the online portal is up, tracking should be easier and automated. The hope is to incorporate a dashboard, giving the applicants a sense of where their application is during the process. Committee meeting invitations for 2024 were sent blind-copy, which caused some confusion. Division staff will cancel the previously-sent invitations and resend new calendar reminders.

Members were reminded about the Division's splitting the ABS and Legal Paraprofessional (now Legal Service innovations) programs in February, with thanks to Jerry Landau, Cindy Trimble, Ainslee Marcus, Jared Trebesch, and Ash Foster for their assistance in helping put the agenda together for April 9, 2024.

Salesforce update: The Division continues working on getting a new platform version that specifically works for the sub-application process unique to ABS applications.

Aaron Nash

5-D: Review and discussion regarding Petition to Amend ACJA§7-209 submitted by representatives of the Greater Phoenix Chamber and other Stakeholders.

Discussion: Director Aaron Nash discussed the creation of the Task Force on Alternative Business Structures. The purpose of the Task Force is to discuss disclosures related to third-party litigation, if it is acceptable for ABSs to be approved for the sole purpose of soliciting mass tort business, and if providing substantial legal services to people in Arizona should be a requirement for ABS licensure. Meetings will occur between May and October of 2024, and Task Force updates will be a standing Committee agenda item during that time.

Aaron Nash

5-E: Review, discussion, and possible action regarding ABS Committee calendar year 2023 annual report.

Discussion: Director Aaron Nash discussed the Committee's 2023 Arizona Supreme Court annual report. The Division recommends the Committee authorize the Chair to work with Division staff to finalize the document and publish it on the court website.

Motion: To authorize the Chair to work with Division staff to finalize the 2023 calendar year annual report, with members to provide edits by April 19, 2024.

Motion Proposals: First: Martin Shultz
Second: Mike Widener

Recused:

Pass/Fail: Pass 9-0-2

6) CALL TO THE PUBLIC

Hon. Charles Harrington

No public comments were made.

ADJOURN

The meeting adjourned at 11:47 A.M.