

The Supreme Court of Ohio

OCT 27 2009
CLERK OF COURT
SUPREME COURT OF OHIOColumbus Bar Association,
Relator,ON REPORT OF THE BOARD ON THE
UNAUTHORIZED PRACTICE OF LAW

v.

American Family Prepaid Legal Corporation,
et al.,
Respondents.

Case No. 2005-0422

CORRECTED ORDER
(Effective October 14, 2009)

The Board on the Unauthorized Practice of Law filed its final report in this court on August 26, 2008, recommending that, pursuant to Rule VII of the Supreme Court Rules for the Government of the Bar of Ohio, the Supreme Court of Ohio issue an order finding that respondents, American Family Prepaid Legal Corporation et al., have engaged in the unauthorized practice of law; prohibiting respondents from engaging in the unauthorized practice of law in the future; imposing civil penalties; and, providing for reimbursement of costs and expenses incurred by the board and relator. Numerous respondents, relator and an amicus curiae filed objections to the final report, respondents, relator and an amicus curiae filed answer briefs and this cause was considered by the court. On consideration thereof,

This court finds, consistent with part one of the opinion rendered herein, that respondents' actions constitute the unauthorized practice of law and hereby permanently enjoin from the unauthorized practice of law American Family Prepaid Legal Corporation, Heritage Marketing and Insurance Services, Inc., Jeffrey Norman, Stanley Norman, Paul Chiles, Harold Miller, Eric Peterson, Luther Mack Gordon, Chris Miller, Patty Soos, Anthony Sullivan, Jeff Alten, William Downs, Steve Grote, Jack Riblett, Ken Royer, Dennis Quinlan, Alexander Scholp, Jerrold Smith, Joseph Ehlinger, Paul Morrison, David Helbert, and Richard Rompala, as well as their successors, assigns, subsidiaries, and affiliates and enjoin them from the following:

(1) Performing in Ohio any of the activities named in the March 2003 consent agreement, including (a) selling marketing, or preparing wills, living trusts durable powers of attorney, deed transfers, and agreements for transfer or assignment of personal property (collectively, "legal products"), (b) training, monitoring, and educating other sales representatives to sell, market, or prepare any of those legal products, (c) giving legal advice relative to those legal products, (d) advising and counseling clients concerning the suitability of those legal products for a client's particular situation, (e) gathering client information for purposes of preparing or determining the suitability of the appropriate legal products for a client's particular situation without acting under the direct supervision and control of the client's

attorney, (f) preparing any of those legal products particularly for a client's situation without acting under the express direction and control of the client's attorney, (g) offering legal advice to anyone concerning the execution of legal products, and (h) engaging the services of an Ohio attorney to conduct only cursory reviews of legal products with little or no contact with clients;

(2) Offering or selling prepaid legal plans of any kind to Ohio residents and engaging in activities constituting the unauthorized practice of law in Ohio, including providing advice to consumers about estate plans, representing to consumers that they can provide living trusts or other estate plans either directly or through an attorney, representing to consumers that they can provide or arrange for the services of an attorney to prepare an estate plan, giving advice to consumers concerning disposition of assets, representing to consumers that they need a living trust as the sole or primary means of distributing their assets, and representing to consumers that living trusts are a better method for distributing estates than any other estate plan;

(3) Using selling, leasing, giving, or in any way allowing any other person or entity to use the American Family and Heritage customer lists which are defined as the names, addresses, telephone numbers, and any other personal identifying information that American Family and Heritage or their agents collected from Ohio consumers who purchased prepaid legal plans or legal documents from American Family or insurance products from Heritage.

It is further ordered by the court that respondents American Family Prepaid Legal Corporation, Heritage Marketing and Insurance Services, Inc., Jeffrey Norman, and Stanley Norman are assessed, jointly and severally, a civil penalty in the amount of \$6,387,990. It is further ordered by the court that Paul Chiles is assessed a civil penalty in the amount of \$10,000, and Harold Miller is assessed a civil penalty in the amount of \$7,500. It is further ordered that a civil penalty in the amount of \$2,500 is assessed to each of the following American Family sales agents: Eric Peterson, Luther Mack Gordon, Chris Miller, Patty Soos, Anthony Sullivan, Jeff Alten, William Downs, Steve Grote, Jack Riblett, Ken Royer, Dennis Quinlan, Alexander Scholp, Jerrold Smith, and Joseph Ehlinger. It is further ordered that a civil penalty in the amount of \$2,500 is assessed to each of the following Heritage delivery agents: Paul Morrison, David Helbert, and Richard Rompala. These fines shall be paid to this court by certified check or money order on or before 30 days from the date of this order. If respondents fail to pay said fines on or before 30 days from the date of this order, the matter will be referred to the Attorney General for collection and this court may find the respondents in contempt.

It is further ordered that American Family Prepaid Legal Corporation, Heritage Marketing and Insurance Services, Inc., Jeffrey Norman, and Stanley Norman disclose the names

of their Ohio customers. Within seven days following the issuance of the order of this court, these respondents shall disclose to the board, with a copy to the Columbus Bar Association, the names and addresses of all of their Ohio clients. It is further ordered that beginning on the eighth day after the date of this order, a fine of \$25,000 per day will be imposed until all Ohio clients have been disclosed. It is further ordered that the Columbus Bar Association shall send a letter to each of the Ohio clients informing them of the unauthorized practice of law by the respondents and suggesting that the clients may want to consult with a lawyer of their choice, at the clients' expense, to confirm that the respondents' documents are suitable and appropriate for them. It is further ordered that these respondents shall also be responsible for costs incurred by the relator as recommended by the board.

It is further ordered that respondents, American Family Prepaid Legal Corporation, Heritage Marketing and Insurance Services, Inc., Jeffrey Norman, and Stanley Norman, jointly and severally, provide reimbursement of costs and expenses incurred by the board and relator in the amount of \$29,350.35, which costs shall be payable to this court by certified check or money order on or before 30 days from the date of this order. It is further ordered that if these costs are not paid in full on or before 30 days from the date of this order, interest at the rate of 10% per annum shall accrue on the balance of unpaid board costs, effective 30 days from the date of this order. It is further ordered that if costs are not paid in full on or before 30 days from the date of this order, this matter will be referred to the Attorney General for collection and respondents may be found in contempt.

Consistent with part two of the opinion rendered in this case, it is ordered that pursuant to Gov.Bar R. VII(5b), the court approves the consent decree proposed by relator, Columbus Bar Association, and respondents, Joseph Hamel, Timothy Holmes, and Adam Hyers, in its entirety, and specifically orders compliance with the terms setting forth the definitions, acts, and forbearances to which the Columbus Bar Association and Joseph Hamel, Timothy Holmes and Adam Hyers agreed in their proposed resolution and as stated in this court's opinion in this matter.

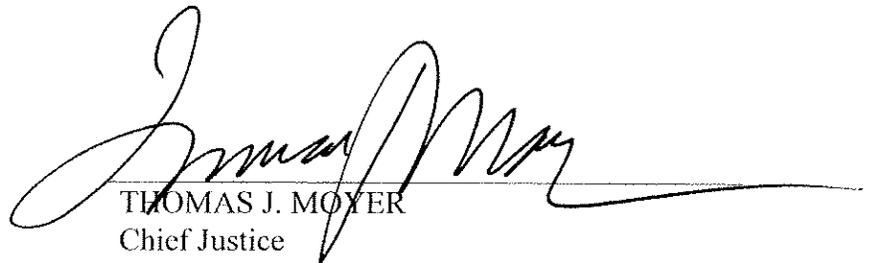
It is further ordered by the court that respondents Joseph Hamel, Timothy Holmes and Adam Hyers are each assessed a civil penalty in the amount of \$2,500. These fines shall be paid to this court by certified check or money order on or before 90 days from the date of this order. If respondents fail to pay said fines on or before 90 days from the date of this order, the matter will be referred to the Attorney General for collection and this court may find respondents in contempt.

Consistent with part three of the opinion rendered in this case, it is ordered that pursuant to Gov.Bar R. VII(5b) this court approves the proposed consent decree in its entirety, and specifically orders compliance with the terms setting forth the definitions, acts, and forbearances to which the Columbus Bar Association and Timothy Clouse agreed in their proposed resolution and as stated in this court's opinion in this matter.

It is further ordered by the court that respondent Timothy Clouse is assessed a civil penalty in the amount of \$2,500. This fine shall be paid to this court by certified check or money order on or before 90 days from the date of this order. If respondent fails to pay said fine on or before 90 days from the date of this order, the matter will be referred to the Attorney General for collection and this court may find respondent in contempt.

It is further ordered, sua sponte, that all documents filed with this court in this case shall meet the filing requirements set forth in the Rules of Practice of the Supreme Court of Ohio, including requirements as to form, number, and timeliness of filings. All case documents are subject to Rules 44 through 47 of the Rules of Superintendence of Ohio which govern access to court records.

It is further ordered that the clerk of this court issue certified copies of this order as provided for in Gov.Bar R. VII(19)(E); that publication be made as provided for in Gov.Bar R. VII(19)(F); and that respondent bear the costs of publication.



THOMAS J. MOYER
Chief Justice