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13 Attorneys for Plaintiff 4EC Holdings, LLC, a Delaware limited liability company, on behalf of
14 itself and all others similarly situated

15 SUPERIOR COURT OF CALIFORNIA

16 IN AND FOR THE CITY AND COUNTY OF SAN FRANCISCO

17 4EC HOLDINGS, LLC, a Delaware limited
liability company, individually and on behalf of a
18 class of similarly situation persons and entities,

19 Plaintiff,

20 vs.

21 LINEBARGER GOGGAN BLAIR & SAMPSON
LLP, a Texas limited liability partnership,

22 Defendant.
23
24

Case No: CGC-13-531744

CLASS ACTION

**SECOND AMENDED COMPLAINT
FOR VIOLATION OF THE UNFAIR
COMPETITION LAW; INJUNCTION
TO PREVENT FUTURE ACTS OF
UNFAIR COMPETITION**

ELECTRONICALLY

FILED

Superior Court of California,
County of San Francisco

APR 24 2014

Clerk of the Court

BY: WILLIAM TRUPEK

Deputy Clerk

1 Comes now Plaintiff 4EC Holdings, LLC and alleges as follows:

2 **The Parties**

3 1. Plaintiff 4EC Holdings, LLC (4EC) is a Delaware limited liability company with its
4 principal place of business in San Francisco, California.

5 2. Defendant Linebarger Goggan Blair & Sampson LLP (the Texas Law Firm) is a
6 Texas limited liability partnership with its principal place of business in Austin, Texas.

7 **General Allegations**

8 3. Prior to December 15, 2011, 4EC was the sole shareholder of Ferry Claims, LLC
9 (Ferry), which was a California limited liability company with its principal place of business in San
10 Francisco, California.

11 4. On December 15, 2011, 4EC dissolved Ferry.

12 5. Again on December 15, 2011, and by means of a contemporaneous written
13 agreement to that effect, 4EC specifically assumed personal liability for all of Ferry's debts and
14 obligations.

15 6. Again on December 15, 2011, as a matter of law, 4EC assumed personal liability for
16 all of Ferry's debts and obligations to the extent of certain cash and other personal property, valued
17 in excess of \$10,000, that was transferred from Ferry to 4EC following December 15, 2011.

18 7. The Texas Law Firm has been registered with the California Secretary of State as a
19 foreign limited liability partnership for the purpose of practicing law in California (a Registered
20 Foreign Law Limited Liability Partnership or RFLLLP) since February 6, 2002, through and
21 including the present date.

22 8. The period of time encompassing February 6, 2002, and up to and including
23 September 25, 2013, is hereafter referred to as the First Part of the Relevant Period and the period
24 of time following September 25, 2013, on into the future up until final judgment is rendered in this

1 case, is hereafter referred to as the Second Part of the Relevant Period. Both said periods are
2 hereafter collectively referred to as the Overall Relevant Period.

3 **Charging Allegations**

4 9. During the First Part of the Relevant Period—despite the requirements of
5 Corporations Code § 16959(a)(1) that it “comply with all ... the rules and regulations governing
6 [the] particular profession in which the [RFLLLP] proposes to be engaged ...”—the Texas Law
7 Firm never employed any active member of the State Bar (California lawyer(s)) as either partners
8 or employees.

9 10. Following the First Part of the Relevant Period the Texas Law Firm has employed
10 John Clinnin Esq., SBN 153881 (Attorney Clinnin).

11 11. State Bar of California Standing Committee on Professional Responsibility and
12 Conduct (the State Bar Committee), issued Formal Opinion No. 1982-68 (the State Bar Opinion
13 [Exhibit 1 hereto]) in which the State Bar Committee opined, *inter alia*, that (i) any California
14 lawyer who undertakes to represent a client for purposes of collecting a debt owed that client by
15 any third person(s) (debtor(s)) (ii) thereby assumes a professional responsibility to personally
16 supervise his or her clerical employees before sending out demand letters on his or her law office
17 stationary seeking to collect money from such debtors so as to personally and reasonably attempt to
18 verify that such demand letters only stated as amounts due from such debtors such amounts as were
19 in fact due from such debtors.

20 12. Consistent with the State Bar Opinion (Exhibit 1), it is a violation of California
21 ethical law for a California lawyer to authorize his or her clerical employees (i) to send out demand
22 letters seeking to collect a debt owed a client by a debtor utilizing a California lawyer’s law office
23 stationary (ii) without that California lawyer’s having personally and reasonably supervised that
24 California lawyer’s clerical employees so as to personally and reasonably attempt to verify that

1 such demand letters only stated as amounts due from such debtors such amounts as were in fact
2 due from such debtors

3 13. It is also a violation of both Business & Professions Code §§ 6125 and 6126 for any
4 RFLLLP, specifically including, but not limited to, the Texas Law Firm, to engage in intrastate
5 business (as defined at Corporations Code § 16959(l)), by practicing law in California by falsely
6 holding itself out as being comprised of “Attorneys at Law” at a time when none of the RFLLLP’s
7 partners or employees were California lawyers (Illegally Practicing Law by Means of False
8 Holding Out).

9 14. During the First Part of the Relevant Period, the Texas Law Firm engaged in
10 Illegally Practicing Law by Means of False Holding Out by falsely holding itself out to various
11 California governmental entities (California Governments) as being comprised of “Attorneys at
12 Law” at a time when none of the Texas Law Firm’s partners or employees were California lawyers.

13 15. As a direct, natural and proximate result of its Illegally Practicing Law by Means of
14 False Holding Out during the First Part of the Relevant Period, the Texas Law Firm entered into
15 numerous engagement agreements with various California Governments for purposes of having it
16 (the Texas Law Firm) collect debts owed to California Governments by persons and entities
17 residing in California (California Citizens) by way, *inter alia*, of having the Texas Law Firm send
18 out demand letters seeking to collect money from California Citizens utilizing the Texas Law
19 Firm’s own law office stationary, prominently featuring the fact the Texas Law Firm was
20 comprised of “Attorneys at Law” (the Texas Lawyer Scare Letters).

21 16. Because the Texas Law Firm never had any California lawyers as either partners or
22 employees during the First Part of the Relevant Period, the numerous engagement agreements the
23 Texas Law Firm entered into with California Governments during the First Part of the Relevant
24 Period for the sole and unlawful object of having the Texas Law Firm represent said California

1 Governments for purposes of collecting debts from California Citizens were and are all null and
2 void as a matter of public policy pursuant to Civil Code § 1598 (the Void Texas Lawyer
3 Engagement Agreements).

4 17. The Void Texas Lawyer Engagement Agreements therefore have never created any
5 valid principal-agent relationship between the Texas Law Firm and any California Governments.
6 This specifically includes—but is not limited to—the particular Void Texas Lawyer Engagement
7 Agreement that the Texas Law Firm has previously entered into with the City and County of San
8 Francisco (The City).

9 18. On March 14, 2013, the Texas Law Firm, acting as purported “Attorneys at Law”
10 representing The City for purposes of collecting a debt, sent the by-then dissolved Ferry a Texas
11 Lawyer Scare Letter (Exhibit 2 hereto) which demanded that Ferry pay the Texas Law Firm a by-
12 then delinquent Business Registration Fee of twenty-five dollars (\$25) covering fiscal year July 1,
13 2011, through June 30, 2012; plus an additional fifty dollars (\$50) for Administrative Penalties;
14 and an additional fifteen dollars (\$15) for Collection Fees: all for a sum total claimed due of ninety
15 dollars (\$90).

16 19. On April 18, 2013, the Texas Law Firm, again acting as purported “Attorneys at
17 Law” representing The City for purposes of collecting a debt, sent the by-then dissolved Ferry a
18 second Texas Lawyer Scare Letter (Exhibit 3 hereto) which again demanded that Ferry pay the
19 Texas Law Firm a by-then delinquent Business Registration Fee of twenty-five dollars (\$25)
20 covering fiscal year July 1, 2011, through June 30, 2012; plus an additional fifty dollars (\$50) for
21 Administrative Penalties; and an additional fifteen dollars (\$15) for Collection Fees: all for a sum
22 total claimed due of ninety dollars (\$90).

23 20. In response to the Texas Lawyer Scare Letters (Exhibits 2-3)—and, *inter alia*,
24 because it was otherwise concerned about the risk of incurring further penalties and fees on top of

1 the fifty dollars (\$50) in Administrative Penalties and fifteen dollars(\$15) in Collection Fees which
2 had already been assessed against it in addition to the normal twenty-five dollar (\$25) Business
3 Registration Fee which both Ferry and 4EC had always previously and timely paid to The City—
4 4EC transmitted ninety dollars (\$90) to the Texas Law Firm on Ferry’s behalf on May 15, 2013,
5 (the May 15 Payment).

6 21. The May 15 Payment was made by way of a Cashier’s Check made payable to the
7 Texas Law Firm that was initially purchased by 4EC’s legal counsel, McGrane LLP, for which
8 ninety dollar (\$90) expense McGrane LLP was subsequently reimbursed by 4EC.

9 22. But for 4EC’s reasonable belief that the Texas Law Firm was qualified to practice
10 law in California, 4EC would not have made the May 15 Payment to the Texas Law Firm.

11 23. 4EC subsequently learned that the Texas Law Firm was not qualified to practice law
12 in California, lacked the legal authority to make demand on 4EC for payment of any amounts
13 purportedly owed to any California Governments, and lacked the legal authority to accept or
14 disburse the ninety dollars (\$90) paid to it by 4EC in response to its demand.

15 24. As a direct, natural and proximate result of (i) 4EC’s receipt of the Texas Lawyer
16 Scare Letters (Exhibits 2-3), and (ii) the fact the Texas Law Firm was not qualified to practice law
17 in California, lacked the legal authority to make demand on 4EC for payment of any amounts
18 purportedly owed to any California Governments, and lacked the legal authority to accept or
19 disburse the ninety dollars (\$90) paid to it by 4EC in response to its demand, 4EC was unlawfully,
20 unfairly and fraudulently induced to pay the Texas Law Firm ninety dollars (\$90) and has
21 thereafter been deprived of the possession and use of said ninety dollars (\$90).

22 25. During the Second Part of the Relevant Period—in violation of California law and
23 without ever obtaining any ratification of the Void Texas Lawyer Engagement Agreements by the
24 affected California Governments—the Texas Law Firm has continued to generate Texas Lawyer

1 Scare Letters without Attorney Clinnin’s personally supervising any aspect of their generation,
2 with the Texas Law Firm instead continuing to rely on its computer-based systems, supervised
3 entirely by persons who are not California lawyers, in order to generate such Texas Lawyer Scare
4 Letters.

5 **Class Allegations**

6 26. 4EC brings this action on behalf of itself and all others similarly situated.

7 27. The class represented by 4EC (Class) is comprised of the following persons and
8 entities: all California Citizens who paid the Texas Law Firm money in response to the Texas
9 Lawyer Scare Letters during the Overall Relevant Period (members of the Class).

10 28. The class period is the Overall Relevant Period.

11 29. No members of the Class could reasonably have discovered that the Texas Law
12 Firm was not qualified to practice law in California until after the May 15 Payment was first made
13 by 4EC. Therefore, any applicable statute of limitations respecting the unfair competition claims
14 alleged herein were tolled and did not otherwise begin to run until a date no earlier than May 16,
15 2013.

16 30. On information and belief, 4EC alleges that there are tens of thousands of members
17 of the Class. The identities of the members of the Class can be readily ascertained from the
18 business records of the Texas Law Firm.

19 31. Questions of law and fact common to the Class predominate over questions
20 affecting only individual members, including, *inter alia*:

- 21 • Whether its entering into the Void Texas Lawyer Engagement Agreements
22 during the First Part of the Relevant Period constitutes the Texas Law Firm’s Illegally
23 Practicing Law by Means of False Holding Out.

24

1 Citizens during the First Part of the Relevant Period; the Texas Law Firm's failure to ever obtain
2 ratification of the Void Texas Lawyer Engagement Agreements during the Second Part of the
3 Relevant Period; and, finally, the Texas Law Firm's sending out Texas Lawyer Scare Letters in
4 violation of California law throughout the Overall Relevant Period (collectively the Texas Law
5 Firm's Misconduct) all render the Texas Law Firm guilty of unfair competition under Business &
6 Professions Code §§ 17200 et. seq., in that the Texas Law Firm's Misconduct, and each aspect
7 thereof, constitutes each of the following: (i) unlawful business acts; (ii) unfair business acts and
8 (iii) fraudulent business acts.

9 37. The Texas Law Firm therefore has violated and is violating Business & Professions
10 Code § 17203.

11 WHEREFORE 4EC prays judgment as hereafter set forth.

12 **Second Cause of Action**

13 **(Injunction to Prevent Future Acts of Unfair Competition [Bus. & Prof. C. § 17203])**

14 38. 4EC realleges the allegations contained in Paragraphs 1-37.

15 39. Unless the Texas Law Firm is enjoined, it will continue to send out Texas Lawyer
16 Scare Letters to California Citizens in violation of California law as well as without seeking any
17 ratification of the Void Texas Lawyer Engagement Agreements from California Governments.

18 40. On information and belief, 4EC estimates the Texas Law Firm has collected
19 millions of dollars from California Citizens during the Overall Relevant Period by sending out
20 Texas Lawyer Scare Letters.

21 41. California Citizens, including but not limited to members of the Class, will suffer
22 irreparable injury unless an injunction is issued to prevent the future use by the Texas Law Firm of
23 Texas Lawyer Scare Letters which are not first properly vetted by California lawyers who are also
24 partners or employees of the Texas Law Firm.

1 WHEREFORE, 4EC prays:

2 A. That the Class described herein be certified;

3 B. That the Court enjoin the Texas Law Firm from any further violations of the Unfair
4 Competition Law by way of its sending out Texas Lawyer Scare Letters (i) when the Texas Law
5 Firm is not otherwise properly employed by a California Government pursuant to a *bona fide*
6 retention agreement that was not itself obtained by the Texas Law Firm's Illegally Practicing Law
7 by Means of False Holding Out and (ii) which Texas Lawyer Scare Letters have not been first
8 properly vetted by California lawyers who are also partners or employees of the Texas Law Firm.

9 C. For full and complete restitution of all monies which the Texas Law Firm has
10 obtained from the Class during the Overall Relevant Period on account of its sending out the Texas
11 Lawyer Scare Letters to members of the Class;

12 D. For an award of attorney's fees and costs;

13 E. For such other and further relief as the Court may deem just and proper.

14 Dated: April 23, 2014

COBLENTZ PATCH DUFFY & BASS LLP
McGRANE LLP
shierkatz RLLP

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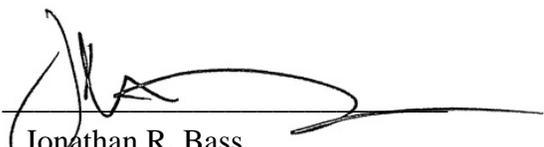
By: 
Jonathan R. Bass
Attorneys for Plaintiffs

EXHIBIT 1

**STATE BAR OF CALIFORNIA
STANDING COMMITTEE ON
PROFESSIONAL RESPONSIBILITY AND CONDUCT
FORMAL OPINION NO. 1982-68**

ISSUE: Creditor client's use of attorney demand letters on delinquent accounts.

DIGEST: An attorney who has been retained by a creditor for collection matters may use his or her creditor-client's employees to aid in the preparation of form letters to delinquent debtors on the attorney's stationery and over his or her signature, provided that the attorney properly supervises the employees. The attorney must ensure that he or she is not (1) lending his or her name to a non-lawyer; (2) aiding the unauthorized practice of law; and that (3) the letters are not deceptive; and (4) the attorney is not assisting the client to violate the law.

**AUTHORITIES
INTERPRETED:**

Rules 3-101, 6-102 and 7-101 of the Rules of Professional Conduct of the State Bar of California.

Business and Professions Code sections 6067, 6105, 6106, 6125, 6863 and 6947

Civil Code sections 1788.2(c) and 1788.13(c)

DISCUSSION

Creditors with a large number of accounts may wish to send form letters to delinquent debtors on an attorney's letterhead and over an attorney's signature. Such letters are frequently computer-generated. We have been asked whether, and under what circumstances, attorneys may permit such letters to be sent. Although an attorney may use the creditor-client's employees to assist in handling collection matters, the attorney must adequately supervise the employees to ensure that:

- (1) The attorney is not lending his or her name to a non-lawyer.
- (2) In permitting a creditor-client to send such letters, the attorney is not aiding the unauthorized practice of law.
- (3) The letters are not deceptive.
- (4) The letters do not violate the law.

A. Attorney's Use of Client's Employees

In many cases it will be economical and efficient for a creditor-client's employees, who will be most familiar with the creditor's accounts, to assist the attorney in debt collection matters. An attorney retained by a creditor may use the creditor's employees to aid in the attorney's representation of the creditor. A lawyer may delegate tasks to his or her office staff provided he or she accept responsibility to supervise the work of the staff. American Bar Association Code of Professional Responsibility, Ethical Consideration 3-6, provides:

"A lawyer often delegates tasks to clerks, secretaries, and other lay persons. Such delegation is proper if the lawyer maintains a direct relationship with his client, supervises the delegated work, and has complete professional responsibility for the work product. This delegation enables a lawyer to render legal service more economically and efficiently."

(See Bus. & Prof. Code; § 6067; *Spindell v. State Bar* (1975) 13 Cal.3d 253, 261 [118 Cal.Rptr. 480; 530 P.2d 168]; *Vaughn v. State Bar* (1972) 6 Cal.3d 847, 857 [100 Cal. Rptr. 713; 494 P.2d 1257]; *Moore v. State Bar* (1964) 62 Cal.2d 74 [41 Cal.Rptr. 161; 396 P.2d 577]; *Sanchez v. State Bar* (1976) 18 Cal.3d 280 [133 Cal.Rptr. 768; 555 P.2d 889].)

In debt collection matters, as in other legal matters, a member of the bar may delegate tasks to non-lawyer assistants. For efficiency, the creditor may wish to make available its own employees to assist the attorney in evaluating and possibly taking legal action to collect debts. The attorney may delegate tasks to the creditor-client's agents or employees provided that the lay assistants are under the direction and control of the attorney and that the attorney supervises their work. Collection agency regulations recognize this practice:

"All clerical work delegated by the attorney of record shall be under the direction and control of that attorney. Should an attorney delegate clerical work to a person on the payroll of a collection agency, said delegation shall be in writing and shall specifically set forth the work to be done." (16 Cal. Admin. Code, § 628 subd. (b).)

The extent to which a lawyer must supervise those to whom he or she has delegated work depends on the nature of the delegated task. The attorney must exercise the degree of control over a creditor-client's employees that he or she would be required to exercise over his or her own employees engaged in the same task on behalf of his or her law firm or law office. The attorney is professionally responsible for all work performed by the creditor's employees, just as he or she would be as to his or her own employees.

Debt collection matters will vary from complex to routine. Routine debt collection letters may justify the use of form letters, just as other routine matters may justify the use of form letters. Although an attorney may utilize a creditor-client's employees to help determine whether a particular case justifies the sending of a form letter, and to prepare a form letter, those employees must in fact be working under the direction of and on behalf of the attorney when they are engaged in such collection activities.

Thus, the attorney is responsible for the accuracy of all letters sent to debtors on his or her letterhead. "In our view, it is not enough that the lawyer rely upon the client's certification of the 'validity' of the account. The lawyer must take responsibility for the reasonable accuracy of each letter and must exercise due care that no letter misstates a fact with respect to the account of the debtor." (ABA Committee on Ethics and Prof. Responsibility, informal opn. No. 1368 (1976).)

In deciding the extent to which he or she must direct, control and supervise the creditor and its employees when they perform work on his or her behalf, including preparation of attorney letters, the attorney must have in mind the need to avoid the following ethical violations.

(1) **Lending Name to a Non-Lawyer**

Business and Professions Code section 6105 provides:

"Lending his name to be used as attorney by another person who is not an attorney constitutes a cause for disbarment or suspension."

McGregor v. State Bar of California (1944) 24 Cal.2d 283 [148 P.2d 865] concerned an attorney who had permitted his employee, a layperson, to use the attorney's name as an attorney in the operation of a collection agency within his law office. The employee was authorized to interview clients, fix fees and write letters, signing the attorney's name. In a particular instance, a client thought the employee was the attorney. The attorney's legal and collection affairs were so intermingled that it was difficult to distinguish them. The court found this to be a violation of section 6105 of the Business and Professions Code. (See also *Townsend v. State Bar* (1930) 210 Cal. 362 [291 P. 837].)

A lawyer who permits a non-lawyer to generate letters on his or her stationery and over his or her signature without taking an active role in the matter has lent his or her name to a non-lawyer and would be subject to discipline for violating section 6105 of the Business and Professions Code. (See also L.A. Co. Bar Assn. Legal Ethics Committee, opn. No. 61 (1930).) What constitutes a sufficiently active role in the matter will vary depending on the circumstances. An attorney should not, however, merely permit a client to use his or her stationery and signature.

(2) Aiding the Unauthorized Practice of Law

Rule 3-101(A) of the Rules of Professional Conduct provides: "A member of the State Bar shall not aid any person, association, or corporation in the unauthorized practice of law." Business and Professions Code section 6125 provides that no person shall practice law in California unless he or she is an active member of the bar. In *Smallberg v. State Bar* (1931) 212 Cal. 113, 119 [297 P. 916], the California Supreme Court, citing other authority, defined the practice of law:

"As the term is generally understood, the "practice" of the law is the doing or performing services in a court of justice.... But in a larger sense it includes legal advice and counsel, and the preparation of legal instruments and contracts by which legal rights are secured, although such matters may or may not be depending in a court."

The rules regulating licensed collection agencies, adopted under Business and Professions Code, sections 6863 and 6947, deem as practicing law "communicating with debtors in the name of an attorney or upon the stationery of an attorney, unless expressly authorized by an attorney" (16 Cal. Admin. Code, § 628.5 subd. (a)(4)) and intervening between a creditor and attorney in any manner which would control or exploit the services of the attorney or which would direct those/services in the interest of a collection agency (16 Cal. Admin. Code, § 628.5 subd. (a)(5)).^{1/}

To prevent collection agencies from engaging in the unauthorized practice of law, 16 California Administrative Code section 628.5, subdivision (b)(4), prohibits a collection agency from threatening the commencement of judicial proceedings other than to notify the debtor that the matter will be referred to its attorney for legal action, and that in the event its attorney should file suit, the debtor may as a result become liable for additional costs and expenses.

The preparation and sending of a letter on the stationery of a lawyer which includes a legal conclusion that the debtor is liable for an amount of money owed and which threatens to institute judicial proceedings to collect the debt constitutes the practice of law. Where a lawyer permits such a letter to be sent on his or her stationery, with or without his or her signature, without having expressly authorized the letter in that particular case, the lawyer is conferring upon persons not entitled to practice law the powers and privileges of an attorney. Such a practice violates the proscriptions against aiding and abetting the unauthorized practice of law under rule 3-101 of the Rules of Professional Conduct. As the Supreme Court stated in *Townsend v. The State Bar*, supra, 210 Cal. at pages 364-365:

"The right to practice law not only presupposes in its possessor integrity, legal standing and attainment, but also the exercise of a special privilege, highly personal and partaking of the nature of a public trust. It is manifest that the power and privileges derived from it may not with propriety be delegated to or exercised by a nonlicensed person. . . If such a practice were allowed, an attorney might have a number of undisclosed associates through his agency exercising the functions of an attorney and counselor, and reaping the rewards flowing therefrom, without resting under any of the responsibilities incident to such a position, and possessing none of the qualifications which the law demands and requires."

^{1/} Civil Code section 1788.13(c) regulates only debt collectors who are not attorneys (Civ. Code § 1788.2(c)), which parallels what we have said here and provides:

". . . Any communication with a debtor in the name of an attorney or counselor at law or upon stationery or like written instruments bearing the name of the attorney or counselor at law, unless such communication is by an attorney or counselor at law or shall have been approved or authorized by such attorney or counselor at law, . . ."

(See *Spindell v. State Bar*, supra, 13 Cal.3d at 261; *Vaughn v. State Bar*, supra, 6 Cal.3d at 857; *Moore v. State Bar*, supra, 62 Cal.2d at 75; *Sanchez v. State Bar*, supra, 18 Cal.3d at 284.)

(3) Deception

A creditor who prepares his or her own letters to delinquent debtors may want to use an attorney's letterhead (as opposed to his or her own) to give his or her letters greater impact. To the lay person who is a delinquent debtor, a letter from an attorney has greater impact than a letter from his or her creditor because of the attorney's ability to pursue legal remedies. A letter from a lawyer may demonstrate to the debtor that his or her creditor has taken a significant step toward collecting the debt. It may imply that the attorney has been retained, has examined the account, determined the debt to be owing and payment to be delinquent, and prepared the letter or directed that it be sent. If, in fact, all that has happened is that a computer or the creditor's clerks will have determined to send a particular form letter, the letter may be deceptive. An attorney is professionally responsible to ensure that there is no such deception. (Bus. & Prof. Code, § 6106.)

(4) Advising the Violation of Law

An attorney must exercise his or her best judgment in the exercise of skill to accomplish his or her client's purposes. (Bus. & Prof. Code, § 6067.) The attorney must not advise the violation of any law or rule. (Rules 6-102 and 7-101, Rules Prof. Conduct.) For example, an attorney who uses a creditor-client's employees to send letters on the attorney's letterhead must ensure that in doing so he or she is not permitting the client to violate the law cited above designed to prevent collection agencies from engaging in (1) the practice of law; or (2) misleading communications with debtors.^{2/}

B. Conclusion

The Committee concludes that, although an attorney may use a creditor-client's employees to aid in the preparation of letters to be sent delinquent debtors,^{3/} he or she must take great care to ensure that his or her procedures are not unethical or illegal. We do not opine on whether the practices discussed may violate any state or federal law, rule or regulation, or whether such practices may give rise to civil liability.

This opinion is issued by the Standing Committee on Professional Responsibility and Conduct of The State Bar of California. It is advisory only. It is not binding upon the courts, The State Bar of California, its Board of Governors, any persons or tribunals charged with regulatory responsibilities, or any member of the State Bar.

^{2/} Although governmental agencies may regulate debt collection practices, they have no authority to discipline attorneys for professional misconduct. The power to discipline attorneys is an inherent judicial power. The legislature is forbidden by the California Constitution from conferring such power upon a governmental board or agency. (See *Katz v. Workers' Compensation Appeals Board* (1981) 30 Cal.3d 353 [178 Cal.Rptr. 815; 636 P.2d 1153] and *Hustedt v. Workers' Compensation Appeals Board* (1981) 30 Cal.3d 329 [178 Cal.Rptr. 801; 636 P.2d 1139].)

^{3/} Cf. Los Angeles Bar Association Legal Ethics Committee, opinions No. 338 (1973) and No. 402 (1982). (See also section A.(2) of this opinion and footnote I thereunder.)

EXHIBIT 2

Linebarger Goggan Blair & Sampson, LLP

ATTORNEYS AT LAW
 THE CLEVELAND OFFICE BUILDING
 1515 CLEVELAND PLACE, SUITE 300
 DENVER, CO 80202
 1(866) 280-4153 1(800) 677-1934 Fax

DEBTOR NAME AND ADDRESS	DATE OF NOTICE	LGB&S ACCOUNT NUMBER
FERRY CLAIMS LLC 91 25TH AVE SAN FRANCISCO CA 94121-1104	MARCH 14, 2013	43159678

**CITY AND COUNTY OF SAN FRANCISCO BUREAU OF DELINQUENT
 REVENUE STATEMENT**

BDR ACCOUNT NUMBER	DEPARTMENT CODE	ACCOUNT DESCRIPTION	AMOUNT DUE
2332208	2012YRRG	BUSINESS REGISTRATION FEE	\$90.00
TOTAL			\$90.00

YOUR CHECK MAY BE CONVERTED TO AN ELECTRONIC TRANSFER. WHEN WE USE INFORMATION FROM YOUR CHECK TO MAKE AN ELECTRONIC FUND TRANSFER, FUNDS MAY BE WITHDRAWN FROM YOUR ACCOUNT AS SO ON AS THE SAME DAY WE RECEIVE YOUR PAYMENT, AND YOU WILL NOT RECEIVE YOUR CHECK BACK FROM YOUR FINANCIAL INSTITUTION.

IF YOU HAVE ALREADY PAID THIS ACCOUNT IN FULL, PLEASE DISREGARD THIS NOTICE.

\$90.00

PAY THIS AMOUNT

YOU MUST INCLUDE THE BELOW STUB WITH YOUR PAYMENT IN ORDER TO INSURE PROPER CREDIT.

DEBE INCLUIR ESTE TALONARIO JUNTO CON EL PAGO CORRESPONDIENTE PARA ACREDITAR LA TRANSACCIÓN.

Linebarger Goggan Blair & Sampson, LLP
 PO Box 659443
 San Antonio, Texas 78265



MAKE YOUR PERSONAL CHECK OR MONEY ORDER PAYABLE TO:

Linebarger Goggan Blair & Sampson, LLP

To pay online by credit card, please call 1(866) 280-4153 or log on to <http://www.lgbswebpayments.com> and use **Client Code CACCSFRF1** and **Online Payment Number 43159678**.



#BWNKBYR
 #C0000431596786#
 FERRY CLAIMS LLC
 91 25TH AVE
 SAN FRANCISCO CA 94121-1104



LGB&S ACCOUNT NUMBER	AMOUNT DUE
43159678	\$90.00
AMOUNT PAID:	

LGB&S, LLP
CLIENT #: CACCSFRF1
PO BOX 702118
SAN ANTONIO TX 78270



Linebarger Goggan Blair & Sampson, LLP

ATTORNEYS AT LAW
THE CLEVELAND OFFICE BUILDING
1515 CLEVELAND PLACE, SUITE 300
DENVER, CO 80202
1(866) 280-4153 1(800) 677-1934 Fax

MARCH 14, 2013

FERRY CLAIMS LLC
91 25TH AVE
SAN FRANCISCO CA 94121-1104

43159678

Debtor: FERRY CLAIMS LLC
Account No: 2332208
Amount Due to City & County of San
Francisco BDR:
\$90.00 as of MARCH 14, 2013

NOTICE OF DEBT

Dear FERRY CLAIMS LLC:

Please be advised that this law firm has been retained by the City & County of San Francisco Bureau of Delinquent Revenue for resolution of the above-listed account(s). According to our client, you have an outstanding debt, in the amount shown above, owing to the City & County of San Francisco Bureau of Delinquent Revenue for fees and fines.

Payment relating to this account may be made by forwarding funds, along with the enclosed identification coupon, in the enclosed response envelope. Payments by mail must be in the form of a money order or personal check made payable to Linebarger Goggan Blair & Sampson, LLP. To pay by credit card, please call 1(866) 280-4153 or log on to <http://www.lgbswebpayments.com> and use **Client Code CACCSFRF1** and **Online Payment Number 43159678**.

Unless, within thirty days after receipt of this notice, you dispute the validity of the debt or any portion thereof, we will assume the debt to be valid. If, within thirty days after your receipt of this notice, you notify us, in writing, that the debt or any portion thereof is disputed, we will obtain a verification of the debt or a copy of a judgment, if any, and we will mail to you a copy of such verification or judgment.

This firm is a debt collector. We are attempting to collect a debt and any information obtained will be used for that purpose. At this time, no attorney with this firm has personally reviewed the particular circumstances of your account.

Very truly yours,

Linebarger Goggan Blair & Sampson, LLP

NOTICE: SEE REVERSE SIDE FOR ADDITIONAL INFORMATION.



We are required under various State laws to notify consumers of the following rights. This list does not include a complete listing of rights consumers may have under State and Federal Law.

***This communication from a debt collector is an attempt to collect a debt and any information obtained will be used for that purpose.**

ADDITIONAL INFORMATION FOR MASSACHUSETTS RESIDENTS: NOTICE OF IMPORTANT RIGHTS

You have the right to make a written or oral request that telephone calls regarding your debt not be made to you at your place of employment. Any such oral request will be valid for only ten (10) days unless you provide written confirmation of the request postmarked or delivered within seven (7) days of such request. You may terminate this request by writing to us at our law firm address.

ADDITIONAL INFORMATION FOR CALIFORNIA RESIDENTS:

The state Rosenthal Fair Debt Collection Practices Act and the federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or www.ftc.gov.

ADDITIONAL INFORMATION FOR COLORADO RESIDENTS:

FOR INFORMATION ABOUT THE COLORADO FAIR DEBT COLLECTION PRACTICES ACT, SEE WWW.COLORADOATTORNEYGENERAL.GOV/CA.

A consumer has the right to request in writing that a debt collector or collection agency cease further communication with the consumer. A written request to cease communication will not prohibit the debt collector or collection agency from taking any action authorized by law to collect the debt.

ADDITIONAL INFORMATION FOR MINNESOTA RESIDENTS:

This collection agency is licensed by the Minnesota Department of Commerce.

ADDITIONAL INFORMATION FOR TENNESSEE RESIDENTS:

This collection agency is licensed by the Collection Service Board State Department of Commerce and Insurance, 500 James Robertson Parkway, Nashville, Tennessee 37243.

*The following applies to any recipient of this letter who is entitled to the protections afforded by the United States Bankruptcy Code. This letter is for informational and verification purposes only. This letter is not a demand for payment nor an attempt to collect, assess or recover a claim against you that arose before the commencement of your case. In the event you have filed for bankruptcy protection, please notify us in writing and provide to us your case number and identify the Court in which your case is pending.

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DENVER, CO 80202
1(866) 280-4153 1(800) 677-1934 Fax

MARCH 14, 2013

FERRY CLAIMS LLC
91 25TH AVE
SAN FRANCISCO CA 94121-1104

43159678

Deudor: FERRY CLAIMS LLC
No. de Cuenta: 2332208
Cantidad Pagadera al City & County of San
Francisco BDR:
\$90.00 al MARCH 14, 2013

AVISO DE DEUDA

Estimado FERRY CLAIMS LLC:

Por favor tenga en cuenta que nuestro bufete de abogados ha sido contratado por al City & County of San Francisco Bureau of Delinquent Revenue para resolver la(s) cuenta(s) indicada(s) más arriba. Según nuestro cliente, usted tiene una deuda por la cantidad indicada más arriba pagadera al City & County of San Francisco Bureau of Delinquent Revenue por cuotas o multas no pagadas.

El pago relacionado con esta cuenta puede hacerse enviando el monto, junto con el cupón de identificación adjunto, en el sobre de devolución adjunto. El pago deberá enviarse en forma de giro postal o cheque personal a nombre de Linebarger Goggan Blair & Sampson, LLP. Para pagar con tarjeta de crédito, llame al 1(866) 280-4153 o vaya a <http://www.lgbswebpayments.com> y use el **Client Code CACCSFRF1** y utilice el **Online Payment Number 43159678**.

A menos que dispute la validez de la deuda, o de cualquier parte de la misma, en un plazo de treinta días después de recibir esta notificación, daremos por hecho que la deuda es válida. Si, en un plazo de treinta días después de recibir esta notificación, usted nos notifica por escrito que disputa la deuda, o cualquier parte de la misma, obtendremos una verificación de la deuda o una copia de la sentencia, de haberla, y le enviaremos una copia de dicha verificación o sentencia.

Esta firma es una recaudadora de deudas. Esto es un intento de cobrar una deuda y cualquier información que se obtenga se utilizará para ese propósito. Por ahora, ningún abogado de esta firma ha examinado personalmente las circunstancias particulares de su cuenta.

Muy atentamente,

Linebarger Goggan Blair & Sampson, LLP



Estamos obligados bajo varias leyes estatales a notificar a los consumidores de los siguientes derechos. Esta lista no incluye el número total de derechos que los consumidores puedan tener bajo la ley estatal y federal.

***Esta comunicación es de un cobrador de deudas. Estamos tratando de cobrar una deuda y cualquier información obtenida se utilizará para ese propósito.**

INFORMACIÓN ADICIONAL PARA LOS RESIDENTES DE MASSACHUSETTS: AVISO DE DERECHOS IMPORTANTES

Usted tiene el derecho de hacer una solicitud verbal o por escrito para que las llamadas hechas con respecto a su deuda no se le hagan a su centro de trabajo. Cualquier solicitud verbal de este tipo será válida sólo por diez (10) días, a menos que entregue o envíe (comprobando con el sello de correo) una confirmación de la solicitud por escrito dentro de siete (7) días después de dicha solicitud verbal. Usted puede efectuar esta solicitud escribiéndonos a la dirección de nuestra oficina legal.

INFORMACIÓN ADICIONAL PARA RESIDENTES DE CALIFORNIA:

La ley estatal de California Rosenthal y la ley de Cobranza Imparcial de Deudas (FDCPA) requieren que, salvo circunstancias excepcionales, cobradores no pueden hacer contacto con usted antes de las 8 de la mañana y después de las 9 de la noche. Ellos no pueden molestarle usando amenazas de violencia o de arresto o usando palabras obscenas. Los cobradores no pueden usar información falsa o engañosa o contactarle en su trabajo si ellos saben o tienen razón de saber que Ud. no puede recibir llamadas personales en el trabajo. Generalmente, los cobradores no pueden hablar con nadie, aparte de su abogado o su esposo/esposa, sobre su deuda. Los cobradores pueden hablar con otra persona para confirmar su dirección o hacer cumplir una sentencia. Para mas información sobre las actividades de cobranza, Ud. puede llamar gratis al 1-877-FTC-HELP (1-877-382-4357); o puede visitar www.ftc.gov.

INFORMACIÓN ADICIONAL PARA RESIDENTES DE COLORADO:

PARA INFORMACIÓN SOBRE LA LEY DE PRÁCTICAS JUSTAS PARA COBROS DE DEUDAS, VISITE WWW.COLORADOATTORNEYGENERAL.GOV/CA.

Un consumidor tiene derecho a solicitar por escrito que un cobrador de deudas o una agencia de cobranzas cesen de comunicarse con el consumidor. Una solicitud escrita de cese de comunicaciones no le le prohibirá al cobrador de deudas o a la agencia de cobranzas tomar cualquier acción autorizada por la ley para cobrar la deuda.

INFORMACIÓN ADICIONAL PARA RESIDENTES DE MINNESOTA:

Esta agencia para el cobro de deudas cuenta con licencia del Departamento de Comercio de Minnesota.

INFORMACIÓN ADICIONAL PARA RESIDENTES DE TENNESSEE:

Esta agencia para el cobro de deudas cuenta con licencia de la Junta de servicios para el cobro de deudas del Departamento Estatal de Comercio y Seguros, 500 James Robertson Parkway, Nashville, Tennessee 37243.

*Lo siguiente aplica a cualquier destinatario de esta carta que tenga derecho a recibir las protecciones garantizadas por el Código de Quiebras de los Estados Unidos. Esta carta es únicamente para propósitos de información y verificación. Esta carta no es una exigencia de pago ni un intento para cobrar, evaluar o recuperar una reclamación contra usted que surja antes del comienzo de su caso. En el caso de haber presentado una solicitud de protección por Bancarrota, por favor notifiquenos por escrito, indique su número de caso e identifique la Corte en la cual su caso esté pendiente.

EXHIBIT 3

Linebarger Goggan Blair & Sampson, LLP

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APRIL 18, 2013

FERRY CLAIMS LLC
91 25TH AVE
SAN FRANCISCO CA 94121-1104

43159678

Debtor: FERRY CLAIMS LLC
Account No: 2332208
Amount Due to City & County of San
Francisco BDR:
\$90.00 as of APRIL 18, 2013

SECOND NOTICE

Dear FERRY CLAIMS LLC:

Our law firm previously sent to you a letter regarding your debt with the City & County of San Francisco Bureau of Delinquent Revenue. You have failed to respond to our correspondence and we are assuming that this debt is valid.

The City & County of San Francisco Bureau of Delinquent Revenue is entitled to payment in full. Please forward the balance due, as shown above, along with the enclosed identification coupon. Our return envelope is enclosed for your convenience. Payments by mail must be in the form of a money order or personal check made payable to Linebarger Goggan Blair & Sampson, LLP. To pay by credit card, please call 1(866) 280-4153 or log on to <http://www.lgbswebpayments.com> and use **Client Code CACCSFRF1** and **Online Payment Number 43159678**.

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