STATE OF NORTH CAROLINA

WAKE COUNTY

FILED

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
FILE NO.: 05CVS09856

THE NORTH CAROLINA STATE BAR, Plaintiff v. ROBERT KOLODNER and JACOBS & MATHEWS, INC. Defendants	CONSENT ORDER OF PERMANENT INJUNCTION

THIS MATTER comes before the Court on the consent of the parties before the undersigned Judge of Superior Court of Wake County. Jennifer A. Porter represented the Plaintiff, the North Carolina State Bar. Alan M. Schneider represented the Defendants, Robert Kolodner and Jacobs & Mathews, Inc. Based upon the State Bar's verified complaint and the exhibits attached thereto and with the stipulation and consent of the parties, the Court hereby enters the following

FINDINGS OF FACT

1. Plaintiff, the North Carolina State Bar (hereinafter "State Bar"), is a body duly organized under the laws of the state of North Carolina and is a proper body to bring this proceeding under the authority granted to it in Chapter 84 of the General Statutes of North Carolina and the rules and regulations of the State Bar promulgated pursuant thereto.

2. The Authorized Practice Committee is a standing committee of the State Bar appointed and authorized, pursuant to N.C. Gen. Stat. § 84-37(a) and 27 N.C.A.C. Chapter 1, Subchapter D, §§ .0201 et. seq., to investigate any charges or complaints of the unauthorized practice of law and bring actions against any person or entity that engaged in rendering any legal services unauthorized or prohibited by law.

3. Defendant Robert Kolodner ("Kolodner") is a citizen and resident of the State of Florida with various business addresses in Tampa, Florida. Kolodner is not now, and never has

been, an active member of the North Carolina State Bar admitted and licensed to practice as attorney-at-law in North Carolina.

4. Defendant Jacobs & Mathews, Inc. ("Jacobs & Mathews") is a Florida business corporation with a principal address of 2807 W. Busch Boulevard, Suite 100, Tampa, Florida 33618. Kolodner is the president and registered agent for Jacobs & Mathews. Jacobs & Mathews is not now, and never has been, a corporation authorized to practice law under the provisions of Chapter 55B of the General Statutes of North Carolina.

5. Kolodner is also manager and registered agent for an active Florida business limited liability company by the name of The Briel Group, L.L.C. ("Briel"). The articles of incorporation for Briel were filed with the Florida Division of Corporations in February 2005. The address given as the principal place of business for Briel and for Kolodner as registered agent is 10820 Tradition Loop, Tampa, Florida 33618-8794. Briel is not now, and never has been, a corporation authorized to practice law under the provisions of Chapter 55B of the General Statutes of North Carolina.

6. Kolodner has also been an officer and registered agent for the following Florida businesses with principal addresses in Tampa, Florida: Solomon & Forbes, Inc., Abraham & Christiansen, Incorporated, The Kolbeck Group, L.L.C., Docucopies, Inc., and Associates Business Services, Inc. These businesses are currently inactive. Kolodner voluntarily dissolved Solomon & Forbes, Inc. in September 2002 and Abraham & Christiansen in August 2000. The State of Florida administratively dissolved for failure to file an annual report The Kolbeck Group, L.L.C. in October 2004, Docucopies, Inc. in September 1999, and Associates Business Services, Inc. in August 1994. None of the business entities listed in this paragraph are now, or ever have been, authorized to practice law under the provisions of Chapter 55B of the General Statutes of North Carolina.

FACTUAL ALLEGATIONS

7. Kolodner, individually and/or as President of Jacobs & Mathews, and Jacobs & Mathews engage in negotiations with creditors on behalf of debtors regarding debts that are the subject of litigation. Kolodner and Jacobs & Mathews hold themselves out as able to represent debtors regarding resolution of debts that are the subject of litigation.

8. On or about April 14, 2004, Kolodner contacted North Carolina attorney Nancy E. Hannah ("Hannah") with Vann & Sheridan, LLP on behalf of a debtor, Cheoah Construction Company ("Cheoah"). Kolodner faxed Hannah a document titled "Settlement" on Jacobs & Mathews letterhead by which he proposed that Hannah's client, creditor J.W. Burress, Inc. ("Burress"), accept certain terms to resolve the debt owed by Cheoah to Burress. Kolodner signed this settlement form as authorized representative for Cheoah prior to faxing it to Hannah.

9. The debt owed by Cheoah to Burress was the subject of litigation at the time Kolodner attempted to negotiate settlement of the debt. Hannah had filed a complaint on behalf of Burress to collect this debt from Cheoah on March 8, 2004 in Wake County Superior Court, North Carolina, case number 04CVD003109.

10. Kolodner and/or Jacobs & Mathews learned of the existence of this pending lawsuit and subsequently contacted a representative of Cheoah on or about April 7, 2004 to offer its services to Cheoah.

11. Kolodner and/or Jacobs & Mathews offered to represent Cheoah in negotiating an out of court settlement of the debt that was the subject of this pending litigation. On or about April 9, 2004, the President of Cheoah, JoAnn Shuler ("Shuler"), retained the services of Jacobs & Mathews to negotiate a settlement of the debt to Burress that was the subject of litigation at that time. On or about that date, Shuler signed a Negotiation Agreement in which she purported to give Jacobs & Mathews power of attorney to negotiate this debt and reach a settlement of this debt.

12. In the course of providing services to Cheoah, Kolodner and/or Jacobs & Mathews drafted legal documents on behalf of Cheoah, including but not limited to a settlement agreement for the debt owed by Cheoah to Burress that was the subject of litigation in Wake County, North Carolina.

13. Kolodner and/or Jacobs & Mathews routinely and as part of their business practice engage in conduct designed to learn of pending lawsuits filed by creditors against debtors in North Carolina. The Defendants engage in this conduct in order to identify potential customers. The Defendants contact North Carolina debtors discovered in this manner to solicit business. In these solicitations, Defendants offer to represent the debtor in negotiating an out of court settlement of the debt that is the subject of litigation.

14. In about May 2005, Jacobs & Mathews, through a representative who identified herself as Marcy, called W.H. Lambe, Jr. ("Lambe"), a North Carolina resident, and left a message for Lambe. Jacobs & Mathews, through Marcy, stated it had become aware of litigation filed against "the business" and offered to get the litigation dismissed at a discount. The return telephone number left was 813-930-6511, which is the telephone number for Jacobs & Mathews.

15. Defendants maintain a website for Jacobs & Mathews at www.jacobsandmathews.com. On its website, Jacobs & Mathews offers that it can "settle any lawsuit, judgment, collection issue, or past-due payable" for a customer, promising it will save the customer "about half, with no retainer, no court appearances, and no paperwork." Additionally, Defendants note as a reason why their services are successful and thus why a customer would need to retain the services of Jacobs & Mathews that "[m]ost business owners do not know how to execute an agreement that legally protects their interests."

16. Defendants have been enjoined from representing debtors regarding debts that are the subject of litigation in Florida and Ohio. See *Ohio State Bar Association v. Kolodner et. al.*, 103 Ohio St. 3d 504, 817 N.E.2d 25 (2004) and *The Florida Bar v. Abraham & Christiansen, Inc., a Florida Corporation, et. al.* (Florida Supreme Court Case No. 90,568, February 19, 1999).

17. The North Carolina State Bar has attempted to obtain Kolodner's voluntary cooperation with North Carolina's unauthorized practice of law statutes. Kolodner has been cautioned individually to cease this conduct by the Authorized Practice Committee of the North Carolina State Bar, as have two of his other businesses, Solomon & Forbes, Inc. and Abraham & Christiansen, Incorporated. Defendants continue to engage in representation of debtors for debts that are in litigation in North Carolina and to hold themselves out as able to do so nonetheless.

CONCLUSIONS OF LAW

1. The Court has both personal jurisdiction over the Defendants and subject matter jurisdiction in this cause.

2. Plaintiff, the North Carolina State Bar, has the authority to bring this action pursuant to N.C. Gen. Stat. § 84-37.

3. Plaintiff's verified complaint is accepted as an affidavit of the Chair of the Authorized Practice Committee of the North Carolina State Bar.

4. N.C. Gen. Stat. § 84-4 states it shall be unlawful for anyone other than an active member of the Bar of the State of North Carolina admitted and licensed to practice as attorney-at-law to appear as attorney or counselor at law in any action or proceeding before any judicial body in North Carolina, to maintain, conduct, or defend such action except on his or her own behalf as a party, to give legal advice or counsel to another, to prepare legal documents for another, and/or to hold him or herself out as competent or qualified to give legal advice or counsel or to furnish the services of a lawyer.

5. N.C. Gen. Stat. § 84-5 states it shall be unlawful for any corporation other than a corporation authorized to practice law under Chapter 55B of the General Statutes of North Carolina to practice law or appear as an attorney for any person in any court or before any judicial body in North Carolina or to hold itself out to the public as being entitled to practice law. This section prohibits a corporation from drawing agreements or other legal documents for others, giving legal advice to others, otherwise practicing law, and from holding itself out as entitled to do so.

6. Defendants Kolodner and Jacobs & Mathews violated N.C. Gen. Stat. §§ 84-4 and 84-5 by:

a. holding out to members of the public that Jacobs & Mathews can represent another person, firm, or corporation in litigation in North Carolina, by offering services including, but not limited to, settling a lawsuit for another by negotiating resolution of the debt that is the subject of the lawsuit, advising the debtor defendant regarding legal rights, obligations, options and/or remedies related to the litigation and/or associated debt, and drafting legal documents to settle the lawsuit that will legally protect the debtor's interests;

b. representing defendants of lawsuits filed by creditors regarding a debt, including, but not limited to, negotiating settlement of the lawsuit through negotiating resolution of the associated debt, drafting settlement agreements and/or other legal documents for debtors, and providing legal advice to others in the form of advising debtor defendants regarding their legal rights, obligations, options and/or remedies related to the litigation and/or associated debt.

7. The above-described acts, activities, and representations constitute the unauthorized practice of law by Defendants, both individually and collectively, in violation of N.C. Gen. Stat. §§ 84-2.1, 84-4, and 84-5.

8. If Defendants are not enjoined from engaging in acts that violate the statutes prohibiting the unauthorized practice of law, there is a risk that members of the public will suffer injury, loss and damages as a result of such acts.

9. Pursuant to N.C. Gen. Stat. § 84-37(a), no bond for costs is required for the issuance of this permanent injunction order.

Based upon the foregoing findings of fact and conclusions of law and with the consent of the parties, IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that:

1. Defendant Kolodner, in his own name and under any other business name or other name, and any representative, agent, employee, person, association of persons, or corporations associated with or employed, operated, or controlled by Kolodner, and Defendant Jacobs & Mathews, Inc., in its own name and under any other business, trade, or other name, and any representative, agent, employee, person, association of persons, or corporations associated with or employed, operated, or controlled by Jacobs & Mathews, are hereby permanently enjoined from engaging in acts and activities constituting the practice of law in North Carolina, as defined in N.C. Gen. Stat. §§ 84-2.1, 84-4, and 84-5, including prohibition of the following specific acts:

a. any express or implicit holding out or representation to the public by website, advertising, solicitation, or otherwise, that Defendants may represent any person, firm, or corporation in North Carolina including, but not limited to, holding out or representing to the public that Defendants can settle debt-related litigation for a debtor, advise or counsel debtors regarding such litigation, and/or prepare legal documents for such debtor;

b. contracting with any person, firm, or corporation in North Carolina to provide legal services to such person, firm, or corporation, such contracting including, but not limited to, having such person, firm, or corporation sign a Negotiation Agreement, a power of attorney document or any other document arranging for either Defendant to provide legal services, including, but not limited to, the following services: representing

such person, firm, or corporation in any legal matter including but not limited to debt-related litigation pending in North Carolina; negotiating settlement of debt-related litigation pending in North Carolina by negotiating settlement or resolution of the underlying debt; and/or preparing legal documents for such person, firm, or corporation in North Carolina;

c. contacting defendants in debt-related litigation pending in North Carolina, or any other person, firm, or corporation, to solicit such person or entity and/or to offer to provide such person or entity with legal services, such services including, but not limited to, representing a defendant by negotiating settlement of litigation, advising/counseling a defendant regarding legal rights, obligations, and options related to the litigation and/or the underlying debt, and/or preparing legal documents for the defendant;

d. representing any person, firm, or corporation in litigation pending in North Carolina, including, but not limited to, negotiating settlement of litigation pending in North Carolina for such person, firm, or corporation by negotiating settlement of a debt that is the subject of such litigation;

e. providing to and/or preparing any legal documents for any person, firm, or corporation, including, but not limited to, settlement agreements or other documents affecting, settling, or otherwise related to a debt that is the subject of litigation pending in North Carolina; and

f. providing legal advice to any person, firm, or corporation, including, but not limited to, advising or counseling such person, firm, or corporation regarding rights, obligations, and options pertaining to debt-related litigation and/or the debt that is the subject of such litigation.

2. Defendants shall take notice that any willful violation of this Permanent Injunction may be treated as civil and criminal contempt leading to the imposition of sanctions upon him, including incarceration and fines.

3. This Order is binding upon Defendants, its officer, agents, servants, employees, attorneys, and upon those persons or entities in active concert or participation with Defendants who receive actual notice in any manner of the order by personal service or otherwise.

4. The parties agree to bear their respective costs of this action.

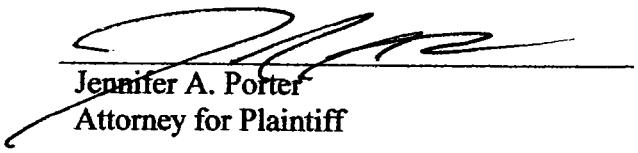
5. The court shall retain jurisdiction of this matter for further proceedings to enforce this Order.

Issued this the 10 day of October 2005.

Superior Court Judge Presiding

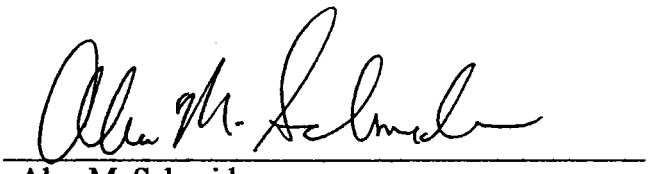
By signing below, the parties affirm their consent and agreement to the entry of the foregoing Consent Order of Permanent Injunction in Wake County file number 05CVS09856.

For the Plaintiff

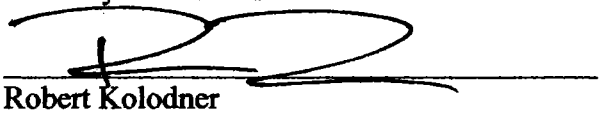


Jennifer A. Porter
Attorney for Plaintiff

For the Defendants



Alan M. Schneider
Attorney for Defendants



Robert Kolodner
Defendant

Jacobs & Mathews, Inc.
Defendant