The North Carolina State Bar

AUTHORIZED PRACTICE COMMITTEE

C. Colon Willoughby, Jr.
Chair

FEB - 3 2004

LETTER OF CAUTION
To Cease and Desist

Jason Cotton
Max Default Services Corporation
P.O. Box 3004
Spring Valley, CA 91979-3004

Re: Alleged unauthorized practice of law
Our file number: 03AP0035

Dear Mr. Cotton:

On January 14, 2004 the Authorized Practice Committee met and considered the results of its investigation made into your activities in the above referenced matter. As you will recall, you were informed of the allegations before the Committee and given an opportunity to respond. You responded, and the Committee carefully considered both the information received by it and your response.

Based upon all of the evidence available, the Committee concluded that Max Default Services Corporation acts as a corporate substitute trustee on deeds of trust in North Carolina. In this role, Max Default Services Corporation files notices of hearing as described in N.C. Gen. Stat. § 45-21.16 offices of the clerk of court in counties in North Carolina. The hearing at issue is to be held before the clerk of court. In this hearing the clerk determines whether the evidence proves that the statutory requirements for proceeding with a foreclosure sale have been met. The statute states that the act of the clerk in either finding that the requirements are met or refusing to so find is a judicial act. Where a corporation files documents that request a judicial act it is a corporation proceeding *pro se* (representing itself) in litigation.

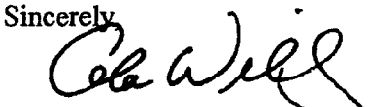
It is the unauthorized practice of law for a business corporation to engage in the practice of law. N.C. Gen. Stat. § 84- 5. The Court of Appeals of North Carolina has held that a corporation is prohibited from proceeding *pro se* in litigation under N.C. Gen. Stat. § 84-5. The Committee concluded that your conduct constituted the unauthorized practice of law in violation of this statute. Accordingly, it voted to issue this Letter of Caution to notify you of its decision and to demand that you stop engaging in your activities now.

208 Fayetteville Street Mall Post Office Box 25908 Raleigh, NC 27611 (919) 828-4620 Fax (919) 834-8156

Your conduct is illegal and must cease immediately. If you continue your activities, the State Bar may seek a court order to perpetually enjoin your unlawful conduct, as the Bar is authorized to do pursuant to North Carolina General Statute Section 84-7 and Chapter 1, Subchapter D, Section .0200 through .0207 of the Rules and Regulations of the North Carolina State Bar (copies enclosed). Please also be aware that the unauthorized practice of law can be prosecuted as a criminal misdemeanor offense pursuant to North Carolina General Statute Sections 84-7 and 84-8 (copies enclosed).

Please feel free to contact the Committee's counsel, Jennifer A. Porter, if you have any questions.

Sincerely,



C. Colon Willoughby, Jr., Chair
Authorized Practice Committee

CCW/paa

cc: Complainant