

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

STANLEY MARKS

Plaintiff

V.

U.S. LAW SHIELD, LLC
a/k/a TEXAS LAW SHIELD, LLC
a/k/a and/or d/b/a U.S. LAW SHIELD
OF COLORADO, LLC

Defendant

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Case No. 4:21-cv-1159

PLAINTIFF’S PETITION AND JURY DEMAND

NOW COMES Plaintiff, STANLEY MARKS (hereinafter “Plaintiff” and/or “Mr. Marks” and/or “Stanley Marks”), by and through his counsel, GRIFFIN PURNELL LLC, and for his cause of action against Defendant U.S. LAW SHIELD, LLC, TEXAS LAW SHIELD, LLC, and/or U.S. LAW SHIELD OF COLORADO, LLC (hereinafter “USLS” or “US LAW SHIELD” or “Defendant”) states to the Court as follows:

I. INTRODUCTION

1. Plaintiff brings this civil action to recover damages within the jurisdictional limits of this Court including all (1) General Damages; (2) Special Damages; and (3) Exemplary Damages as well as all other damages allowable under Texas law.

2. Defendant’s conduct in this action constituted a tort and a breach of agreement by and between the parties.

3. Plaintiff brings claims asserting (1) breach of contract and (2) civil conspiracy.

4. This claim arises from a breach of an agreement made by and between Plaintiff and Defendant.

II. PARTIES

5. Plaintiff, STANLEY MARKS lives in Denver, Colorado, and is subject to the jurisdiction of this Court, and is deemed to be a resident of the State of Colorado for purposes of venue and jurisdiction.

6. Defendant, U.S. LAW SHIELD, LLC a/k/a TEXAS LAW SHIELD, LLC a/k/a and/or d/b/a U.S. LAW SHIELD OF COLORADO, LLC (hereinafter “USLS” or “US LAW SHIELD” or “Defendant”) is a consumer-oriented prepaid legal services provider with its principal place of business at 1020 Bay Area Blvd., Suite 220, Houston, Texas 77058. Process can be served on its registered agent InCorp Services, Inc., 815 Brazos, Suite 500, Austin, Texas 78701. All acts and omissions of the Defendant as described herein were done by its agents, servants, employees and/or owners, acting in the course and scope of its respective agencies, services, employments and/or ownership.

III. JURISDICTION & VENUE

7. This Court has subject matter original jurisdiction through diversity of citizenship pursuant to 28 U.S.C. §1332(a) because the Plaintiff is a citizen of Colorado, the named Defendant is a citizen of Texas and the amount in controversy exceeds the sum of value of \$75,000.00, exclusive of interest and costs.

8. This Court also has specific jurisdiction over Defendant because it purposefully availed itself of the privilege of conducting business in the State of Texas and established minimum contacts sufficient to confer jurisdiction over it, and the assumption of jurisdiction over Defendant will not offend traditional notions of fair play and substantial justice and is consistent with

constitutional requirements of due process.

9. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) and 18 U.S.C. §1965 (a) because a substantial part of the events or omissions giving rise to the claim occurred in this District and the Defendant transacted affairs and conducted activity that gave rise to the claim of relief in this District.

10. All acts and omissions of the Defendant as described herein were done by its agents, servants, employees and/or owners, acting in the course and scope of its respective agencies, services, employments and/or ownership.

11. Specific provisions of the subject agreement state that this matter be heard in the city which is the principal place of business of U.S. Law Shield, that being Houston, Texas.

IV. FACTUAL BACKGROUND

12. Plaintiff, Stanley Marks, has been practicing law for over 50 years.

13. He has an excellent reputation as a gifted and zealous criminal defense attorney.

14. Defendant, U.S. Law Shield, is an experienced Prepaid Legal Services business.

15. U.S. Law Shield is headquartered in Houston, Texas and has many locations throughout the United States.

16. This claim arises out of an agreement to provide legal services to subscribers of Defendant's Prepaid Legal Services program in Colorado.

17. Prepaid Legal Services is a program aimed at firearm owners who wish to be protected in the event of a criminal and/or civil action filed in relationship to their ownership and use of firearms.

18. Program Attorneys, such as Stanley Marks, are contracted to provide legal services in a geographic area by the Prepaid Legal Services provider. The compensation schemes vary,

however, in this case, the Program Attorneys are to be paid \$2.00 per month, per subscriber. As of 2020, the number of subscribers in Colorado exceeded 17,000.

19. The agreement between Stanley Marks and U.S. Law Shield began on or about April 1, 2013, and was memorialized in an “Agreement” signed by Stanley Marks.

20. Upon information and belief, the 2013 Agreement was signed by representatives of U.S. Law Shield as well as Douglas Richards, another Program Attorney in Colorado. At the time, the Program Attorneys were referred to as “Contracting Attorneys.”

21. Mr. Marks and Mr. Richards were the exclusive lawyers for USLS in Colorado.

22. The 2013 Agreement provided consideration in the amount of \$2,500.00 for different phases of representation but at no time was to exceed \$20,000.00 for representation for an event covered under the terms of the contract.

23. The Contracting Attorneys, including Mr. Marks, operated under the 2013 Agreement (providing marketing services to help grow subscriptions, representing subscribers, speaking at many seminars, and receiving compensation from U.S. Law Shield for their services) until 2016 when a new agreement was reached with U.S. Law Shield.

24. The new “2016 Agreement” is officially titled the “Program Attorney Agreement of U.S. Law Shield of Colorado, LLC.”

25. The stated purpose of the agreement was to establish a “contracting attorney relationship (“Relationship”) between U.S. Law Shield and Program Attorney to render pre-paid legal services to members of U.S. Law Shield’s legal services program.” The agreement was provided to Mr. Marks and, upon information and belief, drafted by U.S. Law Shield.

26. Under the new 2016 Agreement, Program Attorneys were to be paid—as a single entity—\$2 per month for each State Member in Good Standing for the particular Program

Attorney's state. U.S. Law Shield calculated payments on the first day of each month and made distributions on the last day of each month. From 2016 until 2020, U.S. Law Shield performed their obligations under the 2016 agreement, paying the \$2.00 per State Member in Good Standing dutifully on a monthly basis.

27. Similarly, Mr. Marks as a Program Attorney along with Douglas Richards, the other Program Attorney for Colorado, provided valuable legal services to the program subscribers as the need arose.

28. All parties operated in a regular course of conduct pursuant to the 2016 Agreement for four years.

29. In 2020, USLS initially approached Mr. Marks *and* Mr. Richards about entering into a revised program attorney agreement. However, USLS and Mr. Richards ultimately entered into a new and different agreement excluding Mr. Marks on about June or July of 2020.

30. Mr. Marks was never a party to any negotiations by and between USLS and Mr. Richards regarding their independent agreement.

31. Significantly, USLS never provided Mr. Marks with notice that it was terminating the 2016 agreement with him. Nor did USLS ever state that it was shortening the "Responsibility Period" under the 2016 Agreement.

32. To date, Mr. Marks continues to represent U.S. Law Shield members and Mr. Marks has not been terminated in writing from his role as a Program Attorney.

33. Upon information and belief, U.S. Law Shield and Douglas Richards have agreed to exclude Mr. Marks from payment of any of the recurring monthly Program Attorney fees; of which all or a significant percentage are based on subscriptions obtained while Mr. Marks expended efforts on behalf of U.S. Law Shield.

34. No money has been paid to Mr. Marks since a payment of \$17,031.63 (half of the Program Attorney fees for the month minus expenses) in May of 2020 by Douglas Richards by and through his attorney, Stephen Peters.

35. On information and belief, USLS continues to pay Mr. Richards for Program Attorney work that he performs.

36. The 2016 Agreement has numerous provisions that USLS has refused to follow including those requiring termination notices be in writing, guidance on the withdrawal of any Program Attorney, and compensation provisions following withdrawal.

37. For example, parties agreed that “[a]ny termination, expulsion or withdrawal at[sic] shall require 120 days written notice by the party causing the separation”:

Section 5.5 Termination, Expulsion, or Withdrawal At Will

As discussed above, any Program Attorney may withdraw at any time and for any reason. In addition, U.S. Law Shield may expel or terminate any Program Attorney at any time for any reason or no reason. Any termination, expulsion or withdrawal at shall require 120 days written notice by the party causing the separation.

38. Notably, the agreement calls for a “Responsibility Period” of up to 120 days under which the departing Program Attorney will be compensated per the usual \$2 per member agreement:

(ii) Program Attorney shall be compensated under the terms of this Agreement until the end of the Responsibility Period (up to 120 days). For example, if U.S. Law Shield management shortens the Responsibility Period to 50 days, then Program Attorney shall be paid according to this Agreement for 50 days and not thereafter.

39. Additionally, U.S. Law Shield is required to pay the departing Program Attorney \$2 per member for an additional six (6) months after the conclusion of the Responsibility Period,

calculated from the number of State Members in Good Standing at the time of the attorney's departure:

(iii) After the conclusion of the Responsibility Period (the ultimate termination or withdrawal of Partner) U.S. Law Shield shall pay Program Attorney under this Agreement for an additional 6 months, although for purposes of calculating the monthly payment, the number used for State Members In Good Standing for each of the 6 months shall be the actual number of paid State Members In Good Standing on the day that notice of termination, withdrawal or expulsion was provided.

40. No notice of termination was ever sent to Mr. Marks by U.S. Law Shield.

41. No payments have been made to Mr. Marks by U.S. Law Shield or any other entity for his role as a Program Attorney since May 2020.

42. Mr. Marks continues to be owed the amounts due under the contract on a monthly basis for each month from May 2020 through the present date and continuing until he is terminated pursuant to the provisions of the contract.

43. Mr. Marks is owed the amounts reflected in the Termination, Expulsion or Withdrawal at Will provisions of the 2016 Agreement, including but not limited to the Responsibility Period and the additional six months after the Responsibility Period.

V. CAUSES OF ACTION

COUNT 1: BREACH OF CONTRACT

44. All Paragraphs above are restated and incorporated by reference.

45. The 2016 Agreement constitutes a valid written contract, and if not, the course of conduct of U.S. Law Shield confirms the terms of the agreement between the parties.

46. The Defendant has both express and implied contractual duties and obligations owed to Stanley Marks.

47. Stanley Marks has not breached any duties owed to Defendant.

48. By failing to pay Stanley Marks his monthly amount owed, Defendant breached the contract.

49. As a result of Defendant's failure to pay Stanley Marks, Stanley Marks has sustained damages.

50. As a result of Defendant's breach, Stanley Marks has been damaged and continues to sustain damages (in an amount to be determined but exceeding \$75,000.00) as a direct and proximate result of the Defendant's conduct.

COUNT 2: CIVIL CONSPIRACY

51. All Paragraphs above are restated and incorporated by reference.

52. Defendant, alone or in combination with Douglas Richards, owed a fiduciary duty to Mr. Marks.

53. Defendant, along with Douglas Richards, schemed to exclude Mr. Marks from any further gains in the Program Attorney Agreement despite his continued efforts on behalf of the subscribers to the program.

54. Defendant sought to accomplish the theft of Mr. Marks' earned monthly fees by entering into a separate agreement without terminating their agreement with Mr. Marks.

55. Defendant continued to benefit from Mr. Marks' efforts, and yet didn't compensate him for those efforts in an actual or attempted conversion of his professional services.

56. An action for civil conspiracy has five elements: (1) a combination of two or more persons; (2) the persons seek to accomplish an object or course of action; (3) the persons reach a meeting of the minds on the object or course of action; (4) one or more unlawful, overt acts are taken in pursuance of the object or course of action; and (5) damages occur as a proximate result.

57. Here, Defendant in combination with Douglas Richards and/or others unknown to

Mr. Marks, sought to exclude Mr. Marks from the monthly reoccurring income stream he had helped create, agreed to enter into a separate agreement exclusive of Mr. Marks, completed the agreement and further converted payments due to Mr. Marks, and as a proximate result caused damages to Mr. Marks.

58. As a direct and proximate cause of Defendant's breach of fiduciary duty and conversion, Mr. Marks has suffered and will continue to suffer damages in an amount to be determined in the future.

59. As a result of Defendant's breach, Mr. Marks has been damaged and continues to sustain damages (in an amount to be determined but exceeding \$75,000.00). Plaintiff is entitled to recover compensation.

COUNT 3: EXEMPLARY DAMAGES

60. All of the allegations contained in the previous paragraphs are realleged herein.

61. Because Defendant is liable in tort, exemplary damages should be assessed against them, as a deterrent to such future bad conduct and as a punishment for their bad acts, in an amount to be determined by the jury.

62. As a result of Defendant's conduct, Plaintiff has been damaged and continues to sustain damages (in an amount to be determined but exceeding \$75,000.00) as a direct and proximate result of the Defendant's conduct.

VI. RESERVATION OF RIGHTS

63. Plaintiff reserves the right to prove the amount of damages at trial. Plaintiff reserves the right to amend its Petition to add or remove counts upon further discovery and as its investigation continues.

VII. JURY DEMAND

64. Plaintiff hereby requests that all causes of action alleged herein be tried before a properly impaneled jury.

VIII. PRAYER FOR RELIEF – DAMAGES

The conduct of the Defendant, as alleged hereinabove, was a direct, proximate and producing cause of the damages to Plaintiff and of the following general, special and exemplary damages including:

- (a) Enter judgement against Defendant awarding Plaintiff damages in an amount to be determined at trial and his costs and reasonable attorney's fees including, compensatory damages in an amount sufficient to fairly and completely compensate him for all damages; and
- (b) attorney's fees; and
- (c) exemplary damages to punish Defendant and deter future conduct, and
- (d) prejudgment and post judgment interest, costs, and disbursements; and
- (e) such and further relief at law or in equity as this Court may deem just and appropriate.

WHEREFORE, PREMISES CONSIDERED, Plaintiff demands that the Defendant be cited to appear and answer herein. Upon final judgment against the Defendant, awarding Plaintiff damages in an amount to be determined at trial and their costs and reasonable attorney's fees including damages as stated above in an amount sufficient to fairly and completely compensate him for all damages listed herein and such and further relief at law or in equity as this Court may deem just and appropriate.

Dated: April 8, 2021

Respectfully submitted,

GRIFFIN PURNELL LLC

/s/ Simon B. Purnell

Simon B. Purnell (Attorney-in-Charge)

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CERTIFICATE OF SERVICE

The undersigned certifies that on this 8th day of April, 2021, a true and correct copy of the foregoing document was filed electronically with the Court's ECF system for service to all counsel of record.

GRIFFIN PURNELL LLC

By: /s/ Simon B. Purnell