

CAUSE NO. 2023 00135

JUAN MANEL PEREZ, ET AL. § IN THE DISTRICT COURT
V. § HARRIS COUNTY, TEXAS
TEXAS LAW SHIELD, LLC, ET AL. § 334TH JUDICIAL DISTRICT

PLAINTIFFS' SECOND AMENDED PETITION

Plaintiffs Juan Manel Perez, Katie Kassab and Bianca Arguello complain of Defendants, Texas Law Shield, LLC, U.S. Law Shield, LLC, Gary Blalock, Kirk Evans, Darren R. Rice, Edwin Walker and Walker & Taylor, PLLC, and would show as follows.

DISCOVERY CONTROL PLAN

1. Based upon this Petition, this case should be controlled by a discovery control plan Level 3 pursuant to the Texas Rules of Civil Procedure, Rule 190.

RULE 47 STATEMENT OF RELIEF

2. In accordance with Texas Rule of Civil Procedure 47, Plaintiffs seek only monetary relief between \$250,000 and \$1,000,000, excluding interest and attorney's fees and costs. This is not an expedited action.

PARTIES

3. Plaintiff, Juan Manel Perez, is a resident of Harris County, Texas.
4. Plaintiff, Katie Kassab, is a resident of Harris County, Texas.
5. Plaintiff, Bianca Arguello, is a resident of Harris County, Texas.

6. Defendant, Texas Law Shield, LLC, is a Texas Limited Liability Company with its principal office located in Harris County, Texas and has answered herein.

7. Defendant, U.S. Law Shield, LLC, is a Texas Limited Liability Company with its principal office located in Travis County, Texas, and has answered herein.

8. Defendant, Gary Blalock, is an individual doing business in Harris County, Texas and has answered herein.

9. Defendant, Kirk Evans, is an attorney doing business in Harris County, Texas and has answered herein.

10. Defendant, Darren R. Rice is an attorney practicing law in Texas with his principal place of business in Harris County, Texas and may be served with citation at 1020 Bay Area Blvd Ste 220, Houston, Texas 77058-2628, or wherever he may be found.

11. Defendant Edwin Walker is an attorney practicing law in Texas with his principal place of business in Harris County, Texas and may be served with citation at 17225 El Camino Real, Suite 310, Houston, Texas 77058, or wherever he may be found.

12. Defendant Walker & Taylor, PLLC is a Texas Professional Limited Liability Company with its principal office located in Harris County, Texas, and may be served with citation by serving its member, Edwin Walker, at 17225 El Camino Real, Suite 310, Houston, Texas 77058, or wherever he may be found.

JURISDICTION AND VENUE

13. This Court has subject matter jurisdiction over the controversy because the claims asserted in this Petition arose, in whole or in part, in Texas and the amount in controversy exceeds the minimum jurisdictional limits of this Court.

14. This Court has personal jurisdiction over each Defendant because the acts and omissions complained of herein occurred in Texas, each Defendant does and/or did do business in the State of Texas, has committed a violation of Section 82.0651 of the Texas Government Code, in whole or in part in Texas, is a resident and citizen of Texas, and/or has minimum contacts with the State of Texas during the period of time complained of herein.

15. Venue is properly laid in Harris County, Texas because all or a substantial part of the events or omissions complained about herein occurred in Harris County, Texas. At least one of the Defendants is a Harris County resident and Plaintiffs are Harris County residents, and the unlawful in-person solicitation occurred in Harris County, Texas.

FACTUAL BACKGROUND

16. This is a civil barratry claim brought pursuant to Section 82.0651 of the Texas Government Code. Barratry is the unlawful solicitation of clients. *The State Bar v. Kilpatrick*, 874 S.W.2d 656, 658 n.1 (Tex. 1994). The practice is both illegal and unethical in Texas. See TEX. PEN. CODE § 38.12; TEX. DISC. R. PROF'L COND. 7.03. A person who was solicited by conduct violating the rules and laws governing

barratry may file a civil action against anyone who committed barratry. TEX. GOVT CODE § 82.0651(c).

THE TEXAS LAS SHIELD PROGRAM

17. In 2009, attorney and Defendant Darren Rice developed a program he called Texas Law Shield, which he described as a “firearms legal defense retainer program.” *Tex. Law Shield LLP v. Crowley*, 513 S.W.3d 582, 584 (Tex. App.—Houston [14th Dist.] 2016, pet. denied) (“*Crowley I*”). Under the program, members would “sign up and pay [his] firm [Walker, Rice, & Wisdom, PC] a small monthly or annual retainer and [the member would] become a client of [his] firm.” *Id.* “Then, if [the member was] forced to use a gun, whether [the member] pull[ed] the trigger or not, ... to defend [themselves], others, or [the member’s] property, [Rice and his firm would] defend [the member’s] freedom for no additional attorneys' fees.” *Id.* Rice and his law partner, Defendant Edwin Walker, initially marketed the Texas Law Shield program themselves at gun shows but eventually decided to start marketing the program at concealed handgun license (CHL) classes. *Id.* at 584-585.

TEXAS LAW SHIELD IS SUED TWICE FOR BARRATRY

18. In 2012, a CHL class attendee sued Rice, Walker, and their law firm for barratry under Section 82.0651 of the Texas Government Code. *Id.* at 585. They eventually settled the case. *Id.* Soon thereafter, Rice and Walker created a separate entity, Texas Law Shield LLP, to continue the Texas Law Shield program. *Id.* Rice and Walker were the sole owners of Texas Law Shield, LLP. *Id.* Texas Law Shield, LLP was licensed to sell legal services contracts under Chapter 953 of the Texas

Occupations Code. *Id.* Under a legal services contract, the licensed company agrees to obtain legal services for the purchaser of the contract through a contracting attorney. TEX. OCC. CODE § 953.001(7). Chapter 953 authorizes the licensed company to employ registered sales representatives to sell or solicit the sale of legal services contracts. *Id.* §§ 953.001(10), 953.051.

19. At the same time that Texas Law Shield, LLP was created, Walker, Rice, & Wisdom, PC became Walker & Rice, P.C. *Id.* Walker & Rice signed an employment agreement with Texas Law Shield, LLP in which the law firm agreed to provide legal services to Texas Law Shield members for a monthly fee of \$2.00 per member. *Id.* The agreement also immediately created an attorney-client relationship between Walker & Rice and all Texas Law Shield members. *Id.*

20. In 2014, Rice had Walker withdraw as an owner of Texas Law Shield, LLP. *Id.* Rice then terminated the agreement between Texas Law Shield and Walker & Rice. *Id.* Walker formed a new law firm, Walker & Byington, P.L.L.C. *Id.* Walker & Byington then signed an employment agreement with Texas Law Shield, LLP with the same terms as the terminated agreement with Walker & Rice. *Id.*

21. As part of its effort to market the program, Texas Law Shield signed facility agreements with gun ranges offering CHL classes and with CHL instructors. *Id.* Pursuant to these agreements, Texas Law Shield, LLP was allowed to market the Texas Law Shield program in conjunction with CHL classes and to post advertising and other materials at the facilities in exchange for a \$30 payment for each person submitting a Texas Law Shield contract at the facility. *Id.* Texas Law Shield

employed non-attorney sales representatives to make the in-person sales presentations at CHL classes. *Id.*

22. In October 2013, Texas Law Shield, LLP, Rice, Walker and their law firms were again sued for barratry. *Id.* at 586. The plaintiffs moved for summary judgment, arguing that the defendants committed barratry. *Tex. Law Shield, LLP v. Crowley*, No. 14-18-00986-CV, 2020 Tex. App. LEXIS 6682, at *3-4 (Tex. App.—Houston [14th Dist.] Aug. 20, 2020, pet. denied) (“*Crowley II*”). The trial court granted summary judgment on liability and statutory damages, and the jury awarded the plaintiffs nearly \$100,000 in attorney’s fees. *Id.* The court of appeals affirmed on one of the plaintiff’s claims, concluding fact issues existed as to whether the plaintiff purchased the contract after he was solicited, but affirmed as to the other plaintiff. *Id.* at *17. After remand, the Texas Law Shield defendants then settled for a confidential amount and the case was dismissed.

THE “NEW” TEXAS LAW SHIELD BARRATRY SCHEME

23. After being sued twice for barratry, Rice created new Law Shield entity for which to operate his barratry operation, U.S. Law Shield, LLC. Then in 2019, Rice converted Texas Law Shield, LLP to Texas Law Shield, LLC. All roads of this corporate structure lead to Rice: US Law Shield’s sole member is Texas Law Shield, and Texas Law Shield’s sole member is Rice, who is a Texas attorney. And Rice’s partner and Texas attorney Walker continue to benefit from Law Shield. The Law Shield entities continue to contract with Rice’s partner, Walker and Walker’s new law firm, Defendant Walker & Taylor, PLLC, to provide legal services to Law Shield members in the Houston area. Moreover, at least as of 2017, Walker was an owner of

other Law Shield entities, including U.S. Law Shield of Colorado, LLC, U.S. Law Shield of Georgia, LLC, U.S. Law Shield of Pennsylvania, LLC, and U.S. Law Shield of Missouri.

24. After Law Shield was sued for barratry, it attempted to mask its operations as a law firm run by lawyers, and now claims it works with “independent program attorneys” such as Walker. However, the company still holds itself out as a law firm, and Walker continues to hold himself out as an attorney for Law Shield, not an independent program attorney. For instance, the company continues to state on its website “Our Lawyers Keep You Legal.” Moreover, Law Shield and its staff continue to represent to the public that the company itself is a law firm, and the company does not even attempt to deny it. Law Shield is also listed as a law firm with the “Super Lawyers” website with Defendant and attorney Kirk Evans as the contact. Finally, in employment adds posted by the company, it describes itself as “The U.S. & Texas LawShield is a legal defense service provider **law firm** ... [that] offers education **and complete legal services** in different aspects of life to its members.” The job add was for a staff attorney who would manage and “oversee” work of the contract attorneys. In other words, the attorney at Law Shield would be an attorney for the member clients.

25. Law Shield continues to employ staff to market legal services for its contracting attorneys like Walker and Walker & Taylor. Defendant Gary Blalock is a Territory Manager for the branch of Law Shield that services Houston, Texas. In 2022, when the solicitation at issue occurred, Blalock was paid \$72,000 in annual

salary plus a commission based on his region's sales, which would include memberships with prospective clients that he or those under him signed up.

THE UNLAWFUL SOLICITATION OF PLAINTIFFS

26. Plaintiffs are employed at a college in Houston, Texas. On December 2, 2022, Plaintiffs were required to attend "Mandatory Active Shooter Training" that was taking place at their campus. When they arrived to what they were led to believe would be a class on how to prepare for and handle an active shooter situation, they were solicited by representatives of Law Shield to become a member of the prepaid legal services program and hire attorneys Walker and Walker & Taylor. Blalock was the individual who carried out the unlawful in-person solicitation.

27. Prior to being solicited, Plaintiffs did not seek information about lawyer services, nor did they authorize anyone to request on their behalf that they be provided information about legal services. Plaintiffs have no familial or past attorney-client relationship relation with anyone from Law Shield, its lawyer-owner, Rice, or the lawyers that the company contracts with, like Walker and Walker & Taylor. Despite the solicitation, Plaintiffs did not sign a contract with Law Shield to become a "member."

28. This in-person solicitation of Plaintiffs violated Texas law governing barratry, which gives rise to a civil claim. Section 82.0651(c) of the Texas Government Code provides:

A person who was solicited by conduct violating Section 38.12(a) or (b) Penal Code, or Rule 7.03 of the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, regarding barratry by attorneys or other persons, but who did not enter into a contract as a result of that

conduct, may file a civil action against any person who committed barratry.

TEX. GOV. CODE § 82.0651(c). In turn, Section 38.12 of the Penal Code provides that a person commits barratry if he or she, with intent to obtain an economic benefit:

(2) solicits employment, either in person or by telephone, for himself or for another; ... (4) pays or gives or offers to pay or give a person money or anything of value to solicit employment; [or] ... (6) accepts or agrees to accept money or anything of value to solicit employment.

TEX. PEN. CODE § 38.12(a). A person can also commit unlawful barratry by knowingly financing any of those acts or investing funds the person knows or believes are intended to further the commission of those acts. *See id.* at § 38.12(b). Rule 7.03 of the Texas Disciplinary Rule of Professional Conduct, which governs Texas lawyers, has similar prohibitions against in-person solicitation and the payment to non-lawyers for such activities.¹

29. The Penal Code provides that “[i]t is an exception to prosecution under Subsection (a) or (b) that the person’s conduct is authorized by the Texas Disciplinary Rules of Professional Conduct or any rule of court.” TEX. PEN. CODE § 38.12(c). But there is no exception which would permit the conduct carried out by Defendants. Although the rules permit lawyers to accept referrals from legal services program and permit those programs to communicate with the public about legal service programs, those actions must be done “in conformity” with the rules and laws governing

¹ The current version of this rule provides, in pertinent part, “[a] lawyer shall not pay, give, or offer to pay or give anything of value to a person not licensed to practice law for soliciting or referring prospective clients for professional employment” except a lawyer may pay “reasonable fees for advertising and public relations services or the usual charges of a lawyer referral service that meets the requirements of Texas law.” TEX. DISC. R. PROF’L COND. 7.03(e).

barratry. *See* TEX. DISC. R. PROF'L COND. 7.03 Cmt. 15. Here, the in-person solicitation was illegal and unethical.

30. Texas law is clear that the prohibitions against barratry apply to legal-service-contract companies like Law Shield and its employees. *See Crowley II*, 2020 Tex. App. LEXIS 6682, at *16-17 (concluding Texas Law Shield could be liable for barratry even though it was a licensed to sell legal services contracts under Chapter 953 of the Texas Occupations Code). Moreover, the laws and rules governing barratry undoubtedly apply to the company's owner and attorney, Rice, president and attorney, Evans, and program attorneys, Walker and his firm. Plaintiffs did not request to be solicited to acquire legal services, nor did they have any prior attorney-client or familial relationship with Evans, Walker, Rice or the other program lawyers used by Law Shield. The solicitation of Plaintiffs was a violation of Texas law governing barratry, plain and simple.

STATEMENT OF CLAIMS AND THEORIES OF LIABILITY

31. Plaintiffs bring claims against all Defendants, jointly and severally, for civil barratry in violation of Section 82.0651 of the Texas Government Code and conspiracy to commit civil barratry.

32. Section 82.0651 provides that “[a] person who was solicited by conduct violating Section 38.12(a) or (b), Penal Code, or Rule 7.03 of the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, regarding barratry by attorneys or other persons, but who did not enter into a contract as a result of that

conduct, may file a civil action against any person who committed barratry.” TEX. GOV. CODE § 82.0651(c).

33. Here, Blalock violated Section 38.12(a) of the Penal Code by soliciting employment of Law Shield attorneys Walker and Walker & Taylor through the legal services program in-person to Plaintiffs. Because Blalock is an employee of Law Shield, and was being paid for his conduct, he also committed barratry by accepting or agreeing to accept money to solicit employment.

34. Each of the Law Shield entities in turn violated Section 38.12 of the Penal Code by paying Blalock to solicit employment in-person and paying or investing funds in the unlawful solicitation. And Evans, as an attorney and President of Texas Law Shield, is liable for directing this conduct.

35. Rice, as the sole owner of Texas Law Shield, committed barratry by investing funds in and paying Blalock to solicit employment for his partner and program attorney Walker and Walker & Taylor in a way that violated the rules and laws governing barratry.

36. Walker and Walker & Taylor committed barratry agreeing to accept employment – providing legal services for member/clients of Law Shield – when Walker and Walker & Taylor knew that the employment was procured by conduct prohibited by the rules and laws governing barratry.

37. Each Plaintiff was a “person who was solicited by conduct” violating those provisions “but who did not enter into a contract as a result of that conduct,” thus giving them standing to sue under Section 82.0651(c) of the Texas Government

Code. *See* TEX. GOV'T CODE § 82.0651(c); *Crowley*, 2020 Tex. App. LEXIS 6682, at *17 (concluding under similar facts that the plaintiffs “established as a matter of law that they were solicited by an employee of Texas Law Shield [Tom Blalock] in violation of the barratry laws.”).

38. Defendants are also liable for conspiracy to commit barratry. Defendants were members of a combination of two or more persons. The object of the combination was to accomplish an unlawful purpose by unlawful means – the unlawful barratry and solicitation of Plaintiffs and others like them. The members, one or more of the Defendants herein, had a meeting of the minds on the object or course of action, to gain the representation of Plaintiffs by illegal and unethical solicitation. As alleged above, one or more of the members committed an unlawful, overt act in furtherance of the object or course of action. As such, Defendants are jointly and severally liable for each other’s violations of Texas Government Code, Section 82.0651.

STATUTORY REMEDIES AND PENALTIES

39. Plaintiffs seek statutory remedies and penalties within the jurisdictional limits of this Court. Texas Government Code, Section 82.0651 provides that a person who prevails in a civil barratry action may recover from each Defendant statutory penalties in the amount of \$10,000 per violation per Defendant and reasonable and necessary attorney’s fees. TEX. GOV. CODE § 82.0651(d).

40. Each Plaintiff seeks \$110,000 in statutory penalties. Each Plaintiff seeks \$20,000 in penalties from Blalock because he committed two separate acts of barratry (in-person solicitation and accepting money to solicit employment), \$20,000 from Texas

Law Shield and \$20,000 from U.S. Law Shield because they each committed two acts of barratry (paying Blalock to solicit employment in-person and paying or investing funds in the unlawful solicitation), \$20,000 each from Rice because he committed two acts of barratry (paying Blalock to solicit employment in-person and paying or investing funds in the unlawful solicitation), \$10,000 from Walker and \$10,000 from Walker & Taylor because each agreed to accept employment in the event the unlawful solicitation was successful, and \$10,000 from Evans because he paid or agreed to pay Blalock to solicit employment in-person in violation of the rules and laws governing barratry. Accordingly, Plaintiffs seek a total of \$330,000 in statutory penalties.

41. In addition, Plaintiffs seek reasonable and necessary attorney's fees pursuant to Section 82.0651(d)(3) of the Texas Government Code.

RESPONDEAT SUPERIOR

42. Plaintiffs plead the legal theory of *respondeat superior* as between the individuals named herein and their respective entities. All acts carried out by Blalock were done while in the course and scope of his employment with Texas Law Shield and U.S. Law Shield. Accordingly, Texas Law Shield and U.S. Law Shield are jointly liable for all statutory penalties and attorney's fees, and costs claimed herein.

JURY DEMAND

43. Plaintiffs desire to have a jury decide this case and make this formal request pursuant to Texas Rule of Civil Procedure 216. This request is filed more

than thirty days before this case has been scheduled for trial and all fees have been paid.

PRAYER

Plaintiffs pray that after trial herein, that judgment be entered against Defendants jointly and severally as prayed for, that costs of court be taxed against Defendants, that Plaintiffs be given prejudgment as well as post judgment interest, and for such other and further relief, at law and in equity to which Plaintiffs may show themselves to be justly entitled, to which the Court believes Plaintiffs to be deserving, and for which Plaintiffs will ever pray.

Respectfully submitted,

THE KASSAB LAW FIRM



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ATTORNEYS FOR PLAINTIFFS

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing instrument has been forwarded to all known parties and/or counsel of record pursuant to the Texas Rules of Civil Procedure on this, the 28th day of April, 2023.



DAVID ERIC KASSAB

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