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Attorneys for Plaintiff and the Proposed Class

RYAN ERASMUS, *on behalf of himself and those similarly situated,*

Plaintiff,

vs.

LEGALZOOM.COM, INC. d/b/a/
LEGALZOOM, and LEGALZOOM, INC.;
BUSINESS LICENSES, LLC; and
JOHN DOES 1 to 10,

Defendants.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: ESSEX COUNTY

Civil Action

Docket No.

**CLASS ACTION COMPLAINT
and JURY DEMAND**

NATURE OF THE CASE

1. LegalZoom.com, Inc. (“LegalZoom”) makes money by selling people and businesses legal services including the preparation and filing of corporate documents including operating agreements and articles of incorporation among other legal forms.
2. LegalZoom provides ongoing compliance related services by filing yearly state reports on behalf of their clients while assisting with compliance inquiries and responses.
3. On June 1, 2018, Plaintiff purchased the Express Gold, LLC (“Package”) from LegalZoom.
4. That package included the following services:
 - a. Filed Articles of Organization
 - b. Corporate Kit
 - c. Compliance Calendar
 - d. Company Minutes Manager
 - e. Annual Reports

- f. Business Tax Preparation
- g. Access to (legal) Forms Library
- h. Attorney Consultations
- i. Tax Consultations

5. In addition, Plaintiff purchased the following additional services:

- a. Business Tax and Legal plan
- b. Business License Package
- c. Essential Compliance + Tax Preparation Package
- d. Operating Agreement
- e. Registered Agent Service
- f. EIN Obtainment

6. LegalZoom is a limited liability company. It is not a “Professional Service Corporation” under N.J.S.A. 14A:17-2. Nor could it be since its owners include non-lawyers which is prohibited by N.J.S.A 14A:17-10.

7. While LegalZoom is not a Professional Services Corporation, it offers and provides legal services to others, including its clients, and manages the compliance related filing of documents, and performs other functions that meet the definition of the practice of law.

8. As a result, LegalZoom and its partners engages in the unauthorized practice of law in the State of New Jersey in violation of N.J.S.A. 2C:21-22a, which prohibits the unauthorized practice of law.

JURISDICTION AND VENUE

9. Venue is proper in Essex County because upon information and belief Defendants regularly conduct business there.

PARTIES

10. Plaintiff, Ryan Erasmus (“Erasmus”) is a New Jersey resident.

11. Defendant, LegalZoom is a foreign entity with its principal place of business in California.

12. Defendant, Business Licenses, LLC is a foreign entity with its principal place

Monsey, New York.

13. Defendants John Does 1 to 10 are natural persons and/or business entities all of whom reside or are located within the United States and personally created, instituted and, with knowledge that such practices were contrary to law, acted consistent with and oversaw policies and procedures used by the employees of Defendant that are the subject of this Complaint. Those defendants personally control the illegal acts, policies, and practices utilized by Defendant and, therefore, are personally liable for all of the wrongdoing alleged in this Complaint. Those fictitious names of individuals and businesses alleged for the purpose of substituting names of defendants whose identity will be disclosed in discovery and should be made parties to this action.

14. Some or all of John Does 1-10 set the policies and practices complained of herein.

15. Some or all of John Does 1-10 were actively engaged in the practices complained of herein.

16. Some or all of John Does 1-10 failed to properly manage or supervise others and violated the law.

17. In this pleading, “Defendants” in the plural refers to all Defendants.

FACTS RELATING TO THE PLAINTIFF

18. LegalZoom has entered into agreements for the provision of services that include legal services to Erasmus and others.

19. Pursuant to LegalZoom’s agreement with Erasmus and others, LegalZoom has engaged in the practice of law by providing legal advice and services including preparing and filing legal documents, managing compliance disclosures, and drafting legal documents.

20. LegalZoom directed the legal efforts associated with annual regulatory reporting for Plaintiff.

21. LegalZoom has no right to provide legal services as a corporation or limited liability company.

CLASS ACTION ALLEGATIONS

22. Plaintiff brings this action individually and as a class action on behalf of all others similarly situated pursuant to Rule 4:32 of the New Jersey Rules of Court.

23. This putative class action arises from LegalZoom's engaging in the unauthorized practice of law against a class of persons consisting of the following:

All persons who had or has an address in the State of New Jersey, who purchased any services or products from LegalZoom, in the six-year period preceding the filing of this action.

This class definition may be modified as appropriate.

24. There is also a subclass consisting of the following:

All members of the Class who paid any money as a result of LegalZoom's engaging in the unauthorized practice of law.

25. The proposed class and subclass each consist of hundreds if not thousands of persons.

26. Joinder of all of the class members in a single proceeding would be impractical.

27. The claims against the Defendants present several common issues of law and fact that can and should be resolved in a single proceeding. The common factual and legal issues include:

- a. Whether the Defendant LegalZoom is a Professional Services Corporations.
- b. Whether the Defendant performs legal services directly or indirectly.
- c. Whether the Defendant has engaged in the unauthorized practice of law.
- d. Whether the Defendant is liable to the Plaintiff and the class members for the

remedies allowed under N.J.S.A. 2C:21-22a.

28. Plaintiff's claims are typical of the claims being asserted on behalf of the class.

Plaintiff's claim is identical to the class claims.

29. Plaintiff does not have any interests antagonistic to the class members.

30. Plaintiff has retained counsel who have experience in representing classes on claims in favor of consumers.

31. The common questions of law and fact predominate over questions affecting only individuals.

32. A class action is superior to other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. A class action will cause an orderly and expeditious administration of the claims of the Class and Subclass and will foster economies of time, effort and expense by avoiding thousands of individual suits that will be based on the same legal theories that can be resolved in a single proceeding.

33. The prosecution of separate actions by individual members of the Class and Subclass would run the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct for the Defendants in this action or the prosecution of separate actions by individual members of the class would create the risk that adjudications with respect to individual members of the class would as a practical matter be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests. Prosecution as a class action will eliminate the possibility of repetitious litigation.

34. Plaintiff does not anticipate any difficulty in the management of this litigation.

35. Plaintiff seeks to recover declaratory relief on behalf of the Class and attorney's fees and costs to the extent allowed by law.

36. Plaintiff seeks to recover statutory damages, actual damages, and attorney's fees and costs on behalf of themselves and the Class and Subclass.

FIRST COUNT
Declaratory Judgment and Injunctive Relief for the Class

37. Plaintiff repeats and realleges all prior allegations as if set forth at length herein.

38. Defendant's agreement to provide legal services to Plaintiff and others constitutes the unauthorized practice of law and is an unconscionable commercial practice and otherwise violates the Consumer Fraud Act ("CFA") at N.J.S.A. 56:8-2.

39. Plaintiff and the Class have suffered ascertainable loss from Defendants' CFA violations.

40. Plaintiff therefore has standing to seek injunctive and other equitable relief under the CFA, at N.J.S.A. 56:8-19.

41. Moreover, under the Uniform Declaratory Judgments Law at N.J.S.A. 2A:16-53, the Plaintiff and the Class members are entitled to a declaratory judgment that the Defendant's agreements and its actions against the Plaintiff and the Class is the unauthorized practice of law.

42. The Plaintiff and the Class are entitled to a declaratory judgment that the Defendants' actions are the unauthorized practice of law.

43. The Defendants and their agents or others acting on their behalf should be enjoined from any further action to engage in the unauthorized practice of law.

WHEREFORE, as to Count One, Plaintiff, on behalf of himself and the Class members, hereby requests a Judgment against Defendants,

- a. Granting class certification for class-wide equitable relief under R. 4:32-1(b)(2), and issuing a declaratory judgment applicable to the Plaintiff and putative Class, pursuant to the Uniform Declaratory Judgments Law at N.J.S.A. 2A:16-53;

- b. Granting a permanent injunction against the Defendants, pursuant to the CFA, at N.J.S.A. 56:8-19, prohibiting them from making any further attempts to engage in the practice of law as a corporation and including an injunction against any attempt to collect upon, enforce or assign accounts of any other entity;
- c. Directing the Defendants to provide equitable notice relief pursuant to the CFA, providing for notice to Class members of the declaratory and injunctive ruling.
- d. Awarding Plaintiff's counsel reasonable attorneys' fees and costs under the CFA;
- e. For such other and further relief as the Court deems equitable and just.

SECOND COUNT

Damages under the Consumer Fraud Act on behalf of Plaintiff and the Class

44. Plaintiff repeats and realleges all prior allegations as if set forth at length herein.
45. Defendants are "persons" within the meaning of the CFA at N.J.S.A. 56:8-1.
46. Plaintiff and those similarly situated obtained or are alleged to have obtained "merchandise" within the meaning of the CFA at N.J.S.A. 56:8-1.
47. Defendants engaged in unconscionable commercial practices, deception, fraud, false promises, false pretenses and/or misrepresentations in the subsequent performance of the sale of merchandise in violation of the CFA at N.J.S.A. 56:8-2.
48. Defendants committed unconscionable commercial practices, deception, fraud, false promises, false pretenses and/or misrepresentations in direct violation of the CFA at N.J.S.A. 56:8-2 by:
 - a. Engaging in the unauthorized practice of law; and
 - b. Demanding and accepting payments from Plaintiff and those similarly situated for legal services when the Defendants lacked the legal right to engage in the practice of law.

49. As a result of Defendants' unlawful actions, Plaintiff and the Class members suffered ascertainable loss from Defendants' CFA violations in the amount monies collected, and/or paid on the void agreements, entitling them to treble damages under the CFA, at N.J.S.A. 56:8-19.

WHEREFORE, as to Count Two, Plaintiff, on behalf of himself and the putative class members, hereby requests a Judgment against Defendants,

- a. Granting class certification of the Subclass under R. 4:32-1(b)(3);
- b. Awarding treble damages under the CFA, at N.J.S.A. 56:8-19;
- c. Alternatively awarding a refund of all moneys collected under the CFA, at N.J.S.A. 56:8-2.11;
- d. Awarding Plaintiff's counsel reasonable attorneys' fees and costs under the CFA, at N.J.S.A. 56:8-19;
- e. For pre-judgment and post-judgment interest; and
- f. For such other and further relief as the Court deems equitable and just.

THIRD COUNT

Violation of Statute Prohibiting the Unauthorized Practice of Law on behalf of Plaintiff, the Class and the Subclass

50. Plaintiff repeats and realleges all prior allegations as if set forth at length herein.

51. The Defendant has engaged in the unauthorized practice law.

52. The Defendant is liable for the statutory damages and other relief allowed by N.J.S.A. 2C:21-22a.

53. The Defendant is liable to the Subclass for any funds collected from them as a result of the Defendant's unauthorized practice of law.

WHEREFORE, as to Count Three, Plaintiff, on behalf of himself and the Class and Subclass, hereby requests a Judgment against Defendants,

- a. Granting class certification of the Subclass under R. 4:32-1(b)(3);
- b. An award of damages, including \$1,000 minimum damages to each class member, and other relief allowed by N.J.S.A. 2C:21-22a to the Class;
- a. A money judgment of all amounts dunned by Defendant from the Class, including treble damages;
- c. A money judgment of all amounts collected from the Subclass as a result of the Defendant's unauthorized practice of law, including treble damages;
- d. For attorney's fees, litigation expenses and costs in connection with this action;
- e. For pre-judgment and post-judgment interest; and
- f. For such other and further relief as the Court deems equitable and just.

JURY DEMAND

Plaintiff demands a trial by jury on all issues subject to trial by jury.

NOTICE TO ATTORNEY GENERAL

A copy of this Complaint will be mailed to the Attorney General of the State of New Jersey within twenty-four hours after the filing with the Court, pursuant to N.J.S.A. 56:8-20.

DESIGNATION OF TRIAL COUNSEL

Pursuant to Rule 4:25-4, Yongmoon Kim is designated as trial counsel for Plaintiff.

CERTIFICATION

Pursuant to Rule 4:5-1, I hereby certify to the best of my knowledge that the matter in controversy is not the subject of any action pending in any court or the subject of a pending arbitration proceeding, nor is any other action or arbitration proceeding contemplated. I further certify that I know of no party who should be joined in this action at this time.

Dated: June 1, 2024

KIM LAW FIRM LLC

/s/ Yongmoon Kim
Yongmoon Kim
Attorneys for Plaintiff

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [LegalZoom Cannot Legally Practice Law in New Jersey, Class Action Lawsuit Claims](#)
