



OFFICE OF LEGAL SERVICES INNOVATION
An Office of the Utah Supreme Court

Amended Sandbox Authorization Packet

Elysium Holdings

September 21, 2022

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In the Supreme Court of the State of Utah

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In re: Application of Elysium Holdings LLC

AMENDED ORDER FOR AUTHORIZATION TO PRACTICE LAW

Based upon the Utah Supreme Court's plenary and constitutionally granted authority to regulate the practice of law in Utah, and the tenets of Standing Order 15, the Utah Supreme Court orders that Elysium Holdings LLC and their subsidiaries Pearson Butler and Elysium Legal are authorized to practice law within the regulatory sandbox and subject to the restrictions outlined below.

The Court has reviewed the original recommendation of the Office of Legal Services Innovation ("Innovation Office") dated February 4, 2021, and the amended recommendation, dated September 21, 2022, for Elysium Holdings LLC ("Elysium Holdings") to be authorized to practice law.

Elysium Holdings, a multi-professional services entity, is owned by lawyers and nonlawyers. Its subsidiaries include Pearson Butler, a Utah-based law firm, and Elysium Legal, which will be offering legal services through Alternative Legal Providers ("ALPs"). The other subsidiaries include a financial services firm and a registered investment advisor (RIA) firm. Pearson Butler's attorneys, who work closely together with its ALP staff, will identify those staff members, including LLPs, who, in the attorneys' professional judgment, are competent to offer legal practice services through Elysium Legal.

The Innovation Office has assessed the risk of harm to Elysium Holdings' subsidiaries' targeted consumers relative to the risk of harm they currently face and has determined that the risk of harm presented by Elysium Holdings' services is Moderate.

In light of the Court's responsibility to the public to effectively regulate the practice of law in Utah and in keeping with the tenets of Standing Order 15, the Court now orders as follows:

1. Elysium Holdings and its subsidiaries are authorized to offer legal services through the following methods:
 - a. Alternative Business Structure
 - i. Lawyers employed or managed by nonlawyers
 - ii. Lawyers sharing profits with nonlawyers
 - iii. Nonlawyer ownership
 - b. ALP with lawyer involvement as follows:
 - i. ALPs offering:
 1. Legal information;
 2. Legal process assistance (e.g. providing general information about rules, procedures, and practices);
 3. Legal advice to assist consumers with form completion and in administrative hearings as permitted by the relevant forum¹ (e.g. uncontested probate document preparation; EEOC process including appearing in administrative hearings; unemployment insurance appeals before DWS; uncontested custody and child support documents, uncontested divorce mediation documents).
 - ii. Lawyer involvement including:
 1. ALPs approved and supervised by practice group heads;
 2. Training, job-shadowing, and CLE based on the specific practice area;
 3. Develop, and train ALPs on, criteria to guide identification of those situations in which an attorney must be brought into the service;
 4. Conduct random monthly audits of intakes and services performed by nonlawyer practitioners.
2. Elysium Holdings, through its subsidiaries Pearson Butler and Elysium Legal, is authorized to provide legal services across the following legal service areas:

¹ This authorization is limited in its reach by the scope of authorization for nonlawyer practice and/or representation by the relevant forum. In other words, in those administrative fora in which nonlawyer representation is permitted, Pearson Butler's nonlawyer practitioners remain governed by the rules and requirements of those fora. Nonlawyers are permitted to appear on behalf of litigants before the EEOC and before the Department of Workforce Services. Nothing in this recommendation authorizes nonlawyer practitioners to appear in venues where they are barred by that venue's rules and this authorization does not permit nonlawyer practitioners to appeal before the Utah Labor Commission.

- a. Accident / Injury
 - b. Adult Care
 - c. Business
 - d. Consumer Financial Issues
 - e. Criminal
 - f. Discrimination
 - g. Domestic Violence
 - h. Employment
 - i. End of Life Planning
 - j. Healthcare
 - k. Immigration
 - l. Marriage and Family
 - m. Native American / Tribal Issues
 - n. Public Benefits
 - o. Real Estate
3. Utah lawyers owning, partnering with, or employed by Pearson Butler and/or Elysium Legal remain subject to the Utah Rules of Professional Conduct. However, the Court hereby grants the following waivers:
- a. Lawyer owners of the holding company Elysium Holdings will not, by virtue of their ownership interest in the non-legal subsidiaries only, trigger application of Rules 1.7 through 1.10 of the Rules of Professional Conduct for consumers served by non-legal subsidiaries.²
 - b. Payment of bonuses or compensation to lawyers owning or employed by Pearson Butler or Elysium Legal by nonlawyer owners or employees of other entities owned by Elysium Holdings will not violate Rule 1.8(f).
 - c. The application of Rule 5.7 is waived as to those lawyer owners and employees of Pearson Butler and Elysium Legal with respect to the ancillary services provided by entities owned by Elysium Holdings.
 - d. To the extent that Elysium Holdings' business model could be found to implicate Utah Rule of Professional Conduct 5.3, the Court waives application of that rule as to lawyers practicing as employees of Pearson Butler or Elysium Legal.

² In the event that one of Pearson's sister entities or the holding company are the subject of litigation by a current or former customer of those entities and/or Pearson, this waiver does not obviate Pearson's responsibility under Rules 1.7 through 1.10.


4. Elysium Holdings shall conform to the Moderate Innovation reporting requirements imposed by the Innovation Office. Initially, Pearson will be reporting as an ABS, while Elysium Legal will be reporting on ALP services. However, both entities are authorized to provide ALP services. Pearson will notify the Office when/if it launches ALP services.

5. Elysium Holdings and its subsidiaries will prominently display the following disclosure requirements:
 - a. Innovation Office Badge
 - b. Nonlawyer ownership disclosure
 - c. Nonlawyer provider disclosure

If Elysium Holdings wishes to alter these conditions or requirements, it must submit any such change to the Innovation Office for further assessment. The Innovation Office will assess the proposed change and may permit the change if it deems the change does not materially increase the risks to consumers. If the Innovation Office finds a material increase in risk, then it will present the issue to the Court for further consideration.

This authorization is granted for the duration of the existence of the Sandbox, or until exit and permanent licensure at the discretion of the Court. Authorization is subject to Elysium Holdings' and its subsidiaries' compliance with the conditions and requirements set forth in the Innovation Office Manual and the Innovation Office Recommendation to the Court and to a verification by the Innovation Office that the company's services are not causing material harm to consumers.

DATED this 21st day of September, 2022.



Matthew B. Durrant
Chief Justice

Document 2



OFFICE OF LEGAL SERVICES INNOVATION

An Office of the Utah Supreme Court

Amended Recommendation to the Court

App No. 0028 - Elysium Holdings (previously
Pearson Butler PLLC)

September 21, 2022

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Executive Summary

Recommendation: Authorize

Applicant: Elysium Holdings LLC

Proposed Model/Service: Elysium Holdings, a multi-professional services entity, is owned by lawyers and nonlawyers. Its subsidiaries include Pearson Butler, a Utah-based law firm, and Elysium Legal, which will be offering legal services through Alternative Legal Providers (“ALPs”). The other subsidiaries include a financial services firm and a registered investment advisor (RIA) firm. Pearson Butler’s attorneys, who work closely together with its ALP staff, will identify those staff members, including LLPs, who, in the attorneys’ professional judgment, are competent to offer legal practice services through Elysium Legal.

Target Consumer Market Lower to upper middle class consumers; small businesses.

Sandbox Qualifiers: This business model/service qualifies for the Sandbox because it would feature the following characteristics:

- Lawyers employed or managed by nonlawyer
- Nonlawyer ownership
- Profit sharing with nonlawyers
- ALP with lawyer involvement

Regulatory Objective Qualifier:¹ The proposed legal service model has the potential to increase efficiency and access to services through a holistic model of service, incorporating legal services alongside investment and other financial services. It also has the potential to make these services accessible to individuals and small businesses with lower capital resources through the nonlawyer service tier.

Utah Qualifier: Adapted for Utah requirements

Implementation Qualifier: Proposed model ready for implementation.

¹ Regulatory Objective: To ensure consumers have access to a well-developed, high-quality, innovative, affordable, and competitive market for legal services. (Standing Order No. 15)

Innovation Assessment

Target Market: Individuals and small businesses.

General Assessment: Moderate Innovation

- Specific Risks: As with any ABS there are common risks regarding:
1. Confidentiality
 2. Non-lawyer oversight of services
 3. Corporate interest in protecting profit
 4. ALP competency and quality assurance

Elysium has appropriately addressed these concerns

Sandbox Recommendation

We recommend the Court authorize Elysium Holdings. to practice law in the state of Utah, subject to such requirements as the Innovation Office may impose.

Term of authorization

The Innovation Office recommends that the authority be for the duration of the existence of the Sandbox, or until exit and permanent licensure at the discretion of the Court. Authorization is subject to Elysium Holdings' compliance with the conditions and requirements set forth in the Innovation Office Manual and the Innovation Office Recommendation to the Court and to a verification by the Innovation Office that the company's services are not causing material harm to consumers.

Recommended Legal Service Models

1. Lawyers employed or managed by nonlawyer
 2. Nonlawyer ownership
 3. Profit sharing with nonlawyer
 4. ALP with lawyer involvement
 - a. ALPs may offer:
 - i. Legal Information
 - ii. Legal process assistance
 - iii. Legal advice with form completion
 - iv. Preparing uncontested divorce paperwork
 - v. Assisting consumers with small claims paperwork
 - vi. Filling out Chapter 7 bankruptcy forms
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- vii. Wage claims
 - viii. Disability
 - ix. Immigration
 - x. Debt settlement
 - xi. Collections
 - xii. Form-based estate planning;
 - xiii. Uncontested probate document preparation;
 - xiv. The EEOC process, including appearing in administrative hearings;²
 - xv. Unemployment hearings;
 - xvi. Family law document preparation including: uncontested custody and child support documents, uncontested divorce mediation documents, assisting with OCAP paperwork etc., preparing other documents for pro se litigants, including stipulations etc.

2. Lawyer involvement:

- a. ALP supervision by the head of the practice group with which they work.
- b. Training, job-shadowing, and CLE based on the specific practice area.
- c. Develop criteria to guide identification of those situations in which an attorney must be brought into the service and training based on those criteria.
- d. Conduct random monthly audits of intakes and services performed by nonlawyer practitioners.

Legal service models not recommended	None
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Recommended consumer service areas	The entity is authorized across the following consumer service areas: <ul style="list-style-type: none"> 1. Accident / Injury 2. Adult Care 3. Business 4. Consumer Financial Issues 5. Criminal 6. Discrimination
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² This authorization for nonlawyer practitioners is limited by the rules and practices applicable to the relevant venues. Nonlawyers are permitted to appear on behalf of litigants before the EEOC and in unemployment proceedings. Nothing in this Order authorizes nonlawyer practitioners to appear in venues where they are barred by that venue's rules.

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7. Domestic Violence
 8. Employment
 9. End of Life Planning
 10. Healthcare
 11. Immigration
 12. Marriage and Family
 13. Native American / Tribal Issues
 14. Public Benefits
 15. Real Estate

ALPS are limited to the services listed in their service model recommendation.

Recommended
waivers

Rules 1.7 - 1.10 (the conflicts and imputation of conflicts rules)

Elysium seeks waivers as to the lawyer owners and employees of the entity to ensure that the lawyer owners are not automatically conflicted out of providing legal services to clients by virtue of the fact that the clients were served by the sister companies and to ensure that the sister companies' engagements with firm clients are not considered business transactions.

The Innovation Office recommends the following language:

Utah lawyers owning, partnering with, or employed by Elysium Holdings and its subsidiaries remain subject to the Utah Rules of Professional Conduct. However, the Court hereby finds that for the duration of its authorization by this Order, the lawyer owners of the holding company Elysium will not, by virtue of their ownership interest in the non-legal subsidiaries only, trigger application of Rules 1.7 through 1.10 of the Rules of Professional Conduct for consumers served by non-legal subsidiaries.

Rule 1.8 (f) (forbidding a lawyer to accept compensation from one other than the client unless there is informed consent.

Elysium seeks the waiver to permit entity lawyers to accept referral fees from nonlawyers working with the other entities owned by the holding company.

The Innovation Office recommends the following waiver language:

Utah lawyers owning, partnering with, or employed by Elysium Holdings or its subsidiaries remain subject to the Utah Rules of Professional Conduct. However, the Court hereby authorizes payment of bonuses or compensation to lawyers owning or

employed by Elysium by nonlawyer owners or employees of other entities owned by Elysium LLC will not violate Rule 1.8(f).

Rule 5.7 (responsibilities regarding law-related services).

Elysium recognizes the need to develop clear processes and communications to facilitate the offering of legal, investment, and retirement services together while ensuring client confidentiality and privilege protections remain intact but seeks the flexibility to develop those processes and procedures without being subject to Rule 5.7.

The Innovation Office recommends the following waiver language:

Utah lawyers owning, partnering with, or employed by Elysium Holdings remain subject to the Utah Rules of Professional Conduct. However, the Court hereby waives application of Rule 5.7 as to those lawyer owners and employees of Elysium with respect to the ancillary services provided by other entities owned by Elysium LLC.

Rule 5.3 (responsibilities regarding nonlawyer assistance)

The Office recommends this waiver with respect to Elysium’s ALPs.

The Office recommends the following language:

Utah lawyers partnering with Elysium Holdings remain otherwise subject to the Utah Rules of Professional Conduct. However, to the extent that Elysium’s business model could be found to implicate Utah Rule of Professional Conduct 5.3, the Court waives application of that rule as to lawyers practicing as employees of Elysium Holdings and its subsidiaries.

Recommended
qualitative
compliance
requirements

Standardized disclosure statements on website and in mobile applications (see Manual):

1. Badge
2. Nonlawyer Ownership Disclosure Statement
3. Nonlawyer service provider disclosure statement
4. Rule 5.4 fee sharing disclosures

Recommended
data reporting
requirements

Moderate Innovation data reporting requirements (see Manual)
