

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION**

ANGEL COLLOKU individually and)
on behalf of the class members described below,)

Plaintiff,)

v.)

CROFT & FROST, PLLC, PAUL CROFT, and)
JONATHAN FROST,)

Defendants.)

No. 2023CH09344

JURY DEMANDED

CLASS ACTION COMPLAINT

Plaintiff, individually and on behalf of class members described below, by and through his undersigned attorneys, LOFTUS & EISENBERG, LTD. and for his Complaint against Defendants, CROFT & FROST, PLLC, PAUL CROFT, and JONATHAN FROST states as follows:

I. INTRODUCTION

1. This case alleges harms and losses caused by the abrupt shutdown of a large accounting firm. The principals of the firm promised the moon and could not deliver.

2. Rather than advise customers, to whom they owed professional duties, that the accounting firm was teetering, the principals robbed Peter to pay Paul to stay afloat and kept promising the work would be done meanwhile not paying the huge staff necessary to do the work for thousands of customers.

3. The result was that three days before a filing deadline Croft & Frost, PLLC (“CF”) pulled the rug out from under its customers and left them to suffer the consequences of their business failure.

4. CF’s customers uniformly suffered from the incredible negligent act that impacted all the customers of not planning an exit strategy for the overgrown and unperforming firm.

II. PARTIES

5. Plaintiff, Angel Colloku is, and at all times relevant to this action, has been a citizen of the state of Virginia and domiciled in Virginia.

6. Defendant Paul Croft is, and at all times relevant to this action, has been a citizen of the state of Illinois and domiciled in Cook County, Illinois and claims to be the founder, CEO, and executive Chairman of Croft & Frost, PLLC.

7. Defendant, Jonathan Frost, is a citizen of Tennessee and domiciled in Tennessee. Frost is the founder of Croft & Frost, PLLC

8. Defendant, Croft & Frost, PLLC, is a Tennessee Limited Liability Company with customers in Cook County and Nationwide.

III. JURISDICTION AND VENUE

9. Pursuant to 735 ILCS 5/2-209, this Court has personal jurisdiction over Defendant because Defendant committed the tortious acts complained of in Cook County, Illinois.

10. Venue in this county is proper pursuant to 735 ILCS 5/2-101, because the acts and omissions complained of occurred in this county. CF purposely availed itself of jurisdiction in Cook County by contracting with Cook County residents, directing phone, email, and letter correspondence to investors in Cook County, meeting with customers in Cook County and making oral misrepresentations here, and engaging accountants in Illinois and entering into contracts for the provision of accounting services that selected Cook County as the forum.

IV. FACTS COMMON TO ALL COUNTS

A. Croft & Frost's Unique Business

11. CF is a Chattanooga accounting firm who includes a Chicago, Illinois forum in all its client engagement agreements. (Engagement Agreement attached hereto as Exhibit "A")

12. CF started as J.D. Frost & Co., in 2010.

13. CF quickly grew and was serving thousands of customers as of summer 2023.

14. CF had over 60 employees in a large building owned by Frost via another LLC.

15. CF offered a full suite of tax, assurance, and management accounting services to support clients' in-house accounting staff, to plan for and prepare all tax matters, and to serve as a trusted business advisor.

16. The business model was unique with flat fees including individual tax packages from \$600 to \$7,500.

17. Frost explained in an interview before the demise of CF:

Our clients are the reason we're here, so we want to make sure they know they're treated with respect and honesty, which includes the way we seek to educate them as well. Educating clients builds credibility, establishes value, and boosts their confidence that they're working with the best.

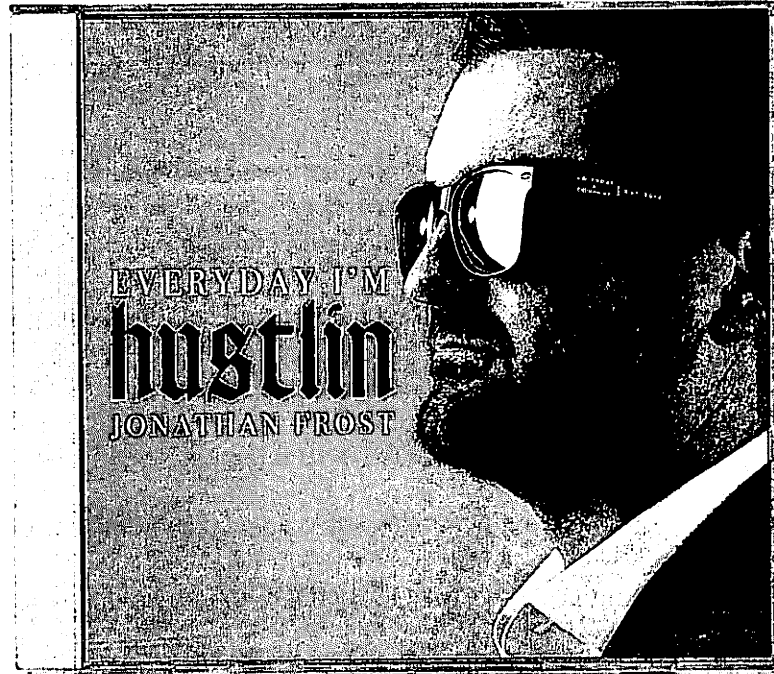
18. Frost pitched his accounting business with online sermons presenting a mixture of Norman Vincent Peal, Bill W. and Jesus Christ all to induce his following to buy CF's services.

19. Frost held himself out as business guru rather than just an accountant, his YouTube page states:

To know J.D. is to know his past. As a recovering alcoholic, J.D. believes in the power of Day 1. Treating every day as Day 1 has helped J.D. overcome massive obstacles in his personal life and his business. J.D. contributes his sobriety and his successes to living his life according to this motto. J.D. believes that to change any aspect of life, one must change their daily routine. He helps others overcome aspects in their life where doubt, fear, and isolation are preventing them from living a life of true freedom. Day 1 consists of implementing daily action, accountability, and discipline into one's life to help remain present and have the courage to keep moving onward during challenging times. J.D. uses The Daily Ledger to write down his goals, affirmations, targets, powerbase, gratitude, and more, daily"

20. Frost explained in a seminar posted on his YouTube channel:, "We [Croft & Frost] help you build courage, we help you create wealth, we help you change the way you think"

21. Frost was an excellent self-promoter as depicted below:



22. In or about 2015, Frost partnered up with Paul Croft who took the sales pitch to a new level.

23. Croft told everyone who would listen just how exceptional he was.

24. Croft quoted himself in his biography (Attached hereto as Exhibit "B"), stating "I am a visionary who is a left brain creative that believes in courage over believes in courage over cash. You need the courage to go get the cash."

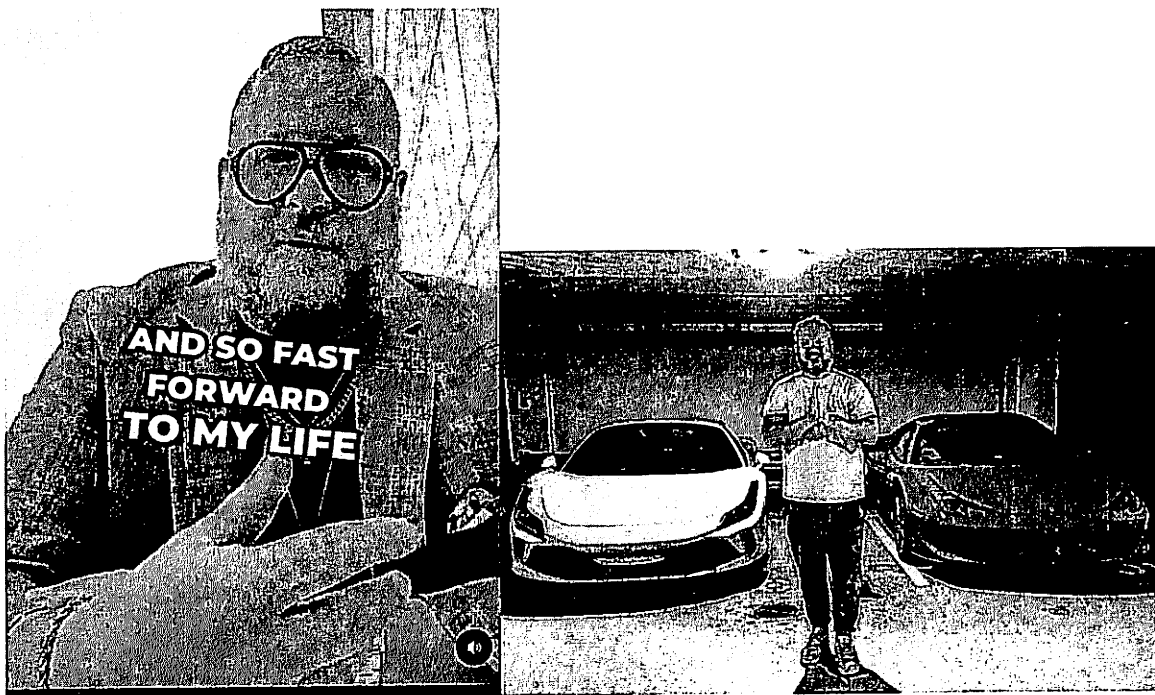
25. The 41 year old Croft also claims he's worth \$700,000,000!

26. A \$700,000,000 net worth doesn't fit leaving his customers in the lurch because he couldn't pay his employees, Croft's biography states:

Paul dreamed of earning a seven-figure income by the time he was forty, which became a reality at age thirty-seven. That dream became a reality due to establishing life-long relationships and enhancing the personal and financial goals of his clients. Paul's unique ability to form these deep, impactful relationships has enriched his own personal and professional life in unimaginable ways. Paul's main goal is to help the people around him grow personally, professionally, and financially through his life values and professional experience. Today Paul's

personal net worth is north of \$700MM and he has goals of becoming a billionaire in the next year. Paul has high goals and expectations of himself but one of the things that drive him is to inspire, provide wisdom, and share his experience for his employees and clients to also achieve higher levels of success.

27. Croft broadcast his grandiosity on social media with videos of him preaching while wearing apparently every piece of jewelry he owns and standing in front of his Ferraris:



28. Croft and Frost both over promised and under delivered. The result of the hubris and grandiosity was a failed business that left hundreds of customers in the lurch when reality caught up to Croft and Frost.

B. Demise of the Firm

29. The cracks at CF started to show in December 2022 when Defendants used funds from Rhino Onward International, LLC to pay CF employees.

30. In May 2023, when an email to employees attributed to Jonathan Frost said the business had faced a “perfect storm” amid the addition of 36 staff, several product lines and new executive leadership among many other complex business initiatives.

31. In August and September 2023, the accounting firm succumbed to financial woes caused by the principals' poor investments and outsized lifestyles

32. On, September 12, 2023, Croft & Frost's head of HR communicated: ""Due to the ongoing challenges and decline in our company's financial performance, I regret to inform you that we have made the difficult decision to implement an immediate workforce reduction, which unfortunately includes the termination of employment for all employees, effective immediately,"

33. In a pair of emails on September 14, 2023, a human resources staffer told staff the unpaid Aug. 11 and 25 and Sept. 8 paychecks had been funded and the now-former employees could expect to receive their pay via direct deposit Friday. The staffer also said a final paycheck for an abridged final pay period would be paid out later, but workers would not be receiving long-promised reimbursements for work expenses and bonus funds.

34. On September 12, 2023, Croft & Frost effectively closed its business with no prior official notice to Class Members

35. The effective shutdown was just three days before a quarterly tax filing (September 15, 2023).

36. One class member was told an accounting firm in Reno Nevada purchased Croft & Frost's records for \$40,000 and that she would have to pay \$200 to get her own records.

37. No class member could get their business records from CF.

38. After suddenly shutting down his accounting firm, Croft & Frost's building was listed for sale for \$10,000,000.

39. The Tennessee Society of CPAs, said the sudden shutdown of Croft & Frost, which came only three days before a quarterly tax filing deadline "is an unusual situation and is not representative of the stability of the CPA profession.

40. "TSCPA would like to extend support to those affected by the firm's closure," the association's communication director, Aleshia Garrett, said in a statement. "Any individuals or

businesses assessed late filing penalties after filing their return may be able to request a reasonable cause abatement due to the sudden closure of Croft & Frost. Those affected should discuss this with a CPA to determine if they are eligible to file for abatement.”

C. CF's Duty to Its Customers

41. CF owed a duty of care to all its customers that was breached uniformly to all customers when it abruptly closed up shop days before a tax deadline.

42. Controlling regulations provide that CF owed its customers a duty to: “Undertake only those professional services that the licensee or the licensee’s firm can reasonably expect to be completed with professional competence.” T.C.A. §§ 62-1-105 and 62-1-111

43. CF breached this basic duty to all its customers by biting off more work than it could chew and not having adequate staff being paid to complete the promised work.

44. CF owed a duty to “Exercise due professional care in the performance of professional services.” T.C.A. §§ 62-1-105 and 62-1-111.

45. CF failed to exercise professional care by dropping the ball for everyone days before a filing date without allowing its customers sufficient time to find a replacement accountant.

46. The American Institute of Certified Public Accountants (“AIPCA”) guidelines further define the applicable standard of care.

47. AIPCA Section 56.05 provides: “Due care requires a member to plan and supervise adequately any professional activity for which he or she is responsible”

48. CF did not plan or supervise its activities. Instead, the principals were reckless in hoping that somehow their business would be saved, and they would be able to pay staff to complete the work in the time required. CF was wholly negligent in planning and supervising the work being done in the months leading up to its demise and filing to implement a plan to notify its thousands of customers that CF was filing, and they needed to take their business to a capable firm before abruptly shutting down operations.

D. Angel Collaku's Experience

49. On January 26, 2022, Angel Collaku engaged CF, for the purpose of, among other things, prepare income tax filings for the 2021 calendar year federal and state taxes for his individual (joint with his spouse), his daughter's individual and three business tax returns.

50. On December 9, 2022, Angel Collaku engaged CF, for the purpose of, among other things, prepare income tax filings for 2022 calendar year federal and state taxes for his individual (joint with his spouse), his daughter's individual and three business tax returns.

51. The income tax preparation services provided by C&F for both the 2021 and 2022 calendar year included preparation of the following returns: Sardan Enterprises, LLC; The Groom Room, LLC; 727 Kennedy Street, NW, LLC; Sarah A. Collaku (individual taxes); and Angel and Albana Collaku (individual taxes).

52. On or about March 8, 2023, CF informed Mr. Collaku that CF had requested filing extensions for both the personal tax filings and business tax filings for the 2022 calendar year tax filings.

53. On or about August 9, 2023, Mr. Collaku sent an email message to Luke Hamilton at C&F, confirming that he provided all information requested of him to CF in connection with all business and personal returns and requested updates on what, if anything, else was needed in order for CF to prepare the returns and to give him an opportunity to review the returns "in the next few weeks".

54. In response to Mr. Collaku's email, Mr. Hamilton stated that preparation of the returns in accord with Mr. Collaku's request "should be no problem" and that Mr. Hamilton was "working on all his businesses."

55. From August 9, 2023 – August 23, 2023, Mr. Collaku waited for preparation of his returns; however, no returns were prepared during that time period.

56. Beginning in early September 2023, Mr. Collaku attempted to call Mr. Frost on multiple occasions in an attempt to determine the status of the filings that were soon due and to demand that CF complete the promised work on his returns.

57. From September 7 - 11, 2023, Frost communicated with Mr. Collaku and during that period completed one of the overdue late-filed personal property returns (2022 personal property return); however, Frost did not remedy the non-compliance because he did not file the other overdue filings.

58. By mid-September Mr. Frost was apparently trying to handle the tax matters for thousands of customers including Mr. Collaku and his five related returns by himself with no staff.

59. At approximately 11:50 a.m., eastern time on September 12, 2023, Mr. Collaku sent a text to Frost seeking information on the preparation of his 2022 business tax returns, which were due in three (3) days and preparation of his overdue returns.; however, he did not receive a response to that text.

60. At approximately 4:09 p.m., eastern time on September 12, 2023, Mr. Collaku sent a text to Frost stating the following: “JD, I received an email saying that you’ve laid off your employees at Croft & Frost. Please get in touch with me immediately in connection with the investments we have with you and the taxes that I’ve [sic] {have} not been filed. This is urgent.”

61. CF did not complete Mr. Collaku’s business tax or individual returns as promised.

E. Harms Suffered by CF’s Breach

62. As a result of the abrupt shutdown and termination of staff Plaintiff and the class all suffered in a similar fashion from the malpractice.

63. All had to incur additional expense in retaining a new tax preparer.

64. The losses of the class exceed any applicable insurance coverage available for the negligent acts and omissions addressed in this Complaint.

V. **CLASS ALLEGATIONS**

65. Plaintiff states claims on behalf of a class of similarly situated customers for negligence which led the Class to suffer economic losses in excess of \$4,000,000.

66. Plaintiff brings this case as a class action on behalf of the classes of persons, defined as follows:

National Class

All customers of Croft & Frost, PLCC at the time of its shutdown on September 22, 2023.

Excluded from the proposed Class and subclasses are Defendant, their respective officers, directors, and employees, affiliates, legal representatives, heirs, successors, or assignees. Plaintiff reserves the right to amend the Class definition as necessary.

67. The members of the putative classes are so numerous that joinder of all members is impracticable.

68. Questions of fact and law as to all putative class members predominate over any questions affecting any individual member of the putative class, including, but not limited to:

- a) Whether Defendant, CF was negligent in failing to advise its customers that it was unable to perform the services contracted for prior to shutting down;
- b) Whether Defendant, CF, was negligent in taking on more work than it could complete competently in the time allowed; and
- c) Whether Defendant, CF, breached its duty of ordinary care to Class Members;

69. Plaintiff's claims are typical of the claims of the Class because Defendant's breaches of their respective duties affected Plaintiffs and the Class uniformly and in precisely the same manner.

70. Plaintiff will fairly and adequately represent and protect the interests of the putative class. Plaintiff has retained experienced class action counsel. The interests of Plaintiff is coincident with and not antagonistic to the interests of the Class.

71. The questions of law and fact common to the members of the putative class predominate over any questions affecting only individual members, including legal and factual issues relating to liability and damages.

72. A class action is superior to other available methods for the fair and efficient adjudication of this controversy because joinder of all putative class members is impracticable. Moreover, because the damages suffered by individual members of the putative class may be relatively small, the expense and burden of individual litigation makes it impossible for the members of the putative class to redress the wrongs done to them individually.

73. The putative class is readily definable and prosecution of the action as a class action will eliminate the possibility of repetitious litigation. There will be no difficulty in the management of this action as a class action.

IV. CLAIM

COUNT I **Accounting Malpractice** **[CF, Croft, and Frost]**

74. Plaintiff restates and realleges paragraphs 1 through 73 as though fully set forth herein as paragraph 74.

75. At all times relevant hereto, Paul Croft and Jonathan Frost were acting as agents or apparent agents of Croft & Frost, PLLC.

76. At all relevant times, Plaintiff and the Class were customers of CF.

77. CF performed numerous services on behalf of Plaintiff and the Class including but not limited to preparing its tax returns and keeping their books and records.

78. CF took on more business than it could handle, failed to pay its employees, and abruptly closed its doors just days before a tax filing deadline.

79. Croft, Frost, and CF. owed Plaintiff and the class a duty of reasonable care at all times relevant hereto.

80. The AICPA Code of Professional Conduct Section 1.400.001 “Acts Discreditable” provides: “A member shall not commit an act discreditable to the profession.”

81. Section 0.300.060 of the Code provides:

Due care principle. A member should observe the profession’s technical and ethical standards, strive continually to improve competence and the quality of services, and discharge professional responsibility to the best of the member’s ability. ... Due care requires a member to discharge professional responsibilities with competence and diligence. It imposes the obligation to perform professional services to the best of a member’s ability, with concern for the best interest of those for whom the services are performed, and consistent with the profession’s responsibility to the public. ... Each member is responsible for assessing his or her own competence of evaluating whether education, experience, and judgment are adequate for the responsibility to be assumed...Members should be diligent in discharging responsibilities to clients, employers, and the public.

82. The International Ethics Standards Board for Accountants (“IESBA”) Code of Ethics for Professional Accountants is another standard that defines the duties owed by Jeff.

83. Section 100.1 provides:

A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. Therefore, a professional accountant’s responsibility is not exclusively to satisfy the needs of an individual client or employer. In acting in the public interest, a professional accountant shall observe and comply with this Code.

84. CF owed a duty of care to all its customers that was breached uniformly to all customers when it abruptly closed up shop days before a deadline.

85. Controlling regulations provide that CF owed its customers a duty to: “Undertake only those professional services that the licensee or the licensee’s firm can reasonably expect to be completed with professional competence.” T.C.A. §§ 62-1-105 and 62-1-111

86. CF breached this basic duty to all its customers by biting off more work than it could chew and not having adequate staff being paid to complete the promised work.

87. CF owed a duty to “Exercise due professional care in the performance of professional services.” T.C.A. §§ 62-1-105 and 62-1-111.

88. CF failed to exercise professional care by dropping the ball for everyone days before a filing date without allowing its customers sufficient time to find a replacement accountant.

89. The American Institute of Certified Public Accountants (“AIPCA”) guidelines further define the applicable standard of care.

90. AIPCA Section 56.05 provides: “Due care requires a member to plan and supervise adequately any professional activity for which he or she is responsible”

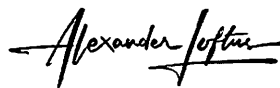
91. CF was wholly negligent in planning and supervising the work being done in the months leading up to its demise and filing to implement a plan to notify its thousands of customers that CF was filing and they needed to take their business to a capable firm before abruptly shutting down operations.

WHEREFORE, Plaintiff individually and on behalf of the Class prays for judgment against

CF as follows:

- a) Finding that this action satisfies the prerequisites for maintenance as a class action as set forth in 735 ILCS 5/2-801, and certifying the proposed Class as defined herein;
- b) Designating Plaintiff as representative of the proposed Class, and Alexander N. Loftus, Esq. as Lead Counsel;
- c) Attorneys' Fees;
- d) A declaration that CF negligently breached its duty of care to all its customers;
- e) A permanent injunction enjoining CF from the negligent conduct alleged herein;
- f) All actual and compensatory damages caused by CF's breach including loss of interest and reasonable costs in excess of \$4,000,000; and
- g) Any and all further relief that this Court deems just and appropriate.

Respectfully Submitted,



One of Plaintiff's Attorneys

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Firm No: 64600

Dated: November 9, 2023

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Class Action Says Accounting Malpractice, Sudden Shutdown Left Croft & Frost Customers 'In the Lurch'](#)
