

FILED
09-08-2023
Clerk of Circuit Court
Rock County, Wisconsin
2023CV000892
Honorable Jeffrey S.
Kuglitsch
Branch 3

**State of Wisconsin
Rock County Circuit Court**

Larry R. Iverson, Dawn M. Iverson, George
Howell III, and GH Heating & Air LLC –on
behalf of themselves and all others similarly
situated,

Plaintiffs,

v.

J. David Tax Law, LLC,

Defendant.

Case No.:

Case Code: 30303

Complaint

NOW COME Plaintiffs, Larry R. Iverson, Dawn M. Iverson, George Howell III, and GH Heating & Air LLC, by and through their attorneys, Kyle Hanson and Hanson Law Group, LLP, and hereby file this Complaint against Defendant J. David Tax Law, LLC. The claims are plead in the alternative, and each paragraph and allegation is incorporated into each of the other counts as necessary to state a claim.

Parties

1. J. David Tax Law, LLC (“J. David”) is a limited liability company organized under the laws of the State of Florida, with a principal place of business located at 7077 Bonneval Road, Suite 200, Jacksonville, Florida 32216.
2. Larry R. Iverson and Dawn M. Iverson, collectively referred to as “the Iversons,” are natural persons who are adult residents of the State of Wisconsin in Rock County, residing at 9523 N Murray Rd, Evansville, WI 53536.
3. George Howell III is a natural person and adult resident of the State of Wisconsin, residing at 6820 N Francis Rd., Evansville, Wisconsin 53536.

4. GH Heating & Air LLC is a limited liability company organized under the laws of the State of Wisconsin, with principal business address of 315 Water Street, P.O. Box 642, Evansville, Wisconsin 53536.
5. George Howell and GH Heating & Air LLC are collectively referred to as the “Howell Parties.”

Jurisdiction and Venue

6. This civil action arises under the laws of the State of Wisconsin.
7. Jurisdiction is proper under Wis. Stat. § 801.05(1)(c) and (d) and otherwise.
8. Venue is proper under Wis. Stat. § 801.50(2)(a) and (c) and Wis. Stat. § 421.401(1)(a) and (c).

General Allegations

9. J. David is a “Tax Firm that provides customized tax solutions that enable you to overcome your tax problems and successfully get on with your life.” See the “About our Firm” page of the J. David Tax Law, LLC’s website at www.jdavidlaw.tax-support.com, a copy of which has been attached hereto as **Exhibit A**.
10. J. David is a law firm subject to the legal and ethical duties of attorneys.
11. J. David represented to the Iversons and the Howell Parties that they had attorneys who were able to address their issues in Wisconsin. Only later did the Iversons and the Howells learn that *none* of J. David’s employees were licensed in Wisconsin and that they were not following the ethical requirements for attorneys practicing in this state.

The Iversons

12. The Iversons contacted J. David to help them address tax collections related to Iverson Construction LLC which was owned by Larry Iverson’s father Richard Iverson.

13. The Iversons signed an Engagement and Retainer Agreement with J. David on April 15, 2021, a copy of which has been attached hereto as **Exhibit B**.
14. The Engagement and Retainer Agreement required the Iversons to pay \$62,000.00 in exchange for tax services relating to the Iversons' tax assessments for the years 1995 to 2022. *See Exhibit B*.
15. The IRS was pursuing Larry Iverson because he had been a member of the LLC. He had limited ownership and very limited control over any of the company accounts or actions. Dawn Iverson had no ownership or control over Iverson Construction LLC.
16. J. David promised that they could shield Dawn Iverson from the tax debt since she was not connected to the LLC in any way.
17. J. David also promised to obtain a stay on collection activity and promised to file a Whistleblower claim with the IRS that would protect the Iversons and would result in a monetary award.
18. Upon information and belief, nothing was ever filed to pursue a Federal Whistleblower action or pursue any monetary award.
19. The IRS is still pursuing the tax debt, but has temporarily placed the Iversons in an uncollectable status because they do not have the ability to pay the amounts owed.
20. The Iversons also discussed the tax assessment from the State of Wisconsin and were told that J. David would address that as well. They were promised that collection efforts could be stayed, that the collection could be properly directed to the owner of the LLC (Richard Iverson) who owed the tax debt, and that the assessment against Dawn Iverson should be voided since she had no ownership interest in the LLC.
21. J. David sent letters to the Wisconsin Tax Appeals Commission to address the tax assessments against Larry and Dawn Iverson. However, because the submissions were not

sent by certified mail as required by Wisconsin statute and were received by the Wisconsin Tax Appeals Commission after the deadline for filing an appeal, the requests were dismissed by the Commission. *See Exhibit C.*

22. Far from being shielded from the tax debt, the IRS has placed the Iversons in an uncollectable status due to their current inability to pay the taxes, but the liability is still hanging over them.
23. The State of Wisconsin has forced Larry and Dawn Iverson to make monthly payments toward the tax debt which has created a financial hardship for the Iversons.
24. In particular, J. David represented and advised that Dawn Iverson should not be responsible for the tax debt as she had insufficient connection with her father-in-law's company. Despite this, Dawn is suffering economic loss because of J. David's errors and omissions.

The Howells

25. In April 2022, the Howells contacted J. David for assistance with outstanding tax debts.
26. The Howell Parties signed an Engagement and Retainer Agreement with J. David on April 6, 2022, a copy of which has been attached hereto as **Exhibit D.**
27. The Engagement and Retainer Agreement required the Howell Parties to pay \$21,400 in exchange for tax services relating to the Howell Parties tax assessments for the years 2014 to 2016. *See Exhibit D.* J. David also agreed to represent the Howell Parties for tax years 2012 and 2013 as well.

Count 1: Unreasonable and Illegal Fees

28. J. David made an agreement with the Plaintiffs, and charged and collected from the Plaintiffs, an unreasonable fee.
29. The amount charged by J. David was purportedly a "non-refundable fee ... earned upon receipt," but that is unreasonable and otherwise not permitted by law.

30. The amount charged by J. David was not a “retainer” (SCR 20:1.0(mm)) because it was specifically not solely to secure J. David’s availability but rather for legal services to be later performed.
31. The amount charged by J. David was not an “advanced fee” (SCR 20:1.0(ag)) because it was purportedly earned when paid.
32. In fact, the amount charged by J. David was an unearned fee.
33. J. David mishandled the unearned fee because it did not hold it in trust as required by law (see SCR 20:1.5(f)).
34. J. David has denied the clients’ ability to file a claim with the Wisconsin Lawyers’ Fund for Client Protection or seek fee arbitration.
35. J. David’s fees was unreasonable and illegal, and it should be ordered to disgorge the fee back to its client – in full, or at least to the extent of the illegality and/or unreasonableness.

Count 2: Malpractice - Iversons

36. On behalf of the Iversons, J. David failed to properly serve a notice of appeal to the Wisconsin Department of Revenue (the “DOR”).
37. This was not what J. David promised to accomplish for the Iversons, and it falls below J. David’s standard of care.
38. This precluded the Iverson’s from obtaining relief from the tax debt and has caused the DOR to take money from the Iversons that the Iversons would not have had to pay, but for J. David’s error.
39. J. David had an attorney-client relationship with the Iversons, J. David’s acts and conduct failed to comport with the degree of care, skill, and judgment of a reasonably prudent lawyer practicing in Wisconsin would exercise under similar circumstances and constituted negligence, and such negligence was the proximate cause of the Iversons’ injury.

40. Upon information and belief, because among other things none of the attorneys at J. David working for the Plaintiffs were actually licensed in Wisconsin, J. David provided negligent and otherwise deficient counsel and legal services to the Plaintiffs as a class.

Count 3: Statutory Misrepresentations pursuant to Wis. Stat. § 100.18

41. J. David made, published, or placed before one or more members of the public certain advertisements, announcements, representations, or other statements concerning their tax and legal services.
42. Among other things, J. David represented to consumers, including without limitation the Plaintiffs, that they are a law firm and that (in contrast to tax-resolution or debt-relief companies) clients could expect to be represented by a lawyer licensed in their jurisdiction.
43. Those statements, particularly without limitation those statements detailed above, were untrue, deceptive, or misleading.
44. Plaintiffs have sustained monetary loss as a result of the foregoing.
45. Among other things, J. David represented to the Plaintiffs and induced them to expect that they would not be charged an unreasonable fee and that they would be represented by someone who was familiar with the applicable law and capable of meeting the deadlines and other requirements imposed by the law. But the charges were (and are) unreasonable, and J. David was not so capable.

Count 4: Class Action Allegations

46. Plaintiffs bring this action as a class action pursuant to Wis. Stat. § 803.08 on behalf of a class consisting of all Wisconsin residents who contracted with J. David within the applicable statute(s) of limitations.
47. Upon information and belief, the members of the Class are so numerous that joinder of all members is impractical. The exact number of Class members is unknown to the Plaintiffs

at this time and can be ascertained only through appropriate discovery. Plaintiff believes there may be hundreds of members in the proposed Class. Such members may be identified from records maintained by J. David and may be notified of the pendency of this action by mail.

48. The Plaintiffs, upon information and belief, allege that there are numerous other similarly situated parties with common questions of law and fact central to their claims and arising from the same pattern of practice of J. David of charging unreasonable fees which did not comport in any justifiable way to the actual services performed by J. David.
49. Plaintiffs' claims are typical of the claims of members of the Class as all members of the Class are similarly affected by J. David's wrongful conduct as set forth herein.
50. Plaintiffs will fairly and adequately protect the interests of the members of the Class and have retained counsel competent and experienced in civil litigation.
51. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class include:
 - a) Whether J. David's practice of agreeing to, charging, collecting, and handling (or mishandling) "non-refundable fees" is permitted by law;
 - b) Whether J. David misrepresented to Wisconsin Consumers that they were a law firm with attorneys actually licensed in Wisconsin;
 - c) Whether J. David misrepresented to Wisconsin Consumers that they were a law firm with attorneys capable and qualified to advise clients with respect to Wisconsin law;
 - d) Whether clients are entitled to attorney fee arbitration pursuant to Wisconsin law;

- e) Whether the fee and other provisions in J. David's engagement agreements are void or otherwise unenforceable as against public policy;
- f) What the applicable standard(s) of care applicable to J. David's services was; whether J. David breached the applicable standard(s) of care; and whether and to what extent such breaches caused damage to J. David's clients.

52. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members of the class is impractical. Furthermore, the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of the Action as a class action.

* * *

WHEREFORE, Plaintiffs, on behalf of themselves and the other members of the Class, pray for relief and judgment against the Defendant as follows:

- a) Determining that this action is a proper class action, certifying one or more of the individual Plaintiffs as Class representatives, and appointing Plaintiffs' counsel as Class Counsel;
- b) Declaring the fee and other provisions in J. David's engagement agreements are void or otherwise unenforceable as against public policy, respecting the Plaintiffs;
- c) Declaring that Plaintiffs are entitled to Wisconsin fee arbitration regarding the attorney fees charged by J. David;
- d) Ordering the disgorgement of attorney fees paid by the Plaintiffs to J. David;

- e) Judgment in favor of the Plaintiffs for all damages and other amounts awardable to them as permitted by law, including without limitation Plaintiffs' attorney fees and costs pursuant to Wis. Stat. § 100.18; and
- f) Such further relief as the Court finds appropriate.

Dated: September 8, 2023

Respectfully submitted,
Electronically signed by Kyle Hanson

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ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [J. David Tax Law Facing Class Action Over Alleged Legal Malpractice, False Advertising in Wisconsin](#)
