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6 **IN THE UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF ARIZONA**
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9 Pearl Gardner,

10 Plaintiff,

11 v.

12 Nationstar Mortgage LLC, et al.,

13 Defendants.
14

No. CV-25-02828-PHX-MTL

ORDER

15 At issue are concerns of potential violations of Arizona consumer protection laws
16 and the unauthorized practice of law. Through these proceedings, brought by Plaintiff to
17 halt a foreclosure of her home, the Court learned of non-party document preparers seeming
18 to hold themselves out as attorneys and using undisclosed artificial intelligence platforms
19 (“AI”) to draft documents used in this litigation on Plaintiff’s behalf. By all appearances,
20 these document preparers purported to help her prevent foreclosure of her home while
21 diverting funds she could have used towards the mortgage payment it and preparing claims
22 without legal basis for Plaintiff to file. Thus, the Court brings the matter to the attention of
23 the State Bar of Arizona and the Attorney General of Arizona. The Court instructs the Clerk
24 of Court to provide a copy of this order to each for investigation, if appropriate, and such
25 further action as these entities deem necessary.¹

26 **I. BACKGROUND**

27 After the death of her husband, Plaintiff took over the financial responsibilities of

28 ¹ Emily Ruth, a second-year law student at the Sandra Day O’Connor College of Law at Arizona State University, helped draft this Order.

1 her household; as a result, she faced foreclosure and initiated this action. (Doc. 33 at 2.) A
2 recognized title company referred Plaintiff to Clearpoint. (*Id.*) Fearful of losing her home,
3 Plaintiff hired Clearpoint to prepare her legal documents. (*Id.*)

4 Plaintiff did not understand any of the legal documents she submitted to the Court
5 and followed instructions from Clearpoint throughout the litigation process because her
6 contacts called themselves the “Litigation Team.” (*Id.*) Clearpoint seemingly prepared, and
7 Plaintiff submitted, a Verified Complaint (Doc. 1-1 at 42), a Motion for Temporary
8 Restraining Order and Preliminary Injunction to Halt Foreclosure Proceedings (Doc. 1-1
9 at 5), a Proposed Order Granting Temporary Restraining Order (Doc. 1-1 at 14), an
10 Amended Motion for Temporary Restraining Order and Preliminary Injunction to Halt
11 Foreclosure Proceedings (Doc. 23 at 11), and a Notice of Self-Representation in the
12 Superior Court of the State of Arizona (Doc. 1-1 at 11). Defendant Nationstar Mortgage
13 LLC (“Nationstar”) then removed the case. (Doc. 1 at 1.)

14 Plaintiff continued to follow advice and instructions from Clearpoint throughout
15 federal proceedings. (Doc. 33 at 2.) Clearpoint appears to have prepared a Motion for
16 Extension of Time (Doc. 11), an Affidavit in Support of Amended Motion for Preliminary
17 Injunction (Doc. 12), an Affidavit to Supplement Amended Motion for Preliminary
18 Injunction (Doc. 18), a Motion to Appear Remotely (Doc. 22), and a Motion to Remand to
19 State Court (Doc. 25), all of which Plaintiff filed.

20 After removing the case, Nationstar filed responsive pleadings, in which it
21 highlighted over sixty instances of inapplicable law, nonexistent cases or legal principles,
22 and misconstrued holdings and quotations in Plaintiff’s Complaint and Amended Motion
23 for Preliminary Injunction. (Docs. 13, 16.)

24 The Court then issued an Order to Show Cause for why her motion should not be
25 denied because of the hallucinated or misconstrued legal authorities in Plaintiff’s Amended
26 Motion for Preliminary Injunction. (Doc. 19 at 1.) The Order to Show Cause prompted
27 Plaintiff to reach out to an attorney friend, who explained the legal documents Plaintiff had
28 filed and helped her understand that Clearpoint cited nonexistent or misrepresented law

1 throughout her pleadings. (Doc. 33 at 2-3.)

2 At the hearing on Plaintiff's motion for a preliminary injunction, Plaintiff conceded
3 that she had not met the requirements for a preliminary injunction, conveyed that she
4 intended to dismiss her case because the third-party document preparation company she
5 hired put together documents that she did not understand, and realized that she probably
6 could not prevail in court. (Doc. 37 at 6-7.) She also suggested she would rather spend
7 money on trying to reinstate her loan than on further litigating the case. (*Id.* at 7.) Then, in
8 her response to the Order to Show Cause, Plaintiff disclosed the specifics around
9 Clearpoint's role and explained that she was unaware that Clearpoint used AI to create the
10 filings. (Doc. 33 at 2-3.)

11 In Plaintiff's response to the Order to Show Cause, she explained that she had no
12 legal understanding of the proceedings to that point and relied on Clearpoint for legal
13 advice. (*Id.*) She revealed that she paid Clearpoint \$1,000 per month from April 2024 to
14 September 2025, and that her main contact at Clearpoint was Juan Rodriguez. (*Id.* at 2.)
15 Plaintiff explained that given her new information, she was working with Nationstar's
16 counsel to reinstate her loan and reach a stipulation of Dismissal. (*Id.* at 3.)

17 **II. DISCUSSION**

18 Clearpoint's activities in this case raise concerns that it may have engaged in the
19 unauthorized practice of law in Arizona and misled Plaintiff regarding the quality and
20 nature of its document preparation services by using undisclosed AI.

21 **A. Unauthorized Practice of Law**

22 While Arizona does not currently prohibit the use of AI to prepare court filings, it
23 does take issue with unlicensed entities and individuals practicing law. The Arizona Rules
24 of the Supreme Court prohibit any person or entity who is not a member of the Arizona
25 State Bar from providing legal services or using a designation "reasonably likely to induce
26 others to believe" they are allowed to practice law. Ariz. R. Sup. Ct. 31.2. When defining
27 legal services and the practice of law, the Arizona Supreme Court has noted that any duties
28 customarily performed by lawyers "through the centuries" constitute the practice of law.

1 *In re Creasy*, 198 Ariz. 539, 541-42 (2000). Document preparation has been held to be one
 2 of these functions, even in matters as simple as selecting and filling out a blank form, *State*
 3 *Bar of Ariz. v. Ariz. Land Title & Tr. Co.*, 90 Ariz. 76, 89 (1961); *see also* Ariz. R. Sup. Ct.
 4 31(b)(3) (including within the “practice of law” the act of “preparing a document, in any
 5 medium, on behalf of a specific person or entity for filing in any court, administrative
 6 agency, or tribunal”).

7 The Court has concerns that Clearpoint engaged in the unauthorized practice of law.
 8 A major part of an attorney’s role in litigation is preparing and filing motions with the
 9 Court. According to Plaintiff, Clearpoint prepared motions and other pleadings on her
 10 behalf for filing with the Court. (Doc. 33 at 8.) *See* Ariz. R. Sup. Ct. 31(b)(3). Plaintiff’s
 11 points of contact at Clearpoint were Juan Rodriguez and Paul Vierra. (*Id.* at 2.) From the
 12 Court’s review of the State Bar’s Member Directory, neither are licensed to practice law in
 13 Arizona.² Furthermore, Plaintiff’s contacts at Clearpoint called themselves the “Litigation
 14 Team” (Doc. 33 at 2). The label “Litigation Team” could be within the “other equivalent
 15 words” contemplated by Rule 31.2(b), since litigation is a primary function of attorneys
 16 and may “reasonably . . . induce others to believe” that Clearpoint was authorized to
 17 practice law. As a result, the Court is concerned that Clearpoint’s activities and
 18 characterizations may have violated Ariz. R. Sup. Ct. 31.2. But whether Clearpoint offered
 19 legal services was not an issue before the Court in this case. The Court thus refers
 20 investigation of this question to the Arizona State Bar, should the State Bar find such an
 21 investigation pertinent.

22 **B. Consumer Protection Concerns**

23 Arizona prohibits any person or entity from misrepresenting, omitting, concealing
 24 or otherwise engaging in deception regarding material facts with the intent that consumers
 25 will rely on those misrepresentations in commercial transactions. Ariz. Rev. Stat.
 26 § 44-1522. This prohibition extends to the sale of services. *Id.* § 44-1521(5). The Court is

27 ² The Court also reviewed the State Bar of California’s directory for the Clearpoint
 28 contacts. Three individuals named Juan Rodrigue are registered members, but because of
 the common nature of the name, the Court does not know whether any of those California
 attorneys were involved in this matter.

1 concerned that Clearpoint may have engaged in deceptive practices by using AI without
2 disclosing such to Plaintiff, which resulted in inapplicable and hallucinated legal authority,
3 and that this misrepresentation induced Plaintiff to undertake unnecessary litigation
4 expenses, including Clearpoint's fee. The Court is further concerned, as discussed above,
5 that Clearpoint inappropriately positioned itself to suggest it could assist with Arizona
6 court filings.

7 Clearpoint appears to have used AI to prepare filings for Plaintiff without her
8 knowledge or consent. The Complaint and Amended Motion for a Preliminary Injunction
9 have all the hallmarks of AI; both documents used an unusual structure, cited hallucinated
10 cases and statutes, and misinterpreted existing law. (Doc. 1-1 at 42-177; Doc. 23 at 11-38
11 (featuring many examples of hallucinated or misinterpreted cases, statutes, and legal
12 theories)); (Docs. 13, 16 (highlighting hallucinated or misinterpreted law)). It appears that
13 Plaintiff discovered Clearpoint's use of AI in their document preparation services as a
14 direct result of the Order to Show Cause. (Doc. 33 at 3.) Until that point, Plaintiff relied on
15 Clearpoint and thought them qualified. (*Id.* at 2-3.) Her response also suggests that she only
16 wanted her loan reinstated and "[did] not want to pursue any litigation contrary to
17 reinstatement." (Doc. 33 at 3.) So even if Clearpoint had not used undisclosed AI, it still
18 may have misled her by preparing and instructing her to file documents against her interest.
19 (*Id.*) Whether Clearpoint intended to induce Plaintiff to rely on its apparent
20 misrepresentations is not before the Court in this matter.

21 Perhaps most troubling, Clearpoint's preparation of motions and other filings,
22 potentially without attorney oversight, and seemingly undisclosed use of AI diverted
23 Plaintiff's limited resources. Clearpoint charged Plaintiff \$1,000 per month for services
24 while she was in a vulnerable position with respect to her home (*id.* at 2), further
25 exacerbating the possibility that she would lose it. Clearpoint also caused this Court and
26 Defendant to expend significant resources in attempting to research several hallucinated
27 cases, preparing for hearings, and drafting legitimate legal documents based in fact and
28 good law in response to a Complaint and Motion for Preliminary Injunction that lacked

1 legal basis.

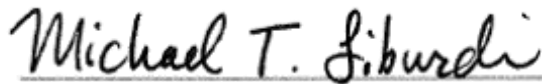
2 Thus, the Court refers this matter to the Arizona Attorney General's Office for
3 potential investigation of Clearpoint under any applicable consumer protection law, if the
4 Attorney General finds such actions warranted.

5 **IT IS THEREFORE ORDERED** directing the Clerk of Court to send a copy of
6 this Order, the Official Transcript of the Preliminary Injunction Hearing (Doc. 37), and the
7 Response to Order to Show Cause (Doc. 33), to the State Bar of Arizona at 4201 North
8 24th Street, Suite 100, Phoenix, Arizona 85016.

9 **IT IS FURTHER ORDERED** directing the Clerk of Court to send a copy of this
10 Order, the Official Transcript of the Preliminary Injunction Hearing (Doc. 37), and the
11 Response to Order to Show Cause (Doc. 33), to the Arizona Attorney General's Office,
12 Consumer Protection Division at 2005 North Central Avenue, Phoenix, Arizona 85004.

13 **IT IS FINALLY ORDERED** directing the Clerk of the Court to send a copy of
14 this Order via email to Plaintiff Pearl Gardner at dolphin853643492@gmail.com.

15 Dated this 9th day of January, 2026.

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18 Michael T. Liburdi
19 Michael T. Liburdi
20 United States District Judge
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