

**BEFORE THE BOARD OF DISCIPLINARY APPEALS  
APPOINTED BY  
THE SUPREME COURT OF TEXAS**

<b>IN THE MATTER OF</b>	§	
<b>JOHN CLIFFORD HEATH</b>	§	<b>CAUSE NO. 70320</b>
<b>STATE BAR CARD NO. 24059308</b>	§	

**AGREED JUDGMENT OF PROBATED SUSPENSION**

On this day the above-styled and numbered reciprocal disciplinary action was called for hearing before the Board of Disciplinary Appeals. Petitioner appeared by attorney and Respondent appeared in person as indicated by their respective signatures below and announced that they agree to the findings of fact, conclusions of law, and orders set forth below solely for the purposes of this proceeding which has not been fully adjudicated. Respondent waives any and all defenses that could be asserted under Rule 9.04 of the Texas Rules of Disciplinary Procedure. The Board of Disciplinary Appeals, having reviewed the file and in consideration of the agreement of the parties, is of the opinion that Petitioner is entitled to entry of the following findings, conclusions, and orders:

**Findings of Fact.** The Board of Disciplinary Appeals finds that:

- (1) Respondent, John Clifford Heath, Bar Card No. 24059308, is an attorney licensed and authorized to practice law in the State of Texas by the Supreme Court of Texas.
  
- (2) On or about June 3, 2024, a Complaint was filed in the Third Judicial District, In and For Salt Lake County, State of Utah, in a matter styled, *In the Matter of the Discipline of: John C. Heath, #8975, Respondent.*, which states in pertinent part as follows:

**III  
FACTUAL ALLEGATIONS**

6. The Plaintiff Bureau of Consumer Financial Protection ("Bureau") commenced a civil action in the United States

District Court for Utah on May 2, 2019, against John C. Heath Attorney at Law PC, *doing business* as Lexington Law *formerly known* as John C. Heath Attorney at Law PLLC, Progrexion Marketing, PGX Holdings, Progrexion Teleservices, Efolks, and Creditrepair.com, to obtain injunctive and monetary relief and civil penalties for violating, among other things, the credit repair advance fee provision of the Telemarketing Sales Rule (TSR), 16 C.F.R. § 310.4(a)(2).

7. On March 10, 2023, the District Court granted partial summary judgment in favor of the Bureau on liability for Count I of the Complaint.

8. The District Court found that Mr. Heath/Lexington Law offered credit repair services as a law firm and clients were led to believe that the services would be provided by a lawyer.

9. The District Court found that when clients called Lexington Law, they were transferred to an agent who was not a lawyer unless they specifically requested to speak with a lawyer.

10. The District Court found that in the absence of a specific request to speak to a lawyer, letters were sent on the client's behalf without the client ever speaking to a lawyer.

11. The District Court found that the letters that were sent for credit repair were not signed by a lawyer.

12. The District Court found that Mr. Heath/Lexington Law made no attempt to comply with the TSR express payment conditions.

13. The District Court found that the credit repair services that Mr. Heath/Lexington Law offered to clients in violating the TSR were considered by the District Court to be abusive marketing practices.

14. The District Court found that the defendants violated the credit repair advance fee provision of the Telemarketing Sales Rule, by billing clients for credit repair services before timeframes required by the advance fee provision had expired. The court found that the defendants had been violating the TSR provision since March 8, 2016.

15. On August 30, 2023, the District Court entered a Stipulated Final Judgment and Order prohibiting officers, agents,

and attorneys from substantially assisting others in these activities while employed by Heath PC or its successors.

16. As part of the Stipulated Final Judgment and Order the defendants are required to conduct regular compliance reviews.

17. As part of the Stipulated Final Judgment and Order the defendants (all) were ordered to pay monetary redress in the amount of \$19,000,000.

18. As part of the Stipulated Final Judgment and Order, Heath PC was ordered to pay a civil money penalty of \$18,408,726 to the Bureau (The amount was discharged in bankruptcy per settlement with the CFPB, with the CFPB agreeing to a recovery of \$50,000.).

19. As part of the Stipulated Final Judgment and Order, the defendants were ordered to comply with reporting requirements, recordkeeping requirements and notice requirements as specifically referenced in the Order.

## **COUNT ONE**

### **Violation of Rule 8.4(d) Misconduct**

Rule 8.4(d) Misconduct of the Rules of Professional Conduct states:

It is professional misconduct for a lawyer to:

(d) engage in conduct that is prejudicial to the administration of justice;

20. Mr. Heath violated this rule by engaging in the activities as Heath PC, Lexington Law and individually that violated the TSR provision of the statute.

21. Mr. Heath/Lexington Law offered credit repair services to clients that were considered abusive telemarketing practices.

22. Mr. Heath/Lexington Law made no attempt to comply with the express payment preconditions and as a result customers were billed before receiving any services.

23. By engaging in this conduct, Mr. Heath/Lexington Law engaged in conduct that was prejudicial to clients and the

administration of justice in violation of Rule 8.4(d).

## **COUNT TWO**

### **Violation of Rule 7.1 Communications Concerning a Lawyer's Services**

Rule 7.1 Communications Concerning a Lawyer's Services of the Rules of Professional Conduct states:

(a) A lawyer shall not make a false or misleading communication about the lawyer or the lawyer's services. A communication is false or misleading if it: (1) contains a material misrepresentation of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading; (2) is likely to create an unjustified or unreasonable expectation about results the lawyer can achieve or has achieved; or (3) contains a testimonial or endorsement that violates any portion of this Rule.

24. Mr. Heath/Lexington Law offered credit repair services as a law firm.

25. Clients were led to believe that the services would be provided by a lawyer.

26. When clients called Lexington Law, they were transferred to an agent who was not a lawyer.

27. Letters sent for credit repair were not signed by a lawyer.

28. Mr. Heath's/Lexington Law's clients would only speak to a lawyer if the customer expressly requested it. In the absence of a specific request, letters were sent on the client's behalf without the client ever speaking to a lawyer.

29. Mr. Heath/Lexington Law's advertising was misleading in causing clients to believe that lawyers would be providing all services to the clients while they were clients of Lexington Law Firm.

30. Mr. Heath/Lexington Law's misleading advertising was conduct that violated Rule 7.1.

- (3) On or about June 10, 2024, a Stipulation to Discipline and Settlement Agreement was entered in the Third Judicial District Court In and For Salt Lake County, State of Utah, in a matter styled, *In the Matter of the Discipline of: John C. Heath, #8975, Respondent*, Civil No. 240904297 Judge: Stephen L. Nelson, which states in pertinent part as follows:

### ADMISSIONS

John C. Heath, admits as follows:

1. The facts alleged in the Complaint filed in this action pertain to Mr. Heath's conduct.

2. Mr. Heath enters into this agreement voluntarily, without duress or coercion, fully understanding the implications of his admissions and the misconduct, and that in exchange for these admissions, the OPC, subject to the Court's approval, agrees that the discipline set forth in this agreement is a fair and just resolution of this matter.

3. Mr. Heath violated Rule 7.1 (Communications Concerning Lawyer's Services) of the Rules of Professional Conduct.

4. Mr. Heath violated Rule 8.4(d) (Misconduct) of the Rules of Professional Conduct.

5. Mr. Heath specifically admits the following allegations and legal conclusions as follows:

6. The Plaintiff Bureau of Consumer Financial Protection ("Bureau") commenced a civil action in the United States District Court for Utah on May 2, 2019, against John C. Heath Attorney at Law PC, *doing business* as Lexington Law *formerly known* as John C. Heath Attorney at Law PLLC, Progrexion Marketing, PGX Holdings, Progrexion Teleservices, Efolks, and Creditrepair.com, to obtain injunctive and monetary relief and civil penalties for violating, among other things, the credit repair advance fee provision of the Telemarketing Sales Rule (TSR), 16 C.F.R. § 310.4(a)(2).

7. On March 10, 2023, the District Court granted partial summary judgment in favor of the Bureau on liability for Count 1 of the Complaint.

8. The District Court found that Mr. Heath/Lexington Law offered credit repair services as a law firm and clients were led to believe that the services would be provided by a lawyer.

9. The District Court found that when clients called Lexington Law, they were transferred to an agent who was not a lawyer unless they specifically requested to speak with a lawyer.

10. The District Court found that in the absence of a specific request to speak to a lawyer, letters were sent on the client's behalf without the client ever speaking to a lawyer.

11. The District Court found that the letters that were sent for credit repair were not signed by a lawyer.

12. The District Court found that Mr. Heath/Lexington Law made no attempt to comply with the TSR express payment conditions.

13. The District Court found that the credit repair services that Mr. Heath/Lexington Law offered to clients in violating the TSR were considered by the District Court to be abusive marketing practices.

14. The District Court found that the defendants violated the credit repair advance fee provision of the Telemarketing Sales Rule, by billing clients for credit repair services before timeframes required by the advance fee provision had expired. The court found that the defendants had been violating the TSR provision since March 8, 2016.

15. On August 30, 2023, the District Court entered a Stipulated Final Judgment and Order prohibiting officers, agents, and attorneys from substantially assisting others in these activities while employed by Heath PC or its successors.

16. As part of the Stipulated Final Judgment and Order the defendants are required to conduct regular compliance reviews.

17. As part of the Stipulated Final Judgment and Order the defendants (all) were ordered to pay monetary redress in the amount of \$19,000,000.

18. As part of the Stipulated Final Judgment and Order, Heath PC was ordered to pay a civil money penalty of \$18,408,726 to the Bureau (The amount was discharged in bankruptcy per

settlement with the CFPB, with the CFPB agreeing to a recovery of \$50,000.).

19. As part of the Stipulated Final Judgment and Order, the defendants were ordered to comply with reporting requirements, recordkeeping requirements and notice requirements as specifically referenced in the Order.

20. Mr. Heath specifically admits that he violated Rule 7.1 based on the following facts. Heath/Lexington Law offered credit repair services as a law firm. Clients were led to believe that the services would be provided by a lawyer. When clients called Lexington Law, they were transferred to an agent who was not a lawyer. Letters sent for credit repair were not signed by a lawyer, and Mr. Heath's/Lexington Law's clients would only speak to a lawyer if the customer expressly requested it. In the absence of a specific request, letters were sent on the client's behalf without the client ever speaking to a lawyer. Mr. Heath/Lexington Law's advertising was misleading in causing clients to believe that lawyers would be providing all services to the clients while they were clients of Lexington Law Firm. Mr. Heath/Lexington Law's misleading advertising was conduct that violated Rule 7.1.

21. Mr. Heath specifically admits that he violated Rule 8.4(d). Mr. Heath violated this rule by engaging in the activities as Heath PC, Lexington Law and individually that violated the TSR provision of the statute. Mr. Heath/Lexington Law offered credit repair services to clients that were considered abusive telemarketing practices. Mr. Heath/Lexington Law made no attempt to comply with the express payment preconditions and as a result customers were billed before receiving any services. By engaging in this conduct, Mr. Heath/Lexington Law engaged in conduct that was prejudicial to clients and the administration of justice in violation of Rule 8.4(d).

#### **AGREEMENT OF DISCIPLINE**

22. Mr. Heath and the OPC agree that Probation is appropriate pursuant to Rule 11-581(g)(l) of the SCRPP.

23. Subject to the Court's approval, Mr. Heath and the OPC agree that Mr. Heath will be placed on Probation for a period of two years for his violation of the Rules of Professional Conduct. Mr. Heath agrees to the following conditions:

(1) Mr. Heath will attend the Adam E. Bevis Memorial Ethics School within the Probation period.

(2) If the OPC receives a complaint during the period of this probation, the OPC has the discretion to petition the Court for consideration of the complaint as a possible violation of the probation under ¶ 3 below. Should OPC file such a petition, the parties agreed that the complaint will be heard in connection with this proceeding and will not be the subject of screening panel proceedings under Rule 11-531 of the SCRPP.

(3) Mr. Heath shall stipulate that, if the Court finds he has materially breached the parties' agreement, the Court shall, pursuant to Rule 11-536(e), have a Sanctions Hearing to determine the appropriate sanction and the Court shall enter such conclusion(s) of law in the pending District Court action as necessary and appropriate to support the imposition of any and all sanctions it deems appropriate.

(4) Mr. Heath shall reimburse the Utah State Bar's Lawyers Fund for Client Protection for any amount paid because of his conduct.

(5) At the expiration of the probationary period, Mr. Heath shall file with the District Court and serve upon OPC counsel an unsworn declaration stating that he has fully complied with the requirements of the probation order, and the Federal Case Order.

- (4) On or about June 11, 2024, an Order of Discipline: Probation was entered In the Third Judicial District In and For Salt Lake County, State of Utah, in a matter styled, *In the Matter of the Discipline of: John C. Heath #8975, Respondent.*, Civil No. 240904297 Judge: Stephen L. Nelson, which states in pertinent part as follows:

The above-captioned matter having come before the Court upon the pleadings, and the Court having reviewed all pleadings and papers on file herein, including the Stipulation to Discipline and Settlement Agreement entered into between the Respondent, John C. Heath, and the Office of Professional Conduct, and the Court having been fully advised in the premises, does now, ORDER, ADJUDGE and DECREE, that for the disciplinary violations set forth in the Stipulation to Discipline and Settlement Agreement:



Mr. Heath is hereby placed on Probation for two years from the date of the Court's signed and entered Order. The Probation includes the following conditions:

1. Mr. Heath will attend the Adam E. Bevis Memorial Ethics School within the Probation period.

2. If the OPC receives a new complaint during the period of this probation, the OPC has the discretion to petition the Court for consideration of the complaint as a possible violation of the probation under, ¶ 3 below. Should OPC file such a petition, the parties agree that the complaint will be heard in connection with this proceeding and will not be the subject of screening panel proceedings under Rule 11-531 of the SCRPP.

3. Mr. Heath shall stipulate that, if the Court finds he has materially breached the parties' agreement, the Court shall, pursuant to Rule 11-536(e), have a Sanctions Hearing to determine the appropriate sanction and the Court shall enter such conclusion(s) of law in the pending District Court action as necessary and appropriate to support the imposition of any and all sanctions it deems appropriate.

4. Mr. Heath shall reimburse the Utah State Bar's Lawyers Fund for Client Protection for any amount paid because of his conduct.

5. At the expiration of the probationary period, Mr. Heath shall file with the District Court and serve upon OPC counsel an unsworn declaration stating that he has fully complied with the requirements of the probation order, and the Federal Case Order.

- (5) Respondent, John Clifford Heath, is the same person as the John C. Heath, who is the subject of the Order of Discipline entered in the Third Judicial District In and For Salt Lake County, State of Utah; and
- (6) The Order entered in the Third Judicial District In and For Salt Lake County, State of Utah, is final.

**Conclusions of Law.** Based upon the foregoing findings of facts the Board of Disciplinary Appeals makes the following conclusions of law:

- (1) This Board has jurisdiction to hear and determine this matter. TEX. RULES DISCIPLINARY P.R. 7.08(H).
- (2) Reciprocal discipline identical, to the extent practicable, to that imposed by the Third Judicial District In and For Salt Lake County, State of Utah, is warranted in this case.
- (3) Respondent should be suspended from the practice of law for a period of two (2) years with the suspension being fully probated.
- (4) This Board retains jurisdiction during the full term of probation imposed by this judgment to hear a motion to revoke probation. TEX. RULES DISCIPLINARY P.R. 2.22.

It is, accordingly, **ORDERED, ADJUDGED, and DECREED** that Respondent, John Clifford Heath, Bar Card No. 24059308, is hereby suspended from the practice of law for a period of two (2) years with the suspension being fully probated, beginning January 3, 2025, and extending through January 2, 2027, under the following terms and conditions:

- (1) Respondent shall not violate any of the provisions of the Texas Disciplinary Rules of Professional Conduct or any provision of the State Bar Rules.
- (2) Respondent shall not be found guilty of, or plead no contest to, any felony involving moral turpitude or any misdemeanor involving theft, embezzlement, or fraudulent misappropriation of money or other property.
- (3) Respondent must notify both the Office of the Chief Disciplinary Counsel and the Membership Department of the State Bar of Texas of any change in Respondent's address within thirty (30) days of the change of address.
- (4) Respondent shall not violate any of the terms or conditions of probation of the Order of Discipline entered by the Third Judicial District In and For Salt Lake County, State of Utah, on June 11, 2024, *In the Matter of the Discipline of: John C. Heath #8975, Respondent.*, Civil No. 240904297 Judge: Stephen L. Nelson.

### **Probation Revocation**

Upon determination that Respondent has violated any term or condition of this judgment, or if Respondent is adjudged by a tribunal in Utah to have violated the terms of the disciplinary order entered in Utah, the Chief Disciplinary Counsel may, in addition to all other remedies

available, file a motion to revoke probation pursuant to Texas Rule of Disciplinary Procedure 2.22 with this Board and serve a copy of the motion on Respondent pursuant to Texas Rule of Civil Procedure 21a.

Should a motion to revoke probation be filed, this Board will conduct an evidentiary hearing to determine by a preponderance of the evidence whether Respondent has violated any term or condition or requirement of any applicable disciplinary judgment. If this Board finds grounds for revocation, it will enter an order revoking probation and placing Respondent on active suspension from the date of such revocation order without credit for any term of probation served prior to revocation.

It is further **ORDERED** that any conduct on the part of Respondent which serves as the basis for a motion to revoke probation may also be brought as independent grounds for discipline as allowed under the Texas Disciplinary Rules of Professional Conduct and the Texas Rules of Disciplinary Procedure.

It is further **ORDERED** that this Agreed Judgment of Probated Suspension shall be made a matter of public record and be published in the *Texas Bar Journal*.

Signed this 3rd day of January 2025.



---

CHAIR PRESIDING

APPROVED AS TO FORM AND CONTENT:



---

John Clifford Heath  
State Bar Card No. 24059308  
Respondent



---

Ramiro Canales  
Assistant Disciplinary Counsel  
State Bar Card No. 24012377  
Attorney for Petitioner