



VIRGINIA:

BEFORE THE THIRD DISTRICT, SECTION II SUBCOMMITTEE
OF THE VIRGINIA STATE BAR

IN THE MATTER OF
ERIK M. HELBING

VS B Docket No. 23-032-128108

SUBCOMMITTEE DETERMINATION
(PUBLIC REPRIMAND)

On October 18, 2023, a meeting was held in this matter before a duly convened Third District, Section II Subcommittee consisting of Meredith Macdonald Haynes, Chair Presiding; David Stock, Member; and David Robinson, Lay Member. During the meeting, the Subcommittee voted to approve an agreed disposition for a Public Reprimand pursuant to Part 6, § IV, ¶ 13-15.B.4. of the Rules of the Supreme Court of Virginia. The agreed disposition was entered into by the Virginia State Bar, by Renu M. Brennan, Bar Counsel; Erik M. Helbing, Respondent; and Bernard J. DiMuro, counsel for Respondent.

WHEREFORE, the Third District, Section II Subcommittee of the Virginia State Bar serves upon Respondent the following Public Reprimand:

I. FINDINGS OF FACT

1. In November 2006, Respondent was licensed to practice law in Pennsylvania.
2. In January 2007, Respondent was licensed to practice law in New Jersey.
3. Respondent is not, and has never been, authorized to practice law in the Commonwealth of Virginia.

RESPONDENT'S LAW FIRM

4. In 2015, Respondent established his firm Consumer Law Relief, LLC, d/b/a Helbing Law Group, LLC ("HLG or Respondent's firm"), which Respondent describes as a "national law firm" to:

provide general debt negotiation and resolution services with the use of Power of Attorney forms that general debt settlement companies use, while offering the safety net of defending clients in the event they received a legal demand or lawsuit by working with locally licensed attorneys who associate with the firm as “of counsel.”

5. Per Respondent,

a significant part of HLG’s business serves debtors who are trying to avoid bankruptcy and need help seeking debt relief from unsecured creditors. HLG is unique from typical debt relief companies because it provides both debt negotiation and legal representation in the event of a lawsuit arising from the debt.
6. Respondent’s administrative and paraprofessional staff handle the debt negotiations. Respondent’s staff includes litigation paralegals, client support staff, negotiators, and accounting department staff.
7. Respondent personally represents debtors in credit card defense litigation in Pennsylvania and New Jersey.
8. Per Respondent,

HLG maintains “of counsel” relationships with attorneys in approximately 40 states who work directly with the law firm to provide litigation defense and other legal services in the event that HLG clients are faced with legal proceedings. In Virginia, that attorney is Tom Bunting.
9. Respondent estimates that he has 2,000 clients.
10. By Consumer Law Relief, LLC DBA Helbing Law Group Associate Counsel Agreement made March 16, 2020, Respondent contracted with Virginia attorney Thomas C. Bunting and created an “Associate Counsel relationship/affiliation” between Bunting and Respondent’s firm by which Bunting agreed to represent Respondent’s Virginia clients as local counsel regarding the negotiation of debts and litigation of any cases.

RETAINER AGREEMENT WITH VIRGINIA CLIENT “AM”

11. After an on-line search, by retainer agreement dated October 18, 2021, AM, a Virginia resident, retained Respondent’s firm, HLG, to negotiate her debts, provide her with legal counsel as to her debts, and represent and defend her in court in any

lawsuits, arbitrations or other proceedings filed against her by any and all creditors or third parties.

12. AM hired Respondent to resolve and address \$44,217.00 in debt to eight creditors. The debt to each creditor ranged from \$2,012 to \$7,604.
13. Respondent's retainer agreement provided for "legal counsel to Client through the Term concerning Client's debts."
14. Respondent's retainer agreement provides that Respondent and Thomas Bunting who is Of Counsel to HLG are AM's legal counsel. The retainer agreement did not limit Bunting's legal services to litigation.
15. Respondent's retainer agreement has a signature block, but no signature, for Thomas Bunting of The Shields Law Firm, PLLC.
16. Bunting did not know that his name was on Respondent's retainer agreement with AM. Bunting did not agree to and did not, at any point, provide any legal services to AM. Bunting stopped working with the Shields Law Firm in March 2021, approximately seven months before AM signed Respondent's retainer agreement.

RESPONDENT'S ATTORNEY'S FEES

17. Respondent's retainer agreement required AM to pay \$737.48 upon execution and monthly thereafter on the 8th day of each month from November 8, 2021 to February 8, 2025, for a total of 40 payments.
18. The first three installments of \$737.48 and sixty percent (60%) of payments from January 8, 2022 to December 8, 2023 were for Respondent's fee:

100% of the payments made during the first two months of HLG's representation of Client, and 60% of payments from 1/08/2022 through and including 12/08/23, made pursuant to Paragraph 4 above ["Payment" provision of retainer agreement requiring the \$737.48 monthly payments] are for Client's payment to HLG for attorney's fees incurred during the first two months of HLG's representation of Client. Client authorizes HLG to transfer such funds upon receipt to HLG's operating account for the payment of HLG's attorney's fees under this Agreement. The balance of the payments 1/08/22 through and including 2/08/25, and 100% of all subsequent payments, shall fund Client's Settlement Payment Fund.

Client understands and acknowledges that the Division of Payments described above will result in a total payment by client of (i) \$17,686.80 for the Client's Settlement Payment Fund and

(ii) \$12,071.73 for HLG's attorney's fees, for a total of \$29,758.53.

19. AM paid Respondent \$5,899.84 in monthly installments of \$737.48 from November 2021 to June 8, 2022, when AM terminated Respondent's representation.
20. Respondent asserts that once AM's monthly payments to his firm cleared, he placed \$290.21 of each payment in a trust account for AM.
21. Respondent took the remaining \$447.27 of each payment as his fee and placed it in his operating account.

AM – OCTOBER 18, 2021 TO JUNE 27, 2022

22. AM provided HLG with a list of creditors.
23. AM also executed a limited power of attorney authorizing a release of all financial records to HLG and authorizing HLG to negotiate and settle her debts.
24. AM did not have any communications or contact with Respondent, Bunting, or any lawyer during Respondent's legal representation of AM.
25. Respondent asserts that he oversaw the negotiation of AM's non-legal debts. Respondent had general oversight of his staff and had a limited power of attorney to act on AM's behalf.
26. Per Respondent, during the eight months he received funds from AM, his firm sent cease and desist letters in May 2022 and began settlement discussions. Respondent's file does not substantiate these assertions, and as set forth, AM continued to receive calls and communications from creditors.
27. AM had access to an online database to review work performed on her behalf.
28. AM asserts that beginning in January 2022, she called Respondent's firm every few weeks for status reports. AM states she was told by staff that the firm had four years to negotiate the debts. AM never spoke with an attorney.
29. AM states that Respondent and his firm did not negotiate her debt, and that her credit was adversely affected. It appears that by May 2022 AM was being contacted by creditors and was concerned about the status of her debt. AM started getting collection letters and her credit score was dropping. AM then began emailing Respondent's firm about the status of the work, if any, Respondent was performing on her behalf.
30. AM consulted with another Virginia attorney about her recourse and growing concerns that Respondent's firm was not negotiating or addressing her debt and her credit score was dropping.

31. AM states that after she began receiving legal notices from attorneys and collection agencies, she contacted each creditor herself and negotiated settlements. She is now making monthly payments to each. AM states that Respondent's firm communicated with one creditor, but nothing was finalized.
32. AM states that in speaking with creditors they had no record of hearing from Respondent.
33. On June 24, 2022, AM called Bunting. He did not return her call. Bunting never communicated with AM during Respondent's firm's representation of AM from October 18, 2021 to June 27, 2022.
34. By letter dated June 27, 2022 from AM to Bunting, AM referred to her voicemail of June 24, 2022 and the retainer agreement to which Bunting was identified as a party. AM advised that she had paid Respondent's firm the sum of \$5,899.84 from November 2021 to June 2022, however, Respondent had only contacted one of eight creditors and had not negotiated any of AM's debts. AM requested Bunting assist AM in the return of her fee and stated that her next step would be to file a bar complaint.
35. On June 27, 2022, AM terminated Respondent's representation. AM requested a refund of the almost \$6,000 she paid.
36. No attorney ever communicated with AM during Respondent's representation of her.

BAR COMPLAINT AND INVESTIGATION

37. On July 14, 2022, AM filed a bar complaint with the VSB against Thomas Bunting for failure to negotiate her debt and to respond to her letter.
38. Respondent's phone records reflect a communication made July 21, 2022 from Bunting to Respondent's firm:

Do you have a Virginia customer named [AM] ...; This person has filed a complaint against me with the Virginia State Bar claiming she hired Helbing and me to resolve a debt but we never did... I have no record of anything involving this person...
39. By response dated July 25, 2022, Bunting stated that he never represented AM either during his time with The Shields Law Firm through March 2021 or thereafter:

I have no signed retainer agreement from her. I have never met her, spoken to her, or emailed with her. I have no files opened under her name, have no written correspondence in any medium to her or on her behalf, have not communicated with any other party on her behalf, and have not entered an

appearance as counsel of record for her in any court.

... Helbing retains me to defend its clients in Virginia who are sued by creditors here, when the client has enrolled that particular debt with Helbing, and it compensates me for my services in that regard...

I do not become involved with any of Helbing's clients until that client receives a Virginia lawsuit from a creditor and forwards it to Helbing. If the lawsuit is for an account that the client has enrolled with Helbing for resolution, Helbing will then refer the lawsuit to me via an email containing the client's contact information and a copy of the lawsuit...

Helbing does not retain me to negotiate debts on behalf of its clients...

40. Respondent reimbursed AM the \$200 monthly that it had held on her behalf.
41. Respondent advised the bar that in May 2022 his firm successfully negotiated AM's largest debt of almost \$8,000 to \$2,370. AM disputes this assertion as follows:

... By May, all of my accounts were in default & I was getting notification letters that the accounts were now in collections. I emailed a picture of the ... account letter [on the largest debt] with what I negotiated to Helbing!!! They negotiated nothing on my behalf. I literally and obviously mistakenly emailed them what I had negotiated directly with [AM's largest creditor], and to withdraw my account from their program which they were doing nothing with on my behalf.

They are presenting false information. I negotiate with [AM's largest creditor] directly for the reduced account balance of \$2370 & sent them the letter that I received directly from [AM's largest creditor]. I did it myself & notified Helbing. They have a client database, which I printed off in June. I'm no longer able to access it since I canceled the plan with them, but through June 2022 it was still showing that not a single account had been negotiated on my behalf...

42. Respondent advised the bar that he did not contact creditors because he was waiting for her to amass enough funds to contribute to settlement. Respondent took \$447.27 of the \$737.48 AM paid monthly, leaving only \$290.81 that was available to settle her debts.

43. On February 1, 2023, the Virginia State Bar notified Respondent that it had opened a complaint against Respondent.
44. In February 2023, Respondent refunded \$5,899.84 to AM.
45. In February 2023, Respondent's firm sent the limited powers of attorney to act on AM's behalf to AM's creditors even though the representation and Respondent's agency terminated months prior. Respondent advised the bar investigator he would have to look into why that occurred.

NO NEW CASES IN VIRGINIA

46. Per Respondent, "HLG is no longer taking on new clients, and has not done so for over a year [representation made as of May 2023], as the firm was not profitable as envisioned and so Mr. Helbing is focused on ensuring all work is completed."

II. NATURE OF MISCONDUCT

Virginia Rule of Professional Conduct 8.5 subjects a foreign lawyer to Virginia's disciplinary authority if he "provides, holds himself out as providing, or offers to provide legal services in Virginia."¹ Such conduct by Respondent constitutes misconduct in violation of the following provisions of the Virginia Rules of Professional Conduct:

¹ RULE 8.5 Disciplinary Authority; Choice Of Law

(a) Disciplinary Authority. A lawyer admitted to practice in this jurisdiction is subject to the disciplinary authority of Virginia, regardless of where the lawyer's conduct occurs. A lawyer not admitted in Virginia is also subject to the disciplinary authority of Virginia if the lawyer provides, holds himself out as providing, or offers to provide legal services in Virginia. By doing so, such lawyer consents to the appointment of the Clerk of the Supreme Court of Virginia as his or her agent for purposes of notices of any disciplinary action by the Virginia State Bar. A lawyer may be subject for the same conduct to the disciplinary authority of Virginia and any other jurisdiction where the lawyer is admitted.

(b) Choice of Law. In any exercise of the disciplinary authority of Virginia, the rules of professional conduct to be applied shall be as follows:

(1) for conduct in connection with a proceeding in a court, agency, or other tribunal before which a lawyer appears, the rules to be applied shall be the rules of the jurisdiction in which the court, agency, or other tribunal sits, unless the rules of the court, agency, or other tribunal provide otherwise;

(2) for any other conduct, the rules of the jurisdiction in which the lawyer's conduct occurred; and

(3) notwithstanding subparagraphs (b)(1) and (b)(2), for conduct in the course of providing, holding out as providing, or offering to provide legal services in Virginia, the Virginia Rules of Professional Conduct shall apply.

RULE 1.1 Competence

A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness, and preparation reasonably necessary for the representation.

RULE 1.3 Diligence

(a) A lawyer shall act with reasonable diligence and promptness in representing a client.

RULE 1.4 Communication

(a) A lawyer shall keep a client reasonably informed about the status of a matter and promptly comply with reasonable requests for information.

(b) A lawyer shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

RULE 1.15 Safekeeping Property

(a) Depositing Funds.

(1) All funds received or held by a lawyer or law firm on behalf of a client or a third party, or held by a lawyer as a fiduciary, other than reimbursement of advances for costs and expenses shall be deposited in one or more identifiable trust accounts; all other property held on behalf of a client should be placed in a safe deposit box or other place of safekeeping as soon as practicable.

(b) Specific Duties. A lawyer shall:


(4) promptly pay or deliver to the client or another as requested by such person the funds, securities, or other properties in the possession of the lawyer that such person is entitled to receive; and

(5) not disburse funds or use property of a client or of a third party with a valid lien or assignment without their consent or convert funds or property of a client or third party, except as directed by a tribunal.

III. PUBLIC REPRIMAND

Accordingly, having approved the agreed disposition, it is the decision of the Subcommittee to impose a Public Reprimand, and Erik M. Helbing is hereby reprimanded. Pursuant to Part 6, § IV, ¶ 13-9.E of the Rules of Supreme Court of Virginia, the Clerk of the Disciplinary System will assess costs.

THIRD DISTRICT, SECTION II
SUBCOMMITTEE
OF THE VIRGINIA STATE BAR

By: 
Meredith M. Haynes
Subcommittee Chair

CERTIFICATE OF MAILING

I certify that on Nov 16, 2023, a true and complete copy of the Subcommittee Determination (Public Reprimand) was sent by certified mail to Erik M. Helbing, Respondent, at Helbing Law, LLC 1275 Glenlivet Dr Ste 100, Allentown, PA 18106, Respondent's last address of record with the Virginia State Bar, and by first class mail, postage prepaid to, Bernard J. DiMuro counsel for Respondent, at DiMuro Ginsberg P.C, 1001 N Fairfax St Ste 510 Alexandria, Virginia 22314-1587



Renu M. Brennan
Bar Counsel

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ERIK M. HELBING**

VS **Docket No. 23-032-128108**

AGREED DISPOSITION
PUBLIC REPRIMAND

Pursuant to the Rules of Supreme Court of Virginia, Part 6, § IV, ¶ 13-15.B.4, the Virginia State Bar, by Renu M. Brennan, Bar Counsel, and Erik M. Helbing, Respondent, and Bernard Joseph DiMuro, counsel for Respondent, enter into the following agreed disposition for a Public Reprimand with Terms arising out of this matter.

I. STIPULATIONS OF FACT

1. In November 2006, Respondent was licensed to practice law in Pennsylvania.
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3. Respondent is not, and has never been, authorized to practice law in the Commonwealth of Virginia.

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RULE 1.1 Competence

A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoroughness, and preparation reasonably necessary for the representation.

RULE 1.3 Diligence

¹ **RULE 8.5 Disciplinary Authority; Choice Of Law**

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(b) Choice of Law. In any exercise of the disciplinary authority of Virginia, the rules of professional conduct to be applied shall be as follows:

(1) for conduct in connection with a proceeding in a court, agency, or other tribunal before which a lawyer appears, the rules to be applied shall be the rules of the jurisdiction in which the court, agency, or other tribunal sits, unless the rules of the court, agency, or other tribunal provide otherwise;

(2) for any other conduct, the rules of the jurisdiction in which the lawyer's conduct occurred; and

(3) notwithstanding subparagraphs (b)(1) and (b)(2), for conduct in the course of providing, holding out as providing, or offering to provide legal services in Virginia, the Virginia Rules of Professional Conduct shall apply.

(a) A lawyer shall act with reasonable diligence and promptness in representing a client.

RULE 1.4 Communication

(a) A lawyer shall keep a client reasonably informed about the status of a matter and promptly comply with reasonable requests for information.

(b) A lawyer shall explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation.

RULE 1.15 Safekeeping Property

(a) **Depositing Funds.**

(1) All funds received or held by a lawyer or law firm on behalf of a client or a third party, or held by a lawyer as a fiduciary, other than reimbursement of advances for costs and expenses shall be deposited in one or more identifiable trust accounts; all other property held on behalf of a client should be placed in a safe deposit box or other place of safekeeping as soon as practicable.

(b) **Specific Duties.** A lawyer shall:

(4) promptly pay or deliver to the client or another as requested by such person the funds, securities, or other properties in the possession of the lawyer that such person is entitled to receive; and

(5) not disburse funds or use property of a client or of a third party with a valid lien or assignment without their consent or convert funds or property of a client or third party, except as directed by a tribunal.

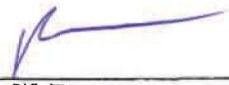
III. PROPOSED DISPOSITION

Accordingly, Bar Counsel, Respondent, and Respondent's Counsel tender to a subcommittee of the Third District, Section II Committee for its approval the agreed disposition of a Public Reprimand.

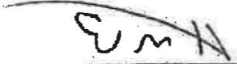
If the agreed disposition is approved, the Clerk of the Disciplinary System shall assess costs.

Pursuant to Part 6, § IV, ¶ 13-30.B of the Rules of Supreme Court of Virginia, Respondent's prior disciplinary record shall be furnished to the subcommittee considering this agreed disposition.

THE VIRGINIA STATE BAR



Renu M. Brennan
Bar Counsel



Erik M. Helbing
Respondent



Bernard Joseph DiMuro
Counsel for Respondent