

Uncle Paul Seeks Release From Investor Obligations

WITHOUT RELEASE, "WILL HAVE NO CHOICE BUT TO FILE FOR PERSONAL BANKRUPTCY"

Editorial Staff

Over a year ago, a complaint was filed against Paul Hollern, DC ("Uncle Paul"), alleging numerous violations in as many as 20 states.¹ The complaint addresses issues that impact UnclePaul Chiropractic Business Training Corporation, reportedly the largest of its kind, as well as the training of doctors of chiropractic who run the estimated 78 offices owned by the organization. (Please see www.ChiroWeb.com/unclepaul for a complete copy of the 18-page complaint.)

Shortly after the complaint was filed, doctors involved with the Uncle Paul corporation confirmed they had been contacted by investigators from the U.S. Department of Justice, the U.S. Attorney's Office and the U.S. Department of Health and Human Services' Office of Investigations. According to these sources, federal investigators initially contacted some of them as early as the beginning of May 2004.²

Since that time, reports of contact by federal investigators have continued. In an exclusive interview with *Dynamic Chiropractic*, Dr. Hollern confirmed that he, too, has been told of interviews by investigators, but that he has yet to be contacted.

Also during that time, numerous lawsuits have been filed between Dr. Hollern and approximately 35 (out of a total of 70) of his former clients, regarding violation of the contracts between the parties. Most of these lawsuits have been filed by Dr. Hollern in order to force his clients to pay him based upon his contracts. Some clients have filed suit first, as a way of attempting to establish the legal battleground in the client's home state.

In a mid-August 2005 letter to his approximately 25 investors, Dr. Hollern requested that the investors sign a release in order for him to continue moving forward on lawsuits with his former clients:

"I cannot move forward with these cases against the chiropractors if I am exposed to personal liability from you after resolution of the cases. Further, I cannot afford to make payments towards any purported indebtedness to you during the pendency of these cases. Attorney fees and payments made to date have exhausted funds collected on resolved suits thus far. Therefore, I am respectfully requesting that you release me before September... from any future personal liability on the purported indebtedness stemming from my investment arrangements with you if I am to continue to vigorously litigate these cases until final resolution to collect the funds owed to you and me. A release for you to sign is enclosed herewith.

"Absent a release of future liability to you, I cannot move forward with these cases and will have no choice but to file for personal bankruptcy protection after September... passes. Of course, that option is undesirable to me as it is my hope to square these matters amongst us as best as possible." (Exact dates withheld to shield sources.)

According to Dr. Hollern, approximately 10 of the investors are his former clients and are involved in the litigation with him.

When asked why he requested the releases from his investors, Dr. Hollern remarked: "I have no trouble fighting and defending and following through with all this, with all these lawsuits, etc. My position is I didn't want to obviously fight for one or two years to follow through to the conclusion, and three years from now get sued by all of the investors into bankruptcy anyway."

Dr. Hollern is looking for a majority of his investors to sign the release in order for him to forgo personal bankruptcy filing.

In his interview with *DC*, he confirmed that he is moving toward making a decision on filing his personal bankruptcy before the new bankruptcy laws go into effect on Oct. 17, 2005. The new law will give creditors significantly more power over those attempting to elude payment of debts by filing bankruptcy.

Note: Dr. Hollern's entire interview with *Dynamic Chiropractic* is accessible online at www.ChiroWeb.com/unclepaul.

References

1. UnclePaul accused. *Dynamic Chiropractic*, Sept. 27, 2004:
www.chiroweb.com/archives/22/20/14.html.
2. Are federal investigators after UnclePaul? *Dynamic Chiropractic*, Oct. 21, 2004:
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