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**M E M O R A N D U M**

To: Members of the Working Group on Fraudulent Business Filings

From: Chris Beall

Date: November 11, 2022

Re: Analysis of data set on reinstatements of formerly dissolved entities

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This memo summarizes key highlights from the set of data I requested from the Department's business data analysts on the number of dissolved business entities that were reinstated through the filing of articles of reinstatement with the state's business registry. The underlying data for this analysis are collected in the attached Excel spreadsheet. (Attachment A – Reinstated Entities from Nov 21 thru Nov 22.xls)

The data collected by the Department cover the period from November 2, 2021, to November 8, 2022.

The data show instances of reinstatements that were filed for entities which had either been administratively dissolved under the prior statutory provisions for an entity that was delinquent for three years or that had been voluntarily dissolved under the current statutory procedure for entity dissolutions. (These data do not capture entities that were judicially dissolved because such entities are highly unlikely to be reinstated.)

As reflected in the spreadsheet, this one-year period showed a total of 1,367 reinstatements of dissolved entities, as follows:

- 210 administratively dissolved entities were reinstated
- 1,157 voluntarily dissolved entities were reinstated

As an example, one of the oldest entities that was reinstated was a domestic nonprofit corporation for the First Church of Christ, Scientific, in Englewood, that had initially been formed in 1924 and was administratively dissolved in 1990 as a result of the corporation not filing annual reports. It was reinstated as a good standing nonprofit corporation through the filing of its Articles of Reinstatement and the payment of a \$100 fee on Nov. 15, 2021.

With regard to our particular interest in the use of dissolved entities to perpetrate fraudulent activity through a deceptive reinstatement, I found only one instance where a single person had filed multiple reinstatements. Apart from this one instance where a single filer submitted sixteen reinstatements during the one-year period of the survey, I did not find other occasions for substantial numbers of reinstatements by the same person. Occasionally, a single person might file two, or at most three, reinstatements, but each such reinstatement involved related entities.

I found only two occasions where a filer from outside the United States filed reinstatements for formerly dissolved entities. One involved a fertilizer business in Henan Province, China, which appeared to have been a reinstatement after a mistaken filing of a notice of voluntary dissolution. The second filing was submitted by a filer from Hong Kong who reinstated an entity that had been dissolved since 2013.

With regard to the case of the single individual who filed sixteen different reinstatements in a single year, all of them appear to be potentially suspect. Specifically, an individual using the name Latesha Clark and listing an address in Houston, Mississippi, filed sixteen reinstatements on the following three days:

- January 24, 2022 – 10 reinstatements of entities that had been administratively dissolved –
  1. **C&D Financial Group LLC:** A domestic limited liability company named 503 Harvard Lane, LLC originally formed on Nov. 8, 2001, with a principal place of business in Boulder and a registered agent in Nederland, was administratively dissolved for failure to file its annual reports on June 5, 2006. The entity was reinstated by Ms. Clark on Jan. 24, 2022. Two minutes later, Ms. Clark filed a name change to amend the entity's name to C&D Financial Group LLC.
  2. **C.A.R.E.S LLC:** A domestic limited liability company named 4 Hill Construction LLC originally formed on May 3, 2001, with its principal place of business and its registered agent in Granby, was administratively dissolved for failure to file its annual reports on Dec. 5, 2005. The entity was reinstated by Ms. Clark on Jan. 24, 2022. Six minutes later, Ms. Clark filed a name change to amend the entity's name to C.A.R.E.S LLC.
  3. **Cals Enterprises LLC:** A domestic limited liability company named 4 Corners Specialties, L.L.C. originally formed on April 23, 2001, with its principal place of business and its registered agent in Ignacio, was administratively dissolved for failure to file its annual reports on Oct. 7, 2004. The entity was reinstated by Ms. Clark on Jan. 24, 2022. Three minutes later, Ms. Clark filed a name change to amend the entity's name to Cals Enterprises LLC.
  4. **Consolidated Affiliates LLC:** A domestic limited liability company named 4-Way Fans, LLC originally formed on Mar. 19, 2001, with its principal place of business and its registered agent in Parker, was

administratively dissolved for failure to file its annual reports on Oct. 28, 2005. The entity was reinstated by Ms. Clark on Jan. 24, 2022. Three minutes later, Ms. Clark filed a name change to amend the entity's name to Consolidated Affiliates LLC.

5. **Crucial Planning Inc:** A domestic for-profit corporation named 4<sup>th</sup> Generation Corporation originally formed on Jan. 29, 2001, with its principal place of business and its registered agent in Parker, was administratively dissolved for failure to file its annual reports on Oct. 28, 2005. The entity was reinstated by Ms. Clark on Jan. 24, 2022. Four minutes later, Ms. Clark filed a name change to amend the entity's name to Crucial Planning Inc.
6. **Growth Grounds LLC:** A domestic limited liability company named 4 Wheels A Go-Go, LLC originally formed on Mar. 7, 2001, with its principal place of business and its registered agent in Englewood, was administratively dissolved on Sept. 14, 2004. The entity was reinstated by Ms. Clark on Jan. 24, 2022. Four minutes later, Ms. Clark filed a name change to amend the entity's name to Growth Grounds LLC.
7. **The CEO & Affiliates LLC:** A domestic limited liability company named "4" Winds, LLC originally formed on Nov. 29, 2001, with its principal place of business and registered agent in Fountain, was administratively dissolved for failure to file its annual reports on April 1, 2003. The entity was reinstated by Ms. Clark on Jan. 24, 2022. Five minutes later, Ms. Clark filed a name change to amend the entity's name to The CEO & Affiliates LLC.
8. **Transforming & Moving LLC:** A domestic limited liability company named 4 J Construction LLC originally formed on Feb. 27, 2001, with its principal place of business and its registered agent in Roggen, was administratively dissolved for failure to file its annual reports on July 1, 2002. The entity was reinstated by Ms. Clark on Jan. 24, 2022. Eleven minutes later, Ms. Clark filed a name change to amend the entity's name to Transforming & Moving LLC.
9. **Tru Consulting LLC:** A domestic limited liability company named 4U2, LLC originally formed on July 17, 2001, with its principal place of business in Indian Hills and its registered agent in Denver, was administratively dissolved for failure to file its annual reports on Jan. 6, 2005. The entity was reinstated by Ms. Clark on Jan. 24, 2022. Six minutes later, Ms. Clark filed a name change to amend the entity's name to Tru Consulting LLC.
10. **TWJ Enterprises Inc:** A domestic for-profit corporation named 4957 Corporation originally formed on July 19, 2001, with its principal place

of business in Longmont and its registered agent in Denver, was administratively dissolved for failure to file its annual reports on Feb. 3, 2006. The entity was reinstated by Ms. Clark on Jan. 24, 2022. Six minutes later, Ms. Clark filed a name change to amend the entity's name to TWJ Enterprises Inc.

- April 11, 2022 – 1 reinstatement of an entity that had been voluntarily dissolved –
  1. **Fertile Grounds Partnership:** A domestic limited partnership named Florida Avenue Limited Partnership originally formed on March 16, 2001, with its principal place of business in Clearwater, Florida, and its registered agent in Steamboat Springs, filed a voluntary dissolution of the partnership on Oct. 9, 2008. The partnership was reinstated by Ms. Clark on April 11, 2022. Twelve minutes later, Ms. Clark filed a name change to amend the partnership's name to Fertile Grounds Partnership.
  
- June 21, 2022 – 5 reinstatements of three entities that had been administratively dissolved and two entities that had been voluntarily dissolved –
  1. **Cabistros Palace Corp:** A domestic for-profit corporation named 02 Systems, Inc. originally formed on August 9, 2001, with its principal place of business and registered agent in Castle Rock, was administratively dissolved for failure to file its annual reports on June 1, 2003. The entity was reinstated by Ms. Clark on June 21, 2022. Six minutes later, Ms. Clark filed a name change to amend the entity's name to Cabistros Palace Corp.
  
  2. **Fertile Grounds Corp:** A domestic for-profit corporation named 1143 Productions, Inc. originally formed on October 30, 2001, with its principal place of business and its registered agent in Denver, was administratively dissolved for failure to file its annual reports on May 5, 2006. The entity was reinstated by Ms. Clark on June 21, 2022. Two minutes later, Ms. Clark filed a name change to amend the entity's name to Fertile Grounds Corp.<sup>1</sup>
  
  3. **Growth Grounds Inc:** A domestic for-profit corporation named 123 Breckinridge Condominium Holdings, Inc. originally formed on Sept. 7, 2001, with its principal place of business in Boulder and its registered agent in Denver, filed a voluntary dissolution of the corporation on July 11, 2005. The entity was reinstated by Ms. Clark on June 21, 2022. Four minutes later, Ms. Clark filed a name change to amend the entity's name to Growth Grounds Inc.<sup>2</sup>

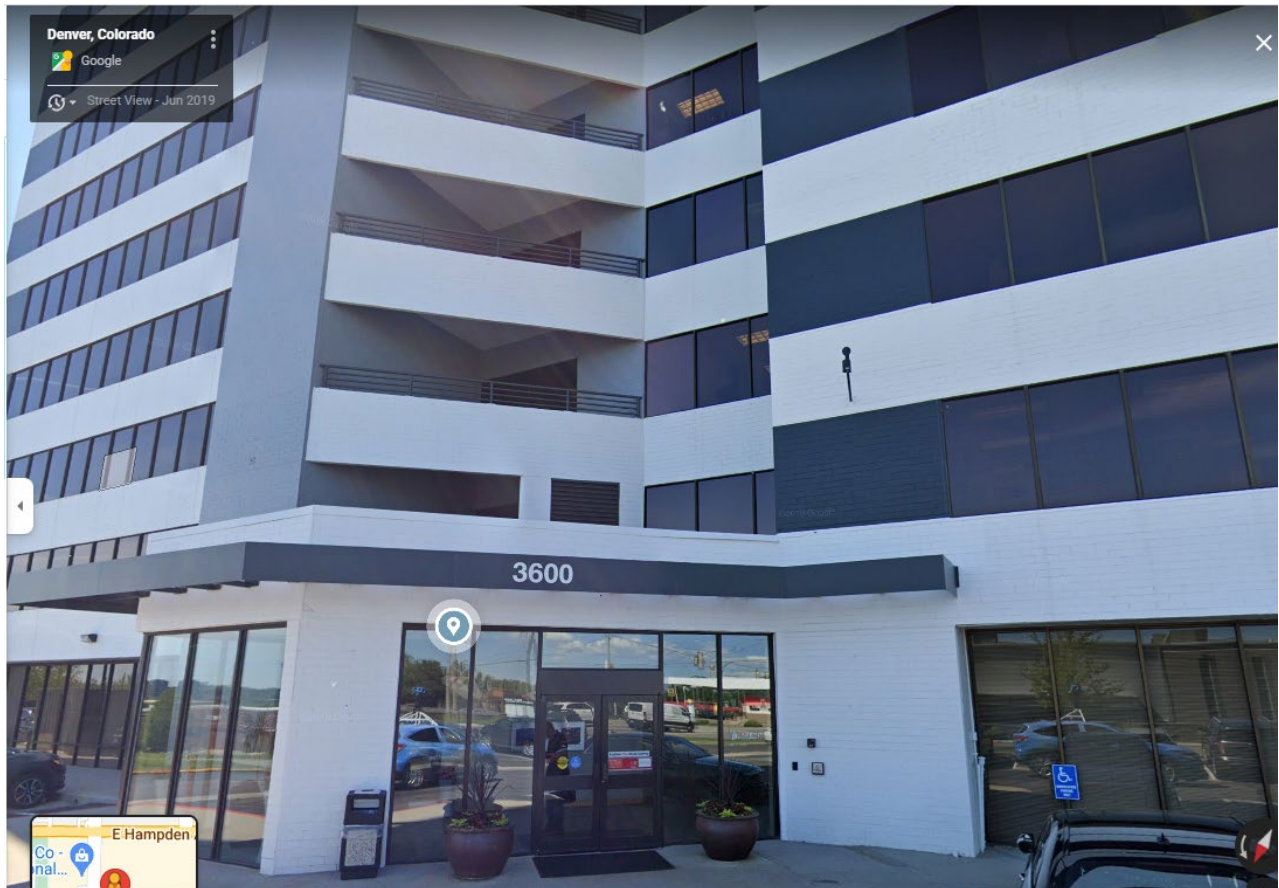
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<sup>1</sup> The two entities with similar names – “Fertile Grounds Corp” and “Fertile Grounds Partnership” – are distinct under Colorado law because one is a for-profit corporation and the other is a limited partnership.

<sup>2</sup> The two entities with similar names – “Growth Grounds Inc” and “Growth Grounds LLC” – are distinct under Colorado law because one is a for-profit corporation and the other is a limited liability company.

4. **Maximum Care Solutions Corp:** A domestic for-profit corporation named 110 South Main Street, Inc. originally formed on Oct. 5, 2001, with its principal place of business and its registered agent in Breckinridge, filed a voluntary dissolution of the corporation on Nov. 28, 2011. The entity was reinstated by Ms. Clark on June 21, 2022. Three minutes later, Ms. Clark filed a name change to amend the entity's name to Maximum Care Solutions Corp.
  
5. **Transformational Ncrease Corp:** A domestic for-profit corporation named 105 Parkway Corporation originally formed on June 22, 2001, with its principal place of business and its registered agent in Aurora, filed a voluntary dissolution of the corporation on Oct. 11, 2004. The entity was reinstated by Ms. Clark on June 21, 2022. Three minutes later, Ms. Clark filed a name change to amend the entity's name to Transformational Ncrease Corp.

For all sixteen of these reinstated entities, Ms. Clark listed herself as the registered agent, and gave an address of 3600 South Yosemite Street, Denver, Colorado, 80237. That address is a multi-floor office building which houses a Key Bank branch in south Denver, and there is no indication that Ms. Clark works there, on any of the four different floors that she listed as her address, or that any of the sixteen companies maintains an office there:



Ms. Clark listed herself as the person making the reinstatement filing for each of these sixteen entities, giving an address of 105 Kyle Drive, Houston, Mississippi, 38851. That address returns to a storefront business named Freedom Finance of Houston. The business appears to provide personal loan services. There is no outward indication that Ms. Clark works at that address:



In addition, in no instance did any of the individuals involved in the initial formation of the sixteen entities in 2001 appear to have anything to do with the filings that Ms. Clark made in 2022.

The foregoing indicators demonstrate, at a minimum, that the reinstatement of these entities violated the provisions of § 7-90-701(1) which requires that a registered agent have a residence or a usual place of business within Colorado. It also seems apparent that the listing of the principal addresses for these sixteen reinstated entities also was false.


And finally, the fact that Ms. Clark immediately changed the names of each of the entities which she had reinstated raises questions as to the motivations for these reinstatements. Because the name changes can only be seen by drilling down into the history of the documents for each entity, a shallow, unsophisticated review of the business registry for each of these sixteen entities would leave an impression that each of these sixteen firms was a 21-year-old business that has been in good standing for all of those twenty-one years. In fact, though, each of these entities was created out of whole cloth by a reinstatement and a name change filed only this year.

In this context, compare the summary screen for one of these entities, Transformational Ncrease Corp, with its detailed list of documents:

## Summary

Details			
<b>Name</b>	Transformational Ncrease Corp		
<b>Status</b>	Good Standing	<b>Formation date</b>	06/22/2001
<b>ID number</b>	20011125990	<b>Form</b>	Corporation
<b>Periodic report month</b>	June	<b>Jurisdiction</b>	Colorado
<b>Principal office street address</b>	105 Kyle Drive, Houston, MS 28851, United States		
<b>Principal office mailing address</b>	105 Kyle Drive, Houston, MS 28851, Mississippi, United States		
Registered Agent			
<b>Name</b>	Latesha Clark		
<b>Street address</b>	3600 S Yosemite St, Suite 100, Denver, CO 80237, United States		
<b>Mailing address</b>	3600 S Yosemite St, Suite 100, Denver, CO 80237, United States		

## History and Documents

**Name:** Transformational Ncrease Corp  [Print-friendly version](#)

**ID number:** 20011125990

**Found 11 matching record(s). Viewing page 1 of 1.**

#	Event	Date Filed	Date Posted	EffectiveDate	Document # <small>(click to view)</small>	Comment
1	Articles of Incorporation	06/22/2001	06/22/2001	06/22/2001 12:00 AM	<a href="#">20011125990</a>	105 PARKWAY CORPORATION
2	Report Printed	05/17/2002	05/17/2002	05/17/2002 12:00 AM		PR - 06/01/2002 - 08/31/2002
3	Report	06/26/2002	06/26/2002	06/26/2002 12:00 AM	<a href="#">20021174069</a>	CORP REPORT
4	Report Printed	05/15/2003	05/15/2003	05/15/2003 12:00 AM		PR - 06/01/2003 - 08/31/2003
5	Report	08/26/2003	08/26/2003	08/26/2003 12:00 AM	<a href="#">20031273597</a>	CORP REPORT
6	Report Printed	05/18/2004	05/18/2004	05/18/2004 12:00 AM		PR - 06/01/2004 - 08/31/2004
7	Change in Status	09/27/2004	09/27/2004	09/27/2004 12:15 PM		Failure to file annual report
8	postcard notification printed 09/27/2004 to be mailed 10/01/2004	09/27/2004	09/27/2004	09/27/2004 01:22 PM		annual report due: 11/30/2004
9	Articles of Dissolution	10/11/2004	10/14/2004	10/11/2004 03:00 PM	<a href="#">20041353988</a>	
10	Articles of Reinstatement	06/21/2022	06/21/2022	06/21/2022 09:50 AM	<a href="#">20221597895</a>	
11	Articles of Amendment	06/21/2022	06/21/2022	06/21/2022 09:53 AM	<a href="#">20221597921</a>	Change of entity name