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March 5, 2025

The Honorable Aric Putnam, Chair
Agriculture, Veterans, Broadband, and Rural Development Committee
Minnesota State Senate
75 Rev Dr Martin Luther King Jr Blvd
St Paul, Minnesota 55155

Dear Chairman Putnam and Members of the Committee,

The United Veterans Leadership Council (UVLC) **strongly opposes** SF 1894, which expands the problematic 2017 Disclosure statute and imposes unconstitutional restrictions on veterans' access to legal representation.

As one of the oldest independent nonprofit veterans organizations in Minnesota, UVLC has fought since 1968 to protect veterans' rights and ensure they have access to the benefits and legal counsel they deserve. We fervently support the U.S. Constitution and its protections for veterans and civilians in Minnesota and across the country, advocating for their right to choose the representation that best serves their needs. SF 1894 directly undermines this fundamental right.

The proposed legislation, SF 1894, expands the already controversial Minn. Stat. § 197.6091 Disclosure law without resolving its existing flaws. While intended to protect veterans from so-called "claims sharks," the bill fails to achieve this goal and instead introduces new legal contradictions and consumer fraud concerns under Minn. Stat. §§ 325F.69-70, the Minnesota Consumer Fraud Act. Additionally, it ignores Minn. Stat. § 481.02, which prohibits unlicensed individuals from providing legal services, preparing legal documents, or advertising such services—further complicating its legal standing.

Ironically, SF 1894 mandates that licensed attorneys promote CVSO services as equivalent to legal representation, despite the clear differences in qualifications and oversight. By enforcing use of the disclosure MDVA drafted, the agency may itself be engaging in a deceptive practice—potentially violating the very Consumer Fraud Act it seeks to enforce.

1. Forced Promotion of Competing Services as an Unfair Business Practice

The 2017 Disclosure statute already forces VA-accredited attorneys and claims agents to advertise government-funded VSOs and CVSOs in their client communications. The proposed expansion under SF 1894 would further compel attorneys and claims agents to direct veterans toward taxpayer-funded alternatives even when those services may not be the best option.

- Compelling VA-accredited attorneys to promote competing government services for claims appeals could be deemed an unfair business practice, because it forces licensed attorneys to engage in misleading advertising and disclosures by stating nonprofit VSOs or government VSOs and CVSOs provide equivalent services when, in fact, these advocates are not licensed to practice law, are not independently accredited, lack an exclusive duty to the client, lack required attorney-client confidentiality, and lack the ability to represent the veteran client at an appeals courts or the US Supreme Court.

2. Misrepresentation by Omission

Minn. Stat. § 325F.69 prohibits misleading statements or omissions in consumer transactions.

The Disclosure statute and its amendments may violate this principle by requiring attorneys to:

- Fail to fully disclose the limits of CVSOs and VSOs (e.g., that they are not attorneys and cannot represent veterans in court) within the MDVA-mandated Disclosure.
- Give the false impression that government-funded VSOs and CVSOs are an equivalent alternative to paid legal services, even when a veteran's case is complex or requires specialized legal help.

Because the law, as presently implemented, forces VA-accredited attorneys representing Minnesota veterans for a fee to omit crucial information that could influence a veteran's decision-making, it could be seen as deceptive by omission under consumer protection laws.

3. Unlawful Restraint on Trade

By imposing state-specific constraints on VA-accredited attorneys and claims agents—who are already regulated under federal law (Title 38 of the U.S. Code)—the Minnesota Department of Veterans Affairs (MDVA) **is attempting to regulate a federal practice at the state level**. This raises both federal preemption and unfair competition concerns, particularly when:

- Non-attorney CVSOs and VSOs are not held to the same regulatory burdens despite offering similar (but limited) services.

- The law creates an uneven playing field, restricting competition in a way that may benefit the government-run VSO system while limiting veterans' choice of legal representation.

While SF 1894 is meant to protect veterans from fraud, if adopted as written, it may further reduce available benefits services options to Minnesota veterans. Limiting veterans' access to alternative, potentially more effective claims assistance ensures state-funded operations remain the primary option, even if some veterans would prefer private representation.

4. Violation of the "Void for Vagueness" Doctrine

Laws that fail to define clear standards can be struck down as unconstitutionally vague under *Marbury v. Madison* and its progeny. The 2017 law and SF 1894 do not clearly distinguish between:

- Lawful VA-accredited attorneys (regulated under federal law).
- Unaccredited consultants or "claims sharks" (the alleged target of the law).

Since the proposed amendments do not properly differentiate between these entities, they risk being void for vagueness, making compliance difficult and exposing VA-accredited attorneys to unnecessary legal liability.

Conclusion

This bill, by adding a new penalty to the Disclosure statute (Minn. Stat. §§ 325F.69-70), risks contradicting itself—and is much like a snake eating its own tail. It forces VA-accredited attorneys to promote CVSOs and VSOs in ways that could be false, misleading, or deceptive, violating the very Minnesota Consumer Fraud Act it relies on to prevent those same activities.

Minnesota veterans deserve accurate, transparent information to make informed choices, not government-mandated statements that may mislead the very people they claim to protect.

Sincerely,

Benjamin Krause

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UVLC Chairman