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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

**FEDERAL TRADE COMMISSION,**

Plaintiff,

v.

**INTERCONTINENTAL  
SOLUTIONS LLC, also d/b/a APEX  
DOC PROCESSING LLC, also d/b/a  
APEX DOC PROCESSING,**

**EXPRESS ENROLLMENT LLC, also  
d/b/a SLFD PROCESSING,**

CASE NO.

**COMPLAINT FOR  
PERMANENT  
INJUNCTION,  
MONETARY RELIEF,  
AND OTHER RELIEF**

1 **MARCO MANZI**, a/k/a Marco Manzi  
2 Pumar,

3 **IVAN ESQUIVEL**, a/k/a Ivan  
4 Alexander, and

5 **ROBERT KISSINGER**,

6  
7 Defendants.

8 Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

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10 1. The FTC brings this action under Sections 13(b) and 19 of the Federal  
11 Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, the  
12 Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing  
13 Act”), 15 U.S.C. §§ 6101-6108, and Section 522(a) of the Gramm-Leach-Bliley  
14 Act (“GLB Act”), 5 U.S.C. § 6822(a), which authorize the FTC to seek, and the  
15 Court to order temporary, preliminary, and permanent injunctive relief, monetary  
16 relief, and other relief for Defendants’ acts or practices in violation of Section 5(a)  
17 of the FTC Act, 15 U.S.C. § 45(a), the FTC’s Telemarketing Sales Rule (“TSR”),  
18 16 C.F.R. Part 310, and Section 521 of the GLB Act, 5 U.S.C. § 6821, in  
19 connection with their deceptive marketing and sale of student loan debt relief  
20 services.  
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25 **JURISDICTION AND VENUE**

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27 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§  
28 1331, 1337(a), and 1345.



1 same office building. Apex transacts or has transacted business in this District and  
2 throughout the United States. At all times relevant to this Complaint, acting alone  
3 or in concert with others, Apex has advertised, marketed, offered to provide, sold,  
4 or provided student loan debt relief services to consumers throughout the United  
5 States.  
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7  
8 **6. Defendant Express Enrollment LLC**, also d/b/a as SLFD Processing  
9 (“**SLFD Processing**”), is a California limited liability company formed in May  
10 2019 that has listed its principal executive office as 1600 N Broadway, Suite 100,  
11 Santa Ana, CA 92706. It has also listed its business address as 1616 E 4<sup>th</sup> Street,  
12 Suite 220, Santa Ana, CA 92701 in communications with service providers and  
13 1100 W Town and Country Road, Suite 1340, Orange, CA 92868 in  
14 communications. SLFD Processing transacts or has transacted business in this  
15 District and throughout the United States. At all times relevant to this Complaint,  
16 acting alone or in concert with others, SLFD Processing has advertised, marketed,  
17 offered to provide, sold, or provided student loan debt relief services to consumers  
18 throughout the United States.  
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23 **7. Defendant Marco Manzi**, also known as Marco Manzi Pumar  
24 (“Manzi”), has held himself out as an officer of SLFD Processing. Manzi has also  
25 briefly held himself out as a manager or member of Apex. He has used the name  
26 “Marco Manzi” and “Marco Manzi Pumar” in bank and service provider  
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1 documents in connection with the business activities alleged in this Complaint. He  
2 has been a signatory on bank accounts for SLFD Processing and has served as the  
3 customer contact for telecommunications, domain hosting, and merchant  
4 processing agreements for Apex and SLFD Processing. Manzi has also  
5 participated in settlement negotiations with the Minnesota Attorney General's  
6 Office on behalf of SLFD Processing. At all times relevant to this Complaint,  
7 acting alone or in concert with others, he has formulated, directed, controlled, had  
8 the authority to control, or participated in the acts and practices of Apex and SLFD  
9 Processing, including the acts and practices set forth in this Complaint. Manzi  
10 resides in this District and, in connection with the matters alleged herein, transacts  
11 or has transacted business in this District and throughout the United States.

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16 8. **Defendant Ivan Esquivel**, has held himself out as the chief executive  
17 officer of Apex. At all times relevant to this Complaint, acting alone or in concert  
18 with others, he has formulated, directed, controlled, had the authority to control, or  
19 participated in the acts and practices of Apex and SLFD Processing, including the  
20 acts and practices set forth in this Complaint. Esquivel resides in this District and,  
21 in connection with the matters alleged herein, transacts or has transacted business  
22 in this District and throughout the United States.

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26 9. **Defendant Robert Kissinger**, has held himself out as an officer and  
27 member of SLFD Processing. He has also been listed as the agent of service of  
28

1 process for both Apex and SLFD Processing. At all times material to this  
2 Complaint, acting alone or in concert with others, he has formulated, directed,  
3 controlled, had the authority to control, or participated in the acts and practices of  
4 Apex and SLFD Processing, including the acts and practices set forth in this  
5 Complaint. Kissinger resides in this District and, in connection with the matters  
6 alleged herein, transacts or has transacted business in this District and throughout  
7 the United States.  
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10 **COMMON ENTERPRISE**  
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12 10. Defendants Apex and SLFD Processing (collectively, “Corporate  
13 Defendants”) have operated as a common enterprise while engaging in the  
14 deceptive and unlawful acts and practices and other violations of law alleged  
15 below. Corporate Defendants have conducted the business practices described  
16 below through interrelated companies that have common ownership, business  
17 functions, and office locations. Because these Corporate Defendants have operated  
18 as a common enterprise, each of them is liable for the acts and practices alleged  
19 below.  
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23 **COMMERCE**  
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25 11. At all times relevant to this Complaint, Defendants have maintained a  
26 substantial course of trade in or affecting commerce, as “commerce” is defined in  
27 Section 4 of the FTC Act, 15 U.S.C. § 44.  
28

1                                    **DEFENDANTS' DECEPTIVE STUDENT LOAN DEBT**  
2                                    **RELIEF OPERATION**

3            12.     Since at least September 2021, Defendants have operated an unlawful  
4 debt relief enterprise that preys on consumers with student loan debt. Defendants'  
5 scheme has involved promising consumers lower payments, and, in many cases,  
6 loan forgiveness, severing consumers' contact with their federal loan servicers, and  
7 pocketing the consumers' monthly loan payments. Defendants have also  
8 represented that consumers must pay a fee for services that are available for free  
9 through the U.S. Department of Education ("ED"), including that consumers must  
10 pay a fee, or make purported loan payments, to obtain federal student loan  
11 forgiveness under the Biden-Harris Administration Student Debt Relief Plan.  
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15            13.     Defendants have enticed consumers with telephone calls and  
16 voicemails promising to reduce consumers' monthly student loan payments or loan  
17 balances by enrolling them in income-based repayment plans and public service  
18 loan forgiveness. In some instances, Defendants have promised to service the  
19 repayment of consumers' student loans or have promised to act as an intermediary  
20 between consumers and their loan servicers, purportedly "forwarding" consumers'  
21 new monthly payments to their servicers. In other instances, Defendants have held  
22 themselves out as "affiliated" with government agencies or as a "designated third-  
23 party" of the federal government to facilitate federal loan forgiveness programs.  
24 For example, in some written communications, Defendants refer to their program  
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1 as a “Government Funded Student Loan Forgiveness Program.” Defendants tell  
2 consumers who sign up for Defendants’ services to cease making payments to their  
3 servicers, and instead to make monthly loan payments to the Defendants.  
4

5 14. In fact, Defendants have failed to apply most or any of the payments  
6 to consumers’ student loans, but rather diverted the payments to themselves. In  
7 numerous instances, Defendants also have failed to obtain the lower monthly  
8 payment amount, loan balance, or loan forgiveness that they promised consumers.  
9

10 15. In exchange for the promised debt relief services, Defendants have  
11 collected hundreds of dollars per consumer in illegal advance fees. At all relevant  
12 times, consumers’ federal student loan payments have been suspended pursuant to  
13 the federal COVID-19 Loan Payment Pause. Despite this, Defendants have  
14 collected a total of more than \$7.5 million from consumers since at least December  
15 2019.  
16  
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18 16. Defendants have continued their unlawful student loan debt relief  
19 scheme despite prior state action. In November 2022, SLFD Processing settled  
20 claims by the Minnesota Attorney General’s Office that it had misrepresented its  
21 services, collected unlawful advance fees, and failed to secure appropriate  
22 licensure.  
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### 26 **Background on Student Loan Forgiveness and Repayment Programs**

27 17. Student loan debt is the second largest class of consumer debt, with  
28



1 over 45 million borrowers owing approximately \$1.75 trillion. Student loan debt is  
2 also one of the most distressed classes of debt: approximately \$110.5 billion of  
3 student loans are in default.  
4

5 18. The federal government administers several student loan forgiveness  
6 and discharge programs. These include income-based repayment (“IDR”)  
7 programs.  
8

9 19. Consumers can apply for these and other programs through ED or  
10 their student loan servicers at no cost. These programs do not require the  
11 assistance of a third-party company or payment of application fees.  
12

13 20. In addition to these programs, beginning in 2020, the federal  
14 government temporarily paused student loan repayment requirements due to  
15 economic conditions arising from the COVID-19 pandemic. And in 2022,  
16 President Biden and ED announced a one-time student debt relief initiative as well  
17 as changes to the government’s income-driven repayment plans (hereafter, the  
18 “Biden-Harris Administration’s Student Loan Debt Relief Plan”).  
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### 22 **COVID-19 Repayment Pause**

23 21. The original coronavirus relief bill, the Coronavirus Aid, Relief, and  
24 Economic Security Act (“CARES Act”), signed into law on March 27, 2020,  
25 temporarily paused payments and involuntary collections on federally held student  
26 loans through September 30, 2020. President Trump extended the pause until  
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1 December 31, 2020, and President Biden has extended the pause into 2023.

2 During the pause, payments are not due, collection activities (like wage  
3 garnishment and reduction of tax refunds) have been prohibited, and interest does  
4 not accrue on loan balances.  
5

6 22. Months during the pause count toward the 120 payments required by  
7 PSLF (if the borrower works for a qualifying employer during the suspension plan)  
8 and also toward payments required to receive forgiveness under IDR plans.  
9

10 23. The student loan repayment pause, as of the date of this filing, has  
11 been extended to the fall of 2023, with interest to resume accruing on September 1,  
12 2023, and repayment to begin in October 2023.  
13

#### 14 **Defendants' Deceptive Marketing of Student Loan Debt Relief Services**

15 24. To lure consumers into purchasing their purported student loan debt  
16 relief services, Defendants make at least four types of deceptive claims: (1)  
17 Consumers who purchase Defendants' debt relief services will be enrolled in a  
18 repayment plan that will reduce their monthly payments to a lower, specific  
19 amount or have their loan balances forgiven in whole or in part; (2) Most or all of  
20 consumers' monthly payments to Defendants will be applied toward consumers'  
21 student loans; (3) Defendants are affiliated with ED or part of a federal government  
22 program; and (4) Defendants will take over servicing and repayment of consumers'  
23 student loans.  
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1           25. Defendants make outbound telemarketing calls, and often leave  
2 voicemail messages, to consumers to offer their services and convince student loan  
3 borrowers to sign up with them. In some instances, consumers listen to the  
4 Defendants' voicemails and call Defendants back for more information. Many of  
5 Defendants' telemarketing voicemails are left by representatives claiming to be  
6 from "the Student Loan Forgiveness Center" or "the Processing Center." These  
7 telemarketing representatives often state that they are calling because they have  
8 reviewed a consumer's student loan profile or most recent reported income and, as  
9 a result, believe that the consumer may be eligible to have some or all of their  
10 federal student loans forgiven. Defendants also entice consumers by referring to  
11 "government-offered forbearance programs" that are "expiring" and "big changes  
12 to federal student loan programs recently." Defendants then urge consumers to  
13 return their call as soon as possible to complete an application before certain  
14 unnamed federal programs expire. In some instances, Defendants further induce  
15 consumers to contact Defendants by falsely claiming that consumers have failed to  
16 provide documentation that they purportedly requested earlier.

23           26. In numerous instances, Defendants have required consumers to  
24 provide their federal student aid personal identification numbers ("FSA PINs"), or  
25 other personal information, in order to enroll in Defendants' purported debt relief  
26 program. Defendants have told consumers that their FSA PINs or a verification  
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1 code were necessary to “verify” consumers’ identities and determine eligibility for  
2 Defendants’ debt relief program. Defendants have asked consumers to provide an  
3 email address or phone number so that Defendants could send a verification code,  
4 which consumers were to read aloud before proceeding with Defendants’ debt  
5 relief application process. Defendants did not themselves send these verification  
6 codes; rather, Defendants have used consumers’ information to request a password  
7 reset for consumers’ Federal Student Aid accounts which prompts a verification  
8 code to be sent to the email address or phone number associated with consumers’  
9 accounts. Defendants have then used consumers’ FSA PINs and the verification  
10 codes to change consumers’ Federal Student Aid account passwords and access  
11 information about consumers and their federal student loans.  
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16 27. In telephone calls, Defendants have told numerous consumers that  
17 Defendants will obtain a student loan repayment schedule for consumers of  
18 specific monthly loan payment amounts that are significantly lower than what the  
19 consumer had been paying. Defendants have typically quoted consumers an  
20 “initial” reduced monthly payment effective for up to six months, followed by a  
21 further reduced monthly payment to be effective for the remainder of a 120 to 240  
22 month loan term, depending on the program advertised to consumers. For  
23 example, one consumer who had been paying around \$400 per month was told that  
24 his new monthly payment would be \$145.83 for six months, followed by monthly  
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1 payments of \$0 for the remainder of a 240-month term; another consumer who had  
2 been paying around \$500 per month was told her new payment would be \$300 for  
3 five months, followed by monthly payments of \$268.48 for the remainder of a 120-  
4 month term. Defendants have told numerous consumers that they will accomplish  
5 this reduced payment by enrolling them in a loan forgiveness program or placing  
6 consumers into an IBR program. In certain instances, Defendants have represented  
7 that they will place consumers into a specific federal IBR plan, such as the Pay As  
8 Your Earn (PAYE) plan. In numerous instances, Defendants have represented that  
9 under such federal plans, consumers' payments would remain at the lowest quoted  
10 amount over a number of years, without regard to any changes in a consumer's  
11 income. In some instances, Defendants have told consumers that they must  
12 recertify their income.  
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17           28. In multiple instances, Defendants have memorialized consumers'  
18 "new" student loan repayment schedules in written communications. For example,  
19 Defendants sent an email to one consumer stating that "[b]ased on your income &  
20 family size you qualify for 6 monthly payments of \$200 & after that you qualify  
21 for payment of \$86.73 for the following 12 months." Multiple consumers have  
22 received similar emails from Defendants with their quoted payments.  
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26           29. In many instances, Defendants have further told consumers their loan  
27 balances will be forgiven after the consumer makes lower monthly payments to  
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1 Defendants for either 120 or 240 months. For example, in certain written  
2 communications to consumers, Defendants have stated that “your loans will be  
3 forgiven & discharged from your credit at the end of the term.” In multiple other  
4 instances, Defendants have promised consumers that their loan balances will be  
5 forgiven in as little as six months, based on a consumer’s profession. In certain  
6 instances, Defendants later contradict their oral representations in written  
7 communications to consumers by stating that “[a]s we discussed you will make  
8 those payments yourself directly to The Department of Education” – despite  
9 Defendants making consumers provide payment information and sign a form  
10 authorizing Defendants to withdraw payments.  
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15 30. Defendants maintain a YouTube channel named “SLFD Processing”  
16 which contains at least 28 testimonials from consumers who claim to have  
17 benefited from Defendants’ debt relief services. In one testimonial, a consumer  
18 reports that “[Defendants] told me if I paid a certain amount of money for six  
19 months, that the . . . \$12,000 student debt would be forgiven.” The consumer adds,  
20 “I’ve done that, and I received a call last week . . . and they informed me that I  
21 made the last payment and that the student debt was forgiven.” Another  
22 testimonial states that “[SLFD Processing] informed me of a forgiveness program  
23 for my loans” and that “[t]hey assist[ed] me in enrolling in the program for the  
24 lowest payment possible so I could get my loans back in control before they took  
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1 over everything.” The testimonial continues, “I just finished making my six  
2 months’ payment for the loan forgiveness, so I’m able to move on with life.”

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4 31. In multiple instances, Defendants have told consumers their loan  
5 balances would be reduced by \$10,000 or \$20,000 under “Biden Loan  
6 Forgiveness” or some similar name (which consumers have understood to refer to  
7 the Biden-Harris Administration’s Student Loan Debt Relief Plan), if they paid a  
8 fee or made purported loan payments. For example, one consumer was told that  
9 “because I received a Pell Grant, my student loans would be forgiven up to  
10 \$20,000, if I paid a processing fee of \$375.” Another consumer was told that  
11 “under ‘the student loan forgiveness program’: (1) my student loan balance would  
12 be reduced by \$10,000 and (2) I would begin a new loan repayment plan starting  
13 with six monthly payments of \$250[.]”  
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17 32. In numerous instances, Defendants have told consumers that  
18 Defendants “work with,” are “affiliated with,” or are a “designated third-party” of,  
19 ED. For example, one consumer reports that Defendants said that “government  
20 agencies have been ‘overloaded with requests’ for federal student loan forgiveness,  
21 and that accordingly, SLFD Processing was ‘taking on some of these cases’ for the  
22 government.” Defendants have used these representations, along with claims that  
23 Defendants will send a verification code that is in fact from Federal Student Aid, to  
24 gain access to consumers’ Federal Student Aid accounts and personal information  
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1 to feign Defendants’ legitimacy and Defendants’ purported affiliation. In fact,  
2 multiple consumers report that they believed Defendants were affiliated with ED.  
3 Further, in multiple instances, Defendants have sent written communications to  
4 consumers stating “You have been accepted into The Student Loan Forgiveness  
5 Program . . . As we discussed this is a Government Funded Student Loan  
6 Forgiveness Program based on income & family size.” There is no federal student  
7 loan forgiveness program named “The Student Loan Forgiveness Program,” nor  
8 does any third-party receive government funding to administer such a program.  
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12 33. In numerous instances, Defendants have instructed consumers to stop  
13 payments to their loan servicers once they have enrolled in Defendants’ purported  
14 debt relief program. In some instances, Defendants have represented in calls to  
15 consumers that Defendants will be taking over or handling servicing of consumers’  
16 loans, and that payments should be made to Defendants as the “new” servicer. In  
17 other instances, Defendants have represented that Defendants will handle all loan-  
18 related communications with consumers’ servicers, including repayment, and that  
19 consumers should accordingly make all payments directly to Defendants to  
20 forward to consumers’ loan servicers.  
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24 34. In certain instances, Defendants have further instructed consumers to  
25 ignore notices from their loan servicers. One consumer reports that Defendants  
26 “warned me to ignore any notices from my loan servicer, Great Lakes, because the  
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28



1 loan servicer would ‘lose money’ under this arrangement and would try to dissuade  
2 me from taking advantage of the best deal.”

3  
4 35. In numerous instances, Defendants have also led consumers to believe  
5 that all or most of the consumers’ new, lower payments will be applied to their  
6 student loans. For example, one consumer reports that Defendants claimed they  
7 would “forward the \$10 monthly payments to my federal loan servicer.” In  
8 multiple instances, Defendants have written to consumers that, under Defendants’  
9 program, consumers “qualify for 6 payments of [the initial amount] & after that  
10 you qualify for payment of [the ongoing reduced payment amount] for the next 12  
11 months.”  
12  
13

#### 14 **Enrollment in Defendants’ Purported Debt Relief Program**

15  
16 36. Defendants have collected personal information, FSA PINs, and  
17 payment information from consumers interested in Defendants’ services, often  
18 representing that Defendants are affiliated with ED or part of a federal government  
19 program.  
20

21  
22 37. Shortly thereafter, Defendants email consumers an electronic contract  
23 with a payment authorization form, which allows Defendants to take automatic  
24 payments from consumers’ credit cards, debit cards, and bank accounts, as well as  
25 fine-print disclosures that the consumer is requested to sign electronically.  
26

27 Defendants require consumers to provide credit card, debit card, or bank account  
28

1 information to pay for their services. In numerous instances, Defendants use this  
2 information to create or caused to be created remotely created checks as payment  
3 for their debt relief services.  
4

5 38. Defendants immediately begin collecting up to six “initial” payments  
6 ranging from \$145 to \$300 per payment, and then collect ongoing monthly  
7 payments in another amount, typically ranging from \$50-\$200. Defendants have  
8 collected a total of approximately \$200 to \$500 for their debt relief services per  
9 consumer, which Defendants keep instead of using it towards paying off their  
10 customers’ student loan debt.  
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13 39. In numerous instances, Defendants have failed to enroll consumers in  
14 a repayment plan that reduced their monthly payments to a lower, specific amount  
15 or had their loan balances forgiven in whole or in part.  
16

17 40. In numerous instances, Defendants have failed to apply the majority,  
18 if any, of consumers’ payments to their loans. Many consumers report that  
19 Defendants made no payments towards their student loans.  
20

21 41. Defendants are not affiliated with ED or any government agency, nor  
22 is Defendants’ debt relief scheme part of any government program.  
23

24 42. Defendants are not federal loan servicers and, despite their  
25 representations to consumers, have not taken over servicing of consumers’ student  
26 loans or otherwise directed payments to consumers’ loan servicers.  
27  
28

1           43.   Based on the facts and violations of law alleged in this Complaint, the  
2 FTC has reason to believe that Defendants are violating or are about to violate laws  
3 enforced by the Commission.  
4

### 5                   **THE FTC ACT**

6           44.   Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or  
7 deceptive acts or practices in or affecting commerce.”  
8

9           45.   Misrepresentations or deceptive omissions of material fact constitute  
10 deceptive acts or practices prohibited by Section 5(a) of the FTC Act.  
11

### 12                   **VIOLATIONS OF THE FTC ACT**

#### 13                   **Count I**

#### 14                   **Deceptive Representations**

15  
16           46.   In numerous instances, in connection with the advertising, marketing,  
17 promotion, offering for sale, or sale of student loan debt relief services, Defendants  
18 have represented, directly or indirectly, expressly or by implication that:  
19

- 20           a.   Consumers who purchase Defendants’ debt relief services will be  
21           enrolled in a repayment plan that will reduce their monthly  
22           payments to a lower, specific amount or have their loan balances  
23           forgiven in whole or in part;  
24  
25           b.   Most or all of consumers’ monthly payments to Defendants will be  
26           applied toward consumers’ student loans;  
27  
28

1 c. Defendants are affiliated with ED or part of a federal government  
2 program; or

3 d. Defendants will assume responsibility for the servicing and  
4 repayment of consumers' student loans.  
5

6 47. In truth and in fact, in numerous instances in which Defendants have  
7 made the representations set forth in Paragraph 46 of this Complaint, such  
8 representations were false or not substantiated at the time Defendants made them.  
9

10 48. Therefore, Defendants' representations as set forth in Paragraph 48 of  
11 this Complaint are false or misleading and constitute deceptive acts or practices in  
12 violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).  
13

#### 14 **THE TELEMARKETING SALES RULE**

15 49. Congress directed the FTC to prescribe rules prohibiting abusive and  
16 deceptive telemarketing acts or practices pursuant to the Telemarketing Act, 15  
17 U.S.C. §§ 6101-6108. The FTC adopted the original TSR in 1995, extensively  
18 amended it in 2003, and amended certain provisions thereafter. 16 C.F.R. Part  
19 310.  
20  
21

22 50. Defendants are "seller[s]" or "telemarketer[s]" engaged in  
23 "telemarketing" as defined by the TSR, 16 C.F.R. § 310.2(dd), (ff), and (gg). A  
24 "seller" means any person who, in connection with a telemarketing transaction,  
25 provides, offers to provide, or arranges for others to provide goods or services to a  
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1 customer in exchange for consideration. 16 C.F.R. § 310.2(dd). A “telemarketer”  
2 means any person who, in connection with telemarketing, initiates or receives  
3 telephone calls to or from a customer or donor. 16 C.F.R. § 310.2(ff).  
4

5 “Telemarketing” means a plan, program, or campaign which is conducted to  
6 induce the purchase of goods or services or a charitable contribution, by use of one  
7 or more telephones and which involves more than one interstate telephone call. 16  
8 C.F.R. § 310.2(gg).  
9

10 51. Defendants are sellers or telemarketers of “debt relief services” as  
11 defined by the TSR, 16 C.F.R. § 310.2(o). Under the TSR, a “debt relief service”  
12 means any program or service represented, directly or by implication, to  
13 renegotiate, settle, or in any way alter the terms of payment or other terms of the  
14 debt between a person and one or more unsecured creditors, including, but not  
15 limited to, a reduction in the balance, interest rate, or fees owed by a person to an  
16 unsecured creditor or debt collector. 16 C.F.R. § 310.2(o).  
17  
18

19 52. The TSR prohibits sellers and telemarketers from requesting or  
20 receiving payment of any fees or consideration for any debt relief service until and  
21 unless:  
22

- 23  
24 a. The seller or telemarketer has renegotiated, settled, reduced, or  
25 otherwise altered the terms of at least one debt pursuant to a  
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1 settlement agreement, debt management plan, or other such  
2 valid contractual agreement executed by the customer;

3 b. The customer has made at least one payment pursuant to that  
4 settlement agreement, debt management plan, or other valid  
5 contractual agreement between the customer and the creditor;  
6  
7 and  
8

9 c. To the extent that debts enrolled in a service are renegotiated,  
10 settled, reduced, or otherwise altered individually, the fee or  
11 consideration either:  
12

13 i. Bears the same proportional relationship to the total fee  
14 for renegotiating, settling, reducing, or altering the terms  
15 of the entire debt balance as the individual debt amount  
16 bears to the entire debt amount. The individual debt  
17 amount and the entire debt amount are those owed at the  
18 time the debt was enrolled in the service; or  
19  
20

21 ii. Is a percentage of the amount saved as a result of the  
22 renegotiation, settlement, reduction, or alteration. The  
23 percentage charged cannot change from one individual  
24 debt to another. The amount saved is the difference  
25 between the amount owed at the time the debt was  
26  
27  
28

1 enrolled in the service and the amount actually paid to  
2 satisfy the debt. 16 C.F.R. § 310.4(a)(5)(i).

3  
4 53. The TSR prohibits sellers and telemarketers from misrepresenting  
5 directly or by implication, any material aspect of any debt relief service, including,  
6 but not limited to, the amount of money or the percentage of the debt amount that a  
7 customer may save by using the service. 16 C.F.R. § 310.3(a)(2)(x).  
8

9 54. The TSR prohibits sellers and telemarketers from creating or causing  
10 to be created, directly or indirectly, a remotely created payment order as payment  
11 for goods or services offered or sold through telemarketing. 16 C.F.R. §  
12 310.4(a)(9). A remotely created payment order includes a remotely created check.  
13  
14 16 C.F.R. § 310.2(cc).  
15

16 55. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. §  
17 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of  
18 the TSR constitutes an unfair or deceptive act or practice in or affecting commerce,  
19 in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).  
20  
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1 **VIOLATIONS OF THE TELEMARKETING SALES RULE**

2 **Count II**

3 **Advance Fee for Debt Relief Services**

4  
5 56. In numerous instances, in connection with the telemarketing of  
6 student loan debt relief services, Defendants have requested or received payment  
7 of a fee or consideration for debt relief services before:  
8

- 9 a. Defendants have renegotiated, settled, reduced, or otherwise  
10 altered the terms of at least one debt pursuant to a settlement  
11 agreement, debt management plan, or other such valid  
12 contractual agreement executed by the customer; and  
13  
14 b. The customer has made at least one payment pursuant to that  
15 settlement agreement, debt management plan, or other valid  
16 contractual agreement between the customer and the creditor.  
17  
18

19 57. Therefore, Defendants' acts or practices as set forth in Paragraph 56  
20 of this Complaint violate Section 310.4(a)(5)(i) of the TSR, 16 C.F.R. §  
21 310.4(a)(5)(i).  
22

23 **Count III**

24 **Material Debt Relief Misrepresentations**

25  
26 58. In numerous instances, in connection with the telemarketing of  
27 student loan debt relief services, Defendants have misrepresented, directly or  
28



1 indirectly, expressly or by implication, material aspects of their debt relief services,  
2 including, but not limited to that:

- 3
- 4 a. Consumers who purchase Defendants' debt relief services will be  
5 enrolled in a repayment plan that will reduce their monthly  
6 payments to a lower, specific amount or have their loan balances  
7 forgiven in whole or in part;  
8
- 9 b. Most or all of consumers' monthly payments to Defendants will be  
10 applied toward consumers' student loans;  
11
- 12 c. Defendants are affiliated with ED or part of a federal government  
13 program; or  
14
- 15 d. Defendants will assume responsibility for the servicing and  
16 repayment of consumers' student loans.  
17

18 59. Therefore, Defendants' acts or practices as set forth in Paragraph 58  
19 of this Complaint violate Section 310.3(a)(2)(x) of the TSR, 16 C.F.R. §  
20 310.3(a)(2)(x).  
21

## 22 **Count IV**

### 23 **Use of Remotely Created Checks**

24 60. In numerous instances, in connection with the telemarketing of debt  
25 relief services, Defendants have created or caused to be created, directly or  
26  
27  
28

1 indirectly, a remotely created payment order as payment for their debt relief  
2 services.

3  
4 61. Therefore, Defendants’ acts or practices as set forth in Paragraph 60  
5 of this Complaint violate Section 310.4(a)(9) of the TSR, 16 C.F.R. § 310.4(a)(9).

6  
7 **THE GLB ACT**

8 62. Section 521 of the GLB Act, 15 U.S.C. § 6821, became effective on  
9 November 12, 1999, and remains in full force and effect. Section 521(a) of the  
10 GLB Act, 15 U.S.C. § 6821(a), prohibits any person from “obtain[ing] or  
11 attempt[ing] to obtain . . . customer information of a financial institution relating to  
12 another person . . . by making a false, fictitious, or fraudulent statement or  
13 representation to a customer of a financial institution.”  
14  
15

16 63. The GLB Act defines “customer” to mean “with respect to a financial  
17 institution, any person (or authorized representative of a person) to whom the  
18 financial institution provides a product or service, including that of acting as a  
19 fiduciary.” 15 U.S.C. § 6827(1). The GLB Act defines “customer information of a  
20 financial institution” as “any information maintained by or for a financial  
21 institution which is derived from the relationship between the financial institution  
22 and a customer of a financial institution and is identified with the customer.” 15  
23 U.S.C. § 6827(2). The GLB Act defines “financial institution” to include “any  
24 institution engaged in the business of providing financial services to customers  
25  
26  
27  
28

1 who maintain a credit, deposit, trust, or other financial account or relationship with  
2 the institution.” 15 U.S.C. § 6827(4)(A).

3  
4 64. Section 522(a) of the GLB Act, 15 U.S.C. § 6822(a), empowers the  
5 FTC to enforce Section 521 of the GLB Act “in the same manner and with the  
6 same power and authority as the [FTC] has under the Fair Debt Collection  
7 Practices Act [FDCPA] . . . to enforce compliance with such Act.” Pursuant to  
8 Section 814(a) of the FDCPA, 15 U.S.C. § 1692l(a), a violation of the FDCPA is  
9 deemed an unfair or deceptive act or practice in violation of the FTC Act. Section  
10 814(a) of the FDCPA further provides that all of the functions and powers of the  
11 FTC under the FTC Act are available to the FTC to enforce compliance by any  
12 person with the FDCPA, including the powers to the enforce provisions of the  
13 FDCPA in the same manner as if the violation had been a violation of an FTC  
14 trade regulation rule. Section 19 of the FTC Act, 15 U.S.C. § 57b, authorizes this  
15 Court to grant such relief as the Court finds necessary to redress injury to  
16 consumers resulting from Defendants’ violations of the GLB Act, including but not  
17 limited to the rescission or reformation of contracts, and the refund of money or  
18 return of property.  
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1 **VIOLATIONS OF THE GLB ACT**

2 **Count V**

3 **Use of False Statements to Obtain Customer Information**

4  
5 65. In numerous instances, in connection with the advertising, marketing,  
6 promotion, offering for sale, or sale of student loan debt relief services, Defendants  
7 make false, fictitious, or fraudulent statements or representations to customers of  
8 financial institutions to obtain or attempt to obtain customer information of a  
9 financial institution, such as credit or debit card numbers, bank account numbers  
10 and routing numbers, including by representing, directly or indirectly, expressly or  
11 by implication, that:  
12  
13

- 14
- 15 a. Consumers who purchase Defendants’ debt relief services will be  
16 enrolled in a repayment plan that will reduce their monthly  
17 payments to a lower, specific amount or have their loan balances  
18 forgiven in whole or in part;
  - 19 b. Most or all of consumers’ monthly payments to Defendants will be  
20 applied toward consumers’ student loans;  
21
  - 22 c. Defendants are affiliated with ED or part of a federal government  
23 program; or  
24
  - 25 d. Defendants will assume responsibility for the servicing and  
26 repayment of consumers’ student loans.  
27  
28

1           66.   Therefore, Defendants’ acts or practices set forth in Paragraph 65  
2 violate Section 521(a) of the GLB Act, 15 U.S.C. § 6821(a).  
3

4                                   **CONSUMER INJURY**

5           67.   Consumers are suffering, have suffered, and will continue to suffer  
6 substantial injury as a result of Defendants’ violations of the FTC Act, the TSR,  
7 and the GLB Act. Absent injunctive relief by this Court, Defendants are likely to  
8 continue to injure consumers and harm the public interest.  
9

10                                   **PRAYER FOR RELIEF**

11           Wherefore, Plaintiff requests that the Court:  
12

13           A.   Grant preliminary injunctive and ancillary relief as may be necessary  
14 to avert the likelihood of consumer injury during the pendency of this action and to  
15 preserve the possibility of effective final relief, including temporary and  
16 preliminary injunctions, an order freezing assets, immediate access to Defendants’  
17 premises, and appointment of a receiver;  
18

19           B.   Enter a permanent injunction to prevent future violations of the FTC  
20 Act, the TSR, and the GLB Act by Defendants;  
21

22           C.   Award monetary and other relief within the Court’s power to grant,  
23 including the rescission or reformation of contracts, the refund of money, or other  
24 relief necessary to redress injury to consumers resulting from Defendants’  
25 violations of the FTC Act, the TSR, and the GLB Act; and  
26  
27  
28

1 D. Award any additional relief as the Court may determine to be just and  
2 proper.

3 Dated: August 14, 2023

4 Respectfully submitted,

5 

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