

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY  
Division of Law  
124 Halsey Street - 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, New Jersey 07101  
Attorney for Division of Consumer Affairs

**FILED**

JUN 7 2017

**Division of Consumer Affairs**

By: David M. Reap  
Deputy Attorney General  
Consumer Fraud Prosecution Section  
(973) 648-7819

STATE OF NEW JERSEY  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION OF CONSUMER AFFAIRS

In the Matter of

CONSUMER FINANCIAL  
RESOURCES, LLC d/b/a STUDENT  
LOAN RESOLVE,

Respondent.

Administrative Action

**CONSENT ORDER**

**WHEREAS** this matter was opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection (“Division”), as an investigation to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), have been or are being committed by Consumer Financial Resources, LLC d/b/a Student Loan Resolve, with a main business address of 860 Avenue F, Suite 104, Plano, Texas 75074 (“Student Loan Resolve” or “Respondent”), (hereinafter referred to as the “Investigation”);

**WHEREAS** the Division alleges that Respondent engaged in unconscionable commercial practices in violation of the CFA, N.J.S.A. 56:8-2, by Advertising, offering for Sale

and/or selling services in connection with the consolidation of student loans through the U.S. Department of Education without being licensed as a Debt Adjuster with the Commissioner of DOBI, as required by the Debt Adjustment and Credit Counseling Act, N.J.S.A. 17:16G-1 et seq. (“Debt Adjustment Act”);

**WHEREAS** Respondent denies that it was required to be licensed as a Debt Adjuster based on the services that it Advertises, offers for Sale and/or sells to Consumers;

**WHEREAS** the Division and Respondent (collectively, “Parties”) have reached an amicable agreement resolving the issues in controversy and concluding this Investigation without the need for further action, and Respondent has voluntarily cooperated and consented to the entry of the within order (“Consent Order”) without having admitted any violations of law or findings of fact, and for good cause shown:

**IT IS ORDERED** and **AGREED** as follows:

**1. EFFECTIVE DATE**

1.1 This Consent Order is effective on the date that it is filed with the Division (“Effective Date”).

**2. DEFINITIONS**

As used in this Consent Order, the following words or terms shall have the following meanings, which meanings shall apply wherever the words and terms appear in this Consent Order:

2.1 “Advertisement” shall be defined in accordance with N.J.S.A. 56:8-1(a), and includes the Student Loan Resolve Website. This definition applies to other forms of the word “Advertisement,” including “Advertise.”

2.2 “Affected Consumer” shall refer to the ninety-five (95) New Jersey Consumers who, as of December 16, 2016, had existing Client Service Agreements with Student Loan Resolve, and who are listed on Exhibit A.

2.3 “Attorney General” shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

2.4 “Consumer” shall refer to any Person who is offered Merchandise for Sale.

2.5 “Debt Adjuster” shall be defined in accordance with N.J.S.A. 17:16G-1(c).

2.6 “DOBI” shall refer to the New Jersey Department of Banking & Insurance.

2.7 “Merchandise” shall be defined in accordance with N.J.S.A. 56:8-1(c), and includes services in connection with the consolidation of student loans.

2.8 “New Jersey” and “State” shall refer to the State of New Jersey.

2.9 “New Jersey Consumer” shall refer to any Person residing and/or located in New Jersey.

2.10 “Person” shall be defined in accordance with N.J.S.A. 56:8-1(d).

2.11 “Restitution” shall refer to the method undertaken by Respondent to refund the Affected Consumers for the initial and/or recurring fees that they paid to Student Loan Resolve, which shall include mailing company checks, or, where necessary, providing reversals of credit card or debit card charges.

2.12 “Sale” shall be defined in accordance with N.J.S.A. 56:8-1(e).

2.13 “Client Service Agreement” shall refer to Student Loan Resolve’s Client Service Agreement and Acknowledgement.

2.14 “Student Loan Resolve Website” shall refer to the website located at

www.studentloanresolve.com, as well as any other website owned, maintained and/or operated by or on behalf of Respondent.

### **3. FACTUAL AND LEGAL BACKGROUND**

3.1 At all relevant times, Student Loan Resolve has Advertised, offered for Sale and/or sold services to Consumers in connection with consolidating student loans through the U.S Department of Education.

3.2 The Student Loan Resolve Website states that “it is a document management and document processing organization that manages, prepares and processes documents that enable [Consumers] to acquire a Direct Consolidation Loan provided from the U.S. Department of Education or a U.S. Department of Education Servicer, and [Student Loan Resolve] monitors federal programs for any updates or changes that [Consumers] may qualify for and benefit from.”

3.3 Student Loan Resolve charges Consumers an initial “Document Processing and Preparation Fee” of \$190.00, as well as a recurring “Monthly Pre-Paid Recertification Fee” of \$19.90 for every month that the Consumer is “enrolled” in the Student Loan Resolve “program,” which could extend up to “the life of the direct consolidation loan.”

3.4 Pursuant to the Client Service Agreements, the Affected Consumers paid Student Loan Resolve \$119,606.50 in initial and/or recurring fees.

3.5 The Debt Adjustment Act, specifically N.J.S.A. 17:16G-2a-b, provides that:

a. No person other than a nonprofit social service agency or a nonprofit consumer credit counseling agency shall act as a debt adjuster.

b. It shall be unlawful for any nonprofit social service agency or nonprofit consumer credit counseling agency to act as a debt

adjuster without first obtaining a license from the Commissioner of the Department of Banking pursuant to this act.

3.6 The Debt Adjustment Act, specifically N.J.S.A. 17:16G-1, defines a “debt adjuster” as:

a person who either (a) acts or offers to act for a consideration as an intermediary between a debtor and his creditors for the purpose of settling, compounding, or otherwise altering the terms of payment of any debts of the debtor, or (b) who, to that end, receives money or other property from the debtor, or on behalf of the debtor, for payment to, or distribution among, the creditors of the debtor.

#### **4. REQUIRED AND PROHIBITED BUSINESS PRACTICES**

4.1 Respondent shall not engage in any unfair or deceptive acts or practices in the conduct of any business in New Jersey and shall comply with such State and/or Federal laws, rules and regulations as now constituted or as may hereafter be amended, including the CFA.

4.2 Respondent shall cease and desist from engaging in the Advertisement, offer for Sale and/or Sale of services in connection with the consolidation of student loans to New Jersey Consumers, unless and until it is licensed as a Debt Adjuster with the Commissioner of DOBI, subject to Section 7.10.

4.3 Respondent shall cease and desist from entering into any Client Services Agreements or other agreements for services in connection with the consolidation of student loans with New Jersey Consumers, unless and until it is licensed as a Debt Adjuster with the Commissioner of DOBI, subject to Section 7.10.

4.4 Respondent shall include a Clear and Conspicuous statement on the Student Loan Resolve Website that Respondent does not offer for Sale and/or sell services in connection with the consolidation of student loans to New Jersey Consumers. In the event that Respondent is

granted a license as a Debt Adjuster with the Commissioner of DOBI, Respondent may remove this disclosure from the Student Loan Resolve Website.

**Existing Contracts with 95 New Jersey Consumers:**

4.5 On the Effective Date, all Client Services Agreements between Respondent and the Affected Consumers shall be null and void.

4.6 On or before the Effective Date, Respondent shall cease and desist from charging the Affected Consumers any recurring “Monthly Pre-Paid Recertification Fees” of \$19.90 or other fees under the Client Services Agreements.

4.7 Within five (5) days of the Effective Date, Respondent shall notify the Affected Consumers, in writing, that: (a) it has ceased providing services in connection with the consolidation of student loans to New Jersey Consumers; (b) the Client Services Agreements are null and void; and (3) it will collect no further payments under the Client Services Agreement.

**5. MONITORING FOR COMPLIANCE**

5.1 Respondent shall provide written notice to the Division in the event that it: (a) submits an application to become licensed as a Debt Adjuster with the Commissioner of DOBI, which shall include a copy of such application, and any attachments thereto; (b) is granted a license as a Debt Adjuster with the Commissioner of DOBI, which shall include a copy of the license; and/or (c) commences activity as a licensed Debt Adjuster in New Jersey. Respondent shall provide the above-referenced written notice within five (5) days of the occurrence of any event described in (a), (b) or (c).

5.2 In the event that Respondent submits an application to become licensed as a Debt Adjuster with the Commissioner of DOBI, the Division will not object to Respondent being

granted a license based on the Investigation, if at that time Respondent is in compliance with the terms of this Consent Order.

## **6. WITHDRAWAL OF NOV**

6.1 Upon the filing of this Consent Order, the Division will withdraw the Notice of Violation and Offer of Settlement (“NOV”) issued to Student Loan Resolve on March 28, 2016.

## **7. SETTLEMENT PAYMENT**

7.1 The Parties have agreed to a settlement of the Investigation in the amount of One Hundred Nineteen Thousand Six Hundred and Six and 50/100 Dollars (\$119,606.50), which consists of Restitution, pursuant to N.J.S.A. 56:8-8 (“Restitution Payment”).

7.2 Respondent shall make the Restitution Payment to the Affected Consumers in the following manner:

- (a) On or before June 15, 2017, Respondent shall provide Restitution to Affected Consumer Nos. 1 through 12 (“Affected Consumer Group 1”) for the amounts due to them as listed on Exhibit A, in the aggregate amount of Nine Thousand One Hundred Thirty-Eight and 60/100 Dollars (\$9,138.60);
- (b) On or before September 15, 2017, Respondent shall provide Restitution to Affected Consumer Nos. 13 through 24 (“Affected Consumer Group 2”) for the amounts due to them as listed on Exhibit A, in the aggregate amount of Twelve Thousand Nine Hundred Two and 00/100 Dollars (\$12,902.00);
- (c) On or before December 15, 2017, Respondent shall provide Restitution to Affected Consumer Nos. 25 through 36 (“Affected Consumer Group 3”) for the amounts due to them as listed on Exhibit A, in the aggregate amount of Fifteen Thousand Six Hundred Twenty-Seven and 40/100 Dollars (\$15,627.40);
- (d) On or before March 15, 2018, Respondent shall provide Restitution to Affected Consumer Nos. 37 through 48 (“Affected Consumer Group 4”) for the amounts due to them as listed on Exhibit A, in the aggregate amount of Fifteen Thousand Three Hundred Twenty-Seven and 79/100 Dollars (\$15,327.79);
- (e) On or before June 15, 2018, Respondent shall provide Restitution to Affected Consumer Nos. 49 through 60 (“Affected Consumer Group 5”) for the amounts

due to them as listed on Exhibit A, in the aggregate amount of Twenty Thousand Five Hundred Four and 32/100 Dollars (\$20,504.32);

- (f) On or before September 15, 2018, Respondent shall provide Restitution to Affected Consumer Nos. 61 through 72 ("Affected Consumer Group 6") for the amounts due to them as listed on Exhibit A, in the aggregate amount of Fourteen Thousand Eight Hundred Forty-Nine and 99/100 Dollars (\$14,849.99);
- (g) On or before December 15, 2018, Respondent shall provide Restitution to Affected Consumer Nos. 73 through 84 ("Affected Consumer Group 7") for the amounts due to them as listed on Exhibit A, in the aggregate amount of Eighteen Thousand One Hundred Forty-Three and 10/100 Dollars (\$18,143.10); and
- (h) On or before March 15, 2018, Respondent shall provide Restitution to Affected Consumer Nos. 85 through 95 ("Affected Consumer Group 8") for the amounts due to them as listed on Exhibit A, in the aggregate amount of Thirteen Thousand One Hundred and Thirteen Dollars and 30/100 (\$13,113.30).

7.3 Within thirty (30) days of Respondent providing Restitution to Affected Consumer Groups 1, 2, 3, 4, 5, 6, 7 and 8 pursuant to Section 7.2(a), (b), (c), (d), (e), (f), (g) and (h); Respondent shall submit a Certification to the Division concerning the Restitution provided to the applicable group of Affected Consumers (e.g. Affected Consumer Group 1). The Certification shall include a list of the names of the Affected Consumers to whom Respondent provided Restitution, the amount of the Restitution provided, and the method by which the Restitution was provided (i.e., by company check, or, where necessary, reversal of credit card or debit card charges). If applicable, the Certification shall also include a list of the names of the Affected Consumers for whom Respondent was unable to provide Restitution, and recite the efforts Respondent undertook to locate those Affected Consumers and provide them with Restitution.

7.4 Within sixty (60) days of Respondent providing Restitution to Affected Consumer Group 8 pursuant to Section 7.2(h), Respondent shall provide the Division with a final



accounting of its distribution of Restitution to the Affected Consumers, which shall include a list of the names of the Affected Consumers who were provided Restitution, the amount of Restitution provided, the method by which the Restitution was provided (i.e., by company check, or, where necessary, reversal of credit card or debit card charges), and the reference number for the transaction through which the Restitution was provided (i.e., company check number, or credit card or debit card transaction number). For those Affected Consumers who were provided Restitution through company checks, Respondent shall confirm that such checks have been cashed or deposited. If applicable, the accounting shall identify those Affected Consumers for whom Respondent was unable to distribute Restitution and/or whose checks were not cashed or deposited.

7.5 Simultaneously with Respondent providing the Division with a final accounting pursuant to Section 7.4, Respondent shall remit to the Division the aggregate amount of the Restitution Payment that could not be distributed , which shall include the amount of any checks that were not cashed or deposited by the Affected Consumers (“Residual Settlement Payment”).

7.6 Respondent shall remit the Residual Settlement Payment by certified check, cashier’s check, money order, credit card or wire transfer payable to the “New Jersey Division of Consumer Affairs” and forwarded to:

Case Management Tracking  
New Jersey Department of Law and Public Safety  
Division of Consumer Affairs  
124 Halsey Street  
P.O. Box 45025  
Newark, New Jersey 07101  
Attention: Van Mallett, Lead Investigator

7.7 Upon remittance of the Residual Settlement Payment to the Division, Respondent shall immediately be fully divested of any interest in, or ownership of, the moneys paid. The Division shall apply the Residual Settlement Payment to Consumer education and outreach efforts regarding applying for and repaying student loans.

7.8 In the event that Respondent fails to comply with the Restitution Payment Schedule as set forth in Section 7.2, the Division shall provide Respondent with written notice requiring that payment of the outstanding balance of the Restitution Payment be made to the Division. In any such notice, however, Respondent shall be afforded a ten (10) day period from receipt of the notice within which to cure the non-compliance by distributing all overdue Restitution to Affected Consumers in accordance with Section 7.2 (“Cure Period”).

7.9 In the event that Respondent fails to cure the non-compliance within the Cure Period, the outstanding balance of the Restitution Payment shall be immediately due and payable to the Division. In the event that Respondent fails to make such payment, the Division may file a Certificate of Debt for the outstanding balance of the Restitution Payment.

7.10 Further, in the event that Respondent fails to make payment of the outstanding balance of the Restitution to the Division when required to do so pursuant to Section 7.9, Respondent, as well as its successors, affiliates and assigns, whether such entities are in existence on the Effective Date, or created thereafter, shall: (a) cease and desist from engaging in the Advertisement, offering for Sale and/or Sale of Merchandise in the State, Including services in connection with the consolidation of student loans; and (b) voluntarily relinquish any license as a Debt Adjuster with the Commissioner of DOBI.

7.11 Respondent acknowledges that the Restitution Payment is a nondischargeable debt under 11 U.S.C. §523(a)(7).

## **8. GENERAL PROVISIONS**

8.1 This Consent Order is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed by this Consent Order.

8.2 This Consent Order shall be governed by, and construed and enforced in accordance with, the laws of New Jersey.

8.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Consent Order and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Consent Order.

8.4 This Consent Order contains the entire agreement among the Parties. Except as otherwise provided herein, this Consent Order shall be modified only by a written instrument signed by or on behalf of the Parties.

8.5 Except as otherwise explicitly provided in this Consent Order, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of New Jersey or the people of New Jersey.

8.6 If any portion of this Consent Order is held invalid or unenforceable by operation of law, the remaining terms of this Consent Order shall not be affected.

8.7 The required business practices set forth in Section 4 shall be binding upon Respondent as well as its owners, officers, directors, shareholders, members, founders, managers, agents, servants, employees, representatives, successors, affiliates and assigns and any

entity or device through which it may now or hereafter act, as well as any Persons who have authority to control or who, in fact, control and direct its business. The obligation to make the Restitution Payment and, if applicable, the Residual Settlement Payment, shall be binding upon Respondent as well as its successors, affiliates and assigns, whether such entities are in existence on the Effective Date, or created thereafter.

8.8 This Consent Order shall be binding upon the Parties and their successors in interest. In no event shall assignment of any right, power or authority under this Consent Order avoid compliance with this Consent Order.

8.9 This Consent Order is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Consent Order shall be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of the Respondent; or (b) an admission by Respondent that any of its acts or practices described in or prohibited by this Consent Order are unfair or deceptive or violate the CFA, or any New Jersey or Federal laws. Neither the existence of, nor the terms of this Consent Order, shall be deemed to constitute evidence or precedent of any kind except in: (a) any action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms herein; or (b) any action or proceeding involving a Released Claim (as defined in Section 10) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

8.10 Unless otherwise prohibited by law, any signatures by the Parties required for filing of this Consent Order may be executed in counterparts, each of which shall be deemed an

original, but all of which shall together be one and the same Consent Order.

8.11 This Consent Order is a public document subject to the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

## **9. REPRESENTATIONS AND WARRANTIES**

9.1 The Parties represent and warrant that an authorized representative of each has signed this Consent Order with full knowledge, understanding and acceptance of its terms and that the representative has done so with authority to act for and legally bind the respective Party.

9.2 Respondent represents and warrants that it has fully read and understands this Consent Order, and that there are no other representations and agreements not stated in writing herein.

## **10. RELEASE**

10.1 In consideration of the payments, undertakings, mutual promises and obligations provided for in this Consent Order and conditioned on Respondent making the Settlement Payment in the manner specified in Section 7, the Division hereby agrees to release Respondent from any and all civil claims or Consumer related administrative claims, to the extent permitted by New Jersey law, which the Division could have brought prior to the Effective Date against Respondent for violations of the CFA arising out of the Investigation, as well as the matters specifically addressed in this Consent Order (“Released Claims”).

10.2 Notwithstanding any term of this Consent Order, the following do not comprise Released Claims: (a) private rights of action, provided, however, that nothing herein shall prevent Respondent from raising the defense of set-off against an Affected Consumer who has received Restitution pursuant to Section 7; (b) actions to enforce this Consent Order; and (c) any

claims against Respondent by any other agency or subdivision of the State.

### **11. PENALTIES FOR FAILURE TO COMPLY**

11.1 The Attorney General (or designated representative) shall have the authority to enforce the provisions of this Consent Order or to seek sanctions for violations hereof or both.

### **12. COMPLIANCE WITH ALL LAWS**

12.1 Except as provided in this Consent Order, no provision herein shall be construed as:

- (a) Relieving Respondent of its obligation to comply with all New Jersey and Federal laws, regulations or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by any such laws, regulations or rules; or
- (b) Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Respondent pursuant to any New Jersey or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Respondent may otherwise have pursuant to any New Jersey or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

### **13. NOTICES UNDER THIS CONSENT ORDER**

13.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Division or Respondent pursuant to this Consent Order shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides for tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

For the Division:

David M. Reap, Deputy Attorney General  
Consumer Fraud Prosecution Section

State of New Jersey  
Department of Law and Public Safety  
Division of Law  
124 Halsey Street – 5<sup>th</sup> Floor  
Newark, New Jersey 07101

For Respondent:

Richard A. West, Esq.  
The Law Office of Richard A. West, LLC  
180 River Road, P.O. Box 165  
Summit, New Jersey 07901

IT IS ON THE 7<sup>th</sup> DAY OF June, 2017 SO  
ORDERED.

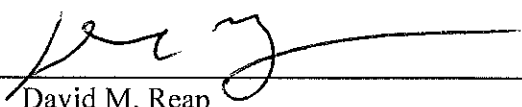
CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY

By:   
STEVE C. LEE, DIRECTOR  
DIVISION OF CONSUMER AFFAIRS

**THE PARTIES CONSENT TO THE FORM, CONTENT AND ENTRY OF THIS  
CONSENT ORDER ON THE DATES BESIDE THEIR RESPECTIVE SIGNATURES.**

FOR THE DIVISION:

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY

By:   
\_\_\_\_\_  
David M. Reap  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: 6/6, 2017

124 Halsey Street – 5th Floor  
P.O. Box 45029  
Newark, New Jersey 07101

FOR THE RESPONDENT:

THE LAW OFFICE OF RICHARD A. WEST, LLC

By: \_\_\_\_\_  
Richard A. West, Esq.

Dated: \_\_\_\_\_, 2017

180 River Road, P.O. Box 165  
Summit, New Jersey 07901

CONSUMER FINANCIAL RESOURCES  
d/b/a STUDENT LOAN RESOLVE

By: \_\_\_\_\_  
Scott M. Freda, President

Dated: \_\_\_\_\_, 2017

860 Avenue F, Suite 104  
Plano, Texas 75074



THE PARTIES CONSENT TO THE FORM, CONTENT AND ENTRY OF THIS  
CONSENT ORDER ON THE DATES BESIDE THEIR RESPECTIVE SIGNATURES.

FOR THE DIVISION:

CHRISTOPHER S. PORRINO  
ATTORNEY GENERAL OF NEW JERSEY

By: \_\_\_\_\_ Dated: \_\_\_\_\_, 2017  
David M. Reap  
Deputy Attorney General  
Consumer Fraud Prosecution Section  
  
124 Halsey Street - 5th Floor  
P.O. Box 45029  
Newark, New Jersey 07101

FOR THE RESPONDENT:

THE LAW OFFICE OF RICHARD A. WEST, LLC

By: Richard A. West Dated: 6/6, 2017  
Richard A. West, Esq.  
  
180 River Road, P.O. Box 165  
Summit, New Jersey 07901

CONSUMER FINANCIAL RESOURCES  
d/b/a STUDENT LOAN RESOLVE

By: Scott M. Freda Dated: 6/14, 2017  
Scott M. Freda, President  
  
860 Avenue F, Suite 104  
Plano, Texas 75074