

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF BURLEIGH

SOUTH CENTRAL JUDICIAL DISTRICT

STATE OF NORTH DAKOTA EX REL.  
WAYNE STENEHJEM,  
ATTORNEY GENERAL,

Civil No. 08-2017-CV-02411

Petitioner,

ASSURANCE OF  
VOLUNTARY COMPLIANCE

-vs-

STUDENT LOAN COUNSEL

Respondent

CPAT 170047.002

To: STUDENT LOAN COUNSEL  
17011 BEACH BOULEVARD SUITE 822  
HUNTINGTON BEACH, CA 92647

1. WHEREAS Wayne Stenehjem, Attorney General of the State of North Dakota (hereinafter "the Attorney General") acts in the public interest pursuant to North Dakota Century Code (N.D.C.C.) chs. 51-15 (commonly known as the "Consumer Fraud Law") and 13-11 (commonly referred to as the "Debt-Settlement Providers Law");

2. WHEREAS Respondent Student Loan Counsel (hereinafter "Respondent") is a California company with a principal place of business located at 17011 Beach Boulevard Suite 822, Huntington Beach, CA 92647. Respondent is not registered in the State of North Dakota.

3. WHEREAS Respondent has engaged in the business of advertising, soliciting or selling merchandise, as that term is defined in N.D.C.C. § 51-15-01, including document preparation services, to residents in North Dakota and elsewhere;

4. WHEREAS the Attorney General has determined that, in the public interest, an investigation should be conducted into the activities of Respondent to ascertain whether violations of N.D.C.C. chs. 51-15 and 13-11 have occurred;

5. WHEREAS it is unlawful for any person to act as a debt-settlement provider except as authorized by N.D.C.C. ch. 13-11 and without first having obtained a license under N.D.C.C. ch. 13-11.

6. WHEREAS the Attorney General alleges that Respondent has violated N.D.C.C. ch. 13-11.

7. WHEREAS the Respondent does not admit to any violations of North Dakota law.

8. WHEREAS the parties desire to settle this matter without further investigation, litigation or adjudication; NOW, THEREFORE, it is hereby agreed as follows:

9. This Assurance of Voluntary Compliance shall constitute the statutory Assurance of Voluntary Compliance as provided in N.D.C.C. § 51-15-06.1. Respondents acknowledge *in personam* jurisdiction in North Dakota and agree the forum of any action in connection with this agreement shall be in the State courts of North Dakota. Nothing in this Assurance of Voluntary Compliance is, or may be represented as, an approval or endorsement of Respondent or its business practices, nor a grant of any affirmative right to Respondent. Nothing in this Assurance of Voluntary Compliance is intended to waive any rights or private remedies available to consumers.

10. Respondent, its directors, officers, principals, employees, agents, and servants, and all other persons in active concert or participation with them, voluntarily agrees to be, and hereby is, permanently enjoined from engaging in any violations of N.D.C.C. chs. 51-15.

11. Respondent, its directors, officers, principals, employees, agents, and servants, and all other persons in active concert or participation with it, voluntarily agrees to be, and hereby is, permanently enjoined from engaging in any violations of N.D.C.C. ch. 13-11, and agree to comply with N.D.C.C. ch. 13-11 before engaging in business activities in North Dakota.

12. Upon execution of this agreement, Respondent will cancel any existing agreements it has with Kayla Bruning and will issue a complete refund to Kayla Bruning of all amounts not already refunded, if any.

13. Upon execution of this agreement, Respondent shall cancel and refund all existing agreements with North Dakota consumers and shall, in writing, notify all the consumers, through a letter, subject to approval by the Office of the Attorney General, giving the consumer notice that the consumer's contract with Respondent has been cancelled. Respondent shall also, at the same time, provide the consumer with a complete refund of all amounts the consumer has paid to Respondent.

14. Upon execution of this agreement, Respondent shall provide to the Attorney General a list of all its existing North Dakota customers, including the consumer's name, address, phone number, date of contract, total amount of contracts, and amount the consumer has paid to Respondent. Respondent shall provide to the

Attorney General a copy all letters sent out to consumers under paragraph 13 and proof of all refunds paid.

15. Upon execution of this agreement, Respondent shall make a payment to the Attorney General in the sum of \$2,000 in civil penalties, investigation costs and attorney fees, provided, however, that \$1,000 of the payment shall be suspended as long as Respondent complies with the terms of this Assurance of Voluntary Compliance. Payment shall be the form of a certified check or money order payable to **Office of Attorney General – North Dakota**, and delivered to:

Elin S. Alm  
Assistant Attorney General  
Consumer Protection  
& Antitrust Division  
Office of Attorney General  
Gateway Professional Center  
1050 E Interstate Ave, Ste 200  
Bismarck, ND 58503-5574  
ealm@nd.gov

16. Respondent agrees it will comply with this Assurance of Voluntary Compliance and further acknowledges and agrees any violations of this Assurance of Voluntary Compliance, as determined by a State of North Dakota District Court, shall be punishable as contempt of court pursuant to N.D.C.C. ch. 27-10 and Respondent further may be subject to all other civil penalties and sanctions provided by law, including attorney fees and costs. Respondent agrees to pay a civil penalty of at least \$1,000 per violation for any violations of this Assurance of Voluntary Compliance, or any future violations of N.D.C.C. chs. 51-15 or 13-11; provided, however, the Attorney General shall not be precluded from seeking more than \$1,000 per violation, or any other remedies provided in N.D.C.C. ch. 51-15 and/or 13-11, or other North Dakota law.

17. If Respondent is adjudged in contempt of court for violations of this Assurance of Voluntary Compliance, adjudged in violation of this Assurance of Voluntary Compliance or adjudged in violation of N.D.C.C. chs. 51-15 or 13-11, said Respondent shall also be responsible for payment to the Attorney General for reasonable investigation costs, expenses and attorney fees.

18. In the event of a breach of this Assurance of Voluntary Compliance, the Attorney General may make application to a State of North Dakota District Court to have the entire amount still owing under the Assurance of Voluntary Compliance entered as a formal judgment so it may be filed on the judgment roll and docketed pursuant to North Dakota law. See N.D.C.C. §§ 28-20-11, -12 and -13. Respondent agrees that an Affidavit of Non-Compliance of the Office of Attorney General shall be *prima facie* evidence of each violation of this Assurance of Voluntary Compliance.

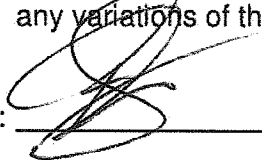
19. Respondent represents the signer below is competent and fully authorized to act on behalf of Respondent. Respondent acknowledges it has been provided the opportunity to review this Assurance of Voluntary Compliance with an attorney, understands the implications and obligations imposed by it and has freely and willingly entered into this Assurance of Voluntary Compliance. Respondent further acknowledges and agrees this Assurance of Voluntary Compliance may be approved by and filed with the State of North Dakota District Court without any further notice or hearing. Respondent agrees to and acknowledges the sufficiency of service by facsimile, and/or first-class mail at its last-known address, with respect to any and all actions taken with regard to this Assurance of Voluntary Compliance. Signatures transmitted electronically or via facsimile by Respondent shall be deemed the

equivalent of original signatures; this document may be executed in counterparts, with each counterpart deemed an original.

Dated this 17<sup>th</sup> day of August, 2017.

**STUDENT LOAN COUNSEL**

(including all "doing business as" names, formal corporate names, fictitious names of any kind or any variations of the same)

By:  \_\_\_\_\_

Rich Silva  
(print name)

Its: ORMO  
(title)

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**SEE ATTACHED FOR NOTARY**  
Notary Public 8-17-17

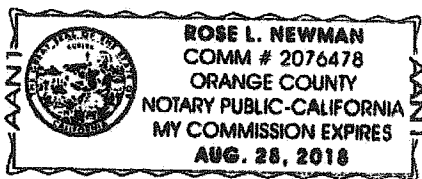
**JURAT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of ORANGE } ss.

Subscribed and sworn to (or affirmed) before me on this 17<sup>th</sup> day of AUGUST, 2017, by HENRIQUE SILVA, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



(seal)

R. Newman  
Signature of Notary

**OPTIONAL INFORMATION**

Date of Document AUGUST 17, 2017 Thumbprint of Signer

Type or Title of Document

ASSURANCE OF VOLUNTARY COMPLIANCE

Number of Pages in Document

10 + 1

Document in a Foreign Language

Type of Satisfactory Evidence:

- Personally Known with Paper Identification
- Paper Identification
- Credible Witness(es)

Capacity of Signer:

- Trustee
- Power of Attorney
- CEO / CFO / COO
- President / Vice-President / Secretary / Treasurer
- Other: \_\_\_\_\_

Check here if no thumbprint or fingerprint is available.

Other Information: \_\_\_\_\_

This Assurance of Voluntary Compliance is hereby received and accepted.

Dated this 18<sup>th</sup> day of August, 2017.

**STATE OF NORTH DAKOTA**

Wayne Stenehjem  
Attorney General

By: 

Elin S. Alm, NDBN 05924  
Assistant Attorney General  
Consumer Protection & Antitrust Division  
Gateway Professional Center  
1050 E Interstate Ave, Ste 200  
Bismarck, ND 58503--5574  
Telephone (701) 328-5570  
Facsimile (701) 328-5568  
ealm@nd.gov

Attorneys for Petitioner