

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. _____

Petitioner,

ASSURANCE OF
VOLUNTARY COMPLIANCE

-vs-

STUDENTS LOAN SERVICES, LLC

Respondent.

CPAT 190172.002

To: STUDENTS LOAN SERVICES, LLC
1905 E 17TH ST
SANTA ANA, CA 92705

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"), 13-11 (commonly referred to as the "Debt-Settlement Providers Law"), and 51-18 (commonly referred to as the "Home Solicitation Sales Statute");

2. WHEREAS Students Loan Services, LLC (hereinafter "Respondent") is a California Limited Liability Company, with its principal place of business located at 1905 E 17th St Santa Ana, CA 92705. Respondent is not registered in the State of North Dakota;

3. WHEREAS Respondent is engaged in the business of advertising, soliciting or selling merchandise, as that term is defined in N.D.C.C. § 51-15-01, including student loan relief 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, 51-18 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 by acting as a debt-settlement provider in North Dakota without the required license;

7. WHEREAS N.D.C.C. ch. 51-18 regulates home solicitation sales and requires, among other things, that sellers provide North Dakota consumers with both verbal and written notice of cancellation rights;

8. WHEREAS the Attorney General received complaints and other information indicating that Respondent may be selling merchandise to consumers without complying with the requirement of North Dakota's Home Solicitation Statute, N.D.C.C. ch. 51-18;

9. WHEREAS a violation of N.D.C.C. chs. 13-11 or 51-18 is a violation of N.D.C.C. ch. 51-15;

10. WHEREAS as a result of this investigation the Attorney General alleges Respondent has violated N.D.C.C. chs. 51-15, 13-11 and 51-18; and

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

12. 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.

13. Respondent, its directors, officers, principals, employees, agents, contractors, servants and all other persons in active concert or participation with it, directly or indirectly, voluntarily agrees to be and is permanently enjoined from engaging in violations of N.D.C.C. chs. 51-15 and 51-18.

14. 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, including its licensing requirements, before acting as a debt-settlement provider in North Dakota.

15. Upon execution of this agreement, Respondent will cancel any existing agreements it has with Evelyn Brown and will issue a complete refund to Evelyn Brown of all amounts not already refunded.

16. Upon execution of this agreement, Respondent agrees to cancel and fully refund any contract with any existing North Dakota customers who make a cancellation

and refund request to Respondent or the Attorney General within one hundred and eighty (180) days of the Court's approval of this Assurance of Voluntary Compliance. Respondent shall promptly provide the Attorney General with proof of any such cancellations and refunds upon the Attorney General's request. The Attorney General agrees that the Respondent may continue to service all existing North Dakota customers who have not made a cancellation and refund request through the expiration of their existing contracts with Respondent. Such continued service by Respondent to existing North Dakota customers shall not be a violation of this Assurance of Voluntary Compliance.

17. Upon execution of this agreement, Respondent shall provide to the Attorney General a list of all its 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.

18. Upon execution of this agreement, Respondent shall make a payment to the Attorney General in the sum of \$5,000 in civil penalties, investigation costs and attorney fees. 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

19. 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, 51-18, 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, 51-18 and/or 13-11, or other North Dakota law.

20. 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, 51-18, or 13-11, said Respondent shall also be responsible for payment to the Attorney General for reasonable investigation costs, expenses and attorney fees.

21. 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.

22. 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 8th day of June, 2020.

STUDENTS LOAN SERVICES, LLC

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

By: 

Gianni Olilang
(print name)


Its: Member
(title)

This Assurance of Voluntary Compliance is hereby received and accepted.

Dated this 10th day of June, 2020.

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