

STATE OF ILLINOIS
IN THE CIRCUIT COURT OF COOK COUNTY
COUNTY DEPARTMENT - CHANCERY DIVISION

THE PEOPLE OF THE STATE OF
ILLINOIS,

Plaintiff,

v.

NATIONAL STUDENT LOAN RESCUE,
LLC, an Illinois Limited Liability
Company;

GREGORY KEWIN, individually;

Defendants.

Case No.

2016CH03196
CALENDAR/ROOM 09
TIME 00:00
Injunction

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

NOW COMES the Plaintiff, THE PEOPLE OF THE STATE OF ILLINOIS, by Lisa Madigan, Attorney General of the State of Illinois, and brings this action for injunctive and other relief against Defendant NATIONAL STUDENT LOAN RESCUE, LLC (“NSLR”), an Illinois limited liability company, and Defendant GREGORY KEWIN (“KEWIN”), individually, for violations of the Consumer Fraud and Deceptive Business Practices Act (“Consumer Fraud Act”), 815 ILCS 505/1 *et seq.*, and the Debt Settlement Consumer Protection Act (“Debt Settlement Act”), 225 ILCS 429/1 *et seq.*

FILED-1
2016 MAR -4 PM 3:49
CIRCUIT COURT OF COOK COUNTY
CHANCERY DIVISION

NATURE OF THE CASE

1. National Student Loan Rescue, LLC is a student loan debt settlement and relief company that advertises a wide-range of student loan relief services, such as the ability to lower monthly

payments, remove wage garnishments, remove loan default statuses, and secure student loan debt forgiveness.

2. Yet, in truth and in fact, National Student Loan Rescue, LLC, does not have the ability to provide the student loan relief services advertised and does little more than complete applications to federal borrower assistance programs that are already available to consumers for free through the United States Department of Education.

3. National Student Loan Rescue, LLC, targets financially vulnerable consumers with student loan debt in Illinois, and throughout the United States.

PUBLIC INTEREST

4. The Illinois Attorney General believes this action to be in the public interest of the citizens of the State of Illinois and brings this lawsuit pursuant to the Consumer Fraud Act, and the Debt Settlement Act. *See* 815 ILCS 505/7(a); 225 ILCS 429/85.

JURISDICTION AND VENUE

5. This Complaint for Injunctive and Other Relief (hereinafter “Complaint”) is brought for and on behalf of THE PEOPLE OF THE STATE OF ILLINOIS, by Lisa Madigan, Attorney General of the State of Illinois, pursuant to the provisions of the Consumer Fraud Act, 815 ILCS 505/1 *et seq.*, and the Debt Settlement Act, 225 ILCS 429/1 *et seq.*

6. Venue for this action properly lies in Cook County, Illinois, in that Defendants do business in Cook County. *See* 735 ILCS 5/2-101.

PARTIES

7. Plaintiff, the Illinois Attorney General, on behalf of THE PEOPLE OF THE STATE OF ILLINOIS, is authorized to enforce the Consumer Fraud Act and the Debt Settlement Act. 815 ILCS 505/7(a); 225 ILCS 429/85.

8. NSLR is an Illinois limited liability company in good standing that provides student loan debt settlement and relief services. Its principal place of business is located at 1920 South Highland Avenue, Suite 333, Lombard, Illinois. NSLR was formed, among others, by Defendant KEWIN on April 18, 2014.

9. Defendant KEWIN, of St. Charles, Illinois, is a principal and member of NSLR. In addition to forming NSLR, KEWIN participated in its day-to-day operations, including taking sales calls and providing customer service. His principal office or place of business is the same as that of NSLR, located at 1920 South Highland Avenue, Suite 333, Lombard, Illinois.

10. For purposes of this Complaint, NSLR, its employees, agents, representatives, all persons or entities directly or indirectly under its control, and all persons or entities acting in concert or in active participation with NSLR, shall be collectively referred to as “Defendants.”

TRADE AND COMMERCE

11. The Consumer Fraud Act defines “trade” and “commerce” as follows:

The terms ‘trade’ and ‘commerce’ mean the advertising, offering for sale, sale, or distribution of any services and any property, tangible or intangible, real, personal, or mixed, and any other article, commodity, or thing of value wherever situated, and shall include any trade or commerce directly or indirectly affecting the people of this State.

815 ILCS 505/1(f).

12. At all times relevant to this Complaint, Defendants engaged in trade and commerce in the State of Illinois by advertising, soliciting, offering for sale, and selling student loan debt settlement and relief services to consumers in Illinois and elsewhere.

BACKGROUND

Federal Student Loans: Debt Consolidation & Forgiveness

13. Federal student loans, as administered by the United States Department of Education

(“USDOE”), include both debt consolidation and forgiveness programs.

14. Federal student loan consolidation allows borrowers to combine multiple outstanding loans into a single loan—a “Direct Consolidation Loan”—simplifying the repayment process.

15. Opting for or against consolidating federal student loans requires borrowers to consider their financial circumstances. Consolidating federal student loans into a Direct Consolidation Loan may, for example, afford borrowers access to alternative repayment plans, conversion from variable-interest to a fixed-rate loan, and options to modify monthly repayment amounts.

16. Borrowers may apply to consolidate their federal student loans by submitting a Direct Consolidation Loan Application and Promissory Note (“Direct Consolidation Loan Application”) to the USDOE. The Application, and assistance to complete the process, is available from the USDOE at no cost.

17. Under Federal student loan debt forgiveness, cancellation, and discharge programs, the USDOE will forgive a borrowers remaining student loan debt once the borrower meets the requirements of a specific forgiveness program. By way of example and not of limitation, the USDOE will forgive, cancel, or discharge federal student loans under specific circumstances for: closed schools; total and permanent disability of the borrower; borrower death; borrowers who work as teachers; and borrowers who work in public service.

18. The process to consolidate federal student loans is separate and apart from the process to apply for student loan forgiveness.

19. Filing a Direct Consolidation Loan Application with the USDOE does not confer upon borrowers or “qualify” them in any way for the benefits of any student loan debt forgiveness program; consolidating federal student loans merely puts borrowers on a path to potentially meet the requirements of particular student loan forgiveness programs at a future date, typically ten to

twenty-five years ahead.

20. For example, under the USDOE’s Public Service Loan Forgiveness (“PSLF”) program, the USDOE will forgive a borrowers remaining student loan debt if, among other requirements, the borrower makes 120 qualifying monthly payments while working full-time for a government, or an Internal Revenue Code Section 501(c)(3) tax-exempt qualifying organization. All payments must be made under a qualifying repayment plan, which borrowers may opt into when consolidating.

21. Only after borrowers make all 120 qualifying payments—roughly a ten-year period—can the borrower apply to the USDOE for PSLF consideration.

DEFENDANTS’ DECEPTIVE BUSINESS PRACTICES

NSLR’s Student Loan Debt Relief Business Model

22. NSLR is a for-profit student loan debt relief company that, since at least April 2014, has advertised, solicited, offered for sale, and sold student loan debt settlement and relief services in Illinois, and in other states.

23. KEWIN, along with John Strange of Hinsdale, Illinois, and John Wachter of Lombard, Illinois, formed NSLR on or around April 18, 2014, and serve as principals and members of NSLR.

24. KEWIN participates directly in NSLR day-to-day operations, including sales and marketing activities.

25. NSLR targets financially vulnerable consumers with unsecured student loan debt by advertising the benefits of federal borrower assistance programs as its own.

26. Despite advertising wide-ranging student loan relief services, such as the ability to remove default statuses, stop wage garnishments, stop tax refund seizures, and obtain student loan debt forgiveness, NSLR does not have such capabilities.

27. Positioning itself between consumers and the USDOE, NSLR charges high upfront fees, ranging from \$599 to \$699, to do little more than complete Direct Consolidation Loan Applications, which are already available to consumers free of charge from the USDOE.

28. NSLR advertises student loan debt settlements and adjustments, but fails, as a “debt settlement provider” in Illinois, to comply with the requirements of the Debt Settlement Act, 225 ILCS 429/1 *et seq.*

29. At all times material to this Complaint, NSLR has failed to possess a license as a Debt Settlement Provider in the State of Illinois, as required by the Debt Settlement Act, 225 ILCS 429/15, while advertising that it can secure student loan debt settlements and adjustments.

30. NSLR has an “F” rating on the Better Business Bureau of Chicago (“BBB”).

NSLR’s Deceptive Advertising

31. To solicit business for its student loan debt settlement and relief services, NSLR advertises through its website, located at www.nslrescue.com, and through its Facebook page, located at www.Facebook.com/National-Student-Loan-Rescue-1464541313828389. Both remain active and viewable in Illinois as of the date of this Complaint.

32. NSLR advertises on the front page of its website, a screenshot of which is attached hereto as Plaintiff’s Exhibit 1, the following separate and discrete services:

- a. “Reduce your monthly payment”;
- b. “Qualify for student loan forgiveness”;
- c. “Have one monthly payment”; and
- d. “Change your payment date to suit your needs”;

33. Yet, despite advertising that it can reduce student loan payments, NSLR is without ability to affect the determination of whether a consumer will get lowered monthly payments when

consumers consolidate their federal student loans, as that determination rests with the USDOE.

34. By advertising that it can obtain one monthly payment for borrowers, NSLR misrepresents the benefit of the USDOE's Direct Consolidation Loan program as its own.

35. Despite advertising that it can change consumers' student loan payment dates, NSLR is without ability to affect that determination, as that determination rests with the USDOE and the USDOE's federal loan servicers.

36. NSLR further advertises on the "Services" page of its website, a screenshot of which attached hereto as Plaintiff's Exhibit 2, a "Student Loan Forgiveness Program," along with the caption: "Your Student Loan interest rates could double if your Student Loans goes into default. Be informed. Call Today!"

37. Despite advertising a "Student Loan Forgiveness Program," NSLR only performs services to complete Direct Consolidation Loan Applications, which does not secure student loan debt forgiveness for consumers.

38. NSLR advertises in a video published on its Facebook page, viewable at <https://www.facebook.com/1464541313828389/videos/vb.1464541313828389/1464965897119264/> and of which a screenshot is attached hereto as Plaintiff's Exhibit 3, the following separate and discrete services:

- a. "Get rescued from default";
- b. "Get rescued from . . . harassing collection calls";
- c. "Get rescued from . . . wage garnishment";
- d. "Get rescued from . . . tax refund seizures";
- e. "significantly lower your monthly payment"; and
- f. "Rescue . . . from the student loan collection process."

39. Despite advertising that it can “rescue” consumers from loan default statuses, harassing tactics from collection agencies, wage garnishments, and tax refund seizures, NSLR only performs services to complete Direct Consolidation Loan Applications.

40. Despite representing that it can “qualify” consumers for student loan debt forgiveness, in practice, NSLR only performs services to complete Direct Consolidation Loan Applications, which does not secure or qualify consumers in any way for student loan debt forgiveness.

NSLR’s Sales Practices

5. On its website, Facebook page, and business cards, NSLR directs consumers to contact its salesmen through its toll-free telephone number.

6. When consumers call NSLR to inquire about its services, NSLR sales representatives, including KEWIN, promise consumers during their telephone sales pitch wide-ranging benefits under its student loan relief program to induce them to pay their high upfront fees.

7. NSLR charges \$599 to \$699 in upfront fees for their student loan debt relief services.

8. When consumers are unable to immediately pay the full fee, NSLR requires consumers to pay by installments. NSLR still requires consumers who pay by installments to make their first payment during or shortly after its telephone sales pitch.

9. NSLR sales representatives tell consumers that, by purchasing NSLR’s student loan relief services, NSLR will secure for them a lower monthly student loan payment.

10. NSLR sales representatives then quote consumers a specific monthly payment they could secure for consumers if they purchase NSLR’s services.

11. NSLR sales representatives promise consumers that defendants will provide services in the future, and then fail to provide those services.

12. After consumers agree to purchase its student loan relief services, NSLR requires

consumers to pay upon implementation of their digital Service Agreement, or shortly thereafter, which they send by email. NSLR charges consumers' accounts before any services are rendered.

13. NSLR sales representatives fail to give consumers, in oral and written form, a copy of the "Consumer Notice and Rights Form" provided under Section 115(c) of the Debt Settlement Act, 225 ILCS 429/115(c), prior to accepting payment.

14. NSLR's Service Agreement implemented in Illinois fails to include many of the elements required by the Debt Settlement Act, 225 ILCS 429/120, such as a statement of the proposed savings goals for the consumer, a written individualized financial analysis, or contents of the "Consumer Notice and Rights Form" provided under Section 115(c) of the Act, 225 ILCS 429/115(c).

CONSUMER ILLUSTRATIONS

15. Consumers, including ones who reside in Cook County, have filed complaints against NSLR with the Office of the Illinois Attorney General, the BBB, and the Federal Trade Commission ("FTC"). Thus, the following examples of consumer experiences are simply illustrations and should not be construed as the only instances in which a consumer was harmed, or could potentially be harmed by NSLR. Plaintiff reserves the right to prove that consumers other than those who have complained to the Office of the Illinois Attorney General, the BBB, or the FTC have been injured because of NSLR's unlawful practices.

Keri Schillinger

16. Keri Schillinger resides in Carol Stream, Illinois.

17. In 2014, Keri was exploring options to lower her student loan debt payments.

18. In or around October 2014, Keri learned about NSLR through an advertisement on Facebook.com promoting NSLR's student loan debt relief services.

19. To inquire about its student loan debt relief services, Keri called NSLR's toll free number on or around October 23, 2014, and spoke to KEWIN.

20. During his telephone sales pitch, KEWIN represented that NSLR would secure Keri student loan debt forgiveness, or otherwise lower her student loan payments.

21. KEWIN further represented that NSLR "works specifically" with FedLoan Servicing, a USDOE contracted loan servicer.

22. KEWIN promised Keri that Defendants could obtain a reduction in her monthly payment of about \$1900, that she would only have to pay about \$271 each month on her student loans, and that after twenty years Keri's student loans would be forgiven.

23. In reliance upon KEWIN's representations to lower her monthly student loan payment, Keri agreed to purchase NSLR's student loan relief services.

24. KEWIN then sent Keri NSLR's digital Service Agreement later that day by email.

25. That same day, October 23, 2014, Keri completed and returned NSLR's Service Agreement and sent all documents requested by Defendants back to NSLR.

26. NSLR required Keri to pay \$599 upfront for its student loan relief services.

27. On or around October 24, 2014, NSLR charged Keri's credit card \$599.

28. Keri was then referred to NSLR representative Mary Riley to work on Keri's file.

29. In or around late October 2014, Mary promised Keri over the telephone that when it came time to recertify Keri's yearly income with the USDOE, that NSLR would do so at no cost.

30. In or around November 24, 2014, Keri's federal student loans were consolidated by the USDOE.

31. However, Keri's required student loan payments as determined by the USDOE, would be \$307 per month, and not the \$271 per month promised by KEWIN.

32. The next year, in or around early October 2015, the USDOE requested that Keri recertify her income, as required by her income-contingent student loan repayment plan.

33. Keri then attempted, on numerous occasions, to contact NSLR by email and by telephone, to request that NSLR recertify her income with the USDOE, as promised.

34. NSLR failed to respond or contact her in any way.

35. On or around October 13, 2015, Keri filed a complaint against NSLR with the BBB.

36. Only after Keri filed her complaint did a NSLR representative contact her.

37. The representative told Keri that for NSLR to recertify her income to the USDOE, NSLR charges a \$100 “resubmission fee.”

38. Keri then completed the required income-recertification forms and submitted to the USDOE on her own.

39. To date, NSLR has failed to secure Keri any student loan forgiveness, as promised.

Lily Esquivel

40. Lily Esquivel resides in Glendale Heights, Illinois.

41. In 2015, Lily was exploring options to lower her student loan debt payments.

42. On or around August 18, 2015, Lily called NSLR and spoke to one of NSLR’s sales representatives.

43. NSLR’s sales representative told Lily that NSLR would consolidate her student loans, lower her student loan debt payments to \$25 a month, and that Lily would qualify for student loan debt forgiveness.

44. To do so, NSLR required Lily to pay \$699 upfront. Lily could not pay the entire amount in one payment, and agreed to pay by four monthly installments of \$174.75.

45. NSLR's sales representative told Lily that NSLR would not begin any work on her file until all or a substantial portion of the upfront fee was paid.

46. The representative then sent Lily NSLR's digital Service Agreement, to which Lily signed and returned to NSLR the next day, on or around August 19, 2015.

47. NSLR then charged Lily's credit card \$174.75 on or around September 15, 2015, for the first installment of the contract.

48. NSLR charged Lily's credit card on or around October 15, 2015, for the second installment of the contract.

49. On or around November 5, 2015, NSLR notified Lily, by email, that her "application has been processed and submitted."

50. Thereafter, in or around early November 2015, Lily received her first bill from FedLoan Servicing, the USDOE loan servicer overseeing payment of her federal student loans.

51. NSLR charged Lily's credit card on or around November 15, 2015, for the third installment of the contract.

52. Lily then called FedLoan Servicing to inform them that NSLR was handling her account, but a FedLoan Servicing representative told Lily that NSLR had not contacted FedLoan Servicing about her account.

53. On or around November 24, 2015, Lily called NSLR to demand that NSLR cancel her student loan relief services.

54. A NSLR representative told Lily that NSLR would cancel her services but would not refund any money she had paid thus far.

55. The following week, on or around December 1, 2015, Lily called NSLR to verify that NSLR had indeed cancelled her student loan relief services. The NSLR representative told Lily NSLR had not, and moreover that NSLR had no record of Lily's request to cancel.

56. Over the next week, Lily contacted various personnel at NSLR in attempts to cancel her student loan services.

57. Finally, in or around mid-December 2015, a NSLR manager told Lily that her services were cancelled.

58. To ensure that NSLR would not take any further payments from her credit card account, Lily preemptively contacted her credit card company to explain that any further charges by NSLR was not authorized by her.

59. Yet, on or around December 15, 2015, NSLR attempted to charge Lily's credit card. Fortunately her credit card company successfully prevented the charge.

60. To date, NSLR has failed to secure Lily any student loan forgiveness, or "qualify" her in any way for student loan forgiveness as promised, nor has NSLR refunded any of the money that Lily paid to NSLR.

VIOLATIONS OF LAW

COUNT I: CONSUMER FRAUD ACT

61. The People re-allege and incorporate by reference the allegations of Paragraphs 1 to 60.

62. While engaged in trade or commerce, Defendant NSLR engaged in the following unfair and/or deceptive practices, including the following material misrepresentations or omissions with the intent that consumers would rely upon them, in violation of Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by:

- a. misrepresenting that Defendants will rescue consumer's student loans from default without the ability to do so;

- b. misrepresenting that Defendants will qualify consumers for student loan debt forgiveness without the ability to do so;
- c. misrepresenting that Defendants can secure student loan debt forgiveness without ability to do so;
- d. misrepresenting that Defendants will provide a service in the future, and then fail to do so;
- e. misrepresenting that Defendants will reduce a consumer's student loan payment, or reducing a consumer's student loan payment to a specific amount, and then fail to do so;
- f. misrepresenting that Defendants can secure lower student loan payments, while failing to disclose to consumers that lower monthly student loan payments may cause consumers to pay more in interest due to a longer loan maturity term; and
- g. engaging in the unfair and/or deceptive practice of offering "Debt settlement" services, as defined by the Debt Settlement Act, 225 ILCS 429/10, without the authority to do so;

63. While engaged in trade or commerce, Defendant KEWIN engaged in the following unfair and/or deceptive practices, including the following material misrepresentations or omissions with the intent that consumers would rely upon them, in violation of Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by:

- h. misrepresenting that Defendants "work[] specifically" with FedLoan Servicing;
- i. misrepresenting that Defendants will reduce a consumer's student loan payment, or reducing a consumer's student loan payment to a specific amount, and then fail to do so; and

- j. misrepresenting that Defendants can secure student loan debt forgiveness without ability to do so.

REMEDIES: COUNT 1

64. When the Office of the Illinois Attorney General files an action under the Consumer Fraud Act, the following remedies are available to the Court:

(a) Whenever the Attorney General or a State's Attorney has reason to believe that any person is using, has used, or is about to use any method, act or practice declared by this Act to be unlawful, and that proceedings would be in the public interest, he or she may bring an action in the name of the People of the State against such person to restrain by preliminary or permanent injunction the use of such method, act or practice. The Court, in its discretion, may exercise all powers necessary, including but not limited to: injunction; revocation, forfeiture or suspension of any license, charter, franchise, certificate or other evidence of authority of any person to do business in this State; appointment of a receiver; dissolution of domestic corporations or association suspension or termination of the right of foreign corporations or associations to do business in this State; and restitution.

(b) In addition to the remedies provided herein, the Attorney General or State's Attorney may request and the Court may impose a civil penalty in a sum not to exceed \$50,000 against any person found by the Court to have engaged in any method, act or practice declared unlawful under this Act. In the event the court finds the method, act or practice to have been entered into with the intent to defraud, the court has the authority to impose a civil penalty in a sum not to exceed \$50,000 per violation.

(c) In addition to any other civil penalty provided in this Section, if a person is found by the court to have engaged in any method, act, or practice declared unlawful under this Act, and the violation was committed against a person 65 years of age or older, the court may impose an additional civil penalty not to exceed \$10,000 for each violation.

815 ILCS 505/7.

65. Section 10 of the Consumer Fraud Act, 815 ILCS 505/10, provides that “[i]n any action brought under the provisions of this Act, the Attorney General is entitled to recover costs of the use of this State.”

PRAYER FOR RELIEF: COUNT 1

WHEREFORE, the Plaintiff prays that this Honorable Court enter an Order:

- A. Finding that Defendants engaged in trade or commerce within the meaning of Section 1(f) of the Consumer Fraud Act;
- B. Finding that, in the conduct of trade or commerce, Defendants engaged in unfair and/or deceptive acts or practices within the meaning of Section 2 of the Consumer Fraud Act, 815 ILCS 5050/2, by the unlawful acts and practices alleged herein;
- C. Preliminarily and permanently enjoining Defendants from engaging in the deceptive and unfair acts and practices alleged herein in the State of Illinois, or enjoining Defendants from operating in the State of Illinois;
- D. Revoking, forfeiting or suspending any and all licenses, charters, franchises, certificates or other evidence of authority of Defendants to do business in the State of Illinois;
- E. Declaring that all contracts entered into between Defendants and consumers by the use of methods and practices described herein are unlawful and rescinded, and requiring that full restitution be made to all affected consumers;
- F. Ordering Defendants to pay a civil penalty of \$50,000 if the Court finds that Defendants engaged in methods, acts or practices declared unlawful by the Act without the intent to defraud;
- G. Ordering Defendants to pay an additional civil penalty of \$50,000 for each violation of the Consumer Fraud Act found to have been committed with the intent to defraud;
- H. Ordering Defendants to pay an additional civil penalty of \$10,000 for each violation of the Consumer Fraud Act found to have been committed against a senior citizen;

- I. Requiring Defendants to pay all costs for the prosecution and investigation of this action;
and
- J. Providing such equitable and other relief as justice may require.

COUNT II: DEBT SETTLEMENT ACT

66. The People re-allege and incorporate by reference the allegations of Paragraphs 1 to 60.

67. The Debt Settlement Act defines “debt settlement service[s],” in part, to mean “offering to provide advice or service, or acting as an intermediary between or on behalf of a consumer and one or more of a consumer's creditors, where the primary purpose of the advice, service, or action is to obtain a settlement, adjustment, or satisfaction of the consumer's unsecured debt to a creditor in an amount less than the full amount of the principal amount of the debt or in an amount less than the current outstanding balance of the debt.” 225 ILCS 429/10.

68. Defendants, at all times relevant hereto, offered “debt settlement service[s]” in Illinois, in that Defendants, while acting as intermediaries between consumers and the USDOE, advertised that they could secure student loan debt settlements and adjustments.

69. In the course of advertising, soliciting, offering for sale, and selling student loan debt settlement and adjustment services to Illinois consumers, Defendants have violated the Debt Settlement Act by:

- a. Acting as Debt Settlement Providers in Illinois but failing to obtain as the license to do so, as required by 225 ILCS 429/15;
- b. charging and requiring consumers to pay over \$50 in upfront fees, which is prohibited by 225 ILCS 429/125(b);
- c. failing to provide or make the disclosure statement required by 225 ILCS 429/105(c) in their advertisements or on their website;

- d. failing to provide an individualized financial analysis to consumers as required by 225 ILCS 429/110, in writing, that states the following:
 - i. an individualized financial analysis, including consumers' income, expenses, and debts;
 - ii. a statement containing a good faith estimate of the length of time it will take to complete Defendants' student loan debt settlement program;
 - iii. the total amount of debt owed to each creditor included in Defendants' student loan debt settlement program;
 - iv. the total savings estimated to be necessary to complete the debt settlement program;
 - v. and the monthly targeted savings amount estimated to be necessary to complete the debt settlement program;
 - vi. the consumer can reasonably meet the requirements of the proposed debt settlement program, including the fees and the periodic savings amounts set forth in the savings goals;
 - vii. Defendants' student loan debt settlement program is suitable for the consumer at the time the contract is to be signed.

- e. failing to incorporate in their Service Agreement to Illinois consumers the elements required in a "debt settlement" contract required under 225 ILCS 429/120, as follows:
 - i. a complete list of the consumer's accounts, debts, and obligations, listing the name of each creditor and principal amount of each debt;

- ii. a description of the services to be provided by Defendants, including the expected time frame for settlement for each account, debt, or obligation;
- iii. a statement of the proposed savings goals for the consumer, stating the amount to be saved per month or other period, time period over which savings goal extends, and the total amount of the savings expected to be paid by the consumer pursuant to the terms of Defendants' contract;
- iv. the amount of money or the percentage of debt the consumer must accumulate before a settlement offer will be made to each of the consumer's creditors;
- v. a written individualized financial analysis;
- vi. contents of the "Consumer Notice and Rights Form" provided under the Section 115(c) of the Debt Settlement Act, 225 ILCS 429/115(c);
- vii. a written notice to the consumer that the consumer may cancel the contract at any time until after Defendants have fully performed each service they contracted to perform or represented they would perform, and upon that event the consumer shall be entitled to a full refund of all unearned fees and compensation paid by the consumer to Defendants.

REMEDIES: COUNT 2

70. The Debt Settlement Act provides for enforcement by the Illinois Attorney General, and further provides that all remedies available under the Consumer Fraud Act are likewise available for any violation of the Debt Settlement Act:

A violation of Section 105, 110, 115, 120, 125, 130, 135, 140, 145, or 150 of this Act constitutes an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. All remedies, penalties, and authority granted to the Attorney General or State's Attorney by the Consumer Fraud and Deceptive Business

Practices Act shall be available to him or her for the enforcement of this Act.

225 ILCS 429/155(a).

71. Section 80(b) of the Debt Settlement Act provides that “[a]ny contract of debt settlement service as defined in this Act made by an unlicensed person shall be null and void and of no legal effect.” 225 ILCS 429/80(b).

PRAYER FOR RELIEF: COUNT 2

Wherefore, the Plaintiff prays that this Honorable Court enter an Order:

A. Finding that Defendants engaged in student loan “debt settlement service[s]” within the meaning of Section 10 of the Debt Settlement Act;

B. Finding that Defendants violated Sections 15, 105, 110, 120, 125, 135(c), and 145 of the Debt Settlement Act, 225 ILCS 429, by the unlawful acts and practices alleged herein;

C. Finding that Defendants violated Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by virtue of Defendants’ violations of the Debt Settlement Act;

D. Preliminarily and permanently enjoining Defendants from engaging in the deceptive and unfair acts and practices alleged herein within the State of Illinois, or enjoining Defendants from operating in the State of Illinois;

K. Declaring that all contracts entered into between Defendants and consumers by the use of methods and practices described herein are null and void and of no legal effect, and requiring that full restitution be made to all affected consumers;

L. Revoking, forfeiting or suspending any and all licenses, charters, franchises, certificates or other evidence of authority of Defendants to do business in the State of Illinois;

- E. Ordering Defendants to pay a civil penalty of \$50,000 if the Court finds that Defendants has engaged in methods, acts or practices declared unlawful by the Act without the intent to defraud;
- F. Ordering Defendants to pay an additional civil penalty of \$50,000 for each violation found to have been committed with the intent to defraud;
- G. Ordering Defendants to pay an additional civil penalty of \$10,000 for each violation found to have been committed against a senior citizen;
- H. Requiring Defendants to pay all costs for the prosecution and investigation of this action; and
- I. Providing such equitable and other relief as justice may require.

Respectfully Submitted,

THE PEOPLE OF THE STATE OF ILLINOIS,
by LISA MADIGAN
ATTORNEY GENERAL OF ILLINOIS

By: 
Susan Ellis, Bureau Chief
Consumer Fraud Bureau

By: 
Joseph Pham
Assistant Attorney General

Attorney No. 99000

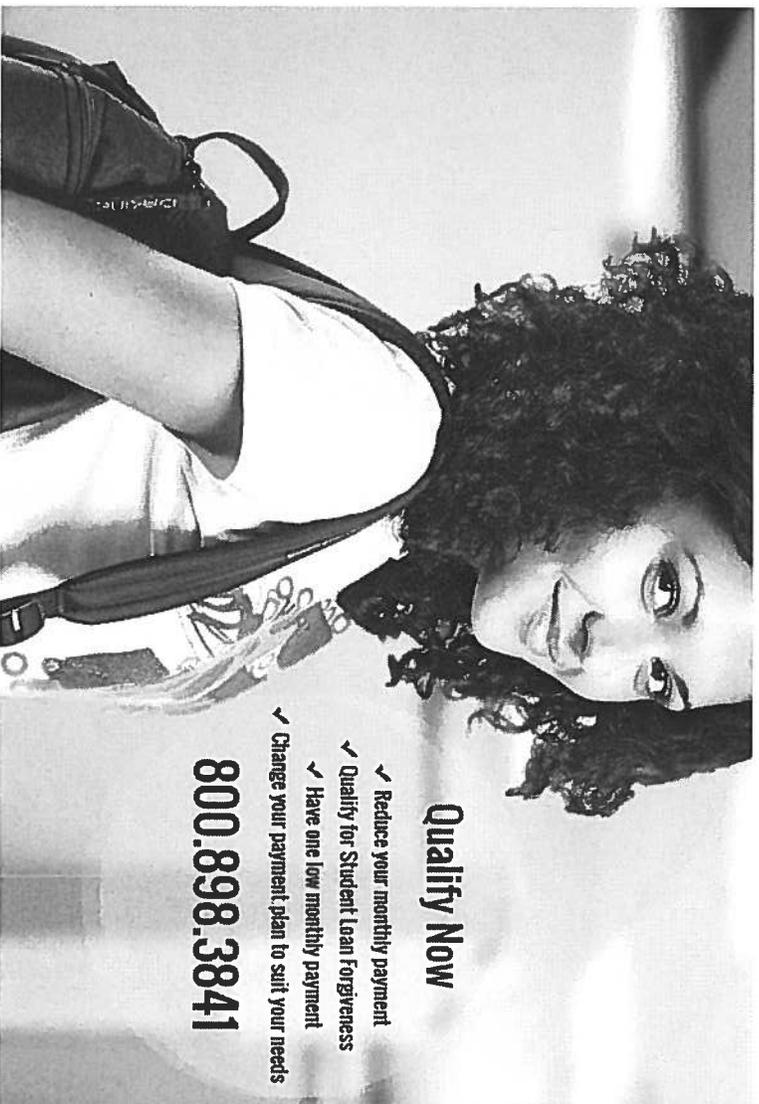
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Qualify Now

- ✓ Reduce your monthly payment
- ✓ Qualify for Student Loan Forgiveness
- ✓ Have one low monthly payment
- ✓ Change your payment plan to suit your needs

800.898.3841

Qualify Now For a Student Loan Forgiveness Plan

First Name
Last Name
Email Address
Phone Number
Debt Amount
State
Comment

REQUEST INFO

WHAT WE DO

The amount of student loan debt in the United States has now exceeded the total amount owed on credit cards. National Student Loan Rescue, LLC (NSLR) was established to help the millions of people who are experiencing financial hardship due to student loan debt. At NSLR, we apply our expertise to the processing, structuring and submitting of the required documentation needed to achieve the optimal outcome.

Our services are provided in a timely fashion and with a 100% money back guarantee. If we can't deliver the outcome promised, we will refund all fees that have been collected.

The College Cost Reduction and Access Act of 2007 created a new loan forgiveness program

CALCULATE YOUR SAVINGS NOW!

Use this FREE tool to learn how much lower your monthly payments could be after qualifying for Student Loan Consolidation



PUBLIC SERVICE STUDENT LOAN FORGIVENESS

Student Loan forgiveness Services, borrowers may qualify for forgiveness of the

PLAINTIFF'S
EXHIBIT
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- ✓ Qualify for \$0 Monthly Payment
- ✓ Save 60% or MORE on your monthly loan payment
- ✓ Free no obligation consultation and debt analysis
- ✓ Qualify for Student Loan Forgiveness
- ✓ Benefit from Government Programs
- ✓ Multiple Student Loan Consolidation solutions available
- ✓ Parent-Plus loans may qualify

STUDENT LOAN FORGIVENESS PROGRAM

Your Student Loan interest rates could double if your Student Loan goes into default. Be informed. Call today!

QUALIFY FOR SAVINGS!
800.898.3841

That's an Extra \$5,000 to pay back
 the average \$25,000 loan



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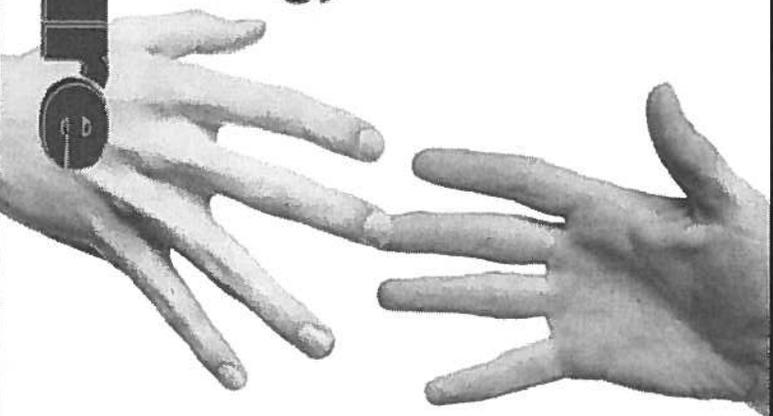
National Student Loan Rescue.com is a private organization and is not a government entity. National Student Loan Consolidation is a document preparation, submission and tracking service, our fee is only for the preparation, submission & tracking of your Federal Student Loan Consolidation documents. Fax number: 877.437.3203 | Email: info@nslrescue.com

[Privacy Policy](#)



GET RESCUED from:

Default
Collection Calls
Wage Garnishment
Tax Refund Seizure



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