

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

Bureau of Consumer Financial Protection, Plaintiff,
vs.
Chou Team Realty, LLC, et al., Defendants.)
Case No.: 8-20-cv-00043-SB-ADS
**DEFAULT JUDGMENT AND ORDER
AGAINST STUDENT LOAN DEBT
RELIEF COMPANIES**

Plaintiff Bureau of Consumer Financial Protection (Bureau) commenced this civil action on January 9, 2020. The Bureau alleged that, in connection with providing Debt-Relief Services to consumers with student loans, certain entities and individuals violated the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. § 1681; the Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, the implementing regulation of the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. §§ 6102(c)(2), 6105(d) (“Telemarketing Act”); and the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C. §§ 5531(a), 5536(a)(1)(A). ECF No. 1.

As relevant here, the Bureau alleged claims under FCRA, the TSR, and the CFPB against five student loan debt relief businesses (collectively, the “Student Loan Debt Relief Companies”), each of which was composed of a

1 corporation and an associated limited partnership: (1) Docu Prep Center, Inc.
 2 and Document Preparation Services, LP (collectively, “Docu Prep Center”);
 3 (2) Certified Doc Prep, Inc. and Certified Doc Prep Services, LP (collectively,
 4 “Certified Doc Prep Services”); (3) Assure Direct Services, Inc. and Assure
 5 Direct Services, LP (collectively, “Assure Direct Services”); (4) Direct
 6 Document Solutions, Inc. and Direct Document Solutions, LP (collectively,
 7 “Direct Document Solutions”); and (5) Secure Preparation Services, Inc. and
 8 Secure Preparation Services, LP (collectively, “Secure Preparation Services”).

9 Between January and June 2020, the Bureau served the original
 10 Complaint on, or obtained waivers of service from, each of the ten entities that
 11 comprised the Student Loan Debt Relief Companies and filed proofs of service
 12 with this Court. ECF Nos. 25, 26, 28, 29, 34, 38, 41, 63, 66, 103.

13 The Bureau filed applications for the Clerk to enter default against each
 14 of the Student Loan Debt Relief Companies. ECF Nos. 68, 75, 100, 121. The
 15 Clerk entered defaults against each of the Student Loan Debt Relief Companies
 16 between April 10, 2020 and July 15, 2020. ECF Nos. 71, 76, 101, 122. As of
 17 the date this Order, the Student Loan Debt Relief Companies have not
 18 answered, moved to dismiss, or otherwise appeared in this action.

19 The Bureau filed its First Amended Complaint (“FAC”) on July 10,
 20 2020, and then filed the Second Amended Complaint (“SAC”) on August 26,
 21 2020. ECF Nos. 117, 141. Those pleadings asserted the same claims against
 22 the Student Loan Debt Relief Companies as the original Complaint.

23 The Bureau filed its Notice of Application and Application for Entry of
 24 Default Judgment and Order against the Student Loan Debt Relief Companies
 25 pursuant to Fed. R. Civ. P. 55(b)(2) and Local Rules 55-1 and 55-2. The Court,
 26 having considered the Bureau’s Application, supporting declarations, and the
 27 entire record in this matter, granted the Application in part, as described in the
 28 Court’s Order on Applications for Default Judgment. ECF No. 177. The Court

1 finds good cause to grant the following relief against the Student Loan Debt
2 Relief Companies.

3 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

4 **FINDINGS**

5 1. This is an action instituted by the Bureau under FCRA, 15 U.S.C.
6 § 1681b(f), the Telemarketing Act, 15 U.S.C. §§ 6102(c)(2), 6105(d), and the
7 CFPA, 12 U.S.C. §§ 5531, 5536(a), based on violations of FCRA, the TSR, and
8 the CFPA. The SAC seeks permanent injunctive relief, rescission or
9 reformation of contracts, disgorgement, damages, redress, and civil money
10 penalties. The Bureau has the authority to seek this relief. 12 U.S.C. § 5565.

11 2. This Court has subject-matter jurisdiction over this action because
12 it was brought under federal consumer financial law, 12 U.S.C. § 5565(a)(1),
13 presents a federal question, 28 U.S.C. § 1331, and the plaintiff is an agency of
14 the United States, 28 U.S.C. § 1345. Venue is proper in this district because
15 Defendants are located, reside, or do business in this district. 12 U.S.C.
16 § 5564(f).

17 3. Certified Doc Prep, Inc., Certified Doc Prep Services, LP, Direct
18 Document Solutions, Inc., Direct Document Solutions, LP, and Secure
19 Preparation Services, LP have each been properly served with a summons and
20 the Complaint through their respective registered agents for service of process.

21 4. Docu Prep Center, Inc., Document Preparation Services, LP, and
22 Assure Direct Services, LP each waived formal service of process and, thus,
23 each has been properly served.

24 5. Docu Prep Center, Inc., Document Preparation Services, LP, and
25 Assure Direct Services, LP were served with written notices of the Bureau's
26 application for entry of a default judgment on March 5, 2021, at least seven
27 days before any hearing on the Application. The written notices included the
28 amount of redress and civil penalties requested by the Bureau against them.

1 6. In its Alternative Service Order, the Court granted the Bureau
 2 permission to serve Assure Direct Services, Inc. via the California Secretary of
 3 State. *See* ECF No. 98. The Bureau complied with the Alternative Service
 4 Order by serving a summons, a copy of the Complaint, and a copy of the
 5 Alternative Service Order on the California Secretary of State on June 4, 2020.
 6 Thus, Assure Direct Services, Inc. has been properly served.

7 7. Each of the Student Loan Debt Relief Companies has failed to
 8 answer, appear, or otherwise defend this action, and no attorney has filed an
 9 appearance on behalf of any of the companies.

10 8. The Clerk of Court properly entered defaults against each of the
 11 Student Loan Debt Relief Companies.

12 9. Because the Student Loan Debt Relief Companies were in default,
 13 and because the FAC and the SAC asserted the same claims against the Student
 14 Loan Debt Relief Companies as the original Complaint, the Bureau was not
 15 required to serve the FAC and the SAC on the Student Loan Debt Relief
 16 Companies. *See* Fed. R. Civ. P. 5(a)(2).

17 10. The Student Loan Debt Relief Companies are not minors,
 18 incompetent persons, or current members of the military service.

19 11. The Bureau has satisfied the procedural requirements for obtaining
 20 entry of default judgment against the Student Loan Debt Relief Companies.

21 12. The SAC states claims upon which relief can be granted.

22 13. Because of the Student Loan Debt Relief Companies' defaults, the
 23 allegations in the SAC are taken as true as against them. *See TeleVideo Sys.,*
Inc. v. Heidenthal, 826 F.2d 915, 917–18 (9th Cir. 1987); *Geddes v. United Fin.*
Group, 559 F.2d 557, 560 (9th Cir. 1977) (citing *Pope v. United States*, 323
 26 U.S. 1 (1944)).

27 14. The seven factors set forth in *Eitel v. McCool*, 782 F.2d 1470,
 28 1471–72 (9th Cir. 1986), weigh in favor of a judgment of default against the

1 Student Loan Debt Relief Companies.

2 15. Because damages are capable of ascertainment from definite
3 figures contained in the documentary evidence and affidavits submitted by the
4 Bureau, the Court need not hold a hearing prior to entering judgment by default.

5 16. Judgment is entered against the Student Loan Debt Relief
6 Companies, in favor of the Bureau, on Counts I, II, III, IV, VII, VIII, and XI.

7 17. Judgment is entered against Docu Prep Center, in favor of the
8 Bureau, on Counts V and IX.

9 18. The Bureau seeks (1) a permanent injunction to prevent future
10 violations of FCRA, the TSR, and the CFPA; (2) monetary relief to redress
11 injury to consumers; and (3) civil money penalties. This Court is empowered to
12 order these forms of relief under Section 1055 of the CFPA. 12 U.S.C. § 5565.
13 Moreover, it is within this Court's discretion to enter injunctive and monetary
14 relief at this stage, without holding an evidentiary hearing. *Davis v. Fendler*,
15 650 F.2d 1154, 1161 (9th Cir. 1981).

16 19. The Bureau has established, through competent evidence, that
17 consumers were victimized by and paid money to the Student Loan Debt Relief
18 Companies, and that during the Relevant Period these consumers paid at least
19 the following amounts to them:

- 20 a. Docu Prep Center: \$8,739,347;
- 21 b. Certified Doc Prep Services: \$3,806,626;
- 22 c. Assure Direct Services: \$3,404,455;
- 23 d. Direct Document Solutions: \$1,902,259; and
- 24 e. Secure Preparation Services: \$1,847,182.

25 20. As explained in the evidence submitted in support of the Bureau's
26 Application, these figures were derived from ACH transaction records of two
27 third-party payment processors used by the Student Loan Debt Relief
28 Companies and from credit card transaction data produced by defendants Docs

1 Done Right, Inc. and Docs Done Right, LP.

2 21. The amounts in Paragraph 19 represent a reasonable approximation
3 of consumer loss attributable to each of the Student Loan Debt Relief
4 Companies.

5 22. The Bureau is entitled to an Order imposing a permanent
6 injunction and requiring Docu Prep Center, Inc. and Document Preparation
7 Services, LP to pay, jointly and severally, \$8,739,347 for redress, and a civil
8 money penalty in the amount of \$2,702,662 under the CFPA.

9 23. The Bureau is entitled to an Order imposing a permanent
10 injunction and requiring Certified Doc Prep, Inc. and Certified Doc Prep
11 Services, LP to pay, jointly and severally, \$3,806,626 for redress, and a civil
12 money penalty in the amount of \$2,702,662 under the CFPA.

13 24. The Bureau is entitled to an Order imposing a permanent
14 injunction and requiring Assure Direct Services, Inc. and Assure Direct
15 Services, LP to pay, jointly and severally, \$3,404,455 for redress, and a civil
16 money penalty in the amount of \$2,702,662 under the CFPA.

17 25. The Bureau is entitled to an Order imposing a permanent
18 injunction and requiring Direct Document Solutions, Inc. and Direct Document
19 Solutions, LP to pay, jointly and severally, \$1,902,259 for redress, and a civil
20 money penalty in the amount of \$1,637,075 under the CFPA.

21 26. The Bureau is entitled to an Order imposing a permanent
22 injunction and requiring Secure Preparation Services, Inc. and Secure
23 Preparation Services, LP to pay, jointly and severally, \$1,847,182 for redress,
24 and a civil money penalty in the amount of \$1,637,075 under the CFPA.

25 27. This action and the relief awarded herein are in addition to, and not
26 in lieu of, other remedies as may be provided by law, including both civil and
27 criminal remedies.

28 28. Entry of this Order is in the public interest.

DEFINITIONS

29. The following definitions apply to this Order:

- a. “Affected Consumers” includes all consumers who, since January 1, 2015, were charged fees by any of the Student Loan Debt Relief Companies.
 - b. “Affected Assure Direct Services Consumers” includes all consumers who, since January 1, 2015, were charged fees by Assure Direct Services.
 - c. “Affected Certified Doc Prep Services Consumers” includes all consumers who, since January 1, 2015, were charged fees by Certified Doc Prep Services.
 - d. “Affected Direct Document Solutions Consumers” includes all consumers who, since January 1, 2015, were charged fees by Direct Document Solutions.
 - e. “Affected Docu Prep Center Consumers” includes all consumers who, since January 1, 2015, were charged fees by Docu Prep Center.
 - f. “Affected Secure Preparation Services Consumers” includes all consumers who, since January 1, 2015, were charged fees by Secure Preparation Services.
 - g. “Assisting Others” includes, but is not limited to:
 - i. formulating or providing, or arranging for the formulation or provision of, any advertising or marketing material, including, but not limited to, any telephone sales script, direct mail solicitation, or the text of any Internet website, email, or other electronic communication;

- ii. providing names of, or contributing to the generation of, potential customers;
 - iii. participating in or providing services related to the offering, sale, or servicing of a product, or the collection of payments for a product; and
 - iv. acting or serving as an owner, officer, director, manager, or principal of any entity.

h. “Assure Direct Services” means Assure Direct Services, Inc. and Assure Direct Services, LP, and their successors and assigns, individually, collectively, or in any combination.

i. “Bureau” means the Bureau of Consumer Financial Protection.

j. “Certified Doc Prep Services” means Certified Doc Prep, Inc. and Certified Doc Prep Services, LP, and their successors and assigns, individually, collectively, or in any combination.

k. “Consumer Report” means a “consumer report,” as that term is defined in Section 603(d) of FCRA, 15 U.S.C. § 1681a(d).

l. “Consumer Reporting Agency” means a “consumer reporting agency,” as that term is defined in Section 603(f) of FCRA, 15 U.S.C. § 1681a(f).

m. “Debt-Relief Service” means any product, service, plan, or program represented, directly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt, including but not limited to a student loan debt, mortgage loan debt, credit card debt, or tax debt or obligation, between a person and one or more creditors or debt collectors, including, but not limited to, a reduction in the balance, interest rate, or fees owed by a person to a creditor or debt collector.

- n. “Direct Document Solutions” means Direct Document Solutions, Inc. and Direct Document Solutions, LP, and their successors and assigns, individually, collectively, or in any combination.
- o. “Docu Prep Center” means Docu Prep Center, Inc. and Document Preparation Services, LP, and their successors and assigns, individually, collectively, or in any combination.
- p. “Effective Date” means the date on which the Order is entered.
- q. “Enforcement Director” means the Assistant Director of the Office of Enforcement for the Bureau of Consumer Financial Protection, or his or her delegate.
- r. “Prescreened Consumer Reports” means Consumer Reports relating to consumers furnished by a Consumer Reporting Agency in connection with credit or insurance transactions that are not initiated by the consumers, pursuant to 15 U.S.C. § 1681b(c).
- s. “Related Consumer Action” means a private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against any of the Student Loan Debt Relief Defendants based on substantially the same facts as described in the SAC.
- t. “Secure Preparation Services” means Secure Preparation Services, Inc. and Secure Preparation Services, LP, and their successors and assigns, individually, collectively, or in any combination.
- u. “Student Loan Debt Relief Companies” means Docu Prep Center, Inc., d/b/a DocuPrep Center, d/b/a Certified Document Center; Document Preparation Services, LP, d/b/a DocuPrep

Center, d/b/a Certified Document Center; Certified Doc Prep, Inc.; Certified Doc Prep Services, LP; Assure Direct Services, Inc.; Assure Direct Services, LP; Direct Document Solutions, Inc.; Direct Document Solutions, LP; Secure Preparation Services, Inc.; Secure Preparation Services, LP, and their successors and assigns, individually, collectively, or in any combination.

ORDER

I.

Permanent Ban on Offering or Providing Debt-Relief Services

IT IS ORDERED that:

30. The Student Loan Debt Relief Companies, whether acting directly or indirectly, are permanently restrained from:

- a. participating in, advertising, marketing, promoting, offering for sale, selling, or providing any Debt-Relief Service; or
 - b. Assisting Others in, or receiving any remuneration or other consideration from, the provision, advertising, marketing, promoting, offering for sale, sale or production of any Debt-Relief Service.

Nothing in this Order shall be read as an exception to this Paragraph.

II.

Permanent Ban on Using or Obtaining Consumer Reports

IT IS FURTHER ORDERED that:

31. The Student Loan Debt Relief Companies, whether acting directly or indirectly, are permanently restrained and enjoined from using, obtaining, offering, providing, selling, or arranging for others to use or obtain Consumer Reports, including Prescreened Consumer Reports, for any purpose. Nothing in this Order shall be read as an exception to this Paragraph.

III.

Consumer Information

IT IS ORDERED that:

32. The Student Loan Debt Relief Companies and their officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with them, who receive actual notice of this Order, whether acting directly or indirectly, may not:

- a. disclose, use, or benefit from consumer information, including the name, address, or any information about the consumer's student loans, contained in or derived from Prescreened Consumer Reports obtained for use in marketing Debt-Relief Services; or
 - b. disclose, use, or benefit from consumer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), obtained from or through the activities of the Student Loan Debt Relief Companies.

However, consumer information may be disclosed if lawfully requested by a government agency or required by law, regulation, or court order.

MONETARY PROVISIONS

IV.

Order to Pay Redress

IT IS FURTHER ORDERED that:

33. A judgment for monetary relief is entered in favor of the Bureau and against Docu Prep Center, Inc. and Document Preparation Services, LP, jointly and severally, in the amount of \$8,739,347 for the purpose of providing redress to Affected Docu Prep Center Consumers. The monetary judgment set forth in this Section is immediately due and payable upon entry of this Order

1 and is enforceable against any Asset owned by, on behalf of, for the benefit of,
2 or in trust by or for Docu Prep Center.

3 34. A judgment for monetary relief is entered in favor of the Bureau
4 and against Certified Doc Prep, Inc. and Certified Doc Prep Services, LP,
5 jointly and severally, in the amount of \$3,806,626 for the purpose of providing
6 redress to Affected Certified Doc Prep Services Consumers. The monetary
7 judgment set forth in this Section is immediately due and payable upon entry of
8 this Order and is enforceable against any Asset owned by, on behalf of, for the
9 benefit of, or in trust by or for Certified Doc Prep Services.

10 35. A judgment for monetary relief is entered in favor of the Bureau
11 and against Assure Direct Services, Inc. and Assure Direct Services, LP, jointly
12 and severally, in the amount of \$3,404,455 for the purpose of providing redress
13 to Affected Assure Direct Services Consumers. The monetary judgment set
14 forth in this Section is immediately due and payable upon entry of this Order
15 and is enforceable against any Asset owned by, on behalf of, for the benefit of,
16 or in trust by or for Assure Direct Services.

17 36. A judgment for monetary relief is entered in favor of the Bureau
18 and against Direct Document Solutions, Inc. and Direct Document Solutions,
19 LP, jointly and severally, in the amount of \$1,902,259 for the purpose of
20 providing redress to Affected Direct Document Solutions Consumers. The
21 monetary judgment set forth in this Section is immediately due and payable
22 upon entry of this Order and is enforceable against any Asset owned by, on
23 behalf of, for the benefit of, or in trust by or for Direct Document Solutions.

24 37. A judgment for monetary relief is entered in favor of the Bureau
25 and against Secure Preparation Services, Inc. and Secure Preparation Services,
26 LP, jointly and severally, in the amount of \$1,847,182 for the purpose of
27 providing redress to Affected Secure Preparation Services Consumers. The
28 monetary judgment set forth in this Section is immediately due and payable

upon entry of this Order and is enforceable against any Asset owned by, on behalf of, for the benefit of, or in trust by or for Secure Preparation Services.

38. Any funds received by the Bureau in satisfaction of the judgments in this Section will be deposited into a fund or funds administered by the Bureau or to the Bureau's agent according to applicable statutes and regulations to be used for redress for, as appropriate, Affected Docu Prep Center Consumers, Affected Certified Doc Prep Services Consumers, Affected Assure Direct Services Consumers, Affected Direct Document Solutions Consumers, and Affected Secure Preparation Services Consumers, including but not limited to refund of moneys, restitution, damages or other monetary relief, and for any attendant expenses for the administration of any such redress.

39. If the Bureau determines, in its sole discretion, that providing redress to consumers is wholly or partially impracticable or if funds remain after the administration of redress is completed, the Bureau will deposit any remaining funds in the U.S. Treasury as disgorgement. The Student Loan Debt Relief Companies will have no right to challenge the Bureau's choice of remedies under this Section, and will have no right to contest the manner of distribution chosen by the Bureau.

40. Payment of redress to any Affected Consumer under this Order may not be conditioned on that Affected Consumer waiving any right.

V.

Order to Pay Civil Money Penalty to Plaintiff

It is FURTHER ORDERED that:

41. Under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law alleged in the SAC and taking into account the factors in 12 U.S.C. § 5565(c)(3), Docu Prep Center, Inc. and Document Preparation Services, LP, jointly and severally, must pay a civil money penalty of \$2,702,662 to the Bureau.

1 42. Under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by
2 reason of the violations of law alleged in the SAC and taking into account the
3 factors in 12 U.S.C. § 5565(c)(3), Certified Doc Prep, Inc. and Certified Doc
4 Prep Services, LP, jointly and severally, must pay a civil money penalty of
5 \$2,702,662 to the Bureau.

6 43. Under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by
7 reason of the violations of law alleged in the SAC and taking into account the
8 factors in 12 U.S.C. § 5565(c)(3), Assure Direct Services, Inc. and Assure
9 Direct Services, LP, jointly and severally, must pay a civil money penalty of
10 \$2,702,662 to the Bureau.

11 44. Under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by
12 reason of the violations of law alleged in the SAC and taking into account the
13 factors in 12 U.S.C. § 5565(c)(3), Direct Document Solutions, Inc. and Direct
14 Document Solutions, LP, jointly and severally, must pay a civil money penalty
15 of \$1,637,075 to the Bureau.

16 45. Under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by
17 reason of the violations of law alleged in the SAC and taking into account the
18 factors in 12 U.S.C. § 5565(c)(3), Secure Preparation Services, Inc. and Secure
19 Preparation Services, LP, jointly and severally, must pay a civil money penalty
20 of \$1,637,075 to the Bureau.

21 46. The civil money penalties set forth in this Section are immediately
22 due and payable upon entry of this Order and are enforceable against any Asset
23 owned by, on behalf of, for the benefit of, or in trust by or for any of the
24 Student Loan Debt Relief Companies.

25 47. The civil money penalties paid under this Order will be deposited
26 in the Civil Penalty Fund of the Bureau as required by Section 1017(d) of the
27 CFPA, 12 U.S.C. § 5497(d).

28

1 VI.
2

3 **Additional Monetary Provisions**

4 **It is FURTHER ORDERED that:**

5 48. In the event of any default on the Student Loan Debt Relief
6 Companies' obligations to make payment under this Order, interest, computed
7 under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts
8 not paid from the date of default to the date of payment, and will immediately
become due and payable.

9 49. The Student Loan Debt Relief Companies must relinquish all
10 dominion, control, and title to the funds transferred or paid under this Order to
11 the fullest extent permitted by law and no part of the funds may be returned to
12 the Student Loan Debt Relief Companies.

13 50. The facts alleged in the SAC will be taken as true and given
14 collateral estoppel effect, without further proof, in any proceeding based on the
15 entry of the Order, or in any subsequent civil litigation by or on behalf of the
16 Bureau, including in a proceeding to enforce their rights to any payment or
17 monetary judgment under this Order, such as a non-dischargeability complaint
18 in any bankruptcy case.

19 51. The facts alleged in the SAC establish all elements necessary to
20 sustain an action by the Bureau under Section 523(a)(2)(A) of the Bankruptcy
21 Code, 11 U.S.C. § 523(a)(2)(A), and for such purposes this Order will have
22 collateral estoppel effect against the Student Loan Debt Relief Companies, even
23 in such Student Loan Debt Relief Companies' capacity as debtor-in-possession.

24 52. Under 31 U.S.C. § 7701, Student Loan Debt Relief Companies,
25 unless they have already done so, must furnish to the Bureau any taxpayer-
26 identification numbers associated with it, which may be used for purposes of
27 collecting and reporting on any delinquent amount arising out of this Order.

28 53. Within 30 days of the entry of a final judgment, order, or

1 settlement in a Related Consumer Action, the Student Loan Debt Relief
2 Companies must notify the Enforcement Director of the final judgment, order,
3 or settlement in writing. That notification must indicate the amount of redress,
4 if any, that the Student Loan Debt Relief Companies paid or are required to pay
5 to consumers and describe the consumers or classes of consumers to whom that
6 redress has been or will be paid. To preserve the deterrent effect of the civil
7 money penalty in any Related Consumer Action, the Student Loan Debt Relief
8 Companies may not argue that they are entitled to, nor may the Student Loan
9 Debt Relief Companies benefit by, any offset or reduction of any monetary
10 remedies imposed in the Related Consumer Action because of the civil money
11 penalty paid in this action or because of any payment that the Bureau makes
12 from the Civil Penalty Fund. If the court in any Related Consumer Action
13 offsets or otherwise reduces the amount of compensatory monetary remedies
14 imposed against the Student Loan Debt Relief Companies based on the civil
15 money penalty paid in this action or based on any payment that the Bureau
16 makes from the Civil Penalty Fund, the Student Loan Debt Relief Companies
17 must, within 30 days after entry of a final order granting such offset or
18 reduction, notify the Bureau and pay the amount of the offset or reduction to the
19 U.S. Treasury. Such a payment will not be considered an additional civil
20 money penalty and will not change the amount of the civil money penalty
21 imposed in this action.

22 54. The Student Loan Debt Relief Companies must treat all civil
23 money penalties paid under this Order as a penalty paid to the government for
24 all purposes. Regardless of how such funds are used, the Student Loan Debt
25 Relief Companies may not:

- 26 a. claim, assert, or apply for a tax deduction, tax credit, or any other
27 tax benefit for any civil money penalty paid under this Order; or
28

- 1 b. seek or accept, directly or indirectly, reimbursement or
2 indemnification from any source, including but not limited to
3 payment made under any insurance policy, with regard to any civil
4 money penalty paid under this Order.

5 **VII.**
6 **COMPLIANCE MONITORING**

7 **IT IS FURTHER ORDERED**, that to monitor the Student Loan Debt Relief
8 Companies' compliance with this Order:

- 9 a. Within 14 days of receipt of a written request from the Bureau, the
10 Student Loan Debt Relief Companies must submit compliance reports or
11 other requested information, which must be sworn to under penalty of
12 perjury; provide sworn testimony; or produce documents.
- 13 b. For purposes of this Section, the Bureau may communicate directly with
14 the Student Loan Debt Relief Companies, unless such the Student Loan
15 Debt Relief Company retains counsel related to these communications.
- 16 c. The Student Loan Debt Relief Companies must permit Bureau
17 representatives to interview any employee or other person affiliated with
18 them who has agreed to such an interview. The person interviewed may
19 have counsel present.
- 20 d. Nothing in this Order will limit the Bureau's lawful use of civil
21 investigative demands under 12 C.F.R. § 1080.6 or other compulsory
22 process.

VIII.

Retention of Jurisdiction

It is FURTHER ORDERED that:

88. The Court will retain jurisdiction of this matter for the purpose of enforcing this Order.

It is **SO ORDERED**, this 7th day of May, 2021.

JB6

The Honorable Stanley Blumenfeld, Jr.
United States District Judge