

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 SAMUEL J. PARK (State Bar No. 293902)
Counsel
4 Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
5 Los Angeles, California 90013
Telephone: (213) 576-7683
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
9 OF THE STATE OF CALIFORNIA

10 In the Matter of:)

11 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,)

CONSENT ORDER

12 Complainant,)

13 v.)

14 LIBRE TECHNOLOGY, INC.,)

15 Respondent.)
16

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18 This Consent Order is entered into between the Commissioner of Financial Protection and
19 Innovation (Commissioner) and Libre Technology, Inc., and is made with respect to the following
20 facts:

21 I.

22 Recitals

23 A. The Commissioner has jurisdiction over the licensing and regulation of persons
24 engaged in the business of servicing student loans in California under the Student Loan Servicing
25 Act (SLSA) (Fin. Code, § 28100 et seq.).

26 B. The Commissioner also has jurisdiction over the regulation of persons engaged in
27 offering or providing a consumer financial product or service in California and affiliated service
28 providers under the California Consumer Financial Protection Law (CCFPL) (Fin. Code, § 90000 et

1 seq.).

2 C. Libre Technology, Inc. (Libre Tech), is a California corporation with its principal
3 place of business at 4719 Viewridge Avenue, Suite 200, San Diego, California 92123. Libre Tech
4 does business as Docupop, Docupop.com, and Student Loan Service.us.

5 D. Through an investigation of Libre Tech’s business, the Commissioner found:

6 i. Since at least January 2018, Libre Tech has engaged in the business of
7 assisting federal-student-loan borrowers nationwide, including California residents, with the process
8 of preparing and submitting applications to the U.S. Department of Education (ED) for loan
9 consolidation, income-driven repayment (IDR) plans, loan forgiveness, and other debt relief. Libre
10 Tech stopped marketing such services in about September 2019.

11 ii. Libre Tech charged California consumers a fee of about \$200 to \$600 for its
12 services.

13 iii. After consumers were approved for repayment plans or programs, Libre Tech
14 provided ongoing assistance with the annual process of recertifying consumers’ income, family size,
15 and marital status, which ED uses to recalculate monthly payment amounts.

16 iv. Based on the above, the Commissioner is of the opinion that Libre Tech
17 engaged in the business of servicing student loans in California by interacting with California
18 borrowers with the goal of helping them avoid default on their student loans. (See Fin. Code, §
19 28104, subd. (k)(3); Cal. Code Regs., tit. 10, § 2041, subd. (b); 20 U.S.C. § 1083(e)(3)(C); 34
20 C.F.R. §§ 682.205(a)(5)(C), 682.411(d)(1).)

21 v. Libre Tech has never been issued a license by the Commissioner under the
22 SLSA and is not authorized to engage in business as a student-loan servicer in California.

23 vi. Based on the above, the Commissioner is of the opinion that Libre Tech
24 engaged in the business of servicing student loans in California without a license from the
25 Commissioner in violation of Financial Code section 28102, subdivision (a).

26 vii. Based on the above, the Commissioner is of the opinion that Libre Tech is a
27 “covered person” under the CCFPL because it has engaged in offering or providing consumer
28 financial products or services to California residents, including financial advisory services such as

1 Innovation and transmitted to the attention of Accounting – Litigation at the Department of
2 Financial Protection and Innovation, 2101 Arena Boulevard, Sacramento, California 95834. Libre
3 Tech shall provide notice of payments to the Commissioner in accordance with paragraph 21.

4 5. Refunds. In accordance with Financial Code section 90012, subdivision (b)(2), Libre
5 Tech shall refund all fees it collected from California customers for any of the services described in
6 paragraph D from January 1, 2018, to the Effective Date. Libre Tech represents that the estimated
7 total amount of refunds is \$7,379.00. No later than 30 days after the Effective Date, Libre Tech shall
8 pay the refunds to each customer with a check sent by mail to the customer’s last known address or
9 with an ACH transfer to the customer’s bank account on record with Libre Tech. Libre Tech shall
10 not condition the payment of a refund to a consumer under this Consent Order on that consumer’s
11 waiving any right. No later than 60 days after the Effective Date, Libre Tech shall submit to the
12 Commissioner a report and evidence of payment of the refunds. The Commissioner’s receipt of this
13 report does not constitute an approval that the report is complete or accurate and does not otherwise
14 limit the Commissioner’s audit or examination rights under this Consent Order. Libre Tech shall
15 escheat any unclaimed refunds to the California State Controller’s Office within the period provided
16 by Code of Civil Procedure section 1520 of the Unclaimed Property Law (Code of Civ. Proc., §
17 1500 et seq.).

18 6. Waiver of Hearing Rights. Libre Tech acknowledges that the Commissioner is ready,
19 willing, and able to proceed with the filing of an administrative enforcement action on the findings
20 described in the recitals above. Libre Tech hereby waives the right to any hearings and to any
21 reconsideration, appeal, or other right to review which may be afforded by the SLSA, CCFPL,
22 California Administrative Procedure Act (APA), California Code of Civil Procedure (CCP), or any
23 other provision of law. By waiving such rights, Libre Tech effectively consents to the finality of this
24 Consent Order and the orders to desist and refrain contained in it.

25 7. Failure to Comply with Consent Order. Libre Tech agrees that if it fails to comply
26 with the terms of this Consent Order, the Commissioner may pursue any remedies available under
27 the SLSA, CCFPL, or any other provision of law until Libre Tech is in compliance. Libre Tech
28 waives any notice and hearing rights which may be afforded under the SLSA, CCFPL, APA, CCP,

1 or any other provision of law.

2 8. Information Willfully Withheld or Misrepresented. This Consent Order may be
3 rescinded, and the Commissioner may pursue any and all remedies available under law against
4 Libre Tech, if the Commissioner discovers that Libre Tech knowingly or willfully withheld or
5 misrepresented information used for and relied upon in this Consent Order.

6 9. Future Actions by Commissioner. If Libre Tech fails to comply with any terms of
7 this Consent Order, the Commissioner may institute proceedings for any and all violations
8 otherwise resolved under this Consent Order. The Commissioner reserves the right to bring any
9 future actions against Libre Tech for any and all unknown violations of the SLSA or CCFPL.

10 10. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s
11 ability to assist any other government agency (city, county, state, or federal) with any
12 administrative, civil, or criminal prosecution brought by that agency against Libre Tech or any other
13 person based upon any of the activities alleged in this matter or otherwise.

14 11. Headings. The headings to the paragraphs of this Consent Order are inserted for
15 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
16 the provisions hereof.

17 12. Binding. This Consent Order is binding on all heirs, assigns, or successors in
18 interest.

19 13. Reliance. Each of the parties represents, warrants, and agrees that in executing this
20 Consent Order it has relied solely on the statements set forth herein and the advice of its own
21 counsel. Each of the parties further represents, warrants, and agrees that in executing this Consent
22 Order it has placed no reliance on any statement, representation, or promise of any other party, or
23 any other person or entity not expressly set forth herein, or upon the failure of any party or any
24 other person or entity to make any statement, representation, or disclosure of anything whatsoever.
25 The parties have included this clause: (1) to preclude any claim that any party was in any way
26 fraudulently induced to execute this Consent Order and (2) to preclude the introduction of parol
27 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

28 14. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of

1 this Consent Order will be valid or binding unless it is in writing and signed by each of the parties.
2 The waiver of any provision of this Consent Order will not be deemed a waiver of any other
3 provision. No waiver by either party of any breach of, or of compliance with, any condition or
4 provision of this Consent Order by the other party will be considered a waiver of any other
5 condition or provision or of the same condition or provision at another time.

6 15. Full Integration. This Consent Order is the final written expression and the complete
7 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
8 between the parties with respect to the subject matter hereof, and supersedes all prior or
9 contemporaneous agreements, negotiations, representations, understandings, and discussions
10 between and among the parties, their respective representatives, and any other person or entity, with
11 respect to the subject matter covered hereby.

12 16. Governing Law. This Consent Order will be governed by and construed in
13 accordance with California law.

14 17. Counterparts. This Consent Order may be executed in one or more separate
15 counterparts, each of which will be deemed an original when so executed. Such counterparts
16 together will be deemed to constitute a single document.

17 18. Mandatory Disclosure in Future Applications. Libre Tech agrees to disclose this
18 Consent Order in any application for a license, permit, or qualification under the Commissioner’s
19 current or future jurisdiction.

20 19. Effect Upon Future Proceedings and Future Application. If Libre Tech applies for
21 any license, permit, or qualification under the Commissioner’s current or future jurisdiction or is the
22 subject of any future action by the Commissioner to enforce this Consent Order, then the subject
23 matter hereof shall be admitted for the purpose of such application or action. Notwithstanding the
24 foregoing, conduct described in this Consent Order will not be considered in determining whether
25 to approve any future application by Libre Tech for a license under the SLSA.

26 20. Voluntary Agreement. Libre Tech enters into this Consent Order voluntarily and
27 without coercion and acknowledges that no promises, threats, or assurances have been made by the
28 Commissioner or any officer or agent thereof about this Consent Order. The parties each represent

1 and acknowledge that he, she, or it is executing this Consent Order completely voluntarily and
2 without any duress or undue influence of any kind from any source.

3 21. Notice. Any notice required under this Consent Order shall be provided to Libre
4 Tech at Michael A. Thurman, Esq., Thurman Legal, 1055 East Colorado Boulevard, 5th Floor,
5 Pasadena, California 91106 or michael@thurmanlegal.com or to the Commissioner at Samuel J.
6 Park, Counsel, Department of Financial Protection and Innovation, 320 West 4th Street, Suite 750,
7 Los Angeles, California 90013 and samuel.park@dfpi.ca.gov.

8 22. Signatures. A fax or electronic-mail signature will be deemed an original signature.

9 23. Public Record. Libre Tech hereby acknowledges that this Consent Order is and will
10 be a matter of public record.

11 24. Effective Date. This Consent Order shall become final and effective when signed by
12 all parties and delivered by the Commissioner’s agent via electronic mail to Libre Tech’s counsel at
13 michael@thurmanlegal.com.

14 25. Authority to Sign. Each signatory hereto covenants that he or she possesses all
15 necessary capacity and authority to sign and enter into this Consent Order and undertake the
16 obligations set forth herein.

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18 Dated: July 23, 2021

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection and Innovation

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20 By: _____
MARY ANN SMITH
Deputy Commissioner

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23 Dated: July 20, 2021

LIBRE TECHNOLOGY, INC.

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25 By: _____
ANTONY MURIGU
Chief Executive Officer