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Commissioner
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Attorneys for Complainant

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

In the Matter of:)	CONSENT ORDER
)	
THE COMMISSIONER OF FINANCIAL)	
PROTECTION AND INNOVATION,)	
)	
Complainant,)	
v.)	
)	
STUDENT LOAN ADVOCATES)	
CONSULTING SERVICES INC.,)	
)	
Respondent.)	
)	
)	
)	

The Commissioner of Financial Protection and Innovation (Commissioner), and Respondent Student Loan Advocates Consulting Services Inc. (SLA) and Allan Radam (Radam) (collectively, the Parties) enter into this Consent Order with respect to the following facts.

I.

RECITALS

This Consent Order is made with reference to the following:

Legal Background

A. The Commissioner has jurisdiction over the regulation of persons engaged in offering or providing a consumer financial product or service in California and their affiliated

1 service providers under the California Consumer Financial Protection Law (CCFPL) (Fin. Code,
2 § 90000 et seq.).

3 B. Under the CCFPL, it is unlawful for a “covered person” to “[e]ngage, have engaged,
4 or propose to engage in any unlawful, unfair, deceptive, or abusive act or practice with respect to
5 consumer financial products or services.” (Fin. Code, § 90003, subd. (a)(1).)

6 C. A “covered person” is “[a]ny person that engages in offering or providing a
7 consumer financial product or service to a resident of this state.” (Fin. Code, § 90005, subd. (f)(1).)

8 D. A “consumer financial product or service” is generally a “financial product or
9 service that is delivered, offered, or provided for use by consumers primarily for personal, family,
10 or household purposes.” (Fin. Code, § 90005, subd. (e)(1).)

11 E. “Financial product or service” includes, among other things, “[p]roviding financial
12 advisory services . . . including . . . [p]roviding services to assist a consumer with debt management
13 or debt settlement, modifying the terms of any extension of credit, or avoiding foreclosure.” (Fin.
14 Code, § 90005, subd. (k)(8)(B).)

15 F. The Telemarketing Sales Rule (TSR) (16 C.F.R. §§ 310.1-310.9) is the
16 implementing regulation of the federal Telemarketing and Consumer Fraud and Abuse Prevention
17 Act (Telemarketing Act) (15 U.S.C. §§ 6101-6108). Pursuant to section 3(c) of the Telemarketing
18 Act (15 U.S.C. § 6102(c)) and section 18(d)(3) of the Federal Trade Commission Act (FTC Act)
19 (15 U.S.C. § 57a(d)(3)), a violation of the TSR constitutes an unfair or deceptive act or practice in
20 or affecting commerce in violation of section 5(a) of the FTC Act (15 U.S.C. § 45(a)).

21 G. It is a violation of the TSR for any seller or telemarketer to request or receive
22 payment of any fee or consideration for any debt-relief service until and unless: (1) the “seller or
23 telemarketer has renegotiated, settled, reduced, or otherwise altered the terms of at least one debt
24 pursuant to a settlement agreement, debt management plan, or other such valid contractual
25 agreement executed by the customer” and (2) the “customer has made at least one payment pursuant
26 to that settlement agreement, debt management plan, or other valid contractual agreement between
27 the customer and the creditor or debt collector.” (16 C.F.R. § 310.4(a)(5)(i).)

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1 H. Under the TSR, “debt relief service” is “any program or service represented, directly
2 or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of
3 the debt between a person and one or more unsecured creditors or debt collectors, including, but not
4 limited to, a reduction in the balance, interest rate, or fees owed by a person to an unsecured
5 creditor or debt collector.” (16 C.F.R. § 310.2(o).)

6 I. Under the TSR, a “seller” is “any person who, in connection with a telemarketing
7 transaction, provides, offers to provide, or arranges for others to provide goods or services to the
8 customer in exchange for consideration.” (16 C.F.R. § 310.2(dd).)

9 J. Under the TSR, a “telemarketer” is “any person who, in connection with
10 telemarketing, initiates or receives telephone calls to or from a customer.” (16 C.F.R. § 310.2(ff).)

11 K. Under the TSR, “telemarketing” is, in relevant part, “a plan, program, or campaign
12 which is conducted to induce the purchase of goods or services . . . by use of one or more
13 telephones and which involves more than one interstate telephone call.” (16 C.F.R. § 310.2(gg).)

14 ***Commissioner’s Findings and Conclusions***

15 L. Following an investigation by the Commissioner, the Commissioner made the
16 following findings of fact (Findings):

17 i. SLA is or was a California corporation with a principal place of business
18 listed with the California Secretary of State at 1665 E. 4th Street, Suite 208, Santa Ana, California
19 92701. SLA operated a website at <http://studentloanadvocates.org/> (Website).

20 ii. SLA was and is owned and controlled by Radam, and Radam is currently
21 SLA’s chief executive Officer. Gianni Oliliang (Olilang) was also a member associated with SLA.

22 iii. SLA marketed its student loan document preparation assistance services
23 through direct mailings, phone calls, and from its Website.

24 iv. In its marketing, SLA claimed that its services would assist consumers in
25 obtaining student loan relief with SLA acting as an intermediary between borrowers and the
26 borrowers’ lenders or loan servicers with the goal of helping those consumers lower or eliminate
27 their student loan debts (Debt Relief Services).

v. From December 21, 2018 to March 16, 2022, 147 California consumers enrolled in SLA’s Debt Relief Services. Upon initial enrollment, consumers were required to pay up-front servicing fees between \$266.66-\$799.00.

vi. For every customer who enrolled in SLA’s Debt Relief Services, SLA requested and received all or a portion of the servicing fee before SLA negotiated, reduced, or otherwise altered the terms of a customer’s existing student-loan debt.

vii. From December 21, 2018 through March 16, 2022, SLA received \$93,977.42 in fees for its Debt Relief Services from California consumers.

M. Based upon the Findings, the Commissioner made the following conclusions (Conclusions):

i. SLA is a “covered person” under the CCFPL that engages in offering or providing consumer financial products or services to California residents, including financial advisory services such as assisting consumers with debt management or debt settlement and modifying the terms of any extension of credit. (Fin. Code, § 90005, subd. (k)(8)(B).)

ii. SLA is a seller and telemarketer that provided, offered to provide, or arranged for others to provide debt relief services within the meaning of the TSR.

iii. SLA requested and received from customers advance fees for debt relief services in violation of 16 Code of Federal Regulations part 310.4(a)(5).

iv. Based on the above, the Commissioner is of the opinion that SLA violated Financial Code section 90003, subdivision (a)(1), by engaging, having engaged, or proposing to engage in unlawful practices (through its above-stated violations of the FTC Act) with respect to consumer financial products or services.

N. Without admitting or denying the Commissioner’s findings, SLA and Radam desire to enter into this Consent Order which the Commissioner finds is appropriate, in the public interest, and consistent with the purposes fairly intended by the CCFPL.

O. It is the intention of the Parties to this Consent Order to resolve this matter without the necessity of a hearing or other litigation.

NOW THEREFORE, in consideration of the foregoing, and the terms and conditions set

1 forth herein, the Parties agree as follows:

2 **II.**

3 **TERMS AND CONDITIONS**

4 1. **Purpose.** This Consent Order resolves the issues before the Commissioner in a
5 manner that avoids the expense of a hearing and other possible court proceedings, protects
6 consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of
7 the CCFPL.

8 2. **Desist and Refrain Order.** Pursuant to Financial Code section 90015,
9 subdivision (d)(1), SLA and Radam hereby agree to desist and refrain from violating Financial
10 Code section 90003, subdivision (a)(1), including without limitation by requesting and receiving
11 advance fees for debt relief services in violation of 16 Code of Federal Regulations part 310.4(a)(5).

12 3. **Customer Refunds.** Pursuant to Financial Code section 90012, subdivision (b)(2),
13 SLA hereby agrees to issue refunds for all fees it collected from California consumers from
14 December 21, 2018, through the Effective Date (defined in Paragraph 29), and which SLA had not
15 already provided a consumer refund, beginning no later than thirty calendar days after the Effective
16 Date (Refunds). SLA agrees to pay no less than three thousand dollars (\$3,000) per month in
17 Refunds (beginning with the consumers who signed up for debt relief services starting in December
18 2018, progressing chronologically) starting on the first day of the month after the Effective Date,
19 until SLA has issued the full amount of Refunds, which shall occur no later than thirty months after
20 the Effective Date. All Refunds shall be paid directly to consumers via check based upon the
21 consumer's last known bank account information, unless new bank account information has been
22 provided by the customer pursuant to Paragraph 4. No later than forty calendar days after the
23 Effective Date, notice of each of the refund payments shall be sent to the Department at the Notice
24 address in Paragraph 24. With this notice, SLA shall also provide a report containing the
25 customer's name, the date the refund was issued, the amount of the refund, and an indication of
26 whether the refund payment was accepted by the customer/customer's bank.

27 4. **Notice to Consumers.** At least seven business days before each monthly issuance of
28 Refunds, SLA shall send a notice to each customer owed a refund for which SLA has such contact

1 information. Such notice shall be sent to the customer's last known e-mail address. The notice
2 shall say:

3 Pursuant to a settlement with the California Department of Financial Protection
4 and Innovation, Student Loan Advocates Consulting Services Inc. (SLA) is
5 issuing you a refund of all fees you paid to SLA. This refund will be sent by
6 check via U.S. Mail to the address you provided to SLA. If you would like to
7 update your address before the refund is processed, or to confirm your existing
8 address information, please contact us immediately at (855) 611-8134 or via e-
9 mail at support@studentloanadvocates.org.

10 5. No Consumer Waiver. Payment of a refund to any consumer under this Consent
11 Order may not be conditioned on that consumer waiving any right.

12 6. Handling of Unclaimed Refunds. SLA shall escheat any returned or unclaimed of
13 the monthly Refunds to the California State Controller's Office within the period provided by Code
14 of Civil Procedure section 1520 of the Unclaimed Property Law (Code of Civ. Proc., § 1500 et
15 seq.). In the event of escheat, notice shall be sent within five business days to the Department at the
16 Notice address in Paragraph 24, and shall include a copy of any escheatment report(s) submitted to
17 the California State Controller.

18 7. Calculation of Penalty. For violations of the CCFPL, the Department can impose a
19 penalty of the greater of \$5,000 per day or \$2,500 per each act or omission. Here, SLA enrolled
20 147 California consumers in its unlawful debt relief service. Accordingly, the Department imposes
21 a penalty of \$367,500.00. Pursuant to Financial Code section 90012, subdivision (c)(1)(C), the
22 Department will suspend the \$367,500.00 penalty upon the payment of \$10,000.00 (the Suspended
23 Penalty Amount) to the Department and the timely satisfaction of the obligations in Paragraphs 2, 3,
24 4, 5, 6, and 9 of this Consent Order.

25 8. Payment of Penalty. Pursuant to Financial Code section 90012, subdivision (c),
26 SLA and Radam, jointly and severally, shall pay the Commissioner the Suspended Penalty Amount
27 of \$10,000.00 no later than ten calendar days after the Effective Date. This Suspended Penalty
28 Amount shall be paid by Automated Clearing House (ACH) transfer, pursuant to instructions which

1 shall be separately provided, payable to the Department of Financial Protection and Innovation.
2 Notice of payment shall be forwarded contemporaneously to the Department at the Notice address
3 in Paragraph 24. SLA and Radam relinquish all dominion, control, and title to the Refunds and the
4 Suspended Penalty Amount to the fullest extent permitted by law and no part of the Refunds or the
5 Suspended Penalty Amount may be returned to SLA and Radam.

6 9. Rescission of Contracts. Pursuant to Financial Code section 90012,
7 subdivision (b)(1), all contracts SLA had with California consumers regarding its Debt Relief
8 Services (Contracts) are hereby rescinded. SLA shall not assign, sell, or transfer the Contracts to
9 any other entity, nor shall SLA charge or collect any additional payments pursuant to the Contracts.

10 10. Full and Final Settlement. The Parties hereby acknowledge and agree that this
11 Consent Order is intended to constitute a full, final, and complete resolution of the Findings, and
12 that no further proceedings or actions will be brought by the Commissioner in connection with the
13 Findings under the CCFPL or any other provision of law, excepting therefrom any proceeding to
14 enforce compliance with the terms of this Consent Order.

15 11. Waiver of Hearing Rights. SLA and Radam acknowledge that the Commissioner is
16 ready, willing, and able to proceed with the filing of an enforcement action upon the on the charges
17 contained in this Consent Order. SLA and Radam hereby waive the right to any hearings, and to
18 any reconsideration, appeal, or other right to review which may be afforded pursuant to the CCFPL,
19 the California Administrative Procedure Act, the California Code of Civil Procedure, or any other
20 provision of law. By waiving such rights, SLA and Radam effectively consent to this Consent
21 Order, and the Desist and Refrain Order contained herein, becoming final.

22 12. Failure to Comply with Consent Order. SLA and Radam agree that, if they fail to
23 comply with the terms of this Consent Order, the Commissioner may avail himself of any remedies
24 he has under the CCFPL, or any other provision of law, until SLA and Radam are in compliance.
25 SLA and Radam waive any notice and hearing rights which may be afforded under the CCFPL, the
26 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
27 provision of law, that the Commissioner may use to ensure compliance with this Consent Order. In
28 the event of a filing of bankruptcy, or insolvency proceeding, Radam and Olilang are jointly and

severally liable for the refund payment to consumers.

13. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in interest.

14. Information Willfully Withheld or Misrepresented. This Consent Order may be rescinded by the Commissioner, and the Commissioner may pursue any and all remedies available under the law against SLA and Radam, if the Commissioner discovers that SLA or Radam have knowingly or willfully withheld or misrepresented information used for and relied upon in this Consent Order.

15. Commissioner's Duties. Nothing in this Consent Order limits the Commissioner's ability to assist any other government agency with any action brought by that agency (city, county, state or federal) with any prosecution, administrative, civil, and/or criminal brought by any such agency against SLA or Radam, including an action based on any of the acts, omissions, or events described in this Consent Order.

16. Independent Legal Advice. Each party represents that it has received independent advice from its counsel or representatives regarding the advisability of executing this Consent Order.

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

18. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of this Consent Order will be valid or binding unless it is in writing and signed by each of the Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any other

1 provision. No waiver by either party of any breach of, or of compliance with, any condition or
2 provision of this Consent Order by the other party will be considered a waiver of any other condition
3 or provision or of the same condition or provision at another time.

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

10 20. No Presumption Against Drafting Party. Each party acknowledges that it has had the
11 opportunity to draft, review, and edit the language of this Order. Accordingly, the Parties intend
12 that no presumption for or against the drafting party will apply in construing any part of this
13 Consent Order. The Parties waive the benefit of Civil Code section 1654 as amended or
14 corresponding provisions of any successor statute, which provide that in cases of uncertainty,
15 language of a contract should be interpreted most strongly against the party that caused the
16 uncertainty to exist.

17 21. Headings. The headings in this Consent Order are for convenience only and will not
18 be deemed a part hereof or affect the construction or interpretation of the provisions hereof.

19 22. Governing Law. This Consent Order will be governed by and construed in
20 accordance with the laws of the State of California.

21 23. Authority to Sign. Each party represents that the person signing this Consent Order
22 on its behalf has the authority and capacity to do so.

23 24. Voluntary Agreement. SLA and Radam enter into this Consent Order voluntarily
24 and without coercion and acknowledge that no promises, threats or assurances have been made by
25 the Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each
26 represent and acknowledge that he, she, or it is executing this Consent Order completely voluntarily
27 and without any duress or undue influence of any kind from any source.

28 25. Notice. Any notice required under this Consent Order shall be provided to each party

at the following addresses.

(a) To SLA and/or Radam:

Andrew Galvin, Esq.
Barnes & Thornburg LLP
655 West Broadway, Suite 1300
San Diego, CA 92101
Andrew.Galvin@btlaw.com

(b) To the Commissioner:

Steven Vong, Counsel
Department of Financial Protection and Innovation
2101 Arena Blvd
Sacramento, CA 95834
Steven.Vong@dfpi.ca.gov

26. Counterparts. This Consent Order may be executed in any number of counterparts, each of which will be deemed an original when executed. All counterparts together will be deemed to constitute a single document.

27. Signatures. A signature delivered by facsimile or email will be deemed an original signature.

28. Public Record. SLA and Radam acknowledge that this Consent Order is and will be a matter of public record.

29. Effective Date. This Consent Order will become effective on the date it is signed by all Parties and delivered by the Commissioner to SLA and Radam's counsel by electronic mail at Andrew.Galvin@btlaw.com.

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

[continued on next page]

1 Dated: September 29, 2022

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

2
3 By: _____
4 MARY ANN SMITH
5 Deputy Commissioner

6 Dated: October 1, 2022

STUDENT LOAN ADVOCATES CONSULTING
SERVICES INC.,

7
8 By: _____
9 ALLAN RADAM
10 Owner

11 Dated: October 1, 2022

12 By: _____
13 Allan Radam
14 In his individual capacity
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