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

12 In the Matter of:)
13) DESIST AND REFRAIN ORDERS; ORDERS
14 THE COMMISSIONER OF FINANCIAL) ASSESSING PENALTIES AND CLAIM FOR
15 PROTECTION AND INNOVATION,) ANCILLARY RELIEF (Cal. Fin. Code 28170,
16) Cal. Fin. Code, §§ 90015 and 90012)
17 Complainant,)
18 v.)
19)
20 FED HELP LLC,)
21)
22 Respondent.)
23)
24)
25)
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22 The Commissioner of Financial Protection and Innovation (Commissioner) finds the
23 following:

24 **I.**

25 **Introduction**

26 1. The Commissioner has jurisdiction over the licensing and regulation of persons
27 engaged in the business of servicing student loans under the Student Loan Servicing Act (SLSA)
28 (Fin. Code, § 28100 *et seq.*).

2. The Commissioner has jurisdiction over the regulation of persons who engage, have

1 engaged, and propose to engage in offering or providing a consumer financial product or service in
2 California and affiliated service providers under the California Consumer Financial Protection Law
3 (CCFPL) (Fin. Code, § 90000 *et seq.*).

4 **II.**

5 **Factual Background**

6 3. At all relevant times, Fed Help LLC (Fed Help) was a California limited liability
7 corporation operating at the following addresses: 9171 Wilshire Boulevard, Beverly Hills,
8 California, 90210 and 3435 Wilshire Boulevard, Los Angeles, California, 90010. The latter is the
9 address at which business records are located and where employees work.

10 4. At all relevant times, Alex Neal (Neal) was the sole owner of Fed Help.

11 5. At all relevant times, Fed Help operated the website fed-pro.org. The website
12 advertised “we are here to educate you about federal assistance programs and guide you through the
13 application process.” The website also stated “we take your data and place all the values in the
14 corresponding areas of all the complicated documents and forms required for loan consolidation and
15 enrollment into federal student loan forgiveness plans.”

16 6. Beginning in at least March 2022, California consumers accessed the Fed Help
17 website after using online search engines to research how to reduce their student loan payment, or to
18 apply for student loan forgiveness. Consumers then called the telephone number listed on Fed Help’s
19 website and spoke with a Fed Help representative.

20 7. On telephone calls, representatives for Fed Help told potential California customers
21 that Fed Help could assist in consolidating loans and submitting documents to lower monthly loan
22 payments as well as in obtaining loan forgiveness through various federal loan forgiveness
23 programs.

24 8. A Fed Help representative told at least one potential California customer on a
25 telephone call that Fed Help is a third party that handles consolidation and enrollment in the William
26 D. Ford Federal Direct Program. The William D. Ford Direct Program is a federal student loan
27 program.

28 9. Beginning in at least March 2022, Fed Help representatives told at least four potential

1 California customers on telephone calls that Fed Help could help them modify and lower their
2 federal student loan payments or assist them with student loan forgiveness.

3 10. In Service Agreements sent to customers, Fed Help stated that it is “in the business of
4 improving client’s Federal Student Loan repayment terms, by arranging Federal Student Loan
5 Consolidation Services and Processing, provided by programs offered through the Department of
6 Education (DOE) for clients with Federal Student Loans...”

7 11. Fed Help requires customers to pay a fee of about \$1,299.00, which can be paid in a
8 lump sum or multiple installments.

9 12. Fed Help requested payment from at least three California consumers and charged at
10 least two California consumers for assistance with student loan modification or forgiveness services
11 before the borrowers’ student loans were successfully modified or forgiven.

12 **III.**

13 **Applicable Law – SLSA**

14 13. No person shall “engage in the business of servicing a student loan in this state
15 without first obtaining a license” under the SLSA. Cal. Fin. Code, § 28102, subd. (a).

16 14. “Servicing” includes “[i]nteracting with a borrower related to that borrower’s student
17 loan, with the goal of helping the borrower avoid default on his or her student loan.” Cal. Fin. Code,
18 § 28104, subd. (k)(3).

19 15. “[H]elping [a] borrower avoid default on his or her student loan” includes, among
20 other acts, assisting borrowers with obtaining loan deferments, consolidation, forbearance, income-
21 sensitive repayment, income-based alternative repayment plans, or forgiveness benefits. Cal. Code
22 Regs., tit. 10, § 2041, subd. (b); 20 U.S.C. § 1083(e)(3)(C); 34 C.F.R. §§ 682.205(a)(5)(C),
23 682.411(d)(1).

24 16. Under Financial Code section 28170, subdivision (a), if, upon inspection,
25 examination or investigation, based upon a complaint or otherwise, the Commissioner has cause to
26 believe that a person is engaged in the business of servicing student loans without a license, the
27 Commissioner may issue a citation to that person in writing, describing with particularity the basis of
28 the citation. Each citation may contain an order to desist and refrain and an assessment of an

1 administrative penalty not to exceed \$2,500.00.

2 **IV.**

3 **Applicable Law – TSR**

4 17. The Telemarketing Sales Rule (TSR) (16 C.F.R. §§ 310.1-310.9) is the implementing
5 regulation of the federal Telemarketing and Consumer Fraud and Abuse Prevention Act
6 (Telemarketing Act) (15 U.S.C. §§ 6101-6108). Pursuant to section 3(c) of the Telemarketing Act
7 (15 U.S.C. § 6102(c)) and section 18(d)(3) of the Federal Trade Commission Act (FTC Act) (15
8 U.S.C. § 57a(d)(3)), a violation of the TSR constitutes an unfair or deceptive act or practice in or
9 affecting commerce in violation of section 5(a) of the FTC Act (15 U.S.C. § 45(a)).

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

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

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

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

27 22. Under the TSR, “telemarketing” is, in relevant part, “a plan, program, or campaign
28 which is conducted to induce the purchase of goods or services ... by use of one or more telephones

1 and which involves more than one interstate telephone call.” 16 C.F.R. § 310.2(gg).

2 **V.**

3 **Applicable Law – CCFPL**

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

7 24. For any person who knowingly or recklessly provides substantial assistance to a
8 covered person or service provider in violation of subdivision (a), or any rule or order issued
9 thereunder, the provider of that substantial assistance shall be deemed to be in violation of that
10 section to the same extent as the person to whom that assistance is provided. Cal. Fin. Code,
11 § 90003, subd. (b).

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

14 26. A “consumer financial product or service” is generally a “financial product or service
15 that is delivered, offered, or provided for use by consumers primarily for personal, family, or
16 household purposes.” Cal. Fin. Code, § 90005, subd. (e)(1).

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

21 28. Under Financial Code section 90015, subdivision (d), if, in the opinion of the
22 Commissioner, any person engages, has engaged, or proposes to engage in any activity prohibited by
23 section 90003 or 90004, the Commissioner “may issue an order directing the person to desist and
24 refrain from engaging in the activity, act, practice, or course of business.”

25 29. In any administrative action under Financial Code section 90015, the Commissioner
26 may include a claim for ancillary relief as provided in section 90012, subdivision (b). Cal. Fin. Code,
27 § 90015, subd. (e).

28 30. Relief may include, but is not limited to, “[r]escission or reformation of contracts.”

1 “[r]efund of moneys[,]” and “[m]onetary penalties.” Cal. Fin. Code, § 90012, subd. (b)(1), (2), (8).

2 31. Under Financial Code section 90012, subdivision (c), in any administrative action
3 brought pursuant to the CCFPL, any person that violates, through any act or omission, any provision
4 of the CCFPL shall forfeit and pay a penalty not exceeding \$2,500.00 for each act or omission in
5 violation of the CCFPL. Cal. Fin. Code, § 90012, subd. (c)(1)(A)(i).

6 **VI.**

7 **Desist and Refrain Order – SLSA**

8 32. Fed Help serviced student loans within the meaning of Financial Code section 28104,
9 subdivision (k)(3), by interacting with California borrowers with the stated intention of helping them
10 lower their monthly payment.

11 33. Fed Help was never issued a license by the Commissioner under the SLSA and is not
12 authorized to engage in business as a student-loan servicer in California.

13 34. Based on the foregoing, the Commissioner is of the opinion that Fed Help LLC
14 violated Financial Code section 28102, subdivision (a), by engaging in the business of servicing a
15 student loan in this state without first obtaining a license pursuant to the SLSA.

16 35. Accordingly, pursuant to Financial Code section 28170, Fed Help LLC is hereby
17 ordered to desist and refrain from engaging in the business of servicing a student loan in this state
18 without first obtaining a license in violation of Financial Code section 28102, subdivision (a) (SLSA
19 Order).

20 36. This SLSA Order is necessary, in the public interest, and consistent with the
21 purposes, policies, and provisions of the SLSA. This SLSA Order shall remain in full force and
22 effect until further order of the Commissioner.

23 **VII.**

24 **Desist and Refrain Order – CCFPL**

25 37. Fed Help is a “covered person” under the CCFPL that engages in offering or
26 providing consumer financial products or services to California consumers, including, but not
27 limited to, financial advisory services such as assisting consumers with debt management or debt

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1 settlement and modifying the terms of any extension of credit relating to student loans. Cal. Fin.
2 Code, § 90005, subd. (k)(8)(B).

3 38. Fed Help is a seller and telemarketer that provided, offered to provide, or arranged for
4 others to provide debt relief services within the meaning of the TSR.

5 39. Fed Help requested or received from at least three California consumers advance fees
6 for debt relief services in violation of 16 Code of Federal Regulations part 310.4(a)(5).

7 40. Based on the foregoing, the Commissioner is of the opinion that Fed Help, violated
8 Financial Code section 90003, subdivision (a)(1), by engaging, having engaged, or proposing to
9 engage in unlawful (through its above-stated violations of the SLSA and the FTC Act) and deceptive
10 acts and practices (through its misleading offering and performance of high-priced debt relief
11 services) with respect to consumer financial products or services.

12 41. Accordingly, pursuant to Financial Code section 90015, subdivision (d), Fed Help
13 LLC is hereby ordered to desist and refrain from engaging, having engaged, or proposing to engage
14 in unlawful and deceptive acts or practices with respect to consumer financial products or services in
15 violation Financial Code section 90003, subdivision (a)(1) (CCFPL Order).

16 42. This CCFPL Order is necessary, in the public interest, and consistent with the
17 purposes, policies, and provisions of the CCFPL. This CCFPL Order shall remain in full force and
18 effect until further order of the Commissioner.

19 **VIII.**

20 **Assessment of Penalties - SLSA**

21 43. Pursuant to Financial Code section 28170, Fed Help is hereby assessed and ordered to
22 pay within 30 days of the date of this order an administrative penalty in the amount \$2,500.00
23 (SLSA Penalty) for engaging in the business of servicing a student loan in this state without first
24 obtaining a license pursuant to the SLSA. The SLSA Penalty must be in the form of a cashier's
25 check or Automated Clearing House (ACH) deposit, made payable to the Department of Financial
26 Protection and Innovation and transmitted to the attention of Accounting – Litigation, Department of
27 Financial Protection and Innovation, 2101 Arena Boulevard, Sacramento, California 95834. Notice

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1 of the SLSA Penalty payment must be concurrently sent to Jari Binder, Counsel, by email at:
2 jari.binder@dfpi.ca.gov.

3 **IX.**

4 **Assessment of Penalties – CCFPL**

5 44. Based on the foregoing, and pursuant to Financial Code section 90015, subdivision
6 (c), and Financial Code section 90012, subdivision (b)(8), Fed Help LLC, Alex Neal, and/or Fed
7 Help’s officers, successors, and assigns, by whatever names they might be known, jointly and
8 severally, are hereby ordered to pay a monetary penalty to the Commissioner (CCFPL Penalty)
9 within 30 days of the date of this order. In accordance with the Commissioner’s consideration of the
10 elements listed in Financial Code section 90012, subdivision (c)(1)(B), Fed Help LLC, is hereby
11 ordered to determine the amount of the CCFPL Penalty by multiplying the number of Agreements
12 by \$2,500.00, in accordance with section 90012, subdivision (c)(1)(A)(i). The CCFPL Penalty must
13 be made payable in the form of a cashier’s check or ACH deposit to the Department of Financial
14 Protection and Innovation and transmitted to the attention of Accounting – Litigation, Department of
15 Financial Protection and Innovation, 2101 Arena Boulevard, Sacramento, California 95834. Notice
16 of the CCFPL Penalty payment must be concurrently sent to Jari Binder, Counsel, by email at:
17 jari.binder@dfpi.ca.gov.

18 **X.**

19 **Claims for Ancillary Relief – CCFPL**

20 45. Based on the foregoing, and pursuant to Financial Code section 90015, subdivision
21 (e), and Financial Code section 90012, subdivision (b)(1), the Commissioner hereby orders that all
22 agreements between Fed Help LLC and California consumers relating to the performance of debt
23 relief, debt management, or debt consulting services by Fed Help LLC (Agreements) are rescinded.

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46. Fed Help LLC shall not assign, sell, or transfer the Agreements to any other entity, nor shall Fed Help LLC, or any other entity, charge or collect any payments from California residents pursuant to the Agreements.

Dated: June 29, 2023
San Francisco, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division