

1 **I.**

2 **Recitals**

3 This Consent Order is made with reference to the following:

4 ***Legal Background***

5 A. The Commissioner has jurisdiction over the licensing and regulation of persons
6 engaged in the business of servicing student loans under the Student Loan Servicing Act (SLSA)
7 (Cal. Fin. Code § 28100, *et seq.*), and persons who engage, have engaged, and propose to engage in
8 offering or providing a consumer financial product or service in California and affiliated service
9 providers under the California Consumer Financial Protection Law (CCFPL) (Cal. Fin. Code
10 § 90000, *et seq.*).

11 ***Applicable Law – SLSA***

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

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

17 D. Under Financial Code section 28170, subdivision (a), if, upon inspection,
18 examination, or investigation, based upon a complaint or otherwise, the Commissioner has cause to
19 believe that a person is engaged in the business of servicing student loans without a license, the
20 Commissioner may issue a citation to that person in writing, describing with particularity the basis of
21 the citation. Each citation may contain an order to desist and refrain and an assessment of an
22 administrative penalty not to exceed \$2,500.00.

23 ***Applicable Law – CCFPL***

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

27 F. For any person who knowingly or recklessly provides substantial assistance to a
28 covered person or service provider in violation of subdivision (a), or any rule or order issued

1 thereunder, the provider of that substantial assistance shall be deemed to be in violation of that
2 section to the same extent as the person to whom that assistance is provided. (Fin. Code, § 90003,
3 subd. (b).)

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

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

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

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

17 K. In any administrative action under Financial Code section 90015, the Commissioner
18 may include a claim for ancillary relief as provided in section 90012, subdivision (b). (Fin. Code,
19 § 90015, subd. (e).)

20 L. Relief may include, but is not limited to, “[r]escission or reformation of contracts.”
21 “[r]efund of moneys[,]” and “[m]onetary penalties.” (Fin. Code, § 90012, subd. (b)(1), (2), and (8).)

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

26 ***Applicable Law – TSR***

27 N. The Telemarketing Sales Rule (TSR) (16 C.F.R. §§ 310.1-310.9) is the implementing
28 regulation of the federal Telemarketing and Consumer Fraud and Abuse Prevention Act

1 (Telemarketing Act) (15 U.S.C. §§ 6101-6108). Pursuant to section 3(c) of the Telemarketing Act
2 (15 U.S.C. § 6102(c)) and section 18(d)(3) of the Federal Trade Commission Act (FTC Act) (15
3 U.S.C. § 57a(d)(3)), a violation of the TSR constitutes an unfair or deceptive act or practice in or
4 affecting commerce in violation of section 5(a) of the FTC Act (15 U.S.C. § 45(a)).

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

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

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

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

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

25 ***Commissioner’s Findings***

26 T. Start Connecting LLC, d/b/a USA Student Debt Relief (Start Connecting) is a Florida
27 limited liability company with its principal address at 1412 Pine Bay Drive, Sarasota, Florida 34231.

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1 U. Douglas R. Goodman is the President and Chief Executive Officer of Start
2 Connecting and is authorized to enter into this Consent Order on its behalf.

3 V. At all relevant times, Start Connecting maintained a website at
4 www.usastudentdebtrelief.com.

5 W. Beginning at least as early as 2019, Start Connecting marketed student loan debt
6 relief services to student loan borrowers in California and nationwide.

7 X. Start Connecting advertised its services to student loan borrowers and acquired
8 customers via telephone calls. Start Connecting claimed that it would assist consumers in obtaining
9 student loan relief with Start Connecting acting as an intermediary between borrowers and the
10 borrowers' lenders or loan servicers with the goal of helping those consumers lower, eliminate
11 and/or manage their student loan debts (Debt Relief Services).

12 Y. Consumers contend that during these sales calls, Start Connecting's representatives
13 gave the impression that Start Connecting was part of, or affiliated with, an official government
14 agency. For example, Start Connecting's representatives represented that they would manage and
15 process the consumer's loan repayment through, or in affiliation with, the United States Department
16 of Education, a federal agency. Some consumers also understood that the recurring monthly charges
17 and some of the fees would be applied towards the consumer's federal student loan debt.

18 Z. Start Connecting's representatives also told consumers that they could help
19 consumers lower their federal student loan payments or assist them with student loan forgiveness.
20 Start Connecting's representatives presented consumers with options to enroll in income driven
21 repayment programs based on income and/or family size, commonly known as loan forgiveness
22 programs.

23 AA. From September of 2019 through May 2023, at least 193 California consumers
24 enrolled in Start Connecting's Debt Relief Services. Upon initial enrollment, consumers paid an up-
25 front one-time set-up fee of \$99.00, paid a servicing fee between \$400.00 to \$850.00, and recurring
26 monthly payments between \$9.00 to \$29.00. Start Connecting has collected at least \$82,114.00 from
27 California consumers during that period.

28 BB. Based on the facts above, the Commissioner finds that Respondents violated: (1) the

1 SLSA by engaging in unlicensed student loan servicing activities, (2) the CCFPL by engaging in
2 unlawful, unfair, deceptive, or abusive acts or practices with respect to consumer financial products
3 or services, and (3) the TSR by charging advance fees for debt relief services.

4 CC. Respondents admit to the jurisdiction of the Commissioner.

5 DD. It is the intention of the parties to this Consent Order to resolve this matter without
6 the necessity of a hearing or other litigation.

7 NOW THEREFORE, in consideration of the foregoing, and the terms and conditions set
8 forth herein, the parties agree as follows:

9 **II.**

10 **Terms and Conditions**

11 1. Purpose. This Consent Order resolves the issues before the Commissioner, set forth
12 in paragraphs A to DD, above, in a manner that avoids the expense of a hearing and other possible
13 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes,
14 policies, and provisions of the SLSA and CCFPL.

15 2. Final Desist and Refrain Orders. Pursuant to Financial Code sections 28160 and
16 90015, subdivision (d), Start Connecting LLC, d/b/a USA Student Debt Relief, and Douglas R.
17 Goodman are hereby ordered to desist and refrain from engaging in the business of servicing a
18 student loan in this state without first obtaining a license, in violation of SLSA, and are ordered to
19 desist and refrain from engaging in unlawful and deceptive acts and practices with respect to
20 consumer financial products or services in violation of the SLSA, CCFPL, FTC Act, and TSR.
21 Respondents are further ordered to desist and refrain from owning, managing, operating, or
22 controlling any entity that services student loans, or which offers or provides any consumer
23 financial products or services as defined by the CCFPL, unless and until they have the applicable
24 approvals from the Commissioner and are in compliance with the SLSA, CCFPL, FTC Act and
25 TSR. These desist and refrain orders are final and effective from the effective date of this Consent
26 Order, as defined in paragraph 28 (Effective Date).

27 3. Rescission of Contracts. Pursuant to Financial Code sections 90015, subdivision (e),
28 and 90012, subdivision (b)(1), all contracts between Start Connecting LLC, d/b/a USA Student

1 Debt Relief, and any California consumer, regarding its services (Contracts) are hereby rescinded.
2 Respondents shall not assign, sell, hypothecate, or transfer the Contracts to any other entity, nor
3 shall Respondents charge or collect any additional payments pursuant to the Contracts.

4 4. Refunds. Pursuant to Financial Code section 90012, subdivision (b)(2), Start
5 Connecting LLC, d/b/a USA Student Debt Relief, and/or its officers, successors, and assigns, by
6 whatever names they might be known, jointly and severally, are hereby ordered to refund all fees
7 and payments they collected from California consumers no later than thirty calendar days after the
8 Effective Date of this Consent Order. All Refunds shall be paid directly to the respective California
9 consumers by mailing a check to the California consumers' current mailing address, unless a new
10 address has been provided by the consumer pursuant to Paragraph 7 prior to checks being issued.
11 Payment of a refund to any consumer under this Consent Order may not be conditioned on that
12 consumer waiving any right.

13 5. Satisfactory Proof of Refunds. Respondents shall submit a report to the Department
14 providing satisfactory proof of refunds no later than forty calendar days after the Effective Date of
15 this Consent Order. The report shall contain each California consumer's name and contact
16 information, the total amount collected from the California consumer, the amount of the refund, the
17 date the refund was issued, and proof of having sent or deposited refund. The report shall be sent to
18 Afsaneh Eghbaldari, Senior Counsel, by email at: affi.eghbaldari@dfpi.ca.gov.

19 6. Handling of Unclaimed Refunds. Respondents shall escheat any returned or
20 unclaimed Refunds to the California State Controller's Office within the period provided by Code
21 of Civil Procedure section 1520 of the Unclaimed Property Law (Cal. Code Civ. Proc. § 1500, *et*
22 *seq.*). No later than sixty calendar days after the Effective Date of this Consent Order. Start
23 Connecting shall send a report to Afsaneh Eghbaldari, by email at: affi.eghbaldari@dfpi.ca.gov,
24 setting forth all escheated funds and a copy of any escheatment report(s) submitted to the California
25 State Controller.

26 7. Notice to California Consumers. No later than seven calendar days after the
27 Effective Date of this Consent Order, Respondents shall send a notice to each consumer owed a
28 refund. The Notice shall be sent to the consumer's last known e-mail address and mailing address.

1 The notice shall say:

2 Pursuant to the consent order with the California Department of
3 Financial Protection and Innovation, Start Connecting LLC, d/b/a USA
4 Student Debt Relief is refunding all fees, payments, and money you
5 paid to them. You will receive a refund in the amount of \$XXX.xx. All
6 agreements between you and Start Connecting LLC, d/b/a USA
7 Student Debt Relief are hereby rescinded. We plan to mail a check to
8 your current mailing address. Please contact us immediately at
9 doug@start-connecting.com to confirm your current mailing address
10 and contact information.

11 8. Payment of Penalty. Pursuant to Financial Code sections 28170 and 90012,
12 subdivision (c), Start Connecting LLC, d/b/a USA Student Debt Relief, and Douglas R. Goodman,
13 jointly and severally, shall pay the Commissioner the penalty amount of \$30,000.00 no later than
14 seven calendar days after the Effective Date of this Consent Order. The amount shall be paid to the
15 Commissioner by ACH transfer, pursuant to instructions which shall be separately provided. Notice
16 of penalty payment shall be sent concurrently to Afsaneh Eghbaldari, by email at:
17 affi.eghbaldari@dfpi.ca.gov.

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

23 10. Waiver of Hearing Rights. Respondents acknowledge that the Commissioner is
24 ready, willing, and able to proceed with the filing of an enforcement action upon the charges
25 contained in this Consent Order. Respondents hereby waive the right to any hearings, and to any
26 reconsideration, appeal, or other right to review which may be afforded pursuant to the SLSA,
27 CCFPL, the California Administrative Procedure Act, the California Code of Civil Procedure, or
28 any other provision of law. By waiving such rights, Respondents effectively consent to this Consent
Order, and the Desist and Refrain Order contained herein, becoming final.

11. Failure to Comply with Consent Order. Respondents agree that, if they fail to
comply with the terms of this Consent Order, the Commissioner may avail herself of any remedies

1 she has under the SLSA, CCFPL, or any other provision of law, until Respondents are in
2 compliance. Respondents waive any notice and hearing rights which may be afforded under the
3 SLSA, CCFPL, the California Administrative Procedure Act, the California Code of Civil
4 Procedure, or any other provision of law, that the Commissioner may use to ensure compliance with
5 this Consent Order. In the event of a filing of bankruptcy, or insolvency proceeding, Start Connecting
6 LLC, d/b/a USA Student Debt Relief, and Douglas R. Goodman, are jointly and severally liable for
7 the refund payment to consumers and paying the penalty to the Commissioner.

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

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

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

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

23 16. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
24 Consent Order that it has relied solely on the statements set forth herein and the advice of its own
25 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Consent
26 Order it has placed no reliance on any statement, representation, or promise of any other party, or
27 any other person or entity not expressly set forth herein, or upon the failure of any party or any other
28 person or entity to make any statement, representation, or disclosure of anything whatsoever. The

1 Parties have included this clause: (1) to preclude any claim that any party was in any way
2 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
3 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

4 17. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
5 this Consent Order will be valid or binding unless it is in writing and signed by each of the Parties.
6 The waiver of any provision of this Consent Order will not be deemed a waiver of any other
7 provision. No waiver by either party of any breach of, or of compliance with, any condition or
8 provision of this Consent Order by the other party will be considered a waiver of any other condition
9 or provision or of the same condition or provision at another time.

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

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

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

25 21. Governing Law. This Consent Order will be governed by and construed in
26 accordance with the laws of the State of California.

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

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

6 24. Notice. Any notice required under this Consent Order shall be provided to each party
7 at the following addresses.

8 If to Respondents: Start Connecting LLC, d/b/a USA Student Debt Relief
9 Douglas R. Goodman
10 1412 Pine Bay Drive
11 Sarasota, Florida 34231
12 doug@start-connecting.com

13 If to the Commissioner: Afsaneh Eghbaldari, Senior Counsel
14 Department of Financial Protection and Innovation
15 1455 Frazee Road, Suite 315
16 San Diego, California 92108
17 affi.eghbaldari@dfpi.ca.gov

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

21 26. Signatures. A signature delivered by facsimile or email will be deemed an original
22 signature.

23 27. Public Record. Respondents acknowledge that this Consent Order is and will be a
24 matter of public record.

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28. Effective Date. This Consent Order will become effective on the date it is signed by all Parties and delivered by the Commissioner to the Respondents’ counsels by electronic mail at grw@severson.com or psoter@sonic.net.

29. 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.

Dated: November 9, 2023

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

START CONNECTING LLC, D/B/A USA
STUDENT DEBT RELIEF

Dates: November 9, 2023

By _____
Douglas R. Goodman, in his individual capacity, and
as the president of Start Connecting LLC, d/b/a USA
Student Debt Relief

Approved as to Form and Content:

By _____
Genevieve R. Walser-Jolly, Esq.
Attorney on behalf of the Respondents