

1 CLOTHILDE V. HEWLETT
Commissioner
2 MARY ANN SMITH
Deputy Commissioner
3 SEAN ROONEY
Assistant Chief Counsel
4 DANIEL LEWIS (State Bar No. 336685)
Counsel
5 Department of Financial Protection and Innovation
320 4th Street
6 Los Angeles, California 90013
Telephone: (213) 264-4592
7
8 Attorneys for Complainant

9
10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:)
13 THE COMMISSIONER OF FINANCIAL) DESIST AND REFRAIN ORDER; ORDER
PROTECTION AND INNOVATION,) ASSESSING PENALTIES AND CLAIM FOR
14) ANCILLARY RELIEF
Complainant,) (Cal. Fin. Code, §§ 90012 and 90015)
15 v.)
16 TOTAL RAIN INC. d/b/a)
17 STUDENT AID GROUP,)
18 Respondent.)
19)
20)
21)

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 regulation of persons who engage, have
27 engaged, and propose to engage in offering or providing a consumer financial product or service in
28 California and affiliated service providers under the California Consumer Financial Protection Law
(CCFPL) (Cal. Fin. Code § 90000 *et seq.*).

II.**Factual Background**

2. At all relevant times, Total Rain Inc. d/b/a Student Aid Group (Student Aid Group) was a Wyoming corporation using the address 5830 E. 2nd Street, Suite 7000 #4673, Casper, Wyoming 82609. At all relevant times, Maryam Sadollahy was a company principal for Student Aid Group.

3. At all relevant times, Student Aid Group used various phone numbers, including (844) 721-2225, and the e-mail addresses info@studentaidgroup.org and notification@studentaidgroup.org. Student Aid Group representatives communicated with consumers from e-mail addresses of the domains, “studentaidgroup.org”, and “advance-processing.com”.

4. At all relevant times, Student Aid Group operated the website “studentaidgroup.org”. On its website, Student Aid Group used the address 5 Park Plaza, Irvine, California 92614.

5. According to Student Aid Group’s website, “Student Aid Group is a document processing company that focuses on consolidation, forgiveness, and repayment plan changes for Student Aid Group student loan borrowers.”

6. Since at least 2022, Student Aid Group has engaged in the business of assisting federal-student-loan borrowers with preparing and submitting applications to the U.S. Department of Education (ED) for income-driven repayment plans. Student Aid Group has also advertised other services to student loan borrowers, such as helping borrowers apply for repayment plan changes and loan consolidation.

7. Student Aid Group representatives made phone calls to California customers and to customers in other states to sell its services. In phone calls with customers, Student Aid Group representatives promised loan forgiveness through “loan consolidation” and through applying to the Biden Administration’s Student Loan Debt Relief Program. Student Aid Group representatives provided estimates of how much a customer could expect their loan balances to be reduced if they used Student Aid Group’s services.

8. Student Aid Group entered into agreements with at least three California consumers

1 to provide various services that would alter the payment terms of their student loans. These services
2 included reviewing and analyzing student loan repayment plans, counseling regarding student loans
3 and repayment options, applying for forbearance or deferments, and applying for ED income-driven
4 repayment plans.

5 9. To use its services, Student Aid Group required customers to sign power of attorney
6 agreements that allowed Student Aid Group to “negotiate and enter into agreements both written and
7 verbal, on and with all my financial accounts to achieve a reasonable resolution with any
8 organizations possessing and interest in my financial issues with regard to my U.S. Federal Student
9 Loans [sic].”

10 10. Student Aid Group charged a \$780.00 fee for the above services, payable in monthly
11 installments of \$195.00.

12 11. In phone calls, Student Aid Group representatives told customers they would need to
13 make at least one payment before they would receive any debt relief services. Student Aid Group
14 also told customers in emails that they would begin the “60-90 day finalization process” by having
15 the customer’s assigned processor perform a welcome call with the customer “within 5 Business
16 days AFTER [the customer’s] initial cleared payment”.

17 12. On at least three occasions, Student Aid Group collected fees from California
18 consumers before altering the terms of the consumer’s student loans and/or before the consumer
19 made any payments pursuant to a settlement agreement, debt management plan, or other valid
20 contractual agreement between the consumer and ED.

21 13. Despite making payments to Student Aid Group, these three California consumers did
22 not receive the loan forgiveness promised to them by Student Aid Group.

23 **III.**

24 **Applicable Law – TSR**

25 14. The Telemarketing Sales Rule (TSR) (16 C.F.R. §§ 310.1-310.9) is the implementing
26 regulation of the federal Telemarketing and Consumer Fraud and Abuse Prevention Act
27 (Telemarketing Act) (15 U.S.C. §§ 6101-6108). Pursuant to section 3(c) of the Telemarketing Act
28 (15 U.S.C. § 6102(c)) and section 18(d)(3) of the Federal Trade Commission Act (FTC Act) (15

1 U.S.C. § 57a(d)(3)), a violation of the TSR constitutes an unfair or deceptive act or practice in or
2 affecting commerce in violation of section 5(a) of the FTC Act (15 U.S.C. § 45(a)).

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

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

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

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

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

23 **IV.**

24 **Applicable Law – CCFPL**

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

28 21. A “covered person” includes any person that engages in offering or providing a

1 consumer financial product or service to a resident of California. Cal. Fin. Code § 90005(f)(1).

2 22. A “consumer financial product or service” includes a “financial product or service
3 that is delivered, offered, or provided for use by consumers primarily for personal, family, or
4 household purposes.” Cal. Fin. Code § 90005(e)(1).

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

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

13 25. In any administrative action under Financial Code section 90015, the Commissioner
14 may include a claim for ancillary relief as provided in Section 90012, subdivision (b). Cal. Fin. Code
15 § 90015(e).

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

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

22 **V.**

23 **Desist and Refrain Order – CCFPL**

24 28. Student Aid Group is a “covered person” under the CCFPL that engages in offering
25 or providing consumer financial products or services to California consumers, including, but not
26 limited to, financial advisory services such as assisting consumers with debt management or debt
27 settlement and modifying the terms of any extension of credit relating to student loans. Cal. Fin.
28 Code § 90005(k)(8)(B).

1 Department of Financial Protection and Innovation, Enforcement Division, 320 4th Street, Suite 750,
2 Los Angeles, California 90013.

3 36. Student Aid Group shall not assign, sell, or transfer the Agreements to any other
4 entity, nor shall Student Aid Group or any other entity charge or collect any payments from
5 California residents pursuant to the Agreements.

6 **VII.**

7 **Assessment of Penalties – CCFPL**

8 37. Based on the foregoing, and pursuant to Financial Code section 90015, subdivision
9 (c), and Financial Code section 90012, subdivision (b)(8), Student Aid Group, and/or its officers,
10 successors, and assigns, by whatever names they might be known, jointly and severally, are hereby
11 ordered to pay a monetary penalty of \$7,500 to the Commissioner within 30 days of the date of this
12 Order for the three violations of the CCFPL.

13 38. The CCFPL Penalties must be made payable in the form of a cashier’s check or ACH
14 deposit to the Department of Financial Protection and Innovation and transmitted to the attention of
15 Accounting – Litigation, Department of Financial Protection and Innovation, 2101 Arena Boulevard,
16 Sacramento, California 95834. Notice of the CCFPL Penalty payment must be concurrently sent to
17 Daniel Lewis, Counsel, by email at: Daniel.Lewis@dfpi.ca.gov.

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19 Dated: September 17, 2024
20 Sacramento, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



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22 By: _____
23 MARY ANN SMITH
24 Deputy Commissioner
25 Enforcement Division
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