

STATE OF ILLINOIS
IN THE CIRCUIT COURT OF COOK COUNTY
COUNTY DEPARTMENT - CHANCERY DIVISION

THE PEOPLE OF THE STATE OF ILLINOIS,

Plaintiff,

v.

FDATR, INC., an Illinois Corporation; and doing
business as FEDERAL STUDENT LOAN RELIEF,
FEDERAL STUDENT LOAN RELIEF, INC.,
FEDERAL TAX RELIEF, FEDERAL TAX
RELIEF, INC., and FEDERAL DEBT AND TAX
RELIEF, LLC.;

TELDEBT SOLUTIONS INC., an involuntarily
dissolved Illinois Corporation;

DEAN TUCCI, individually and as President of
TELDEBT SOLUTIONS INC., and former
President of FDATR, INC.; and

KENNETH WAYNE HALVERSON, individually
and as President and CEO of FDATR, INC.

Defendants.

2017CH13732
CALENDAR/ROOM 10
TIME 00:00
General Chancery

Case No.

FILED-1
2017 OCT 13 AM 8:55
DOROTHY BROWN CLERK

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Now comes the Plaintiff, the People of the State of Illinois, by Lisa Madigan, Attorney General of the State of Illinois, and brings this action for injunctive and other relief against Defendants FDATR, Inc., an Illinois corporation, Teldebt Solutions Inc., an involuntarily dissolved Illinois corporation, Dean Tucci, individually and as President of Teldebt Solutions Inc. and former President of FDATR, Inc., and Kenneth Wayne Halverson, individually and as President of FDATR, Inc., for violations of the Consumer Fraud and Deceptive Business Practices Act ("Consumer Fraud Act"), 815 ILCS 505/1 *et seq.*, the Debt Settlement Consumer

Protection Act (“Debt Settlement Act”), 225 ILCS 429/1 *et seq.*, and the Credit Services Organizations Act, 815 ILCS 605/1 *et seq.*

I. NATURE OF THE CASE

1. Defendants target financially vulnerable consumers across the nation, including in Illinois, who have student loan and tax debt by advertising and misrepresenting their ability to reduce or eliminate consumers’ debts, all while charging unlawful upfront fees and failing to provide mandatory disclosures.

2. Defendants advertise a wide-range of relief services and guarantee that they can lower monthly student loan payments, improve credit scores, get students out of default, and negotiate tax and student loan debt adjustments.

3. In fact, however, Defendants do not have the capability to provide the services advertised and charge exorbitant upfront fees in violation of the Debt Settlement Act.

4. Defendants induce consumers into purchasing their services by misrepresenting to consumers that the government can double the interest rate on defaulted student loan debt or that the government can take everything the consumer owns to satisfy a debt.

5. After employing high-pressure sales tactics and misrepresenting its services in order to get consumers to agree to pay Defendants, Defendants then impersonate students in order to illegally obtain and use the students’ Federal Student Aid ID.

6. Finally, Defendants agree to refund their fees if they fail to obtain a loan modification or otherwise help the consumer, but then do not provide the promised refunds.

7. While promising to provide student loan and tax debt relief services to financially distressed consumers, Defendants provide nothing more than phantom help. By taking precious time and money from economically vulnerable consumers without providing any meaningful

services, Defendants place consumers at greater risk of serious financial harm.

II. PUBLIC INTEREST

8. The Illinois Attorney General believes this action to be in the public interest of the citizens of the State of Illinois and brings this lawsuit pursuant to the Consumer Fraud Act, the Debt Settlement Act, and the Credit Services Organizations Act. *See* 815 ILCS 505/7(a), 225 ILCS 429/155(a), and 815 ILCS 605/12.

III. JURISDICTION AND VENUE

9. This Complaint for Injunctive and Other Relief (hereinafter "Complaint") is brought for and on behalf of the People of the State of Illinois, by Lisa Madigan, Attorney General of the State of Illinois, pursuant to the provisions of the Consumer Fraud Act, 815 ILCS 505/1 *et seq.*, the Debt Settlement Act, 225 ILCS 429/1 *et seq.*, the Credit Services Organization Act, 815 ILCS 605/1 *et seq.*, and her common law authority as Attorney General to represent the People of the State of Illinois.

10. Venue for this action properly lies in Cook County, Illinois, pursuant to Section 2-101 of the Illinois Code of Civil Procedure, 735 ILCS 5/2-101, in that the corporate Defendants maintain offices and transact business in Cook County, and Defendant Tucci resides in Cook County.

IV. PARTIES

11. Plaintiff, the People of the State of Illinois, by Lisa Madigan, the Attorney General of the State of Illinois, is authorized to enforce the Consumer Fraud Act, the Debt Settlement Consumer Protection Act, and the Credit Services Organization Act.

A. *FDATR, Inc.*

12. Originally incorporated on December 15, 2014, Defendant FDATR, Inc. ("FDATR") is an Illinois corporation with its principal place of business at 199 S. Addison Rd., Wood Dale, Illinois.

13. FDATR is registered with the Illinois Secretary of State to conduct business in Illinois under the assumed business names "Federal Student Loan Relief" and "Federal Tax Relief." In addition, without authorization, FDATR also does business as "Federal Student Loan Relief, Inc.," "Federal Tax Relief, Inc.," and "Federal Debt and Tax Relief, LLC." "Federal Student Loan Relief, Inc.," and "Federal Tax Relief, Inc." are not registered as corporate entities under Illinois law, nor are they registered assumed names of FDATR. Similarly, "Federal Debt and Tax Relief, LLC." is not a registered limited liability company under Illinois law, nor is it a registered assumed name of FDATR.

14. Operating as "Federal Student Loan Relief," "Federal Student Loan Relief, Inc.," and "Federal Debt and Tax Relief, LLC.," FDATR purports to provide student loan debt settlement and relief services.

15. Operating as "Federal Tax Relief," "Federal Tax Relief, Inc.," and "Federal Debt and Tax Relief, LLC.," FDATR purports to provide tax debt settlement and relief services.

16. FDATR maintains office addresses at:

- a. 1821 Walden Office Square, Suite 400 Schaumburg, Illinois in Cook County, and
- b. 199 South Addison Road, Wood Dale, Illinois in DuPage County.

17. For purposes of this Complaint, FDATR and its assumed business names, both registered and unregistered, shall be collectively referred to as FDATR.

18. At all times material to this Complaint, FDATR has failed to possess a Debt Settlement Provider license, as required by Section 15 of the Debt Settlement Act, 225 ILCS 429/15.

19. At all times material to this Complaint, FDATR has failed to have a registration statement filed with the Illinois Secretary of State, as required Section 9 by the Credit Services Organization Act, 815 ILCS 605/9.

B. Teldebt Solutions Inc.

20. Originally incorporated on April 14, 2011, Defendant Teldebt Solutions Inc. ("Teldebt") is an involuntarily dissolved Illinois corporation. Teldebt's principal place of business is at 199 S. Addison Rd., Wood Dale, Illinois, 60191.

21. Teldebt was involuntarily dissolved on September 8, 2017.

22. Teldebt purports to provide student loan and tax debt settlement and relief services.

23. At all times material to this Complaint, Teldebt has failed to possess a Debt Settlement Provider license, as required by Section 15 of the Debt Settlement Act, 225 ILCS 429/15.

24. At all times material to this Complaint, Teldebt has failed to have a registration statement filed with the Illinois Secretary of State, as required by Section 9 of the Credit Services Organization Act, 815 ILCS 605/9.

25. FDATR and Teldebt utilize the same principal place of business at 199 S. Addison, in Wood Dale, Illinois, and at times, the same suite (#104).

26. From their respective inception dates in December 2014 and April 2011, until around March 2017, Dean Tucci alone served as the Director, President, Secretary, and Treasurer of FDATR and Teldebt.

27. FDATR and Teldebt mix their business income. FDATR's Federal Tax Relief website notes that "Teldebt Solutions" will appear on its consumers' billing statements. Further, FDATR and Teldebt's consumers are often charged or refunded fees by one company, even though the consumer contracted with the other company.

28. For example, one consumer was, according to her bank account statement, charged fees by "Teldebt Solutions Inc." After complaining to the Better Business Bureau about unauthorized withdrawals, those fees were refunded by "FEDTAX/SL RELIEF."

29. FDATR and Teldebt also share advertising and marketing.

30. For instance, the phone number listed on FDATR's Federal Tax Relief website for consumers to call, 1-877-339-0391, is the same number listed on Teldebt's website for consumers to call. Due to the shared telephone number, consumers may call the number in response to Teldebt's advertisement, but unknowingly end up entering a contract with FDATR.

31. FDATR and Teldebt even share employees.

32. For example, Barry Footlick, identifying himself as FDATR's Director of Tax Compliance & Resolution to consumers, has sent FDATR emails to consumers using a Teldebt email address, teldebt.postman@postman.io.

33. During an April 27, 2017 deposition of Defendant Tucci, taken pursuant to bankruptcy case 16-36934, Tucci admitted that for all purposes, FDATR is the same entity as Teldebt.

34. FDATR and Teldebt's conduct demonstrates such unity of interest and ownership that their separate identities no longer exist. To adhere to the fiction of separate existence between FDATR and Teldebt would serve to sanction fraud and to promote injustice.

C. Kenneth Wayne Halverson

35. Kenneth Wayne Halverson ("Halverson") is a current President, Director, and the CEO of FDATR.

36. Defendant Halverson is being sued individually and as President and CEO of FDATR.

37. Halverson runs the day-to-day operations of FDATR. He also formulates, directs, controls, has the authority to control, participates in, and has knowledge of the acts and practices of FDATR, including the acts and practices set forth in this Complaint.

38. Halverson personally speaks with consumers and misrepresents the services offered by FDATR.

39. Halverson conducts trainings for FDATR employees, during which he instructs them to use misleading and high-pressure sales tactics.

40. To adhere to the fiction of a separate corporate existence between Defendant Halverson and FDATR and/or Teldebt would serve to sanction fraud and promote injustice.

D. Dean Tucci

41. Dean Tucci ("Tucci") resides in Cook County, Illinois.

42. Defendant Tucci is being sued individually and as President of Teldebt, and former President of FDATR.

43. Tucci has been the Director, President, Treasurer, Secretary, CEO, and majority shareholder of FDATR, as well as the current President, Secretary, Treasurer, and Director of Teldebt Solutions Inc. ("Teldebt").

44. From each corporation's inception through at least the end of 2016, Tucci was the sole President, Director, Treasurer, and/or Secretary for both FDATR and Teldebt.

45. From each corporation's inception through on or about February 25, 2016, Tucci was the sole owner of FDATR and Teldebt.

46. Tucci runs the day-to-day operations of Teldebt; and formulates, directs, controls, has the authority to control, participates in, and has knowledge of the acts and practices of Teldebt, including the acts and practices set forth in this Complaint.

47. Tucci previously ran FDATR's day-to-day operations, from inception through at least the end of 2016; and he formulated, directed, controlled, had the authority to control, participated in, and had knowledge of the acts and practices of FDATR, including the acts and practices set forth in this Complaint.

48. On or about February 25, 2016, Tucci created another Illinois corporation, DMP Holdings, Inc., and gave it an ownership interest in FDATR and Teldebt. Tucci owns 90% of DMP Holdings, Inc., and his partner Beata Pilicaiuskiene, who gave no consideration for her interest in the company, owns the other 10%.

49. Tucci is an authorized bank account signatory for Teldebt and FDATR's bank accounts.

50. Tucci uses the corporate bank accounts of FDATR and Teldebt to pay his own, personal debts.

51. Tucci pays alimony to his ex-wife directly out of Teldebt's bank account.

52. Furthermore, Tucci routinely transfers funds directly from FDATR's bank account to his ex-wife, daughter, and son.

53. To adhere to the fiction of a separate corporate existence between Defendants Tucci and FDATR and/or Teldebt would serve to sanction fraud and promote injustice.

54. FDATR, Teldebt, Halverson and Tucci have operated as a common enterprise while engaging in the deceptive and unlawful practices and other violations of law alleged below. Defendants have conducted the business practices described below through their interrelated companies which have common ownership, officers, business functions, a common office location, commingle funds, and share advertising/marketing. Because the Defendants have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below.

55. Any references to the acts and practices of "Defendants" shall also mean that such acts and practices are by and through the acts of Tucci, Halverson, FDATR, and/or Teldebt's officers, members, owners, directors, employees, salespersons, representatives, and/or other agents.

VI. TRADE AND COMMERCE

56. The Consumer Fraud Act defines "trade" and "commerce" as follows:

The terms 'trade' and 'commerce' mean the advertising, offering for sale, sale, or distribution of any services and any property, tangible or intangible, real, personal, or mixed, and any other article, commodity, or thing of value wherever situated, and shall include any trade or commerce directly or indirectly affecting the people of this State.

815 ILCS 505/1(f).

57. At all times relevant to this Complaint, Defendants engaged in trade and commerce in the State of Illinois by advertising, soliciting, offering for sale, and selling student loan and tax debt settlement and relief services to consumers in Illinois and elsewhere.

VII. BACKGROUND

A. *Federal Student Loan Debt*

58. There is nearly \$1.3 trillion¹ in outstanding federal student loan debt in the United States. Federal student loans are either lent directly by the federal government or backed by government guarantees.

59. All federal student loan repayment options and debt relief programs (“DOE Federal Loan Repayment Options”) are established and governed by federal law and the U.S. Department of Education’s (“DOE”) rules.

60. DOE Federal Loan Repayment Options available for borrowers include, but are not limited to:

- a. Standard repayment plans where the monthly payment remains consistent across the life of the loan;
- b. Income driven repayment plans that base the monthly payment amount upon the borrower’s financial circumstances;
- c. Deferment and forbearances, which allow a borrower to temporarily postpone their repayments;
- d. Direct consolidation loans that allow a borrower to combine multiple outstanding loans into a single loan. Borrowers are then required to choose a repayment option. Consolidation is not forgiveness of any amount owed on any loan; and

¹ U.S. Department of Education (2017) *Federal Student Aid Portfolio Summary*, available at: <https://studentaid.ed.gov/sa/about/data-center/student/portfolio>.

e. Loan forgiveness programs allow certain borrowers that meet strict guidelines to have the remainder of their loans completely or partially forgiven. Two of the most common forgiveness programs are the Public Service Loan Forgiveness and Teacher Loan Forgiveness programs. Both programs have rigorous eligibility requirements, and simply working for a non-profit or working as a teacher for a set amount of time does not guarantee eligibility. Furthermore, due to a requirement that 120 qualified monthly payments be made while working for a qualified employer, no borrower could have possibly qualified for a Public Service Loan Forgiveness prior to October 1, 2017, 120 months from the start of the program in October 2007.

61. The DOE provides free applications for all these options (except discretionary forbearances, which a borrower's loan servicer has to approve), as well as resources that render free assistance to complete the applications.

62. The DOE approves or denies applications for DOE Federal Loan Repayment Options.

B. IRS Tax Debt

63. Many Americans also owe funds to the U.S. Internal Revenue System ("IRS") for, among other reasons, failing to pay the correct amount of taxes or being charged penalties and interest for filing their returns late.

64. To collect these amounts, the IRS may, among other things: apply future tax refunds to the debt; file liens on taxpayers' property; or levy the property to satisfy the debt.

65. The IRS has established many payment options to ensure taxpayers can manage their tax liabilities. When a taxpayer applies for one of the options, the IRS applies federal

statutes and guidelines to determine whether the option is available to taxpayers. These options (“IRS Tax Debt Payment Options”) include:

- a. Currently Not Collectible – If a taxpayer has no disposable income or assets, the IRS may temporarily suspend collection on the debt. The debt does not disappear, and interest and penalties continue to accrue.
- b. Installment Agreements – If a taxpayer cannot pay the entire amount due in a lump sum, the IRS may allow the taxpayer to make smaller periodic payments, totaling the entire amount owed, over a set timeframe.
- c. Partial Payment Installment Agreements – When a taxpayer will not be able to pay the liability in full within ten years, but the taxpayer has some ability to pay, the IRS may allow the taxpayer to pay less than the full amount owed via installment payments that total less than the entire amount owed.
- d. Offers-in-Compromise – An offer-in-compromise resolves the tax liability by payment of an agreed upon reduced amount. In general, the minimum offer the IRS will accept is the estimated value of all of the taxpayer’s assets plus sixty months of available funds.

66. The IRS provides applications for all these options, as well as resources for assistance to understand and/or complete the applications.

67. The IRS approves or denies applications for IRS Tax Debt Payment Options.

VIII. DEFENDANTS’ DECEPTIVE BUSINESS PRACTICES

A. Defendants’ Debt Relief Business Model

68. Since at least 2014 and 2011, respectively, FDATR and Teldebt have engaged in advertizing, soliciting, offering for sale, and selling debt relief and settlement services in Illinois and other states.

i. FDATR

69. FDATR solicits consumers by advertising via video commercials, radio, and through its websites: www.fedsrelief.com and www.fedtaxrelief.org.

70. In its solicitations, FDATR does not inform consumers that its services are limited to simple documentation preparation.

71. FDATR does not inform consumers that assistance for obtaining and completing the applications is available for free from the federal government.

72. In response to FDATR's advertisements, many consumers contact FDATR and enroll in its services and pay its fees.

a. FDATR and Student Loan Debt

73. FDATR, through its registered and unregistered business names, performs services to complete applications for DOE Federal Loan Repayment Options, such as loan consolidation, loan forgiveness, income driven repayment plans, deferments, and forbearances.

74. Despite only providing simple document preparation services, FDATR offers to reduce or obtain forgiveness for student loan debt or payments, consolidate student loans, restore eligibility for financial aid, or stop collection efforts.

75. FDATR does not and cannot in any way actually negotiate, offer, or qualify borrowers for any sort of loan forgiveness, payment or balance reduction, garnishment removal, or restore eligibility for financial aid.

76. Consumers do not receive from FDATR its advertised student loan debt and/or payment reduction or forgiveness. Instead, without the consumer's awareness, FDATR simply submits applications for student loan consolidation, deferment, forbearance, or income based repayment plans. Because these programs may result in a temporary reduction or suspension of

monthly student loan payments, FDATR's consumers often believe FDATR has obtained student loan forgiveness for them.

77. In truth, FDATR fails to deliver on its promises of student loan debt forgiveness.
78. FDATR charges up to approximately \$695 for its purported services.
79. On its website, FDATR asserts that it can:
 - a. "Stop Wage Garnishment," *see* FDATR Webpage 1, <http://fedslrelief.com>, *attached and incorporated by reference hereto as Exhibit 1*;
 - b. "Lift IRS Tax Liens," *see* Ex. 1;
 - c. "Restore Financial Aid Eligibility," *see* Ex. 1;
 - d. "Help qualify you for a student loan forgiveness program..." *see* FDATR Webpage 2, <http://fedslrelief.com/about-federal-student-loan-relief/>, *attached and incorporated by reference hereto as Exhibit 2*;
 - e. "Cut Loan Payments in HALF," *see* FDATR Webpage 3, <http://fedslrelief.com/our-services/>, *attached and incorporated by reference hereto as Exhibit 3*;
 - f. "Consolidate Federal Student Loans," *see* Ex. 3; and
 - g. "[R]educ[e] your payments by 50% or more!" *see* Ex. 3.

80. FDATR implies it provides student loan debt relief, when in fact such is not the case because the DOE Federal Loan Repayment Options are administered by the federal government.

81. The federal government, through the act of approving or denying DOE Federal Loan Repayment Option applications, actually performs and provides the services FDATR advertises it performs and provides.

82. Furthermore, FDATR misrepresents that anyone with student loan debt can achieve these results. In truth, each DOE Federal Loan Repayment Option program has different requirements set by the federal government for which not all borrowers will qualify.

83. Despite its claims, FDATR cannot guarantee that consumers will qualify or be eligible for any DOE Federal Loan Repayment Option program.

84. FDATR also advertises on its website that it can "Improve Credit Scores - & Remove the I9 Rating... We can negotiate with lenders to remove negative credit ratings" (*see* Ex. 3), and informs consumers via telephone that "Your credit can be destroyed. You can prevent that from happening with our help." In truth, FDATR does no work to repair, modify, or correct consumers' credit reports.

85. Furthermore, on its website FDATR claims to have "the expertise and experience to help qualify you for a student loan forgiveness program or a student loan consolidation program..." *See* Ex. 2. This statement is false because eligibility for student loan forgiveness or consolidation is determined solely by federal law and DOE rules.

86. In fact, the only thing FDATR does for consumers is fill out and submit applications for programs administered and run by the DOE. FDATR makes these applications on behalf of consumers, however, without informing consumers of the full consequences of particular actions. FDATR does not disclose to consumers that student loan deferment, forbearance, or lower monthly debt repayments may cause consumers to pay more in interest due to a longer debt maturity term.

87. FDATR also misrepresents its refund policy, claiming it "can definitively resolve your issue, and with that comes a 100% money-back guarantee. If we are not able to solve your issues, you don't owe us anything... If we don't deliver, you owe us nothing." *See* Ex. 3.

88. FDATR intends that consumers will rely on the misrepresentations and omissions it makes in these advertisements in an effort to convince consumers to pay for its services.

89. FDATR's salespeople, when talking to consumers on the phone, also promise consumers a 100% money-back guarantee.

90. In truth, after failing to obtain the promised student loan debt relief for consumers, FDATR ignores consumers and does not provide requested refunds.

91. FDATR also instructs its salespeople to make other oral misrepresentations about the nature of its services, with the intent that consumers rely on the misrepresentations in deciding whether to purchase FDATR's services. FDATR provides a sales script to its representatives that instructs the representatives to make the follow misrepresentations:

- a. "[DOE] can also increase your loan rate to a defaulted penalty rate that is staggering. It doubles the original amount." In truth, the DOE does not increase a defaulted loan's interest rate.
- b. "I've got really good news for you. I was able to get you prequalified! I will be able to get you out of (default, [wage garnishment], Tax Lien, etc...) and I will consolidate your loans into a brand new ([income based repayment]/[income contingent repayment]/etc...)...Based on the information you gave me, I can get you a payment of just \$-- that's a savings of \$ a year." In truth, FDATR cannot prequalify any borrower for DOE Federal Loan Repayment Options.
- c. "All we need to do to get you started is an initial Investigation Fee of \$99 to start your file. Upon receipt of this first payment we will be working on your behalf to quickly and easily move your loans out of default status. We can begin working on your situation immediately upon receipt of your deposit..." This claim is false

because FDATR prohibits its employees from providing any services to the consumer until the entire fee is paid in full.

d. "There are so many ways to assure yourself of a bright future that is free of this government obligation if you use our services...And like the thousands of people who use Federal Student Loan Relief services, you'll have freedom of worry, no harassing phone calls, no black mark on your credit report due to your student loans and so much more..." In truth, FDATR has no capability to provide consumers with a future that is "free" of the obligation to repay student loans or that will remove negative credit history information from a student loan reporting line.

e. "Okay, I also wanted to let you know that we have a way to expedite your file with the Department of Education and also save you money in the process." In truth, FDATR has no ability to expedite or influence the Department of Education's processing of applications for DOE Federal Student Loan Repayment Options.

b. FDATR and Tax Debt

92. FDATR, through its registered and unregistered business names, also performs services to complete applications for IRS Tax Debt Payment Options, such as currently not collectible, installment agreements, and offers-in-compromise programs.

93. In reality, very few of the consumers that FDATR speaks to qualify for the offers-in-compromise or substantial reductions in their tax debts because of these programs' strict requirements.

94. Based on FDATR's promises of substantial tax debt relief, consumers readily pay

FDATR its hefty fee amounting to 10% of a consumer's back due tax debt. In reality, if FDATR ends up assisting a consumer at all, at best the consumer usually ends up in an installment agreement program. Installment agreement plans are easy for consumers to obtain themselves.

95. On its website FDATR claims to provide the follow tax debt services:

- a. "Stop IRS Wage Garnishment," *see* FDATR Webpage 4, <https://fedtaxrelief.org/tax-relief-programs/>, *attached and incorporated by reference hereto as Exhibit 4*;
- b. "Stop IRS Levy Action," *see* Ex. 4;
- c. "End the IRS Harassment," *see* Ex. 4; and
- d. "...[S]olve[s] ALL your debt problems," *see* FDATR Webpage 5, <http://fedtaxrelief.org/contact/>; *attached and incorporated by reference hereto as Exhibit 5*.

96. FDATR also claims to "[n]egotiate with the IRS for a fair payroll tax resolution," *see* FDATR Webpage 6, https://fedtaxrelief.org/business_taxes/, *attached and incorporated by reference hereto as Exhibit 6*.

97. Moreover, FDATR also advertises, on its website, that "Each case is different and [sic] consulting Federal Tax Relief, you will allow us to take action quickly and help you either eliminate your taxes, or work out a plan with the IRS to gradually pay them off without penalties or other legal problems." *See* FDATR Webpage 7, <https://fedtaxrelief.org/about-tax-relief/>, *attached and incorporated by reference hereto as Exhibit 7*.

98. Through these solicitations, FDATR insinuates that it will either 1) eliminate consumer's taxes, or 2) negotiate with the IRS to eliminate penalties and "other legal problems." In most, if not all, cases, FDATR does not do either of these things.

99. Although FDATR represents that anyone with tax debt can achieve these results, such is not the case, as each IRS Tax Debt Payment Option has different requirements set by the federal government for which not all taxpayers will qualify.

100. Moreover, FDATR also provides false guarantees that they can produce specific results for consumers – results that consumers often do not receive. In fact, despite claiming to provide results quickly – sometimes in as short as three months – FDATR often fails to achieve the results advertised within the time frame promised.

101. Similar to the student loan services, FDATR fails to inform consumers of the full consequences of the programs FDATR commits consumers to. FDATR does not disclose to consumers that tax debt repayment plans may cause consumers to pay more in interest and penalties due to a longer debt maturity term.

102. Finally, after FDATR fails to live up to its false promises about guaranteed results, FDATR also often fails to provide the refunds it agreed to provide if its services were unsuccessful.

c. Misleading, High-Pressure Sales Tactics

103. FDATR employs high-pressure sales tactics, involving misrepresentations to consumers, to create a false sense of urgency to purchase its services.

104. For example, via a video commercial,² FDATR represents that if a consumer owes “back taxes to the IRS or state, they have the power to take everything you own. They can legally garnish your paycheck without a judgment, they can take all your assets, your home, business, and savings.”

² This video commercial is viewable at: <https://www.ispot.tv/ad/A453/federal-tax-relief-inc-fresh-start-initiative>.

105. However, by its own rules, the IRS will not take all of a taxpayer's assets.

106. Defendants maintain a call center at their Illinois offices where salespeople make calls directly to consumers to solicit them to enroll in Defendants' services.

107. FDATR also created a script for overcoming objections from consumers. Importantly, when a potential customer correctly points out during a student loan relief call that they can fill out the forms themselves, the salesperson gives the following, scripted response:

We all want to think we can do everything ourselves and save money. Trouble is, it usually turns out we get into a bigger mess than we were in before. If you have a bad legal situation, only a qualified attorney can fix the problem for you. If your plumbing goes bad, you need an experienced plumber when the situation is really bad. Your situation, (Name), is really bad. You don't want to deal with the government alone. We are experts who deal with these problems every day. You need us to handle this problem for you. Are you ready to give us a try?

108. Another standard FDATR salesperson script similarly pressures consumers with false guarantees about FDATR's abilities, and fictitious consequences for not purchasing their services:

I see you currently have loans and you owe \$. It also looks like you are in a very critical adverse situation with the Department of Education. Fortunately, we'll be able to help get you out of this serious state. It's smart to fix the problem now before it's too late. We also want to make sure you don't have to go through a wage garnishment. You do know that the government can and will take a chunk of your earnings and can get into your bank accounts and other assets if you don't correct this problem? This can also ruin your credit and future earning power. In addition, the DOE can assess a penalty of 18% to 20% of the loan balance and add that to the principal. They can also increase your loan rate to a defaulted penalty rate that is staggering. It doubles the original amount. Were you aware of this?

109. By emphasizing the potential legal problems that could result from a consumer's "really bad" or "very critical" debt situation, FDATR pressures consumers to purchase their services while guaranteeing that FDATR can obtain a favorable result. In truth, FDATR has no greater ability to help resolve the consumers' debt issues than would the consumer.

110. Moreover, FDATR salespeople have represented to consumers that FDATR is associated with the IRS in order to induce consumers to purchase FDATR's tax debt relief services.

111. Defendant Halverson led training meetings for salespeople at FDATR's Illinois offices in which he discussed methods for closing sales.

112. During those trainings, Halverson roleplayed calls with his salespeople and heard the tactics his salespeople used, including claims that the salesperson was from the IRS.

113. Despite hearing this, Halverson did not instruct the salespeople not to use the lie that they are from the IRS or using other high-pressure sales tactics.

114. Halverson himself also called consumers and used these same high-pressure sales tactics – threatening consumers that they could lose their homes, have their tax refunds levied, and bank accounts closed.

115. Halverson encouraged consumers to stop paying their other bills in order to make payments to FDATR.

116. Halverson even told consumers that they would be put in jail if they failed to make payments.

117. In truth, pursuant to various federal and state laws, certain forms and amounts of income and assets are exempt from collection and, despite FDATR's claims, not "everything [a consumers] own[s]" can be taken to satisfy tax debt.

118. FDATR's salespeople often make oral misrepresentations guaranteeing that a consumer qualifies for a particular type of relief, with the intent that consumers rely on these misrepresentations in deciding to purchase FDATR's services. For example, a FDATR salesperson told a consumer that, upon payment of its fee, FDATR could get the consumer into a

partial payment installment program or currently not collectible program, when in truth the consumer was not eligible for either of these programs.

119. Sales pressure is part of the office culture. FDATR uses a "Quality Monitoring Scorecard" to track employee job performance. This form includes a section to identify the salesperson's skill at "prevent[ing] or overcome[ing] resistance" from the consumer.

120. Top officers put the pressure on their salespeople to force deals – any sort of deal – on consumers and collect money no matter what. Defendant Tucci sent emails to his employees indicating that "NO deal is a bad deal" and that employees "need to collect money today! Don't let people put you off" and "don't let them BS you that they won't have any money for a month down the road (unless they are on Social Security)."

121. Halverson also personally participated in some of these calls – telling consumers to cancel their phones and use the saved money to pay FDATR.

d. FDATR's Contracts and Services

122. FDATR charges high upfront fees before providing any service to the consumer. According to the sales script, the typical upfront charge is \$99, though some consumers are required to pay more. FDATR demanded and collected \$9,700 in upfront fees from one such consumer.

123. Moreover, the fee structure FDATR advertises is contradictory and misleading to its tax debt relief consumers. On its website, FDATR offers consumers the option to "get started" with FDATR by submitting a form and paying \$499 over the internet without having to first speak to a sales representative. The only service terms FDATR provides to the consumer in exchange for the \$499 are:

"I am giving Federal Tax Relief, an Illinois Corporation, the authority to investigate my debt with the IRS. I authorize Federal Tax Relief to bill this account a total of \$499.00 for the Tax Investigation. This fee will appear on your

statement FROM "TELDEBT SOLUTIONS," which is the parent company of Federal Tax Relief, Inc. Upon completion of the Tax Investigation, which usually takes between 24 to 48 hours, we will call you back and discuss the solution we can offer you to resolve your tax problems."

See FDATR Webpage 8, https://fedtaxrelief.org/tax_investigation/, *attached and incorporated by reference hereto as Exhibit 8.*

124. Moreover, this "investigation fee" contradicts a different webpage on FDATR's website which states that FDATR's fee for tax debt relief is "just 10 percent of the back due tax" and that "You are not obligated to pay us anything unless you are completely confident we can help you solve this problem affordably." See FDATR Webpage 9, <https://fedtaxrelief.org/about-tax-relief/>, *attached and incorporated by reference hereto as Exhibit 9.*

125. Despite FDATR's "no obligation payment" claim, consumers are required to pay high fees upfront before FDATR will perform any purported tax debt relief services for the consumer. FDATR's consumer contract states that the "Initial deposit...must be paid before the Company begins to render its services to the Client." See FDATR's Payment Authorization Agreements, *attached and incorporated by reference here as Exhibits 10 and 11.*

126. In fact, the terms of service contained in FDATR's Federal Student Loan Relief service agreement often contradict its advertisements, solicitations, and salespersons' oral representations. For example:

- a. FDATR states on its website that it can "Improve Credit Scores - & Remove the I9 Rating...We can negotiate with lenders to remove negative credit ratings." See Ex. 3. However, the terms of FDATR's service agreement state that it "has not represented that it will advise or assist Client in the modification, improvement, or correction of credit entries on Client's credit reports." See FDATR's Federal Student Loan Relief Service Agreement, *attached and incorporated by reference*

hereto as Exhibit 12.

- b. Similarly, FDATR states on its website that it “can definitely resolve your issue, and with that comes a 100% money-back guarantee. If we are not able to solve your issues, you don’t owe us anything. If we don’t deliver, you owe us nothing.” *See Ex. 3.* However, the terms of FDATR’s service agreement state that either party may terminate the Agreement, and that upon termination, FDATR “shall be entitled to keep all fees that have been paid...” *See Ex. 12, p. 2.* When consumers attempt to contact FDATR to cancel their services and receive refunds, FDATR fails to respond to consumers and does not provide refunds.

127. Furthermore, FDATR requires consumers to sign a Limited Power of Attorney, through which the consumer appoints “Federal Debt and Tax Relief LLC.” to, among other things:

- a. [N]egotiate on all Federal student loan accounts to achieve a reasonable resolution with any organizations possessing an interest in my Federal student loan issue(s);” and
- b. “[C]hoose a repayment plan on my behalf, and to electronically accept said plan on my behalf.”

See FDATR’s Federal Student Loan Relief Limited Power of Attorney, *attached and incorporated by reference hereto as Exhibit 13.*

128. In the Limited Power of Attorney, FDATR falsely represents that “Federal Debt and Tax Relief LLC.” is a legally recognized entity that can be appointed agency. *See Ex. 13.* In truth, “Federal Debt and Tax Relief LLC.” is not a legally recognized entity under Illinois law.

129. FDATR also requires consumers to disclose their Federal Student Aid ID³ (“FSA ID”) to FDATR.

130. The FSA ID grants a consumer online access to their federal student aid online systems and serves as a federal student loan borrower’s legally binding signature.

131. With the consumer’s FSA ID, FDATR is able to apply for and accept different DOE Federal Student Loan Repayment Options on the consumer’s behalf without notifying the consumer.

132. The federal government strictly forbids entities such as FDATR from using consumers’ FSA IDs to access federal student aid websites, even if the consumer authorizes it.

133. FDATR is well aware that such access to consumers’ FSA IDs is unauthorized, as a notice to that effect pops up when entering the Federal Student Aid website. *See* DOE’s Unauthorized FSA ID Notice Pop-Up Window, accessible only when logged into <https://studentaid.ed.gov/npas/pub/disclaimer.htm>, *attached and incorporated by reference hereto as Exhibit 14.*

134. In approximately June 2016, Irene Rostis, a FDATR employee, showed the FSA ID “unauthorized notice pop up” alert to Defendant Halverson. Rostis pointed out to Halverson the fact that FDATR was forbidden from using consumers’ FSA IDs to access the Federal Student Aid website. In response, Halverson instructed Rostis to continue asking consumers for their FSA IDs and entering the Federal Student Aid website.

135. Moreover, if a consumer has changed their FSA ID, in at least some instances, FDATR representatives have contacted the DOE and impersonated the consumer in order to gain or set the consumer’s FSA ID.

³ The FSA ID used to be a numerical personal identification number referred to as the “FAFSA PIN.” FDATR refers to it as a “FAFSA Personal Identification number” in its service agreement.

e. FDATR's Offering of Credit Services

136. Some of the representations FDATR makes to consumers are that it can or will improve a consumer's credit record, history, or rating. As such, FDATR is operating as a credit services organization pursuant to Section 3(d) of the Credit Services Organizations Act, 815 ILCS 605/3(d).

137. Despite advertising that it repairs credit, FDATR, fails to:

a. Provide the pre-contract written disclosures as required by 815 ILCS 605/6;

b. Include, in its contracts, the terms and attachments required by 815 ILCS 605/7, as follows:

i. A three-day notice of right to cancel and cancellation form;

ii. A full and detailed description of the services to be performed by the credit services organization for the buyer, including all guarantees and all promises of full or partial refunds, and the estimated date by which the services are to be performed or the estimated length of time for performing the services;

iii. The name and address of the agent in the State authorized to receive service of process; and

iv. Two easily detachable copies of a notice of cancellation.

ii. Teldebt

138. Teldebt offers to reduce or eliminate student loan and tax debt or payments, or stop collection efforts. But, in truth, the only thing Teldebt actually does is perform services to complete applications for DOE Federal Loan Repayment Options, such as loan consolidation, loan forgiveness, income driven repayment plans, deferments, and forbearances; and IRS Tax

Debt Payment Options, such as currently not collectible, installment agreements, or offers-in-compromise programs.

139. In reality, Teldebt does not and cannot in any way actually negotiate, offer, or qualify borrowers for any sort of student loan forgiveness, payment or balance reduction, garnishment removal, or restoration of eligibility for financial aid.

140. Consumers do not receive from Teldebt its offers of student loan debt and/or loan payment reduction, or forgiveness. Instead, without the consumer's awareness, Teldebt simply submits applications for student loan consolidation, deferment, forbearance, or income based repayment plans. Because these programs may result in a temporary reduction or suspension of monthly student loan payments, Teldebt's consumers often erroneously believe Teldebt has obtained student loan forgiveness for them.

141. In truth, Teldebt fails to deliver on its promises of student loan debt forgiveness.

142. Similarly, in reality, very few of the consumers that Teldebt speaks to qualify for the offers-in-compromise or substantial reductions in their tax debts because of these programs' strict requirements. If Teldebt ends up assisting a consumer at all with their tax debt, at best the consumer usually ends up in an installment agreement program. Installment agreement plans are easy for consumers to obtain themselves.

143. Teldebt solicits consumers by advertising on radio and via its website, www.teldebtsolutions.com.

144. On its website, Teldebt claims to "Fight the IRS and State Tax Offices...so you don't have to;" and that "[o]ur experts can help you stop IRS wage garnishments and levy actions..." See Teldebt Webpage 1, <http://teldebt.com/tax-debt/>, *attached and incorporated by reference hereto as Exhibit 15.*

145. On its website, Teldebt encourages consumers to "Get Help with Your Debt!" by calling "1-877-339-0391." FDATR also uses this telephone number. *See Ex. 15.*

146. In response to Teldebt's advertisements, many consumers contact Teldebt, enroll in its services, and pay Teldebt's fees.

147. During their sales pitch, Teldebt's salespeople often tell consumers that if they sign up for Teldebt's services, Teldebt will be able to get the consumers' federal student loans forgiven or consolidated.

148. Despite its claims, Teldebt does not actually provide or perform these services, as it is the federal government, through the act of approving or denying applications for DOE Federal Loan Repayment Options, that actually performs and provides Teldebt's advertised student loan debt relief services.

149. In truth, Teldebt cannot guarantee that consumers will qualify or be eligible for any DOE Federal Loan Repayment Option program.

150. Teldebt also misrepresents consumers' eligibility for DOE Federal Loan Repayment Options to induce consumers to pay its high upfront fees. For example, in one instance, a Teldebt salesperson informed a consumer that she qualified to have her student loan debt forgiven, even though the consumer worked for a non-qualifying private for-profit company.

151. Furthermore, Teldebt misrepresents the nature of the outcomes it will achieve for consumers. For example, a Teldebt salesperson informed a consumer that it could get her student loans forgiven. Instead of obtaining loan forgiveness, Teldebt, without the consumer's knowledge, placed her student loans in forbearance.

152. In its solicitations, Teldebt does not inform consumers that its services are limited

to documentation preparation and submission.

153. Teldebt does not inform consumers that the federal government provides applications for all of these programs, as well as resources for assistance to understand and/or complete the applications.

154. Teldebt charges high upfront fees before performing any service for the consumer and before knowing whether the consumer will potentially qualify for any debt relief.

B. Defendants' Debt Settlement Services

155. As described above, FDATR and Teldebt provide debt settlement services pursuant to Section 10 of the Debt Settlement Act, 225 ILCS 429/10, because they offer to provide services, and to act as an intermediary between consumers and their creditors, where the primary purpose is to obtain a settlement, adjustment, or satisfaction of the consumer's unsecured debt to a creditor in an amount less than the full amount of the principal amount of the debt or in an amount less than the current outstanding balance of the debt.

156. Since FDATR and Teldebt engage in, and hold themselves out as engaging in, the business of providing debt settlement services in exchange for a fee, they are debt settlement providers pursuant to Section 10 of the Debt Settlement Act, 225 ILCS 429/10.

157. In violation of Section 105(c) of the Debt Settlement Act, 225 ILCS 429/105(c), FDATR and Teldebt fail to disclose in their marketing and advertising communications that: "Debt settlement services are not appropriate for everyone. Failure to pay your monthly bills in a timely manner will result in increased balances and will harm your credit rating. Not all creditors will agree to reduce principal balance, and they may pursue collection, including lawsuits."

158. In violation of Section 125 of the Debt Settlement Act, 225 ILCS 429/125, Teldebt and FDATR charge upfront fees in excess of \$50.00 before performing any service for the consumer.

159. In violation of Section 110 of the Debt Settlement Act, 225 ILCS 429/110, prior to entering into a written contract with a consumer, FDATR and Teldebt fail to prepare and provide consumers with an individualized financial analysis and a written determination, supported by the financial analysis, that the consumer can reasonably meet the requirements of the proposed debt settlement program.

160. Prior to accepting payment, FDATR and Teldebt fail to give consumers, in oral and written form, a copy of the "Consumer Notice and Rights Form" as required pursuant to Section 115 of the Debt Settlement Act, 225 ILCS 429/115.

161. FDATR and Teldebt fail to incorporate into their service agreements with consumers the information that is required to be in a debt settlement contract by Section 120 of the Debt Settlement Act, 225 ILCS 429/120, including:

- a. The legal name of the debt settlement provider;
- b. A complete list of the consumer's debts to be included in the provision of debt settlement services, including the name of each creditor and principal amount of each debt;
- c. A description of the services to be provided, including the expected time frame for settlement of each debt;
- d. The written individualized financial analysis required by Section 110 of the Debt Settlement Act, 225 ILCS 429/110; and
- e. A written notice that the consumer can cancel the contract at any time until after the debt settlement provider has fully performed each service.

162. FDATR and Teldebt also fail to provide consumers with any sort of cancellation form, much less one containing the elements required by Section 120 of the Debt Settlement Act,

225 ILCS 429/120(c)(15), that clearly and conspicuously discloses how consumers can cancel the contract, including applicable addresses, telephone numbers, facsimile numbers, and electronic mail addresses consumers can use to cancel.

IX. CONSUMER ILLUSTRATIONS

163. To date, five consumers have filed complaints about FDATR and Teldebt with the Office of the Illinois Attorney General and the Better Business Bureau (“BBB”); and eight consumers have filed complaints against FDATR and Teldebt with federal governmental agencies and a federal student loan servicer. The unlawful conduct of Defendants is ongoing and continuous. Therefore, the specific consumer transactions illustrated below are simply examples of the type of unlawful acts and practices that Defendants have engaged in. Accordingly, these specific illustrations should not be construed as the only instances in which a consumer was harmed, or could potentially be harmed by Defendants. Plaintiff reserves the right to prove that consumers other than those who are specifically illustrated in this Complaint have been injured because of Defendants’ unlawful practices.

Luis Lopera

164. Luis Lopera resides in Lake County, Illinois.

165. In or around May 2016 Lopera called FDATR, doing business as “Federal Tax Relief, Inc.,” to discuss his tax issues.

166. At that time, Lopera owed back taxes in the amount of approximately \$106,000 to the IRS.

167. During the next week, and over the span of two to three telephone calls with FDATR’s representatives, Lopera provided his 2014 tax information. A FDATR representative then told Lopera that FDATR would negotiate with the IRS to lower or eliminate his tax debt.

The representative also guaranteed that FDATR would get Lopera into either a partial payment installment plan or a currently not collectible program.

168. The representative also said that FDATR is successful with 99% of its clients, indicating to Lopera that 99% of their clients' tax debts were reduced or eliminated.

169. FDATR did not disclose to Lopera that an installment payment plan or currently not collectible plan, both IRS Tax Debt Payment Options, may cause him to pay more in interest and penalties due to a longer debt maturity term.

170. Furthermore, the representative guaranteed that Lopera's tax matter would be resolved within three months.

171. Based on these assurances, on or around May 21, 2016, Lopera made two payments, totaling \$9,700, for FDATR's tax debt relief services.

172. After making the payments, Lopera signed an agreement with "Federal Tax Relief, Inc." See Lopera's Federal Tax Relief Agreement, *attached and incorporated by reference hereto as Exhibit 16*; see also Lopera's Payment Authorization Form, Ex. 10. This agreement expressly stated that FDATR would not begin to render its services to Lopera until the "initial deposit" of \$9,700 was paid.

173. Lopera also filled out and signed a questionnaire detailing his personal finances on that same day.

174. Thereafter, on or around July 18, 2016, Lopera received a phone call from Barry Footlick, a FDATR employee. Footlick stated that he reviewed Lopera's financial information and that Lopera could not be placed into a "no-payment plan" because his income was too high.

175. However, Footlick went on to state that he would try to reduce some of Lopera's tax penalties.

176. That same day Lopera also received an email from Footlick. Footlick's email address was teldebt.postman@postman.io. However, his signature block indicated he was an employee of FDATR out of the Wood Dale, Illinois office, listed the fedtaxrelief.org website, and listed a separate email address with a domain of "fdatr.com."

177. In this email, Footlick asked Lopera to submit proof of his income and expenses. Lopera promptly submitted all of this information to FDATR.

178. After hearing nothing back from FDATR, Lopera called Footlick in August 2016. At that time, Footlick said he was still working on Lopera's case, and that he had gotten some sort of levy or garnishment protection so that the IRS could not take Lopera's income or assets.

179. Over the next few months, Lopera called FDATR numerous times and was instructed to continue waiting.

180. Eventually, around September 2016, Defendant Halverson called Lopera.

181. During the phone call, Halverson identified himself as the CEO of Federal Tax Relief and told Lopera that he should continue to wait.

182. On October 21, 2016, exactly five months after Lopera paid FDATR \$9,700 to resolve his tax problems, Lopera sent FDATR, at its Wood Dale address, a letter in which he demanded a full a refund of his payment because his case had not been resolved.

183. After sending the letter, Lopera again spoke with Halverson, who indicated that FDATR would not refund Lopera's full payment, but that FDATR could give a partial refund. Halverson also indicated FDATR would resolve Lopera's tax issue within the next two weeks.

184. After the two weeks passed, and his tax issue still had not been resolved, Lopera called Halverson in November 2016 and demanded a full refund. At this point, Lopera indicated to Halverson that he would file a complaint against FDATR with the Illinois Attorney General's

Office.

185. In response, Halverson threatened Lopera by stating that if Lopera filed such a complaint, Halverson would tell the IRS that Lopera lied on his taxes. Despite this intimidation, Lopera said he was going to file a complaint with the Attorney General's office and ended the phone call.

186. FDATR stopped returning Lopera's phone calls in December 2016.

187. To date, Lopera has not received any refund of his \$9,700 payment and has no knowledge of any tax debt relief acquired on his behalf by FDATR.

188. FDATR's contract and agreement with Lopera:

- a. Did not include a complete list of the consumer's accounts, debts, and obligations, listing the name of each creditor and principal amount of each debt;
- b. Did not include a full description of the services to be provided by FDATR, including the expected time frame for settlement for each account, debt, or obligation;
- c. Failed to provide a written individualized financial analysis; and
- d. Failed to include a written notice to the consumer that the consumer may cancel the contract at any time until after Defendant has fully performed each service it contracted to perform or represented it would perform, and upon that event the consumer would be entitled to a full refund of all unearned fees and compensation paid by the consumer to FDATR; as well as a cancellation form that clearly and conspicuously discloses how consumers can cancel the contract, including applicable addresses, telephone numbers, facsimile numbers, and electronic mail addresses consumers can use to cancel.

189. FDATR also did not provide Lopera with the Debt Settlement Act, 225 ILCS 115(a) or (c), pre-sale consumer disclosures and warnings, either orally or in writing.

190. FDATR failed to provide and obtain, from Lopera, a Debt Settlement Act, 225 ILCS 429/115(b), signed consumer notice and rights acknowledgment form.

191. Furthermore, in relation to credit repair services, FDATR's contract and agreement with Lopera:

- a. Failed to provide notice of a three-day right to cancel the contract;
- b. Failed to include a detailed description of the services to be performed, including all guarantees and promises of full or partial refunds;
- c. Failed to include an estimated date by which the services are to be performed or the estimated length of time for performing the services;
- d. Failed to include the name and address of the agent in the State authorized to receive service of process; and
- e. Failed to include two easily detachable copies of a notice of cancellation.

192. FDATR also did not provide Lopera with a statement containing the information required by Section 6 of the Credit Services Organizations Act, 815 ILCS 605/6.

Detra Jett

193. Detra Jett is a resident of Ohio with approximately \$17,000 in federal student loan debt.

194. Jett believes she heard an advertisement for FDATR on the radio and called the advertised phone number with the hope of getting her student loan forgiven.

195. In or around early January 2017, when Jett initially contacted FDATR, her federal loans were in deferment through her student loan servicer.

196. During her first phone call with FDATR, the sales representative – Winston Coombs – told her that because she worked for a county employer, FDATR could get her loans forgiven and that FDATR was very successful and had helped a lot of clients.

197. Coombs also informed Jett that if her income did not change, Jett would not have to make any additional loan payments before her entire loan was forgiven.

198. Although FDATR did not explicitly tell Jett which loan forgiveness program she allegedly qualified for, based on the lack of other federal loan forgiveness programs that Jett could potentially qualify for, FDATR was presumably referring to the DOE's Public Service Loan Forgiveness Program.

199. In order to be eligible for the DOE's Public Service Loan Forgiveness Program and receive loan forgiveness, the borrower must work for an employer that is certified by DOE as a qualified employer. In addition, the borrower must make at least 120 qualifying monthly payments on their student loan(s) while working for a qualified employer. Since the Public Service Loan Forgiveness program only started in October 2007, it is impossible for any borrower to have made the 120 qualifying monthly payments, or 10 years of payments, and thus qualify for the program forgiveness, until October 2017, at the earliest. Thus, despite FDATR's contentions, neither Jett, nor any consumer, could possibly have qualified for forgiveness under this program. The earliest date Jett could qualify is necessarily later than October 2017 because her loans were in deferment in January 2017, and thus she was not making qualifying payments at that time.

200. After this call, on or around January 10, 2017, Jett received a call from Nicole Woodall with FDATR, asking her to complete a "client profile" and send in various documents, including tax returns.

201. On this date, Jett also electronically signed a Service Agreement (*see* Jett's Service Agreement, Ex. 12), a Limited Power of Attorney (*see* Jett's Limited Power of Attorney, Ex. 13), and Payment Authorization Form (*see* Jett's Payment Authorization Form, Ex. 11).

202. Based on the representative's claims that FDATR would get her loans forgiven, Jett agreed to pay a total of \$299 to FDATR.

203. On or about January 12, 2017, FDATR charged Jett's credit card an initial \$20 payment.

204. Furthermore, FDATR required Jett to provide it with her Department of Education FSA ID. Armed with Jett's FSA ID, FDATR could make changes to Jett's federal student loans and sign applications in her name.

205. Jett also electronically signed a Limited Power of Attorney, through which she appointed "Federal Debt and Tax Relief LLC." to, among other things:

- a. "[N]egotiate on all Federal student loan accounts to achieve a reasonable resolution with any organizations possessing an interest in my Federal student loan issue(s);" and
- b. "[C]hoose a repayment plan on my behalf, and to electronically accept said plan on my behalf."

See Ex. 13.

206. The only "repayment plan" that Jett discussed with FDATR was complete forgiveness of her student loans.

207. On or around January 17, 2017, Jett received an email from the U.S. Department of Education informing her that her FSA ID was locked.

208. As a result, Jett immediately called the U.S. Department of Education, during

which she was informed that the services FDATR purported to provide were available for free through the DOE.

209. Within a few days, around mid-January 2017, Jett called Nicole Woodall to tell her that she was not comfortable working with FDATR. Woodall convinced Jett to allow FDATR to continue its efforts, claiming that FDATR had a low fee and that, due to its numerous contacts, FDATR would be able to get Jett's application processed more quickly than if Jett proceeded on her own.

210. On or around March 2, 2017, Jett received an email from her student loan servicer, Great Lakes, stating that her loan had been paid off through consolidation.

211. Jett did not know what this meant, but thought it had something to do with her loans being forgiven.

212. On or about June 19, 2017, Jett logged into her DOE studentloans.gov account, and noticed that on or about February 2, 2017, an application for a student loan consolidation and an application for income-based repayment had been submitted in her name. Consolidation is a process whereby borrowers can refinance and consolidate two or more federal loans into one loan. In that process, borrowers are required to choose a repayment option. Consolidation is not forgiveness of any amount owed on any loan. Jett noticed incorrect information on the applications, such as the wrong driver's license number and the wrong maiden name for her mother. Jett had never seen these applications before, did not sign them, and was not aware they were being submitted in her name. Jett only ever discussed loan forgiveness with FDATR's representatives, not loan consolidation.

213. FDATR did not tell Jett, and she does not know, who is currently servicing her loan.

214. Jett is unsure of the status of her student loans. However, despite its promises upon which Jett relied, FDATR did not obtain student loan forgiveness for Jett.

215. FDATR's contract and agreement with Jett:

- a. Did not include a complete list of the consumer's accounts, debts, and obligations, listing the name of each creditor and principal amount of each debt;
- b. Did not include a full description of the services to be provided by FDATR, including the expected time frame for settlement for each account, debt, or obligation;
- c. Failed to provide a written individualized financial analysis; and
- d. Failed to include a written notice to the consumer that the consumer may cancel the contract at any time until after FDATR had fully performed each service it contracted to perform or represented it would perform, and upon that event the consumer would be entitled to a full refund of all unearned fees and compensation paid by the consumer to FDATR; as well as a cancellation form that clearly and conspicuously discloses how consumers can cancel the contract, including applicable addresses, telephone numbers, facsimile numbers, and electronic mail addresses consumers can use to cancel.

216. FDATR also did not provide Jett with the Debt Settlement Act, 225 ILCS 115(a) or (c), pre-sale consumer disclosures and warnings, either orally or in writing.

217. FDATR failed to provide and obtain, from Jett, the Debt Settlement Act, 225 ILCS 429/115(b), signed consumer notice and rights acknowledgment form.

218. Furthermore, in relation to credit repair services, FDATR's contract and agreement with Jett:

- a. Failed to provide notice of a three-day right to cancel the contract;
- b. Failed to include a detailed description of the services to be performed, including all guarantees and promises of full or partial refunds;
- c. Failed to include an estimated date by which the services are to be performed or the estimated length of time for performing the services;
- d. Failed to include the name and address of the agent in the State authorized to receive service of process; and
- e. Failed to include two easily detachable copies of a notice of cancellation.

219. FDATR also did not provide Jett with a statement containing the information required by Section 6 of the Credit Services Organizations Act, 815 ILCS 605/6.

Alana Brooks

220. Alana Brooks is a resident of Mississippi with approximately \$20,000 in federal student loan debt. Prior to contacting Teldebt, Brooks' monthly student loan payments were about \$100.

221. Brooks works for a private, for-profit company, Southern Foodservice Management, Inc., that provides food service to Mississippi State University, among other institutions.

222. Around August or September 2014, Brooks first called Teldebt to inquire about student loan debt relief. Over the course of the call, the representative informed Brooks that Teldebt had an outstanding program that had helped many people. The representative also sought to get Brooks to make an initial payment to Teldebt on this date.

223. The representative promised Brooks that Teldebt would get her loans forgiven if she paid Teldebt \$600.

224. Teldebt had no facts that would support a conclusion that Brooks could even potentially be eligible for loan forgiveness. Her employment would not qualify her for either a Public Service or a Teacher Loan Forgiveness program, and Brooks has no other characteristics or circumstances (such as disability) that would qualify her for forgiveness.

225. Brooks signed up for Teldebt's services and made monthly payments of \$100 to Teldebt for approximately 6 months.

226. During this time period, Brooks sent paystubs to Teldebt at their request. These paystubs indicated her employer was Southern Foodservice Management, Inc.

227. However, after receiving these paystubs, Teldebt never informed Brooks that she was not eligible to participate in any of the DOE's loan forgiveness programs.

228. After completing her \$600 of payments to Teldebt around February of 2015, Brooks did not make any payments towards her student loans because she believed Teldebt had gotten them forgiven.

229. After approximately a year of not making payments on her loan, Brooks again began receiving bills from her student loan servicer, claiming Brooks owed \$1,800 as past due.

230. Once she began receiving "past due" bills from her servicer, her monthly payment had increased from \$100, which she was paying prior to contracting with Teldebt, to nearly \$200.

231. Brooks then called the number listed on these bills and spoke to her servicer, who informed her that the services Teldebt provided were available for free through the DOE.

232. After speaking with her servicer, Brooks attempted to get into contact with the salesperson she spoke with at Teldebt. However, that individual never returned her phone calls.

233. Two or three days after speaking with her servicer, Brooks spoke with another

individual at Teldebt, but this representative was unable to explain the status of her student loans or what Teldebt had done to her loans.

234. Despite its promises, upon which Brooks relied, FDATR did not obtain student loan forgiveness for Brooks.

235. At no point did Teldebt provide Brooks with an individualized financial analysis in accordance with Section 110 of the Debt Settlement Act, 225 ILCS 429/110.

236. Teldebt also did not provide Brooks with pre-sale consumer disclosures and warnings, either orally or in writing, as required by Section 115 of the Debt Settlement Act, 225 ILCS 429/115.

237. Teldebt did not provide Brooks with a notice stating how to cancel the contract, as required by Section 120 of the Debt Settlement Act 225 ILCS 429/120.

238. Finally, Teldebt did not provide Brooks with a statement containing the information required by Section 6 of the Credit Services Organizations Act, 815 ILCS 605/6.

Deyatres Dewalt

239. Dewalt is a resident of Arizona with approximately \$40,000 in federal student loan debt. Dewalt was still in school when she contacted Teldebt, and her student loans were not yet in repayment status.

240. Dewalt heard an advertisement on the radio about student loan forgiveness on or around April 16, 2016. When she called the advertised phone number that same day, she reached Teldebt.

241. During that initial call, the Teldebt representative informed Dewalt that if she paid Teldebt a total of \$500, Teldebt would be able to help consolidate her loans or get some of her debts forgiven.

242. The representative also told her that consolidation would improve her credit score.

243. The salesperson informed Dewalt that Teldebt would begin working on her case once she gave her initial payment.

244. On that call, the salesperson also requested Dewalt's FSA ID and the answers to her security questions for the DOE's website.

245. Dewalt provided this information to Teldebt along with her debit card information.

246. However, Dewalt stated that she did not want to sign up for Teldebt's services before she read the contract.

247. The salesperson then emailed Dewalt the contract to review that very same day. However, the document would only open if Dewalt first electronically signed it. As such, Dewalt could not read the contract before signing it.

248. On or about the same day, Dewalt called Teldebt and said she could only read the contract if she first electronically signed it, which she did not want to do. The Teldebt representative told her just to sign the contract.

249. Dewalt still did not want to electronically sign the contract without reading it, so she did not open or sign the document.

250. Despite never signing a contract with Teldebt, Dewalt noticed on her bank account statement that by April 17, 2016, "Teldebt Solutions Inc." had withdrawn a total of \$167 from her bank account.⁴

251. After these funds were withdrawn, Dewalt tried to contact Teldebt. Between April and June 2016, Dewalt called Teldebt approximately fifteen times, but no one answered or

⁴ The first payment on April 14, 2016 was \$1.00 and appears to be an authorization payment. A subsequent payment occurred on April 17, 2016, for \$166.

returned her calls.

252. In or around the end of June 2016, Dewalt filed a complaint with the Better Business Bureau and threatened legal action against Teldebt.

253. Within a few days of the complaint, a Teldebt representative contacted Dewalt and informed her that Teldebt would refund her \$167 payment.

254. As indicated on her bank records, Dewalt's refunds came from "Fed Tax/SL Relief" on July 15, 2016 for a total of \$167.⁵

255. At no point did Teldebt provide Dewalt with an individualized financial analysis in accordance with Section 110 of the Debt Settlement Act, 225 ILCS 429/110.

256. Teldebt did not orally provide Dewalt with pre-sale consumer disclosures and warnings, as required by Section 115 of the Debt Settlement Act, 225 ILCS 429/115.

257. Furthermore, Teldebt did not obtain from Dewalt a signed acknowledgment of her receipt of the required pre-sale consumer disclosures and warnings, as required by Section 115(b) of the Debt Settlement Act, 225 ILCS 429/115(b).

258. Finally, Teldebt did not obtain from Dewalt a signed statement acknowledging her receipt from Teldebt of the consumer disclosures required by Section 6 of the Credit Services Organizations Act, 815 ILCS 605/6.

X. VIOLATIONS OF LAW

COUNT I: CONSUMER FRAUD ACT **(As to All Defendants)**

259. The People re-allege and incorporate by reference the allegations of Paragraphs 1 to 258.

⁵ The refunds were processed in two separate transactions: one of \$1.00 and another for the balance of \$166, corresponding to the initial payments made by Dewalt in April.

260. While engaged in trade or commerce, Defendants engaged in the following unfair and/or deceptive acts or practices, including the following material misrepresentations or omissions with the intent that consumers would rely upon them, in violation of Section 2 of the Consumer Fraud Act, 815 ILCS 505/2:

- a. Representing, expressly or by implication, that Defendants “qualify” or “pre-qualify” consumers for debt and/or payment elimination, reduction, forgiveness, or consolidation, without the ability to do so;
- b. Representing, expressly or by implication, that Defendants can provide debt and/or payment elimination, reduction, forgiveness, or consolidation, without the ability to do so;
- c. Representing, expressly or by implication, that Defendants can stop collection efforts, without the ability to do so;
- d. Representing, expressly or by implication, that all consumers with debt can achieve Defendants’ advertised results, when in fact such is not the case;
- e. Representing, expressly or by implication, that Defendants can eliminate, reduce, or forgive consumer’s debt, and then failing to do so;
- f. Representing, expressly or by implication, that the government can take everything a consumer owns to satisfy tax debt, when in fact such is not the case;
- g. Representing, expressly or by implication, that Defendants can improve credit scores, and then failing to do so;
- h. Representing, expressly or by implication, that Defendants have special expertise that will allow consumers to obtain debt relief; when in fact consumers are just as likely to obtain debt relief through their own efforts for free;

- i. Failing to disclose clearly and conspicuously to consumers the material fact that the student loan debt relief applications can be submitted by the consumer for free;
- j. Failing to disclose clearly and conspicuously Defendants' fees, and the services provided in exchange for payment of these fees;
- k. Misrepresenting, expressly or by implication, the nature of the services that Defendants provide to consumers;
- l. Representing, expressly or by implication, that Defendants will begin working on consumers' issues upon receipt of an initial payment, when in fact Defendants do not perform any work on a consumer's behalf until all fees are paid;
- m. Representing, expressly or by implication, that Defendants offer a 100% money-back guarantee, and then failing to provide refunds to dissatisfied consumers;
- n. Representing, expressly or by implication, that Defendants can expedite consumers' files with the Department of Education, when in fact Defendants have no ability to expedite the Department of Education's processes;
- o. Failing to disclose to consumers the material fact that deferment, forbearance, repayment plans, or lower monthly debt repayments may cause consumers to pay more in interest and penalties due to a longer debt maturity term;
- p. Representing, expressly or by implication, that Defendants are authorized to use a borrower's FSA ID, when in fact, Defendants lack such authority;
- q. Impersonating consumers in order to gain access to their FSA IDs;

- r. Utilizing the names of fictitious entities, "Federal Debt and Tax Relief LLC.," "Federal Student Loan Relief, Inc." and Federal Tax Relief, Inc.," to enter contracts with consumers;
- s. Representing or guaranteeing that Defendants will provide a service in a given period of time, and then failing to do so;
- t. Representing, expressly or by implication, that consumers' student loan monthly payments and/or loan balance is less than the actual amount owed;
- u. After allegedly performing services, misrepresenting, expressly or by implication, the status of consumers' federal student loans;
- v. Engaging in the unfair and/or deceptive practice of offering debt settlement services, as defined by the Debt Settlement Act, 225 ILCS 429/10, without the authority to do so; and
- w. Engaging in the unfair and/or deceptive practice of operating as a Credit Services Organization, as defined by the Credit Services Organization Act, 815 ILCS 605/3, without the authority to do so.

REMEDIES: COUNT I

261. When the Office of the Illinois Attorney General files an action under the Consumer Fraud Act, the following remedies are available to the Court:

(a) Whenever the Attorney General or a State's Attorney has reason to believe that any person is using, has used, or is about to use any method, act or practice declared by this Act to be unlawful, and that proceedings would be in the public interest, he or she may bring an action in the name of the People of the State against such person to restrain by preliminary or permanent injunction the use of such method, act or practice. The Court, in its discretion, may exercise all powers necessary, including but not limited to: injunction; revocation, forfeiture or suspension of any license, charter, franchise, certificate or other evidence of authority of any person to do business in this State; appointment of a receiver;

dissolution of domestic corporations or association suspension or termination of the right of foreign corporations or associations to do business in this State; and restitution.

(b) In addition to the remedies provided herein, the Attorney General or State's Attorney may request and the Court may impose a civil penalty in a sum not to exceed \$50,000 against any person found by the Court to have engaged in any method, act or practice declared unlawful under this Act. In the event the court finds the method, act or practice to have been entered into with the intent to defraud, the court has the authority to impose a civil penalty in a sum not to exceed \$50,000 per violation.

(c) In addition to any other civil penalty provided in this Section, if a person is found by the court to have engaged in any method, act, or practice declared unlawful under this Act, and the violation was committed against a person 65 years of age or older, the court may impose an additional civil penalty not to exceed \$10,000 for each violation.

815 ILCS 505/7.

262. Section 10 of the Consumer Fraud Act, 815 ILCS 505/10, provides that “[i]n any action brought under the provisions of this Act, the Attorney General is entitled to recover costs of the use of this State.”

PRAYER FOR RELIEF: COUNT I

WHEREFORE, the Plaintiff prays that this Honorable Court enter an Order:

A. Finding that Defendants engaged in trade or commerce within the meaning of Section 1(f) of the Consumer Fraud Act;

B. Finding that, in the conduct of trade or commerce, Defendants engaged in unfair and/or deceptive acts or practices within the meaning of Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by the unlawful acts and practices alleged herein;

C. Preliminarily and permanently enjoining Defendants from providing student loan debt relief or tax debt relief services in the State of Illinois and from engaging in the deceptive and unfair practices alleged herein;

D. Revoking, forfeiting or suspending any and all licenses, charters, franchises, certificates or other evidence of authority of Defendants to do business in the State of Illinois;

E. Declaring that all contracts entered into between Defendants and consumers by the use of methods and practices described herein are unlawful and rescinded, and requiring that full restitution be made to all affected consumers;

F. Ordering Defendants to pay up to \$50,000 per deceptive act or unfair practice and an additional amount of \$50,000 for each act or practice found to have been committed with the intent to defraud, as provided in Section 7 of the Consumer Fraud Act, 815 ILCS 505/7;

G. Requiring Defendants to pay all costs for the prosecution and investigation of this action; and

H. Providing such equitable and other relief as justice may require.

COUNT II: DEBT SETTLEMENT ACT
(As to All Defendants)

263. The People re-allege and incorporate by reference the allegations of Paragraphs 1 to 262.

264. The Debt Settlement Act defines "debt settlement service[s]," in part, to mean:

offering to provide advice or service, or acting as an intermediary between or on behalf of a consumer and one or more of a consumer's creditors, where the primary purpose of the advice, service, or action is to obtain a settlement, adjustment, or satisfaction of the consumer's unsecured debt to a creditor in an amount less than the full amount of the principal amount of the debt or in an amount less than the current outstanding balance of the debt.

225 ILCS 429/10.

265. Defendants, at all times relevant hereto offered "debt settlement service[s]" in Illinois, in that Defendants, while acting as intermediaries between consumers and the DOE and IRS, advertised that they could secure debt settlements and adjustments.

266. By offering debt settlement services, Defendants acted as “debt settlement providers,” as that term is defined in 225 ILCS 429/10, without being licensed to do so, in violation of 225 ILCS 429/15.

267. Defendants have violated Section 105(b) of the Debt Settlement Act, 225 ILCS 429/105(b) by the unfair and deceptive representations as well as the omissions of material facts in their advertising and marketing communications concerning debt settlement services, as outlined in Count I.

268. Defendants have violated the Debt Settlement Act, which also constitutes unlawful practices and separate violations of the Consumer Fraud Act, by:

- a. Failing to provide or make the disclosure statement required by 225 ILCS 429/105(c) in their advertisements or on their website;
- b. Failing to provide an individualized financial analysis to consumers as required by 225 ILCS 429/110, in writing, that states the following:
 - i. an individualized financial analysis, including consumers’ income, expenses, and debts;
 - ii. a statement containing a good faith estimate of the length of time it will take to complete Defendants’ student loan debt settlement program;
 - iii. the total amount of debt owed to each creditor included in Defendants’ student loan debt settlement program; and
 - iv. Defendants’ debt settlement program is suitable for the consumer at the time the contract is to be signed.

- c. Failing to provide required pre-sale consumer disclosures as required by 225 ILCS 429/115(a) or the Consumer Notice and Rights Form as set forth in 225 ILCS 429/115(c), both oral and written;
- d. Failing to retain a copy of the signed form acknowledging receipt of these disclosures by the consumer, as required by 225 ILCS 429/115(b);
- e. Failing to incorporate in their Service Agreement to consumers all of the information required in a "debt settlement" contract pursuant to 225 ILCS 429/120, as follows:
 - i. a complete list of the consumer's accounts, debts, and obligations, listing the name of each creditor and principal amount of each debt;
 - ii. a description of the services to be provided by Defendants, including the expected time frame for settlement for each account, debt, or obligation;
 - iii. a written individualized financial analysis;
 - iv. contents of the "Consumer Notice and Rights Form" provided under the Section 115(c) of the Debt Settlement Act, 225 ILCS 429/115(c);
 - v. a written notice to the consumer that the consumer may cancel the contract at any time until after Defendants have fully performed each service they contracted to perform or represented they would perform, and upon that event the consumer shall be entitled to a full refund of all unearned fees and compensation paid by the consumer to Defendants; as well as a cancellation form that clearly and conspicuously discloses how consumers can cancel the contract, including applicable addresses, telephone

numbers, facsimile numbers, and electronic mail addresses consumers can use to cancel.

- f. Charging and requiring consumers to pay over \$50 in upfront fees, which is prohibited by 225 ILCS 429/125(b); and
- g. Where Defendants had not fully performed each service Defendants contracted or represented they would perform, failing to allow consumers to cancel their contract or provide refunds within five days of notice of cancellation, in violation of 225 ILCS 429/135.

REMEDIES: COUNT II

269. The Debt Settlement Act provides for enforcement by the Illinois Attorney General and that all remedies available under the Consumer Fraud Act are likewise available for any violation of the Debt Settlement Act:

A violation of Section 105, 110, 115, 120, 125, 130, 135, 140, 145, or 150 of this Act constitutes an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. All remedies, penalties, and authority granted to the Attorney General or State's Attorney by the Consumer Fraud and Deceptive Business Practices Act shall be available to him or her for the enforcement of this Act.

225 ILCS 429/155(a).

270. Section 80(b) of the Debt Settlement Act provides that “[a]ny contract of debt settlement service as defined in this Act made by an unlicensed person shall be null and void and of no legal effect.” 225 ILCS 429/80(b).

PRAYER FOR RELIEF: COUNT II

Wherefore, the Plaintiff prays that this Honorable Court enter an Order:

A. Finding that Defendants engaged in student loan and tax “debt settlement service[s]” within the meaning of Section 10 of the Debt Settlement Act, 225 ILCS 429/10;

B. Finding that Defendants violated Sections 15, 105, 110, 115, 120, 125, 135 of the Debt Settlement Act, 225 ILCS 429, by the unlawful acts and practices alleged herein;

C. Finding that Defendants violated Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by virtue of Defendants’ violations of Sections 105, 110, 115, 120, 125 and 135 of the Debt Settlement Act;

D. Preliminarily and permanently enjoining Defendants from providing student loan debt relief or tax debt relief services in the State of Illinois and from engaging in the deceptive and unfair practices alleged herein;

I. Declaring that all contracts entered into between Defendants and consumers by the use of methods and practices described herein are null and void and of no legal effect, and requiring that full restitution be made to all affected consumers;

J. Revoking, forfeiting or suspending any and all licenses, charters, franchises, certificates or other evidence of authority of Defendants to do business in the State of Illinois;

E. Ordering Defendants to pay up to \$50,000 per deceptive act or unfair practice and an additional amount of \$50,000 for each act or practice found to have been committed with the intent to defraud, as provided in Section 7 of the Consumer Fraud Act, 815 ILCS 505/7;

F. Requiring Defendants to pay an additional civil penalty of \$10,000 for each violation found to have been committed against a senior citizen;

G. Requiring Defendants to pay all costs for the prosecution and investigation of this action; and

H. Providing such equitable and other relief as justice may require.

COUNT III: CREDIT SERVICES ORGANIZATIONS ACT
(As to All Defendants)

271. The People re-allege and incorporate by reference the allegations of Paragraphs 1 to 270.

272. The Credit Services Organizations Act defines "credit services organization," in part, to mean:

"a person who, with respect to the extension of credit by others and in return for the payment of money or other valuable consideration, provides, or represents that the person can or will provide, any of the following services: (i) improving a buyer's credit record, history or rating; or (ii) obtaining an extension of credit for a buyer; or (iii) providing advice or assistance to a buyer with regard to either subsection (i) or (ii)."

815 ILCS 605/3.

273. Defendants, at all times relevant hereto, operated as credit services organizations in Illinois, in that Defendants, by advertising that they could improve credit scores and prevent credit scores from being "destroyed."

274. Defendants have violated the Credit Services Organizations Act, which also constitute unlawful practices and separate violations of the Consumer Fraud Act, by:

- a. In violation of 815 ILCS 605/5(4), representing, expressly or by implication, that Defendants can improve credit scores, negotiate with lenders to remove negative credit ratings, and prevent a consumer's credit from being destroyed, when in fact they do no work to repair, modify, or correct a consumer's credit report;
- b. Failing to provide the pre-contract written disclosures as required by 815 ILCS 605/6;
- c. Failing to include, in its contracts, the terms and attachments required by 815 ILCS 605/7, as follows:

- i. A three-day notice of right to cancel and cancellation form;
 - ii. A full and detailed description of the services to be performed by the credit services organization for the buyer, including all guarantees and all promises of full or partial refunds, and the estimated date by which the services are to be performed or the estimated length of time for performing the services;
 - iii. The name and address of the agent in the State authorized to receive service of process; and
 - iv. Two easily detachable copies of a notice of cancellation.
- d. Failing to file a registration statement with the Illinois Secretary of State, in violation of 815 ILCS 605/9.

REMEDIES: COUNT III

275. The Credit Services Organizations Act provides for enforcement by the Illinois Attorney General and that any violation of the Act shall also constitute a violation of the Consumer Fraud and Deceptive Business Practices Act. 815 ILCS 605/12, 15.

276. Section 8 of the Credit Services Organizations Act provides that "any contract for services which does not comply with applicable provisions of this article shall be void and unenforceable as contrary to public policy." 815 ILCS 605/8.

PRAYER FOR RELIEF: COUNT III

Wherefore, the Plaintiff prays that this Honorable Court enter an Order:

A. Finding that Defendants operated as a credit services organization within the meaning of Section 3 of the Credit Services Organization Act, 815 ILCS 605/3;

B. Finding that Defendants violated Sections 5(4), 6, 7, and 9 of the Credit Services Organizations Act, 815 ILCS 605, by the unlawful acts and practices alleged herein;

C. Finding that Defendants violated Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by virtue of Defendants' violations of the Credit Services Organizations Act;

D. Preliminarily and permanently enjoining Defendants from providing student loan debt relief or tax debt relief services in the State of Illinois and from engaging in the deceptive and unfair practices alleged herein;

E. Declaring that all contracts entered into between Defendants and consumers by the use of methods and practices described herein are null and void and of no legal effect, and requiring that full restitution be made to all affected consumers;

F. Revoking, forfeiting or suspending any and all licenses, charters, franchises, certificates or other evidence of authority of Defendants to do business in the State of Illinois;

G. Ordering Defendants to pay a civil penalty of \$50,000 if the Court finds that Defendants have engaged in methods, acts or practices declared unlawful by the Act without the intent to defraud;

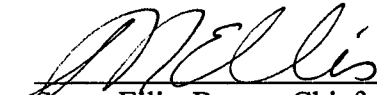
H. Ordering Defendants to pay up to \$50,000 per deceptive act or unfair practice and an additional amount of \$50,000 for each act or practice found to have been committed with the intent to defraud, as provided in Section 7 of the Consumer Fraud Act, 815 ILCS 505/7;

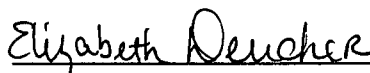
I. Requiring Defendants to pay all costs for the prosecution and investigation of this action; and

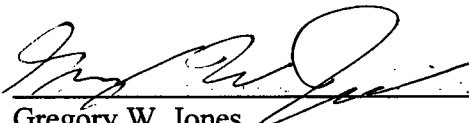
J. Providing such equitable and other relief as justice may require.

Respectfully Submitted,

The People of the State of Illinois,
by Lisa Madigan
Attorney General of Illinois

By: 
Susan Ellis, Bureau Chief
Consumer Fraud Bureau

By: 
Elizabeth Deucher
Assistant Attorney General

By: 
Gregory W. Jones
Assistant Attorney General

Attorney No. 99000

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gjones@atg.state.il.us

Exhibit 1



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LET US HELP YOU!

Get Your Federal Student Loans Out of Default!
We'll give you a no-obligation proposal to get you out of debt and back on track.

How much do you owe?

Less than \$1,000

Next



Simple Approach, Reasonable Fees

Our team of experts will guide you through the process of student loan relief, using our considerable experience with the federal loan system to help you every step of the way. Don't let your loans from the past control how you feel in the future. Don't continue to bear the burden of unaffordable payments, wage garnishments, and threatening bill collectors! You may qualify for loan forgiveness, debt consolidation, and other money-saving, stress-reducing programs. Don't wait! Contact Federal Student Loan Relief today!



Our Services



Who Qualifies?



Get Help

About Federal Student Loan Relief

We know what it's like to have your wages garnished, and what it feels like to be stuck with a high monthly loan payment. Federal student loans in default can open you up to a whole world of problems and financial difficulty. We know that in the current economy, many of us are just trying to make ends meet or just make it through to the next paycheck. We know the stress of having an employer tell us our wages have been garnished by the lenders or guarantors of our federal student loans.

Are you aware of the fine-print terms and conditions of your federal student loans? We are - and we know we can help you relieve the stress associated with these problems.

Get Help Today!

How Can We Help You?

- Reduce or Eliminate Your Payments
- Lift IRS Tax Levies
- Stop Wage Garnishment
- Restore Financial Aid Eligibility
- Stop Threatening Collections Calls & Letters
- Improve Credit Scores

Exhibit 2



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Who is Federal Student Loan Relief?

At Federal Student Loan Relief, we know what it's like to have your wages garnished, or what it feels like to be paying an unusually high monthly loan payment. Federal student loans in default can open you up to a whole world of problems and financial unmanageability. We know that in the current economy, many of us are just trying to make ends meet or just make it through to the next paycheck. We know the stress of having your employer announce your wages have been garnished by the lenders or guarantors of your federal student loans. Understandably, you may have been (or are) unaware of the fine print terms and conditions of federal student loans. We know the stress associated with these problems. Stop the stress in your life, and get the relief you need today. Federal Student Loan Relief was formed to give you that relief. Our experts will get you the best solution quickly and effectively. We will walk you through the process with no hassle, and we'll work diligently on your behalf to achieve the best outcome. We are here for you – and we're proud of what we do. We are your one-stop resource for all your federal student loans!

We help repair your loan situation

Federal Student Loan Relief provides assistance to students and graduates who have accumulated debt through federal loans, student loans, government student loans and/or direct loans. Unfortunately, while financial aid and student aid programs are designed to help students by securing student loans, many students graduate with an unmanageable sum of debt and are unable to meet their high loan payments each month. Federal Student Loan Relief provides the expertise and experience to help qualify you for a student loan forgiveness program or a student loan consolidation program, and to relieve students from the burdens placed on them by federal financial student aid. To learn more about student loan relief, contact Federal Student Loan Relief now and free yourself from high loan repayments, wage garnishments, and harassing debt collectors. Don't let student loans from your past control your future. Contact us now.

Get Your Free Student Loan Relief Evaluation Today!

Full Name *

Email *

Phone *

How much do you owe? *

Less than \$1,000

What State Do You Live In? *

Alabama

Submit



Exhibit 3



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Federal Student Loan Relief Can Stop Wage Garnishment

Wage Garnishment is a collection method that lenders can use to get their money. An employer is legally bound to comply by giving them 15% of your pay, after being served with a garnishment order. Federal Student Loan Relief can definitively resolve your issue, and with that comes a 100% money-back guarantee. If we are not able to solve your issues, you don't owe us anything.

Federal Student Loan Relief Can Lift IRS Tax Liens

Losing your tax refund to the IRS is a brutal blow to your financial situation. Imagine counting on that money every year, and then out of nowhere... it's gone. Lenders notify the state and the Internal Revenue Service (IRS) of past due student loan debt – but we can help make sure you get your tax refund.

Federal Student Loan Relief Can Cut Loan Payments in HALF

Whether you are in default or not, we at Federal Student Loan Relief have the experience needed to make this promise: if we don't deliver, you owe us nothing. We look forward to talking with you and reducing your payments by 50% or more!

Federal Student Loan Relief Can Restore Eligibility for Financial Aid

If you have defaulted on your federal student loans, you will be ineligible for federal financial aid in the future. That can have a devastating effect on your future in school and your professional career, preventing you from completing the education you need to succeed. We can help restore your eligibility and achieve your dream of graduation.

Federal Student Loan Relief Can Stop Intimidating Collections Letters & Phone Calls

Being chased by bill collectors and agencies is not a pleasant experience. Lenders are fast to offload outstanding debt to collectors, and once that happens there's no telling how far they'll go to get the money they believe you owe them. They call at all hours of the day & night, harassing you – and anyone that picks up the phone. Why deal with that stress? We can help end those phone calls.

Federal Student Loan Relief Can Improve Credit Scores – & Remove the I9 Rating

The loan default process will drastically impact your credit score. Your lenders will report the outstanding debt to credit bureaus, stating you are in default, and nearly destroy your credit score. They can place what is called an "I9 rating" on your debt. Having an I9 mark on your credit report is the worst-case scenario. This can completely ruin your ability to ever get a loan for a house, buy or lease a car, and can even effect your current and future employment. We can negotiate with lenders to remove negative credit ratings.

Federal Student Loan Relief Can restore your ability to get your Diplomas & Transcripts

Most colleges and universities will not produce a diploma or provide transcripts when requested if your loans with them are in a default status. We can help you get back in good standing, so you can obtain the transcripts, diplomas, and other school records that you've worked so hard for.

Federal Student Loan Relief Can Consolidate Federal Student Loans

Do you have multiple bills and different statements coming at you month after month? Let us help you reduce the stress of outstanding debt! We'll work to consolidate your federal loan debt, removing that burden from you. We are here to help, whether you are current, past due, or in default.

Get Your Free Student Loan Relief Evaluation Today!

Full Name *

Email *

Phone *

How much do you owe? *

Less than \$1,000

What State Do You Live In? *

Alabama

Submit

Exhibit 4



Home

About Federal Tax Relief

Tax Relief Programs

My Privacy

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Business Taxes

Debt

Regardless of how much you owe in taxes,
rest assured knowing Federal Tax Relief can help you.

Federal Tax Relief adheres to the highest level of moral standards, integrity, and customer support. We operate with and have continually maintained a customer service approach to our clients that exceeds their expectations. We do not have minimums on the amount of taxes you owe in order to accept you into our family of clients.

Federal Tax Relief is a full service tax solution firm that allows us to eliminate the anxiety and concern you may be feeling over your current tax situation. We are committed to providing you with a personal customizable solution so you can rest assured knowing Federal Tax Relief is fighting on your behalf- you don't have to go through this alone!

What Federal Tax Relief Can Do For You:

- ✓ Investigation into your specific Tax Situation
- ✓ Rates far below industry standard fees
- ✓ Stop IRS Wage Garnishment
- ✓ Stop IRS Levy Action
- ✓ End the IRS Harassment
- ✓ IRS Tax Audit Help & Representation

We'll investigate your case to see what programs you qualify for, including:

- ✓ Offer In Compromise
- ✓ Currently Not Collectible
- ✓ IRS Wage Levy/IRS Wage Garnishment Release
- ✓ Back Tax Solutions
- ✓ Payroll Tax Resolution
- ✓ Installment Agreement
- ✓ Innocent Spouse
- ✓ IRS Audit Defense

Let's Get Started Today!

Your Name *

Phone Number *

Email *

Federal or State Taxes?

My Total Tax Liability Is...

SEND!



Exhibit 5



[Home](#)

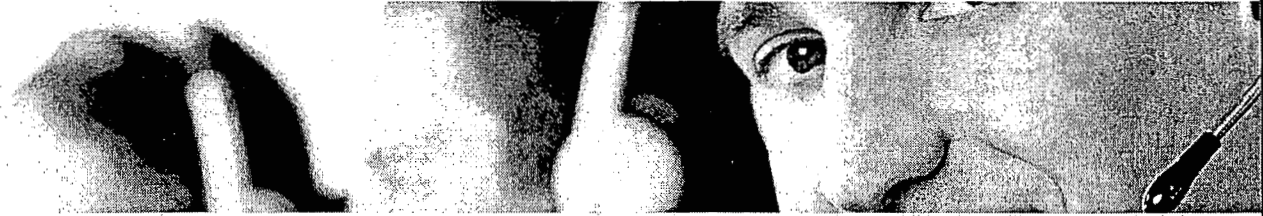
[About Federal Tax Relief](#)

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[My Privacy](#)

[Contact](#)

[Business Taxes](#)



Let's Get Started Today!

We'll give you real solutions to solve ALL your debt problems.

Your Name *

Phone Number *

Email *

Type of Debt

My Total Tax Debt Is...



SEND!



Exhibit 6



Home

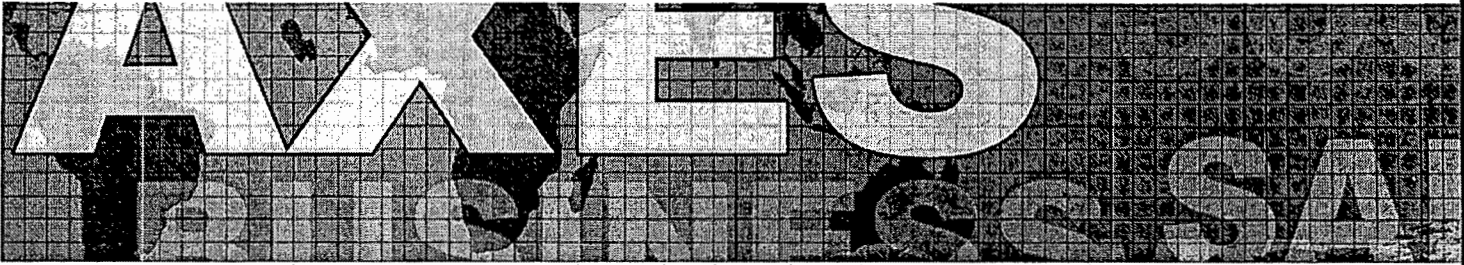
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Business Taxes



Don't mess with the IRS regarding your business taxes

941 Payroll, IDES Unemployment or 1120 Returns – We Can Get You A Fair Resolution Fast!

If you have received a notice from the IRS regarding your 941 payroll taxes, IDES Unemployment taxes, or un-filed corporate 1120 returns, **you need to call us now!** If so, it is almost certain you'll be receiving an in-person visit from an IRS Agent in the near future – if they haven't already paid you a visit. **Don't wait for that knock on your door.** Call Federal Tax Relief - we'll work directly with the IRS on your behalf to resolve your business tax filing problems.

As a business owner, one of the worst problems you can face are tax problems. The IRS aggressively pursues business tax violations and the penalties are far more severe than most other tax-related problems. The IRS can and will place a lien on your business bank accounts – or worse, they even seize your business. Don't wait! Call today!

Don't wait! Call today!

- ✓ 941 payroll tax problems? We can help!
- ✓ State Unemployment tax problems? We can help!
- ✓ Problems with your 1120 S-Corp or C-Corp tax filings? We can help!
- ✓ Independent Contractor Payroll Tax Problems? We can help!

Call the certified tax experts at Federal Tax Relief.

We know how to negotiate with the IRS for a fair payroll tax resolution.

Call with confidence – 1-800-905-6880

The Consultation is FREE and there is no obligation!

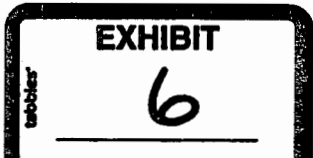


Exhibit 7



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Business Taxes



Our Approach to Tax Resolution is Very Simple

We start by having our in-house Tax Specialists contact the IRS or State Tax Offices on behalf of our clients to find out what exactly the tax amounts that are showing as due and if there are any years of unfiled tax returns.

Our Fees are Very Simple and Reasonable

Once an 8821 form – The IRS Tax Information Authorization Agreement – is signed by our clients we will contact with the IRS. When the tax amount due is determined, the fee for representation and potential resolution is just 10 percent of the back due tax. In addition, tax prep work for things like W-2 and 1099 filings are billed on an hourly basis. Both the representation fee and tax prep fees when compared to other tax resolution firms you will find are very low. Our mission is to help the tens of thousands of Americans with small tax issues who are ignored and/or overcharged by large tax resolution firms.



We offer rates far below the rates of other tax companies as well as the industry standard



Dealing with the IRS directly so you don't have to



Helping you every step of the way, regardless of the amount you owe, from \$1,000 to \$1,000,000.



Stopping the IRS from hounding you and using pressure tactics to scare you



Offering solutions that avoiding having your assets seized and your bank accounts raided



Eliminating the worry and stress you might feel by avoiding any wage garnishments



Ensuring the IRS cannot take any future refunds you are rightfully owed

Remember, IF the IRS suspects you are guilty of fraud or tax evasion, you could have criminal problems on your hands. That is why an investigation is important.

However, if you simply owe a lot of tax principle, penalties, and interest, you may be able to resolve the case or even discharge some of those taxes in bankruptcy.

Each case is different and consulting Federal Tax Relief, you will allow us to take action quickly and help you either eliminate your taxes, or work out a plan with the IRS to gradually pay them off without penalties or other legal problems.

When you chose to take action and fight back, Federal Tax Relief is committed to being the highest quality provider at the lowest cost. During your initial experience with Federal Tax Relief, you can expect:

- A consultation with a Tax Resolution Officer
- An investigation by an IRS Enrolled Agent or Tax Accountant on your behalf
- A proposal within 24-48 hours to resolve your tax issues

Federal Tax Relief Offers the Highest Level of Moral Standards, Integrity, and Customer Service. Regardless of how much you owe in taxes, rest assured knowing Federal Tax Relief can help you. We continually maintain & operate with a customer service approach that exceeds our clients' expectations. We do not have minimums on the amount of taxes you owe in order to accept you into our family of clients. Industry low fees, professional investigation into your case, customized approach, and exceptional customer support make Federal Tax Relief the best choice for your IRS tax resolution. *There are no hidden charges. After we've completed the IRS tax investigation on your behalf, we'll present you with real solutions to resolve your tax problems with the IRS. Then the decision is yours. You are not obligated to pay us anything unless you are completely confident we can help you solve this problem affordably.

Let's Get Started Today!

Your Name *

Phone Number *

Email *

Federal or State Taxes?

My Total Tax Liability Is...

SEND



Exhibit 8

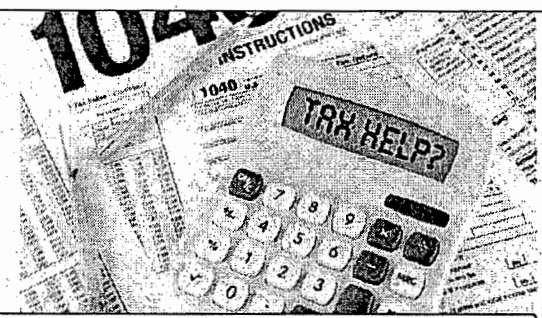


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Federal Tax Relief is Fast, Simple, and Affordable!

Federal Tax Relief has helped thousands of people just like you resolve their tax problems. The first step is to conduct a Tax Investigation, which will tell us exactly what your current tax situation is and enable Federal Tax Relief to offer you a real solution to resolve your tax problems and get you back on track!

To get started, we'll need you to complete the form below, submit your payment, and we'll take it from there. Fast, Simple, and Affordable!



Yes! Let's Get Started to Solve My Tax Problem!

Tax Debt Amount: \$5,000 - \$9,999	Filing Status: Single	Card Type: Visa	Expiration: 	CVV Code:
First Name: 	Last Name: 	Card Number: 	Name On Card: 	
Phone Number: 	Email: 	In order for us to proceed with your IRS Investigation, we need your permission to contact the IRS on your behalf.		
Date of Birth: 	Social Security Number: 	<p>By clicking the "YES" checkbox below, I am giving Federal Tax Relief, an Illinois Corporation, the authority to investigate my debt with the IRS.</p> <input checked="" type="checkbox"/> Yes!		
Credit Card Billing Address: 				
City: 	State: Select a state...	Zip Code: 		
<p>I authorize Federal Tax Relief to bill this account a total of \$499.00 for the Tax Investigation. This fee will appear on your statement FROM "TELDEBT SOLUTIONS," which is the parent company of Federal Tax Relief, Inc. Upon completion of the Tax Investigation, which usually takes between 24 to 48 hours, we will call you back and discuss the solution we can offer you to resolve your tax problems.</p> <p>PLACE ORDER</p>				



Exhibit 9

Federal Tax Relief, Inc. is a Full-Service Tax Prep & Accounting Firm. Call Today For a Free Consultation! 1-800-905-6880



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Our Approach

to Tax Resolution is Very Simple

We start by having our in-house Tax Specialists contact the IRS or State Tax Offices on behalf of our clients to find out what exactly the tax amounts that are showing as due and if there are any years of unfiled tax returns.

Our Fees

are Very Simple and Reasonable

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We offer rates far below the rates of other tax companies as well as the industry standard



Dealing with the IRS directly so you don't have to



Helping you every step of the way, regardless of the amount you owe, from \$1,000 to \$1,000,000.



Stopping the IRS from hounding you and using pressure tactics to scare you.



Offering solutions that avoiding having your assets seized and your bank accounts raided



Eliminating the worry and stress you might feel by avoiding any wage garnishments



Ensuring the IRS cannot take any future refunds you are rightfully owed

Remember, if the IRS suspects you are guilty of fraud or tax evasion, you could have criminal problems on your hands. That is why an investigation is important.

However, if you simply owe a lot of tax principle, penalties, and interest, you may be able to resolve the case or even discharge some of those taxes in bankruptcy.

Each case is different and consulting Federal Tax Relief, you will allow us to take action quickly and help you either eliminate your taxes, or work out a plan with the IRS to gradually pay them off without penalties or other legal problems.

When you choose to take action and fight back, Federal Tax Relief is committed to being the highest quality provider at the lowest cost. During your initial experience with Federal Tax Relief, you can expect:

- A consultation with a Tax Resolution Officer
- An investigation by an IRS Enrolled Agent or Tax Accountant on your behalf.
- A proposal within 24-48 hours to resolve your tax issues

Federal Tax Relief Offers the Highest Level of Moral Standards, Integrity, and Customer Service. Regardless of how much you owe in taxes, rest assured knowing Federal Tax Relief can help you. We continually maintain & operate with a customer service approach that exceeds our clients' expectations. We do not have minimums on the amount of taxes you owe in order to accept you into our family of clients. Industry low fees, professional investigation into your case, customized approach, and exceptional customer support make Federal Tax Relief the best choice for your IRS tax resolution. *There are no hidden charges. After we've completed the IRS tax investigation on your behalf, we'll present you with real solutions to resolve your tax problems with the IRS. Then the decision is yours. You are not obligated to pay us anything unless you are completely confident we can help you solve this problem affordably.

Let's Get Started Today!

Your Name *

Phone Number *

Email *

Federal or State Taxes?

My Total Tax Liability Is...

SEND!



Exhibit 10



Federal TAXrelief, Inc.

www.fedtaxrelief.org

Exhibit A Payment Authorization Form

I/We Luis Lopera hereby authorize(s) Federal Tax Relief Inc., (the "Company"), to charge/debit the account specified below as follows:

Total of All Fees: \$9,700.00, payable as follows:

Initial deposit of \$9,700.00 must be paid before the Company begins to render its services to the Client; on 6/21/2016.

Balance:

Other Fee Client Verification Fee	\$ 1.00
IRS Investigation Federal	\$ 499.00
Resolution Fee Federal	\$9,200.00

Total of All Fees: \$9,700.00

Total Paid: \$9,700.00

Professional fees to be paid as follows:

Date: 05/21/2016

Amount: \$9,700.00

This authorization shall remain in effect until balance is paid in full.

For Credit or Debit card, please complete the following:

Card-holder Name: Luis Lopera

Card Type (Visa/MC/Amex):

Credit Card Number:

CVV:

Exp. Date:

Billing Address:

Luis Lopera

6-17-16

PRINT NAME

SIGNATURE

DATE

Cardholder agrees to pay the above total amount according to the card issuer agreement. If Company is unable to deduct payment due to insufficient funds or closed account, or the credit charge is declined, the Company reserves the right to charge/debit the account for a lower amount that may get approved, cancel the agreement and/or charge a collection fee or place account for collection and subsequently charge/debit the remainder of payment(s) and the Company's discretion. Cardholder withdraws any and all ability to chargeback the amount authorized above. All Service Fees collection prior to cancellation of this agreement shall be retained by Company for expenses incurred. Fees not paid may be placed for collection at Company's discretion.

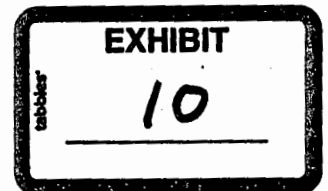


Exhibit 11



Federal STUDENT LOAN relief, Inc.

Payment Authorization Form

I/We **Detra Jett** hereby authorize(s) Federal Student Loan Relief, Inc., (the "Company"), to charge/debit the account specified below as follows:

Total of All Fees: \$ 299.00, payable as follows:

Initial deposit of \$ 20.00 must be paid before the Company begins to render its services to the Client; on 1/10/2017.

Balance:

Federal Student Loan Case

\$ 299.00

Total of All Fees: \$ 299.00

Total Paid: \$.00

Professional fees to be paid as follows:

Date: 01/10/2017 Amount: \$ 20.00

Date: 01/31/2017 Amount: \$ 139.50

Date: 02/15/2017 Amount: \$ 139.50

This authorization shall remain in effect until balance is paid in full.

For Credit or Debit card, please complete the following:

Card-holder Name: Detra Jett

Card Type (Visa/MC/Amex): Master

Credit Card Number: xxxxxxxxxxxx

CVV:

Exp. Date:

Billing Address:

Detra Jett

Detra Jett

1/10/2017

PRINT NAME

SIGNATURE

DATE

Cardholder agrees to pay the above total amount according to the card issuer agreement. If Company is unable to process your payment for the full amount agreed upon, you hereby authorize Company to attempt to process a payment for less than the full amount scheduled. If Company is unable, for any reason, to process your payment on the agreed upon date, you authorize Company to process the payment on any subsequent date for the actual amount or lesser. The Company reserves the right to cancel the agreement and/or charge a collection fee or place account for collection and subsequently charge/debit the remainder of payment(s) at the Company's discretion for any past due amount. Cardholder withdraws any and all ability to chargeback the amount authorized above. All Service Fees collection prior to cancellation of this

EXHIBIT

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agreement shall be retained by Company for expenses incurred. Fees not paid may be placed for collection at Company's discretion

Exhibit 12



Federal STUDENT LOAN relief, Inc.

Service Agreement

This Service Agreement ("**Agreement**"), is dated 1/10/2017 and is between **Detra Jett** the client ("**Client**"), and Federal Student Loan Relief, Inc. an Illinois Corporation.

WHEREAS the Client wishes to hire the Company, for Fees outlined in Exhibit A, to perform services which are outlined in the Scope of Services. Client expressly acknowledges and agrees that the Company does not provide student loan financing of any kind, does not represent itself as a Lender, and did not and does not represent itself to be affiliated in any way with any governmental agency, that Company is a document preparation, submission and tracking service, and that Company has not represented that it will advise or assist Client in the modification, improvement, or correction of credit entries on Client's credit reports.

1. Scope of the Services

- 1.1 The Scope of Services which the Company may perform for and on behalf of the Client may include one or more of, and may not be limited to: (1) Federal Student Loan Consolidation and Repayment Plan processing and renewal, (2) Federal Wage Garnishment Rehabilitation placement, or (3) Federal Wage Garnishment Appeal processing, and all of the required ancillary tasks required to execute services.
 - 1.1.1 If Client is not currently within a Federal Wage Garnishment action for Client's insufficient payment of Federal Student Loans, on behalf of Client Company will prepare and process an application for a Federal Student Loan Consolidation and Repayment Plan.
 - 1.1.2 If Client is currently within a Federal Wage Garnishment action for Client's insufficient payment of Federal Student Loans, or if a Wage Garnishment date has been set, and Client has made Company aware of such current or pending garnishment, by this agreement, Client is contracting Company to prepare either an application for Federal Wage Garnishment Appeal processing or application for Federal Wage Garnishment Rehabilitation Program placement on behalf of Client.
 - 1.1.3 Client acknowledges that the consolidation process and repayment plan application process can take more than 120 days from the date Company applies for consolidation or repayment loan, a time-period which is based solely upon discretion and relative speed at which the Federal Loan Servicer processes said application. Client understands that during that period, collection efforts will continue.
- 1.2 Client has provided the Company with its FAFSA Personal Identification number and authorizes the Company and its employees, representatives, or agents to use that number in the fulfillment of its duties, and communicate on the Client's behalf with Federal student loan creditor(s) for the purpose of negotiating arrangements to resolve the Client's Federal student loan debt(s)/credit situation, and to receive all correspondence in relation to the consolidation of Client's Federal Student Loans. Client acknowledges and accepts that the address of record for the student loans will be temporarily changed to Federal Student Loan Relief 199 S. Addison Suite 104C, Wood Dale, IL, 60191. Upon completion of the program the address of record will revert to original address on file, and all future correspondence will be sent directly to the Client.
- 1.3 The Company agrees and undertakes to perform the Services in high quality professional manner and to make best efforts to protect Client's privacy during the process of rendering the Services.

EXHIBIT

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2. Client Responsibilities in Relation to Scope of Services

- 2.1 For Company to fully perform its services in a timely manner, Client must provide certain and specific, complete and accurate information and documents ("Documents") to Company (or to third parties that assist the Company in the consolidation process), which includes this signed Service Agreement, specific to services provided by Company to Client. Client shall have fifteen (15) days from the date of initial request to provide the requested Documents. If Client fails to provide Documents to Company within fifteen (15) days from the date of initial request, Company's ability to fulfill its obligations will be jeopardized and Client shall be in Default of this Service Agreement and subject to any and all remedies outlined in the Default section of this Agreement.
- 2.2 Client recognizes that if additional an unforeseen services are required as a result of Client's inactivity in providing Company with the required documents as outlined herein, additional charges may be applied and will be outlined in a "Additional Services Fee" addendum to this Agreement.
- 2.3 Due to the federal regulatory nature of the Federal Loan Consolidation and Repayment programs, Client understands and acknowledges that once the Final Funding Date has occurred, Company's services will be deemed fulfilled in total.
- 2.4 Client understands that if the Federal Government, or one of its appointed agents, undertakes wage garnishment actions against Client for Client's default on federal student loans, Company's scope of services will then become solely that of removing the wage garnishment.
- 2.4.1 If removal by Wage Garnishment Appeal is impossible due to Client's default severity Company will perform the preparation services necessary to place Client in a Federal Loan Rehabilitation program for the purposes of removing Client's wage garnishment(s).

3. Consideration

- 3.1 For all services rendered by Company pursuant to this Agreement, the Client shall pay the service fees specified in the "Payment Authorization Form" attached hereto as **Exhibit A**. The Company reserves the right to adjust the Service fee should it be determined that the information Client provided was inaccurate or fraudulent. For the purposes of this agreement, the Client shall sign the Payment Authorization Form and the Power of Attorney attached hereto as **Exhibit B**, appointing the Company to act on behalf of the Client in connections with the Services.

4. Termination and Refund Policy

- 4.1 Either party herein may terminate this Agreement, effective immediately, at any time and for any reason by providing the other party with a prior written notice. Upon termination, the Company shall be entitled to keep all fees that have been paid or deemed due and payable before the expiration of the Term.
- 4.2 **Refund for Impossibility:** If, after Company has received Client's Documents in total and after Company's initial investigation, Company determines that it is unable perform its duties delineated within the Scope of Services, Client is entitled to (1) the termination of this Service Agreement, and (2) complete refund of all money paid to Company for the services rendered under this Service Agreement.

5. No Warranty; Limitation of Liability

- 5.1 THE COMPANY OR ANY OF ITS EMPLOYEES, AGENTS, SUCCESSORS, ASSIGNS, AFFILIATES, OR SERVICE PROVIDERS MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND AS TO THE SERVICES TO BE PROVIDED HEREIN OR THEIR RESULTS AND IN NO EVENT SHALL BE LIABLE TO CLIENT OR OTHER THIRD PARTIES FOR ANY DIRECT, INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL, OR

CONSEQUENTIAL DAMAGES ARISING OUT OF USE OF THE SERVICES. THE COMPANY'S LIABILITY FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED THE AMOUNT OF THE FEE THAT COMPANY CHARGED CLIENT FOR THE APPLICABLE SERVICES.

6. Miscellaneous

6.1 Notices. All notices and approvals hereunder shall be in writing and deemed duly given if personally delivered, sent by national courier service or sent by fax or email to the party concerned at the address set forth below or otherwise designated by such party.

6.2 Severability. The various provisions and subprovisions of this Agreement are severable and if any provision or subprovision or part thereof is held to be unenforceable by any court of competent jurisdiction, then such enforceability shall not affect the validity or enforceability of the remaining provisions or subprovisions or parts thereof in this Agreement.

6.3 Applicable Law; Arbitration Clause. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois. The Company and Client agree that the Company and Client shall negotiate in good faith and try to resolve any dispute concerning or resulting from this Agreement or the Services provided hereunder. If the Company and Client shall fail to resolve such dispute, Client agrees to enter into a non-binding mediation. All mediation conferences shall occur in Chicago, Illinois. If any dispute remains unresolved between the parties herein after the mediation process has been completed, either party may then submit any such unresolved dispute to final and binding arbitration. The exclusive venue of any arbitration proceeding shall be in Chicago, Illinois at a neutral site selected by the arbitrator.

6.4 Default. Client will be in default under this Agreement if: (i) Client fails to make any required payment by the payment due date; (ii) Client fails to timely comply with or perform any other obligation under this Agreement; (iii) any representation or warranty made by Client to Company is false or misleading; (iv) Client begins, or if any other person puts Client in, a bankruptcy, insolvency or receivership proceeding; or (v) Client dies.

6.5 Our Rights in the Event of Default. If Client is in default under this Agreement, Company may, at our option, do any one or more of the following: (i) declare the whole outstanding balance due on Client's Account immediately due and payable and proceed to collect it; (ii) close Client's Account and proceed to collect whole outstanding balance; (iii) exercise all other rights, powers, and remedies given by law; and/or (iv) recover from Client all charges, costs and expenses, including all collection costs and reasonable attorney's fees incurred or paid by Company in exercising any right, power, or remedy provided by this Agreement or as permitted by law.

6.6 Electronic Signature & Records. By signing this agreement Client acknowledges that Client has read, understands, and agrees to all of its terms and conditions. Client further acknowledge that this agreement was filled in before Client signed and Client received a completed copy of it. Client hereby declares the information contained in this agreement to be true and correct to the best of Client's knowledge.

I, the Client, hereby verify that I have read, understand, and agree with the above Agreement and have been provided a copy for my personal records.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement the day and year first above written.

Detra Jett

PRINT NAME

Detra Jett

SIGNATURE

1/10/2011

DATE

Exhibit 13

Exhibit B

Limited Power of Attorney

I, **Detra Jett** hereby appoint Federal Debt and Tax Relief LLC., (the "Company") and its designated agents and employees as my attorney-in-fact and hereby permit them to act on my own behalf in connection with the following matters and purposes:

- A. To negotiate on all Federal student loan accounts to achieve a reasonable resolution with any organizations possessing an interest in my Federal student loan issue(s);
- B. To investigate, obtain, and review any and all information regarding my Federal student loan status, including original documentation, payment history, balance breakdowns, and other pertinent details that would assist in the restoration of the Federal student loan obligation;
- C. To represent me with regard to any matter within the scope of Services set forth in the Agreement including, but not limited to communication with those organizations possessing an interest in my Federal student loan issue(s);
- D. To prepare, complete, and advance any and all paperwork to those organizations possessing an interest in my Federal student loan issue(s);
- E. I have provided to Company and its affiliates my FAFSA personal identification number, and/or give Company the right to reset my pin if I cannot provide it for them;
- F. I provide to the Company and its affiliates the express authority to access the Federal Student Aid 'PIN Web Site' for purposes of executing the Agreement;
- G. I provide to the Company and its affiliates the express authority to communicate on my behalf with the United States Treasury and/or the Internal Revenue Service for the purpose of resolving my student loan obligations;
- H. I provide to the Company the right to choose a repayment plan on my behalf, and to electronically accept said plan on my behalf;
- I. Any other incidental acts that are reasonably required to undertake the authorities granted herein; and
- J. For no other purpose than those granted herein.

This Limited Power of Attorney shall continue in effect until I nullify this instrument in writing, the terms of the Agreement are fulfilled, or Company or I terminate the Agreement.

Detra Jett

PRINT NAME

Detra Jett 1/10/07

SIGNATURE

DATE



Exhibit 14

Disclaimer

This is a U.S. Federal Government computer system intended to be accessed solely by individual users expressly authorized to access the system by the U.S. Department of Education. For security purposes and to ensure that the system remains available to all expressly authorized users, the U.S. Department of Education monitors the system to identify unauthorized users. Anyone using this system expressly consents to such monitoring. Except as expressly authorized by the U.S. Department of Education, unauthorized attempts to access, obtain, upload, modify, change, and/or delete information on this system are strictly prohibited and are subject to criminal prosecution under 18 U.S.C. § 1030, and other applicable statutes, which may result in fines and imprisonment. For purposes of this system, unauthorized access includes, but is not limited to:

- Any access by an employee or agent of a commercial entity, or other third party, who is not the individual authorized user, for purposes of commercial advantage or private financial gain (regardless of whether that commercial entity or third party is providing a service to an authorized user of the system); and
- Any access in furtherance of any criminal or tortious act in violation of the Constitution or laws of the United States or of any State.

If system monitoring reveals information indicating possible criminal activity, such evidence may be provided to law enforcement personnel.

DECLINE

ACCEPT >

RETURN TO STUDENTAID.GOV

EXHIBIT

14

Exhibit 15

TAXES GOT YOU DOWN?

We can help you up. Get started for free today!



WE FIGHT THE IRS AND STATE TAX OFFICES...

...so you don't have to.

Complicated rules, endless paperwork, and the fear of being audited are things that complicate tax debt for everyone. We'll put you in touch with experts who know the rules inside and out, and who work with IRS agents and State tax offices routinely on behalf of every day people. Relax - they'll fight for you!

Are there any levies against you?

Yes

No

I don't know

What state do you live in?

Alabama

Help Me Now!

Get help with Your Debt! Call today: 1-877-339-0391

Use the form on this page to reach out today. Our experts can help you stop IRS wage garnishments and levy actions, help with audits, and offer you a variety of tax solutions depending on your situation. It costs you nothing to see if you qualify - just fill in the form, and we'll do the rest!

GET TAX HELP NOW

Full Name *

Phone Number

Email *

What kind of taxes do you have?

Federal Taxes

How much do you owe?

Less than \$1,000

Do you owe back-taxes, interest, or penalties?

Yes

No

I don't know

Are your wages being garnished?

Yes

No

I don't know

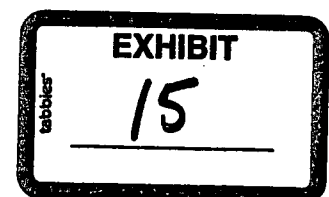


Exhibit 16



**Federal
Taxrelief, Inc.**

www.fedtaxrelief.org

6/21/2016

Luis Lopera

[REDACTED]
[REDACTED]

Dear Luis Lopera,

Welcome to Federal Tax Relief!

We are pleased that you have chosen Federal Tax Relief, Inc. ("FTR") to investigate and resolve your Federal Income Tax issues. Our investigation and resolution process is limited to the terms and matters identified in the enclosed agreement.

SCOPE OF ENGAGEMENT

Client has contracted FTR to provide the following service(s), where applicable to Client's individual and unique circumstances:

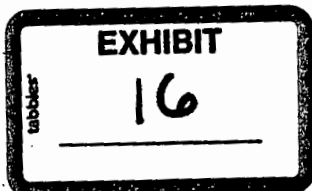
Client agrees to engage FTR to contact the Internal Revenue Service ("IRS") in an attempt to investigate Client's tax matter(s).

Client agrees to engage FTR in an attempt to enter Client into a resolution with the Internal Revenue Service, and/or complete a financial analysis on behalf of Client. FTR will convey to Client any pertinent correspondence, requirements and/or negotiations with the IRS conducted.

This Agreement does not engage FTR to prepare tax returns, tax documentation, or an Offer in Compromise. Tax Compliance and Offer preparation are separate services offered by FTR and must be entered into under separate engagement agreements. At its own discretion, and with Client's permission, FTR can attempt to resolve audit, identify theft, or other tax related issues with the IRS. If FTR deems it necessary, additional charges and/or service agreements may be required.

LIMITATION OF SERVICES

Client expressly acknowledges that FTR is not a law firm. FTR and its employees provide tax representation before the applicable taxing authorities, including, but not limited to, the IRS and any applicable state taxing authority. The representations of FTR and its employees should not be construed as legal counsel. Furthermore, FTR's services do not include representation in connection with any litigation conducted in any federal, state, or local court systems.





10-1064-4011-9209-D8208DA8A088
**Federal
Taxrelief, Inc.**

www.fedtaxrelief.org

CONSIDERATION

For all Services rendered by Company pursuant to this Agreement, the Client shall pay the service fees specified in the "Payment Authorization Form" attached hereto as **Exhibit A** (the "Service Fee"). For the purpose of this Agreement, the Client shall sign the Payment Authorization Form.

GOVERNING LAW

The laws of the State of Illinois shall govern the validity of this agreement, the construction of its terms herein, and the interpretation of the rights and duties of each party.

I represent that I have read, understand and agree to be bound by the terms of this IRS Engagement Agreement in its entirety. I acknowledge that this IRS Engagement Agreement has been explained to my full satisfaction, and that I have no unanswered questions about the IRS Engagement Agreement.

AGREED AND ACCEPTED:

Date: 4.17.16

By: 

Signature