

STATE OF MINNESOTA
COUNTY OF RAMSEY

DISTRICT COURT
SECOND JUDICIAL DISTRICT

Case Type: Other Civil
(Consumer Protection)

Court File No. _____

In the Matter of Express Enrollment, LLC

**PETITION FOR ORDER
APPROVING ASSURANCE OF
DISCONTINUANCE**

The State of Minnesota, by its Attorney General, Keith Ellison, hereby petitions the Court, pursuant to Minn. Stat. §§ 8.31, subd. 2b, for an Order approving the attached, fully-executed Assurance of Discontinuance between the State of Minnesota, through its Attorney General, Keith Ellison, and Express Enrollment, LLC.

Dated: November 15, 2022

Respectfully submitted,

KEITH ELLISON
Attorney General
State of Minnesota

/s/ Evan Romanoff
EVAN ROMANOFF
Assistant Attorney General
Atty. Reg. No. 0398223

445 Minnesota Street, Suite 1200
St. Paul, MN 55101-2130
(651) 728-4126 (Voice)
(651) 296-7238 (TTY)
evan.romanoff@ag.state.mn.us (Email)

ATTORNEYS FOR PLAINTIFF
STATE OF MINNESOTA

STATE OF MINNESOTA
 COUNTY OF RAMSEY

DISTRICT COURT
 SECOND JUDICIAL DISTRICT

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In the Matter of Express Enrollment, LLC.

**ASSURANCE OF
 DISCONTINUANCE**

WHEREAS, this Assurance of Discontinuance (“Assurance”) is entered into pursuant to Minn. Stat. § 8.31, subd. 2b, between the State of Minnesota, through its Attorney General, Keith Ellison, and Express Enrollment, LLC d/b/a SLFD Processing (“SLFD Processing”);

WHEREAS, the Attorney General of the State of Minnesota has authority to enforce Minnesota’s laws relating to unfair, discriminatory, and other unlawful practices in business, commerce, or trade, including but not limited to the Minnesota’s Debt Settlement Services Act, Minn. Stat. §§ 332B.03-.12, the Prevention of Consumer Fraud Act, Minn. Stat. § 325F.69, *et seq.*, and the Uniform Deceptive Trade Practices Act, Minn. Stat. § 325D.43, *et seq.*;

WHEREAS, the Attorney General alleges that SLFD Processing marketed, sold, and provided goods or services to Minnesota consumers related to the repayment of student loans;

WHEREAS, the Attorney General alleges that SLFD Processing, without first becoming registered with Minnesota’s Department of Commerce as required by Minn. Stat. § 332B.03, offered to provide advice, or offered to act or acted as an intermediary between Minnesota consumers and the U.S. Department of Education or its federal student loan servicers, where the primary purpose of the advice or action was to reduce or eliminate student loan debt;

WHEREAS, the Attorney General alleges that SLFD Processing performed for Minnesota consumers, and imposed charges or received payment from Minnesota consumers for, debt settlement services without first executing written debt settlement services agreements that complied with Minn. Stat. § 332B, as required by Minn. Stat. § 332B.06, and without first performing all of the services it agreed to perform, as required by Minn. Stat. § 332B.09;

WHEREAS, the Attorney General alleges that SLFD Processing misrepresented its services or created the likelihood of consumer confusion or misunderstanding regarding its services in its dealings with Minnesota consumers in violation of Minn. Stat. §§ 332B.11, 325F.69, and 325D.44;

WHEREAS, the Attorney General alleges that the above-described alleged conduct violates Minn. Stat. §§ 332B.03-.12, 325F.69, and 325D.44;

WHEREAS, the Attorney General and SLFD Processing (collectively, the “Parties”) desire to resolve fully this matter by Assurance;

NOW THEREFORE, the Attorney General and SLFD Processing hereby agree to entry of an order with the following terms and conditions:

REPRESENTATIONS

1. On October 31, 2022, SLFD Processing provided the Attorney General with a sworn affidavit attaching a list of Minnesota consumers with whom SLFD Processing contracted, along with the amount of payments SLFD Processing collected from each Minnesota consumer on the list.

2. SLFD Processing represents and warrants that the Minnesota consumer list is a complete and accurate list of all Minnesota consumers with whom SLFD Processing has contracted, and that the payment amounts are accurate.

3. The Attorney General relies upon SLFD Processing's representations and warranties in its investigation and resolution of this matter.

INJUNCTIVE RELIEF

4. SLFD Processing, including its principals, officers, directors, employees, independent contractors, affiliates, subsidiaries, and successors, as well as other persons in active concert or participation with SLFD Processing (including any agents or affiliates who may have acted on its behalf or who may act on its behalf in the future) who receive actual notice of this order, shall comply with the following permanent injunctive terms and provisions:

5. Without first becoming registered with Minnesota's Department of Commerce as required by Minn. Stat. § 332B.03, SLFD Processing shall not hereinafter conduct any business, directly or indirectly, individually or in conjunction with any other person or entity, in the State of Minnesota, including but not limited to collecting payments, marketing, selling, and providing goods or services related to repayment of student loans, including but not limited to completion of application materials for student loan consolidation or repayment plans.

6. SLFD Processing shall fulfill the terms of this Assurance, and all of its parents, subsidiaries, and successors shall be bound by this Assurance as if they had signed this Assurance, so as to accomplish the full relief contemplated by this Assurance. SLFD Processing shall not affect any change in its form of doing business, organizational identity, organizational structure, affiliations, ownership, or management composition as a method or means of attempting to avoid the requirements of this Assurance.

MONETARY PAYMENT

7. SLFD Processing shall pay to the Attorney General the sum of \$50,000.00 (the "Settlement Sum") pursuant to Minn. Stat. § 8.31, no later than ten (10) days after the date on

which the Court signs this Assurance. Monies from the Settlement Sum may be used for settlement administration expenses, including payment to a settlement administrator.

8. All of the Settlement Sum constitutes restitution, which may be distributed to consumers by the Attorney General in his sole discretion pursuant to Minn. Stat. § 8.31.

9. If, after execution of this Assurance, the Attorney General learns that SLFD Processing imposed charges or received payment from additional Minnesota consumers not previously disclosed to the Attorney General, the Attorney General shall provide SLFD Processing written notice of this violation pursuant to Paragraph 33 and give SLFD Processing five (5) business days to cure this violation.

10. If SLFD Processing fails to pay the Settlement Sum as provided in Paragraph 7, the Attorney General shall provide SLFD Processing written notice of this violation pursuant to Paragraph 33 and give SLFD Processing five (5) business days to cure this violation. Failure to comply with Paragraph 7 in any respect shall be a violation of the Assurance for the purposes of Paragraph 11.

STAYED CIVIL PENALTY

11. SLFD Processing shall pay a stayed civil penalty of \$75,000.00 to the Attorney General upon application to the Court, with an opportunity for SLFD Processing to respond to such application, and a finding by the Court indicating that SLFD Processing has violated any of the terms of this Assurance and Order, or failed to provide the Attorney General with an accurate and complete list of Minnesota consumers with whom SLFD Processing contracted for the provision of goods or services related to repayment of student loans. Inadvertent failure to provide such a list shall not trigger the application of this Paragraph, as long as SLFD Processing promptly cures such failure pursuant to this Assurance. The release in Paragraph 15 does not prevent the

Attorney General from moving for, or collecting, the stayed civil penalty described in this Paragraph.

DEFINITIONS

12. “SLFD Processing” means Express Enrollment, LLC d/b/a SLFD Processing, and all of its merged or acquired predecessors, successors, divisions, subsidiaries, and parents. The term “SLFD Processing” also includes all present directors, officers, employees, and other agents of Express Enrollment, LLC and SLFD Processing.

13. “Minnesota consumer” means any person with a Minnesota mailing address.

GENERAL TERMS

14. Nothing in this Assurance shall relieve SLFD Processing of its obligation to comply with all applicable Minnesota and federal laws and regulations.

15. In consideration of the stipulated relief and contingent upon the Court’s entry of this Assurance, the Attorney General, by execution of this Assurance, hereby fully and completely releases SLFD Processing of any and all claims of the Attorney General under Minn. Stat. §§ 332B.03-.12, 325F.69, and 325D.44, connected with or arising out of the allegations contained in this Assurance, up to and including the date of this Assurance. The Attorney General through this Assurance does not settle, release, or resolve any claim against SLFD Processing or any other person or entity involving any private causes of action, claims, and remedies, including, but not limited to, private causes of action, claims, or remedies provided for under Minn. Stat. § 8.31. This release does not apply in any way to claims of any other Minnesota state agency, department, official, or division.

16. This Assurance may be executed in counterparts, each of which constitutes an original, and all of which shall constitute one and the same agreement. This Assurance may be executed by facsimile or electronic copy in any image format.

17. The person signing this Assurance for SLFD Processing warrants that SLFD Processing has authorized the person to execute this Assurance, that SLFD Processing has been fully advised by its counsel before entering into the Assurance, and that he or she executes this Assurance in an official capacity that binds SLFD Processing and its successors.

18. This Assurance constitutes the full and complete terms of the agreement entered into by SLFD Processing and the Attorney General.

19. The Parties agree that this Assurance, including any issues related to interpretation or enforcement, shall be governed by the laws of the State of Minnesota.

20. The Ramsey County District Court shall retain jurisdiction of this matter for purposes of enforcing this Assurance. The Attorney General may make such application as appropriate to enforce or interpret the provisions of this Assurance or, in the alternative, maintain any action within his legal authority for such other and further relief as he determines is proper and necessary for the enforcement of this Assurance. The parties agree that, in any action brought by the Attorney General to enforce the terms of this Assurance, the Court shall have the authority to award equitable relief, including specific performance.

21. The failure of a party to exercise any rights under this Assurance shall not be deemed to be a waiver of any right or any future rights.

22. Nothing in this Assurance shall be construed to limit the power or authority of the State of Minnesota or the Attorney General except as expressly set forth herein.

23. Each of the parties is represented by counsel, participated in the drafting of this Assurance, and agrees that the Assurance's terms may not be construed against or in favor of any of the parties by virtue of draftsmanship.

24. Each party shall perform such further acts and execute and deliver such further documents as may reasonably be necessary to carry out this Assurance.

25. The facts alleged in this Assurance will be taken as true without further proof for the purposes of determining the nondischargeability of the State's monetary judgment, as ordered by this Assurance, in any bankruptcy proceeding.

26. The facts alleged in this Assurance establish all elements necessary to sustain an action by the Attorney General pursuant to section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Assurance will have collateral estoppel effect for such purposes.

27. SLFD Processing understands that if a Court of competent jurisdiction holds that SLFD Processing has committed a violation of this Assurance, that such violation may be enforced through contempt proceedings under Minn. Stat. § 8.31, subdivision 2b, and that the Attorney General may thereafter, in his sole discretion, initiate legal proceedings against SLFD Processing for contempt and/or the Stayed Civil Penalty in Paragraph 11.

28. SLFD Processing agrees that the Stayed Civil Penalty in Paragraph 11 of this Assurance, if imposed by any court, represents a civil penalty owed to the State of Minnesota, is not compensation for actual pecuniary loss, and, therefore, is not subject to discharge under the Bankruptcy Code pursuant to 11 U.S.C. § 523(a)(7).

29. On or before executing this Assurance, SLFD Processing shall provide the Attorney General its taxpayer identification number (TIN). SLFD Processing understands that it may be subject to a penalty if it fails to provide the Attorney General with its TIN pursuant to 26 C.F.R. 6723, 26 C.F.R. 6724(d)(3), and 26 C.F.R. 301.6723-1. SLFD Processing shall also cooperate in the Attorney General's Office's completion of Internal Revenue Service Form 1098-F by providing the Attorney General by November 1, 2022, any additional necessary information requested by the Attorney General's Office.

30. SLFD Processing shall notify its principals, officers, directors, agents, employees, affiliates, subsidiaries, and successors, and any other person in active concert or participation with

the company of the obligations, duties, and responsibilities imposed on them by this Assurance.

31. SLFD Processing shall not state or imply, directly or indirectly, that the State of Minnesota or the Attorney General have approved of, condoned, or agree with any conduct or actions by SLFD Processing.

32. SLFD Processing agrees that the Attorney General, without further notice to SLFD Processing, may file this Assurance with the Ramsey County District Court on an *ex parte* basis, and that the Court may issue the Order below without further proceedings.

33. Service of notices required by this Assurance shall be served on the following persons, or any person subsequently designated by the parties to receive such notices:

Evan Romanoff, Assistant Attorney General
Office of the Minnesota Attorney General
evan.romanoff@ag.state.mn.us
445 Minnesota Street, Suite 1200
St. Paul, Minnesota 55101

Express Enrollment, LLC
d/b/a SLFD Processing
c/o Brent R. Phillips, Esq.
bphillips@phillipslawcorporation.com
801 Parkcenter Drive, Suite 105
Santa Ana, CA 92705


KEITH ELLISON
Attorney General
State of Minnesota

Date: November 15, 2022

By: /s/ *Evan Romanoff*
EVAN ROMANOFF
Assistant Attorney General

EXPRESS ENROLLMENT, LLC, D/B/A
SLFD PROCESSING

Date: 11/12/22

By: 
MARCO A. MANZI
SLFD Processing

ORDER

Having reviewed the terms of the foregoing Assurance of Discontinuance, which is incorporated herein by reference, and which the Court finds reasonable and appropriate, it is SO ORDERED.

Date: _____


Diamond, Patrick (Judge)
Nov 21 2022 3:03 PM
JUDGE OF DISTRICT COURT

THERE BEING NO CAUSE FOR FURTHER DELAY, LET JUDGMENT BE ENTERED IMMEDIATELY.