

ATTORNEY GENERAL PAM BONDI

FLORIDA OFFICE OF THE ATTORNEY GENERAL



Attorney General Pam Bondi News Release

December 11, 2014

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Attorney General Bondi's Office Sues Company for Student Loan Debt Relief Scam

TALLAHASSEE, Fla.—Attorney General Pam Bondi's Office and the Consumer Financial Protection Bureau today filed a lawsuit against Tampa-based College Education Services, LLC, and its owners, Marcia Elena Vargas and Frank Liz, for scamming students into paying upfront fees for student loan debt consolidation, loan forgiveness, and relief from garnishments, services that were never provided or not performed as promised.

“People who are diligently making student loan payments shouldn't have to worry about scammers seeking to exploit them,” said Attorney General Pam Bondi. “My office will continue to protect all people from student loan scams.”

“Student loans are already a significant debt for many Americans. College Education Services added to that hardship by taking advantage of troubled borrowers and failing to describe their services honestly,” said CFPB Director Richard Cordray. “When scam artists prey on student loan borrowers, we will take action to halt their illegal activity.”

According to the complaint, CES and its predecessor College-Defaulted Student Loan LLC, allegedly tricked student loan borrowers by falsely guaranteeing that monthly payments would be reduced by up to 50 percent, claiming to secure students a new federally backed consolidation loan, claiming they would free consumers from default or garnishment in eight weeks or less, and assuring the result was 100 percent guaranteed.

The complaint also alleges:

- **CES violated the Telemarketing Sales Rule, the Consumer Finance Protection Act and the Florida Deceptive and Unfair Trade Practices Act;**
- **CES unlawfully charged significant advance fees from \$195 to \$2,500, made misrepresentations as to timing and results and failed to provide the guaranteed services;**
- **CES' conducted "abusive" acts under the Consumer Finance Protection Act;**
- **CES took advantage of vulnerable consumers by targeting student loan debtors in default or financial distress; and**
- **CES professed expertise and offered an individualized assessment which it did not perform and collected advance fees to consolidate loans that were not eligible for the**

program or from consumers who did not qualify for forgiveness. Despite promising consumers lower payments, some consumers faced higher payments, making consumers worse off.

A stipulated final judgment imposes a permanent ban on the defendants engaging in any form of debt relief activities in the future and imposes civil penalties. The defendants are also permanently enjoined from making misrepresentations about any consumer financial product or service.

Florida Toll Free Numbers:

- Fraud Hotline 1-866-966-7226
- Lemon Law 1-800-321-5366