

CITY ATTORNEY MIKE FEUER TAKES ACTION TO STOP MULTI-MILLION DOLLAR STUDENT-LOAN DEBT RELIEF SCAM

October 31, 2019

LOS ANGELES – City Attorney Mike Feuer announced today that his office has filed a joint civil law enforcement action with the Consumer Financial Protection Bureau (CFPB), Attorney General Keith Ellison of Minnesota and Attorney General Josh Stein of North Carolina, against Consumer Advocacy Center, Inc., d/b/a Premier Student Loan Center (“CAC”), True Count Staffing, Inc., d/b/a SL Account Management (“True Count”), Prime Consulting, LLC, d/b/a Financial Preparation Services (“Prime”), and affiliated entities and individuals, alleging that they have operated a fraudulent student debt-relief enterprise that has scammed consumers of tens of millions of dollars. The joint plaintiffs also requested a temporary restraining order to halt Defendants’ operations, appoint a receiver to assume immediate control of their business and freeze their assets and bank accounts, with the exception of CAC whose assets are currently under the control of a bankruptcy trustee.

"Students and families in L.A. and across California confront crushing student loan debt. The last thing they need is to have their burdens compounded by the so-called debt relief practices we allege here," said Feuer. "We're fighting to secure the restitution we claim these consumers deserve, and to prevent anyone else from being victimized by this alleged scam."

Defendants are alleged to have misrepresented that consumers’ debts would be forgiven shortly after engaging Defendants’ services, that Defendants had special relationships with the federal government and federal debt-relief programs which would benefit consumers, and that consumers’ payments to Defendants would be applied in their entirety to consumers’ outstanding loans. Additionally, the joint action alleges that the Defendants violated a host of federal and state laws designed to protect consumers and student borrowers from deceptive and fraudulent conduct, including California’s Unfair Competition Law.

Consumers in LA City and County are among the thousands nationwide who are alleged to be victims of the Defendants’ unlawful conduct. One claims to have made monthly ‘student-loan’ payments to Defendant Prime for over one year before discovering that none of the funds were sent to his actual loan servicer. Another claims

to have paid Prime over \$1,200 for promised entry into a “government-backed student loan forgiveness program” that the company never enrolled him in.

In addition to the relief Plaintiffs have already secured through the temporary restraining order, the complaint seeks preliminary and permanent injunctive relief, civil penalties, and restitution for victims.

Consumers who think they may be victims should contact the LA City Attorney’s Office - 213-978-8070.

Student loan borrowers can access information about federal repayment programs available to eligible borrowers at the US Department of Education [website](#).

Supervising Deputy City Attorney Christina Tusan, Deputy City Attorneys William Pletcher, Rebecca Morse, Stephen Mayer and Gina Lee, with Investigators Frank Capetillo and Martha Petterez, and Paralegal Steven Shin, all from the City Attorney’s Consumer and Workplace Protection Unit, are assisting in the litigation.

The Los Angeles Police Department Commercial Crimes Division, Captain Lillian Carranza and Detectives from LAPD’s Intellectual Property Crimes Unit are also assisting with this matter.

Read the complaint [here](#).