

FILED
SIXTH JUDICIAL CIRCUIT

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[Signature]
CLERK OF THE CIRCUIT COURT
CHAMPAIGN COUNTY, ILLINOIS

STATE OF ILLINOIS
IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT
CHAMPAIGN COUNTY

THE PEOPLE OF THE STATE OF ILLINOIS,)
)
 Plaintiff,)
)
 -vs-)
)
 BROADSWORD STUDENT ADVANTAGE, LLC, a Texas)
 Limited Liability Corporation, and)
)
 KENNETH L. TALBERT, individually and as sole Organizer)
 and sole Governing Member of BROADSWORD STUDENT)
 ADVANTAGE, LLC,)
)
 Defendants.)

NO. 14 CH 184

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, Broadsword Student Advantage, LLC (hereinafter "Broadsword"), and Kenneth L. Talbert (hereinafter "Talbert") for violations of the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 *et seq* and the Illinois Debt Settlement Consumer Protection Act, 225 ILCS 429/1 *et seq*.

PUBLIC INTEREST

1. 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 Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/7(a) and the Debt Settlement Consumer Protection Act 225 ILCS 429/155(a).

JURISDICTION AND VENUE

2. This action 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 and Deceptive Business Practices Act ("Consumer Fraud Act"), 815 ILCS 505/1 *et seq.*, and the Debt Settlement Consumer Protection Act 225 ILCS 429/1 *et seq.*, and her common law authority as Attorney General to represent the People of the State of Illinois.

3. Venue for this action properly lies in Champaign County, Illinois, pursuant to Section 2-101 of the

Illinois Code of Civil Procedure, 735 ILCS 5/2-101, in that some of the transactions out of which this action arose occurred in Champaign County.

PARTIES

4. 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 and the Debt Settlement Consumer Protection Act.

5. Defendant, Broadsword, is a Texas limited liability corporation with its principal place of business at 7668 Warren Parkway, Suite 375, Frisco, Texas 75034.

6. For purposes of this Complaint for Injunctive and Other Relief, any references to the acts and practices of Broadsword shall mean that such acts and practices are by and through the acts of Broadsword's officers, owners, members, directors, employees, salesperson, representatives and/or other agents.

7. The defendant, Kenneth L. Talbert, is sued individually and in his capacity as sole Organizer and sole Governing Member of Broadsword.

8. The defendant, Kenneth L. Talbert organized Defendant Broadsword and formulated, directed, controlled and had knowledge of the acts and practices of Defendant, Broadsword and, at all times relevant hereto, was sole Governing Member of Broadsword.

9. To adhere to the fiction of separate corporate existence between the defendants, Kenneth L. Talbert and Broadsword, would serve to sanction fraud and promote injustice.

TRADE AND COMMERCE

10. Subsection 1(f) of the Consumer Fraud Act, 815 ILCS 505/1(f), 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.

11. The Defendants were at all times relevant hereto, engaged in trade and commerce in the State of Illinois by advertising, offering for sale, selling and accepting money for student loan

debt relief services to consumers in Illinois and in other states. Defendants offer, among other things, to provide advice or service on behalf of consumers to obtain a settlement, adjustment, or satisfaction of the consumers' unsecured student loan debt in an amount less than the current outstanding balance.

DEFENDANTS' COURSE OF CONDUCT

12. Defendants offer free information to help anyone with \$10,000 or more in federal student loan debt cut their payments in half, reduce their interest rate, or consolidate their outstanding loans.

13. Defendants also offer free loan forgiveness information to teachers, nurses, government employees, police officers, firefighters, and employees of non-profit companies.

14. Beginning in at least June 2013 and continuing to date, defendants advertise on multiple radio stations throughout the state of Illinois as follows:

Attention teachers, nurses, social workers, government employees, police officers, and firefighters if you're still paying on student loans get ready for a special announcement. Your entire student loan can be forgiven. You heard correctly. Broadword Student Advantage has free information on how you could potentially have the remaining balance on your student loan debt forgiven. Broadword Student Advantage can help anyone with \$10,000 or more in federal student loan debt potentially cut their payments in half, reduce their interest rate, or consolidate their outstanding loan. But if you are a teacher, nurse, government employee, police officer, firefighter or work for a non-profit company you have the added benefit of potentially having your student loan forgiven. Call now for free information to find out how. Call 800-285-3500. 800-285-3500. Don't waste another payment on your old student loans. Call for your free loan forgiveness information now at 800-285-3500. Or visit online at getforgiven.org.

And:

Attention teachers, nurses, government employees, police officers, and firefighters if you're struggling to pay student loans then your entire student loan can be forgiven. You heard correctly. Broadword Student Advantage has free information on how you can potentially have the remaining balance of your student loan debt completely forgiven. We can help anyone with student loans potentially cut their payments in half. Call now for free information. 800-211-5704. 800-211-5704. 800-211-5704.

15. Defendants also advertise student loan debt relief services on websites, such as:

www.broadwordsa.com , www.broadwordstudentadvantage.com, and
www.getforgiven.org

16. For example on www.broadwordsa.com it states as follows:

About Us

Broadword Student Advantage is a consultation service, offering you an affordable way to make your federal student loan debt more flexible and easy to manage. We are dedicated to our clients, and we ensure that those clients maximize the benefits and savings opportunities available through federal student loan debt relief programs.

In an effort to encourage public sector employment and help borrowers cope with the rising cost of post-secondary education, the government developed various student debt relief programs. If they are utilized appropriately, they can help recent graduates significantly reduce the cost of their student debt.

We have a diversified set of employees who are professional, experienced, highly trained, and courteous. No company can rival the success we have with our clients. Call us today to find out how you can benefit from using our services.

CALL US TODAY AT: 800-374-0668

17. For example on www.getforgiven.org, it states as follows:

Get Forgiven
Student Loan Forgiveness Program

The Public Service Loan Forgiveness Program encourages individuals to enter and continue to work full-time as a public service worker (Nurse, Doctor, Firefighter, Police Officer and Civil Servant, etc.) Or as an employee of a Non-Profit Company. Under this student loan program, borrowers may qualify for forgiveness of the remaining balance due on their eligible federal student loans after they have made 120 payments on those loans under certain repayment plans while employed full time under certain public service employers.

Find out if you are eligible for a student loan forgiveness program.

For more information call 800-341-1372.

18. Defendants intend that consumers will rely on representations in these marketing methods and ads.

19. In response to the defendants' ads, consumers call defendants at the advertised phone numbers referenced above.

20. Upon information and belief, the person the consumer speaks to on the phone

representing defendants is a sales agent who is paid a base salary and commission.

21. Defendants tell consumers that “We help customers out by putting them in programs that they can understand, making them simple, and then making them affordable.
22. Instead of receiving free information to help alleviate student loan debt as advertised and offered by defendants in radio ads to student loan debtors, consumers who call defendants are persuaded to enter into agreements with an up-front fee of \$499.99 and a recurring monthly fee of \$49.99.
23. These fees actually are directed to Affordable Life Plans, a registered investment advisory firm and sister company of defendant Broadsword.
24. The defendants do not tell consumers in their ads or sales pitches that all of their fees will be paid to Affordable Life Plans.
25. Consumers state they did not understand what any of the fees are for and who they are paid to. For example, the husband of one consumer who signed up with defendants for student loan debt relief asked her what the \$49.99 monthly fee was for. The consumer called defendants to ask and was shocked and surprised when she was told the fee was for financial planning services. She stated her husband “went ballistic” when she told him the \$49.99 fee was for financial planning services.
26. According to Affordable Life Plan’s website at www.affordablelifeplans.com, that company offers financial planning services. Under the About Us tab on Affordable Life Plans’ website, it states as follows: “Where there is no vision, the people perish.....” Proverbs 28:18. At Affordable Life Plans, our mission is simple.....to help you create a vision for your life...a vision of financial protection and prosperity for you and your loved ones. Let us provide you with a plan designed to move you into a place of confidence and peace about your future. We provide solutions for all your life events.”
27. According to the agreement defendants have consumers sign, consumers are paying \$499.00 up front and \$49.99 per month for financial planning services, which is

different from the specific student loan debt relief services, including, but not limited to, student loan forgiveness, offered in defendants' ads and telephone sales pitches.

28. In addition, the student loan debt relief programs advertised and offered by defendants are actually federal government programs administered by the U.S. Department of Education that consumers can access directly at no cost.

29. A consumer's eligibility for a particular federal student loan debt relief program depends on certain factors that must be determined and proven on a case by case basis. For example, a teacher's eligibility for student loan forgiveness depends on multiple factors, including, but not limited to, the type of federal student loans the teacher has, whether or not the school is an eligible low-income school, and how long the teacher has taught at the school. According to the National Consumer Law Center, there is a danger of overselling student loan forgiveness. That is because there are multiple eligibility criteria, and many borrowers will not complete the required ten years of public service. In addition, a significant group is likely to pay off their loans before the ten-years period of public service expires.

30. Because of the multiple variables and requirements for any student loan debt relief, it is misleading for defendants' ads to make general claims, either expressly or by implication, about any particular consumer's eligibility for federal student loan debt relief.

31. Defendants fail to disclose in their ads and sales pitch that access to the programs it offers are available at no cost from the U.S. Department of Education.

32. Defendants also ask consumers to sign a sweeping Limited Power of Attorney granting Broadsword and Broadsword related entities (any of Broadsword's affiliates or designees, though none are expressly named) express authorization and authority to speak and execute on behalf of Client, including but not limited to, the power to:

1. Prepare, sign, or file any documents pertaining to Client's student loan obligations with any governmental body, agency, or student loan servicers;
2. Obtain information, including documents, from any governmental body, agency or

student loan servicers on behalf of Client;

3. Discuss and enter binding contracts pertaining to Client's student loan debts on behalf of client;
4. Employ professional and business advisors as may be necessary or appropriate at Broadsword's expense;
5. Speak with any holders of Client's student loans regarding Client's student loans; and
6. Access any information that Broadsword or Broadsword related entities deem necessary or convenient to assist Client in matters pertaining to Client's Student Loan Debt.

(A copy of the Power of Attorney is attached hereto as Exhibit A, the contents of which are incorporated by reference.)

33. Moreover, the Power of Attorney states that Broadsword or Broadsword related entities may designate one or more employees, agents, or third parties including, but not limited to, EFA Processing, LP to assist in the facilitation of matters pertaining to Client's student loans.

34. EFA Processing, LP is a debt settlement company that provides debt settlement services to consumers and is owned by Defendant Kenneth L. Talbert.

35. The Power of Attorney also provides that all communications seeking information or collection of the consumer's student loan debt be directed to Defendants or Broadsword related entities, thus discouraging or limiting communication between the borrower and the servicer.

36. Defendants fail to give consumers instructions on how to revoke the authority given in the Power of Attorney.

37. Consumers are also asked to provide defendants with any current login and password information for their current loan servicer(s) in violation of U.S. Department of Education guidance. The U.S. Department of Education warns on its website that borrowers should never give their PIN numbers to third parties.

38. Consumers communicate with defendants via e-mail and phone. One consumer reports

speaking to 16 different “student loan specialists” while trying to obtain information about the status of her case.

39. At all times relevant to this complaint, Defendants have failed to obtain a license as a Settlement Provider in the State of Illinois while offering to provide advice or service on behalf of consumers to obtain a settlement, adjustment, or satisfaction of the consumers’ unsecured student loan debt in an amount less than the current outstanding balance as required by the Debt Settlement Consumer Protection Act, 225 ILCS 429/15.

40. While promising to provide student loan debt relief services to financially distressed student loan debtors, Defendants provide nothing more than phantom help. By taking precious time and money from financially distressed student loan debtors without providing any meaningful services, defendants place consumers at greater risk of serious financial harm.

41. Defendants promise to, but fail to, take actions student loan debtors could just as easily take on their own.

42. In truth and in fact, in numerous instances, defendants obtain no student loan debt relief for financially distressed student loan debtors. As a result, consumers who pay advance fees to defendants for programs that are available for free find themselves worse off than they were before contacting defendants.

43. Defendants advertise, offer for sale, sell and accept money for student loan debt relief services from consumers in Illinois. Consumers are directed by defendants to sign a broad Power of Attorney granting defendants authority to communicate on behalf of the consumers regarding their student loan debt.

44. Yet, all fees charged to consumers for student loan debt relief advertised and allegedly provided by defendants are paid to Affordable Life Plans, a registered investment advisory firm.

45. Defendants are directing fees to Affordable Life Plans as a subterfuge in an attempt to escape liability for offering student loan debt relief services in violation of the Illinois Debt Settlement Act, and to enable defendants to collect upfront fees that are specifically prohibited by the Illinois Debt Settlement Act.

Impact of Defendants' Practices on Consumers

46. As described below, in the course of trade and commerce in the State of Illinois, the Defendants have engaged in acts or practices that violate Illinois law. Defendants' conduct is ongoing and has the potential to impact any Illinois consumers who purchase Defendants' goods or services. Therefore, any examples provided of specific consumer experiences are simply illustrations and should not be construed as the only instance in which an Illinois consumer was harmed or could potentially be harmed by defendants.

Consumer A

47. One Illinois consumer, a public school teacher, responded to defendants' radio ad to find out more about student loan forgiveness. The consumer was told in her initial telephone call with defendants' sales agent that she was eligible for student loan forgiveness and was pressured into providing her bank account number so that \$499.99 could be immediately withdrawn from her checking account.

48. The consumer received an e-mail confirmation from defendants a few weeks later that stated "Since you are a teacher in a title one school and teach special Ed you are qualified for the \$17,500 forgiveness. We will assist you on applying for this forgiveness. The \$17,500 is just about the remaining balance of your student loan, therefore once we apply for this forgiveness and everything goes through your loans would be paid off."

49. Several months after the initial call and e-mail referenced above, the consumer placed a call to defendants to inquire about the status of her student loan forgiveness program, and was told that defendants were sorry, but the consumer did not qualify.

50. Approximately three months later, a different "Student Loan Specialist" told the consumer over the phone that she *was* eligible for student loan forgiveness and sent the consumer paperwork to be completed at her school. When the consumer took the form to her school, she was told by her school that the high school where she teaches is not eligible for the loan forgiveness program because it is not a qualified low-income school.

51. In other words, after eight months of paying defendants a total of \$898.60, the consumer

learned from her school that she in fact was not eligible for student loan forgiveness as originally told on her first call with defendants. The consumer then filed a complaint with the Illinois Attorney General's Consumer Fraud Bureau.

52. The same consumer further stated in her complaint that she was surprised to learn several months after enrolling in defendants' program that the \$49.99 being withdrawn on a monthly basis from her checking account was allegedly for a financial planning service with Affordable Life Plans. The consumer denies agreeing to accept or pay for any financial planning help from Affordable Life Plans in her initial phone call with defendants' sales agent. Her only interest was to obtain student loan forgiveness as advertised by defendants on the radio ad she heard.

Consumer B

53. Another Illinois consumer filed a complaint stating that defendants' sales agent told her that her payments would be only \$49.00 per month and that in 10 years she would be rid of her student loan debt. Defendants' agent then told her "all we need is a payment of \$199 in January, \$199 in February and March, then the low payment starts. And the best thing is you don't have to pay your student loan, we will take care of the rest."

54. The consumer told defendants' sales agent she needed time to do further research. The consumer then called the Department of Education and spoke to a representative who told her any federal student loan forgiveness application and program is free.

55. Other consumers who have signed up with the defendants report after they do not receive the services advertised and offered by defendants, they request a refund from defendants and either do not receive it, or receive it only after many months delay.

COUNT I-CONSUMER FRAUD AND DECEPTIVE BUSINESS PRACTICES ACT

APPLICABLE STATUTE

56. Section 2 of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2, provides:

Unfair methods of competition and unfair or deceptive acts or practices, including but not limited to the use or employment of any deception, fraud, false pretense, false promise, misrepresentation or the concealment, suppression or omission of any material fact, with intent that others rely upon the concealment, suppression or omission of such material fact, or the use or employment of any practice described in Section 2 of the 'Uniform Deceptive Trade Practices Act', approved August 5, 1965, in the conduct of any trade or commerce are hereby declared unlawful whether any person has in fact been misled, deceived or damaged

thereby.

VIOLATIONS

CONSUMER FRAUD AND DECEPTIVE BUSINESS PRACTICES ACT

57. The People re-allege and incorporate by reference the allegations in Paragraphs 1 to 56.
58. While engaged in trade or commerce, the Defendants have committed unfair and deceptive acts or practices declared unlawful under Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by, in the course of advertising, offering for sale, selling, and accepting money for student loan debt relief services:
- A. representing, expressly or by implication, that teachers, nurses, government employees, police officers, and firefighters entire student loans can be forgiven, when in fact such is not always the case because student loan forgiveness is a federal program administered by the U. S. Department of Education with certain requirements that must be met in order to qualify;
 - B. representing, expressly or by implication, that defendant's website www.getforgiven.org, by its name, is a source for consumers to obtain student loan debt forgiveness, when in fact such is not the case because student loan forgiveness is a federal program administered by the U.S. Department of Education with certain requirements that must be met in order to qualify;
 - C. representing, expressly or by implication, that Defendants can help anyone with \$10,000 or more in federal student loan debt potentially cut their payments in half, reduce their interest rate, or consolidate their outstanding loan, when in fact such is not the case because federal student aid programs are administered by the U. S. Department of Education with certain requirements that must be met in order to qualify for reduced interest rates or student loan consolidation;
 - D. representing, expressly or by implication, that Defendants offer free student loan debt relief information, when in fact Defendants charge for their information;
 - E. representing, expressly or by implication, that defendants have special expertise in

student loan “debt settlement” or “debt negotiation,” when in fact the defendants’ program has no special expertise, and consumers are just as likely to obtain reduced student loan debt relief through their own efforts for free;

F. representing, expressly or by implication, that fees are directed to defendants for student loan debt relief, when in fact fees are directed to Affordable Life Plans allegedly for financial planning;

G. failing to disclose clearly and conspicuously to consumers the material terms and conditions of defendants’ offer in initial contacts with consumers, such as the fact that they will be charged \$49.99 per month;

H. failing to disclose clearly and conspicuously to consumers the material fact that defendants collect a substantial amount of their fees “up-front” before beginning any student loan debt relief services on behalf of consumers;

I. failing to disclose clearly and conspicuously to consumers the material fact that all the programs defendants offer are accessible for free; and

J. committing the unfair practice of collecting advance fees for defendants’ services when defendants have no knowledge of whether the consumer will in fact qualify for any student loan debt relief.

REMEDIES

59. Section 7 of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/7, provides:

- (a) Whenever the Attorney General has reason to believe that any person is using, has used, or is about to use any method, act or practice declared by the Act to be unlawful, and that proceedings would be in the public interest, he may bring an action in the name 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 may request and this 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 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.

59. Section 10 of the Consumer Fraud Act, 815 ILCS 505/10, provides that "in any action brought under the provisions of this Act, the Attorney General is entitled to recover costs for the use of this State."

PRAYER FOR RELIEF-COUNT I

WHEREFORE, the plaintiff prays that this honorable Court enter an Order:

- A. Finding that the defendants have violated Section 2 of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2, by but not limited to, the unlawful acts and practices alleged herein;
- B. Preliminarily and permanently enjoining the defendants from engaging in the deceptive and unfair practices alleged herein, or enjoining the defendants from operating in the State of Illinois;
- C. Declaring that all contracts entered into between the defendants and Illinois consumers by the use of methods and practices declared unlawful are rescinded and requiring that full restitution be made to said consumers;
- D. Assessing a civil penalty in the amount of Fifty Thousand Dollars (\$50,000) if the Court finds the defendants have engaged in methods, acts, or practices declared unlawful by the Act without the intent to defraud, if the Court finds defendants have engaged in methods, acts or practices declared unlawful by the Act with the intent to defraud, then assessing a statutory civil penalty of \$50,000 per violation, all as provided in Section 7 of the Consumer Fraud Act, 815 ILCS 505/7;
- E. Assessing an additional civil penalty in the amount of Ten Thousand Dollars (\$10,000) per violation of the Consumer Fraud Act found by the Court to have been committed by the defendants against a person 65 years of age and older as provided in Section 7(c) of the Consumer Fraud Act, 815 ILCS 505/7(c);
- F. Requiring the defendants to pay all costs for the prosecution and investigation of this action, as provided by Section 10 of the Consumer Fraud Act, 815 ILCS 505/10; and
- G. Providing such other and further equitable relief as justice and equity may require.

COUNT II-DEBT SETTLEMENT CONSUMER PROTECTION ACT

APPLICABLE STATUTE

60. Section 15 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/15, provides:
- Section 15. Requirement of a license.
- “It shall be unlawful for any person or entity to act as a debt settlement provider except as authorized by this Act and without first having obtained a license under this Act.”
61. Section 105 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/105, provides in part:
- Sec. 105. Advertising and marketing practices.
- (a) A debt settlement provider shall not represent, expressly or by implication, any results or outcomes of its debt settlement services in any advertising, marketing, or other communication to consumers unless the debt settlement provider possesses substantiation for such representation at the time such representation is made.
- (b) A debt settlement provider shall not, expressly or by implication, make any unfair or deceptive representations, or any omissions of material facts, in any of its advertising or marketing communications concerning debt settlement services.
62. Section 145 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/145, provides:
- Sec. 145. Prohibited practices. A debt settlement provider shall not do any of the following:
- (1) Charge or collect from a consumer any fee not permitted by, in an amount in excess of the maximum amount permitted by, or at a time earlier than permitted by Section 125 of this Act.
- (2) Advise or represent, expressly or by implication, that consumers should stop making payments to their creditors.
- (3) Advise or represent, expressly or by implication, that consumers should stop communicating with their creditors.
- (4) Change the mailing address on any of a consumer's creditor's statements.
- (5) Make loans or offer credit or solicit or accept any note, mortgage, or negotiable instrument other than a check signed by the consumer and dated no later than the date of signature.
- (6) Take any confession of judgment or power of attorney to confess judgment against the consumer or appear as the consumer or on behalf of the consumer in any judicial proceedings.
- (7) Take any release or waiver of any obligation to be performed on the part of the debt settlement provider or any right of the consumer.
- (8) Advertise, display, distribute, broadcast, or televise services or permit services to be displayed, advertised, distributed, broadcasted, or televised, in any manner whatsoever, that contains any false, misleading, or deceptive statements or representations with regard to any matter, including services to be performed, the fees to be charged by the debt settlement provider, or the effect those services will have on a consumer's credit rating

or on creditor collection efforts.

(9) Receive any cash, fee, gift, bonus, premium, reward, or other compensation from any person other than the consumer explicitly for the provision of debt settlement service to that consumer.

(10) Offer or provide gifts or bonuses to consumers for signing a debt settlement service contract or for referring another potential customer or customer.

(11) Disclose to anyone the name or any personal information of a consumer for whom the debt settlement provider has provided or is providing debt settlement service other than to a consumer's own creditors or the debt settlement provider's agents, affiliates, or contractors for the purpose of providing debt settlement service without the prior consent of the consumer.

(12) Enter into a contract with a consumer without first providing the disclosures and financial analysis and making the determinations required by this Section.

(13) Misrepresent any material fact, make a material omission, or make a false promise directed to one or more consumers in connection with the solicitation, offering, contracting, or provision of debt settlement service.

(14) Violate the provisions of applicable do not call statutes.

(15) Purchase debts or engage in the practice or business of debt collection.

(16) Include in a debt settlement agreement any secured debt.

(17) Employ an unfair, unconscionable, or deceptive act or practice, including the knowing omission of any material information.

(18) Engage in any practice that prohibits or limits the consumer or any creditor from communication directly with one another.

(19) Represent or imply to a person participating in or considering debt settlement that purchase of any ancillary goods or services is required.

VIOLATIONS

DEBT SETTLEMENT CONSUMER PROTECTION ACT

63. The People re-allege and incorporate by reference the allegations in Paragraphs 1 to 62.

64. Defendants have violated Section 15 of the Debt Settlement Consumer Protection Act (Requirement of a License), by failing to obtain a license.

65. While offering student loan debt relief and settlement services and acting as a debt settlement provider, the defendants have committed unfair and deceptive acts or practices declared unlawful under Section 105 (Advertising and Marketing Practices) of the Debt Settlement Consumer Protection Act by:

A. representing, expressly or by implication, that teachers, nurses, government employees, police officers, and firefighters entire student loans can be forgiven, when in fact such is not always the case because student loan forgiveness is a federal program administered by the U. S. Department of Education with certain requirements that must be

met in order to qualify;

B. representing, expressly or by implication, that the defendants' website www.getforgiven.org, by its name, is a source for consumers to obtain student loan debt forgiveness, when in fact such is not the case because student loan forgiveness is a federal program administered by the U.S. Department of Education with certain requirements that must be met in order to qualify;

D. representing, expressly or by implication, that Broadsword can help anyone with \$10,000 or more in federal student loan debt potentially cut their payments in half, reduce their interest rate, or consolidate their outstanding loan, when in fact such is not the case because federal student aid programs are administered by the U. S. Department of Education with certain requirements that must be met in order to qualify for reduced interest rates or student loan consolidation;

E. representing, expressly or by implication, that Broadsword offers free student loan debt relief information, when in fact such is not the case;

F. representing, expressly or by implication, that defendants have special expertise in student loan "debt settlement" or "debt negotiation," when in fact the defendants' program has no special expertise, and consumers are just as likely to obtain reduced student loan debt relief through their own efforts for free;

G. failing to disclose clearly and conspicuously to consumers the material terms and conditions of defendants' offer in initial contacts with consumers, such as the fact that they will be charged \$49.99 per month for financial planning services provided by a third party;

H. failing to disclose clearly and conspicuously to consumers the material fact that defendants collect a substantial amount of their fees "up-front" before beginning any student loan debt relief services on behalf of consumers;

I. committing the unfair practice of collecting advance fees for defendants' services when defendants have no knowledge of whether the consumer will in fact qualify for any student loan debt relief.

66. While offering student loan debt relief and settlement services and acting as a debt settlement provider, the defendants have committed unfair and deceptive acts or practices declared unlawful under Section 145 of the Debt Settlement Consumer Protection Act (Prohibited Practices) by engaging in the following prohibited practices:

A. Charging or collecting from a consumer any fee not permitted by, in an amount in excess of the maximum amount permitted by, or at a time earlier than permitted by Section 125 of this Act;

B. Advising or representing, expressly or by implication, that consumers should stop making payments to their creditors;

C. Advising or representing, expressly or by implication, that consumers should stop communicating with their creditors;

D. Taking any release or waiver of any obligation to be performed on the part of the debt settlement provider or any right of the consumer;

E. Advertising, displaying, distributing, broadcasting, or televising services or permitting services to be displayed, advertised, distributed, broadcasted, or televised, in any manner whatsoever, that contains any false, misleading, or deceptive statements or representations with regard to any matter, including services to be performed, the fees to be charged by the debt settlement provider, or the effect those services will have on a consumer's credit rating or on creditor collection efforts;

F. Entering into a contract with a consumer without first providing the disclosures and financial analysis and making the determinations required by this Section;

G. Misrepresenting any material fact, making a material omission, or making a false promise directed to one or more consumers in connection with the solicitation, offering, contracting, or provision of debt settlement service;

H. Employing an unfair, unconscionable, or deceptive act or practice, including the knowing omission of any material information; and

I. Engaging in any practice that prohibits or limits the consumer or any creditor

from communicating directly with one another.

REMEDIES

67. Section 155 of the Debt Settlement Consumer Protection Act states in pertinent part:

(a) A violation of Section 105 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.

68. Section 10 of the Consumer Fraud Act, 815 ILCS 505/10, provides that "in any action brought under the provisions of this Act, the Attorney General is entitled to recover costs for the use of this State."

PRAYER FOR RELIEF—COUNT II

WHEREFORE, the plaintiff prays that this honorable Court enter an Order:

- A. Finding that the defendants have violated Section 15 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/1 et seq. by acting as a debt settlement provider except as authorized under this Act and without first having obtained a license;
- B. Finding that the defendants have violated Section 105 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/1 et seq. and thereby violated the Consumer Fraud Act, by engaging in but not limited to, the unlawful acts and practices alleged herein;
- C. Finding that the defendants have violated Section 145 of the Debt Settlement Consumer Protection Act, 225 ILCS 429/1 et seq. by engaging in the prohibited practices alleged herein;
- D. Preliminarily and permanently enjoining the defendants from engaging in the deceptive and unfair practices alleged herein and operating without a license, or enjoining the defendants from operating in the State of Illinois;
- E. Declaring that all contracts entered into between the defendants and Illinois consumers By the use of methods and practices declared unlawful are rescinded and requiring that full restitution be made to said consumers;
- F. Assessing a civil penalty in the amount of Fifty Thousand Dollars (\$50,000) if the Court

finds the defendants have engaged in methods, acts, or practices declared unlawful by the Act without the intent to defraud, if the Court finds defendants have engaged in methods, acts or practices declared unlawful by the Act with the intent to defraud, then assessing a statutory civil penalty of \$50,000 per violation, all as provided in Section 7 of the Consumer Fraud Act, 815 ILCS 505/7;

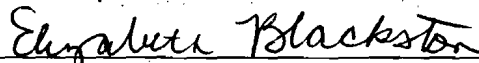
G. Assessing an additional civil penalty in the amount of Ten Thousand Dollars (\$10,000) per violation of the Consumer Fraud Act found by the Court to have been committed by the defendants against a person 65 years of age and older as provided in Section 7(c) of the Consumer Fraud Act, 815 ILCS 505/7(c);

H. Requiring the defendant to pay all costs for the prosecution and investigation of this action, as provided by Section 10 of the Consumer Fraud Act, 815 ILCS 505/10; and

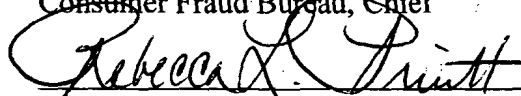
I. Providing such other and further equitable relief as justice and equity may require.

Respectfully submitted,

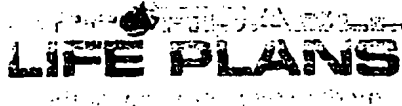
THE PEOPLE OF THE STATE OF
ILLINOIS, by LISA MADIGAN,
ATTORNEY GENERAL OF ILLINOIS



Elizabeth Blackston
Consumer Fraud Bureau, Chief



Rebecca Pruitt (ARDC #6209774)
Assistant Attorney General
Consumer Fraud Bureau
500 South Second Street
Springfield, IL 62706
Telephone: (217) 782-4436



BROADSWORD STUDENT ADVANTAGE, L' C LIMITED POWER OF ATTORNEY

The undersigned, an individual or individuals residing at [REDACTED], who has/have signed below as Client, hereby grant Broadsword Student Advantage, LLC ("Broadsword") and any of its affiliates or designees ("Broadsword Related Entities") express authorization to speak and execute as an agent on behalf of Client.

Client, who has signed below, hereby grants Broadsword and Broadsword Related Entities full power and authority to act on behalf of Client and shall include, but not be limited to, the power to:

1. Prepare, sign, or file any documents pertaining to Client's student loan obligations with any governmental body, agency, or student loan servicers;
2. Obtain information, including documents, from any governmental body, agency or student loan servicers on behalf of Client;
3. Discuss and enter into binding contracts pertaining to Client's student loans on behalf of Client;
4. Employ professional and business advisors as may be necessary or appropriate at Broadsword's expense;
5. Speak with any holders of Client's student loans regarding Client's student loans; and
6. Access any information that Broadsword or Broadsword Related Entities deem necessary or convenient to assist Client in matters pertaining to Client's student loan debt.

Client further authorizes Broadsword and Broadsword Related Entities to furnish a copy of this Limited Power of Attorney to any governmental body, agency, student loan servicers, creditors, collection agencies, or others dealing with Client's student loan debt. Broadsword or Broadsword Related Entities may designate one or more employees, agents, or third parties including but not limited to, EFA Processing, LP, to assist in the facilitation of matters pertaining to Client's student loans.

Client hereby gives Broadsword and Broadsword Related Entities full power and authority to perform each and every act which may be necessary or convenient to perform the tasks assigned as fully, for all intents and purposes, as Client might or could do if personally present, hereby ratifying and confirming all that Broadsword or Broadsword Related Entities shall lawfully do or cause to be done in the name of or on behalf of the undersigned Client.

LIFE PLANS

BROADSWORD STUDENT ADVANTAGE, LLC LIMITED POWER OF ATTORNEY (Con't)

NOTICE:

A. The undersigned Client hereby authorizes and requests that all communications seeking information or collection of the Client's student loan debt be directed to Broadsword or Broadsword Related Entities.

B. The recipient of an original, photocopy or facsimile of this document is specifically instructed by the undersigned to direct all communications to Broadsword or Broadsword Related Entities.

C. While the undersigned Client reserves the right to contact any party with information pertaining to Client's student loan debt directly, Client acknowledges and understands that such communication may impede or otherwise interfere with services being provided by Broadsword or Broadsword Related Entities. With the exception of Broadsword or Broadsword Related Entities, no other third-party should contact the undersigned Client regarding Client's student loan debt that is the subject matter of this Limited Power of Attorney without the prior written consent of the undersigned Client.

D. This Limited Power of Attorney is effective upon signing and specifically authorizes the recipient to discuss, disclose and convey documents, and otherwise provide information to Broadsword or Broadsword Related Entities in the same manner recipient would otherwise provide and disclose to the undersigned Client including but not limited to information concerning any payable, debt, account, lien, suit, or judgment for which the undersigned Client is allegedly responsible, whether disputed or not.

E. This Limited Power of Attorney authorizes Broadsword or Broadsword Related Entities to obtain, review and discuss any information pertaining to my student loan debt including, but not limited to, amount of debt, account numbers, account holders, consumer credit reports, bank and creditor account information, employment status, financial information (whether public or non-public), and any other personal information about the undersigned Client that is necessary or convenient to assisting Client in matters pertaining to Client's student loans.

DocuSigned by:

[REDACTED]

Signature

[REDACTED]

Printed Name

10/9/2013

Date

Affordable Life Plans, LLC

Client Plan Package [REDACTED]

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