

IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA,
a municipal corporation,
441 4th Street NW,
Washington, D.C. 20001,

Plaintiff,

v.

STUDENT AID CENTER, INC.,
a corporation,
2500 Northwest 79th Avenue, Suite 190 Doral,
FL 33122,

RAMIRO FERNANDEZ-MORIS, a/k/a
RAMIRO MORIS, individually and as an
officer or director of STUDENT AID
CENTER, INC.
9933 SW 159th Street
Miami, FL 33196,

and

DAMIEN ALVAREZ, individually and as an
officer or director of STUDENT AID
CENTER, INC.
19100 SW 24th Street
Miramar, FL 33029,

Defendants.

Civil Action No.: _____

JURY TRIAL DEMANDED

COMPLAINT

The District of Columbia (District) files suit against Student Aid Center, Inc., Ramiro Fernandez-Moris, also known as Ramiro Moris, and Damien Alvarez (collectively Defendants) pursuant to the D.C. Consumer Protection Procedures Act (CPPA) and the D.C. Consumer Credit Service Organization Act (CCSOA), and alleges as follows:

Jurisdiction

1. This Court has subject matter jurisdiction over this case pursuant to D.C. Code § 11-921 and § 28-3909. This Court has personal jurisdiction over Defendants pursuant to D.C. Code § 13-423(a).

Parties

2. The District, a municipal corporation empowered to sue and be sued, is the local government for the territory (D.C.) constituting the permanent seat of the government of the United States.

3. Defendant Student Aid Center, Inc. (Student Aid Center or SAC) is a Florida corporation with its principal place of business at 2500 Northwest 79th Avenue, Suite 190, Doral, Florida 33122. Student Aid Center transacts or has transacted business in the District. Student Aid Center was incorporated in 2013. At all times material to this Complaint, acting alone or in concert with others, Student Aid Center has advertised, marketed, promoted, offered for sale, or sold student loan debt relief services to consumers in the District.

4. Defendant Ramiro Fernandez-Moris, also known as Ramiro Moris, is an officer of Student Aid Center. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, participated in, or with knowledge approved of the acts or practices of Student Aid Center, including the acts and practices set forth in this Complaint.

5. Defendant Damien Alvarez is also an officer of Student Aid Center. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, participated in, or with knowledge approved of the acts or practices of Student Aid Center, including the acts and practices set forth in this Complaint.

Student Loan Debt

6. Student loan debt is the second largest class of consumer debt after mortgages. More than 40 million Americans collectively owe over \$1.2 trillion in student loan debt. The student loan market continues to show elevated levels of distress relative to other types of consumer debt. As many as one in four student loan consumers are either delinquent or in default on a student loan.

7. Consumers faced with this hardship are often solicited by debt relief services companies. Some of these companies lure consumers in with false promises and charge exorbitant upfront fees to do little more than enroll consumers in free federal student loan repayment programs. These companies promise services that are very difficult to provide to the majority of their customers, touting immediate loan forgiveness or permanent and drastically reduced loan payments.

Federal Student Loan Repayment Programs

8. The U.S. Department of Education (DOE) offers three traditional repayment plans to consumers with federal student loan debt: standard repayment, graduated repayment, and extended repayment. These plans give consumers options to manage their student loan debt and make repayment of student loans more affordable. The DOE automatically places consumers into the 10-year fixed payment standard plan. Student loan consumers may request enrollment in the graduated repayment plan or the extended repayment plan if their loans exceed \$30,000. The graduated and extended repayment plans have 25-year terms and provide for either graduated or fixed payments. Graduated payments begin lower but increase over time, anticipating increased income. The graduated and extended repayment plans do not require an application process, and

neither is income-based. Consumers can request enrollment in either plan simply by making a phone call or sending a letter to the DOE.

9. To assist student loan consumers struggling to make payments under standard, graduated, or extended repayment plans, Congress passed the College Cost Reduction and Access Act of 2007 (CCRAA). The CCRAA established a new income-based repayment (IBR) plan for financially distressed consumers. IBR plans offer consumers repayment options for their federal student loans that are tailored to their income. To qualify, among other conditions, consumers must have an annual amount due on eligible loans that exceeds 15 percent of the difference between their adjusted gross income and 150 percent of the poverty line for their family size in their state. Under this plan, consumers may limit their monthly payments to 15 percent of their discretionary monthly income. If the consumer makes all regularly scheduled payments, any unpaid loan balances may be forgiven after 25 years.

10. The CCRAA also established the Public Service Loan Forgiveness Program (PSLF). The PSLF Program allows total or partial debt forgiveness for public service employees. The PSLF Program forgives all remaining federal student loan debt after 120 monthly payments. No loans will be forgiven under PSLF until 2017, as it requires 120 monthly payments and was not established until 2007. Further, under the PSLF Program, full-time teachers who work for five consecutive years in designated low-income elementary or secondary schools may have \$17,500 of their loan amount forgiven.

11. The Health and Education Reconciliation Act of 2010 (HERA) increased borrowers' IBR choices. Under "Pay As You Earn," qualifying student loan consumers may limit payments to 10% of their discretionary income, and any unpaid loan balance may be forgiven after 20 years. To qualify, borrowers must be new student loan consumers as of October

1, 2007, and must have received a disbursement from a “Direct Loan” on or after October 1, 2011.

12. Under these income-based repayment plans, student loan consumers must update their loan servicer about their income and family size yearly. If there are changes, consumers’ monthly payments may increase or decrease. Further, for loans forgiven under plans other than PSLF, the forgiven debt may be treated by the IRS as taxable income.

13. Student loan consumers can apply electronically for IBR, PSLF, and HERA plans through the DOE’s *studentloans.gov* website, or by mailing a completed paper application to the DOE or their loan servicer. Applying is free. Moreover, the application forms are not complicated and take only about 30 minutes to complete.

Defendants’ Student Loan Debt Relief Services

14. Between at least 2013 and at least September 2015, Defendants engaged in deceptive trade practices by advertising, marketing, offering, furnishing, or arranging for others to provide debt relief services for consumers’ student loan debts.

15. Defendants marketed their student loan debt relief services through inbound telemarketing calls from consumers responding to Defendants’ Internet, social media, and radio advertising and outbound telemarketing calls to consumers who provided information on Defendants’ website.

Defendants’ Websites and Online Advertising

16. Defendants maintained several websites to promote their student loan debt relief services, including *studentaidcenter.org* and *studentloanforgivenessplans.org*. Defendants’ websites appeared at or among the top of Internet search results when consumers searched for “student loan forgiveness.”

17. Defendants' *studentaidcenter.org* website referred to an "Obama Student Loan Forgiveness Program" and instructed consumers to "Take Advantage of New Federal Programs," suggesting that Defendants are associated with the federal government. Defendants' website urged consumers to "Take Action & Get Your Student Loans Forgiven" and claimed consumers could be "Approved in Minutes!" (Webpage is attached as Attachment A).

18. Defendants' websites stated that their services had been reported on by several media outlets including Fox News, CNN, and Forbes. In reality, these media outlets appear to have either not reported on Student Aid Center, or have provided decidedly negative reviews of Student Aid Center, such as a Forbes article that identifies Student Aid Center as one of "the hucksters preying on desperate student debtors."¹ Student Aid Center misled consumers by falsely implying that it had received favorable reviews from reputable media outlets.

19. Defendants' websites emphasized their purported ability to provide consumers quick student loan forgiveness. The *studentaidcenter.org* website included slogans like "Get Rid of Student Loan Debt" and "Get Your Student Loans Forgiven Now!" The website also stated that Student Aid Center had "aid counselors available now," offered "Student Loan Forgiveness Plans," and claimed that Student Aid Center could "Solve Student Loan Issues!" Defendants advertised "Fast Approval," telling consumers they could "Save Time & Money" and be qualified in "LESS THAN 5 MINUTES..." (Webpage is attached as Attachment B).

20. Defendants' *studentaidcenter.org* website sought to instill urgency in consumers. It warned consumers "Don[']t wait until your situation spirals even further out of control," and invited consumers to "Join thousands of people who have already saved money" and have "Received Student Loan Forgiveness" and have "dramatically improved their credit rating and score!" (Webpage is attached hereto as Attachment C).

¹ Forbes, "Student Debt Dishonor Role: The Hucksters Preying on Desperate Student Debtors." (July 29, 2015).

Defendants' Telemarketing Sales Pitch

21. Defendants' telemarketers pitched their student loan debt relief services to consumers who called after seeing Defendants' websites or social media advertisements, hearing radio advertisements, or receiving text messages. Defendants also made outbound calls to consumers who submitted their contact information through Defendants' websites.

22. Defendants' telemarketers initially told consumers they were "approved" or "pre-approved" for student loan forgiveness or reduced monthly payments. Defendants' telemarketers lured consumers into signing up for Student Aid Center's debt relief program by promising consumers that their student loan payments would be reduced to a lower amount for a period of 5, 10, 20, or 25 years.

23. Defendants told consumers during telephone sales presentations that they could receive loan forgiveness or consolidations for consumers' student loan debt if they paid upfront fees to enroll in their program. Defendants' upfront fees typically consisted of three to five monthly installments of \$199 or more. Defendants' telemarketers sometimes misrepresented who received these upfront fees, misleading consumers into believing that some or all of the fees paid to Student Aid Center would go towards consumers' student loans. To induce consumers to pay the advanced fees, Defendants' telemarketers promised that the student loan debt relief was guaranteed and, if Defendants were unable to secure the promised debt relief, they would refund the fee charged to consumers.

24. The upfront fees charged by Defendants are prohibited by the Telemarketing Sales Rule, 16 C.F.R. § 310.4(a)(5)(i), and the CCSOA, § 28-4603. Defendants failed to disclose to consumers that the upfront fees were prohibited by law.

25. Defendants falsely suggested that Student Aid Center was involved in the student loan forgiveness or consolidation approval process. For example, Defendants told or implied to consumers that Defendants were affiliated with the consumers' lenders or the Department of Education, or had a strong and unique relationship with the consumers' lender or the Department of Education. Defendant Student Aid Center is not part of the Department of Education, nor does it enjoy any special relationship with the Department of Education. In fact, Defendants were not authorized to, and therefore could not, approve or pre-approve consumers for student loan forgiveness or lower monthly payments because those determinations were made only by the Department of Education.

26. Defendants' telemarketers failed to adequately disclose material facts regarding the loan repayment plans that they offered and sold to consumers. Specifically, Defendants' telemarketers failed to adequately disclose to consumers that they must re-apply each year for the IBR plan and that their payment amounts could increase if the consumers' income increased.

27. Defendants typically required consumers to electronically sign a contract containing language directly contradicting representations made by Defendants' telemarketers to induce consumers to purchase Student Aid Center's services. For example, while Defendants' telemarketers told consumers to stop paying their loan servicers and instead pay Student Aid Center, Student Aid Center's contract directed consumers to continue paying their loan servicers.

28. While Defendants told consumers they were entitled to a 100% money-back guarantee, consumers encountered difficulty requesting and obtaining refunds from Student Aid Center. When consumers requested a refund, Defendants did not provide any refund or refunded an amount substantially less than the full amount of the fees consumers paid.

29. Defendants conduct described herein violates both the District of Columbia Consumer Protection Procedures Act, D.C. Code § 28-3901, *et seq.* and Consumer Credit Services Organizations Act § 28-4601, *et seq.*

30. Defendants Ramiro Fernandez-Moris and Damien Alvarez are personally liable for the unlawful acts and practices of Defendant Student Aid Center, because they possessed and/or exercised the authority to control the policies and trade practices of Defendant Student Aid Center; were responsible for creating and implementing the alleged unfair or deceptive policies and trade practices of Defendant Student Aid Center that are described herein; participated in the alleged unfair or deceptive trade practices that are described herein; directed or supervised those employees of Defendant Student Aid Center who participated in the alleged unfair or deceptive trade practices that are described herein; and knew or should have known of the unfair or deceptive trade practices that are described herein and had the power to stop them, but rather than stopping them, promoted their use.

**Violations of the District of Columbia Consumer Protection Procedures Act
Count I**

31. Plaintiff District of Columbia re-alleges Paragraphs 1 through 30 and incorporates them herein by reference.

32. The District of Columbia Consumer Protection Procedures Act (CPPA) prohibits unlawful trade practices in connection with the offer, sale and supplying of consumer goods and services, including student debt relief services.

33. Defendants, in the ordinary course of business, offer to sell or supply consumer goods and services and, therefore, are merchants.

34. Merchants who violate the CPPA may be subject to restitution damages, civil penalties, temporary or permanent injunctions, the costs of the action, and reasonable attorneys' fees. D.C. Code § 28-3909.

35. Under the CPPA, it is an unlawful trade practice for any person to:

(a) represent that goods or services have a source, sponsorship, approval, certification, or connection that they do not have;

(b) represent that the person has a sponsorship, approval, status, affiliation, certification, or connection that the person does not have;

* * *

(e) misrepresent as to a material fact which has a tendency to mislead;

* * *

(f) fail to state a material fact if such failure tends to mislead;

* * *

(h) advertise or offer goods or services without the intent to sell them or without the intent to sell them as advertised or offered; [and]

* * *

(u) represent that the subject of a transaction has been supplied in accordance with a previous representation when it has not.

D.C. Code § 28-3904.

36. Defendants have represented to consumers, expressly or by implication, that Defendants' student loan relief service would provide consumers with a benefit that those services did not in fact have; have represented to consumers, expressly or by implication, that Defendants had an affiliation that they did not in fact have; have made misrepresentations as to material facts which have had a tendency to mislead consumers; have represented to consumers, expressly and by implication, that they may lawfully charge consumers advance fees for their services; have failed to state material facts with a tendency to mislead consumers; have

advertised or offered services without the intent to render those services as advertised or offered; and have represented that the subject of a transaction had been supplied in accordance with previous representations when in fact it had not. Defendants' conduct has violated the CPPA. D.C. Code § 28-3904(a), (b), (e), (f), (h), and (u).

**Violations of the District of Columbia Consumer Credit Service Organization Act
Count II**

37. Plaintiff District of Columbia re-alleges Paragraphs 1 through 36 and incorporates them herein by reference.

38. The District of Columbia Consumer Credit Service Organizations Act (CCSOA) prohibits credit services organizations from engaging in unlawful business practices that result in financial hardship for consumers.

39. A violation of the CCSOA is also an unlawful trade practice under the CPPA. D.C. Code § 28-3904(z-1).

40. The CCSOA defines a "consumer credit service organization" and "extension of credit as follows:

(2)(A) "Consumer credit service organization means any person who, with respect to the extension of credit by others, sells, provides, performs, or represents that he or she can sell, provide, or perform, in return for the payment of money or other valuable consideration, any of the following services:

- (i) Improvement of a consumer's credit record, history, or rating;
- (ii) Obtain an extension of credit for a consumer; or
- (iii) Provide advice or assistance to a consumer regarding any matter related to the consumer's personal, household, or family credit.

(3) "Extension of credit" means the right to defer payment of a debt or to incur a debt and defer payment of the debt as offered or granted primarily for personal, family, or household purposes.

D.C. Code § 28-4601(2) and (3).

41. It is a violation of the CCSOA for a consumer credit service organization to:

(1) Charge or receive money or other valuable consideration prior to completion of the services the consumer credit service organization has agreed to perform for a consumer, unless the consumer service organization has obtained a surety bond or established a trust account as required by § 28-4604.

D.C. Code § 28-4603(1).

42. Defendants, with respect to the extension of credit by others, offer, sell, and/or perform a service the purpose of which is to: (i) improve consumers' credit record, history, or rating; (ii) assist consumers in obtaining an extension of credit; or (iii) advise or assist consumers regarding their personal, household, or family credit.

43. Defendants are a consumer credit service organization pursuant to § 28-4601(2)(A) of the CCSOA.

44. Under the CCSOA, a consumer credit service organization may only charge an upfront fee if the organization also secures a surety bond in the amount of \$25,000, or a trust account with a minimum balance of \$25,000 deposited in a federally insured bank or a savings and loan association located in the District. D.C. Code § 28-4604(a).

45. Defendants are not lawfully registered to act as a consumer credit service organization in the District pursuant to CCSOA § 28-4602.

46. Defendants have not posted a surety bond or established a trust account as required under CCSOA § 28-4604.

47. Defendants have improperly charged consumers fees prior to completion of the consumer credit services purchased by consumers in violation of CCSOA § 28-4603.

Consumer Injury

48. Consumers in the District have suffered substantial injury as a result of Defendants' violations of the CPPA and CCSOA. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices.

The Court's Power to Grant Relief

49. District of Columbia Code § 28-3909 authorizes this Court to grant such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the CPPA and the CCSOA, including temporary or permanent injunctive relief, restitution for damages suffered by consumers, civil penalties, the cost of the action, and reasonable attorneys' fees.

Demand for Jury Trial

Plaintiff hereby demands a trial by jury in this action by the maximum number of jurors permitted by law.

Prayer for Relief

Wherefore, Plaintiff District of Columbia, pursuant to D.C. Code § 28-3909, and as authorized by the Court's own equitable powers, request that the Court:

- A. Enter a permanent injunction to prevent future violations of the CPPA and the CCSOA by Defendants;
- B. Award restitution to disgorge amounts the Defendants illegally charged consumers;
- C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the CPPA and the CCSOA;

D. Award civil penalties in an amount up to \$1,000 per violation of the CPPA pursuant to D.C. Code § 28-3909(b); and

E. Award Plaintiffs the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

Dated: _____, 2016 KARL A. RACINE

Attorney General for the District of Columbia

PHILIP ZIPERMAN*

Director, Office of Consumer Protection

JIMMY R. ROCK (DC Bar No. 493521)

Deputy Director, Office of Consumer Protection

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Attorneys for Plaintiff

District of Columbia

* Practicing in the District of Columbia pursuant to Ct. App. R. 49(c).

Attachment A



Call Today (855) 801-6739

- Home
- Student Loan Forgiveness
- Student Loan Consolidation
- Available Programs
- Frequently Asked Questions



Get Rid of Student Loan Debt!
Take Advantage of New Federal Programs

- ✓ Lower Your Monthly Payments
- ✓ Qualify for a "\$0" Monthly Payment?
- ✓ Income Based Payment Reduction
- ✓ Forgiveness & Consolidation Programs
- ✓ Public Service Worker's Forgiveness
- ✓ \$17,500 in Up Front Forgiveness?

We Have Streamlined the Process!
Be Informed - Check Your Options!

 **(855) 801-6739**

Get Your Student Loans Forgiven Now!

Please provide your first name

Please provide your last name

Please provide your email address

Contact Phone #: Example: 3053053550 i

Best time to reach you: ▼

Your approximate Federal Student Loan Debt?

Include any comments here

Request Info!

As Reported On



Student Loan Forgiveness



Student Loan forgiveness Services, borrowers may qualify for forgiveness of the remaining balance due on their eligible federal student loans.

[Read More](#)

Forgiveness for Teachers



Find out how to get your federal student loans forgiven or canceled due to your service as a teacher. Call Today & Start Saving Money Now!

[Read More](#)

Forgiveness for Nurses



Federal and State Loan Forgiveness Programs for Nurses. Below is a list of federal and state loan forgiveness programs available to nurses.

[Read More](#)

OBAMA STUDENT LOAN FORGIVENESS PROGRAM



3.4 %

6.8 %

YOUR STUDENT LOAN INTEREST RATES COULD DOUBLE IF YOUR STUDENT LOANS GO TO DEFAULT. BE INFORMED CALL TODAY!

THAT'S AN EXTRA \$5,000 TO PAY BACK FOR THE AVERAGE \$25,000 LOAN.

SOLVE STUDENT LOAN ISSUES!

- ✓ Qualify for Much Lower Payments
- ✓ Student Loan Forgiveness Plans
- ✓ Public Service Loan Forgiveness
- ✓ Income Based Payment Reduction
- ✓ Consolidate to One Low Payment
- ✓ Federal Loans Only - No Minimum
- ✓ Fast Approval - No Credit Check
- ✓ Save Time & Money - Expert Rapid Results!

 **Call Now (855) 801-6739**

FEDERAL CONSOLIDATION PROGRAMS

Are your monthly payments manageable? If you have trouble meeting your monthly student loan payments, have exhausted your deferment and forbearance options, and/or want to avoid default, a Federal program may be available to help you.

[Read More](#)

Call Today! Take Action & Get Your Student Loans Forgiven and/or Consolidated Now!

AID COUNSELORS AVAILABLE NOW

Easy Qualify - Approved in Minutes!

CALL NOW (855) 801-6739

(www.studentaidcenter.org; website captured on January 3, 2015).

Attachment B



We are helping many people like you save money!
Be informed of all your options.

**MAKE THE CALL TODAY...
CHECK YOUR ELIGIBILITY!**


in LESS THAN 5 MINUTES...
you can be Qualified for a Student
Loan FORGIVENESS and/or a
Student Loan CONSOLIDATION Plan!

(www.studentaidcenter.org; website captured on January 3, 2015).

Attachment C

Join thousands of people who have already saved money by;

- ✓ Cut their monthly payments by at least 50 percent!
- ✓ Received much lower rates & term
- ✓ Consolidated countless loans into just one streamlined monthly payment!
- ✓ Received Student Loan Forgiveness
- ✓ Dramatically improved their credit rating and score!
- ✓ Taken advantage of the new Federal Student Loan Forgiveness Plans

 **Dont wait until your situation spirals even further out of control**

Make the call Today!

(www.studentaidcenter.org; website captured on January 3, 2015).