

THE STATE OF TEXAS	§	IN THE DISTRICT COURT OF
Plaintiff,	§	
	§	
v.	§	
	§	TRAVIS COUNTY, TEXAS
STUDENT LOAN RELIEF, LLC,	§	
STUDENT LOAN RELIEF OF TEXAS, INC.,	§	
YOUR STUDENT LOAN RELIEF	§	
ORGANIZATION, STUDENT LOAN	§	
RELIEF, INC., and JASON SPENCER,	§	
Individually,	§	
Defendants.	§	353 <sup>rd</sup> JUDICIAL DISTRICT

**INTERLOCUTORY DEFAULT JUDGMENT AND PERMANENT INJUNCTION AS TO STUDENT LOAN RELIEF, LLC, STUDENT LOAN RELIEF OF TEXAS, INC., YOUR STUDENT LOAN RELIEF ORGANIZATION, AND STUDENT LOAN RELIEF, INC.**

1. On the date stated below, the Court considered The State of Texas’s (“State”) Motion for Default Judgment and Permanent Injunction (“Motion”) against Defendants Student Loan Relief, LLC, Student Loan Relief of Texas, Inc., Your Student Loan Relief Organization, and Student Loan Relief, Inc. (collectively, “Defendant Entities”). The Defendant Entities, although having been duly and legally cited to appear and answer, failed to appear and answer, and have wholly made default.
2. After considering this Motion, the pleadings and papers on file, the affidavits, the failure to respond by Defendant Entities, and the evidence on restitution, civil penalties, costs of Court, costs of investigation, and attorneys’ fees, the Court is of the opinion that the material allegations in the State’s Second Amended Petition and Application for Temporary Injunction and Permanent Injunction (“Second Amended Petition”) have been admitted against Defendant Entities.
3. Therefore, the Court **GRANTS** the State’s Motion against Defendant Entities and **RENDERS** judgment for the State.

4. The Court finds the following as established:
  - A. The Court has jurisdiction over the subject matter and parties in this proceeding.
  - B. The State served Student Loan Relief, LLC, Student Loan Relief of Texas, Inc., and Your Student Loan Relief Organization on **November 30, 2017**.
  - C. On **January 29, 2019**, a process server delivered the citation and the Second Amended Petition to Student Loan Relief, Inc. through the Texas Secretary of State.
  - D. The Citation and Proof of Service were on file with this Court for at least ten days before entry of this Judgment.
  - E. The deadline for Student Loan Relief, LLC, Student Loan Relief of Texas, Inc., and Your Student Loan Relief Organization to file an answer was **December 26, 2017**. The deadline for Student Loan Relief, Inc. to file an answer was **February 25, 2019**. Tex. R. Civ. P. 99(b). However, the Defendant Entities did not file an answer or any other pleading constituting an answer.
  - F. Restitution for consumers is awarded to the State in the amount of \$879,384.<sup>1</sup>
  - G. Civil penalties are awarded to the State in the amount of \$447,100.
  - H. Reasonable and necessary attorneys' fees and costs incurred by the State are awarded in the amount of a \$281,432.
5. **IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** that the factual allegations in Plaintiff's Second Amended Petition are deemed admitted as to the Defendant Entities.
6. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant Entities, their officers, agents, servants, employees, and attorneys, and any other person in active concert or participation with Defendant Entities shall be permanently enjoined from engaging in the following acts or practices:
  - A. Making any unauthorized withdrawals from consumers' bank accounts;
  - B. Charging any consumers with existing contracts for any goods and services, if those contracts were secured when Defendant Entities did not hold a valid registration

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<sup>1</sup> Restitution that cannot be disbursed by the State shall be allocated in accordance with the Texas Gov't Code § 402.007(b)(1) to the Supreme Court Judicial Fund or general revenue as appropriate.

with the Office of the Consumer Credit Commissioner (“OCCC”) as required by Tex. Fin. Code § 394.204;

- C. Charging any consumers with existing contracts for any goods and services, if those contracts were secured when Defendant Entities did not hold a valid registration with the Secretary of State as required by Tex. Fin. Code § 393.101;
- D. Charging any consumers with existing contracts for any goods and services, if those contracts were secured either whole or in part using deceptive conduct or other violations as alleged herein;
- E. Advertising or providing any debt management services in Texas unless Defendant Entities have a valid registration with the OCCC as required by Tex. Fin. Code § 394.204;
- F. Providing, or representing they can or will provide, any services of a credit services organization, including obtaining, or providing advice or assistance regarding obtaining, an extension of credit, including the right to defer payment, of a consumer’s student loan, unless Defendant Entities have filed a valid registration statement with the Texas Secretary of State, as required by Tex. Fin. Code § 393.101;
- G. Engaging in false or deceptive advertising;
- H. Misrepresenting the characteristics, uses, benefits of their goods or services, including but not limited to misrepresenting that:
  - i. Their services will reduce the payments on debt owed by consumers;
  - ii. Their services will reduce the balance of debt owed by consumers;
  - iii. Their services will reduce the time period over which consumers will owe payments on debt; or
  - iv. Where payments made to Defendant Entities will be applied, including misrepresenting the entity or loan account which will receive payments;
- I. Causing confusion or misunderstanding as to the source of goods or services or as to an affiliation, connection, or association with, sponsorship by, or certification by another, including but not limited to:
  - i. Representing that Defendant Entities are associated with the Department of Education (“DOE”) or its authorized loan servicers; or
  - ii. Representing that Defendant Entities are affiliated with loan forgiveness or payment reduction programs provided or serviced by the DOE or its authorized loan servicers;
- J. Charging any fees at times or in amounts unauthorized by consumers, or prohibited by law;

- K. Failing to timely deliver any monies received from consumers and intended by those consumers for third parties to those third parties;
- L. Failing to maintain written procedures that are reasonably calculated to ensure compliance with this injunction and all applicable consumer protection and debt settlement laws, including but not limited to, the DTPA and Tex. Fin. Code Chapter 394, or failing to ensure that any employees or third parties operating on their behalf is or has been provided with and are required to comply with such procedures;
- M. Substituting their contact information for consumers' contact information with any consumers' loan holder or authorized loan servicer; and
- N. Changing the repayment status of any consumers' loan with their loan holder or authorized loan servicer without the consumers' express permission.

7. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that judgment is entered against Defendant Entities, jointly and severally, in the amount of \$1,607,916. The judgment amount shall be allocated as follows.

- A. \$281,432 as attorneys' fees and investigative costs.
- B. \$879,384 in restitution under DTPA § 17.47(d).<sup>2</sup>
- C. \$447,100 as civil penalties under DTPA § 17.47(c)(1) for violations of the Texas Deceptive Trade Practices Act.

8. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that:

- A. Defendant Entities shall make payment of all amounts due herein to the State by delivery of a cashier's check or money order payable to the State by delivery of a cashier's check or money order payable to the "Office of the Attorney General," bearing the reference AG# CX6074899829 delivered or mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 West 15<sup>th</sup> Street, MC-003, Austin, Texas 78701.
- B. All costs of court incurred in this case are taxed against Defendant Entities.
- C. Defendant Entities pay post-judgment interest on all awards of damages, as provided by law.
- D. The State of Texas have all writs and process as may be necessary in the enforcement and collection of this Judgment.

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<sup>2</sup> Restitution that cannot be disbursed shall be allocated in accordance with the Texas Gov't Code § 402.007(b)(1) to the Supreme Court Judicial Fund or general revenue as appropriate.

E. All relief not expressly granted herein is denied.

SIGNED on March 27, 2023.

  
\_\_\_\_\_  
PRESIDING JUDGE

**APPROVED AS TO FORM AND SUBSTANCE AND ENTRY REQUESTED:**

KEN PAXTON  
Attorney General of Texas

BRENT WEBSTER  
First Assistant Attorney General

GRANT DORFMAN  
Deputy First Assistant Attorney General

SHAWN E. COWLES  
Deputy Attorney General for Civil Litigation

STEVEN ROBINSON  
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*/s/ Tamra Fisher*

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**ATTORNEYS FOR PLAINTIFF**

THE STATE OF TEXAS	§	IN THE DISTRICT COURT OF
Plaintiff,	§	
	§	
v.	§	
	§	TRAVIS COUNTY, TEXAS
STUDENT LOAN RELIEF, LLC,	§	
STUDENT LOAN RELIEF OF TEXAS, INC.,	§	
YOUR STUDENT LOAN RELIEF	§	
ORGANIZATION, STUDENT LOAN	§	
RELIEF, INC., and JASON SPENCER,	§	
Individually,	§	
Defendants.	§	353 <sup>rd</sup> JUDICIAL DISTRICT

**ORDER GRANTING SUMMARY JUDGMENT AND PERMANENT INJUNCTION AS TO JASON SPENCER, INDIVIDUALLY**

1. On this day, the Court considered The State of Texas’s (“State”) Traditional Motion for Summary Judgment and Permanent Injunction (“Motion”) as to Defendant Jason Spencer, Individually (“Spencer”)<sup>1</sup> under Texas Rule of Civil Procedure 166a on Plaintiff’s causes of action under the Texas Deceptive Trade Practices—Consumer Protection Act, Tex. Bus. & Com. Code §§ 17.41–17.63 (“DTPA”), Tex. Fin. Code § 394.001 *et seq.*, and the Texas Credit Services Organizations Act, Tex. Fin. Code §§ 393.001-393.505 (“CSOA”).<sup>2</sup>

After considering this Motion, the pleadings and papers on file, the affidavits, and the evidence on restitution, civil penalties, costs of Court, costs of investigation, and attorneys’ fees, the Court is of the opinion that the material allegations in the State’s Second Amended Petition and Application for Temporary Injunction and Permanent Injunction (“Second Amended

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<sup>1</sup> The State filed its Interlocutory No-Answer Default Judgment and Permanent Injunction against all other Co-Defendants in this cause of action on February 14, 2023.

<sup>2</sup> A violation of Chapter 393 is a deceptive trade practice actionable under the DTPA, pursuant to Tex. Fin. Code § 393.504.

Petition”) have been admitted against Spencer. Therefore, the Court **GRANTS** the State’s Motion against Spencer and **RENDERS** judgment for the State.

2. The Court finds the following as established:

- A. The Court has jurisdiction over the subject matter and parties in this proceeding.
- B. Spencer engaged in false, misleading, or deceptive acts or practices in the conduct of trade or commerce, violating DTPA § 17.46(a).
- C. Spencer passed off goods or services as those of another, violating DTPA § 17.46(b)(1).
- D. Spencer caused confusion or misunderstanding as to the source, sponsorship, approval, or certification of goods or services, violating DTPA § 17.46(b)(2).
- E. Spencer caused confusion or misunderstanding as to the affiliation, connection, or association with, or certification by, another, violating DTPA § 17.46(b)(3).
- F. Spencer represented that services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have or that a person has a sponsorship, approval, status, affiliation, or connection which the person does not, violating DTPA § 17.46(b)(5).
- G. Spencer failed to disclose information concerning services which was known at the time of the transaction and such failure to disclose such information was intended to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed, violating DTPA § 17.46(b)(24).
- H. Spencer violated Tex. Fin. Code § 394.204 by providing debt management services to consumers located in this state without registering with the Consumer Credit Commissioner of Texas.
- I. Spencer violated Tex. Fin. Code § 394.207 by engaging in deceptive and false advertising.
- J. Spencer violated Tex. Fin. Code § 394.210 by charging unauthorized fees.
- K. Spencer violated the Texas Credit Services Organizations Act (“CSOA”), Tex. Fin. Code §§ 393.001-393.505 by making misleading representations in the offer or sale of credit services, including misrepresenting an affiliation with the Department of Education, the benefits of defendants’ services, what actions they would undertake, and what consumers’ payments would go towards, in violation of CSOA § 393.304.

- L. Spencer engaged in fraudulent or deceptive acts relating to the offer or sale of its services, including keeping payments intended for others, changing contact information on hold with loan servicers, entering consumers into unauthorized forbearances, deferrals, or consolidations, in violation of CSOA § 393.305.
- M. Spencer advertised credit service organization services without filing a registration statement with the Texas Secretary of State as required by Tex. Fin. Code § 393.101, in violation of CSOA § 393.306.
- N. Restitution for consumers is awarded to the State in the amount of \$879,384.<sup>3</sup>
- O. Civil penalties are awarded to the State in the amount of \$447,100.
- P. Reasonable and necessary attorneys' fees and costs incurred by the State are awarded in the amount of a \$281,432.

3. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Spencer, his officers, agents, servants, employees, and attorneys, and any other person in active concert or participation with Spencer shall be **PERMANENTLY ENJOINED** from engaging in the following acts or practices:

- A. Making any unauthorized withdrawals from consumers' bank accounts;
- B. Charging any consumers with existing contracts for any goods and services, if those contracts were secured when Spencer did not hold a valid registration with the Office of the Consumer Credit Commissioner ("OCCC") as required by Tex. Fin. Code § 394.204;
- C. Charging any consumers with existing contracts for any goods and services, if those contracts were secured when Spencer did not hold a valid registration with the Secretary of State as required by Tex. Fin. Code § 393.101;
- D. Charging any consumers with existing contracts for any goods and services, if those contracts were secured either whole or in part using deceptive conduct or other violations as alleged herein;
- E. Advertising or providing any debt management services in Texas unless Spencer has a valid registration with the OCCC as required by Tex. Fin. Code § 394.204;
- F. Providing, or representing they can or will provide, any services of a credit services organization, including obtaining, or providing advice or assistance regarding

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<sup>3</sup> Restitution that cannot be disbursed by the State shall be allocated in accordance with the Texas Gov't Code § 402.007(b)(1) to the Supreme Court Judicial Fund or general revenue as appropriate.



obtaining, an extension of credit, including the right to defer payment, of a consumer's student loan, unless Spencer has filed a valid registration statement with the Texas Secretary of State, as required by Tex. Fin. Code § 393.101;

- G. Engaging in false or deceptive advertising;
- H. Misrepresenting the characteristics, uses, benefits of their goods or services, including but not limited to misrepresenting that:
  - i. His services will reduce the payments on debt owed by consumers;
  - ii. His services will reduce the balance of debt owed by consumers;
  - iii. His services will reduce the time period over which consumers will owe payments on debt; or
  - iv. Where payments made to Spencer will be applied, including misrepresenting the entity or loan account which will receive payments;
- I. Causing confusion or misunderstanding as to the source of goods or services or as to an affiliation, connection, or association with, sponsorship by, or certification by another, including but not limited to:
  - i. Representing that Spencer is associated with the Department of Education ("DOE") or its authorized loan servicers; or
  - ii. Representing that Spencer is affiliated with loan forgiveness or payment reduction programs provided or serviced by the DOE or its authorized loan servicers;
- J. Charging any fees at times or in amounts unauthorized by consumers, or prohibited by law;
- K. Failing to timely deliver any monies received from consumers and intended by those consumers for third parties to those third parties;
- L. Failing to maintain written procedures that are reasonably calculated to ensure compliance with this injunction and all applicable consumer protection and debt settlement laws, including but not limited to, the DTPA and Tex. Fin. Code Chapter 394, or failing to ensure that any employees or third parties operating on their behalf is or has been provided with and are required to comply with such procedures;
- M. Substituting his contact information for consumers' contact information with any consumers' loan holder or authorized loan servicer; and
- N. Changing the repayment status of any consumers' loan with their loan holder or authorized loan servicer without the consumers' express permission.

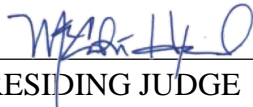
4. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that judgment is **ENTERED** against Spencer, and that Spencer shall pay the total amount of \$1,607,916 to Plaintiff in the manner allocated below:

- A. \$281,432 as attorneys' fees and investigative costs.
- B. \$879,384 in restitution under DTPA § 17.47(d).<sup>4</sup>
- C. \$447,100 as civil penalties pursuant to DTPA § 17.47(c)(1).

5. **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that:

- A. Spencer shall make payment of all amounts due herein to the State by delivery of a cashier's check or money order payable to the State by delivery of a cashier's check or money order payable to the "Office of the Attorney General," bearing the reference AG# CX6074899829 delivered or mailed to the Office of the Attorney General, ATTN: Accounting Division, 300 West 15<sup>th</sup> Street, MC-003, Austin, Texas 78701.
- B. All costs of court incurred in this case are taxed against Spencer.
- C. Spencer shall pay post-judgment interest on all awards of damages, as provided by law.
- D. The State have all writs and process as may be necessary in the enforcement and collection of this Judgment.
- E. All relief not expressly granted herein is denied.

SIGNED March 27, 2023.

  
\_\_\_\_\_  
PRESIDING JUDGE

**APPROVED AS TO FORM AND SUBSTANCE AND ENTRY REQUESTED:**

KEN PAXTON  
Attorney General of Texas

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<sup>4</sup> Restitution that cannot be disbursed shall be allocated in accordance with the Texas Gov't Code § 402.007(b)(1) to the Supreme Court Judicial Fund or general revenue as appropriate.

BRENT WEBSTER  
First Assistant Attorney General

GRANT DORFMAN  
Deputy First Assistant Attorney General

SHAWN E. COWLES  
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