

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

IN THE MATTER OF:
SLAC, INC.

FILE NO. 1723090

**SLAC, INC'S PETITION TO
LIMIT OR QUASH CIVIL INVESTIGATIVE DEMAND AND
REQUEST FOR EXTENSION OF TIME TO COMPLY**

Pursuant to 16 C.F.R. §2.10(a), Petitioner SLAC, Inc. ("SLAC") petitions the Federal Trade Commission ("FTC") to limit or quash the Civil Investigative Demand ("CID") issued to SLAC on December 6, 2017.¹ SLAC objects and seeks to quash and/or modify the CID as being improper and unenforceable because the CID seeks information that is irrelevant information beyond the scope of the FTC's investigation and is part of an unlawful, unauthorized investigation.

In addition, SLAC seeks an extension of time to respond to certain requests contained in the CID beyond the January 5, 2018 response deadline because (1) the CID was served during the holiday season when SLAC's employees and counsel who would be tasked with assisting in the matter, were taking time off; (2) SLAC does not have the staff or capability to comply with the CID by January 5, 2018; and (3) coordinating a meet and confer to discuss the requests is not possible until January 19, 2018. Accordingly, SLAC respectfully petitions the FTC Commissioners to reasonably modify the CID and grant an extension of time to respond as requested below.

I. BACKGROUND

On or about October 16, 2017 Adam Owens, President and CEO of SLAC delivered a

1. A true and correct copy of the CID is attached hereto as Exhibit A.

presentation with lobbyist Marty Obst to a number of attendees at an Association for Student Loan Relief (“AFSLR”) conference in Las Vegas. The purpose of that presentation (not sponsored by the AFSLR) related to lobbying efforts pertaining to the student loan assistance industry and sought to collect funds in support of those lobbying efforts. In the room, and without the attendees’ knowledge, sat Raymond Bayer, Jr., the CEO of The Higher Education Loan Authority of the State of Missouri, aka the Missouri Higher Education Loan Authority, or MOHELA, which is one of the largest holders and servicers of student loans nationwide. The bottom of MOHELA’s website (www.mohela.com) notes that MOHELA is “A DEPARTMENT OF EDUCATION SERVICER”. In other words, MOHELA is a debt collection agent of the Department of Education and its head was in attendance during the presentation describing lobbying efforts in the industry.

After attending the October 2017 Las Vegas AFSLR conference, Mr. Bayer contacted the President of the AFSLR, Robby Birnbaum, and advised that Mr. Bayer was going to be meeting with the Federal Trade Commission and Consumer Financial Protection Bureau to discuss matters from the conference, including the student loan industry. As a loan servicer, MOHELA is compensated based on sums that it collects from borrowers. So, if a borrower applies for and enrolls in a government-offered repayment plan, MOHELA stands to lose consumer accounts which would mean that it would have less money coming in the door. It is, therefore, not surprising that Mr. Bayer would be against an industry that focuses on educating and assisting student loan borrowers apply for such programs. And his intent to quickly report any issues he sees against the industry evidences a very tight rope he walks on when MOHELA works for the Department of Education.

Notably, document request B.13 of the CID specifically requests that SLAC produce “all

notes, outlines, PowerPoint presentations, and similar documents related to Adam Owens' presentation at The 2017 Association for Student Loan Relief Annual Conference titled, 'AN INDUSTRY UNDER FIRE BY REGULATORS AND WHAT CAN BE DONE TO HELP SAVE OUR BUSINESS!' on or about October 16, 2017." In essence, the undisclosed agent of the federal government is penalizing SLAC and Mr. Owens for exercising their First Amendment right to free speech and bullying the industry to cease all efforts to lobby legislators.

Interrogatory A.10 of the CID requests that SLAC "[d]escribe each step [SLAC] takes to ensure that it does not collect payment from consumers until after the products and services described in response to Specification A.4 have been fully delivered or rendered." The request obviously seeks information pertinent to SLAC's compliance with the "debt relief services" provisions in the Telemarketing Sales Rule, 16 C.F.R. Part 310 ("TSR"). However, the TSR's "debt relief services" provisions, including the advance fee provision referenced by the interrogatory, do not apply to student loan assistance.

Since SLAC and the FTC will be having a telephonic conference on January 19, 2018 to review the CID (after the due date of the documents and information sought through the CID), and contemplate working out a production timeline during the call, SLAC is petitioning the FTC for an open-ended production time-line until the parties can discuss at the telephonic conference, which will allow all necessary individuals to return from vacation and work through the requests.

II. LEGAL STANDARD

By this Petition, SLAC does not challenge the FTC's statutory authority to investigate practices that it believes may constitute deceptive or unfair trade practices when used in the

course of trade. However, the FTC's subpoena powers are not limitless.² Limitations on its powers are especially necessary where, as here, the FTC is targeting specific individuals and/or entities yet requesting documents and information that are unrelated to and beyond the scope of its investigation and evidences collusive behavior between MOHELA and the FTC where MOHELA was reporting back efforts to lobby in favor of the student loan industry and the FTC is now demanding notes and a presentation related to such lobbying efforts. The Subject of Investigation ("Scope"), the purpose of which is to identify and define a limited scope of inquiry giving rise to the CID, identifies the Scope as follows:

"Whether the Company, as defined herein, Adam Owens, Scott Brown, Mindy Fincher, and others have engaged in deceptive and otherwise unlawful activity in connection with the marketing, promotion, offering for sale, or sale of student loan debt relief products or services, as defined herein, in violation of the Federal Trade Commission Act, 15 U.S.C. §§ 41 *et seq.*, or the Telemarketing Sales Rule, 16 C.F.R. Part 310, and whether Commission action to obtain monetary relief would be in the public interest. See also attached resolution."³

Lobbying efforts and a presentation made related to those efforts clearly fall outside the Scope of the CID. Accordingly, we are left to wonder whether there is an agenda behind the CID whereby a government agent, which serves as a debt collector, is steering the investigation and trying to bully or intimidate a company whose CEO is attempting to improve the position of similar companies in the industry. SLAC fully intends to cooperate and comply with the CID to the extent that it is not being brought as a way to silence those speaking out and trying to effect positive change on behalf of other.

2. "A subpoena from the FTC is not self-enforcing." *Wearly v. FTC*, 616 F.2d 662, 665 (3d Cir. 1980).

3. See Exhibit A, Cover Letter to CID. The April 1, 2016 resolution is more broad, but still generally limited to marketing and sales practices directed towards consumers.

Therefore, out of necessity, SLAC seeks to limit or quash the CID to the extent the Commission seeks documents and information unrelated to its written Scope, including documents and information related to lobbying efforts, because those requests are not within the scope of the FTC's investigation and are not relevant to the individuals or entities who are the subject of investigation. While Congress has provided agencies with authority to conduct reasonable investigations through the use of investigatory tools such as administrative subpoenas and CIDs, the federal courts serve as a safeguard against agency abuse.⁴ Indeed, an administrative subpoena should be based upon "a realistic expectation rather than an idle hope that something may be discovered."⁵ The broad-ranging subpoena here is fraught with abuse.

The reason Congress has refused to confer upon administrative agencies their own subpoena enforcement power is to "ensure that targets of investigations are accorded due process."⁶ In that capacity, a federal court will not act as a rubber stamp on the FTC's civil investigative demand, but rather, as an independent reviewing authority with "the power to condition enforcement upon observance to [a party's] valid interests."⁷

The recognized standard for whether an administrative agency's subpoena should be enforced was established by the United States Supreme Court in *U.S. v. Morton Salt Co.*⁸ In *Morton Salt*, the Supreme Court recognized that "a governmental investigation into corporate matters may be of such a sweeping nature and so unrelated to the matter properly under inquiry

4. See, e.g., *Oklahoma Press Publ'g Co. v. Walling*, 327 U.S. 186, 208 (1946).

5. *E.E.O.C. v. United Air Lines, Inc.*, 287 F.3d 643, 653 (7th Cir. 2002).

6. Sean Doherty, *Commodity Futures Tradition Comm'n v. Collins: Is the Rationale Sound for Establishing an Exception to Subpoena Law for Tax Returns?*, 7 DEPAUL BUS. L.J. 365, 376 (1995).

7. *Wearly*, 616 F.2d at 665; see, e.g., *SEC v. Arthur Young & Co.*, 584 F.2d 1018, 1024 (D.C. Cir. 1978) ("The federal courts stand guard, of course, against abuses of [] subpoena-enforcement processes.") (internal citations omitted).

8. 338 U.S. 632 (1950).

as to exceed the investigatory power.”⁹ Indeed, the Court acknowledged that corporations “may and should have protection from unlawful demands made in the name of public investigation.”¹⁰ Further, the Supreme Court instructed that an agency’s subpoena, like the CID at issue here, should not be enforced if it demands information that is (1) not “within the authority of the agency”; (2) “too indefinite”; or (3) not “reasonably relevant to the inquiry.”¹¹ Particularly relevant to the instant Petition, the Supreme Court recognized in *Morton Salt* that if the corporation had objected and presented evidence concerning the excessive scope or breadth of the investigation, the corporation “could have obtained any reasonable modification necessary.”¹² And, as noted above, the Supreme Court noted that unlawful demands could not be made in the name of a public investigation.

Lastly, a federal court must consider whether an agency’s demand is unduly burdensome.¹³ Courts applying the *Morton Salt* standard have consistently held that an administrative subpoena and other investigative demands must be “reasonable.”¹⁴ As the Court recognized in *SEC v. Arthur Young & Co.*, “[t]oday, then ‘the gist of the protection is in the

9. *Morton*, 338 U.S. at 652.

10. *Id.*

11. *Morton*, 338 U.S. at 652. Courts have consistently applied this test. *See, e.g., Chao v. Local 743 Int’l Brotherhood of Teamers, AFL-CIO*, 467 F.3d 1014, 1017 (7th Cir. 2006) (to obtain judicial enforcement of an administrative subpoena, an agency must show that the inquiry is not too indefinite, is reasonably relevant to an investigation which the agency has authority to conduct, and all administrative prerequisites have been met); *Arthur Young & Co.*, 584 F.2d at 1031 (noting a subpoena request should not be so over broad as to reach into areas that are irrelevant or immaterial).

12. *Morton*, 338 U.S. at 654.

13. *FTC v. Texaco, Inc.*, 555 F.2d 862, 882 (D.C. Cir. 1977); *FTC v. Mt. Olympus Fin. LLC*, 211 F.3d 1278 (10th Cir. 2000); *FTC v. Invention Submission Corp.*, 965 F.2d 1086, 1089 (D.C. Cir. 1993).

14. *See, e.g., United States v. Constr. Prods. Research, Inc.*, 73 F.3d 464, 471 (2d Cir. 1996) (“the disclosure sought must always be reasonable”); *Texaco*, 555 F.2d at 881 (“the disclosure sought shall not be unreasonable”).

requirement . . . that the disclosures sought shall not be unreasonable. Correspondingly, the need for moderation in the subpoena's call is a matter of reasonableness."¹⁵ A CID that is "unduly burdensome or unreasonably broad" fails this test.¹⁶ As such, the time, expenses, and whether compliance threatens to unduly disrupt or seriously hinder normal business operations may be raised by a party challenging a civil investigative demand.¹⁷

Here, the CID's requests exceed the FTC's investigatory power in that it seeks information related to lobbying efforts, wholly unrelated to any purported fraud and deception being investigated. Moreover, it seeks information relating to fees collected and presupposes that the industry being investigated fits within the debt relief amendments to the Telemarketing Sales Rule. Accordingly, SLAC respectfully requests that the Commission limit or quash the challenged specifications and provisions in the CID as set forth below.

III. OBJECTIONS

A. The CID improperly seeks irrelevant information from SLAC that is outside the scope of the FTC's investigation.

The test for the relevancy of an administrative subpoena is "whether the information sought is 'reasonably relevant' to the agency's inquiry."¹⁸ Moreover, the CID at issue must "not [be] so overbroad as to reach into areas that are irrelevant or immaterial . . . [and] the test is relevan[ce] to the specific purpose."¹⁹ Accordingly, the CID should be limited or quashed because it demands documents and information from SLAC which are irrelevant and unrelated to the FTC's investigation.

15. *Arthur Young & Co.*, 584 F.2d at 1030.

16. *Texaco*, 555 F.2d at 882.

17. *Id.* at 882-83.

18. *FTC v. Anderson*, 631 F.2d 741, 745-46 (D.C. Cir. 1979).

19. *Arthur Young & Co.*, 584 F.2d at 1028; 1030.

Specifically, the CID seeks documents or information related to the timing of SLAC collecting its fees and requests documents pertaining to the lobbying efforts of SLAC's CEO, both requests being improper.

i. Student loan document preparation and assistance companies do not fit within the debt relief provisions of the TSR.

Interrogatory A.10 seeks an explanation of each step that SLAC takes to ensure that it does not collect payment from consumers until after the products and services have been fully delivered or rendered. The request for information presupposes that SLAC fits within the TSR, but that assumption is flawed.

The advance fee ban provisions in the Federal Trade Commission's Telemarketing Sales Rule, 16 CFR Part 310, as amended, ("TSR") do not apply to the services provided by student loan assistance companies. The TSR applies to "debt relief services," which are defined as "any service or program represented, directly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt between a person and one or more unsecured creditors or debt collectors, including, but not limited to, a reduction in the balance, interest rate, or fees owed by a person to an unsecured creditor or debt collector."²⁰

The services that are provided by companies that assist consumers by informing them about the Department of Education's ("DOE") alternative repayment programs, assisting those consumers for a fee to prepare and submit the necessary documentation are not "represented, directly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of [a] debt between a person and one or more unsecured creditors or debt collectors." These companies provide document preparation services and act as a liaison on behalf of

20. *Id.* at § 310.2(m).

consumers. They do not represent to consumers that they will negotiate, settle or in any way alter consumers' debts.

Further, unlike unsecured debts negotiated by the debt settlement industry, for which the TSR was amended to address, there are no negotiations involved in the process of a consumer's submission of an application to have their federal student loans consolidated. In addition, there is no settlement or alteration of the consumer's existing debts. Instead, the company assists the consumer in preparing an application to have the consumer's student loans consolidated. Under the Education Department's Income-Based Repayment ("or "IBR") Program, the issuer provides new repayment terms and a new repayment schedule for the new loan based on the Education Department's repayment schedule. Far from being renegotiated, settled or altered in any respect, the existing loans are eliminated, shown as "paid in full," and the consumer's single new consolidated loan takes the place of the original loans.

In SLAC's case, the company's Client Agreement specifically states, "Thank you for choosing SLAC Inc. to assist you with the document processing of federal student loan debt consolidation.²¹ Based on the information you have provided to our company; we believe that you may qualify for one or more student loan assistance programs offered by the U.S. Department of Education. SLAC Inc. is a privately owned company that helps consumers like you identify programs that are most suitable to their needs. We then gather the relevant application documents and assist the consumer by preparing those documents for review and submission. SLAC Inc. is not affiliated with the U.S. Department of Education or any other academic or governmental entity."

21. A sample Client Agreement is enclosed as Exhibit B.

Additionally, the TSR does not apply to services related to refinancing existing loans. The DOE's alternative repayment program primarily consists of refinancing and consolidating consumers' existing student loans into one single loan that is subject to the DOE's Income-Based Repayment ("IBR") program, which limits the consumer's monthly payments to no more than about 15% of the consumer's monthly income, potentially adjusted by the consumer's family size.²² The FTC's Final Rule Amendments issued in August 2010 made clear that, "[t]he definition is **not intended ... to cover services or products that offer to refinance existing loans with a new loan as a way of eliminating the original debts, as such a process would result in a new extension of credit that replaces the existing debts rather than altering them.**"²³ The Final Rule Amendments specify that the TSR's "debt relief service" provisions do not apply to loan consolidations, including those offered by the DOE's student loan relief program, where existing student loans are consolidated by a "new extension of credit that replaces the existing debts."

Since student loan document preparation assistance services both are not "represented, directly or by implication, to renegotiate, settle, or in any way alter" consumers' student loans, and the document preparation services offered and provided by SLAC were in connection with the DOE's student loan consolidation program, which refinances consumers' student loans and reduces their payments based on their income and family size, there was and is no law prohibiting student loan document preparation assistance companies such as SLAC from charging reasonable fees for their services. For these reasons, such services do not fit within the

22. See, <https://studentaid.ed.gov/sa/repay-loans/understand/plans/income-driven> (last visited December 27, 2017)

23. Final Rule Amendments, Telemarketing Sales Rule, 75 Fed. Reg. 48458, 48466, fn. 123 (Aug. 10, 2010) (amending 16 CFR Part 310) (Emphasis added.).

advanced-fee limitations of the debt relief provisions of the TSR and SLAC should not be required to respond to request A.10 of the CID.

Student loan assistance also does not fit within the definition of a “debt relief service” for the same reasons that the FTC determined that it would not enforce the debt relief provisions of the TSR against providers of tax debt relief services.²⁴ When the FTC published its amendment to the TSR addressing providers of debt relief services, many providers of services to assist consumers in reducing, renegotiating, or settling their federal or state tax debts expressed concerns over whether their services fit within the debt relief provisions of the amended TSR. Indeed, their primary concern was “whether tax debts are ‘unsecured,’ and thus subject to the Rule, arguing that the Internal Revenue Service obtains a lien on an individual’s current or future assets upon administrative assessment of a tax debt.”

Similar concerns exist in the federal student loan landscape since the Department of Education holds a lien, just like the IRS, through the Treasury Offset Program.²⁵ Per 26 USC 6402(d), federal payments such as tax refunds or Social Security income are permitted to be intercepted in whole or in part to pay debts owed to other federal agencies such as the Department of Education.

ii. Documents related to a presentation on lobbying efforts as explained at the AFSLR 2017 Annual Conference fall outside of the Scope of the CID.

24. *FTC Enforcement Policy: Tax Debt Relief Services and The Debt Relief Amendments to the Telemarketing Sales Rule*, Fed. Trade Commission (Oct. 27, 2010), <https://www.ftc.gov/system/files/attachments/press-releases/ftc-issues-enforcement-policy-statement-new-debt-relief-rule/102710tsrdebtrelief.pdf>

25. https://www.treasury.gov/services/report-fwa/Pages/treasury_offset_program.aspx (last visited December 28, 2017) (explaining that “‘Creditor agencies,’ such as the Department of Education, submit delinquent debts to FMS for collection and inclusion in TOP and certify that such debts qualify for collection by offset.”)

Document Request B.13 seeks documents, notes and PowerPoints relating to a presentation that Adam Owens of SLAC prepared. That presentation was for the private purpose of soliciting support for lobbying efforts related to the student loan assistance industry. It does not relate to SLAC's marketing and sales to consumers and presents a red flag concerning an agent of a federal arm attending such a meeting and then sharing information to be used as a means of stifling the lobbying efforts. "[T]he First Amendment protects the right of corporations to petition legislative and administrative bodies."²⁶

Moreover, as the United States Supreme Court has explained, "[i]t is beyond debate that freedom to engage in association for the advancement of beliefs and ideas is an inseparable aspect of the 'liberty' assured by the Due Process Clause of the Fourteenth Amendment, which embraces freedom of speech ... Of course, it is immaterial whether the beliefs sought to be advanced by association pertain to political, economic, religious or cultural matters, and state action which may have the effect of curtailing the freedom to associate is subject to the closest scrutiny."²⁷

B. Requests A.10 and B.13 should be quashed as they seek information that is beyond the scope of the CID

The FTC failed to limit the above requests for information and documents that relate to the purpose of the FTC's investigation. Therefore, Requests A.10 and B.13 call for information that is outside of the scope of the investigation. As stated above, the FTC cannot require the

26. *First Nat. Bank of Boston v. Bellotti*, 435 U.S., at 792, n. 31, 98 S.Ct. 1407 (citing *California Motor Transport Co. v. Trucking Unlimited*, 404 U.S. 508, 510-511, 92 S.Ct. 609, 30 L.Ed.2d 642 (1972); *Eastern Railroad Presidents Conference v. Noerr Motor Freight, Inc.*, 365 U.S. 127, 137-138, 81 S.Ct. 523, 5 L.Ed.2d 464 (1961)).

27. *National Assn. for the Advancement of Colored People v. Alabama*, 357 U.S. 449, 460-461, 78 S.Ct. 1163, 1171 (1958) (internal citations omitted).

production of information that has nothing to do with the nature of the FTC's investigation.²⁸ Accordingly, to the extent Requests A.10 and B.13 demand irrelevant information that is beyond the scope of the FTC's investigation, those requests must be quashed.

Complying with the above requests would require SLAC to produce information and/or documents which are clearly beyond the Scope of the CID, and unrelated to the FTC's investigation. Furthermore, the inquiry into matters addressed when seeking funds for lobbying efforts are an unlawful attempt to censor Mr. Owens' and SLAC's First Amendment rights. As stated, the test for the relevancy of an administrative subpoena is "whether the information sought is 'reasonably relevant' to the agency's inquiry."²⁹ As the scope of the FTC's investigation appears to concern solely those activities of SLAC and its "marketing, promotion, offering for sale, or sale of student loan debt relief products or services," information relating to a company, its CEO and a lobbyist as they educate the industry and raise money for lobbying efforts goes beyond the Scope of the CID.

IV. REQUEST FOR EXTENSION

Additionally, given the time of the issuance of the CID between Thanksgiving and the Christmas/New Years' holidays, SLAC needs an extension of time to respond to the CID until SLAC's counsel can discuss the CID with SLAC and have a more formal meet and confer with the FTC to work through the remaining requests in the CID. The FTC has agreed to a call to discuss the CID, during which time the parties will determine how much additional time will be needed. Since the January 5, 2018 due date remains outstanding, SLAC is requesting the open-ended extension to reserve its rights.

28. *Anderson*, 631 F.2d at 745-46; *Arthur Young & Co.*, 584 F.2d at 1028; 1030.

29. *FTC v. Anderson*, 631 F.2d 741, 745-46 (D.C. Cir. 1979).

CONCLUSION

For the foregoing reasons, SLAC respectfully requests that the Commission limit or quash the challenged specifications and provisions in the CID as well as grant an extension of time to respond as set forth above.

CERTIFICATION OF GOOD FAITH CONFERENCE

Pursuant to 16 C.F.R. §2.7(d)(2), counsel for Petitioner, Michael Thurman, Esq., conferred with counsel for the Commission, Christopher Panek, Esq. on December 22, 2017 in a good faith effort to resolve the issues raised by the Petition. Counsel for Petitioner and counsel on this file, Christopher Panek, Esq., were unable to reach a formal agreement prior to the deadline to file this Petition.

DATED: December 28, 2017

Respectfully submitted,



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*Attorneys for Petitioner
SLAC, Inc.*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on the following parties in the manner specified on this 28th day of December, 2017.

Donald Clark, Secretary of the Commission
dclark@ftc.gov
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
Via Federal Express and Electronic Mail

Christopher Panek, FTC Counsel
cpanek@ftc.gov
Via Electronic Mail Only



Michael A. Thurman

Exhibit A



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of the Secretary

Via Federal Express

Mr. Adam Owens
President & CEO
SLAC, Inc.
1761 Third Street, Suite 201
Norco, CA 92860

NOV 30 2017

FTC Matter No. 1723090

Dear Mr. Owens:

The Federal Trade Commission (“FTC”) has issued the attached Civil Investigative Demand (“CID”) asking for information as part of a non-public investigation. Our purpose is to determine whether SLAC, Inc., Adam Owens, Scott Brown, Mindy Fincher, and others have engaged in deceptive or otherwise unlawful activity in connection with the marketing, promotion, offering for sale, or sale of student loan debt relief products or services in violation of the Federal Trade Commission Act, 15 U.S.C. §§ 41 *et seq.*, or the Telemarketing Sales Rule, 16 C.F.R. Part 310, and whether Commission action to obtain monetary relief would be in the public interest. Please read the attached documents carefully. Here are a few important points we would like to highlight:

1. **Contact FTC counsel, Christopher Panek at 216.263.3406 or cpanek@ftc.gov as soon as possible to schedule an initial meeting to be held within 14 days.** You can meet in person or by phone to discuss any questions you have, including whether there are changes to how you comply with the CID that would reduce your cost or burden while still giving the FTC the information it needs. Please read the attached documents for more information about that meeting.
2. **You must immediately stop any routine procedures for electronic or paper document destruction, and you must preserve all paper or electronic documents** that are in any way relevant to this investigation, even if you believe the documents are protected from discovery by privilege or some other reason.
3. **The FTC will use information you provide in response to the CID for the purpose of investigating violations of the laws the FTC enforces.** We will not disclose the information under the Freedom of Information Act, 5 U.S.C. § 552. We may disclose the information in response to a valid request from Congress, or other civil or criminal federal, state, local, or foreign law enforcement agencies for their official law enforcement purposes. The FTC or other agencies may use and disclose your response in any federal, state, or foreign civil or criminal proceeding, or if

required to do so by law. However, we will not publicly disclose your information without giving you prior notice.

4. **Please read the attached documents closely.** They contain important information about how you should provide your response.

Please contact FTC counsel as soon as possible to set up an initial meeting. We appreciate your cooperation.

Very truly yours,

A handwritten signature in blue ink that reads "Donald S. Clark". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Donald S. Clark

Secretary of the Commission



United States of America
Federal Trade Commission

CIVIL INVESTIGATIVE DEMAND

1. TO

SLAC, Inc.
Attn: Mr. Adam Owens, President & CEO
1761 Third Street, Suite 201
Norco, CA 92860

This demand is issued pursuant to Section 20 of the Federal Trade Commission Act, 15 U.S.C. § 57b-1, in the course of an investigation to determine whether there is, has been, or may be a violation of any laws administered by the Federal Trade Commission by conduct, activities or proposed action as described in Item 3.

2. ACTION REQUIRED

You are required to appear and testify.

LOCATION OF HEARING

YOUR APPEARANCE WILL BE BEFORE

DATE AND TIME OF HEARING OR DEPOSITION

You are required to produce all documents described in the attached schedule that are in your possession, custody, or control, and to make them available at your address indicated above for inspection and copying or reproduction at the date and time specified below.

You are required to answer the interrogatories or provide the written report described on the attached schedule. Answer each interrogatory or report separately and fully in writing. Submit your answers or report to the Records Custodian named in Item 4 on or before the date specified below.

You are required to produce the tangible things described on the attached schedule. Produce such things to the Records Custodian named in Item 4 on or before the date specified below.

DATE AND TIME THE DOCUMENTS, ANSWERS TO INTERROGATORIES, REPORTS, AND/OR TANGIBLE THINGS MUST BE AVAILABLE

JAN 05 2018

3. SUBJECT OF INVESTIGATION

See attached Schedule and attached resolution.

4. RECORDS CUSTODIAN/DEPUTY RECORDS CUSTODIAN

Samuel Baker / Jon Miller Steiger
Federal Trade Commission, 1111 Superior Ave., Suite 200,
Cleveland, OH 44114, (216) 263-3414

5. COMMISSION COUNSEL

Christopher Panek, Federal Trade Commission
1111 Superior Ave., Suite 200, Cleveland, OH 44114
(216) 263-3406

DATE ISSUED

Dec. 6, 2017

COMMISSIONER'S SIGNATURE

INSTRUCTIONS AND NOTICES

The delivery of this demand to you by any method prescribed by the Commission's Rules of Practice is legal service and may subject you to a penalty imposed by law for failure to comply. The production of documents or the submission of answers and report in response to this demand must be made under a sworn certificate, in the form printed on the second page of this demand, by the person to whom this demand is directed or, if not a natural person, by a person or persons having knowledge of the facts and circumstances of such production or responsible for answering each interrogatory or report question. This demand does not require approval by OMB under the Paperwork Reduction Act of 1980.

PETITION TO LIMIT OR QUASH

The Commission's Rules of Practice require that any petition to limit or quash this demand be filed within 20 days after service, or, if the return date is less than 20 days after service, prior to the return date. The original and twelve copies of the petition must be filed with the Secretary of the Federal Trade Commission, and one copy should be sent to the Commission Counsel named in Item 5.

YOUR RIGHTS TO REGULATORY ENFORCEMENT FAIRNESS

The FTC has a longstanding commitment to a fair regulatory enforcement environment. If you are a small business (under Small Business Administration standards), you have a right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR (1-888-734-3247) or www.sba.gov/ombudsman regarding the fairness of the compliance and enforcement activities of the agency. You should understand, however, that the National Ombudsman cannot change, stop, or delay a federal agency enforcement action.

The FTC strictly forbids retaliatory acts by its employees, and you will not be penalized for expressing a concern about these activities.

TRAVEL EXPENSES

Use the enclosed travel voucher to claim compensation to which you are entitled as a witness for the Commission. The completed travel voucher and this demand should be presented to Commission Counsel for payment. If you are permanently or temporarily living somewhere other than the address on this demand and it would require excessive travel for you to appear, you must get prior approval from Commission Counsel.

A copy of the Commission's Rules of Practice is available online at <http://bit.ly/FTCRulesofPractice>. Paper copies are available upon request.

Form of Certificate of Compliance*

I/We do certify that all of the documents, information and tangible things required by the attached Civil Investigative Demand which are in the possession, custody, control, or knowledge of the person to whom the demand is directed have been submitted to a custodian named herein.

If a document or tangible thing responsive to this Civil Investigative Demand has not been submitted, the objections to its submission and the reasons for the objection have been stated.

If an interrogatory or a portion of the request has not been fully answered or a portion of the report has not been completed, the objections to its submission and the reasons for the objections have been stated.

Signature _____

Title _____

Sworn to before me this day

Notary Public

*In the event that more than one person is responsible for complying with this demand, the certificate shall identify the documents for which each certifying individual was responsible. In place of a sworn statement, the above certificate of compliance may be supported by an unsworn declaration as provided for by 28 U.S.C. § 1746.

**FEDERAL TRADE COMMISSION (“FTC”)
CIVIL INVESTIGATIVE DEMAND (“CID”) SCHEDULE
FTC File No. 1723090**

Meet and Confer: You must contact **FTC counsel, Christopher Panek**, at **216.263.3406** or **cpanek@ftc.gov**, as soon as possible to schedule a meeting (telephonic or in person) to be held within fourteen (14) days after you receive this CID. At the meeting, you must discuss with FTC counsel any questions you have regarding this CID or any possible CID modifications that could reduce your cost, burden, or response time yet still provide the FTC with the information it needs to pursue its investigation. The meeting also will address how to assert any claims of protected status (e.g., privilege, work-product, etc.) and the production of electronically stored information. You must make available at the meeting personnel knowledgeable about your information or records management systems, your systems for electronically stored information, custodians likely to have information responsive to this CID, and any other issues relevant to compliance with this CID.

Document Retention: You must retain all documentary materials used in preparing responses to this CID. The FTC may require the submission of additional documents later during this investigation. Accordingly, you must suspend any routine procedures for document destruction and take other measures to prevent the destruction of documents that are in any way relevant to this investigation, even if you believe those documents are protected from discovery. See 15 U.S.C. § 50; see also 18 U.S.C. §§ 1505, 1519.

Sharing of Information: The FTC will use information you provide in response to the CID for the purpose of investigating violations of the laws the FTC enforces. We will not disclose such information under the Freedom of Information Act, 5 U.S.C. § 552. We also will not disclose such information, except as allowed under the FTC Act (15 U.S.C. § 57b-2), the Commission’s Rules of Practice (16 C.F.R. §§ 4.10 & 4.11), or if required by a legal obligation. Under the FTC Act, we may provide your information in response to a request from Congress or a proper request from another law enforcement agency. However, we will not publicly disclose such information without giving you prior notice.

Manner of Production: You may produce documentary material or tangible things by making them available for inspection and copying at your principal place of business. Alternatively, you may send all responsive documents and tangible things to

**Samuel Baker
Attn: File No. 1723090
Federal Trade Commission
1111 Superior Avenue, Suite 200
Cleveland, OH 44114**

You must inform FTC counsel by email or telephone of how you intend to produce materials responsive to this CID at least five days before the return date.

Certification of Compliance: You or any person with knowledge of the facts and circumstances relating to the responses to this CID must certify that such responses are complete

by completing the "Form of Certificate of Compliance" set forth on the back of the CID form or by signing a declaration under penalty of perjury pursuant to 28 U.S.C. § 1746.

Certification of Records of Regularly Conducted Activity: Attached is a Certification of Records of Regularly Conducted Activity. Please execute and return this Certification with your response. Completing this certification may reduce the need to subpoena you to testify at future proceedings to establish the admissibility of documents produced in response to this CID.

Definitions and Instructions: Please review carefully the Definitions and Instructions that appear after the Specifications and provide important information regarding compliance with this CID.

SUBJECT OF INVESTIGATION

Whether the Company, as defined herein, Adam Owens, Scott Brown, Mindy Fincher, and others have engaged in deceptive or otherwise unlawful activity in connection with the marketing, promotion, offering for sale, or sale of student loan debt relief products or services, as defined herein, in violation of the Federal Trade Commission Act, 15 U.S.C. §§ 41 *et seq.*, or the Telemarketing Sales Rule, 16 C.F.R. Part 310, and whether Commission action to obtain monetary relief would be in the public interest. See also attached resolution.

SPECIFICATIONS

Applicable Time Period: Unless otherwise directed, the applicable time period for the requests set forth below is from **October 1, 2014 until the date of full and complete compliance with this CID.**

A. SPECIFICATIONS FOR ANSWERS TO INTERROGATORIES

General Corporate Information & Background

1. State the following information:
 - a. the Company's full legal name and all other names under which it conducts or has conducted business in the United States, including any fictitious business names;
 - b. the Company's corporate structure and the names of all parents, subsidiaries, divisions, affiliates, branches, joint ventures, franchises, and entities over which it exercises or has exercised supervision or control;
 - c. the physical street address, mailing address, and telephone number of the Company's headquarters and any other location that may be considered its principal place of business;
 - d. the date(s) of incorporation and state(s) where the Company is incorporated or registered to transact business;
 - e. the names and titles of all Company officers, directors, and owners (and percentage of ownership); and
 - f. all websites owned by, affiliated with, or related to the Company.
2. State the roles and responsibilities of Adam Owens, Scott Brown, and Mindy Fincher at the

Company.

3. State the Company's annual revenues and refunds paid to consumers for 2014, 2015, 2016, and 2017, up to and including the date of completion of your response to this CID.

Business Practices & Corporate Partnerships

4. Identify and describe all products or services relating to student loans that the Company sells or otherwise provides to consumers.
5. Identify each medium, platform, and person the Company used to disseminate any advertisement relating to student loans, including student loan consolidation, forgiveness, or repayment.
6. Describe the process by which the Company sells the products and services described in response to Specification A.4 to consumers, and for each step in the sales process, identify each person responsible for that step, each script relating to that step, and each document exchanged between the Company and consumers at that step.
7. Describe each step the Company takes to ensure that consumers understand the terms and consent to enter into an agreement to purchase the products and services described in response to Specification A.4, including a description of each disclosure made to consumers about the terms of the agreement, when and how the disclosures were made, and who made the disclosures.
8. State when and how the total cost of the products and services described in response to Specification A.4 is disclosed to consumers.
9. State when and how the Company discloses the methods by which consumers can pay for the products and services described in response to Specification A.4, and describe the process by which consumers elect the payment type (e.g., cash, check, credit card, automatic bank draft).
10. Describe each step the Company takes to ensure that it does not collect payment from consumers until after the products and services described in response to Specification A.4 have been fully delivered or rendered.
11. State whether and when conversations between the Company and consumers are recorded, and for each conversation that is recorded, state the method by which the conversation is recorded and identify where and how the Company stores the recordings.
12. Describe all training provided to Company representatives that relates to:
 - a. Company scripts;
 - b. student loans, including loan consolidation, forgiveness, or repayment;
 - c. electronic signature of documents;
 - d. refunds and cancellation; and
 - e. consumer reports.

13. For all training described in response to Specification A.12, identify all persons who provided or sponsored such training and list the full names and titles of all persons who received such training.
14. Describe the Company's refund and cancellation policies, and state when, how, and by whom the terms of those policies are disclosed to consumers.
15. Describe the Company's relationship with the following entities, including the nature of payments the Company has made to, or received from, those entities:
 - a. Navloan, Inc.;
 - b. Student Loan Assistance Center, LLC;
 - c. South Bay Investment Group;
 - d. Lee, Hartmann & Associates, Inc.;
 - e. SB Industry LLC; and
 - f. Dress Coat.

Consumer Reporting Practices

16. State whether the Company obtains consumer reports, and if so, state the Company's permissible purpose under the Fair Credit Reporting Act for obtaining such consumer reports, and describe the process by which the Company obtains authorization from consumers for the Company to obtain such consumer reports.
17. State whether the Company furnishes information about accounts or other relationships with consumers to one or more consumer reporting agencies.

Investigations and Complaints

18. Identify all channels the Company makes available for consumers to submit complaints, disputes, and requests for a refund or cancellation, including all telephone numbers, physical or email addresses for written correspondence, and websites.
19. Identify all persons who review or respond to consumer complaints on behalf of the Company.
20. State whether the Company has ever been a party to any legal proceeding relating to the sale of the products and services described in response to Specification A.4, and if so, state the court caption, location, and case number.

Persons Most Knowledgeable

21. Identify each person, excluding outside counsel, who provided documents or information reviewed or relied upon for purposes of preparing the Company's response to this CID.
22. Identify the person(s) at the Company who are most knowledgeable about:
 - a. the Company's general corporate structure and background;
 - b. the Company's scripts;
 - c. the Company's compliance with:

- i. the Federal Trade Commission Act;
 - ii. the Telemarketing Sales Rule; and
 - iii. the Fair Credit Reporting Act.
- d. the Company's policies and procedures, and any training, relating to:
- i. student loans, including consolidation, forgiveness, and repayment;
 - ii. the Company's consumer reporting practices;
 - iii. the Company's refund and cancellation policies; and
 - iv. consumer complaints.

B. SPECIFICATIONS FOR PRODUCTION OF DOCUMENTS AND THINGS

General Corporate Information & Background

1. Produce documents sufficient to show the Company's corporate and employee structure and identify the individuals listed in response to in Specification A.1.e.
2. Produce documents sufficient to show the Company's revenues and refunds paid to consumers for 2014, 2015, and 2016, and 2017, up to and through your completed response to this CID.

Business Practices & Corporate Partnerships

3. Produce one unique, color copy of each materially different advertisement disseminated during the applicable time period that relates to student loans, including student loan consolidation, forgiveness, or repayment.
4. Produce documents sufficient to show the process described in response to Specification A.6, including each document identified in response to Specification A.6.
5. Produce one unique copy of each materially different Company sales script disseminated to Company representatives and agents.
6. Produce documents sufficient to substantiate your response to Specification A.7.
7. Produce documents sufficient to substantiate your response to Specification A.8.
8. Produce documents sufficient to substantiate your response to Specification A.9.
9. Produce all recordings of consumer telephone calls between the Company and consumers that relate to the products and services identified in response to Specification A.4. (If more than 1,000 recordings are responsive to this request, please contact FTC counsel, Christopher Panek, within 14 days of receipt of this CID to discuss the possibility of limiting the request. Any limitation must be agreed to in writing by the Regional Director or Assistant Regional Director.)
10. Produce documents sufficient to show the training described in response to Specification A.12.

11. Produce documents sufficient to show the Company's refund and cancellation policies and how those policies are disclosed to consumers.
12. Produce documents sufficient to show the relationship between the Company and the entities listed in Specification A.15 a-f.
13. Produce all notes, outlines, PowerPoint presentations, and similar documents related to Adam Owens' presentation at The 2017 Association for Student Loan Relief Annual Conference titled, "AN INDUSTRY UNDER FIRE BY REGULATORS AND WHAT CAN BE DONE TO HELP SAVE OUR BUSINESSES!" on or about October 16, 2017.

Consumer Reporting Practices

14. Produce all agreements between the Company and any consumer reporting agency.
15. Produce documents sufficient to substantiate your response to Specification A.16.

Investigations and Complaints

16. Produce all Company policies, procedures, and training materials relating to the receipt, review, and response to consumer complaints.
17. Produce all consumer complaints relating to the sale of the products and services described in response to Specification A.4, and all Company responses to those complaints. (If more than 1,000 consumer complaints are responsive to this request, please contact FTC counsel, Christopher Panek, within 14 days of receipt of this CID to discuss the possibility of limiting the request. Any limitation must be agreed to in writing by the Regional Director or Assistant Regional Director.)
18. Produce all documents produced by the Company to any state Attorneys General or state consumer protection agency, in response to a subpoena, Civil Investigative Demand, or voluntary request for documents and information.
19. Produce all documents produced by the Company to any Better Business Bureau that relate to consumer complaints or Company reviews, or Better Business Bureau inquiries about the sale of the products and services described in response to Specification A.4.

DEFINITIONS

The following definitions apply to this CID:

D-1. "Company," "You," or "Your" means **SLAC, Inc.**, its wholly or partially owned subsidiaries, unincorporated divisions, joint ventures, operations under assumed names, and affiliates, and all directors, officers, members, employees, agents, consultants, and other persons working for or on behalf of the foregoing.

D-2. “**Document**” means the complete original, all drafts, and any non-identical copy, whether different from the original because of notations on the copy, different metadata, or otherwise, of any item covered by 15 U.S.C. § 57b-1(a)(5), 16 C.F.R. § 2.7(a)(2), or Federal Rule of Civil Procedure 34(a)(1)(A).

D-3. “**Identify**” or “**the identity of**” requires identification of (a) natural persons by name, title, present business affiliation, present business address, telephone number, and email address or, if a present business affiliation or present business address is not known, the last known business and home addresses; and (b) businesses or other organizations by name, address, and the identities of your contact persons at the business or organization.

D-4. “**Advertisement**” or “**Advertising**” or “**Ad**” means any written or verbal statement, illustration, or depiction that promotes the sale of a good or service or is designed to increase consumer interest in a brand, good, or service. Advertising media includes, but is not limited to: packaging and labeling; promotional materials; print; television; radio; and Internet, social media, and other digital content.

D-5. “**Consumer reporting agency**” means any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports.

D-6. “**Credit**” means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

D-7. “**Consumer report**” means any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer’s credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer’s eligibility for:

- a. credit or insurance to be used primarily for personal, family, or household purposes;
- b. employment purposes; or
- c. any other purpose authorized under section 1681b of the Fair Credit Reporting Act.

D-8. “**Debt relief product or service**” means any product, program or service represented, directly or by implication, to negotiate, renegotiate, settle, modify, or in any way alter the terms of payment or other terms of the debt between a consumer and one or more unsecured creditors or debt collectors, including, but not limited to, a reduction in the balance, interest rate, monthly payment, or other fees owed by a consumer to an unsecured creditor or debt collector.

INSTRUCTIONS

I-1. **Petitions to Limit or Quash:** You must file any petition to limit or quash this CID with the Secretary of the FTC no later than twenty (20) days after service of the CID, or, if the return

date is less than twenty (20) days after service, prior to the return date. Such petition must set forth all assertions of protected status or other factual and legal objections to the CID and comply with the requirements set forth in 16 C.F.R. § 2.10(a)(1) – (2). **The FTC will not consider petitions to quash or limit if you have not previously met and conferred with FTC staff and, absent extraordinary circumstances, will consider only issues raised during the meet and confer process.** 16 C.F.R. § 2.7(k); *see also* § 2.11(b). **If you file a petition to limit or quash, you must still timely respond to all requests that you do not seek to modify or set aside in your petition.** 15 U.S.C. § 57b-1(f); 16 C.F.R. § 2.10(b).

I-2. Withholding Requested Material / Privilege Claims: If you withhold from production any material responsive to this CID based on a claim of privilege, work product protection, statutory exemption, or any similar claim, you must assert the claim no later than the return date of this CID, and you must submit a detailed log, in a searchable electronic format, of the items withheld that identifies the basis for withholding the material and meets all the requirements set forth in 16 C.F.R. § 2.11(a) – (c). The information in the log must be of sufficient detail to enable FTC staff to assess the validity of the claim for each document, including attachments, without disclosing the protected information. If only some portion of any responsive material is privileged, you must submit all non-privileged portions of the material. Otherwise, produce all responsive information and material without redaction. 16 C.F.R. § 2.11(c). The failure to provide information sufficient to support a claim of protected status may result in denial of the claim. 16 C.F.R. § 2.11(a)(1).

I-3. Modification of Specifications: The Bureau Director, a Deputy Bureau Director, Associate Director, Regional Director, or Assistant Regional Director must agree in writing to any modifications of this CID. 16 C.F.R. § 2.7(l).

I-4. Scope of Search: This CID covers documents and information in your possession or under your actual or constructive custody or control, including documents and information in the possession, custody, or control of your attorneys, accountants, directors, officers, employees, service providers, and other agents and consultants, whether or not such documents or information were received from or disseminated to any person or entity.

I-5. Identification of Responsive Documents: For specifications requesting production of documents, you must identify in writing the documents that are responsive to the specification. Documents that may be responsive to more than one specification of this CID need not be produced more than once. If any documents responsive to this CID have been previously supplied to the FTC, you may identify the documents previously provided and the date of submission.

I-6. Maintain Document Order: You must produce documents in the order in which they appear in your files or as electronically stored. If documents are removed from their original folders, binders, covers, containers, or electronic source, you must specify the folder, binder, cover, container, or electronic media or file paths from which such documents came.

I-7. Numbering of Documents: You must number all documents in your submission with a unique identifier such as a Bates number or a document ID.

I-8. **Production of Copies:** Unless otherwise stated, you may submit copies in lieu of original documents if they are true, correct, and complete copies of the originals and you preserve and retain the originals in their same state as of the time you received this CID. Submission of copies constitutes a waiver of any claim as to the authenticity of the copies should the FTC introduce such copies as evidence in any legal proceeding.

I-9. **Production in Color:** You must produce copies of advertisements in color, and you must produce copies of other materials in color if necessary to interpret them or render them intelligible.

I-10. **Electronically Stored Information:** See the attached FTC Bureau of Consumer Protection Production Requirements (“Production Requirements”), which detail all requirements for the production of electronically stored information to the FTC. You must discuss issues relating to the production of electronically stored information with FTC staff **prior to** production.

I-11. **Sensitive Personally Identifiable Information (“Sensitive PII”) or Sensitive Health Information (“SHI”):** If any materials responsive to this CID contain Sensitive PII or SHI, please contact FTC counsel before producing those materials to discuss whether there are steps you can take to minimize the amount of Sensitive PII or SHI you produce, and how to securely transmit such information to the FTC.

Sensitive PII includes an individual’s Social Security number; an individual’s biometric data (such as fingerprints or retina scans, but not photographs); and an individual’s name, address, or phone number in combination with one or more of the following: date of birth, Social Security number, driver’s license or state identification number (or foreign country equivalent), passport number, financial account number, credit card number, or debit card number. SHI includes medical records and other individually identifiable health information relating to the past, present, or future physical or mental health or conditions of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual.

I-12. **Interrogatory Responses:** For specifications requesting answers to written interrogatories, answer each interrogatory and each interrogatory subpart separately and fully, in writing, and under oath.

I-13. **Submission of Documents in Lieu of Interrogatory Answers:** You may answer any written interrogatory by submitting previously existing documents that contain the information requested in the interrogatory so long as you clearly indicate in each written interrogatory response which documents contain the responsive information. For any interrogatory that asks you to identify documents, you may, at your option, produce the documents responsive to the interrogatory so long as you clearly indicate the specific interrogatory to which such documents are responsive.

Federal Trade Commission Bureau of Consumer Protection
Production Requirements
Revised July 2017

In producing information in response to this CID, you must comply with the following production requirements, unless the FTC agrees otherwise. If you have any questions about these requirements, please contact FTC Counsel before production.

Production Format

1. **General Format:** Provide load-ready electronic productions with: (a) an Opticon image load file (.OPT) containing a line for every image file; and (b) a delimited data load file (.DAT) containing a line for every document, with bates references, metadata fields, and native file links, where applicable.
2. **Electronically Stored Information (“ESI”):** Documents stored in electronic format in the ordinary course of business must be produced in the following format:
 - a. For ESI other than the categories described below, submit in native electronic format with extracted text or Optical Character Recognition (OCR), all metadata, and corresponding image renderings converted to Group IV, 300 DPI, single-page Tagged Image File Format (TIFF) or color JPEG images (if color is necessary to interpret the contents or render them intelligible).
 - b. For Microsoft Excel, Access, or PowerPoint files, submit in native format with extracted text and metadata. Data compilations in Excel spreadsheets or in delimited text formats must contain all underlying data, formulas, and algorithms without redaction.
 - c. For other spreadsheet, database, presentation, or multimedia formats; instant messages; or proprietary applications, discuss production format during the meet and confer.
3. **Hard Copy Documents:** Documents stored in hard copy in the ordinary course of business must be scanned and submitted as 300 DPI individual single page TIFFs (or color JPGs when necessary to interpret documents or render them intelligible), with corresponding document-level OCR text and logical document determination in an accompanying load file.
4. **Extracted Text/OCR:** Submit text as document-level text files, named for the beginning bates number, and organized into a folder separate from images. We cannot accept Unicode text files.
5. **Document Identification:** Provide a unique DocId or bates number for each hard copy or electronic document, consisting of a prefix and a consistent number of numerals using leading zeros. Do not use a space to separate the prefix from numbers.
6. **Attachments:** Preserve the parent/child relationship by producing attachments as separate documents, numbering them consecutively to the parent email, and including a reference to all attachments.
7. **Metadata Production:** For each document submitted electronically, include standard metadata fields in a standard ASCII delimited data load file. The first line of the data load file shall include the field names. Submit date and time data in separate fields. Use these delimiters in delimited data load files:

Description	Symbol	ASCII Character
Field Separator	<	20
Quote Character	”	254

Multi Entry delimiter	®	174
<Return> Value in data	~	126

8. **De-duplication:** Do not use de-duplication or email threading software without FTC counsel approval.
9. **Password-Protected Files:** Remove passwords prior to production. If password removal is not possible, provide the original and production filenames and the password under separate cover.
10. **Sensitive PII or SHI:** Use data encryption to protect any Sensitive PII or SHI (as defined in the CID Schedule). Provide encryption passwords in advance of delivery, under separate cover.

Producing and Submitting Media to the FTC

1. Prior to production, scan all media and data for viruses and confirm the media and data are virus-free.
2. For productions smaller than 50 GB, the FTC can accept electronic file transfer via FTC-hosted secure file transfer protocol (Accellion or SecureZip). Contact FTC counsel to request this option. The FTC cannot accept files via Dropbox, Google Drive, OneDrive, or other third-party file transfer sites.
3. Use the least amount of media necessary for productions. Acceptable media formats are CDs, DVDs, flash drives, and hard drives. Format all media for use with Windows 7.
4. Use a courier service (e.g., Federal Express, UPS) because heightened security measures delay postal delivery. Mark the exterior of all packages containing electronic media with the following:

MAGNETIC MEDIA – DO NOT X-RAY
MAY BE OPENED FOR INSPECTION

5. Provide a production transmittal letter with each production that includes:
 - a. Production volume name (e.g., Volume 1), date of production, and numeric DocID number range of all documents included in the production;
 - b. List of custodians and the DocID number range for each custodian;
 - c. Total number of records and all underlying images, emails, and associated attachments, native files, and databases in the production
 - d. List of load file fields in the order in which they are organized in the data file.

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Edith Ramirez, Chairwoman**
 Maureen K. Ohlhausen
 Terrell McSweeney

**RESOLUTION DIRECTING USE OF COMPULSORY PROCESS IN A NONPUBLIC
INVESTIGATION OF TELEMARKETERS, SELLERS, SUPPLIERS, OR OTHERS**

File No. 012 3145

Nature and Scope of Investigation:

To determine whether unnamed telemarketers, sellers, or others assisting them have engaged or are engaging in: (1) unfair or deceptive acts or practices in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45 (as amended); and/or (2) deceptive or abusive telemarketing acts or practices in violation of the Commission's Telemarketing Sales Rule, 16 C.F.R. pt 310 (as amended), including but not limited to the provision of substantial assistance or support — such as mailing lists, scripts, merchant accounts, and other information, products, or services — to telemarketers engaged in unlawful practices. The investigation is also to determine whether Commission action to obtain monetary relief would be in the public interest.

The Federal Trade Commission hereby resolves and directs that any and all compulsory processes available to it be used in connection with this investigation for a period not to exceed five years from the date of issuance of this resolution. The expiration of this five-year period shall not limit or terminate the investigation or the legal effect of any compulsory process issued during the five-year period. The Federal Trade Commission specifically authorizes the filing or continuation of actions to enforce any such compulsory process after the expiration of the five-year period.

Authority to Conduct Investigation:

Sections 6, 9, 10, and 20 of the Federal Trade Commission Act, 15 U.S.C. §§ 46, 49, 50, 57b-1 (as amended); and FTC Procedures and Rules of Practice, 16 C.F.R. §§ 1.1 *et seq.* and supplements thereto.

By direction of the Commission.


Donald S. Clark
Secretary

Issued: April 1, 2016

CERTIFICATION OF RECORDS OF REGULARLY CONDUCTED ACTIVITY
Pursuant to 28 U.S.C. § 1746

1. I, _____, have personal knowledge of the facts set forth below and am competent to testify as follows:
2. I have authority to certify the authenticity of the records produced by SLAC, Inc. (the "Company") and attached hereto.
3. The documents produced and attached hereto by the Company are originals or true copies of records of regularly conducted activity that:
 - a) Were made at or near the time of the occurrence of the matters set forth by, or from information transmitted by, a person with knowledge of those matters;
 - b) Were kept in the course of the regularly conducted activity of the Company; and
 - c) Were made by the regularly conducted activity as a regular practice of the Company.

I certify under penalty of perjury that the foregoing is true and correct.

Date: _____

Signature

Exhibit B

May 31, 2017

Slac Inc

92860

Dear **Slac Inc**,

Thank you for choosing SLAC INC to assist you with the document processing of federal student loan debt consolidation. Based on the information you have provided to our company; we believe that you may qualify for one or more student loan assistance programs offered by the U.S. Department of Education. SLAC INC is a privately owned company that helps consumers like you identify programs that are most suitable to their needs. We then gather the relevant application documents and assist the consumer by preparing those documents for review and submission. SLAC INC is not affiliated with the U.S. Department of Education or any other academic or governmental entity.

Due to the importance of the documents we require to perform our services and so we may start working for you as soon as possible, please return the following documents to the SLAC INC intake department via fax, email, or mail. Be sure to retain a copy of all documents for your records.

SLAC INC Attn: Intake Department
1761 Third St. Suite 203, Norco, Ca, 92860
Email: intake@goslac.com Fax: 888.965.9825 Phone: 844.560.7522

To begin, we need the following information from you:

- Please carefully read the enclosed Agreement and make sure that all pages are signed and dated where indicated.
- Please provide your income documentation supporting the income listed on this Agreement in the form of your last filed tax return or your last 30 days' paystubs.

After you have provided your documents, please contact SLAC INC at (844) 560-7522 and speak to a Client Services Representative to verify all documentation has been received. If you have any questions, feel free to contact your Client Services Representative at (844) 560-7522.

Sincerely,

SLAC INC

Document Preparation and Service Agreement – Client Information

Section 1: Client Information		Client ID: 201609	Agreement Date: 5/31/2017		
Slac Inc		Phone:			
92860	Email: nkholder@goslac.com		Former Last Name:		
Section 2: Client's Estimated Summary of Current Federal Student Loans					
The basis of this summary is derived from the input of the Client and the DOE's student loan repayment calculator.					
Estimated Total Federal Loan Balance: \$					
Repayment Plan:					
Expected Term of Repayment (Months):					
*Estimated New Loan Payment: \$		New Loan Payment Validation Term: Annually			
Section 3: Required Paperwork Information					
Client SSN: 123-45-6789		Client DOB : 01/01/2017			
DL / ID Number & State: /		DOE PIN Code:			
Employer Name:					
StreetAddress:					
Employer Phone:					
Family Size:			Client Specified Tax Filing Status:		
Marital Status:		Client Specified Tax Filing Status:			
\$					
Spouse First Name:		Spouse Last Name:			
Spouse SSN:		Spouse DOB:			
Spouse Annual Income: \$		Client PSLF Candidate :			
References: 2 Persons with different addresses, PO Boxes are NOT acceptable, not residing in the same home (for example, a spouse) or anyone living outside the U.S.					
Name	Address	City	State	Phone	Relationship to Client
I confirm that the above information is true and correct to the best of my knowledge.					
Client Signature				Date	

Document Preparation and Service Agreement

SLAC INC provides document preparation services to assist consumers who are applying for Federal Student Loan Consolidation Services using Department of Education ("DOE") forms. SLAC INC is a private company, not affiliated with the DOE or any government agency, and for a fee SLAC INC will assist in assembly and submission of student loan consolidation documents on behalf of Client. SLAC INC is not a lender, a debt consolidation company, or a law firm, and does not provide any legal advice.

SLAC INC and Client do hereby understand, covenant and agree to the following:

1. Complete and Truthful Information. Client shall provide Complete and Truthful Information including but not limited to official documentation of income, employment status and any other information requested or needed in order to complete your application. SLAC INC will provide Client with an overview session reviewing Client's Federal Student Loan debts to assist Client in identifying programs that may be available to Client. Client expressly represents and warrants that Client will provide SLAC INC with information that is complete, accurate and true. SLAC INC reserves the right to terminate this Agreement and discontinue providing any services in the event Client breaches this contract in any way, including but not limited to the failure to provide truthful and accurate information regarding Client's annual gross income and family size, failure to respond to SLAC INC's efforts to communicate with Client via email, telephone, or regular mail or failure to provide documents requested by SLAC INC in a timely manner. In the event of such breach on the part of Client, Client agrees to indemnify, hold harmless, and release SLAC INC from any claims or obligations related to the services described in this Agreement.

2. Use of subcontractors. Client authorizes SLAC INC, in its sole discretion, to engage subcontractors to perform Services under this Agreement, provided such subcontractors are required to comply with the confidentiality and privacy provisions of this Agreement.

3. No Legal or Tax Advice, Credit Repair or Debt Relief Services: Client understands and acknowledges that SLAC INC does not provide any legal or tax advice. SLAC INC shall not be obligated under any circumstances to render any advice or take any action with respect to legal proceedings regarding Client's education loan obligations. I also understand and acknowledge that SLAC INC does not provide any form of credit repair services, credit score enhancement or debt relief.

4. Information Authorization. I hereby authorize SLAC INC to verify my past and present employment earnings records, family size information, and any additional information required to determine eligibility for Federal Student Loan Consolidation Programs. I further authorize SLAC INC to order a copy of my consumer credit report and verify my other student loan information. It is understood that a copy of this Agreement shall serve as my authorization for such requests. The information SLAC INC obtains shall only be used in the processing of my application for a Federal Student Loan Consolidation.

5. Important Limitation on Consumer Rights- Mandatory Arbitration Requirement- Please read carefully. In the event of any controversy, claim or dispute between the parties arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, conscionability or validity thereof, including any determination of the scope or applicability of this Agreement to arbitrate, shall be determined by arbitration conducted in the county where Client resides at the time of such dispute in accordance with the laws of the state where Client resides at the time of the dispute. The parties agree that the arbitration shall be administered by JAMS pursuant to its Streamlined Arbitration Rules & Procedures, which may be viewed at www.jamsadr.com or by calling JAMS customer service at 800-352-5267. A single neutral arbitrator shall be selected under the JAMS procedures. Any award rendered by the arbitrator shall be final and shall not be subject to vacation or modification. Judgment on the award made by the arbitrator may be entered in any court having jurisdiction over the parties. If either party refuses to comply with this Arbitration Provision or fails to comply with the arbitrator's award, the injured party may petition an appropriate court for enforcement. The parties agree that either party may bring claims against the other only in his/her or its individual capacity and not as a plaintiff or class member in any purported class or representative proceeding. Further, the parties agree that the arbitrator may not consolidate proceedings of more than one person's claims, and may not otherwise preside over any form of representative or class proceeding. The parties shall each pay their own costs of arbitration. In the event a party fails to proceed with arbitration, unsuccessfully challenges the

arbitrator's award, or fails to comply with the arbitrator's award, the other party shall be entitled to costs of suit, including its reasonable attorney's fee for having to compel arbitration or defend or enforce the award. **BINDING ARBITRATION MEANS THAT BOTH PARTIES GIVE UP THE RIGHT TO A TRIAL BY A JURY. IT ALSO MEANS THAT BOTH PARTIES GIVE UP THE RIGHT TO APPEAL FROM THE ARBITRATOR'S RULING EXCEPT FOR A NARROW RANGE OF ISSUES THAT CAN OR MAY BE APPEALED. IT ALSO MEANS THAT DISCOVERY MAY BE SEVERELY LIMITED BY THE ARBITRATOR.** This section and the arbitration requirement shall survive any termination. **OPT-OUT PROCESS:** You may choose to opt-out of this Arbitration Provision but only by following the process set-forth below. If you do not wish to be subject to this Arbitration Provision, then you must notify SLAC INC in writing within thirty (30) calendar days of the date of this Agreement at the following address: SLAC INC, Attn: Managing Member, 1761 Third St Suite 203, Norco, CA 92860. Your written notice must include your name, address, the date of this Agreement, and a signed statement that you wish to opt out of the Arbitration Provision. If you choose to opt out, then your choice will apply only to this Agreement.

6. Performance of Services. Once paperwork has been received, processing will begin. SLAC INC will always act promptly on Client's documents and program. Be advised that Federal Student Loan Consolidations prepared by SLAC INC rely on the relevant lenders to be processed, and SLAC INC cannot be held liable for any delayed processing by the servicer(s). The usual completion of a Federal Student Loan Consolidation through the DOE is usually approximately 45 to 60 days, but may take ninety (90) days or longer. SLAC INC solely prepares and provides documents for submission, and does not control the DOE application review or approval process.

7. Document Preparation Fees. The processing services provided by SLAC INC are divided into three phases.

1. Preliminary review and assistance
2. Documentation and preparation/submission of application
3. Receipt of submission approval and/or obtain servicer repayment plan

Our processing fees are earned as a percentage corresponding to the work completed at the conclusion of each of the three phases:

Phase 1: (50%) Preliminary review and assistance – interview with Client and verbal verification of necessary factors to effect a successful education loan consolidation and/or repayment plan including but not limited to family size determination, adjusted gross income, type of education loans to be consolidated, absence of disqualifying conditions based on Department of Education guidelines, and education loan default status.

Phase 1-2: (80%) Obtaining documentation, preparation and submission of application – collection of documents supporting verbal communication between Client and SLAC INC in phase 1, review of the information provided by Client, completion and submission of application forms required for the DOE program(s) selected by the Client. SLAC INC shall prepare and file with Client's lender(s) an application to initiate a Federal Education Loan Consolidation through the DOE on behalf of Client. SLAC INC will monitor the application progress and provide reasonable updates to Client.

Phase 1-3: (100%) Consolidation completion and/or obtain servicer repayment plan – obtain confirmation that the consolidation application or repayment application has been received by the Department of Education / student loan servicer. Provide DOE loan consolidation or repayment plan to Client for the loans submitted for consolidation and setup of ongoing monitoring to verify payoffs for selected loans, servicer login information obtainment, and student loan payoff verification.

8. Indemnification and Hold Harmless. Client hereby agrees to defend and hold harmless SLAC INC from and against any claims and liability of any nature whatsoever arising out of or in connection with Client's failure to timely provide requested information to SLAC INC, Client's lack of authority or ability to complete terms of this Agreement, and all other relating to Client's loans and other financial obligations. This section shall survive any termination of this Agreement.

9. Limitations on Damages. The Parties agree to be contractually bound to such limitation on any damages, and agree not to demand or attempt to recover any amount in excess of such. Client agrees that SLAC INC shall not be liable for any direct, indirect, incidental, special or consequential damages, arising from or relating to this Agreement or the services offered herein. Client further agrees that SLAC INC's liability under this Agreement and/or relating directly or indirectly to Client's participation in the Student Loan Consolidation Program or any alternative repayment program, under any theory of liability regarding any claim by the Client, shall be limited to the amount of the Fees paid by Client and received by SLAC

INC. Some jurisdictions do not allow the limitation or exclusion of liability for incidental or consequential damages, so some of the above limitations may not apply to you.

10. Cancellation and Termination Policies. Client may cancel this Agreement at any time within ten (10) business days of the date the Agreement is signed by Client by providing written notice to SLAC INC or using the Notice of Right to Cancel form accompanying this Agreement (see attached Notice of Right to Cancel for additional information). Thereafter, Client or SLAC INC may terminate this Agreement at any time by providing written notice to the other. Client must notify its financial institution or SLAC INC orally or in writing at least three (3) business days prior to Client's next debit date to avoid that debit transaction from occurring. Upon termination of this Agreement by either party, SLAC INC will discontinue charging or debiting any further fees.

11. Refund Policy. If SLAC INC prepares and submits a loan consolidation or alternative repayment plan application for Client, and Client is not approved for a Federal Student Loan Consolidation or alternative repayment plan after reasonable efforts by the parties, then SLAC INC will reimburse Client's Document Preparation Fee, subject to the conditions that Client fully cooperates with and is honest and timely in providing all information requested by SLAC INC, the DOE and/or its servicer(s).

12. Entire Agreement. By virtue of Client's signature below, Client acknowledges that he/she has read, understands and agrees to every term, covenant and condition of this Agreement and that he/she has received a true and complete copy hereof, effective on the date below. This Agreement constitutes the entire Agreement between the parties and there is no other collateral agreement (oral or written) between the parties in any manner relating to the subject matter of this Agreement. If any portion of this Agreement is held to be invalid or unenforceable, the remaining provisions shall remain in effect. The parties mutually understand and agree that a facsimile copy signature or an electronic signature on this Agreement shall be deemed an original for any purpose.

13. Legal Authorization Form. This form will serve to acknowledge that Client has authorized our company, SLAC INC to act on their behalf to apply for consolidation of their Federal Student Loans and/or other repayment plan through the DOE and its services and/or lenders.

14. DOE Forbearance. If Client is approved for the Federal Student Loan Consolidation or other alternative repayment plan, Client may be eligible for the DOE's forbearance program, which may allow a delay of up to ninety (90) days before Client's payments under their new consolidated loan or repayment plan will be due. Interest on Client's loan(s) will continue to accrue during any forbearance period. Client must confirm their eligibility for such forbearance with the DOE. If you have any questions regarding this or any of our services, please contact SLAC INC at the number shown at the beginning of this Agreement.

15. Authorization/Consent for Methods and Recording of Communications. This confirms your authorization and consent for SLAC INC, its agents, representatives, affiliates, marketing associates and/or outside service providers to communicate with you (including using robocalls, autodialers or SMS texts) by telephone, cellular phone, email or text message, and that you consent and authorize the above persons and entities to monitor and/or record any of your telephone, cellular phone or other communications with them. This also confirms that, in the course of providing the Services on your behalf, private information about you may be transmitted over the Internet and that you accept the risk that such data may be accessed by someone other than the intended recipient. You may revoke this authorization at any time, but it shall remain in effect until you notify SLAC INC in writing that this authorization is revoked. You further agree that SLAC INC shall not be liable for any damages incurred as a result of any interception by a third party of an e-mail transmission sent by or on behalf of SLAC INC pursuant to this authorization. This section shall survive the termination of this Agreement by either party.

16. **SLAC INC Disclosures.** The following disclosures are important for Client to understand and acknowledge prior to signing this Agreement.

PLEASE CAREFULLY READ AND CONFIRM YOUR AGREEMENT TO EACH OF THE FOLLOWING DISCLOSURES:

- A. SLAC INC IS NOT AFFILIATED AND HAS NO SPECIAL RELATIONSHIP WITH THE DEPARTMENT OF EDUCATION OR ANY ACADEMIC OR GOVERNMENT ENTITY.
- B. CLIENT CAN APPLY FOR LOAN CONSOLIDATION OR OTHER REPAYMENT ALTERNATIVES AT NO COST THROUGH THE DOE (WWW.STUDENTAID.ED.GOV).
- C. CLIENT UNDERSTANDS THAT SLAC INC DOES NOT MAKE ANY STUDENT LOAN PAYMENTS ON BEHALF OF CLIENT.
- D. CLIENT UNDERSTANDS THAT THE DOCUMENT PREPARATION FEE PAID TO SLAC INC DOES NOT GO TOWARDS CLIENT'S STUDENT LOAN PAYMENTS.
- E. SLAC INC DOES NOT REPAIR CLIENT'S CREDIT NOR DOES IT CLAIM THAT STUDENT LOAN CONSOLIDATION WILL FAVORABLY IMPACT CLIENT'S CREDIT RATING OR CREDIT HISTORY.
- F. THE ESTIMATED MONTHLY PAYMENT PROVIDED IN THIS DOCUMENT IS AN ESTIMATE BASED UPON PUBLICALLY-AVAILABLE DEPARTMENT OF EDUCATION GUIDELINES AND INFORMATION AND IS DEPENDENT UPON THE ACCURACY OF THE INFORMATION PROVIDED BY CLIENT REGARDING CLIENT'S INCOME, FAMILY SIZE, AND OTHER FACTORS, SUPPORTED BY THE NECESSARY DOCUMENTATION PROVIDED TO SLAC INC BY CLIENT.
- G. NO ONE HAS ADVISED CLIENT TO FOREGO MAKING ANY STUDENT LOAN PAYMENTS AND DURING THIS PROCESS CLIENT IS RESPONSIBLE FOR MAKING ANY STUDENT LOAN PAYMENTS DUE.
- H. CLIENT'S FAILURE TO MAKE STUDENT LOAN PAYMENTS WILL LIKELY ADVERSELY AFFECT YOUR CREDITWORTHINESS, MAY RESULT IN COLLECTIONS OR LAWSUITS BY CREDITORS OR DEBT COLLECTORS AND MAY INCREASE THE AMOUNT OF MONEY YOU OWE DUE TO THE ACCRUAL OF FEES, PENALTIES AND INTEREST.
- I. NO GUARANTEES CONCERNING THE SUCCESS OF THE STUDENT LOAN CONSOLIDATION HAVE BEEN MADE TO CLIENT AND CLIENT UNDERSTANDS THAT A POSITIVE OUTCOME IS NOT GUARANTEED.
- J. THE PROGRAM HAS BEEN EXPLAINED IN FULL TO CLIENT TO CLIENT'S SATISFACTION.
- K. ANY FORGIVEN LOAN AMOUNT OVER \$600 MAY BE TREATED AS TAXABLE INCOME AT THE TIME OF FORGIVENESS. SLAC INC ADVISES CLIENT TO CONSULT WITH A TAX PROFESSIONAL.

I HAVE READ, UNDERSTAND AND ACKNOWLEDGE ALL OF THE ABOVE DISCLOSURES.

Client Signature

Date

NOTICE TO CONSUMER: DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT. YOU MUST BE GIVEN A COPY OF THIS AGREEMENT.

IF YOU, THE BUYER, HAVE BEEN DENIED CREDIT WITHIN THE LAST 60 DAYS, YOU MAY OBTAIN A FREE COPY OF THE CONSUMER CREDIT REPORT FROM THE CONSUMER REPORTING AGENCY. YOU ALSO HAVE THE RIGHT TO DISPUTE INACCURATE INFORMATION IN A REPORT.

YOU, THE BUYER, MAY CANCEL THIS CONTRACT AT ANY TIME PRIOR TO MIDNIGHT OF THE TENTH BUSINESS DAY AFTER THE DATE OF THE TRANSACTION. SEE ATTACHED "NOTICE OF RIGHT TO CANCEL" FORM FOR AN EXPLANATION OF THIS RIGHT.

YOU ARE NOT OBLIGATED TO PAY ANY MONEY UNLESS YOU SIGN THIS CONTRACT AND RETURN IT TO THE SELLER.

I HAVE READ, UNDERSTAND AND AGREE TO ALL TERMS OF THIS AGREEMENT, INCLUDING MY AGREEMENT TO ARBITRATE ANY DISPUTES, MY WAIVER OF MY RIGHT TO A COURT OR JURY TRIAL AND MY WAIVER OF MY RIGHT TO BRING OR PARTICIPATE IN ANY CLASS ACTION AGAINST COMPANY OR RELATING TO THIS AGREEMENT.

Client Signature

Slac Inc

Printed Name

Date