STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of: STUDENT RENEWAL PLUS INC. and NEXUM SOLUTIONS INC., Respondents.	Case No. DM-19-0134 FINAL ORDER TO CEASE AND DESIST AND FINAL ORDER ASSESSING CIVIL PENALTIES, ENTERED BY DEFAULT

On April 16, 2020, the Director of the Department of Consumer and Business Services for the State of Oregon (the "Director"), through the Oregon Division of Financial Regulation (the "Division"), properly served Respondents, Student Renewal Plus Inc. ("SRP") and Nexum Solutions Inc. ("Nexum"), an Order to Cease and Desist, Proposed Order Assessing Civil Penalties, and Notice of Right to a Hearing ("Notice Order") via regular and certified United States mail at their respective last known business address and other known associated addresses.

On May 11, 2020, pursuant to ORS 60.731(2)(c) and (e), the Director, through the Division, served a true copy of the Notice Order via regular and certified United States mail on the Oregon Secretary of State as an agent for Respondents at 255 Capitol Street NE, Ste 151, Salem, OR 97310.

The Notice Order offered Respondents an opportunity for a hearing, if requested in writing within 20 days of the date of service. The Notice Order further informed Respondents that if a hearing was not conducted because the company did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file, which includes all materials Respondents submitted, would automatically become part of the contested case record to prove a *prima facie* case. Respondents have not made a written request for a contested hearing, and the time to do so has expired.

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

After considering the relevant portions of the Division's file in this matter, the Director finds that the record proves a *prima facie* case.

FINDINGS OF FACT

The Director FINDS that:

1. SRP, a California corporation, is a document preparation company with a last known business address of 1015 E. Imperial Highway, Ste C13, Brea, California 92821.

2. Nexum, also a California corporation, is a subsidiary of SRP with a last known business address 1015 E. Imperial Highway, Ste E8, Brea, California 92821.

3. The registered agent for both companies is David Hernandez.

4. For a fee, SRP assists borrowers in preparing their application to the various student loan repayment, consolidation, and forgiveness programs of the U.S. Department of Education ("DOE"). Borrowers, however, may apply to these programs for free.

5. Nexum oversees each borrower's account with SRP and provides administrative support to the borrower.

6. Respondents have never been registered with the Oregon Secretary of State to conduct business in Oregon nor registered with the Director, through the Oregon Division of Financial Regulation (the "Division"), as debt management service providers ("DMSPs").

7. On or about April 10, 2019, DJ, an Oregon resident, hired Respondents to prepare her application to the DOE's Revised Pay As You Earn Repayment Plan ("REPAYE Plan") by signing Respondents' Student Service Plan Enrollment Agreement ("Agreement").

8. For their services, Respondents charged DJ a fee of $838, which she paid in two installments of $399.50 and one installment of $39.

9. Respondents did not provide DJ the agreed upon services and failed to return her telephone calls.

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

10. In May 2019, the Division began investigating Respondents and requested certain information from them. Respondents failed to respond.

11. The California Franchise Tax Board has suspended SRP for failure to meet tax requirements.

12. Nexum was dissolved in October 2019.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

13. By offering to prepare DJ's application to the DOE's REPAYE Plan for a fee, Respondents offered to modify the terms and conditions of an existing loan from or obligation to a third party.

14. By offering to modify the terms and conditions of an existing loan from or obligation to a third party, Respondents performed a debt management service as defined in ORS 697.602(2)(c).

15. By performing a debt management service without being registered with the Division as a DMSP, Respondents violated ORS 697.612(1)(a).

16. By representing to DJ that Respondents would prepare her REPAYE Plan application and then failing to do so, Respondents made an untrue or misleading statement, in violation of ORS 697.662(1).

17. By charging DJ a fee over $50 before performing any services, Respondents violated ORS 697.692(1)(a), which limits the initial fee a DMSP can charge to $50.

18. Because the Director has reason to believe that Respondents violated ORS 697.612(1)(a), ORS 697.662(1), and ORS 697.692(1)(a), the Director is authorized under ORS 697.825(1)(a) to order Respondents to cease and desist from violating these statutes.

//

//

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

ORDER

Now therefore, the Director issues the following ORDER:

19. As authorized by ORS 697.825(1)(a), the Director hereby ORDERS Respondents to CEASE AND DESIST from violating ORS 697.612(1)(a), ORS 697.662(1), and ORS 697.692(1)(a).

20. As authorized by ORS 697.832(1), the Director ORDERS Respondents to pay $15,000 in CIVIL PENALTIES, allocated as follows:

A. $5,000 for violating ORS 697.612(1)(a);

B. $5,000 for violating ORS 697.662(1); and

C. $5,000 for violating ORS 697.692(1)(a).

21. This is a "Final Order" under ORS 183.310(6)(b). Subject to this provision, the entry of this Order does not limit further remedies that may be available to the Director under Oregon law.

SO ORDERED this 2nd day of June, 2020.

ANDREW R. STOLFI, Acting Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

NOTICE OF RIGHT TO A JUDICIAL APPEAL

Except as provided in ORS 697.825(2)(e), you may be entitled to judicial review of this Order under ORS 183.482. You may request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date this Order is served.