

**UNITED STATES OF AMERICA  
CONSUMER FINANCIAL PROTECTION BUREAU**

ADMINISTRATIVE PROCEEDING  
File No. 2024-CFPB-0003

In the Matter of:

Western Benefits Group, LLC

**CONSENT ORDER**

The Consumer Financial Protection Bureau (Bureau) has reviewed the student-loan Debt Relief Services offered and provided by Western Benefits Group, LLC (WBG) and has identified the following law violations:

(1) Respondent engaged in deceptive acts and practices in the marketing, sale, and administration of Debt Relief Services (as defined below) in violation of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531(a), 5536(a)(1)(B); (2) Respondent engaged in deceptive telemarketing practices in violation of the Telemarketing Sales Rule (TSR), 16 C.F.R. § 310.3(a)(2)(iii) and (a)(2)(x); and (3) Respondent received Advance Fees for Debt Relief Services (as defined below) in violation of the TSR, 16 C.F.R. § 310.4(a)(5)(i). Under §§ 1053

and 1055 of the CFPB, 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order.

**I.**

**Jurisdiction**

1. The Bureau has jurisdiction over this matter under (a) Sections 1053 and 1055 of the CFPB, 12 U.S.C. §§ 5563 and 5565; and (b) Section 6 of the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6105(d).

**II.**

**Stipulation**

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated May 13, 2024 (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau under §§ 1053 and 1055 of the CFPB, 12 U.S.C. §§ 5563, 5565, without admitting or denying any of the findings of fact or conclusions of law, except that Respondent admits the facts necessary to establish the Bureau’s jurisdiction over Respondent and the subject matter of this action.

### III.

#### Definitions

3. The following definitions apply to this Consent Order:
  - a. “Advance Fee” means any fee or consideration requested or received for any Debt Relief Service before:
    1. the seller or telemarketer has renegotiated, settled, reduced, or otherwise altered the terms of at least one debt under a settlement agreement, debt-management plan, or other such valid contractual agreement executed by the customer;
    2. the customer has made at least one payment under that settlement agreement, debt-management plan, or other valid contractual agreement between the customer and the creditor or debt collector; and
    3. to the extent that debts enrolled in a service are renegotiated, settled, reduced, or otherwise altered individually, the fee or consideration either:
      - i. bears the same proportional relationship to the total fee for renegotiating, settling, reducing, or altering the terms of the entire debt balance as the individual debt amount bears to the entire debt amount; and the individual debt

amount and the entire debt amount are those owed at the time the debt was enrolled in the service; or

- ii. is a percentage of the amount saved as a result of the renegotiation, settlement, reduction, or alteration. The percentage charged cannot change from one individual debt to another. The amount saved is the difference between the amount owed at the time the debt was enrolled in the service and the amount actually paid to satisfy the debt.
- b. “Affected Consumers” includes any consumer who paid Advance Fees to WBG from January 1, 2016, through the Effective Date.
- c. “Assisting Others” includes, but is not limited to:
- i. consulting in any form whatsoever;
  - ii. providing paralegal or administrative support services;
  - iii. performing customer-service functions, including but not limited to receiving or responding to consumer complaints or running a call center to enroll consumers;
  - iv. formulating or providing, or arranging for the formulation or provision of any advertising or marketing material;
  - v. providing names of, or assisting in the generation of,

- potential customers;
- vi. performing marketing, billing, or payment services of any kind; and
  - vii. acting or serving as an owner, officer, director, manager, or principal of any entity.
- d. “Debt Relief Service” means any program or service 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.
- e. “Effective Date” means the date on which the Consent Order is entered on the administrative docket.
- f. “Enforcement Director” means the Assistant Director of the Office of Enforcement for the Consumer Financial Protection Bureau, or his or her delegate.
- g. “Related Consumer Action” means a private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against Respondent based on substantially the same facts as described in Section IV of this Consent Order.

- h. “Relevant Period” includes from January 1, 2016 through the Effective Date.
- i. “Respondent” means Western Benefits Group, LLC (WBG) and its successors and assigns.

#### **IV.**

### **Bureau Findings and Conclusions**

The Bureau finds the following:

- 4. Respondent is headquartered in Pleasanton, California and offered Debt Relief Services.
- 5. Respondent is a “covered person” as that term is defined by 12 U.S.C. § 5481(6) because it engaged in the offering and sale of financial advisory services. 12 U.S.C. § 5481(15)(A)(viii).
- 6. Respondent is a telemarketer and seller within the meaning of the TSR.
- 7. In January 2016, Respondent began to market, sell, and administer student-loan Debt Relief Services to consumers.
- 8. During the Relevant Period, Respondent marketed its Debt Relief Services through inbound interstate telemarketing.
- 9. Respondent employed lead generators to generate its inbound telemarketing calls. Those lead generators marketed student-loan Debt Relief Services to

consumers through email marketing campaigns and web campaigns using the website “<https://www.studentdebtrelief.us>”.

10. During the Relevant Period, consumers who agreed to enroll in Respondent’s Debt Relief Services were charged what Respondent called “First Work Fees” of \$99.95 to \$159.95 as well as a \$35 per month fee.
11. Respondent’s unlawful marketing and selling of Debt Relief Services during the Relevant Period caused 5,970 Affected Consumers harm in the amount of the total fees they paid, less any refunds, totaling \$974,590.

**Findings and Conclusions as to Respondent’s  
Misrepresentations about its Debt Relief Services**

12. Respondent’s marketing during the Relevant Period implied that it was endorsed, sponsored, or affiliated with the United States Department of Education. For example, one consumer complained that Respondent’s sales agent “claimed the company had been contracted to help assist and educate folks about the new Obama programs for student loan forgiveness and payment reduction.” Another consumer complained “this company is the most unscrupulous and dishonest I have ever deal with . . . they pretend to be associated with the student loan program and with [ED] but neither is true.”
13. Respondent was not, and is not, endorsed, sponsored, or affiliated with the Department of Education.

14. During the Relevant Period, Respondent represented to consumers that fees paid by consumers to Respondent for its Debt Relief Services would be applied towards paying off the consumers' student loans.
15. In fact, fees paid by consumers to Respondent for its Debt Relief Services were not used to pay off the consumers' student loans.
16. During the Relevant Period, Respondent represented to consumers that it would help consumers consolidate their loans, would help lower consumers' monthly student-loan payments, or would help consumers achieve loan forgiveness.
17. In many instances, however, Respondent did not help consumers consolidate their loans and did not help consumers lower their monthly student-loan payments or achieve loan forgiveness.
18. Respondent's representations described in Paragraphs 12-17 were likely to mislead consumers acting reasonably and were material. Thus, Respondent's representations constitute deceptive acts or practices in violation of sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).
19. Section 310.3(a)(2)(x) of the TSR states that it is a deceptive telemarketing practice for any seller or telemarketer to misrepresent, directly or by implication, any material aspect of any Debt Relief



Service, including but not limited to, the amount of money or the percentage of the debt amount that a consumer may save by using such service. Section 310.3(a)(2)(iii) of the TSR prohibits sellers or telemarketers from misrepresenting, directly or by implication, “[a]ny material aspect of the performance, efficacy, nature, or central characteristics of goods or services that are the subject of a sales offer.”

20. Respondent’s representations described in Paragraphs 12-17 misrepresented material aspects of a Debt Relief Service, namely that Respondent was endorsed, sponsored, or affiliated with the Department of Education and that its services would help consumers consolidate their student loans, would help lower consumers’ monthly student-loan payments, or would help consumers achieve loan forgiveness, and therefore violate the TSR, 16 C.F.R. § 310.3(a)(2)(vii) and (x).
21. Respondent’s representations described in Paragraphs 12-17 misrepresented material aspects of the performance, efficacy and nature of its services, namely that it was endorsed, sponsored, or affiliated with the Department of Education and that its services would help consumers consolidate their student loans, would help lower consumers’ monthly student-loan payments, or would help consumers achieve loan forgiveness, and therefore violate the TSR, 16 C.F.R. § 310.3(a)(2)(iii).

### **Findings and Conclusions as to Respondent's Charging of Advance Fees**

22. Consumers who enrolled with Respondent were required to sign a contract that required them to pay its fees in four installments.
23. Consumers were required to pay these fees regardless of whether Respondent had achieved any results on their behalf.
24. For example, Respondent charged \$99 to \$199 for preparing and submitting a forbearance application to the Department of Education (ED) on a consumer's behalf and collected monthly fees from consumers who enrolled for its services.
25. Respondent collected these fees before renegotiating, settling, reducing, or otherwise altering the terms of at least one of the consumer's debts and before a consumer had made at least one payment on such altered debt.
26. Section 310.4(a)(5) of the TSR prohibits telemarketers or sellers of Debt Relief Services from requesting or receiving payment of Advance Fees.
27. As described in Paragraphs 22-26, Respondent violated the TSR during the Relevant Period by requesting or receiving unlawful Advance Fees, 16 C.F.R. § 310.4(a)(5).

**ORDER**

**V.**

**CONDUCT PROVISIONS**

**IT IS ORDERED**, under §§ 1053 and 1055 of the CFPA, that:

28. Respondent and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, may not violate sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531 and 5536 or the TSR, 16 C.F.R. pt. 310.
29. All agreements related to Respondent's student-loan Debt Relief Services entered into through the Effective Date of this Consent Order between any consumer and Respondent are rescinded and shall be null and void effective immediately.
30. Respondent and its officers, agents, directors, and employees, whether acting directly or indirectly, shall immediately cease assessing any fees and collecting or attempting to collect any fees from consumers under the agreements described in the preceding Paragraph.
31. Within 45 days of the Effective Date, Respondent shall permanently cease all operations, including all operations by which Respondent markets, offers, provides, administers, or sells Debt Relief Services.

32. Respondent, whether acting directly or indirectly, is permanently restrained from:

- a) advertising, marketing, promoting, offering for sale, or selling Debt Relief Services, or Assisting Others in the advertising, marketing, promoting, offering for sale, or selling of Debt Relief Services; or
- b) receiving any remuneration or other consideration from, holding any ownership interest in, providing services to, or working in any capacity for any person engaged in or Assisting Others in the advertising, marketing, promoting, offering for sale, or selling Debt Relief Services.

Nothing in this Consent Order shall be read as an exception to this Paragraph.

## VI.

### **Order to Pay Civil Money Penalty**

**IT IS FURTHER ORDERED** that:

33. Under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Consent Order, and taking into account the factors in 12 U.S.C. § 5565(c)(3), Respondent must pay a civil money penalty of \$400,000 to the Bureau.

34. Within 10 days of the Effective Date, Respondent must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.
35. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by § 1017(d) of the CFPA, 12 U.S.C. § 5497(d).
36. Respondent must treat the civil money penalty paid under this Consent Order as a penalty paid to the government. Regardless of how the Bureau ultimately uses those funds, Respondent may not:
  - a. claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or
  - b. seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.
37. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Respondent may not argue that Respondent is entitled to, nor may Respondent benefit by, any offset or reduction of any compensatory monetary remedies imposed in the Related Consumer

Action because of the civil money penalty paid in this action or because of any payment that the Bureau makes from the Civil Penalty Fund. If the court in any Related Consumer Action offsets or otherwise reduces the amount of compensatory monetary remedies imposed against Respondent based on the civil money penalty paid in this action or based on any payment that the Bureau makes from the Civil Penalty Fund, Respondent must, within 30 days after entry of a final order granting such offset or reduction, notify the Bureau, and pay the amount of the offset or reduction to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

## **VII.**

### **Effect of Misrepresentation or Omission Regarding Financial Condition**

**IT IS FURTHER ORDERED** that:

38. The Bureau's agreement to issue this Consent Order and the civil money penalty imposed in Section VI is expressly premised on the truthfulness, accuracy, and completeness of Respondent's sworn financial statement submitted to the Bureau on October 21, 2020, and a sworn declaration submitted to the Bureau on March 26, 2024. According to the declaration, Western Benefits Group, LLC ceased all operations in March 2023.

Respondent asserts its sworn statements are truthful, accurate, and complete.

39. If Respondent has failed to disclose any material asset or if its sworn statements contain any material misrepresentation or omission, then, by reason of the violations of law described in Section IV of this Consent Order, and taking into account the factors in 12 U.S.C. § 5565(c)(3), Respondent will be required to pay an additional civil money penalty of \$5,000,000, which is the amount of the discount provided to account for Respondent's inability to pay a greater amount in determining the civil money penalty imposed in Section VI. The Bureau can seek to enforce this order for an additional civil money penalty as immediately due and payable in any Federal district court for a district in which Respondent is located or resides or is doing business this order.

## **VIII.**

### **Additional Monetary Provisions**

**IT IS FURTHER ORDERED** that:

40. In the event of any default on Respondent's obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts not paid from the date

of default to the date of payment, and will immediately become due and payable.

41. Respondent must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Respondent.
42. Under 31 U.S.C. § 7701, Respondent, unless it has already have done so, must furnish to the Bureau its taxpayer-identification numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.
43. Within 30 days of the entry of a final judgment, consent order, or settlement in a Related Consumer Action, Respondent must notify the Enforcement Director of the final judgment, consent order, or settlement in writing. That notification must indicate the amount of redress, if any, that Respondent paid or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.



## COMPLIANCE PROVISIONS

### IX.

#### Reporting Requirements

**IT IS FURTHER ORDERED** that:

44. Respondent must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against Respondent; or a change in Respondent's name or address. Respondent must provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.
45. Within 7 days of the Effective Date, Respondent must:
  - a. designate at least one telephone number and email, physical, and postal addresses as points of contact that the Bureau may use to communicate with Respondent;

- b. identify all businesses for which Respondent is the majority owner, or that Respondent directly or indirectly controls, by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; and
  - c. describe the activities of each such business, including the products and services offered, and the means of advertising, marketing, and sales.
- 46. Respondent must report any change in the information required to be submitted under Paragraph 45 at least 30 days before the change or as soon as practicable after the learning about the change, whichever is sooner.

**X.**

**Order Distribution and Acknowledgment**

**IT IS FURTHER ORDERED** that:

- 47. Within 7 days of the Effective Date, Respondent must submit to the Enforcement Director an acknowledgment of receipt of this Consent Order, sworn under penalty of perjury.

## **XI.**

### **Recordkeeping**

**IT IS FURTHER ORDERED** that:

48. Respondent must create and retain the following business records:
  - a. all documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau.

## **XII.**

### **Notices**

**IT IS FURTHER ORDERED** that:

49. Unless otherwise directed in writing by the Bureau, Respondent must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, “*In re Western Benefits Group, LLC*, File No. 2024-CFPB-0003,” and send them by overnight courier or first-class mail to the below address and contemporaneously by email to Enforcement\_Compliance@cfpb.gov:

Assistant Director for Enforcement  
Consumer Financial Protection Bureau  
ATTENTION: Office of Enforcement  
1700 G Street, N.W.  
Washington D.C. 20552

**XIII.**  
**Cooperation with the Bureau**

**IT IS FURTHER ORDERED** that:

50. Respondent must cooperate fully to help the Bureau determine the identity and location of, and the amount of injury sustained by, each Affected Consumer. Respondent must provide such information in its or its agents' possession or control within 14 days of receiving a written request from the Bureau.
51. Respondent must cooperate fully with the Bureau in this matter and in any investigation related to or associated with the conduct described in Section IV. Respondent must provide truthful and complete information, evidence, and testimony.

**XIV.**  
**Compliance Monitoring**

**IT IS FURTHER ORDERED** that:

52. Within 14 days of receipt of a written request from the Bureau, Respondent must produce any requested information, which must be made under penalty of perjury; provide sworn testimony; or produce documents.

53. For purposes of this Section, the Bureau may communicate directly with Respondent, unless Respondent retains counsel related to these communications.
54. Respondent must permit Bureau representatives to interview any employee or other person affiliated with Respondent who has agreed to such an interview regarding: (a) this matter; (b) anything related to or associated with the conduct described in Section IV; or (c) compliance with the Consent Order. The person interviewed may have counsel present.
55. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

## **XV.**

### **Modifications to Non-Material Requirements**

#### **IT IS FURTHER ORDERED** that:

56. Respondent may seek a modification to non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Enforcement Director.

57. The Enforcement Director may, in his or her discretion, modify any non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) if he or she determines good cause justifies the modification. Any such modification by the Enforcement Director must be in writing.

## **ADMINISTRATIVE PROVISIONS**

### **XVI.**

#### **IT IS FURTHER ORDERED** that:

58. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau from taking any other action against Respondent, except as described in Paragraph 59. Further, for the avoidance of doubt, the provisions of this Consent Order do not bar, estop, or otherwise prevent any other person or governmental agency from taking any action against Respondent.
59. The Bureau releases and discharges Respondent from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described

in this Consent Order in future enforcement actions against Respondent and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.

60. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under § 1053 of the CFPA, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.
61. Except where this Consent Order expressly provides that its requirements are permanent, all other provisions of this Consent Order will terminate on the later of 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Respondent, if such action is initiated within 5 years of the Effective Date. If such action is dismissed or the relevant adjudicative body rules that Respondent did not violate any provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Consent Order will terminate as though the action had

never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

62. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
63. Should Respondent seek to transfer or assign all or part of its operations that are subject to this Consent Order, Respondent must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.
64. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may impose the maximum amount of civil money penalties allowed under §1055(c) of the CFPA, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondent wherever Respondent may be found and Respondent may not contest that court's personal jurisdiction over Respondent.
65. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in



this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.

66. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondent, its officers, or employees to violate any law, rule, or regulation.

**IT IS SO ORDERED**, this 20th day of May, 2024.

*Rohit Chopra*

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Rohit Chopra  
Director  
Consumer Financial Protection Bureau