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**FEDERAL TRADE COMMISSION**  
PROTECTING AMERICA'S CONSUMERS

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# FTC Settlements Will Ban Student Loan Debt Relief Operators From Engaging in Debt Relief Services

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FOR RELEASE

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The operators of two Florida-based student loan debt relief schemes are banned from the debt relief business as part of agreements settling Federal Trade Commission allegations that they collected illegal upfront fees and falsely promised to help some consumers enroll in government programs that would reduce or forgive their student loan debt.

The settlements with Student Debt Doctor (SDD) and American Student Loan Consolidators (ASLC) are part of [Operation Game of Loans](#), a coordinated federal-state law enforcement initiative targeting deceptive student loan debt relief schemes first announced by the FTC in October 2017.

“People struggling to repay student debt should know that an offer of debt relief with an upfront fee is likely to be a scam, and they should alert the FTC,” said Andrew Smith, Director of the agency’s Bureau of Consumer Protection.

## **Student Debt Doctor**

On October 3, 2017, [a federal district court issued a temporary restraining order](#) against the SDD defendants, halting their deceptive student loan debt relief practices and freezing their assets. The [court later entered a preliminary injunction](#) that continued the asset freeze.

The settlement with SDD resolves FTC allegations that it illegally collected at least \$7 million from consumers struggling to pay student loan debt.

The settlement also prohibits the defendants from making misrepresentations related to financial products or services. It includes a partially suspended \$13 million judgment and requires the defendants to pay approximately \$2.2 million.

The Commission vote approving the stipulated final order in the SDD case was 5-0. The U.S. District Court for the Southern District of Florida entered the order on November 30, 2018.

### **American Student Loan Consolidators**

On September 26, 2017, a federal district court issued a temporary restraining order halting the ASLC defendants' allegedly deceptive student loan debt relief practices. The court later entered a preliminary injunction that continued the asset freeze.

According to the FTC's complaint, the ASLC operators pretended to be affiliated with the U.S. Department of Education or with consumers' loan servicers, and tricked consumers into believing that illegal upfront fees of up to \$899 were being used to pay off their student loans.

The FTC alleged that the defendants collected at least \$23 million from student loan borrowers by falsely promising loan forgiveness, lowered monthly payments, and reduced interest rates.

The FTC also has obtained a settlement with ASLC (also d/b/a ASLC Processing); BBND Marketing, LLC (also d/b/a United Processing Center, United SL Processing, and United Student Loan Processing); and principals, Daniel Upbin and Patrick O'Deady.

The settlement imposes a partially suspended judgment of \$23 million and requires the defendants to pay approximately \$1.3 million, including turning over assets that would not be collectible in litigation.

The Commission vote approving the stipulated final order in the ASLC case was 5-0. The U.S. District Court for the Southern District of Florida entered the order on November 30, 2018.

The Federal Trade Commission works to promote competition, and protect and educate consumers. You can learn more about consumer topics and file a consumer complaint online or by calling 1-877-FTC-HELP (382-4357). Like the FTC on Facebook, follow us on Twitter, read our blogs, and subscribe to press releases for the latest FTC news and resources.

## **Contact Information**

### **CONTACT FOR CONSUMERS:**

Consumer Response Center  
877-382-4357

### **MEDIA CONTACT:**

Nicole Jones  
*Office of Public Affairs*  
202-326-2565

**STAFF CONTACTS:**

**Student Debt Doctor**

Hans Clausen

*FTC Southeast Region*

404-656-1361

**American Student Loan Consolidators**

Harold Kirtz

*FTC Southeast Region*

404-656-1357



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