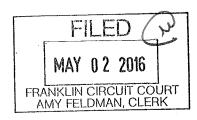
COMMONWEALTH OF KENTUCKY FRANKLIN CIRCUIT COURT DIVISION <u>F</u> CIVIL ACTION NO. 16-CI-<u>474</u>



COMMONWEALTH OF KENTUCKY ex rel. ANDY BESHEAR, ATTORNEY GENERAL

Office of Consumer Protection 1024 Capital Center Drive, # 200 Frankfort, Kentucky 40601 **PLAINTIFF**

٧.

LIBERTY TAX AND STUDENT LOAN DEFENSE A/K/A FREEDOM STUDENT AND TAX DEFENSE, LLC

DEFENDANT

Serve:

(Kentucky Secretary of State) Office of the Secretary of State Summonses Branch 700 Capital Avenue, Suite 86 Frankfort, KY 40601

OR

(Principal Office)
Liberty Tax and Student Loan Defense
a/k/a Freedom Student and Tax Defense, LLC
Attn: David Katz, or Any Officer, Managing Agent,
or Agent for Service of Process
2637 East Atlantic Blvd, # 24940
Pompano Beach, FL 33062

AND

DAVID KATZ, individually, and d/b/a Liberty Tax and Student Loan Defense a/k/a Freedom Student and Tax Defense, LLC

DEFENDANT

Serve:

(Kentucky Secretary of State)
Office of the Secretary of State
Summonses Branch
700 Capital Avenue, Suite 86
Frankfort, KY 40601

OR

David Katz, individually, and d/b/a Liberty Tax and Student Loan Defense a/k/a Freedom Student & Tax Defense, LLC 130 NW 117th Terrace Plantation, FL 33325

*** *** *** *** *** *** ***

For its Complaint against Defendants, the Plaintiff, Commonwealth of Kentucky, ex rel. Andy Beshear, Attorney General, states as follows:

PARTIES, JURISDICTION, AND VENUE

- 1. Andy Beshear is the duly elected Attorney General of the Commonwealth of Kentucky and is responsible for the enforcement and administration of Kentucky law, including but not limited to the Consumer Protection Act, KRS 367.110 et seq., and the debt adjusting statutes in KRS 380.010 et. seq., and is authorized by KRS 367.290 and KRS 380.990 to bring this action in the name of the Commonwealth of Kentucky in a Circuit Court to seek an injunction and other relief.
- 2. Defendant, Liberty Tax and Student Loan Defense is a business also known as Freedom Student and Tax Defense LLC, an active for-profit corporation headquartered in Florida. According to publicly available information on the website of the Florida Department of State, Division of Corporations, Liberty Tax and Student Loan Defense is a former name of Freedom Student and Tax Defense LLC, its principal office is located at 2637 East Atlantic Boulevard, #24940, Pompano Beach, FL 33062, and its registered agent is Tara Javid, 10 Aragon Ave. #1102, Coral Gables, FL 33143. Hereinafter, this Defendant is sometimes referred to as "LTSD".

- 3. Defendant David Katz, has done business individually and as Liberty Tax and Student Loan Defense, using the address of 2885 Sanford Ave., SW# 24940, Grandville, MI 49418. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, actively participated in, or with knowledge approved of the acts or practices of LTSD, including the acts and practices set forth in this Complaint. Based on information and belief, David Katz's address is 130 NW 117th Terrace, Plantation, FL 33325.
- 4. Based on information and belief, the Attorney General has reason to believe that the Defendants are debt adjusters as defined by KRS 380.010 and have engaged in business in Kentucky and with Kentucky residents, have engaged in debt adjusting for Kentucky consumers, have not registered with the Attorney General as debt adjusters, have not filed as a business entity or a foreign entity with the Kentucky Secretary of State, and have engaged in sufficient trade and commerce to make jurisdiction over these proceedings appropriate.
- 5. Further, the Attorney General has reason to believe that the Defendants are using, have used, or will continue to use methods, acts or practices declared to be unlawful by the Kentucky Consumer Protection Act, KRS 367.110 et seq., and KRS 367.170 and by the debt adjusting statutes in KRS 380.010 et seq. The Attorney General has determined that these proceedings are in the public interest.
- 6. KRS 380.990(3) provides that a violation of the debt adjusting statutes in KRS Chapter 380 shall be deemed an unfair, false, misleading, or deceptive practice in the conduct of trade or commerce in violation of KRS 367.170, and the remedies, powers, and duties provide by KRS 367.190 to 367.300 shall apply with equal force and effect to acts and practices in violation of KRS Chapter 380.

- 7. The Attorney General is authorized by KRS 367.240 to issue an investigative demand for information when he has reason to believe that a person has engaged in, is engaging in, or is about to engage in any act or practice declared to be unlawful by KRS 367.110 to 367.300, or when he believes it to be in the public interest that an investigation should be made to ascertain whether a person has engaged in, is engaging in, or is about to engage in any act or practice declared to be unlawful by KRS 367.110 to KRS 367.300.
- 8. The Attorney General is authorized by KRS 367.290 to seek an injunction and other relief when any person fails to or refuses to file any statement or report, or to obey any subpoena or investigative demand issued by the Attorney General.
- 9. Jurisdiction and venue is proper in the Circuit Court of Franklin County pursuant to KRS 367.290, as the Defendants failed to register as debt adjustor with the Attorney General in Franklin County, and the Defendants failed to submit Civil Investigative Demand responses to the Attorney General, which is located in Franklin County.

GENERAL STATEMENTS

A. The Attorney General has reason to believe that Defendants operate as unregistered debt adjusters in Kentucky

- 10. The Commonwealth hereby incorporates by reference the foregoing paragraphs.
- 11. KRS 380.040(5) requires those engaged in debt adjusting in Kentucky to register with the Attorney General, and states:

Any person that engages in debt adjusting shall file an initial registration form, accompanied by an initial registration fee of two hundred fifty dollars (\$250), and the registration shall be renewed each year thereafter for a fee of two hundred fifty dollars (\$250) to cover the actual cost of filing the registration, in accordance with administrative regulations promulgated by the Attorney General.

12. KRS 380.010(3) provides that "debt adjusting" includes doing business in Kentucky to provide services, or soliciting business and advertising to provide services, as an intermediary between a debtor and creditor for a fee to effect the adjustment, modification, compromise, settlement, or discharge of any account, note or other indebtedness of the debtor, and states:

"Debt adjusting" means doing business in this state in debt adjusting, budget counseling, debt management, debt modification or settlement, foreclosure assistance, or debt pooling service, or holding oneself out as acting or offering or attempting to act as an intermediary between a debtor and his or her creditors for a fee, contribution, or other consideration, or by words of similar import, as providing services to debtors in the management, settlement, modification, or adjustment of their debts, to do any of the following:

(a) Effect the adjustment, compromise, settlement, modification, or discharge of any account, note or other indebtedness of the debtor;

(b) Receive from the debtor and disburse to the debtor's creditors any money or other thing of value; or

(c) Solicit business and advertise as a debt adjuster;

- 13. The Defendants have not registered as debt adjusters with the Attorney General.
- 14. As described in paragraphs 15 through 17 of this Complaint, the Attorney General has reason to believe that Defendants have been engaged in debt adjusting of student loans in Kentucky since 2014.
- 15. LTSD's agreements with Kentucky consumers and related forms include debt adjusting statements and agreements such as:
 - 1) Client authorizes Liberty Tax & Student Defense the right to communicate on the Client's behalf with the Federal student loan creditor(s) for the purpose of negotiating arrangements to resolve the Client's Federal student loan problems.
 - 2) Liberty Tax & Student Defense will assist Client to complete forms necessary to obtain a new Federal consolidation loan. In addition, Liberty Tax & Student Defense will gather relevant information regarding the Client's Federal student loan(s) that

will include the holder, loan origination, and schedule of

outstanding balances.

3) Liberty Tax & Student Defense will search affordable repayment options for loans held by Client. In addition Liberty Tax & Student Defense will suggest course of actions to Client in his/her efforts to negotiate to remove wage garnishments(s) and/or tax offset(s).

Client understands that by virtue of this Agreement, Client is contracting Liberty Tax & Student Defense to prepare an

application for a Federal student loan consolidation.

See Exhibit A, LTSD Service Agreement.

- LTSD also has students sign a limited power of attorney form, which includes 16. debt adjusting statements and agreements such as:
 - 1) To negotiate on all Federal student loan accounts to achieve a reasonable resolution with any organizations possessing an interest in my Federal student loans;
 - 2) To investigate, obtain, and review any and all information regarding my Federal student loan status that would assist in the restoration of the Federal student loan obligation;
 - 3) To represent me with regard to any matter relating to Federal Student Loans;
 - 4) I provide to Liberty Tax & Student Defense the right to choose a repayment plan on my behalf, and to electronically accept said plan on my behalf.

See Exhibit B, LTSD Power of Attorney.

- Further, Defendants' website on January 15, 2015, contained statements 17. advertising debt adjusting services including the following:
 - 1) "Our mission is to assist consumers with their delinquent tax debt, tax liens, Garnishments and Student Loans with simple yet effective solutions to getting their outstanding balances reduced to a manageable payment."
 - 2) "Remove IRS Liens, Stop Garnishments, Lower your Payment."
 - 3) "We help you solve your student loan problems. Call today!"
 - 4) "We have helped thousands resolve their tax debt and bring them a fresh start."
 - 5) "We help our clients get into compliance with the IRS or state revenue department, and if needed, arranging an installment

agreement to pay off any balances or debt owed. ... We investigate, we get them into compliance, and we reach a payment plan or settlement."

See: Exhibit C, Affidavit of Amy Hinton; Exhibit D, copy of LTSD website pages.

B. The Attorney General has reason to believe that LTSD has made false, misleading and deceptive representations to Kentucky consumers regarding its services

18. KRS 367.170(1) states:

Unfair, false, misleading, or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.

19. KRS 380.040(10) states:

Any unfair, false, misleading, or deceptive act or practice in the conduct of debt adjusting is prohibited. For purposes of this subsection, "unfair" shall be construed to mean unconscionable.

20. KRS 380.990(3) provides:

A violation of this chapter shall be deemed an unfair, false, misleading, or deceptive practice in the conduct of trade or commerce in violation of KRS 367.170. All of the remedies, powers, and duties provided by KRS 367.190 to 367.300 and the penalties pertaining to acts and practices declared unlawful under KRS 367.170 shall apply with equal force and effect to acts and practices in violation of this chapter, except as provided in subsection (1) of this section

- 21. LTSD falsely represented to Kentucky consumers that it could get consumers' student loans forgiven after payment was made. See Exhibit C, Affidavit of Amy Hinton.
- 22. LTSD also falsely claimed that it was in association with the Department of Education and could help consumers get the student loans payment deferred. In order to start this process, LTSD had consumers sign a power of attorney and other legal documents. Despite making these claims and having consumers sign these documents, LTSD has no connection to the Department of Education. See Exhibit C, Affidavit of Amy Hinton.

23. By transacting business with Kentucky consumers, the Defendants have represented to Kentucky consumers that LTSD is authorized to conduct business in Kentucky, despite failing to register with the Kentucky Secretary of State's Office and failing to register with the Attorney General as a debt adjustor.

COUNT 1

FAILURE TO FULLY RESPOND TO SUBPOENA AND INVESTIGATIVE DEMAND

- 24. The Commonwealth hereby incorporates by reference the foregoing paragraphs.
- Demand (SID) to LTSD, which was served by certified mail on Defendants on July 17, 2015. See Exhibit F, Green Card. The SID was issued and served pursuant to KRS 367.240 and KRS 367.250. The SID demanded information about the nature of LTSD's business operations, the goods and services sold or provided by LTSD, a list of all Kentucky consumers that LTSD had provided services to or received money from, a list of all complaints and requests for refunds, all names under which LTSD conducts business, the location of its operations, as well several other pieces of information related to LTSD's failure to register as a debt adjuster and potential consumer protection violations. A copy of the SID is attached as Exhibit G and is incorporated by reference as if fully set out in this paragraph.
- 26. KRS 367.240(1) provides, in part, that the Attorney General may issue an investigative demand:

[w]hen the Attorney General has reason to believe that a person has engaged in, is engaging in, or is about to engage in any act or practice declared to be unlawful by KRS 367.110 to 367.300, or when he believes it to be in the public interest that an investigation should be made to ascertain whether a person in fact has engaged in, is engaging in or is about to engage in, any act or practice declared to be unlawful by KRS 367.110 to 367.300, he may execute in writing and cause to be served upon any person who is

believed to have information, documentary material or physical evidence relevant to the alleged or suspected violation, an investigative demand requiring such person to furnish, under oath or otherwise, a report in writing setting forth the relevant facts and circumstances of which he has knowledge, or to appear and testify or to produce relevant documentary material or physical evidence for examination, at such reasonable time and place as may be stated in the investigative demand.

27. KRS 367.250 provides:

To accomplish the objectives and to carry out the duties prescribed by KRS 367.110 to 367.300, the Attorney General, in addition to other powers conferred upon him by KRS 367.110 to 367.300, may issue subpoenas to any person, administer an oath or affirmation to any person, or conduct hearings in aid of any investigation or inquiry, provided that information obtained pursuant to the powers conferred by KRS 367.110 to 367.300 shall not be made public or disclosed by the Attorney General or his employees beyond the extent necessary for law enforcement purposes in the public interest.

- 28. The SID was issued because the Attorney General had reason to believe that a person had engaged in, was engaging in, or was about to engage in any act or practice declared to be unlawful by KRS 367.110 to 367.300, or believed it to be in the public interest that an investigation be made.
- 29. The SID consisted of a total of eighteen (18) requests, including eleven (11) interrogatories and seven (7) requests for production, and requested that the interrogatories be answered and the records be produced by no later than August 10, 2015.
- 30. On July 23, 2015, the Attorney General received a letter signed by "David Katz" of "Liberty Tax and Student Loan Defense", copy attached as Exhibit H, partially but not completely responding to the SID and asking the Attorney General to "[p]lease cease and desist from sending us any further correspondence in this regard." The correspondence establishes that Defendants received and had notice of the SID.

- 31. The Attorney General sent LTSD a letter on July 29, 2015, that reiterated that a complete response to the SID was still due on August 10, 2015. See Exhibit I.
- 32. August 10, 2015, passed, and Defendants failed to answer the SID without legal basis. Under Kentucky law, the Attorney General is entitled to all of the information sought in the SID.
- 33. Defendants did not apply to the Circuit Court for an order to avoid the legal requirement of responding to the SID pursuant to KRS 367.240 or 367.260.
- 34. On August 17, 2015, the Attorney General sent Defendants a notice of intent to sue letter. See Exhibit J. The letter provided that unless the information requested in the SID was provided by August 24, 2015, then the Attorney General would apply to a circuit court for appropriate relief. The Attorney General did not receive a response.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Commonwealth of Kentucky ex rel. Attorney General Andy Beshear, respectfully requests the following:

- a) That Defendants be compelled to fully respond to the Subpoena and Investigative Demand as issued;
- That Defendants pursuant to KRS 367.290(a), be enjoined and restrained from further practices of engaging in the advertisement or sale of any merchandise, from the conduct of any trade or commerce that is involved in debt adjusting including but not limited to, the activities described on its website and in its agreements and related forms, from soliciting Kentucky consumers, from entering into contracts with Kentucky consumers, from collecting or attempting to collect payment from Kentucky consumers, and from contacting Kentucky consumers;

- c) That pursuant to KRS 367.290(b) the Court revoke Defendants' certificate of authority to do business in the Commonwealth and all other licenses permits or certificates issued to Defendant, if any, which are used to further Defendant's unlawful practices;
- d) Granting such other relief as may be required to protect Kentucky consumers and restore to them any property which they may have paid as a result of Defendants' unlawful acts or practices, until the Defendants file the statement or report, or obey the subpoena or investigative demand; and
- e) For any and all other relief for which Plaintiff may be entitled, including but not limited to attorneys' fees and costs of litigation and investigation.

Respectfully submitted,

ANDY BESHEAR

ATTORNEY GENERAL OF KENTUCKY

By:

John Ghaelian

Assistant Attorney General

Kevin Winstead

Assistant Attorney General

OFFICE OF THE ATTORNEY GENERAL

1024 Capital Center Drive, Suite 200

Frankfort, Kentucky 40601 Telephone: (502) 696-5300

Facsimile: (502) 573-7150



This Service Agreement is between you the client and Liberty Tax & Student Defense to provide the services for the fees set forth below. Client authorizes Liberty Tax & Student Defense the right to communicate on the Client's behalf with Federal student loan creditor(s) for the purpose of negotiating arrangements to resolve the Client's Federal student loan problems.

Client has requested the services of Liberty Tax & Student Defense. Liberty Tax & Student Defense has explained the services to be performed by Liberty Tax & Student Defense for Client, Liberty Tax & Student Defense will assist Client to complete forms necessary to obtain a new Federal consolidation loan, In addition, Liberty Tax & Student Defense will gather relevant information regarding the Client's Federal student loan(s) that will include the holder, loan origination, and schedule of outstanding balances.

Liberty Tax & Student Defense will search affordable repayment options for loans held by Client. In addition Liberty Tax & Student Defense will suggest course of actions to Client in his/her efforts to negotiate to remove wage garnishment(s) and/or tax offset(s).

Client will be responsible for providing complete and accurate information within seven business days(7) when requested. Client agrees to be cooperative and truthful. Client will be asked to provide documentation to be sent to Liberty Tax & Student Defense, which will aid in the consolidation process.

Client will provide Liberty Tax & Student Defense with his/her FAFSA Personal Identification number. Once Client begins working with Liberty Tax & Student Defense, Client agrees not to work on his/her own Federal student loan accounts without notifying Liberty Tax & Student Defense first.

If Liberty Tax & Student Defense is not able to assist the Client in initiating a new Federal consolidation loan, the Client will no longer be charged for the remainder of his/her Service Fee. Any refunds will be made at the sole discretion of Liberty Tax & Student Defense. All payments received by Liberty Tax & Student Defense as per the Payment Schedule will be retained by Liberty Tax & Student Defense whether or not the Client completes the payment. First \$200 collected on account is for investigation and it is NON-REFUNDABLE.

Liberty Tax & Student Defense and its officers, employees, agents, and affiliates make no representations or warranties of any kind as to the services to be provided herein.

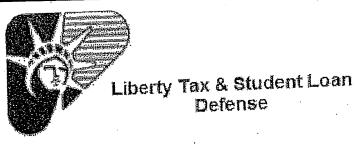
Client understands that by virtue of this Agreement, Client is contracting Liberty Tax & Student Defense to prepare an application for a Federal student loan consolidation. Client expressly acknowledges that Liberty Tax & Student Defense is not the provider of student loan financing of any kind.

Client acknowledges that this Agreement does not include any representation for any claim or cause of action brought against Client including cross-complaints. Client agrees that Liberty Tax & Student Defense has not represented that it will advise or assist Client in the modification, improvement, or correction of credit entries on Client's credit reports or that Liberty Tax & Student Defense can stop collection phone calls or correspondence from any source.

Client agrees and acknowledges that Liberty Tax & Student Defense did not represent itself to be affiliated in any way with any governmental agencies.

Liberty Tax & Student Defense and Client Agree that any dispute concerning the service should be resolved first by The Company and Client. If The Company and Client shall fail to resolve dispute, Client

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agrees to enter into a non-binding mediation. If any dispute remains unresolved between the parties after the mediation process has been completed, either party may then submit any such unresolved dispute to final and binding arbitration. The exclusive venue of any arbitration proceeding shall be in Grandville, Michigan at a neutral site selected by the arbitrator

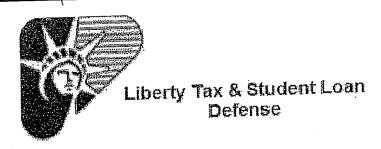
The client agrees to limit liberty tax & student defense obligation of damages to client to the fee that liberty tax & student defense charged client for services, whichever is greater.

Liberty Tax & Student Defense reserves the right to terminate this Agreement for any reason with five days' notice, which may be written or electronic and without any further obligation. Any and all refunds will be made at the sole discretion of Liberty Tax & Student Defense.

Client may only cancel this Agreement before final submission of the consolidation to the Department of Education. Client understands that Liberty Tax & Student Defense earns their fees as described in the Payment Agreement. Any and all refunds will be made at the sole discretion of Liberty Tax & Student Defense.

Client expressly understands, waives, and releases liberty tax & student loan defense from any and all responsibility whether known or unknown, now and in the future.

Client agrees that Liberty Tax & Student Defense may send and Client will receive, in an electronic format, all information, copies of Agreements from Liberty Tax & Student Defense. All electronic correspondence will be deemed to be valid and authentic equal to written and signed paper communications.



Limited Power of Attorney

I, hereby appoint Liberty Tax & Student Defense as my attorney-in-fact and hereby permit the same to act in my own behalf to initiate the following matters as necessary:

To negotiate on all Federal student loan accounts to achieve a reasonable resolution with any organizations possessing an interest in my Federal student loans;

To investigate, obtain, and review any and all information regarding my Federal student loan status that would assist in the restoration of the Federal student loan obligation;

To represent me with regard to any matter relating to Federal Student Loans

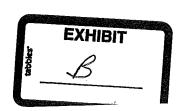
I have provided to Liberty Tax & Student Defense and its affiliates my FAFSA personal identification number, and/or give Liberty Tax & Student Defense the right to reset my pin if I cannot provide it for them;

I provide to Liberty Tax & Student Defense and its affiliates the express authority to access the Federal Student Aid 'PIN Web Site' for purposes of executing the Agreement;

I provide to Liberty Tax & Student Defense the right to choose a repayment plan on my behalf, and to electronically accept said plan on my behalf;

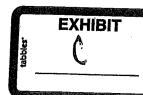
This Limited Power of Attorney shall continue in effect until the terms of the Agreement are fulfilled, or Liberty Tax & Student Defense or I terminate the Agreement.

DocuSigned by:	10/22/2013
SIGNATURE OF CLIENT	DATE
PRINT NAME	



AFFIDAVIT OF AMY M. HINTON

- I, AMY M. HINTON, having first been duly cautioned, do hereby depose and state as follows:
 - 1. I am a resident of Fayette County, Kentucky, am over the age of 18 and am competent to testify to the facts as stated herein.
 - 2. I am employed as a Special Assistant for the Office of the Attorney General, Consumer Protection Division. I have been employed by this office for approximately three and one half (3 ½) years.
 - 3. On or about August 8, 2014, our office received a complaint against Liberty Student and Tax Defense. In October 2014 we received a response back from the company with copies of the documents that the complainant electronically signed. These documents included, but were not limited to, (1) Liberty Tax & Student Loan Defense Service Agreement (2) Payment Authorization form, (3) Limited Power of Attorney, (4) Federal Direct Consolidation Application & Promissory Note. The Limited Power of Attorney and the Liberty Tax & Student Loan Defense Service Agreement have been redacted to protect consumer privacy.
 - 4. On or about January 15, 2015, as part of my duties of employment, I performed several website captures of Liberty Student and Tax Defense. Copies of the pages captured are attached to this Complaint as Exhibits D & E respectively.
 - 5. On or about July, 2015, as part of my duties of employment, I performed a search on the Consumer Sentinel Network for any Kentucky residents who had filed a complaint against Liberty Student and Tax Defense from 1/1/2014-7/1/2015. This search returned one complaint that I downloaded and reviewed. In this complaint, the consumer stated that Liberty Student and Tax Defense represented that they were associated with the Department of Education and would be able to get her a deferment on her student loans.



FURTHER, AFFIANT SAYETH NAUGHT.

OmyMolad AMY M. MINTON

COMMONWEALTH OF KENTUCKY

COUNTY OF FRANKLIN

Subscribed and sworn to before me, a Notary Public, by AMY M. HINTON, on this 25 day of April, 2016.

Laul M Wingate NOTARY PUBLIC, STATE AT LARGE

My commission expires: $\frac{2/13/19}{}$

Home Tax Services Student Loans About our Services Contact

About our Services

Our mission is to assist consumers with their delinquent tax debt, tax liens, Garnishments and Student Loans with simple yet effective solutions to getting their outstanding balances reduced to a manageable payment.

Student Loans:

Eligible Loans

- Subsidized Federal Stafford Loans
- Direct Subsidized Loans
- Subsidized Federal Consolidation Loans
- Direct Subsidized Consolidation Loans
- Federal Insured Student Loans
- Guaranteed Student Loans
- Unsubsidized and non-subsidized Federal Stafford Loans
- Direct Unsubsidized Loans
- Unsubsidized Federal Consolidation Loans
- Direct Unsubsidized Consolidation Loans
- Federal Plus Loans
- Direct Plus Loans
- Direct Plus Consolidation Loans
- Federal Perkins Loans
- National Direct Student Loans
- National Defense Student Loans
- Federal Supplemental Loans for Students
- Parent Loans for Undergraduate Students
- Auxiliary Loans to Assist Students
- Health Professional Student Loans
- Health Education Assistance Loans
- Nursing Student Loans
- Loans for Disadvantaged Students

Ineligible Loans

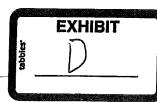
- Loans made by the state or private lender and not guarenteed by the Federal Government
- Primary Care Loans
- Law Access Loans
- Medical Assist Loans
- PLATO Loans

Interest Rate:

The interest rate is a weighted average of all of the loans that are being consolidated, and will not exceed 8.25%.

Forgiveness Programs:

- Public Service
- . Teachers



Military

Repayment Plans:

- Standard: Make fixed monthly payments to pay loan off in 10 to 30 years. The minimum payment under this plan is \$50
- Graduated: Payments will begin at a lower amount and will gradually increase every two years to pay off the loan in full in 10 to 30 years.
- Income Contingent: Monthly payments are based on your adjusted gross income as well as your spouse's if you are married, your family size, and your loan balance. This amount is subject to change upon review of your situation on a yearly basis. If the loan is not repaid within 25 years, the remaining balance will
- Income Based: Monthly payments are based on your adjusted gross income and family size. This amount is subject to change upon review of your situation on a yearly basis. If the loan is not repaid within 25 years, the remaining balance will be forgiven.

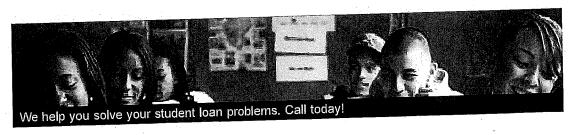
Tax Defense:

- We help our clients get into compliance with the IRS orstate revenue department, and if needed, arranging an installment agreement to pay off any balances or debt owed.
- Our clients are people who have failed to file taxes or those who filed taxes and did not pay any balance due.
- We investigate, we get them into compliance, and we reach a payment plan or settlement.

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Having a tax debt is a serious matter. It affects your livelihood, your credit rating, and can adversely impact your good standing within the workplace should a wage gamishment hit your paycheck. But it doesn't have to cripple your outlook. There are many tax relief strategies Liberty Tax Defense can help you enforce. We have helped thousands resolve their tax debt and bring them a fresh start.



Sender: Please print your na

Kentucky Attorney G

Office of Consumer I

ATTN: Kevin R. Wi

1024 Capital Center.

Frankfort, KY 4060 • Sender: Please print your name, address, and ZIP+4® in this box• Kentucky Attorney General's Office of Consumer Protection ATTN: Kevin R. Winstead 1024 Capital Center Drive, #200 Frankfort, KY 40601

4362 P	(人) (2017年)	
SENDER: COMPLETE THIS	SECTION	COMPLETE THIS SECTION ON DELIVERY
■ Complete items 1, 2, and 3 Item 4 if Restricted Delivery Print your name and address that we can return the call Attach this card to the back or on the front if space perm	Is desired. s on the reverse ard to you, of the mailpiece	A. Signature X B. M. Addressee B. Received by (Printed Name) C. Date of Delivery B. Miedema 7 1715
1. Article Addressed to: Liberty Tax+Stud	bent	D. Is delivery address different from Item 1? ☐ Yes If YES, enter delivery address below: ☐ No
Loan Defense 2885 Sanford Av.	SW 24940	USNOC
Grandville MI	•	3. Service Type Service Type Priority Mall Express:
SERVE-ANNOFFICE	EK, AGENT, AGILNT	☐ Registered ☐ Return Receipt for Frichandise ☐ Insured Meil ☐ Collect on Delivery
2. Article Number (Transfer from service label)	7008 3230	4. Restricted Delivery? (Extra Fee) Sees 5.
PS Form 3811, July 2013	Domestic Retu	rn Receipt



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Commonwealth of Kentucky OFFICE OF THE ATTORNEY GENERAL

JACK CONWAY ATTORNEY GENERAL

/kw

Fnc.

Kim Bellamy

Rick Evans

July 13, 2015

1024 CAPITAL CENTER DRIVE SUITE 200 FRANKFORT, KENTUCKY 40601

Liberty Tax and Student Loan Defense 2885 Sanford Ave., SW# 24940 Grandville, MI 49418

> RE: Subpoena and Investigative Demand, In Re Investigation of Liberty Tax and Student Loan Defense; IMMEDIATE ATTENTION REQUIRED

Dear Sir or Madam:

Enclosed is a Subpoena and Investigative Demand (SID) in this Office's investigation of Liberty Tax and Student Loan Defense. The response to the SID is due by August 10, 2015, as stated in the SID. If Liberty Tax and Student Loan Defense is represented by an attorney, this letter and the SID should be forwarded to the attorney as soon as possible.

Liberty Tax and Student Loan Defense appears to be engaging in debt adjusting in Kentucky or with Kentucky residents, or both. Kentucky's debt adjusting laws require those who engage in debt adjusting in Kentucky to register with this Office and meet several other requirements. Our records do not indicate that Liberty Tax and Student Loan Defense is registered as a debt adjuster in Kentucky.

Accordingly, Liberty Tax and Student Loan Defense must immediately cease and desist from providing debt adjuster services in Kentucky and to Kentucky residents. Please immediately confirm in writing that your business has stopped providing debt adjuster services in Kentucky and to Kentucky residents.

Your immediate attention is required.

Sincerely,

JACK CONWAY

Kevin R. Winstead, Assistant Attorney General

Office of Consumer Protection

kevin.winstead@ky.gov

Direct: (502) 696-5379

Fax:

Office: (502) 696-5389

(502) 573-8317

EXHIBIT

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COMMONWEALTH OF KENTUCKY . OFFICE OF THE ATTORNEY GENERAL

JACK CONWAY ATTORNEY GENERAL 1024 CAPITAL CENTER DRIVE SUITE 200 FRANKFORT, KENTUCKY 40601

Date Issued: July 13, 2015

KENTUCKY ATTORNEY GENERAL'S OFFICE SUBPOENA AND INVESTIGATIVE DEMAND IN RE INVESTIGATION OF:

LIBERTY TAX AND STUDENT LOAN DEFENSE

TO: <u>Herein "Respondent"</u>
Liberty Tax and Student Loan Defense
2885 Sanford Ave., SW# 24940
Grandville, MI 49418

SERVE: Any Officer, Agent, or Managing Agent

Pursuant to the authority granted in KRS 367.240 and 367.250, the Attorney General of Kentucky, having reason to believe that a person has engaged in, is engaging in, or is about to engage in any act or practice declared to be unlawful by KRS 367.110 to 367.300, or that it is in the public interest that an investigation should be made to ascertain whether a person in fact has engaged in, is engaging in, or is about to engage in any act or practice declared to be unlawful by KRS 367.110 to 367.300, hereby executes this Subpoena and Investigative Demand, as follows:

That, under oath or affirmation, the following interrogatories be answered and the following records be produced by *Respondent* by delivering them together with a completed sworn statement of authenticity and completeness of records, by no later than <u>August 10</u>, 2015, to:

Kentucky Attorney General's Office Office of Consumer Protection ATTN. Kevin R. Winstead 1024 Capital Center Drive, Suite 200 Frankfort, KY 40601

Date Issued: July 13, 2015
Page 2

INSTRUCTIONS:

- A. Failure to comply with this Subpoena and Investigative Demand may result in legal action pursuant to KRS 367.290. Intentional concealment, falsification or destruction of documentary material may be punishable as a class A misdemeanor under KRS 367.990(3). It is a class D felony to intentionally destroy, mutilate, conceal, remove, alter, or fabricate physical evidence believing that an official proceeding may be pending or instituted, pursuant to KRS 524.100.
- B. Complete the following oath or affirmation before a notary, have it notarized, and provide it with the response to this Subpoena and Civil Investigative Demand.

I, the penalty of perjury, that the attached r knowledge or belief.		ne), (title) of, declare under oath, subject to foregoing requests are true, to my
	Signature:	
STATE OF	before me by _	(name), , on, 20
	My Commissi	on expires:
•	Signature:	
	Print Name:	
	Title:	

- C. Answer each request separately and fully in writing and under oath.
- D. In answering the requests, furnish all known information and all requested records in your possession, regardless of how the information was obtained or whether such information is hearsay or otherwise admissible evidence.

Date Issued: July 13, 2015
Page 3

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- E. Exercise due diligence in answering each request and securing all information with which to answer each request. If a request cannot be answered fully and completely after exercising due diligence, then answer thef request to the extent possible, specifying the basis for the inability to answer the remainder and detailing the attempts to secure the unknown information.
- F. A request that seeks information contained in whole or in part within a record, or that seeks the identification of any record, may be answered by furnishing a copy of such record, identifying the record and specifying the portion(s) of the record containing the requested information.
- G. All answers should include attachments of as many pages as are necessary to fully and completely respond, and should be identified by the number corresponding to each request as set forth below.
- H. "Person" includes any individual or his or her legal representative, corporation, company, partnership, association, trust, agency, organization, or entity.
- I. "Records" means all books, papers, maps, photographs, cards, tapes, discs, diskettes, recordings, software, emails or other documentation regardless of physical form or characteristics.

REQUESTS (See Instructions above)

- 1. Identify each person providing information for or otherwise assisting in the preparation of the responses to these requests. For each, state their full name, present or last known address, telephone number, and present or last known position and employment status.
- 2. Describe the business conducted or solicited in Kentucky by *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns, on or after January 1, 2012.
- 3. Describe the goods and services sold, provided, promoted, or advertised to consumers residing in Kentucky by *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns, on or after January 1, 2012.

Date Issued: July 13, 2015 Page 4

- 4. Provide copies of marketing pieces and advertisements used or placed on or after January 1, 2012, by *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns, to promote or advertise any good or service to, or solicit business from, consumers, including residents of Kentucky, including, but not limited to, in newspapers, magazines, newsletters, circulars, brochures, emails, letters, mailings, recordings, scripts, websites, television, radio and other types of media. For each, provide the name, address and telephone number of the publisher, the name of the publication, and the approximate date(s) of the advertisements.
- 5. Provide copies of all counseling or educational materials distributed to any consumer residing in Kentucky by *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns.
- 6. Provide copies of scripts, manuals, memoranda and other records used on or after January 1, 2012, by *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns, during contacts with consumers residing in Kentucky.
- 7. Identify each consumer residing in Kentucky that *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns, sold or provided goods or services to, or received monies from, or otherwise contracted with on or after January 1, 2012. For each, provide the consumer's name, address, telephone number, a description of each good or service, the date or dates of each transaction, copies of records reflecting any payment received from the consumer or any payments made to creditors on behalf of the consumer, copies of records reflecting the fee or fees collected from the consumer and a description of each fee, copies of any agreements reached with any creditor for the benefit of the consumer, and copies of correspondence or communications, including but not limited to recordings of calls, to or from any creditor for the benefit of the consumer.
- 8. Provide copies of records regarding any complaint, request for refund, or similar correspondence received by *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns, from any source regarding consumers residing in Kentucky.
- 9. State all names or trade names by which *Respondent* conducts or has conducted business in Kentucky on or after January 1, 2012. For each, provide the address of the principal place of business and telephone number, identify the states in which the business is registered or conducts business, and describe all forms of entity by which business was conducted in Kentucky, whether sole proprietorship, corporation, partnership, limited liability company, or any other form.

Date Issued: July 13, 2015 Page 5

- 10. State all physical addresses at which *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns maintain a business premises or maintain business records.
- 11. Identify each person who, at any time on and after January 1, 2012, was an owner, shareholder, members, officer, director, agent, employee, representative, successor, subsidiary, assign, or independent contractor, of *Respondent*. For each, provide the person's name, address, and a description of their responsibilities.
- 12. Provide copies of all records showing any relationship that *Respondent* has or had with any entity from which *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns received or gave, on and after January 1, 2012, any referral or assignment of consumer clients residing in Kentucky.
- 13. State the name, address and telephone number of each call center used by *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns to promote or advertise any good or service to, or solicit business from, consumers residing in Kentucky. Provide copies of correspondence and other communications, including but not limited to recordings of calls, with consumers residing in Kentucky.
- 14. State the name, address and telephone number of each person that provided or generated "leads" or other information identifying consumers residing in Kentucky that *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns used to contact, promote or advertise any good or service to, or solicit business from, consumers residing in Kentucky. For each, also provide a copy of any contract or agreement regarding the provision or generation of "leads".
- 15. Produce all records that refer or relate to any litigation brought on or after January 1, 2012 against *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns.
- 16. Describe the type of business entity in which the *Respondent* conducts business in Kentucky or with residents of Kentucky, and state the *Respondent's* principal office address, agent for service of process, state of business formation, and all states in which the *Respondent* is registered, licensed, or certified to do business.

Date Issued: July 13, 2015 Page 6

- 17. State whether the *Respondent* is related in any way to Freedom Student and Tax Defense, LLC, formerly known as Liberty Student and Tax Defense, LLC, and also formerly known as Liberty Tax & Student Loan Defense, LLC, of Pompano Beach, Florida, or its officers, managers or agents Azar Javid, Azar Khoshlak, and Daryoush Khashlak, and, if so, fully describe the relationship and provide copies of all records relating to that relationship.
- 18. Provide copies of all records relating to Kentucky consumers Sheri Hensley and Brittany Combs.

JACK CONWAY ATTORNEY GENERAL

Bv.

Kevin R. Winstead, Assistant Attorney General

Office of Consumer Protection 1024 Capital Center Drive, Suite 200

Frankfort, KY 40601-8204

Phone: (502) 696-5389

Fax: (502) 573-7151

		is the receipt requested addressee only,
METHOD		United States mail, certified mail return receipt requested, addressee only,
OF SERVICE	·	7008 3230 0001 0444 2103

July 23, 2015

From: Liberty Tax and Student Loan Defense

2885 Sanford Ave. SW# 24940

Grandville, MI 49418

To: Office of the Attorney General

Re: : Letter dated on July 13, 2015

Subpoena and Investigative Demand

Dear sirs:

The premise of your complaint or demand for information is based on faulty information. We are not a debt adjuster. Our company is not a debt consolidation. We do not charge clients to negotiate their debt with their creditors. We do not participate in any activity regarding debt adjusting in Kentucky or any other state for that matter.

We assist our clients with student loans to complete their paperwork for loan consolidate under forgiveness program. We do not promise reduction of debt, because no such program exists.

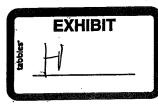
Attached to this document we will be providing you a copy of an agreement we have our clients sign at the time of signing up. As you can see throughout this legal document there is not a mention of debt consolidation or adjustment in any shape or form.

Please cease and desist from sending us any further correspondence in this regard.

Sincerely,

David Katz
Liberty Tax and Student loan defense

David Watz





COMMONWEALTH OF KENTUCKY OFFICE OF THE ATTORNEY GENERAL

JACK CONWAY ATTORNEY GENERAL

July 29, 2015

1024 CAPITAL CENTER DRIVE SHITE 200 FRANKFORT, KENTUCKY 40601

Mr. David Katz Liberty Tax and Student Loan Defense 2885 Sanford Ave., SW# 24940 Grandville, MI 49418

RE: Subpoena and Investigative Demand, In Re Investigation of Liberty Tax and Student Loan Defense

Dear Mr. Katz:

Your letter dated July 23, 2015, copy enclosed, does not respond to the requests in the Subpoena and Investigative Demand (SID) you received in this Office's investigation of Liberty Tax and Student Loan Defense. Your letter is not under oath or affirmation, and at most it partially responds to SID Requests 2 and 3 but otherwise does not respond to the requests in the SID. Responses under oath or affirmation to all of the requests in the SID must be delivered to this Office by no later than August 10, 2015.

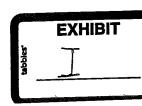
Failure to deliver responses under oath or affirmation to all of the requests in the SID by August 10, 2015, may result in this Office taking legal action against you and your business to seek an order requiring responses to the SID, injunctive relief, civil penalties, and any other relief allowed by law.

Your business has represented to Kentucky consumers, on its website, and in its agreements and other docs presented to Kentucky consumers and to this Office, that it will perform certain act on their behalf, for a fee. These activities are debt adjusting under Kentucky law; some examples include:

- 1. communicate with federal student loan creditors for the purpose of negotiating arrangements to resolve federal student loan problems or the consumer's debt/credit situation;
- 2. prepare and assist in completing an application for a new federal consolidation loan,
- 3. advise the consumer in the consumer's efforts to negotiate to remove wage garnishments or
- 4. negotiate and work the consumer's federal student loan obligations, and consumer's must agree to allow your business the opportunity to negotiate and work in this regard and to not work on their own student loan accounts without first notifying your business,
- 5. negotiate with any organization having an interest in their federal student loan accounts to achieve a resolution,
- 6. represent them regarding any matter relating to federal student loans,
- 7. execute agreements,

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Mr. David Katz Liberty Tax and Student Loan Defense July 29, 2015 Page 2

8. choose a repayment plan on their behalf,

- 9. act as their limited power of attorney for certain of these acts.
- 10. remove IRS liens, stop garnishments, and lower payments,

11. help solve student loan problems,

12. help resolve tax debts and bring them a fresh start,

- 13. assist with delinquent tax debt, tax liens, garnishments and student loans with simple yet effective solutions to getting outstanding balances reduced to a manageable payment,
- 14. arrange installment agreements to pay tax debts or balances,

15. reach a payment plan or settlement on tax debts,

Please note that this is not intended to be a complete list of debt adjusting activities applicable to your business. Debt adjusting includes doing business in Kentucky in debt adjusting, budget counseling, debt management, debt modification or settlement, foreclosure assistance, or debt pooling service, or as an intermediary between a debtor and his creditors for a fee, or providing services to debtors in the management, settlement, modification, or adjustment of their debts. This includes working to adjust, compromise, settle, modify, or discharge any debt of a debtor residing in Kentucky, or receiving money from a debtor to disburse to his creditors, or soliciting business and advertising as a debt adjuster. Changing contract language and representations now does not resolve any violations of Kentucky's debt adjusting and consumer protection laws caused by past activities and representations.

As stated in previous letters, those who engage in debt adjusting in Kentucky are required to register with this Office and meet several other requirements, and our records do not indicate that Liberty Tax and Student Loan Defense is registered as a debt adjuster in Kentucky. Your business must immediately cease and desist from providing debt adjuster services in Kentucky and to Kentucky residents. Please immediately confirm in writing that your business has stopped providing debt adjuster services in Kentucky and to Kentucky residents.

This is not intended to be legal advice or an opinion of this Office. This Office cannot provide private legal advice to you. If you want legal advice regarding this matter, please consult an attorney.

Please give this your immediate attention.

Sincerely,

JACK CONWAY

ATTORNEY, GENERAL

Kevin R. Winstead, Assistant Attorney General

Office of Consumer Protection

kevin.winstead@ky.gov Office: (502) 696-5389

Direct: (502) 696-5379 (502) 573-8317 Fax:

/kw Enc.

Kim Bellamy cc: Rick Evans



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- Commonwealth of Kentucky OFFICE OF THE ATTORNEY GENERAL

JACK CONWAY
ATTORNEY GENERAL

August 17, 2015

1024 Capital Center Drive Suite 200 Frankfort, Kentucky 40601

URGENT - IMMEDIATE ATTENTION REQUIRED

Liberty Tax and Student Loan Defense 2885 Sanford Ave., SW# 24940 Grandville, MI 49418 VIA FAX (888-974-2189) AND REGULAR MAIL

RE: NOTICE OF INTENT TO APPLY TO KENTUCKY CIRCUIT COURT; Subpoena and Investigative Demand, In Re Investigation of Liberty Tax and Student Loan Defense

To Whom It May Concern:

This letter shall serve as notice to Liberty Tax and Student Loan Defense that the Kentucky Office of the Attorney General intends to apply to a Kentucky Circuit Court for enforcement of the Subpoena and Investigative Demand it issued to Liberty Tax and Student Loan Defense on July 13, 2015. If Liberty Tax and Student Loan Defense continues to fail or refuse to obey the Subpoena and Investigative Demand, the Kentucky Office of the Attorney General is, pursuant to KRS 367.290, prepared to seek an order from a circuit court:

- (a) Granting injunctive relief to restrain the person from engaging in the advertising or sale of any merchandise or the conduct of any trade or commerce that is involved in the alleged or suspected violation; and
- (b) Vacating, annulling, or suspending the corporate charter of a corporation created by or under the laws of this Commonwealth or revoking or suspending the certificate of authority to do business in this Commonwealth of a foreign corporation or revoking or suspending any other licenses, permits, or certificates issued pursuant to law to such person which are used to further the allegedly unlawful practice; and
- (c) Granting such other relief as may be required, until the person files the statement or report, or obeys the subpoena or investigative demand.

KRS 367.290(1)(a). (http://www.lrc.ky.gov/statutes/statute.aspx?id=34929.)

Enclosed for your convenience are copies of the Subpoena and Investigative Demand, the letter from this Office dated July 13, 2015, accompanying the Subpoena and Investigative

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EXHIBIT

J

Liberty Tax and Student Loan Defense August 17, 2015 Page 2

Demand, and the letter from this Office dated July 29, 2015. If the Kentucky Office of the Attorney General has not received responses under oath or affirmation to all of the requests in the Subpoena and Investigative Demand by Monday, August 24, 2015, it will apply to a circuit court for appropriate relief.

The Kentucky Office of the Attorney General may also apply for any other relief allowed by law, including but not limited to the Kentucky Consumer Protection Act (KRS 367.110-.300), the Kentucky debt adjuster laws (KRS Chapter 380), and any other applicable law.

This letter is copied to Freedom Student and Tax Defense, LLC, of Pompano Beach, Florida, which may be related to Liberty Student and Tax Defense, LLC.

Please give this your immediate attention. I look forward to a response.

Sincerely,

JACK CONWAY

ATTORNEY GENERAL

/kw Enc.

cc:

Any Officer, Agent, or Managing Agent Freedom Student And Tax Defense, LLC

2637 East Atlantic Blvd., #24940 Pompano Beach, FL 33062

Kevin R. Winstead, Assistant Attorney General

Office of Consumer Protection

kevin.winstead@ky.gov

Office: (502) 696-5389

Direct: (502) 696-5379 (502) 573-8317 Fax:



COMMONWEALTH OF KENTUCKY . OFFICE OF THE ATTORNEY GENERAL

JACK CONWAY ATTORNEY GENERAL 1024 CAPITAL CENTER DRIVE SUITE 200 FRANKFORT, KENTUCKY 40601

Date Issued: July 13, 2015

KENTUCKY ATTORNEY GENERAL'S OFFICE SUBPOENA AND INVESTIGATIVE DEMAND IN RE INVESTIGATION OF:

LIBERTY TAX AND STUDENT LOAN DEFENSE

TO: <u>Herein "Respondent"</u>
Liberty Tax and Student Loan Defense
2885 Sanford Ave., SW# 24940
Grandville, MI 49418

SERVE: Any Officer, Agent, or Managing Agent

Pursuant to the authority granted in KRS 367.240 and 367.250, the Attorney General of Kentucky, having reason to believe that a person has engaged in, is engaging in, or is about to engage in any act or practice declared to be unlawful by KRS 367.110 to 367.300, or that it is in the public interest that an investigation should be made to ascertain whether a person in fact has engaged in, is engaging in, or is about to engage in any act or practice declared to be unlawful by KRS 367.110 to 367.300, hereby executes this Subpoena and Investigative Demand, as follows:

That, under oath or affirmation, the following interrogatories be answered and the following records be produced by *Respondent* by delivering them together with a completed sworn statement of authenticity and completeness of records, by no later than <u>August 10</u>, <u>2015</u>, to:

Kentucky Attorney General's Office Office of Consumer Protection ATTN. Kevin R. Winstead 1024 Capital Center Drive, Suite 200 Frankfort, KY 40601

Date Issued: *July 13, 2015*Page 2

INSTRUCTIONS:

- A. Failure to comply with this Subpoena and Investigative Demand may result in legal action pursuant to KRS 367.290. Intentional concealment, falsification or destruction of documentary material may be punishable as a class A misdemeanor under KRS 367.990(3). It is a class D felony to intentionally destroy, mutilate, conceal, remove, alter, or fabricate physical evidence believing that an official proceeding may be pending or instituted, pursuant to KRS 524.100.
- B. Complete the following oath or affirmation before a notary, have it notarized, and provide it with the response to this Subpoena and Civil Investigative Demand.

I,		, declare under oath, subject to
the penalty of perjury, that the attached r knowledge or belief.	esponses to the fore Signature:	egoing requests are true, to my
STATE OF	before me by	(name), , on, 20
	My Commission e Signature: Print Name: Title:	

- C. Answer each request separately and fully in writing and under oath.
- D. In answering the requests, furnish all known information and all requested records in your possession, regardless of how the information was obtained or whether such information is hearsay or otherwise admissible evidence.

Date Issued: July 13, 2015 Page 3

- E. Exercise due diligence in answering each request and securing all information with which to answer each request. If a request cannot be answered fully and completely after exercising due diligence, then answer thef request to the extent possible, specifying the basis for the inability to answer the remainder and detailing the attempts to secure the unknown information.
- F. A request that seeks information contained in whole or in part within a record, or that seeks the identification of any record, may be answered by furnishing a copy of such record, identifying the record and specifying the portion(s) of the record containing the requested information.
- G. All answers should include attachments of as many pages as are necessary to fully and completely respond, and should be identified by the number corresponding to each request as set forth below.
- H. "Person" includes any individual or his or her legal representative, corporation, company, partnership, association, trust, agency, organization, or entity.
- I. "Records" means all books, papers, maps, photographs, cards, tapes, discs, diskettes, recordings, software, emails or other documentation regardless of physical form or characteristics.

REQUESTS (See Instructions above)

- 1. Identify each person providing information for or otherwise assisting in the preparation of the responses to these requests. For each, state their full name, present or last known address, telephone number, and present or last known position and employment status.
- 2. Describe the business conducted or solicited in Kentucky by *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns, on or after January 1, 2012.
- 3. Describe the goods and services sold, provided, promoted, or advertised to consumers residing in Kentucky by *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns, on or after January 1, 2012.

Date Issued: July 13, 2015 Page 4

- 4. Provide copies of marketing pieces and advertisements used or placed on or after January 1, 2012, by *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns, to promote or advertise any good or service to, or solicit business from, consumers, including residents of Kentucky, including, but not limited to, in newspapers, magazines, newsletters, circulars, brochures, emails, letters, mailings, recordings, scripts, websites, television, radio and other types of media. For each, provide the name, address and telephone number of the publisher, the name of the publication, and the approximate date(s) of the advertisements.
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- 7. Identify each consumer residing in Kentucky that *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns, sold or provided goods or services to, or received monies from, or otherwise contracted with on or after January 1, 2012. For each, provide the consumer's name, address, telephone number, a description of each good or service, the date or dates of each transaction, copies of records reflecting any payment received from the consumer or any payments made to creditors on behalf of the consumer, copies of records reflecting the fee or fees collected from the consumer and a description of each fee, copies of any agreements reached with any creditor for the benefit of the consumer, and copies of correspondence or communications, including but not limited to recordings of calls, to or from any creditor for the benefit of the consumer.
- 8. Provide copies of records regarding any complaint, request for refund, or similar correspondence received by *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns, from any source regarding consumers residing in Kentucky.
- 9. State all names or trade names by which *Respondent* conducts or has conducted business in Kentucky on or after January 1, 2012. For each, provide the address of the principal place of business and telephone number, identify the states in which the business is registered or conducts business, and describe all forms of entity by which business was conducted in Kentucky, whether sole proprietorship, corporation, partnership, limited liability company, or any other form.

Date Issued: July 13, 2015 Page 5

- 10. State all physical addresses at which *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns maintain a business premises or maintain business records.
- 11. Identify each person who, at any time on and after January 1, 2012, was an owner, shareholder, members, officer, director, agent, employee, representative, successor, subsidiary, assign, or independent contractor, of *Respondent*. For each, provide the person's name, address, and a description of their responsibilities.
- 12. Provide copies of all records showing any relationship that *Respondent* has or had with any entity from which *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns received or gave, on and after January 1, 2012, any referral or assignment of consumer clients residing in Kentucky.
- 13. State the name, address and telephone number of each call center used by *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns to promote or advertise any good or service to, or solicit business from, consumers residing in Kentucky. Provide copies of correspondence and other communications, including but not limited to recordings of calls, with consumers residing in Kentucky.
- 14. State the name, address and telephone number of each person that provided or generated "leads" or other information identifying consumers residing in Kentucky that *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns used to contact, promote or advertise any good or service to, or solicit business from, consumers residing in Kentucky. For each, also provide a copy of any contract or agreement regarding the provision or generation of "leads".
- 15. Produce all records that refer or relate to any litigation brought on or after January 1, 2012 against *Respondent* or its agents, employees, representatives, successors, subsidiaries, or assigns.
- 16. Describe the type of business entity in which the *Respondent* conducts business in Kentucky or with residents of Kentucky, and state the *Respondent's* principal office address, agent for service of process, state of business formation, and all states in which the *Respondent* is registered, licensed, or certified to do business.

Date Issued: July 13, 2015
Page 6

- 17. State whether the *Respondent* is related in any way to Freedom Student and Tax Defense, LLC, formerly known as Liberty Student and Tax Defense, LLC, and also formerly known as Liberty Tax & Student Loan Defense, LLC, of Pompano Beach, Florida, or its officers, managers or agents Azar Javid, Azar Khoshlak, and Daryoush Khashlak, and, if so, fully describe the relationship and provide copies of all records relating to that relationship.
- 18. Provide copies of all records relating to Kentucky consumers Sheri Hensley and Brittany Combs.

JACK CONWAY ATTORNEY GENERAL

Ву:

Kevin R. Winstead, Assistant Attorney General

Office of Consumer Protection

1024 Capital Center Drive, Suite 200

Frankfort, KY 40601-8204

Phone: (502) 696-5389

Fax: (502) 573-7151

		is a large receipt requested, addressee only,
METHOD		United States mail, certified mail return receipt requested, addressee only,
OF SERVICE	V	7008 3230 0001 0444 2103



COMMONWEALTH OF KENTUCKY OFFICE OF THE ATTORNEY GENERAL

JACK CONWAY ATTORNEY GENERAL

July 13, 2015

1024 CAPITAL CENTER DRIVE SUITE 200 FRANKFORT, KENTUCKY 40601

Liberty Tax and Student Loan Defense 2885 Sanford Ave., SW# 24940 Grandville, MI 49418

RE: Subpoena and Investigative Demand, In Re Investigation of Liberty Tax and Student Loan Defense; IMMEDIATE ATTENTION REQUIRED

Dear Sir or Madam:

Enclosed is a Subpoena and Investigative Demand (SID) in this Office's investigation of Liberty Tax and Student Loan Defense. The response to the SID is due by August 10, 2015, as stated in the SID. If Liberty Tax and Student Loan Defense is represented by an attorney, this letter and the SID should be forwarded to the attorney as soon as possible.

Liberty Tax and Student Loan Defense appears to be engaging in debt adjusting in Kentucky or with Kentucky residents, or both. Kentucky's debt adjusting laws require those who engage in debt adjusting in Kentucky to register with this Office and meet several other requirements. Our records do not indicate that Liberty Tax and Student Loan Defense is registered as a debt adjuster in Kentucky.

Accordingly, Liberty Tax and Student Loan Defense must immediately cease and desist from providing debt adjuster services in Kentucky and to Kentucky residents. Please immediately confirm in writing that your business has stopped providing debt adjuster services in Kentucky and to Kentucky residents.

Your immediate attention is required.

Sincerely,

JACK CONWAY

ATTORNEY GENERAL

Kevin R. Winstead, Assistant Attorney General

Office of Consumer Protection

Direct: (502) 696-5379 kevin.winstead@ky.gov (502) 573-8317

Fax: Office: (502) 696-5389

/kw

Enc.

Kim Bellamy cc:

Rick Evans



COMMONWEALTH OF KENTUCKY OFFICE OF THE ATTORNEY GENERAL

JACK CONWAY ATTORNEY GENERAL

July 29, 2015

1024 CAPITAL CENTER DRIVE SUITE 200 FRANKFORT, KENTUCKY 40601

Mr. David Katz Liberty Tax and Student Loan Defense 2885 Sanford Ave., SW# 24940 Grandville, MI 49418

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RE: Subpoena and Investigative Demand, In Re Investigation of Liberty Tax and Student Loan Defense

Dear Mr. Katz:

Your letter dated July 23, 2015, copy enclosed, does not respond to the requests in the Subpoena and Investigative Demand (SID) you received in this Office's investigation of Liberty Tax and Student Loan Defense. Your letter is not under oath or affirmation, and at most it partially responds to SID Requests 2 and 3 but otherwise does not respond to the requests in the SID. Responses under oath or affirmation to all of the requests in the SID must be delivered to this Office by no later than August 10, 2015.

Failure to deliver responses under oath or affirmation to all of the requests in the SID by August 10, 2015, may result in this Office taking legal action against you and your business to seek an order requiring responses to the SID, injunctive relief, civil penalties, and any other relief allowed by law.

Your business has represented to Kentucky consumers, on its website, and in its agreements and other docs presented to Kentucky consumers and to this Office, that it will perform certain act on their behalf, for a fee. These activities are debt adjusting under Kentucky law; some examples include:

- 1. communicate with federal student loan creditors for the purpose of negotiating arrangements to resolve federal student loan problems or the consumer's debt/credit situation,
- 2. prepare and assist in completing an application for a new federal consolidation loan,
- 3. advise the consumer in the consumer's efforts to negotiate to remove wage garnishments or
- 4. negotiate and work the consumer's federal student loan obligations, and consumer's must agree to allow your business the opportunity to negotiate and work in this regard and to not work on their own student loan accounts without first notifying your business,
- 5. negotiate with any organization having an interest in their federal student loan accounts to achieve a resolution,
- 6. represent them regarding any matter relating to federal student loans,
- execute agreements,

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Mr. David Katz Liberty Tax and Student Loan Defense July 29, 2015 Page 2

8. choose a repayment plan on their behalf,

- 9. act as their limited power of attorney for certain of these acts,
- 10. remove IRS liens, stop garnishments, and lower payments,

11. help solve student loan problems,

12. help resolve tax debts and bring them a fresh start,

13. assist with delinquent tax debt, tax liens, garnishments and student loans with simple yet effective solutions to getting outstanding balances reduced to a manageable payment,

14. arrange installment agreements to pay tax debts or balances,

15. reach a payment plan or settlement on tax debts,

Please note that this is not intended to be a complete list of debt adjusting activities applicable to your business. Debt adjusting includes doing business in Kentucky in debt adjusting, budget counseling, debt management, debt modification or settlement, foreclosure assistance, or debt pooling service, or as an intermediary between a debtor and his creditors for a fee, or providing services to debtors in the management, settlement, modification, or adjustment of their debts. This includes working to adjust, compromise, settle, modify, or discharge any debt of a debtor residing in Kentucky, or receiving money from a debtor to disburse to his creditors, or soliciting business and advertising as a debt adjuster. Changing contract language and representations now does not resolve any violations of Kentucky's debt adjusting and consumer protection laws caused by past activities and representations.

As stated in previous letters, those who engage in debt adjusting in Kentucky are required to register with this Office and meet several other requirements, and our records do not indicate that Liberty Tax and Student Loan Defense is registered as a debt adjuster in Kentucky. Your business must immediately cease and desist from providing debt adjuster services in Kentucky and to Kentucky residents. Please immediately confirm in writing that your business has stopped providing debt adjuster services in Kentucky and to Kentucky residents.

This is not intended to be legal advice or an opinion of this Office. This Office cannot provide private legal advice to you. If you want legal advice regarding this matter, please consult an . attorney.

Please give this your immediate attention.

Sincerely,

JACK CONWAY

ATTORNEY,GENERAL

Kevin R. Winstead, Assistant Attorney General

Office of Consumer Protection

kevin.winstead@ky.gov Office: (502) 696-5389

Direct: (502) 696-5379 (502) 573-8317 Fax:

/kw Enc.

Kim Bellamy cc: Rick Evans

Jul 23, 2u . 5 04:48 PM To: 15025738317 Page 1/14 From: Liberty Tax & Student Loan Defense

July 23, 2015

From: Liberty Tax and Student Loan Defense

2885 Sanford Ave. 5W# 24940

Grandville, MI 49418

To: Office of the Attorney General

Re: Letter dated on July 13, 2015

Subpoena and Investigative Demand

Dear sirs:

The premise of your complaint or demand for information is based on faulty information. We are not a debt adjuster. Our company is not a debt consolidation. We do not charge clients to negotiate their debt with their creditors. We do not participate in any activity regarding debt adjusting in Kentucky or any other state for that matter.

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We assist our clients with student loans to complete their paperwork for loan consolidate under forgiveness program. We do not promise reduction of debt, because no such program exists.

Attached to this document we will be providing you a copy of an agreement we have our clients sign at the time of signing up. As you can see throughout this legal document there is not a mention of debt consolidation or adjustment in any shape or form.

Please cease and desist from sending us any further correspondence in this regard.

Sincerely,

David Katz
Liberty Tax and Student loan defense
David Watz