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12 **DISTRICT COURT**
13 **CLARK COUNTY, NEVADA**

14 STATE OF NEVADA,)

)

15 Plaintiff,)

16 vs.)

CASE NO.:

DEPT NO.:

17 NAVIENT CORPORATION;)

18 NAVIENT SOLUTIONS, LLC.;)

19 PIONEER CREDIT RECOVERY, INC.; and)

20 GENERAL REVENUE CORPORATION,)

21 Defendants.)

**BUSINESS COURT REQUESTED
ARBITRATION EXEMPTION—
Action in Equity**

22 **COMPLAINT**

23 Plaintiff, State of Nevada, by AARON D. FORD, Attorney General, ERNEST D.
24 FIGUEROA, Consumer Advocate, and his deputies, LAURA M. TUCKER, Senior Deputy
25 Attorney General, and RAQUEL Y. FULGHUM, Deputy Attorney General, (hereinafter
26 “the State”), brings this action against NAVIENT CORPORATION; NAVIENT
27 SOLUTIONS, LLC.; PIONEER CREDIT RECOVERY, INC.; and GENERAL REVENUE
28 CORPORATION, (hereinafter “Navient Corp.”) in the public interest and pursuant to

1 applicable Nevada law, including but not limited to violations of NRS 598.0903, et
2 seq., to protect consumers from unlawful business practices.

3 **I. DEFENDANTS**

4 2.1 Navient Corporation (“Navient Corp.”) is a Delaware corporation with its
5 principal executive offices in Wilmington, Delaware.

6 2.2 Navient Solutions, LLC., (“Navient”), a wholly-owned subsidiary of Navient
7 Corporation, is a corporation headquartered in Wilmington, Delaware. Navient was
8 formerly known as Sallie Mae, Inc. or Sallie Mae, and was a subsidiary of SLM
9 Corporation (“Former SLM Corporation”) until April 2014. In April 2014, the Former
10 SLM Corporation separated into two publicly traded entities: Navient Corp. and a new
11 SLM Corporation. After the 2014 separation, Sallie Mae, Inc. changed its name to
12 Navient Solutions, Inc. In 2017, Navient Solutions, Inc., changed its name to Navient
13 Solutions, LLC.

14 2.3 Pioneer Credit Recovery, Inc. (“Pioneer”), a wholly-owned subsidiary of
15 Navient Corporation, is a corporation based in Arcade, New York.

16 2.4 General Revenue Corporation (“GRC”) is formerly a wholly-owned subsidiary
17 of Navient Corporation and an Ohio corporation with its principal executive offices in
18 Mason, Ohio.

19 **II. JURISDICTION**

20 3.1 The State files this complaint and institutes these proceedings under the
21 provisions of the Nevada Deceptive Trade Practices Act, NRS 598.0903, et seq.

22 3.2 Defendants have engaged in the conduct described below in the State of
23 Nevada, County of Clark, and elsewhere in the State of Nevada. This Court has
24 jurisdiction over this matter pursuant to the Nevada Deceptive Trade Practices Act, NRS
25 598.0903, et seq.

26 **III. VENUE**

27 4.1 Venue is proper in the Eighth Judicial District Court in and for the County
28 of Clark, pursuant to NRS 598.0989(3) because Defendants transact business in the State

1 of Nevada, County of Clark, by servicing and collecting on student loans owed by
2 borrowers in Clark County, Nevada.

3 **IV. FACTS**

4 5.1 Many students in the State of Nevada finance their educations in part
5 through federal and/or private student loans.

6 5.2 The State alleges that before the Former SLM Corporation split, Sallie Mae
7 and its lending affiliates originated subprime student loans that Sallie Mae expected
8 would default at high rates, and which did default at high rates.

9 5.3 Borrowers and cosigners have complained that Navient's billing and
10 payment systems made it difficult for borrowers and cosigners to control the application
11 and allocation of their payments.

12 5.4 The State alleges that Navient encouraged federal student loan borrowers to
13 contact it if they experienced difficulty repaying, and represented to borrowers that it
14 would help them make the right decision for their situation.

15 5.5 The State alleges that in the course of servicing federal student loans,
16 Navient placed some borrowers who were experiencing long-term financial distress or
17 hardship into forbearances or offered forbearances to such borrowers without adequately
18 exploring whether an alternative repayment plan, such as an income-driven repayment
19 ("IDR") plan, would be more appropriate for their circumstances.

20 5.6 The State alleges that Navient's IDR renewal notifications to federal student
21 loan borrowers did not adequately advise borrowers of the subject matter and urgency of
22 the notifications. The companies improved these notifications in December 2012 and
23 March 2015, respectively, after which they achieved higher levels of IDR recertification.

24 5.7 The State alleges that Navient misinformed some borrowers and cosigners
25 concerning the qualifications and criteria for cosigner release on some private student
26 loans. Between 2013 and 2016, Navient changed some of its cosigner release procedures
27 and disclosures.

1 598.0903, et seq., including, but not limited to, the unfair and deceptive acts and practices
2 alleged herein;

3 7.3 An order necessary to restore to any person an interest in any moneys or
4 property, real or personal, which may have been acquired by means of an act prohibited
5 by the Nevada Deceptive Trade Practices Act, NRS 598.0903, et seq.

6 7.4 An award of a civil penalty for each and every violation of Nevada's
7 Deceptive Trade Practices Act, NRS 598.0903, et seq.

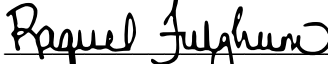
8 7.5 An award of the State's reasonable costs and attorney's fees incurred in this
9 action, pursuant to NRS 598.0999(2); and

10 7.6 Any other award the Court determines is just and equitable.

11 Dated this 13th day of January, 2022.

12 Respectfully submitted:

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14 AARON D. FORD
15 Attorney General
16 ERNEST D. FIGUEROA
17 Consumer Advocate

17 By: 
18 RAQUEL Y. FULGHUM (Bar No. 14711)
19 Deputy Attorney General
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