

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

PREHIRED, LLC, *et al*,

Debtors¹.

STATE OF WASHINGTON; STATE OF OREGON; CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION; STATE OF DELAWARE; STATE OF MINNESOTA; STATE OF ILLINOIS; STATE OF SOUTH CAROLINA; STATE OF NORTH CAROLINA ex rel. Attorney General Joshua H. Stein.; COMMONWEALTH OF MASSACHUSETTS; COMMONWEALTH OF VIRGINIA; STATE OF WISCONSIN; and CONSUMER FINANCIAL PROTECTION BUREAU,

Plaintiff,

v.

PREHIRED, LLC, a Delaware limited liability company;
PREHIRED RECRUITING, LLC, a Delaware limited liability company;
PREHIRED ACCELERATOR, LLC, a Florida limited liability company,

Defendants.

Chapter 7

Case No. 22-11007 (JTD)

(Jointly Administered)

Adv. Proc. No. 23-50438 (JTD)

Hearing Date: November 1, 2023 at 3:00 p.m. (ET)
Obj. Deadline: October 23, 2023 at 4:00 p.m. (ET)

NOTICE OF MOTION

PLEASE TAKE NOTICE that Don A. Beskrone, the Chapter 7 Trustee (the “Trustee”) for the bankruptcy estates of Prehired LLC, Prehired Recruiting, LLC, and Prehired Accelerator, LLC, (the “Estates” or the “Debtors”), has filed the *Motion of Don A. Beskrone, Chapter 7 Trustee, for an Order Approving Proposed Stipulated Judgment Pursuant to Rule 9019* (the “Motion”)² with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3d

¹ The Debtors in the above-captioned chapter 7 cases, along with the last four digits of each Debtors’ federal tax identification number and each Debtors’ former business address, are Prehired Recruiting, LLC (4322), 8 The Green, Suite B, Dover, DE 19901; Prehired Accelerator, LLC (7910), 7910 4th St. N, St. Petersburg, FL 33702; and Prehired, LLC (0436), 8 The Green, Suite B, Dover, DE 19901.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Motion.

Floor, Wilmington, Delaware 19801 (the “Bankruptcy Court”). The Motion seeks an order authorizing a settlement via stipulated judgment of an adversary proceeding filed by the federal Consumer Finance Protection Bureau and Ten States (“Government Plaintiffs”) alleging violations of 12 U.S.C. §§ 5531 (a), (c) and 5536 (a)(1)(A), (B). This settlement will (1) require the Estates to agree to cease doing business and to not to assist others in providing vocational services or collecting debts, including selling any right to any consumer financial product; (2) allow an unsecured claim of \$4,248,249.30 in favor of the Government Plaintiffs to be used as restitution for former students of the Debtors; (3) allow an unsecured claim of \$1 as a civil monetary penalty paid to the Consumer Finance Protection Bureau; and (4) release the Estates from claims the Government Plaintiffs raised in the adversary proceeding. **If you have not received a copy of the Motion and would like to receive one, you may obtain a copy of the Motion at the following website: PrehiredClaims.com or request a copy from the following email address: info@prehiredclaims.com**

PLEASE TAKE FURTHER NOTICE that any objections to the Motion must be made in writing, filed with the Bankruptcy Court, and served so as to actually be received by **4:00 pm ET on October 23 2023**, by the undersigned counsel.

PLEASE TAKE FURTHER NOTICE that a hearing on the Motion will be held before the Honorable John T. Dorsey, United States Bankruptcy Court Judge, United States Bankruptcy Court, 824 North Market Street, 5th Floor, Courtroom 6, Wilmington, Delaware on **November 1, 2023 at 3:00 pm ET**.

Dated: October 5, 2023

ASHBY & GEDDES, P.A.

/s/ Ricardo Palacio

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Counsel to the Chapter 7 Trustee

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

PREHIRED, LLC, *et al*,

Debtors¹.

STATE OF WASHINGTON; STATE OF OREGON; CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION; STATE OF DELAWARE; STATE OF MINNESOTA; STATE OF ILLINOIS; STATE OF SOUTH CAROLINA; STATE OF NORTH CAROLINA ex rel. Attorney General Joshua H. Stein.; COMMONWEALTH OF MASSACHUSETTS; COMMONWEALTH OF VIRGINIA; STATE OF WISCONSIN; and CONSUMER FINANCIAL PROTECTION BUREAU,

Plaintiff,

v.

PREHIRED, LLC, a Delaware limited liability company;
PREHIRED RECRUITING, LLC, a Delaware limited liability company;
PREHIRED ACCELERATOR, LLC, a Florida limited liability company,

Defendants.

Chapter 7

Case No. 22-11007 (JTD)

(Jointly Administered)

Adv. Proc. No. 23-50438 (JTD)

Hearing Date: November 1, 2023 at 3:00 p.m. (ET)

Obj. Deadline: October 23, 2023 at 4:00 p.m. (ET)

**MOTION OF CHAPTER 7 TRUSTEE FOR AN ORDER
APPROVING PROPOSED STIPULATED JUDGMENT PURSUANT TO
RULE 9019 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

¹ The Debtors in the above-captioned chapter 7 cases, along with the last four digits of each Debtors' federal tax identification number and each Debtors' former business address, are Prehired Recruiting, LLC (4322), 8 The Green, Suite B, Dover, DE 19901; Prehired Accelerator, LLC (7910), 7910 4th St. N, St. Petersburg, FL, 33702; and Prehired, LLC (0436), 8 The Green, Suite B, Dover, DE 19901.

Don A. Beskrone, Chapter 7 Trustee (the “Trustee”) of the bankruptcy estates (the “Estates”) of the above-captioned Debtors (the “Debtors”), hereby moves the Court (the “Motion”) for the entry of an order, substantially in the form attached hereto as **Exhibit A** pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing and approving the Trustee to enter into the proposed Stipulated Final Judgment and Order (the “Stipulated Judgment”) (a copy of which is attached to the Proposed Order as **Exhibit 1**) with the Consumer Financial Protection Bureau (the “Bureau”), the States of Washington, Oregon, Delaware, Minnesota, South Carolina, North Carolina, and Wisconsin, the Commonwealths of Massachusetts and Virginia, and the California Department of Financial Protection and Innovation (collectively, the “Plaintiffs”). As discussed in greater detail below, the Stipulated Judgment resolves the above captioned adversary proceeding brought by the Plaintiffs against the Estates pursuant to the Consumer Financial Protection Act (the “CFPA”), and avoids litigation expense while limiting liability of the Estates to government claims. In support of this Motion, the Trustee respectfully states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Trustee consents pursuant to Local Rule 9013(f), to entry of a final order by the Court in connection with this Motion to the extent that it is later determined that this Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested by this Motion are Bankruptcy Rule 9019 and section 105(a) of title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”).

BACKGROUND

A. General Background

4. On September 29, 2022 (the “Petition Date”), the Debtors each filed voluntary petitions for relief under Subchapter 5 of Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101, *et al.*, in the United State Bankruptcy Court for Southern District of New York, Case Nos. 22-111293-PB (Prehired, LLC), 22-11310-PB (Prehired Accelerator, LLC), 22-11311-PB (Prehired Recruiting, LLC).

5. On October 26, 2022, upon motion from the State of Delaware, the Bankruptcy Court for the Southern District of New York transferred venue for all three cases to the Bankruptcy Court for the District of Delaware, Case Nos. 22-11007 (JTD), 22-11005 (JTD), 22-11006 (JTD).

6. On November 4, 2022, the Court entered an order for joint administration of the three bankruptcy cases under Case No. 22-11007 (JTD), captioned, In re Prehired LLC, et al.

7. On November 22, 2022, the Court granted Debtors’ motion to convert the proceedings to Chapter 7 after the Estates became administratively insolvent. Don A. Beskrone was appointed as Trustee on November 22, 2022.

8. The Trustee is not operating the Debtors’ business and is proceeding with an orderly liquidation under Chapter 7.

9. As of the general claims filing deadline of April 3, 2023, approximately 30 claims have been filed against the Estates, including administrative, priority, secured and general unsecured claims, which are far in excess of the Estates’ assets. Several general unsecured

claims were filed by former students of Prehired, LLC, for recovery of payments made to the Debtors for vocational education services pursuant to consumer financial products previously offered by the Debtors.

10. The deadline for government creditors to file claims is November 17, 2023. At least two states—Washington and Wisconsin—have filed state lawsuits against one or more of the Debtors before the bankruptcy filing, and various other states were part of a multistate investigation into the pre-petition business activities and practices of the Debtors. Based on alleged violations of state law, Washington obtained a preliminary injunction requiring the Debtors to cease operations in Washington, and Wisconsin obtained a default judgment permanently restraining the Debtors from operation in Wisconsin. Ten states and the Bureau filed the above captioned adversary proceeding seeking injunctive relief, restitution, and civil penalties against the Debtors (and their Estates).

B. Plaintiffs' Claims Against the Estates

11. On July 13, 2023, Plaintiffs filed an adversary complaint (the “Complaint”) against the Estates. The Complaint states claims upon which relief may be granted under the CFPA, 12 U.S.C. §§ 5531(a), (c) and 5536(a)(1)(A), (B), and seeks various remedies including declaratory judgment, injunctive relief, statutory penalties, and restitution.

12. The Complaint alleges that Prehired, LLC made deceptive material misrepresentations about consumer financial products—specifically, Income Share Agreements (“ISAs”)—to induce prospective students/members to sign up to receive vocational educational services offered by Prehired LLC. Prehired, LLC allegedly falsely represented these ISAs did not create debt and made material misrepresentations about the terms of the ISAs and the earning potential of Prehired students. The Complaint further alleges

that Prehired, LLC failed to provide disclosures required by Regulation Z, 12 C.F.R. §§ 1026.18; 12 C.F.R. §§ 1026.46-48.

13. The Complaint also alleges that in order to collect debts related to these ISAs, Prehired Recruiting, LLC and Prehired Accelerator, LLC, made material misrepresentations to consumers by describing “settlement agreements” as beneficial to consumers without disclosing the true purpose of these agreements was to avoid the consumer’s defenses to the original Prehired LLC, ISAs and to impose more onerous dispute resolution and collection terms. Further, Prehired Recruiting, LLC allegedly engaged in unfair, deceptive, or abusive debt collection practices by seeking to collect debt in a distant forum when the consumers did not live in that forum, and were not physically present in that forum when the ISAs were executed.

C. The Stipulated Judgment

14. The Parties have engaged in good faith, arms’ length negotiations in respect to the Claims in this adversary proceeding and desire to effect a resolution of the Plaintiffs’ claims without the expense, delay, or uncertainty of further litigation. The Proposed Stipulated Judgment is attached to the Proposed Order as **Exhibit 1**.

15. The key terms of the resolution by Stipulated Judgment² are as follows:

- a. The Estates agree to cease doing business, including providing vocational educational services and consumer financial products, and collecting debt related to any ISAs or other consumer financial products. The Estates also agree to not participate or assist others in providing these services or

² The description of the proposed Stipulated Judgment in this Motion is only a summary. The Stipulated Judgment controls in all instances to the extent the summary is incomplete, inaccurate, or conflicts with the Stipulated Judgment.

collecting these debts, including selling any right to any consumer financial product.

- b. As further set forth in the Stipulated Judgment, the Estates agree to entry of a judgment for monetary relief in favor of the Plaintiffs and against the Estates in the total amount of \$4,248,249.30 to be paid to the Bureau for the purpose of reimbursing affected consumers for their actual pecuniary losses (the “Monetary Judgment”).
- c. The Monetary Judgment will be deemed an allowed general unsecured claim against the Estates in favor of the Bureau on behalf of all the Plaintiffs.
- d. Any funds received by the Bureau in satisfaction of the Monetary Judgment shall be deposited into a fund or funds administered by the Bureau to be used for redress for affected consumers, which includes any consumer who made payments in connection with any vocational education service offered by Prehired, LLC, pursuant to a commercial financial product between May 1, 2019 to March 31, 2023.
- e. The Estates also agree to entry of a civil monetary penalty in favor of the Bureau and against the Estates in the amount of \$1, which shall be deemed an allowed general unsecured claim in this bankruptcy case.
- f. The Plaintiffs agree to release federal and state law claims against the Estates.

RELIEF REQUESTED

16. By this Motion, the Trustee requests entry of the Proposed Order, substantially in the form attached hereto as **Exhibit A**, approving the Stipulated Judgment pursuant to Bankruptcy Rule 9019(a).

BASIS FOR RELIEF

17. Section 105(a) provides, in pertinent part, that “[t]he court may issue any order ... necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” In turn, Bankruptcy Rule 9019(a) provides that “on motion by the trustee and after a hearing, the Court may approve a compromise or settlement.” Fed. R. Bankr. P. 9019(a).

18. The decision whether to accept or reject a compromise lies within the sound discretion of the court. *In re Neshaminy Office Bldg. Assocs.*, 62 B.R. 798, 803 (E.D. Pa. 1986); *In re Resorts International, Inc.*, 145 B.R. 412, 451 (Bnkr. D.N.J. 1990). Settlement of time-consuming and burdensome litigation, especially in the bankruptcy context, is encouraged. *See In re Penn Cent. Transp. Co.*, 596 F.2d 1127, 1146 (3d Cir. 1979). The Supreme Court has recognized that “in administering reorganization proceedings in an economical and practical manner, it will often be wise to arrange the settlement of claims as to which there are substantial and reasonable doubts.” *In re Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968); *see In re Penn Cent. Transp. Co.*, 596 F.2d at 1146. The district court, as the intermediate bankruptcy appellate court, “has described the ultimate inquiry to be whether ‘the compromise is fair, reasonable, and in the interest of the estate.’” *In re Marvel Entertainment Group, Inc.*, 222 B.R. 243, 249 (D. Del. 1998), *quoting In re Louise's, Inc.*, 211 B.R. 798, 801 (D. Del. 1997). Bankruptcy Rule 9019 thus empowers this Court to approve compromises and settlements if they are in the “best interest[s] of the estate.” *In re Marvel Entertainment Group*,

222 B.R. at 249 (holding that proposed settlement was in the best interest of the estate); see *In the Matter of Energy Cooperative, Inc.*, 886 F.2d 921, 927 (7th Cir. 1989).

19. In determining whether to approve a motion or application to settle a controversy, a Bankruptcy Court must determine whether it is fair, reasonable, and adequate by examining the following four factors: (i) the probability of success in the litigation; (ii) the complexity, expense and likely duration of the litigation; (iii) all other factors relevant to making a full and fair assessment of the wisdom of the proposed compromise; and (iv) whether the proposed compromise is fair and equitable to the debtors, their creditors, and other parties in interest. See *TMT Trailer Ferry, Inc.*, 390 U.S. at 424; *In re Martin*, 91 F.3d at 393 (stating that “[t]o minimize litigation and expedite the administration of a bankruptcy estate, compromises are favored in bankruptcy” and citing the criteria set forth above in determination of reasonableness of particular settlements) (internal quotation marks and citation omitted); *In re Penn Cent. Transp. Co.*, 596 F.2d at 1114 (relevant factor is whether “[t]he settlement is well within the range of reasonably likely litigation possibilities”) (internal quotation marks and citation omitted), *In re RFE Indus., Inc.*, 283 F.3d 159, 165 (3d Cir. 2002).

20. Basic to the process of evaluating proposed settlements, then, is “the need to compare the terms of the compromise with the likely rewards of litigation.” *TMT Trailer Ferry, Inc.*, 390 U.S. at 425. However, “[t]he court need not decide the numerous questions of law or fact raised by litigation, but rather should canvas the issues to determine whether the settlement falls above the lowest point in the range of reasonableness.” *In re Capmark Fin. Grp. Inc.*, 438 B.R. 471, 515 (Bankr. D. Del. 2010); see also *In re World Health Alt., Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006) (“[T]he court does not have to be convinced that the settlement is the best possible

compromise. Rather, the court must conclude that the settlement is within the reasonable range of litigation possibilities.”) (internal citations and quotation marks omitted).

21. The Trustee submits that the proposed compromise embodied in the Stipulated Judgment is fair and reasonable and should be approved. The Stipulated Judgment is the result of arm’s-length negotiations that resolves complex and credible claims involving the Estates. The Plaintiffs’ claims rest, in large part, on unconverted facts appearing on the face of the financial instruments in question, making the probability of success in favor of the Estates very low. The primary contested issue would be the size and amount of the award. Moreover, the Estates are administratively insolvent and lack the resources to conduct an adequate defense. This Stipulated Judgment avoids the costs to the Estates of litigating these claims.

22. With the Estates currently administratively insolvent, the Stipulated Judgment represents the best avenue for resolution of the Plaintiffs’ claims against the Estates.

23. Finally, resolving the adversary action, the outcome of which is uncertain, allows the Trustee to avoid a trial, and appeals, and associated significant additional costs.

24. For all of the foregoing reasons, the Trustee asserts that the Stipulated Judgment is fair, reasonable and in the best interest of the Debtors’ creditors.

NO PRIOR REQUEST

25. No previous request for the relief sought by this Motion has been made to this or any other Court.

NOTICE

26. Notice of this Motion will be given to: (a) the United States Trustee for the District of Delaware; (b) Plaintiffs; and (c) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002.

27. In addition, a copy of the Notice of Motion (without a copy of the Motion) will also be served on all known former member/students of Debtors. Given the large number of former students, the Trustee respectfully requests a determination by the Court to provide limited notice to these former students in order to simultaneously limit the unnecessary cost and expense that would occur through providing notice of the Motion to Approve Stipulated Judgment to each former student, while also ensuring that they receive adequate notice of this motion.

28. Bankruptcy Rule 2002 provides that “the clerk, or some other person as the court may direct, shall give the debtor, the trustee, all creditors and indenture trustees at least 21 days’ notice *by mail* of ... the hearing on approval of a compromise or settlement of a controversy.” Fed. R. Bankr. P. 2002(a)(3) (emphasis added).

29. However, Bankruptcy Rule 2002-1(i) authorizes the Court to limit the amount of notice required by Bankruptcy Rule 2002. Bankruptcy Rule 9007 similarly provides that “[w]hen notice is to be given under these rules, the court shall designate, if not otherwise specified herein, the time within which, the entities to whom, and the *form and manner* in which the notice shall be given.” Fed. R. Bankr. P. 9007 (emphasis added). Additionally, section 105(a) of the Bankruptcy Code authorizes a court to “issue any order, process or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

30. Pursuant to the above-referenced Bankruptcy Rules, Local Rule, and section 105(a) of the Bankruptcy Code, the Trustee believes good cause exists to limit notice of the 9019 Motion, and requests that the Court order that notice of the Motion to Approve Stipulated Judgment be delivered to as many Prehired’s former students as possible via email rather than mail. Because Debtors communicated with those students almost exclusively via electronic means prior to these proceedings, and Debtors do not have reliable records of students’ physical or mailing addresses,

this form of notice would be the most effective way to reach the students. For those former students without a known email address, the Notice of Motion will be sent to the last known physical or mailing address. Notice to any creditors, including students, who filed a proof of claim would not be affected and these creditors would continue to receive notice by mail.

31. Given the large number of creditors and parties-in-interest in the chapter 7 case, and the concomitant expense associated with broad notice of the Motion to Approve Stipulated Judgment by mail as described herein, the limitation on notice sought herein is reasonable, appropriate, and in the best interest of the Estates and its creditors. The primary means of communication with those former members as well as processing of payments was electronic. Notice to those members by electronic mail is better calculated to achieve actual notice. In order to save expense, Notice of Motion will be served via electronic mail where possible and by U.S. First Class Mail for those former members for which the Parties have only a U.S. mail address. In light of the nature of the relief requested herein, the Trustee respectfully requests a determination by the court that such limited notice as described in this section (the “Notice”) is adequate and no further notice is needed. The Trustee submits that, under the circumstances, no other or further notice is required.

WHEREFORE, the Trustee respectfully requests the entry of the Proposed Order, substantially in the form attached hereto as **Exhibit A**, approving the Stipulated Judgment and granting such other relief as is just and proper.

Dated: October 5, 2023

ASHBY & GEDDES, P.A.

s/ Ricardo Palacio

Ricardo Palacio (DE Bar No. 3765)
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P.O. Box 1150
Wilmington, Delaware 19899
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Counsel to Don A. Beskrone, Chapter 7 Trustee

Exhibit A
(Proposed Order)

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

PREHIRED, LLC, *et al*,

Debtors¹.

STATE OF WASHINGTON; STATE OF OREGON; CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION; STATE OF DELAWARE; STATE OF MINNESOTA; STATE OF ILLINOIS; STATE OF SOUTH CAROLINA; STATE OF NORTH CAROLINA ex rel. Attorney General Joshua H. Stein.; COMMONWEALTH OF MASSACHUSETTS; COMMONWEALTH OF VIRGINIA; STATE OF WISCONSIN; and CONSUMER FINANCIAL PROTECTION BUREAU,

Plaintiff,

v.

PREHIRED, LLC, a Delaware limited liability company;
PREHIRED RECRUITING, LLC, a Delaware limited liability company;
PREHIRED ACCELERATOR, LLC, a Florida limited liability company,

Defendants.

Chapter 7

Case No. 22-11007 (JTD)

(Jointly Administered)

Adv. Proc. No. 23-50438 (JTD)

ORDER GRANTING CHAPTER 7 TRUSTEE'S MOTION FOR ORDER APPROVING ENTRY OF STIPULATED JUDGMENT IN ADVERSARY PROCEEDING

The Court having considered the *Motion of Chapter 7 Trustee for an Order Approving Proposed Stipulated Judgement Pursuant to Rule 9019 of the Federal Rules of Bankruptcy*

¹ The Debtors in the above-captioned chapter 7 cases, along with the last four digits of each Debtors' federal tax identification number and each Debtors' former business address, are Prehired Recruiting, LLC (4322), 8 The Green, Suite B, Dover, DE 19901; Prehired Accelerator, LLC (7910), 7910 4th St. N, St. Petersburg, FL, 33702; and Prehired, LLC (0436), 8 The Green, Suite B, Dover, DE 19901.

Procedure (the “Motion”)² pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure for approval of a Stipulated Judgement in the above captioned adversary proceeding, as set forth in the Stipulated Judgement attached as **Exhibit 1** hereto; and the Court finding that the Settlement of these claims is fair and reasonable, and the Court having jurisdiction to consider the Motion and relief requested therein; and due and sufficient notice of the Motion having been given; and it appearing that the relief requested by the Motion is in the best interest of the Debtors’ estates, creditors and other parties in interest; and the Court having reviewed the Motion and considered the arguments made at the hearing, if any; and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The relief sought by the Motion is **GRANTED**.
2. The Trustee is authorized to sign the stipulated judgment attached hereto as **Exhibit 1**.
3. The Parties are authorized to enter the stipulated order.
4. The Court shall retain jurisdiction over all affected parties with respect to any matters, claims or rights arising from or related to the implementation and interpretation of this Order.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Exhibit 1

(Stipulated Judgment)

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

PREHIRED, LLC, *et al*,

Debtors¹.

STATE OF WASHINGTON; STATE OF OREGON; CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION; STATE OF DELAWARE; STATE OF MINNESOTA; STATE OF ILLINOIS; STATE OF SOUTH CAROLINA; STATE OF NORTH CAROLINA ex rel. Attorney General Joshua H. Stein.; COMMONWEALTH OF MASSACHUSETTS; COMMONWEALTH OF VIRGINIA; STATE OF WISCONSIN; and CONSUMER FINANCIAL PROTECTION BUREAU,

Plaintiff,

v.

PREHIRED, LLC, a Delaware limited liability company;
PREHIRED RECRUITING, LLC, a Delaware limited liability company;
PREHIRED ACCELERATOR, LLC, a Florida limited liability company,

Defendants.

Chapter 7

Case No. 22-11007 (JTD)

(Jointly Administered)

Adv. Proc. No. 23-50438 (JTD)

**STIPULATED FINAL JUDGMENT AND ORDER AS TO DEBTORS PREHIRED, LLC,
PREHIRED RECRUITING, LLC, AND PREHIRED ACCELERATOR, LLC**

Plaintiffs State of Washington, State of Oregon, the California Department of Financial Protection and Innovation (“DFPI”), State of Delaware, State of Minnesota, State of Illinois, State

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of South Carolina, State of North Carolina, Commonwealth of Massachusetts, Commonwealth of Virginia, and State of Wisconsin (the “States”), and the Consumer Financial Protection Bureau (the “Bureau”) (collectively, the “Plaintiffs”) commenced this adversary proceeding on July 13, 2023 to obtain injunctive and monetary relief and civil penalties from debtors Prehired, LLC, Prehired Recruiting, LLC, and Prehired Accelerator, LLC (collectively, “Prehired Defendants”). The Complaint alleges violations of sections 1031(a) and 1036(a) of the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C §5536(a)(1)(A) and (B); the Truth in Lending Act and its implementing Regulation Z (“TILA”), 15 U.S.C. § 1638(a)(2), (3), (4), 12 C.F.R. § 1026.18(b), (d), (e); and the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692e, in connection with Prehired Defendants’ unlawful practices in originating, servicing, collecting, and enforcing Income Sharing Agreements (“ISA”).

The Plaintiffs and Prehired Defendants, through Don A. Beskrone, Chapter 7 Trustee (the “Trustee”) of the Prehired Defendants, agree to entry of this Stipulated Final Judgment and Order without adjudication of any issue of fact or law, to settle and resolve all matters in dispute arising from the conduct alleged in the Complaint.

The Plaintiffs and Trustee respectfully request that the Court enter this Stipulated Final Judgment and Order (“Order”).

FINDINGS

1. On September 29, 2022, before the commencement of the instant adversary proceeding, Prehired Defendants filed a voluntary petition for relief under Subchapter 5 of Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, initiating a bankruptcy proceeding (the “Bankruptcy Proceeding”) in the United States Bankruptcy Court for the Southern

District of New York, Case Nos. 22-111293-PB (Prehired, LLC), 22-11310-PB (Prehired Accelerator, LLC), 22-11311-PB (Prehired Recruiting, LLC).

2. On October 26, 2022, upon motion from the State of Delaware, the Bankruptcy Court for the Southern District of New York transferred venue for all three cases to the Bankruptcy Court for the District of Delaware, Case Nos. 22-11007 (JTD), 22-11005 (JTD), 22-11006 (JTD).

3. On November 4, 2022, the Court entered an order for joint administration of the three bankruptcy cases under Case No. 22-11007 (JTD), captioned, In re Prehired, LLC, et. al.

4. On November 22, 2022, the Court granted the Prehired Defendants' motion to convert the proceedings to Chapter 7 after the bankruptcy estate became administratively insolvent. Don A. Beskrone was appointed as the Prehired Defendants' Trustee on November 22, 2022.

5. The Trustee is not operating the business of the Prehired Defendants and is proceeding with an orderly liquidation under Chapter 7.

6. The Plaintiffs and the Trustee agree to entry of this Order, without adjudication of any issue of fact or law, to settle and resolve all matters in this dispute arising from the conduct of Prehired Defendants alleged in the Complaint through the date this Order is entered.

7. The automatic stay of the Bankruptcy Code does not stay the affirmative relief sought in this adversary proceeding against the Prehired Defendants because the action falls within the police and regulatory power exception to the automatic stay set forth in 11 U.S.C. § 362(b)(4).

8. The Court has authorized the Trustee to enter into this Order by an order dated November, 1, 2023, (the "Settlement Order") a copy of which is attached hereto as [Exhibit A to the Stipulation as to the Entry of Final Judgment and Order.] The Bankruptcy Court's Settlement Order is now final and no longer subject to appeal.

9. The Trustee is an independent fiduciary for the Prehired Defendants and the bankruptcy Estates, having been appointed by the Office of the United States Trustee and approved by the Court. The Bureau and States make no allegations against the Trustee, but only the Prehired Defendants.

10. The Trustee enters this stipulation to resolve the claims against the Prehired Defendants.

11. The Trustee neither admits nor denies the allegations in the Complaint, except as specified in this Order. For the purposes of this Order, the Trustee admits the facts necessary to establish the Court's jurisdiction over the Prehired Defendants and the subject matter of this action.

12. This adversary proceeding is not a core proceeding but is otherwise related to a case under title 11. 28 U.S.C. § 157(c); 28 U.S.C. § 1334.

13. Venue is proper in this district pursuant to 28 U.S.C. § 1409.

14. The Complaint states claims upon which relief may be granted under section 1031(a) and section 1036(a) of the CFPA, 12 U.S.C §§ 5531(a)(1)(A), (B), 5536(a), 5565, TILA, 15 U.S.C. § 1638(a)(2), (3), (4) and 12 C.F.R. § 1026.18(b), (d), (e), and the FDCPA, 15 U.S.C. § 1692e, and the Prehired Defendants are "covered persons" under the CFPA. The Prehired Defendants are creditors within the meaning of TILA and Regulation Z 12 C.F.R. §§ 1026.2(a)(17). Prehired Recruiting and Prehired Accelerator are "debt collectors" under the FDCPA within the meaning of 15 U.S.C. § 1692a(6).

15. During the Relevant Period, Prehired, LLC offered or provided Consumer Financial Products or Services, 12 U.S.C. § 5481(5), (6), (7), and (15)(A)(i), and credit, 12 C.F.R. §§ 1026.2(a)(17) and 1026.2(a)(14). During the Relevant Period, Prehired Recruiting,

LLC and Prehired Accelerator, LLC, collected debts related to a Consumer Financial Product or Service. 12 U.S.C. § 5481(6) and (15)(A)(x).

16. Prehired, LLC purported to offer Vocational Education Services (as defined below) to consumers. Prehired, LLC encouraged consumers to finance the cost of those services through ISAs.

17. Prehired, LLC made deceptive representations about the ISAs, including that the ISAs were not credit and representing that repayment was contingent on the income of the student.

18. In order to collect debts related to a Consumer Financial Product or Service, Prehired Recruiting, LLC and Prehired Accelerator, LLC falsely represented the amount of debt owed by consumers, and made material misrepresentations to consumers by describing “settlement agreements” as beneficial to consumers without disclosing the true purpose of these agreements was to avoid the consumer’s defenses to the original Prehired, LLC ISAs, and to impose more onerous dispute resolution and collection terms.

19. Prehired Recruiting, LLC engaged in unfair debt collection practices by seeking to collect debt in a distant forum when the consumers did not live in that forum and were not physically present in that forum when the ISAs were executed.

20. Through the violations alleged in the Complaint, the Prehired Defendants caused harm to consumers in the amount of consumers’ payments, and 6% prejudgment interest on those payments, made to Prehired, LLC for educational services.

21. The Court finds that the acts and practices described in the Complaint are unfair, deceptive, or otherwise unlawful practices and violated 12 U.S.C. §§ 5531(a), (c) and 5536(a)(1)(A), (B), TILA, 15 U.S.C. § 1638(a)(2), (3), (4) and 12 C.F.R. § 1026.18(b), (d), (e), and the FDCPA, 15 U.S.C. § 1692e.

22. Based on the information maintained in Prehired, LLC's records and the Declaration of Mr. Forbes, the Court finds that the acts and practices alleged in the Complaint have resulted in \$3,775,858.63 plus \$472,390.67 in prejudgment interest at 6% in harm to Affected Consumers. To the extent that Affected Consumers made payments on a consumer financial product offered by Prehired, LLC not recorded in Prehired, LLC's existing records, the Court finds that those Affected Consumers were harmed in the amount of those payments made to Prehired Defendants or an agent of the Prehired Defendants and 6% prejudgment interest, but those amounts are currently unknown.

23. Section 1055 of the CFPA, 12 U.S.C. § 5565 empowers this Court to order, among other things, injunctive relief, monetary relief, and civil money penalties.

24. The Bureau is entitled to an Order imposing permanent injunctive relief, monetary relief, and civil money penalties.

25. Entry of this Order is in the public interest.

26. Prehired Defendants waive all rights to seek judicial review or otherwise challenge or contest the validity of this Order and any claim they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action to the date of this Order. Each Party agrees to bear its own costs and expenses, including, without limitation, attorneys' fees.

27. Given that the Prehired Defendants are being liquidated under the Bankruptcy Code and are no longer doing business, and the Trustee has agreed not to seek permission to operate Prehired Defendants' businesses, the Plaintiffs have agreed not to seek certain compliance and reporting requirements.

28. The parties consent to entry of a final order by the Court in this proceeding.

DEFINITIONS

The following definitions apply to this order:

29. The following definitions apply to this order:
 - a. “Affected Consumers” includes any consumer who made payments to any person in connection with any Vocational Education Service offered by Prehired, LLC, under a consumer financial product or service, including, without limitation an income share agreement, used to finance the tuition, fee, or purchase price of such service from May 1, 2019 to March 31, 2023.
 - b. “Assist[ing] Others” includes, but is not limited to:
 - i. Consulting in any form whatsoever;
 - ii. Providing administrative support services;
 - iii. Performing customer service functions, including but not limited to, receiving or responding to consumer complaints;
 - iv. Formulating or providing, or arranging for the formulation or provision of, any advertising or marketing material, including but not limited to, any telephone sales scripts, direct mail solicitation, or the text of any Internet website, email or other electronic communication or advertisement;
 - v. Formulating or providing, or arranging for the formulation or provision of, any marketing support material or service, including but not limited to, web or Internet Protocol addresses or domain name registration for any Internet websites, affiliate marketing services or media placement services;
 - vi. Providing names of, or assisting in generation of, potential customers;
 - vii. Performing marketing, billing, or payment services of any kind,
 - viii. Acting or serving as an owner or principal of any entity.

- c. “Bureau” means the Consumer Financial Protection Bureau.
- d. “Consumer Financial Product or Service” is synonymous in meaning and equal in scope to the definition of the term in the CFPA, 12 U.S.C. § 5481(5).
- e. “Effective Date” means the Date on which this Order is entered by the Court.
- f. “Enforcement Director” means the Assistant Director of the Office of Enforcement for the Bureau or their delegate.
- g. “Estates” means the bankruptcy estates created within the instant Bankruptcy Proceeding pursuant to 11 U.S.C. § 541.
- h. “ISA” means an Income Share Agreement or Income Sharing Agreement, or any other form of consumer credit under which borrowers repay the underlying obligation in installments over a period of time and which provide for payments based on a percentage of the borrower’s income.
- i. “Person” means any individual, partnership, limited liability partnership, company, limited liability company, corporation, association (incorporated or unincorporated), trust, estate, cooperative organization, or other entity.
- j. “Plaintiffs” means, collectively, the State of Washington, State of Oregon, the California Department of Financial Protection and Innovation, State of Delaware, State of Minnesota, State of Illinois, State of South Carolina, State of North Carolina, Commonwealth of Massachusetts, Commonwealth of Virginia, State of Wisconsin, and the Consumer Financial Protection Bureau.
- k. “Prehired Defendants” means Prehired, LLC, Prehired Recruiting, LLC, and Prehired Accelerator, LLC, and their successors and assigns.

- l. “Related Consumer Action” means a private action brought by or on behalf of one or more consumers or an enforcement action brought by another governmental agency against the Estates based on substantially the same facts as described in the Complaint.
- m. “Relevant Period” means May 1, 2019, to March 31, 2023.
- n. “States” means State of Washington, State of Oregon, the California Department of Financial Protection and Innovation, State of Delaware, State of Minnesota, State of Illinois, State of South Carolina, State of North Carolina, Commonwealth of Massachusetts, Commonwealth of Virginia, and State of Wisconsin.
- o. “Trustee” means Don A. Beskrone, solely in his capacity as the Trustee appointed over the Prehired Defendants by the office of the United States Trustee, District of Delaware, and any successor trustee.
- p. “Vocational Education Services” includes, but is not limited to any class, course, or program of training, instruction, or study, in any form or manner offered for the purpose of instructing, training, or preparing persons for any vocation or profession.

ORDER

I.

Cessation of Business Activities

IT IS ORDERED that:

30. As of the Effective Date, the Prehired Defendants, whether acting directly or indirectly, and the Trustee, whether acting directly or through any Person, are permanently enjoined and restrained from operating Prehired, LLC, Prehired Recruiting, LLC, and Prehired Accelerator, LLC’s businesses, and from participating in or Assisting Others in advertising,

marketing, promotion, offering for sale, selling, or assisting in the sale of, or provision of any Consumer Financial Product or Services relating to Vocational Education Services including, but not limited to, offering, providing, servicing, or collecting debt relating to ISAs for Vocational Educational Services.

II.

Customer Information

It is FURTHER ORDERED that:

31. The Trustee, on behalf of and as a fiduciary for the respective Estates of the Prehired Defendants, may not: disclose, use, or benefit from customer information, including names, addresses, telephone numbers, email addresses, social security numbers, other identifying information, or any data that enables access to a customer's account that was obtained by the Prehired Defendants.

32. However, and notwithstanding the foregoing, the Trustee may disclose or use customer information if requested by a government agency or as required by law, regulation, or court order, including without limitation, as may be required by the Bankruptcy Court in the Bankruptcy Proceeding and/or the administration of the Estates.

III.

Contract Cancellation

IT IS FURTHER ORDERED that:

33. Any ISA or other agreement Defendant Prehired, LLC originated or sold to consumers to finance Vocational Education Services are declared void *ab initio* and any contract that is currently owned or held by the Estates shall be deemed rescinded without need of any further act by the Trustee, any consumer or customer, or otherwise, thereby releasing and discharging consumers and customers from any and all obligations under those agreements. Further, the Prehired Defendants and the Trustee are permanently restrained from any attempt to collect, sell, assign, or otherwise transfer any right to collect payment from any consumer related to any ISA or other agreement with Defendant Prehired, LLC to finance Vocational Educational Services.

IV.

Monetary Judgment

IT IS FURTHER ORDERED that:

34. A judgment for monetary harm, which includes actual pecuniary losses plus prejudgment interest, is entered in favor of the Plaintiffs and against the Prehired Defendants in the total amount of \$3,775,858.63 plus 6% prejudgment interest, \$472,390.67, for a total of \$4,248,249.30 U.S. Dollars (the “Monetary Judgment”).

35. The Monetary Judgment will be deemed to be an allowed general unsecured claim against each of the Estates, jointly and severally, in favor of the Bureau on behalf of all the Plaintiffs, subject to 11 U.S.C. §§ 507(a) and 726 governing priorities of expenses and claims in the Bankruptcy Proceeding.

36. Any funds received by the Bureau in satisfaction of the Monetary Judgment shall be deposited into a fund or funds administered by the Bureau or its agent according to applicable statutes and regulations to be used for redress for Affected Consumers, including, but not limited to, refund of moneys, restitution, damages or other monetary relief, and for any attendant expenses for the administration of such redress.

37. If the Bureau determines, in its sole discretion, that providing redress to consumers is wholly or partially impracticable or if funds remain after the administration of redress is completed, the Bureau will deposit any remaining funds in the U.S. treasury. The Trustee will have no right to challenge the Bureau’s choice of remedies under this Section or, any right to contest the manner of distribution chosen by the Bureau. For the avoidance of doubt, the Trustee shall have no liability whatsoever, individually and/or in his capacity as Chapter 7 Trustee, under or in connection with this Order.

V.

Order to Pay Civil Monetary Penalties

IT IS FURTHER ORDERED that:

38. Under section 1055(c) of the CFPA, 12 U.S.C § 5565(c), by reason of violations of the law alleged in the Complaint, and taking into account the factors in 12 U.S.C. § 5565(c)(3), a civil monetary penalty in favor of the Bureau and against each Defendant is ordered in the amount of \$1.00 (One U.S. Dollar), which shall be deemed an allowed general unsecured claim in the Bankruptcy Proceeding and against each of the Estates.

39. The civil monetary penalties paid to the Bureau under this Order will be deposited in the Civil Penalty Fund of the Bureau as required by section 1017(d) of the CFPA, 12 U.S.C. § 5497(d).

VI.

Additional Monetary Provisions

IT IS FURTHER ORDERED that:

40. Subject to 11 U.S.C §§ 507(a) and 726 governing priorities of expenses and claims in the Bankruptcy Proceeding, the Trustee must relinquish all dominion, control, and title to the funds paid to the Bureau on account of its claims to the fullest extent permitted by law and no part of the funds may be returned to the Estates.

41. Within 30 days of the entry of a final judgment, order, or settlement in a Related Consumer Action, to the extent that such a Related Consumer Action is commenced in the Bankruptcy Proceeding or otherwise on notice to the Trustee while the Bankruptcy Proceeding is pending, the Trustee must notify the Enforcement Director in writing of any such final judgment, order or settlement. Such notification must include the amount of redress, if any, that the Estate

paid or is required to pay to consumers, and to the extent available to the Trustee, describe the consumers or class of consumer to whom that redress has been or will be paid.

VII.

Cooperation With Plaintiffs

IT IS FURTHER ORDERED that:

42. The Trustee shall notify the Bureau and States of the occurrence of any of the following:

- a. The Trustee's discovery of assets in the Estates or any assets that could be subject to a turnover motion by the Trustee;
- b. The Trustee's filing of a motion under 11 U.S.C. § 363 in the Bankruptcy Case to use, sell, or lease property of the Estates;
- c. The Trustee's filing of any interim report to the Bankruptcy Court; and
- d. The closure of the Bankruptcy Case.

43. In connection with this action, the Order, or any subsequent investigations related to or associated with the transactions or occurrences that are the subject of the Complaint, the Trustee shall provide reasonable and good faith cooperation to help Plaintiffs determine the identity and location of, and the amount of injury sustained by, each Affected Consumer, to the extent that such information has not previously been produced to Plaintiffs by the Trustee and to the extent that such information is in the Trustee's possession or control.

44. Within 21 calendar days of receipt of a written request from any Plaintiff, the Trustee must provide any available documents or information that are the subject of the request.

VIII.

Notice

IT IS FURTHER ORDERED that:

45. Unless otherwise directed in writing by the Bureau, the Trustee must provide all submissions, requests, communications, or other documents relating to this Order in writing, with the subject line, *In re Prehired, et. al.*, Case No. 22-11007 (JTD) by email to Enforcement_Compliance@cfpb.gov. The Trustee may send an additional copy by overnight courier or first-class mail to the below address:

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

46. Unless otherwise directed by a representative of the State of Washington in writing, all submissions to the State of Washington pursuant to this order must be sent by email to tad.oneill@atg.wa.gov. The Trustee may send an additional copy by overnight courier or first-class email to below address:

Tad Robinson O’Neill, Assistant Attorney General
Washington Attorney General’s Office
800 Fifth Ave, Suite 2000
Seattle, Washington, 98104-3188.

IX.

Release

47. The Bureau and States release and discharge the Prehired Defendants from all potential liability for civil law violations that the Bureau or any of the States has or might have alleged in the Complaint, to the extent such practices occurred before the Effective Date and the Bureau and States know about them as of the Effective Date. This release does not preclude or affect the right of the Bureau or the States to determine and ensure compliance with this Order or to seek penalties for any violations of this Order.

X.

Retention of Jurisdiction

IT IS FURTHER ORDERED that:

48. The Court will retain jurisdiction of this matter for the purpose of enforcing this Order.

Presented by:

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Email: rpalacio@ashbygeddes.com

Attorneys for Don A. Beskrone, Chapter 7 Trustee

It is SO ORDERED, this 1st of November, 2023.

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**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON; STATE OF OREGON; CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION; STATE OF DELAWARE; STATE OF MINNESOTA; STATE OF ILLINOIS; STATE OF SOUTH CAROLINA; STATE OF NORTH CAROLINA ex rel. Attorney General Joshua H. Stein.; COMMONWEALTH OF MASSACHUSETTS; COMMONWEALTH OF VIRGINIA; STATE OF WISCONSIN; and CONSUMER FINANCIAL PROTECTION BUREAU,

Plaintiff,

v.

PREHIRED, LLC, a Delaware limited liability company; PREHIRED RECRUITING, LLC, a Delaware limited liability company; PREHIRED ACCELERATOR, LLC, a Florida limited liability company,

Defendants.

DECLARATION OF ANTON FORBES IN SUPPORT OF STATE’S MOTION OF CHAPTER 7 TRUSTEE FOR AN ORDER APPROVING PROPOSED STIPULATED JUDGMENT PURSUANT TO RULE 9019 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE

I, Anton Forbes, declare as follows:

1. I am a Senior Financial Investigator in the Consumer Protection Division of the Washington State Attorney General’s Office, where I have worked since 2018. I am a Certified Anti-Money Laundering Specialist (CAMS) and have been a financial investigator since 2010.

1 2. I make this declaration based on my personal knowledge and the files and records
2 described herein.

3 3. Based on Joshua K. Jordan's deposition and PreHired LLC documents produced
4 in discovery, I understand that PreHired LLC issued Income Share Agreements (ISA) to finance
5 its members' tuition and fees beginning in May 2019.

6 4. I performed a detailed review and analysis of the account statements and related
7 banking transaction support documents for PreHired LLC, PreHired Recruiting LLC, and
8 PreHired Accelerator LLC that the State obtained through discovery requests to Bank of
9 America, N.A., Wells Fargo Bank, N.A., and Stripe, Inc. I also reviewed bank account
10 statements for Joshua K. Jordan, the principal of these three corporate entities, from Bank of
11 America, N.A., Wells Fargo Bank, N.A., and Payward Ventures, Inc. d/b/a KRAKEN (Crypto-
12 Currency Exchange). PreHired LLC used ISA servicers to track and collect most of the
13 payments made by former members under the ISAs. I performed a detailed review and analysis
14 of related student documentation obtained from the following ISA servicing companies: New
15 Epona, Inc. d/b/a BLAIR; LEIF Technologies, Inc. dba LEIF.org; MERATAS, Inc. and MIA
16 Share, Inc. Using the first and last name and date of payment fields, I duplicated data from across
17 the different ISA servicers' data sheets and created a master spreadsheet of unique ISA members,
18 their related payments, and their contact information. In addition, I reviewed in detail student
19 payments made through Rozlin Financial Group, Inc. (RFGI), a collection service provider,
20 contracted by PreHired LLC.

21 5. Additionally, I directed staff working with me to review certain student
22 spreadsheets and copies of ISA agreements produced by the PreHired's Chapter 7 Bankruptcy
23 Trustee in discovery. At my direction, using those spreadsheets and ISA agreements, staff filled
24 in information on the master spreadsheet, missing from the bank records or ISA servicing records
25 where we could be certain of a member's identity match.

26 6. Further, I directed staff working with me to search and identify PreHired payment

1 receipts located in the documents produced by the Chapter 7 Bankruptcy Trustee. I compared
2 those receipts to payment data from all other sources, and added unique payments recorded by
3 these payment receipts.

4 7. On the basis of my review of the records, supplemented by staff work reviewing
5 PreHired records, I am able to ascertain that from May 1, 2019 to March 17, 2023, 699 former
6 PreHired members made one or more ISA and/or collection payment to PreHired, LLC, PreHired
7 Recruiting LLC, or PreHired Accelerator LLC, equaling \$3,775,858.63 in total payments.

8 8. Using a 6% interest rate, I am able to calculate the amount of interest that would
9 have accrued from the date of payment through September 1, 2023 for each payment. The total
10 amount of interest is \$472,390.67.

11
12 I declare, under penalty of perjury under the laws of the State of Washington, that the
13 foregoing is true and correct.

14 DATED this **21st** day of September, 2023, at Seattle, Washington.

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16 /s/Anton Forbes
17 ANTON FORBES
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