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ELECTRONICALLY
FILED

Superior Court of California,
County of San Francisco

02/22/2024
Clerk of the Court
BY: SHENEQUA GLADNEY
Deputy Clerk

10 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 IN AND FOR THE COUNTY OF SAN FRANCISCO

13 ESTHER SOLORZANO, individually and on
14 behalf of the general public,

15 Plaintiff,

16 vs.

17 MAVENFORM, INC. dba PATHRISE; LEIF
18 TECHNOLOGIES, INC.; LEIF SERVICING,
19 LLC; and DOES 1 through 30, inclusive,

20 Defendants.

Case No.

CGC-24-612574

**COMPLAINT FOR DAMAGES,
RESTITUTION, INJUNCTIVE RELIEF,
AND DECLARATORY RELIEF FOR
VIOLATIONS OF:**

- 21 **I. THE EMPLOYMENT AGENCY,
22 EMPLOYMENT COUNSELING,
23 AND JOB LISTING SERVICES
24 ACT (CIVIL CODE § 1812.500, *ET
25 SEQ.*);**
- 26 **II. THE STUDENT BORROWER
27 BILL OF RIGHTS (CIVIL CODE §
28 1788.100, *ET SEQ.*);**
- 29 **III. THE ROSENTHAL FAIR DEBT
30 COLLECTION PRACTICES ACT
(CIVIL CODE § 1788, *ET SEQ.*);**
- 31 **IV. THE CONSUMERS LEGAL
32 REMEDIES ACT (CIVIL CODE
33 § 1750, *ET SEQ.*); and**
- 34 **V. THE UNFAIR COMPETITION
35 LAW (BUS. & PROF. CODE
36 § 17200, *ET SEQ.*).**

**DEMAND FOR JURY TRIAL;
DECLARATION REGARDING VENUE**

Unlimited Civil Case

JURY TRIAL DEMANDED

1 Plaintiff ESTHER SOLORZANO (“Ms. Solorzano” or “Plaintiff”), on behalf of herself,
2 and on behalf of the General Public, by her attorneys, alleges on personal information and upon
3 information and belief based upon, *inter alia*, the investigation made by and through her
4 attorneys, as follows:

5 **INTRODUCTION**

6 1. Plaintiff has brought this action against Defendants MAVENFORM, INC. DBA
7 PATHRISE (“Pathrise”), LEIF TECHNOLOGIES, INC. (“Leif Technologies”) and LEIF
8 SERVICING, LLC (“Leif Servicing”) (together “Defendants”) to put an end to an ongoing
9 scheme by Defendants in which Defendants trap young job seekers into making unlawful
10 payments under opaque, high-cost financing agreements, which are unenforceable under state
11 law.

12 2. Pathrise operates as an unregistered, unbonded employment agency, employment
13 counseling service, job listing service, and/or private postsecondary education institution.
14 Pathrise, through deceptive advertising, purports to offer combination training, job search, and
15 job connection services to help people land high-paying jobs with sought-after technology
16 companies. Pathrise induces job seekers into signing up for Income Share Agreements (“ISA”),
17 created and underwritten by Leif Technologies and Leif Servicing, which require the individuals
18 to pay a percentage of their gross monthly income for a fixed period of time, regardless of
19 whether Pathrise helped them secure the job or not. These ISAs were created in an attempt to
20 evade consumer protection laws regulating lending and disclosures.

21 3. Despite Defendants’ attempts to avoid regulation, the ISAs are still unlawful
22 because:

- 23 a) Because Pathrise operates as an employment agency, employment counseling
24 service, and/or job listing service, California state law requires Pathrise to post a
25 surety bond with the Secretary of State, and prohibits Pathrise from conducting
26 any business without having a bond posted. Civil Code §§ 1812.503; 1812.510;
27 1812.515. State law also prescribes the form and terms of contracts, Civil Code §§
28 1812.504; 1812.511; 1812.516, and forbids services such as Pathrise from taking

1 promissory notes or assignments of wages from jobseekers, Civil Code §§
2 1812.505; 1812.512; 1812.517. Pathrise has not posted the required surety bond,
3 its contracts violate California law, and its ISAs are unlawful promissory notes
4 and/or wage assignments;

5 b) Alternatively, Pathrise operates as a private postsecondary education institution.
6 California state law requires private postsecondary education programs to obtain
7 approval from the Bureau of Private Postsecondary Education (the “BPPE”) in
8 order to operate in the state and before they may issue enforceable debt.
9 Education Code § 94917. This requirement ensures that regulators can monitor
10 and audit the promises made by educational programs, their curriculum, their
11 costs, and the outcomes for students. Pathrise offers an educational program, but
12 it has never sought or obtained approval to operate from the BPPE. Pathrise is
13 therefore advertising and running an unlawful operation, and the ISAs it issues
14 have been unenforceable from their inception.

15 4. Ms. Solorzano brings this action for relief for herself, and on behalf of the general
16 public, including damages, injunctive relief, public injunctive relief, restitution, and declaratory
17 relief for Defendants’ violations of the Employment Agency, Employment Counseling, and Job
18 Listing Services Act; the Student Loan Borrower Bill of Rights; the Rosenthal Fair Debt
19 Collection Practices Act; the Consumers Legal Remedies Act; and the Unfair Competition Law.
20 Specifically, Plaintiff seeks to stop Defendants’ ongoing unfair acts of competition by enjoining
21 Defendants from issuing unlawful ISAs going forward and ceasing their unlawful (and
22 unlicensed) student loan servicing in the State of California.

23 **PARTIES**

24 5. Plaintiff Esther Solorzano is an individual who at all material times was, and
25 currently is, a resident of California.

26 6. Defendant LEIF SERVICING, LLC is a Delaware limited liability company with
27 its principal place of business located at 829 Washington Street, New York, New York.

28 7. Defendant LEIF TECHNOLOGIES, INC. is a Delaware corporation, with its

1 principal place of business located at 829 Washington Street, New York, New York.

2 8. Defendant MAVENFORM INC. DBA PATHRISE is a Delaware corporation
3 with its principal place of business located at 101 Montgomery Street, Suite 400, San Francisco,
4 California.

5 **DOE DEFENDANTS**

6 9. Plaintiff does not know the true names and capacities, whether corporate,
7 partnership, associate, individual or otherwise, of defendants sued herein as DOES 1 through 30,
8 inclusive, pursuant to § 474 of the California Code of Civil Procedure. Plaintiff is informed and
9 believes and thereupon alleges that defendants DOES 1 through 30, inclusive, are in some
10 manner responsible for the acts, occurrences and transactions set forth herein and are legally
11 liable to Plaintiff. Plaintiff will seek leave to amend this complaint to set forth the true names and
12 capacities of said fictitiously-named defendants, together with appropriate charging allegations,
13 when ascertained.

14 **AGENCY AND ALTER EGO**

15 10. At all times mentioned herein each Defendant, whether actually or fictitiously
16 named herein, was the principal, agent (actual or ostensible), or employee of each other
17 Defendant and in acting as such principal or within the course and scope of such employment or
18 agency, took some part in the acts and omissions hereinafter set forth, by reason of which each
19 Defendant is liable to Plaintiff for the relief prayed for herein.

20 **JURISDICTION AND VENUE**

21 11. Venue is proper in the County of San Francisco because one or more of the
22 violations alleged in the Complaint arose in San Francisco County, because Defendants, at all
23 times relevant herein, were doing business in San Francisco County, and because Defendant
24 Pathrise has its principal place of business in San Francisco County.

25 12. This Court has jurisdiction over Plaintiff's claims because Plaintiff is a resident of
26 California, because Defendants regularly conduct business in California, because Defendant
27 Pathrise is headquartered in California, and because the acts and omissions complained of
28 occurred at locations in California.

1 **REGULATORY BACKGROUND**

2 **California's Regulation of Employment Services**

3 13. Services for jobseekers in California are regulated by the Employment Agency,
4 Employment Counseling, and Job Listing Services Act (“Employment Services Act”), Civil
5 Code §§ 1812.500 – 1812.544.

6 14. The Employment Services Act defines three different categories of entities it
7 regulates based on the services offered:

8 a) Employment agencies are those who, *inter alia*, offer to procure employment or
9 engagements for others, register persons seeking employment, give information as
10 to where employment may be procured, or offer procurement of employment for a
11 fee as one of their main purposes to people whose main object is to secure
12 employment. Civil Code § 1812.501(a)(1).

13 b) Employment counseling services are those who represent that they can or will
14 offer, *inter alia*, career counseling, vocational guidance, aptitude testing,
15 personnel consulting, career management, and/or development of resumes. Civil
16 Code § 1812.501(b)(1).

17 c) Job listing services are those who provide or offer, for a fee, to match jobseekers
18 with employment opportunities, to provide jobseekers with lists of employers or
19 job openings, or to prepare resume or lists of jobseekers to potential employers.
20 Civil Code § 1812.501(c).

21 15. Common across employment agencies, employment counseling, and job listing
22 services as defined by the Employment Services Act are requirements that each service, to
23 operate lawfully, maintain a bond with the Secretary of State; offer contracts in compliance with
24 statutory requirements; refrain from false, misleading, or deceptive advertisements or
25 representations; and not take a promissory note or assignment of wages to cover fees.

26 16. Any contracts or agreements that fail to comport with these requirements are void
27 and unenforceable as contrary to public policy. Civil Code § 1812.523(c).

28 //

1 **California’s Regulation of Private Postsecondary Education**

2 17. Private postsecondary education in California is regulated pursuant to Education
3 Code §§ 94800 – 94950.

4 18. In enacting these provisions, the Legislature intended to create “[m]eaningful
5 student protections through essential avenues of recourse for students,” “[a] regulatory structure
6 that provides for an appropriate level of oversight,” and “[p]revention of the harm to students and
7 the deception of the public that results from fraudulent or substandard educational programs and
8 degrees.” Education Code § 94801(d).

9 19. To those ends, private institutions offering postsecondary education in California
10 are required to gain approval from the California Bureau of Private Postsecondary Education
11 (“BPPE”) before operating. Education Code § 94886.

12 20. Private postsecondary institutions are also prohibited from soliciting students for
13 enrollment using deceptive means, including advertisements that appear as job postings.
14 Education Code § 94897.

15 21. If an educational program has not been approved by the BPPE, then any debt
16 relating to payment for the program is void and unenforceable. Education Code § 94917.

17 **California’s Regulation of Student Loans and Student Loan Servicing**

18 22. Student loan servicing in California is regulated by two parallel statutes: the
19 Student Loan Servicing Act (“SLSA”), Financial Code §§ 28100 – 28182, and the Student
20 Borrower Bill of Rights (“SBBR”), Civil Code §§ 1788.100 – 1788.105.

21 23. The SLSA and the SBBR provide identical definitions of “student loan.” A
22 student loan is “any loan made solely for use to finance a postsecondary education and costs of
23 attendance at a postsecondary institution, including, but not limited to, tuition, fees, books and
24 supplies, room and board, transportation, and miscellaneous personal expenses.” Civil Code
25 § 1788.100(q)(1); Financial Code § 28104(l)(1).

1 24. The California Department of Financial Protection and Innovation has determined
2 that ISAs used to finance postsecondary education, such as the ISA at issue in this case, are
3 student loans under these definitions.¹

4 25. The SLSA and SBBR also provide identical definitions of student loan
5 “servicing”:

6 “Servicing” means any of the following activities related to a student loan of a borrower:

7 (1) Performing both of the following:

8 A. Receiving any scheduled periodic payments from a borrower or any
9 notification that a borrower made a scheduled periodic payment.

10 B. Applying payments to the borrower’s account pursuant to the terms of the
11 student loan or the contract governing servicing.

12 (2) During a period when no payment is required on a student loan, performing both of
13 the following:

14 A. Maintaining account records for the student loan.

15 B. Communicating with the borrower regarding the student loan on behalf of the
16 owner of the student loan promissory note.

17 (3) Interacting with a borrower related to that borrower’s student loan, with the goal of
18 helping the borrower avoid default on the borrower’s student loan or facilitating the
19 activities described in paragraph (1) or (2).

20 Financial Code § 28104(k); Civil Code § 1788.100(p).

21 26. The SLSA prohibits any person from engaging in the business of student loan
22 servicing without first obtaining a student loan servicing license from the Department of
23 Financial Protection and Innovation. Financial Code § 28102.

24 27. Student loan servicing licenses are not transferable or assignable. Financial Code
25 § 28102.

26 28. The SBBR prohibits student loan servicers from engaging in unfair, deceptive, or
27 abusive acts or practices, including omitting material information in connection with servicing a
28 student loan. Civil Code § 1788.101.

¹ Consent Order, *In the Matter of the Student Loan Servicing Act license application of MERATAS INC.*, NMLS ID No. 2120180 (August 5, 2021) (available at <https://dfpi.ca.gov/wp-content/uploads/sites/337/2021/08/Meratas-Consent-Order.pdf>).

REPRESENTATIVE TRANSACTION

1
2 29. In early summer, 2021, Ms. Solorzano reached out to Pathrise in response to a job
3 posting she saw on LinkedIn, hoping to inquire about the job listed.

4 30. There was no job. In fact, the posting was a deceptive and unlawful advertising
5 tactic used by Pathrise to lure in job seekers.

6 31. In response to her inquiry for what she thought was a job, Ms. Solorzano was
7 contacted by a recruiter for Pathrise.

8 32. The recruiter subjected Ms. Solorzano to high pressure sales tactics. She
9 explained to Ms. Solorzano that Pathrise is an exclusive career accelerator program, and told Ms.
10 Solorzano she was in the “top 5% of applicants.” The recruiter told Ms. Solorzano that Pathrise
11 would connect her with industry insiders, and would help her land a well-paying job. The
12 recruiter told Ms. Solorzano that if she didn’t land a good job with Pathrise, she would not have
13 to pay for the service.

14 33. Pathrise required Ms. Solorzano to finance the service using an “Income Share
15 Agreement” (“ISA”) according to which she would pay a percentage of her gross income to
16 Pathrise through its loan servicer, Leif Technologies.

17 34. Pathrise also required Ms. Solorzano to sign a separate “Fellow Agreement,”
18 which references the ISA in its first paragraph.

19 35. The ISA states on the first page that “THIS AGREEMENT DOES NOT
20 CONSTITUTE A LOAN.” A similar statement in a similar income share agreement was recently
21 found by the federal Consumer Financial Protection Bureau to be deceptive.²

22 36. Contrary to what the recruiter told Ms. Solorzano, the ISA requires that Ms.
23 Solorzano pay 18% of her gross monthly income from *any* employment after enrolling in
24 Pathrise, not only for jobs obtained with Pathrise’s help.

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26 _____
27 ² Consent Order, In the Matter of Better Future Forward, Inc. et al., Administrative Proceeding
28 File No. 2021-CFPB-0005 (September 1, 2021) (available at
https://files.consumerfinance.gov/f/documents/cfpb_better-future-forward-inc_consent-order_2021-09.pdf).

1 37. The ISA specifies that Leif Technologies will be the “ISA Program Manager” and
2 will act as the agent of Pathrise in “managing and processing all aspects” of the ISA, including
3 monitoring Ms. Solorzano’s income, processing payments, performing reconciliations,
4 communicating with Ms. Solorzano, and collecting information and documents from her.

5 38. Pathrise’s website and materials contain multiple deceptive representations
6 concerning how the ISAs work. For example, Pathrise describes itself as “an online career
7 accelerator that’s 100% free until you’re hired.” This representation creates the reasonable
8 impression that the service is free until a person is hired *through Pathrise*. In fact, the ISA used
9 by Pathrise requires payment even if the user gets a job on their own, outside the Pathrise
10 program.

11 39. A few weeks after Ms. Solorzano enrolled with Pathrise, she inquired about
12 canceling the service. The training modules that Pathrise provided were not helpful to her, and
13 she did not feel that the service matched her level of skill and experience.

14 40. To prevent Ms. Solorzano from withdrawing, Pathrise invited her to be a “fellow”
15 in what it claimed was a new and exclusive “Talent Agent Program,” wherein Pathrise would
16 focus more resources on contacting employers directly on behalf fellows and securing senior
17 positions for them.

18 41. In practice, the “Talent Agent Program” did not seem much different from the
19 regular program to Ms. Solorzano, except that she was no longer required to attend weekly
20 training modules.

21 42. Pathrise provided Ms. Solorzano with job listings, provided feedback on her
22 resume and other application materials, and contacted employers directly on her behalf in order
23 to secure employment for her.

24 43. However, the jobs that Pathrise pursued for Ms. Solorzano were poor fits for her
25 skills and experience, and often required qualifications that she lacked. Ms. Solorzano explained
26 this to Pathrise on several occasions, but Pathrise continued to put her forward as a candidate for
27 jobs she could not do.

28

1 44. In late summer, 2021, Ms. Solorzano received an inquiry from a prospective
2 employer directly through her LinkedIn profile, *i.e.*, not through Pathrise.

3 45. Ms. Solorzano responded to the inquiry and secured a position without any
4 assistance or input from Pathrise.

5 46. Even though Ms. Solorzano had obtained a job independently from Pathrise, Leif
6 Technologies and/or Leif Servicing, on behalf of Pathrise, immediately began demanding
7 payments on the ISA.

8 47. Ms. Solorzano made the payments to Leif Technologies and/or Leif Servicing on
9 the ISA because she believed she had no choice.

10 48. For Pathrise's 8-week course that conferred no meaningful benefit on Ms.
11 Solorzano, she has paid more than \$8,300.³

12 49. As explained herein, the ISA was void and unenforceable from its inception, and
13 Leif Technologies and/or Leif Servicing's demands for payment were unlawful, unfair,
14 deceptive, and abusive.

15 50. Even after Ms. Solorzano had made the required payments for the payment term
16 of twelve months, Leif Technologies and/or Leif Servicing continued to send her false and
17 deceptive demands. For example, after Ms. Solorzano had completed her payment term under the
18 ISA, Leif Technologies and/or Leif Servicing sent her correspondence claiming that she had
19 breached her contract and that she was "90+ days delinquent." This was not true.

20 **DEFENDANTS' UNLAWFUL CONDUCT**

21 **Pathrise Operates an Unlawful, Unbonded Employment Agency**

22 51. The Employment Services Act defines "employment agency" at Civil Code
23 § 1812.501(a)(1) as follows:

24 (A) Any person who, for a fee or other valuable consideration to be paid,
25 directly or indirectly by a jobseeker, performs, offers to perform, or
represents it can or will perform any of the following services:

26 ³ As of February 21, 2024, Pathrise's website asserts that "We've helped 2,500+ fellows of all
27 sorts of backgrounds land great jobs" *Land your dream job in Tech*. Pathrise. (last accessed
28 February 21, 2024). <https://www.pathrise.com/>. If 2,500 individuals have each paid \$8,300, then
Defendants have unlawfully collected over \$27 million.

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(i) Procures, offers, promises, or attempts to procure employment or engagements for others or employees for employers.

(ii) Registers persons seeking to procure or retain employment or engagement.

(iii) Gives information as to where and from whom this help, employment, or engagement may be procured.

(iv) Provides employment or engagements.

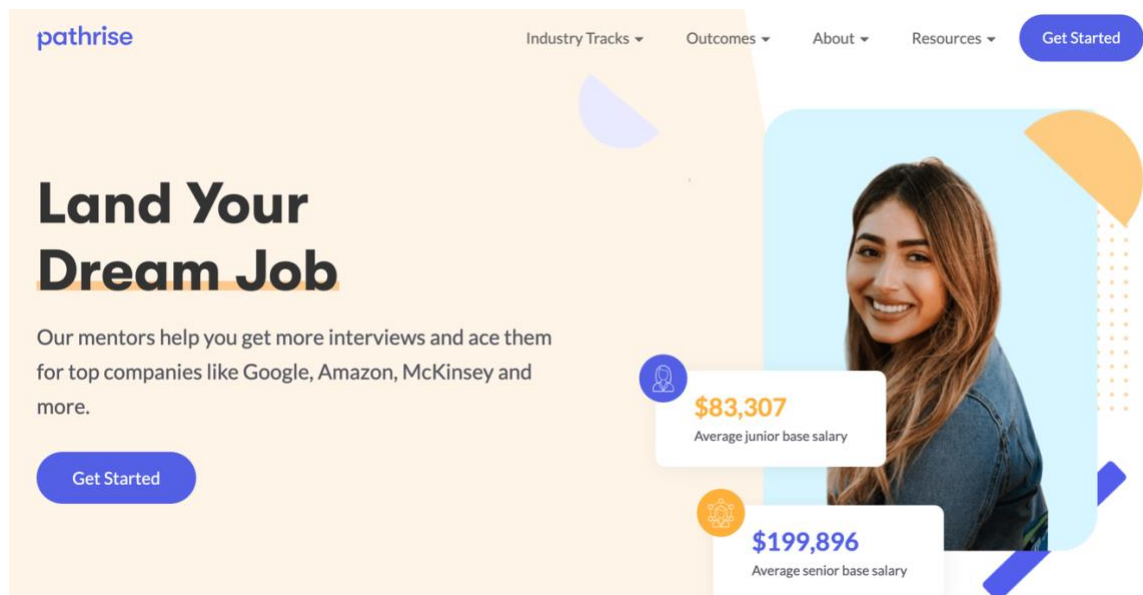
(B) Any person who offers, as one of its main objects or purposes, to procure employment for any person who will pay for its services, or that collects dues, tuition, or membership or registration fees of any sort, if the main object of the person paying those fees is to secure employment. . . .

52. Pathrise offered and promised to procure or attempt to procure employment for Ms. Solorzano.

53. Pathrise reached out on Ms. Solorzano’s behalf directly to prospective employers on numerous occasions in attempts to secure employment for her.

54. For example, in one instance a Pathrise representative told Ms. Solorzano via email: “I’ll have reached out to ten companies for you by the end of today.”

55. Pathrise offers to procure or attempt to procure employment in its representations to the general public. For example, the largest text on Pathrise’s web homepage says “Land Your Dream Job”:



1 56. On information and belief, Pathrise also offers to attempt to procure employees
2 for employers, including for its “Partner” employers.

3 57. Pathrise represents on its website, in a section titled “Benefits for Partners,” that
4 Pathrise will “find and evaluate each candidate, determining the best fits for your open roles so
5 you are always receiving high quality applicants.”

6 58. The Pathrise website also explains: “When a hiring partner works with Pathrise,
7 we send them candidates for their hiring funnel that are handpicked by our talent team. We
8 adjust the volume and type of candidates we send over based on your needs. If you don’t like the
9 candidates, we continue to adjust our recommendations based on your feedback.”

10 59. In addition, Pathrise registers persons seeking to procure or retain employment,
11 and gives information as to where and from whom employment may be procured.

12 60. Pathrise collected “dues, tuition, or membership or registration fees of any sort”
13 from Ms. Solorzano when her main object in agreeing to pay those fees via the ISA was to
14 secure employment.

15 **Alternatively, Pathrise Operates an Unlawful, Unbonded Employment Counseling Service**

16 61. The Employment Services Act defines “employment counseling service” at Civil
17 Code § 1812.501(b)(1) as follows:

18 “Employment counseling service” means any person who offers,
19 advertises, or represents it can or will provide any of the following
20 services for a fee: career counseling, vocational guidance, aptitude
21 testing, executive consulting, personnel consulting, career management,
22 evaluation, or planning, or the development of resumes and other
23 promotional materials relating to the preparation for employment.
24 “Employment counseling service” shall not include persons who
25 provide services strictly on an hourly basis with no financial obligation
26 required of the consumer beyond the hourly fee for services rendered.
27 An “employment counseling service” does not include the functions of
28 an “employment agency” as defined in subdivision (a).

24 62. Pathrise offers, advertises, and/or represents that it can and will provide services
25 for a fee that include career counseling, vocational guidance, career management, career
26 evaluation, career planning, and the development of resumes and other promotional materials
27 relating to the preparation for employment.

28 //

1 63. For example, the Pathrise website states that Pathrise uses “proprietary tech, data-
2 driven strategies, and one-on-one expert mentorship to provide you with **resume, interview,**
3 **networking, and negotiation support.** Out fellows typically experience an increase in interview
4 scores, more job offers, and even increased salaries.”

5 64. The Pathrise website also states that Pathrise’s “job is to help you significantly
6 improve your odds of getting a job **by providing structure, strategy, accountability, and**
7 **expert guidance.**”

8 65. Pathrise represents on its website that it helps jobseekers “[n]avigate the hiring
9 process for different technology stacks, while learning **how to approach technical interviews** .
10 . . .” The Pathrise website further offers to “[a]ccelerate your Cybersecurity and IT job search by
11 **preparing for interviews** and tackling challenges. **Refine your resume** to secure a position in
12 this dynamic field.”

13 66. Pathrise represents on its website that jobseekers are “[g]uaranteed placement”:



Guaranteed placement

With Pathrise, ensure that you'll
be able to start building real world
experience fast.

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22 67. Pathrise charges a fee for its services in the form of its ISA.

Alternatively, Pathrise Operates an Unlawful, Unbonded Job Listing Service

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24 68. The Employment Services Act defines “job listing service” at Civil Code §
25 1812.501(c) as follows:

26 “Job listing service” means any person who provides, offers, or
27 represents it can or will provide any of the following services, for a fee
28 or other valuable consideration to be paid, directly or indirectly, by the
jobseeker in advance of, or contemporaneously with, performance of
these services: matches jobseekers with employment opportunities,

1 providing or offering to provide jobseekers lists of employers or lists of
2 job openings or like publications, or preparing resume or lists of
3 jobseekers for distribution to potential employers.

4 69. Pathrise provides, offers, and/or represents that it will match jobseekers with
5 employment opportunities. For example, Pathrise offered to Ms. Solorzano that it would match
6 her with appropriate employers for her skills and experience.

7 70. The Pathrise website states that “Pathrise will help **you source opportunities** and
8 network effectively . . .”

9 71. In addition, Pathrise “prepar[es] resume or lists of jobseekers for distribution to
10 potential employers,” specifically to its “Partner” employers as explained above.

11 72. Pathrise charges a fee for its services in the form of its ISA.

12 **Pathrise is Operating Unlawfully, and its ISAs Are Void as Against Public Policy**

13 73. The Employment Services Act requires that all employment agencies,
14 employment counseling services, and job listing services “shall maintain a bond issued by a
15 surety company admitted to do business in this state . . . A copy of the bond shall be filed with
16 the Secretary of State.” Civil Code §§ 1812.503(a) (employment agencies); 1812.510(a)
17 (employment counseling services); 1812.515(a) (job listing services).

18 74. Employment agencies, employment counseling services, and job listing services
19 are prohibited from conducting any business “without having a current surety bond in the amount
20 prescribed by this title and filing a copy of the bond with the Secretary of State.” Civil Code
21 §§ 1812.503(c)(1); 1812.510(c)(1); 1812.515(c)(1).

22 75. On information and belief, Pathrise has never filed a copy of a surety bond with
23 the Secretary of State and thus is prohibited from conducting business in California.

24 76. The Employment Services Act requires that every employment agency,
25 employment counseling service, and job listing service provide jobseekers who are obligated to
26 pay a fee with a written contract containing specific pieces of information, including information
27 about the jobseeker’s right to a refund. Civil Code §§ 1812.504(a); 1812.511(a); 1812.516(a).

28 Additionally, “[t]he full agreement between the parties shall be contained in a single document

1 containing those elements set forth in this section.” Civil Code §§ 1812.504(c); 1812.511(c);
2 1812.516(c).

3 77. Pathrise does not provide contracts in compliance with the Employment Services
4 Act.

5 78. The Employment Services Act defines “fee” as “Any money or other valuable
6 consideration paid, or promised to be paid, for services rendered or to be rendered by any person
7 conducting an employment agency, employment counseling service, or job listing service under
8 this title.” Civil Code § 1812.501(j)(1).

9 79. The money that Ms. Solorzano, and other job seekers, were purportedly required
10 to pay under the ISAs that Pathrise required them to sign constitutes a “fee” under the
11 Employment Services Act.

12 80. The Employment Services Act prohibits employment agencies, employment
13 counseling services, and job listing services from taking “from a jobseeker a confession of
14 judgment, a promissory note or notes, or an assignment of wages to cover its fees.” Civil Code
15 §§ 1812.505(d); 1812.512(d); 1812.517(c).

16 81. The ISA that Pathrise requires job seekers, including Ms. Solorzano, to sign is a
17 promissory note or an assignment of wages to cover Pathrise’s fees.

18 82. The Employment Services Act prohibits employment agencies and job listing
19 services from accepting a fee from a jobseeker “without having obtained, orally or in writing, a
20 bona fide order for employment.” Civil Code §§ 1812.507(a); 1812.519(a).

21 83. Pathrise accepted a fee from job seekers, including Ms. Solorzano, in the form of
22 the ISA, and payments on the ISA, without having obtained a bona fide job order for
23 employment.

24 84. The Employment Services Act defines “registration fee” as “any charge made, or
25 attempted to be made, by an employment agency for registering or listing an applicant for
26 employment, for letter writing, or any charge of a like nature made, or attempted to be made
27 without having a bona fide order for the placement of the applicant in a position.” Civil Code
28 § 1812.501(k).

1 85. The Employment Services Act prohibits employment agencies and employment
2 counseling services from accepting, “directly or indirectly, a registration fee of any kind.” Civil
3 Code §§ 1812.505(c); 1812.512(c).

4 86. The ISAs Pathrise requires job seekers, including Ms. Solorzano, to sign
5 constitute “registration fees” because they are charges made without Pathrise having a bona fide
6 order for the placement of job seekers in positions.

7 87. The Employment Services Act forbids an employment agency to refer a jobseeker
8 to a job when the agency knows or has reason to know that the jobseeker is not qualified for the
9 job. Civil Code § 1812.507(c)(1).

10 88. Pathrise repeatedly referred Ms. Solorzano to jobs after she had explained why
11 she was not qualified for those jobs.

12 89. The Employment Services Act prohibits employment counseling services from
13 making “any verbal or written promise or guarantee of any job or employment.” Civil Code §
14 1812.513(c).

15 90. Pathrise, on its website, offers “[g]uaranteed placement.”

16 91. The Employment Services Act prohibits employment agencies, employment
17 counseling services, and job listing services from making “any false, misleading, or deceptive
18 advertisements or representations concerning the services that the [entity] will provide”
19 Civil Code §§ 1812.508(a); 1812.513(a); 1812.520(a).

20 92. Pathrise made numerous false, misleading, or deceptive advertisements and
21 representations concerning its services to Ms. Solorzano, and the general public, including but
22 not limited to the advertisement masquerading as a job posting to which Ms. Solorzano initially
23 responded.

24 93. The Employment Services Act states: “If any person uses any untrue or
25 misleading statement, information, or advertisement to sell its services or fails to comply with
26 the applicable provisions of this title, or the contract does not comply with the applicable
27 provisions of this title, then the contract shall be void and unenforceable as contrary to public
28

1 policy and the jobseeker, customer, or nurse shall be entitled to the return of all sums paid.” Civil
2 Code § 1812.523(c).

3 94. Pathrise used untrue and misleading statements, information, and advertisements
4 to sell its services to Ms. Solorzano and the general public.

5 95. Pathrise failed to comply with the applicable provisions of the Employment
6 Services Act, including but not limited to the requirement to post a bond.

7 96. Pathrise failed to provide a contract that complies with the applicable provisions
8 of the Employment Services Act.

9 97. As a result, both the ISA and the Fellow Agreement that Pathrise required Ms.
10 Solorzano, and others, to sign are void and unenforceable as contrary to public policy.

11 **Alternatively, Pathrise Offers an Educational Program**

12 98. In the alternative, Pathrise offers an educational program in violation of the
13 California Education Code, and, as a result, its ISAs are unenforceable.

14 99. Pathrise claims that it is not an educational institution. In its Frequently Asked
15 Questions website, it states: “Is Pathrise a coding bootcamp or an educational institution? No.
16 Pathrise focuses on helping you with your job search.”

17 100. Notwithstanding this claim, Pathrise meets the definition of an “educational
18 program” under state law.

19 101. The Education Code defines “educational program” as “a planned sequence
20 composed of a set of related courses or modules . . . that provides education, training, skills, or
21 experience, or a combination of these” Education Code § 94837.

22 102. Pathrise provided Ms. Solorzano with a “Core Curriculum” document that
23 outlines the “**mandatory and essential** online workshops” of which the Pathrise program
24 consists.

25 103. This “Core Curriculum” is “a planned sequence composed of a set of related
26 courses or modules,” and by its own admission offers education, training, skills, and experience.

27 104. The “Core Curriculum” includes the following:

- 28 a) **“Learn** the fundamental principles of job searching;”

- b) "**Learn** the difference between "grunt" and "impact" quantification;"
- c) "**Learn** how to find recruiters and hiring managers' contact information;"
- d) "Our advisors **teach** you advanced scouring techniques;"
- e) "We go over effective **techniques** and **frameworks** to systematically improve behavioral interviewing."

105. Further, Pathrise is a "private postsecondary educational institution" because it is a private entity with a physical presence in California that offers postsecondary education to the public for an institutional charge. Education Code § 94858.

106. The educational programming offered by Pathrise is "postsecondary education" because it is designed for students who are beyond the compulsory age of secondary education, as indicated on Pathrise's website: "Pathrise only works with job seekers who are 18 or older and eligible to work in the United States."

ISAs Are Student Loans

107. California law provides two identical definitions of "student loan" in two different Codes. A student loan is "any loan made solely for use to finance a postsecondary education and costs of attendance at a postsecondary institution, including, but not limited to, tuition, fees, books and supplies, room and board, transportation, and miscellaneous personal expenses." Civil Code § 1788.100(q)(1); Financial Code § 28104(l)(1).

108. The California Department of Financial Protection and Innovation has determined that ISAs used to finance postsecondary education are student loans under this definition.⁴

The Pathrise ISAs are Void and Unenforceable per the Education Code

109. The Education Code states that "[a] note, instrument, or other evidence of indebtedness relating to payment for an educational program is void and not enforceable unless, at the time of execution of the note, instrument, or other evidence of indebtedness, the institution

⁴ Consent Order, *In the Matter of the Student Loan Servicing Act license application of MERATAS INC.*, NMLS ID No. 2120180 (August 5, 2021) (available at <https://dfpi.ca.gov/wp-content/uploads/sites/337/2021/08/Meratas-Consent-Order.pdf>).

1 held an approval to operate or valid out-of-state registration with the [Bureau for Private
2 Postsecondary Education].” Education Code § 94917.⁵

3 110. An ISA is a note, instrument, or other evidence of indebtedness relating to
4 payment for an educational program.

5 111. On information and belief, Pathrise has never held approval or operate or a valid
6 out-of-state registration with the Bureau for Private Postsecondary Education.

7 112. The Pathrise ISAs are therefore void and unenforceable pursuant to Education
8 Code § 94917.

9 **Leif Technologies Unlawfully Services Student Loans in California**

10 113. Leif Servicing holds a license to service student loans in California. However, it is
11 Leif Technologies that serviced Ms. Solorzano’s ISA and services other ISAs originated through
12 Pathrise.

13 114. Leif Technologies is named in the ISA document as the entity that will collect and
14 process payments, as well as communicate with Ms. Solorzano.

15 115. Leif Technologies is the entity that withdrew Ms. Solorzano’s payments and
16 applied them to her ISA.

17 116. Ms. Solorzano has received numerous communications relating to her ISA from
18 individuals and email addresses identifying themselves as representing Leif Technologies. She
19 has never received a communication from an individual or email address identifying itself as
20 representing Leif Servicing.

21 117. Communications Ms. Solorzano has received from Leif Technologies include
22 communications advising her on how to avoid default on the ISA.

23 118. Leif Technologies has acted as a student loan servicer relating to Ms. Solorzano’s
24 ISA.

25
26 _____
27 ⁵ Prior to January 1, 2023, this code section stated: “A note, instrument, or other evidence of
28 indebtedness relating to payment for an educational program is not enforceable by an institution
unless, at the time of execution of the note, instrument, or other evidence of indebtedness, the
institution held an approval to operate.”

1 119. To lawfully service student loans in California, Leif Technologies is required to
2 obtain a student loan servicing license.

3 120. Leif Technologies has never held a student loan servicing license in California.

4 121. Pathrise and Leif Technologies have willfully and knowingly violated the law in
5 collecting and retaining money from Ms. Solorzano pursuant to a void and unenforceable
6 contract.

7 122. On information and belief, Leif Technologies and/or Leif Servicing, in demanding
8 and collecting payments from Ms. Solorzano, has acted and continues to act as the agent for
9 Pathrise, and according to instructions from Pathrise.

10 123. Ms. Solorzano has suffered an injury in fact and lost money and property as a
11 result of Defendants' conduct. Namely, as a result of Defendants' conduct alleged herein, Ms.
12 Solorzano has paid money not legally owed.

13 124. In addition to monetary damages, Ms. Solorzano's injuries include, but are not
14 limited to, the toll this situation has taken on her, the negative impact it has had on her ability to
15 enjoy her life, and the physical manifestations of that negative impact.

16 **FIRST CAUSE OF ACTION**
17 **(Violations of the California Employment Agency, Employment Counseling, and Job**
18 **Listing Services Act, Civil Code § 1812.500, et seq.)**
19 **(Against Pathrise, Leif Technologies, and Applicable Does)**

20 125. Plaintiff realleges and incorporates by reference as though fully set forth herein
21 each and every allegation contained in the paragraphs 1 through 124 above.

22 126. At all relevant times, Ms. Solorzano was a "jobseeker" as that term is defined in
23 Civil Code § 1812.501(e).

24 127. Pathrise is and was an "employment agency" as that term is defined in Civil Code
25 § 1812.501(a).

26 128. Alternatively, Pathrise is and was an "employment counseling service" as that
27 term is defined in Civil Code § 1812.501(b).

28 129. Pathrise is and was a "job listing service" as that term is defined in Civil Code
§ 1812.501(c).

1 130. Leif Technologies is and was a “person” as that term is used in Civil Code §
2 1812.523.

3 131. The ISA that Pathrise induced Ms. Solorzano to enter is a “fee” as that term is
4 defined in Civil Code § 1812.501(j).

5 132. Pathrise violated, and continues to violate Civil Code §§ 1812.503, 1812.510,
6 and/or 1812.515 by operating without posting the required bond.

7 133. Pathrise violated Civil Code §§ 1812.504, 1812.511, and/or 1812.516 by failing to
8 provide Ms. Solorzano with a lawful contract containing the required provisions.

9 134. Pathrise violated Civil Code §§ 1812.505, 1812.512, and/or 1812.517 by taking
10 from Ms. Solorzano a promissory note or an assignment of wages in the form of the ISA to cover
11 its fees.

12 135. Pathrise violated Civil Code §§ 1812.505 and/or 1812.512 by demanding and
13 accepting a registration fee from Ms. Solorzano.

14 136. Pathrise violated Civil Code §§ 1812.508, 1812.513, and/or 1812.520 by making
15 false, misleading, and deceptive advertisements and representations concerning the services that
16 the Pathrise would offer to Ms. Solorzano.

17 137. Pathrise violated and continues to violate Civil Code § 1812.513 by making a
18 guarantee of employment to the general public.

19 138. Pathrise acted willfully in committing the above violations of the Employment
20 Agency, Employment Counseling, and Job Listing Services Act.

21 139. Pursuant to Civil Code § 1812.523(c), the ISA is void and unenforceable as
22 contrary to public policy. As a result, Pathrise and Leif Technologies violated California law by
23 demanding payment on and accepting payment on the void ISA.

24 140. Pursuant to Civil Code § 1812.523(g), any waiver of these provisions is void and
25 unenforceable as contrary to public policy, and any attempt to enforce a waiver constitutes an
26 additional violation.

27 141. Pursuant to Civil Code § 1812.523(f), the remedies provided for in the
28 Employment Agency, Employment Counseling, and Job Listing Services Act are not exclusive,

1 and are available in addition to any other remedies or procedures provided in any other law.

2 142. Pursuant to Civil Code § 1812.523(d), Ms. Solorzano is entitled to an award of up
3 to three times her damages, but no less than the amount that she has paid Pathrise and Leif
4 Technologies, injunctive relief, attorney’s fees, and costs. Ms. Solorzano is further entitled to
5 additional punitive damages for Defendants’ willful violations as the Court may award in its
6 discretion.

7 WHEREFORE, Plaintiff prays for relief as set forth below.

8 **SECOND CAUSE OF ACTION**
9 **(Violations of the Student Borrower Bill of Rights, Civil Code § 1788.100, *et seq.*)**
10 **(Against Leif Servicing, and Applicable Does)**

11 143. Plaintiff realleges and incorporates by reference as though fully set forth herein
12 each and every allegation contained in the paragraphs 1 through 124 above.

13 144. Ms. Solorzano is a “borrower” as that term is defined by Civil Code
14 § 1788.100(a).

15 145. On information and belief, Leif Servicing purports to be the “student loan
16 servicer” for Ms. Solorzano’s ISA.

17 146. The ISA under which Leif Servicing purportedly collected payments from Ms.
18 Solorzano is a “student loan” as defined by Civil Code § 1788.100(q).

19 147. Leif Servicing is purportedly a “student loan servicer” as that term is defined by
20 Civil Code §§ 1788.100(s) and 1788.100(p) because Leif Servicing purports to have received
21 periodic payments from Ms. Solorzano on the ISA and applied those payments to her account
22 pursuant to the terms of the ISA.

23 148. Leif Servicing’s conduct alleged herein constitutes abusive acts or practices in
24 violation of Civil Code § 1788.101(a). This abusive conduct includes but is not limited to:

25 a. Materially interfering with Ms. Solorzano’s ability to understand a term or
26 condition of her student loan, namely by leading her to believe that the ISA is
27 enforceable when it is not;

28 b. Taking unreasonable advantage of Ms. Solorzano’s inability to protect her
interests when using features, terms, and conditions of her student loan, namely

1 by misleading her about the enforceability of the ISA, and claiming that Ms.
2 Solorzano was in breach of the ISA when she was not; and
3 c. Taking unreasonable advantage of Ms. Solorzano’s reasonable reliance on Leif
4 Servicing to act in her interests, namely her reliance on Leif Servicing to provide
5 her with accurate information about her obligations under the ISA.

6 149. Leif Servicing’s conduct alleged herein constitutes unfair and deceptive acts and
7 practices toward Ms. Solorzano in violation of Civil Code § 1788.101(b)(2). Leif Servicing has
8 misrepresented and omitted material information in connection with servicing the ISA. These
9 unfair and deceptive acts and practices, and material misrepresentations and omissions, include
10 misrepresenting the amount due; misrepresenting Ms. Solorzano’s obligations under the ISA;
11 and misrepresenting the legal status and character of the ISA.

12 150. Ms. Solorzano, through her attorney, sent Leif Servicing a letter (“the notice
13 letter”) more than 45 days before commencing this action notifying Leif Servicing of its
14 violations of the Student Borrower Bill of Rights, and demanding a correction and remedy.

15 151. The notice letter was sent via certified mail to the address for Leif Servicing on
16 file with the Department of Financial Protection and Innovation.

17 152. The notice letter satisfied the notice requirement in Civil Code § 1788.103(d).

18 153. Leif Servicing has not given or offered an appropriate correction or remedy for
19 the violations set forth in the notice letter, and alleged herein.

20 154. Leif Servicing’s conduct alleged herein was conducted with oppression, fraud,
21 and/or malice. Specifically, Leif Servicing continuously demanded payment from Ms. Solorzano
22 on a loan contract that it knows or should know is void and unenforceable by operation of law.
23 Leif Servicing has also repeatedly stated that Ms. Solorzano is in breach of the ISA when she
24 was not. In its conduct, Leif Servicing and/or Leif Technologies has acted with a willful and
25 conscious disregard of Ms. Solorzano’s rights to accurate and truthful information about her
26 alleged obligation, and her right not to be pursued for debts not legally owed. Leif Servicing’s
27 conduct also constitutes despicable conduct that has subjected Ms. Solorzano to unjust hardship
28 in conscious disregard of her rights. In the course of knowingly misrepresenting Ms. Solorzano’s

1 obligations, Leif Servicing has intentionally misrepresented and concealed material facts, and
2 deceived Ms. Solorzano, with the intention of depriving Ms. Solorzano of her property and legal
3 rights.

4 155. As a result of Leif Servicing’s violations of the Student Borrower Bill of Rights,
5 Ms. Solorzano is entitled to an award of actual damages to be proven at trial, but in no case less
6 than \$500 per violation, pursuant to Civil Code § 1788.103(b)(1).

7 156. As a result of Leif Servicing’s violations of the Student Borrower Bill of Rights,
8 Ms. Solorzano is entitled to an order enjoining the violative methods, acts, or practices pursuant
9 to Civil Code § 1788.103(b)(2).

10 157. As a result of Leif Servicing’s violations of the Student Borrower Bill of Rights,
11 Ms. Solorzano is entitled to an award of punitive damages pursuant to Civil Code §
12 1788.103(b)(4).

13 158. As a result of Leif Servicing’s violations of the Student Borrower Bill of Rights,
14 Ms. Solorzano is entitled to an award of attorney’s fees pursuant to Civil Code § 1788.103(b)(5).

15 WHEREFORE, Plaintiff prays for relief as set forth below.

16 **THIRD CAUSE OF ACTION**
17 **(Violations of the Rosenthal Fair Debt Collection Practices Act, Civil Code § 1788, et seq.)**
18 **(Against Pathrise, Leif Technologies, Leif Servicing, and Applicable Does)**

19 159. Plaintiff realleges and incorporates by reference as though fully set forth herein
20 each and every allegation contained in the paragraphs 1 through 124 above.

21 160. Ms. Solorzano is a “debtor” as that term is defined by Civil Code § 1788.2(h).

22 161. Defendants are “debt collectors” as that term is defined by Civil Code §
23 1788.2(c).

24 162. The ISA alleged to be owed by Ms. Solorzano is a “consumer debt” as that term is
25 defined by Civil Code § 1788.2(f).

26 163. Through the conduct alleged above, Defendants have violated the Rosenthal Fair
27 Debt Collection Practices Act (“RFDCPA”). The violations include, but are not limited to, the
28 following:

a. Defendants made and used false, deceptive, and misleading representations in an

1 attempt to collect the alleged debt from Ms. Solorzano in violation of Civil Code
2 § 1788.17 (incorporating 15 U.S.C. § 1692e); and

3 b. Defendants misrepresented the character, amount, or legal status of the alleged
4 debt in violation of Civil Code § 1788.17 (incorporating 15 U.S.C.
5 § 1692e(2)(A)).

6 164. Defendants' violations alleged herein were committed willfully and knowingly.

7 165. As a result of Defendants' violations of the RFDCPA, Ms. Solorzano is entitled to
8 actual damages in an amount to be proven at trial, pursuant to Civil Code §§ 1788.30 and
9 1788.17 (incorporating 15 U.S.C. §§ 1692k(a)(1)).

10 166. As a result of Defendants' willful and knowing violations of the RFDCPA, Ms.
11 Solorzano is entitled to a penalty of not less than one hundred dollars (\$100) or more than one
12 thousand dollars (\$1,000) pursuant to Civil Code § 1788.30(b).

13 167. As a result of Defendants' violations of the RFDCPA, Ms. Solorzano is entitled to
14 an award of statutory damages in an amount not to exceed one thousand dollars (\$1,000)
15 pursuant to Civil Code § 1788.17 (incorporating 15 U.S.C. § 1692k(a)(2)(A)).

16 168. As a result of Defendants' violations of the RFDCPA, Ms. Solorzano is entitled to
17 an award of reasonable attorney's fees and costs pursuant to Civil Code §§ 1788.30(c) and
18 1788.17 (incorporating 15 U.S.C. § 1692k(a)(3)).

19 169. Pursuant to Civil Code § 1788.32, the remedies provided under the RFDCPA are
20 intended to be cumulative and in addition to any other procedures, rights, or remedies that Ms.
21 Solorzano may have under any other provision of law.

22 WHEREFORE, Plaintiff prays for relief as set forth below.

23 **FOURTH CAUSE OF ACTION**
24 **(Violations of the Consumers Legal Remedies Act, Civil Code § 1750, et seq.)**
25 **(Against Pathrise, Leif Technologies, Leif Servicing, and Applicable Does)**

26 170. Plaintiff realleges and incorporates by reference as though fully set forth herein
27 each and every allegation contained in the paragraphs 1 through 124 above.

28 171. At all relevant times:

- 1 a) The providing of the “Pathrise Career Accelerator Program” is a service that the
- 2 Defendants have designed and marketed for personal, family, or household
- 3 purpose that, as such, is a “service” as defined by Civil Code § 1761(b);
- 4 b) Plaintiff is an individual who expended money for the “Pathrise Career
- 5 Accelerator Program,” done so for personal, family, or household purposes, and,
- 6 as such, is a “consumer” as defined in Civil Code § 1761(d);
- 7 c) The purchased “Pathrise Career Accelerator Program” and signed ISA constitute a
- 8 “transaction” as that term is defined in Civil Code § 1761(e); and
- 9 d) Pathrise, Leif Technologies, and Leif Servicing are companies, and as such, are
- 10 persons as that term is defined in Civil Code § 1761(c)

11 172. By including false representations in the ISA and in subsequent interactions,

12 Pathrise, Leif Technologies, and Leif Servicing repeatedly represented that the sale of

13 educational services transaction funded by the ISA “confers or involves rights, remedies, or

14 obligations that it does not have or involve” in violation of Civil Code § 1770(a)(14), specifically

15 that Plaintiff was obligated to make payment, when she was not due to the ISA being legally

16 void, and that the ISA was “not a loan” when it was a loan.

17 173. Defendants’ violations of the CLRA present a continuing threat to Plaintiff and

18 members of the general public in that Defendants continues to engage in the above-referenced

19 acts and practices, *i.e.* issue and collect on legally void ISAs, and unless enjoined from doing so

20 by this Court, will continue to do so.

21 174. On July 19, 2023, Plaintiff provided notice to Defendants Pathrise and Leif

22 Servicing of the violations alleged above by providing notice in writing and mailing it by

23 certified mail, return receipt requested, to Defendants’ principal places of business, including a

24 place of business in California, and provided Defendants an opportunity to cure those violations

25 for both Plaintiff and the general public.

26 175. To date, Defendants have failed to take corrective action.

27 176. In addition, on January 24, 2024, Plaintiff provided notice to Defendant Leif

28 Technologies of the violations alleged above by providing notice in writing and mailing it by

1 certified mail, return receipt requested, to Leif Technologies’s principal places of business,
2 including a place of business in California, and provided Leif Technologies an opportunity to
3 cure those violations for both Plaintiff and the general public.

4 177. To date, Leif Technologies has failed to take corrective action.

5 178. Accordingly, pursuant to Civil Code §§ 1781 and 1782(c), individually, and on
6 behalf of the general public, Plaintiff seeks an order from the Court awarding actual damages,
7 equitable relief, private and public injunctive relief, and an award of attorneys’ fees and costs
8 pursuant to Civil Code § 1780, subdivisions (a) and (e) as to Defendants Pathrise and Leif
9 Servicing.

10 179. Additionally, pursuant to Civil Code §§ 1781 and 1782(c), individually, and on
11 behalf of the general public, Plaintiff seeks an order from the Court awarding equitable relief,
12 private and public injunctive relief, and an award of attorneys’ fees and costs pursuant to Civil
13 Code § 1780, subdivisions (a) and (e) as to Defendant Leif Technologies.⁶

14 180. Plaintiff is entitled to an award of attorneys’ fees and costs pursuant to Civil Code
15 § 1780(e).

16 WHEREFORE, Plaintiff prays for relief as set forth below.

17 **FIFTH CAUSE OF ACTION**
18 **(Violations of the Unfair Competition Law - Business and Professions Code § 17200, *et seq.*)**
19 **(Against Pathrise, Leif Technologies, Leif Servicing, and Applicable Does)**

20 181. Plaintiff realleges and incorporates by reference as though fully set forth herein
21 each and every allegation contained in the paragraphs 1 through 180 above.

22 182. Business & Professions Code § 17200, *et seq.* (the “Unfair Competition Law” or
23 “UCL”) defines unfair competition to include any unlawful, unfair or fraudulent business act or
24 practice. Unfair competition also includes “unfair, deceptive, untrue or misleading advertising.”
25 The UCL authorizes courts to order injunctive and/or declaratory relief and other equitable relief.

26 183. Defendants’ conduct as alleged above has been and will continue to be unlawful
27 in that the conduct constitutes and will continue to constitute violations of the Employment

28 ⁶ Plaintiff intends to amend this complaint pursuant to Civil Code § 1782(d) within 30 days to
add a claim for damages under the CLRA against Leif Technologies.

1 Agency, Employment Counseling, and Job Listing Services Act, the Student Loan Borrower Bill
2 of Rights, the Rosenthal Fair Debt Collection Practices Act, and the Consumers Legal Remedies
3 Act.

4 184. Defendants' conduct as alleged above has been and will continue to be unfair in
5 that it has caused Ms. Solorzano and others substantial injuries that were not reasonably
6 avoidable by them. Ms. Solorzano's injuries are not outweighed by countervailing benefits to
7 consumers or competition. Defendants' actions are substantially injurious to consumers, offend
8 public policy, and are immoral, unethical, oppressive, and unscrupulous, as the gravity of the
9 conduct outweighs any alleged benefits attributable to the conduct.

10 185. Defendants' actions alleged herein constitute fraudulent acts and practices
11 because they involve false and misleading representations and omissions likely to deceive
12 reasonable consumers.

13 186. Ms. Solorzano has lost money as a result of Defendants' actions.

14 187. As a result of Defendants' violations of the UCL, Ms. Solorzano is entitled to
15 restitution, injunctive relief, and other equitable relief in order to remedy past harms and prevent
16 future damages, for which there is no adequate remedy at law.

17 188. Pursuant to Business and Professions Code §17203, and on behalf of the General
18 Public, Ms. Solorzano seeks a public injunction to immediately stop Defendants' unfair acts of
19 competition by enjoining:

- 20 a) Pathrise from continuing to advertise and operate an unlawful and unapproved
21 employment agency, employment counseling service, job listing service, and/or
22 private postsecondary educational institution;
- 23 b) Leif Technologies from continuing to operate as an unlicensed student loan
24 servicer as to the general public; and
- 25 c) Pathrise, Leif Technologies, and Leif Servicing from collecting on ISAs
26 originated through Pathrise.

27 189. Plaintiff is entitled to an award of attorneys' fees and costs in prosecuting this
28 action under Code of Civil Procedure §1021.5 because:

- 1 a) A successful outcome in this action will result in the enforcement of important
- 2 rights affecting the public interest by protecting the general public from unfair,
- 3 unlawful, and deceptive practices;
- 4 b) This action will result in a significant public benefit through the issuance of an
- 5 injunction against unlawful and deceptive sales practices;
- 6 c) Unless this complaint is prosecuted, Defendant’s activities will go unremedied
- 7 and will continue; and
- 8 d) Plaintiff is an individual of modest means with limited access to the courts and the
- 9 civil justice system. Unless attorneys’ fees, costs and expenses are awarded
- 10 against Defendants, Plaintiff will not recover the full measure of her loss.

11 WHEREFORE, Plaintiff prays for relief as set forth below.

12 **PRAYER FOR RELIEF**

13 WHEREFORE, Plaintiff prays for relief as follows:

- 14 (1) For actual damages and compensatory damages in excess of the jurisdictional minimum
- 15 of this Court;
- 16 (2) For statutory damages;
- 17 (3) For punitive damages;
- 18 (4) For restitution;
- 19 (5) For prejudgment interest at the maximum legal rate;
- 20 (6) For an Order finding and declaring that Defendant’s acts and practices as challenged
- 21 herein are unlawful, unfair, and fraudulent
- 22 (7) For an Order enjoining Defendants from engaging in the practices challenged herein;
- 23 (8) For an Order declaring that the Pathrise ISA is void and unenforceable;
- 24 (9) For public injunctive relief enjoining Defendants from engaging in the practices
- 25 challenged herein for the benefit and protection of all members of the general public that are or
- 26 may become adversely affected by Defendants’ continuing practices alleged above to prevent
- 27 further harm to the public at large;
- 28 (10) For an award of attorneys’ fees, costs, and expenses incurred in the investigation, filing,

1 and prosecution of this action; and

2 (11) For such other and further relief as this Court shall deem just and proper.


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4 Dated: February 21, 2024

JUBILEE LEGAL

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By: 
Daniel "Sparky" Abraham

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JURY TRIAL DEMANDED

Plaintiff demands a trial by jury on all issues so triable.

Dated: February 21, 2024

JUBILEE LEGAL

By: 

Daniel "Sparky" Abraham

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DECLARATION REGARDING VENUE

I, DANIEL “SPARKY” ABRAHAM, declare:

1. I am an attorney duly licensed to practice law in all of the courts of the State of California, including the court in which this action is pending. I am an attorney in the law firm JUBILEE LEGAL, attorneys for Plaintiff in this lawsuit.

2. I have personal knowledge of the facts stated herein and am competent to testify thereto.

3. We have selected venue in San Francisco County because Defendant Pathrise is headquartered in San Francisco County, because all three Defendants conduct business in San Francisco County, and because a substantial portion of the underlying transaction occurred in San Francisco County. Civil Code §1780(d) allows for venue for an action such as the present matter be commenced in the county in which the person against whom it is brought resides, has his or her principal place of business, or is doing business, or in the county where the transaction or any substantial portion thereof occurred. For the above reasons, venue is proper in San Francisco County pursuant to Consumers Legal Remedies Act, Civil Code § 1780.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and this Declaration is executed on February 21, 2024, at Oxnard, California.



Daniel “Sparky” Abraham