

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

State of Minnesota, by its Attorney General,
Mike Hatch,

Plaintiff,

Court File No. 62-CX-00-008199

Case Type: Other Civil

Judicial Officer: Judge Flinn

v.

College Resource Management, Inc., d/b/a
College Financial Aid Services of America,

ORDER

Defendant.

This matter was heard by the District Court on July 31, 2001 upon the motion of the Defendant, College Resource Management, Inc., d/b/a/ College Financial Aid Services of America, for partial summary judgment against the plaintiff on its claim under the Credit Services Organization Act, Minn. Stat. § 332.52-.60, finding that the act does not apply to defendant, dismissing that claim, and providing such other relief as the Court shall deem proper and just.

Jeffrey J. Bouslong, Kari L. Wraspir, Jay A. Johnston, Oppenheimer, Wolff & Donnelly, LLP., 3300 Plaza VII Building, 45 South Seventh Street, Minneapolis, MN 55402, appeared on behalf of the defendant. Tricia L. Matzek, Assistant Attorney General, 445 Minnesota Street, #1400, St. Paul, MN 55101-2131, appeared on behalf of the plaintiff.

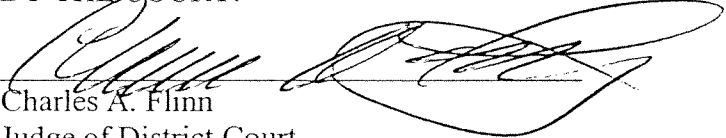
The Court, having heard arguments of counsel, and upon all of the briefs, files and records herein:

IT IS ORDERED:

1. The motion of the defendant for partial summary judgment in its favor on plaintiff's claim under the Credit Services Organization Act, Minn. Stat. § 332.52-.60, is in all things denied.
2. The following memorandum is a part of this order and constitutes the Court's finding of facts and conclusions of law to the extent required.
3. The mailing of this order by the Court to counsel is notice of its entry for all purposes.

Dated: October 24, 2001

BY THE COURT:


Charles A. Flinn
Judge of District Court

MEMORANDUM

The instant motion concerns a single count of the State's amended complaint alleging that the defendant has committed numerous violations of the Credit Services Organization Act ("CSOA" or "the Act"). The alleged violations all assume that the CSOA applies to the defendant. It is this last issue that is before the Court by way of partial summary judgment sought by the defendant. The act in question applies only to "credit service organizations," which have a very specific definition under the statute as follows:

Any person that, with respect to the extension of credit by others, sells, provides, performs, or represents that the person will sell, provide or perform in return for the payment of money or other valuable consideration, any of the following services:

- (1) improve a buyer's credit record, history or rating;
 - (2) obtain an extension of credit for a buyer;
 - (3) Provide advice or assistance to a buyer with regard to either clause (1) or (2).
- Minn. Stat. § 332.52, subd. 3(a) (emphasis added).

As applicable to the facts of this case, the question is whether the defendant is an entity that provides advice or assistance to a buyer with regard to an extension of credit. It is clear that defendant does nothing in conducting its business to improve a buyer's credit record, history or rating.

The defendant is a college planning service company that assists college bound students in the college admissions process. As part of that process, it does many things not specifically related to an extension of credit, such as assisting in college selections, entrance testing, and providing information regarding admission processes. However, it is equally clear that they do attempt to provide their clients with information and advice regarding financing of college expenses, including the obtaining of loans, which, by definition, are, of course, a form of credit. Indeed, the name under which defendant

conducts business in Minnesota, “College Financial Aid Services,” speaks to that matter. The documents provided to the Court indicate that defendant will analyze a student’s financial situation, recommend strategies to increase eligibility, provide financial aid planning, review all documents for accuracy and, indeed, would, for an additional fee, complete financial aid forms at the request of their client. They guarantee in some of their materials substantial savings in financing costs.

A review of these materials leads to the inescapable conclusion that the defendant provides information, recommendations and help, that is advice and assistance, to consumers in obtaining an extension of credit, that is student loans. The fact that this is not the only service they provide or that the clients may or may not ultimately obtain loans is not conclusive as to whether they are subject to the statute. The statute itself uses the words “sells, provides, performs or **represents**” (emphasis supplied).

Based upon the above analysis, the Court need not venture into the murky morass of legislative history to determine the statute’s applicability to the defendant. The clear language of the statute makes its application to the defendant obvious and, accordingly, defendant’s motion is denied.

CAF/adm