

1 THE HONORABLE VERONICA ALICEA-GALVÁN

2 Hearing Date: February 26, 2021

3 With Oral Argument

4 Department 21

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8 SUPERIOR COURT OF THE STATE OF WASHINGTON
9 FOR KING COUNTY

10 STATE OF WASHINGTON,

11 Plaintiff,

12 v.

13 NAVIENT CORPORATION;
14 NAVIENT SOLUTIONS, LLC;
15 PIONEER CREDIT RECOVERY,
16 INC.; and GENERAL REVENUE
17 CORPORATION,

18 Defendants.

No. 17-2-01115-1 SEA

ORDER DENYING IN PART AND
GRANTING IN PART STATE OF
WASHINGTON'S MOTION FOR
PARTIAL SUMMARY JUDGMENT
REGARDING CLAIMS ARISING FROM
DEMANDS FOR THE "PRESENT
AMOUNT DUE" AND CO-SIGNER
RELEASE ELIGIBILITY FOR
BORROWERS IN PAID-AHEAD
STATUS

CLERK'S ACTION REQUIRED

18 THIS MATTER came before the Court on Plaintiff State of Washington's Motion for
19 Partial Summary Judgment Regarding Claims Arising from Demands for the "Present Amount
20 Due" and Co-Signer Release Eligibility for Borrowers in Paid-Ahead Status (Motion). The Court
21 heard the arguments of the parties and considered the following material:

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26 ORDER GRANTING IN PART AND
DENYING IN PART PLAINTIFF'S MOTION
FOR PARTIAL SUMMARY JUDGMENT
Case No. 17-2-01115-1 SEA - 1

- 1 1. State of Washington’s Motion for Partial Summary Judgment Regarding Claims Arising
- 2 from Demands for the “Present Amount Due” and Co-Signer Release Eligibility for
- 3 Borrowers in Paid-Ahead Status (“Motion”);
- 4 2. Declaration of Heidi C. Anderson, including exhibits thereto;
- 5 3. Declaration of Donald L’Roi Adams;
- 6 4. Declaration of Jesse Allen;
- 7 5. Defendants’ Response to the Motion;
- 8 6. Declaration of Mike Kilgarriff, including exhibits thereto;
- 9 7. Declaration of Patricia Peterson;
- 10 8. Declaration of Lisa Stashik;
- 11 9. State of Washington’s Reply in Support of the Motion;
- 12 10. Supplemental Declaration of Heidi C. Anderson, including exhibits thereto;
- 13 11. Second Supplemental Declaration of Heidi C. Anderson, including exhibits thereto;

14 Having reviewed the above materials, and being familiar with the files and pleadings in
15 this case, the Court hereby rules as follows:

16 1. Defendant Navient Solutions, LLC, formerly known as Navient Solutions, Inc.
17 (collectively, “Navient”), is a wholly-owned subsidiary of defendant Navient Corp. and is located
18 in Wilmington, Delaware.

19 2. Summary judgment is proper where no genuine issue of material fact exists and the
20 moving party is entitled to judgment as a matter of law. CR 56(a); *W. Telepage, Inc. v. City of*
21 *Tacoma Dep’t of Fin.*, 140 Wn.2d 599, 607 (2000). To defeat summary judgment, “the nonmoving
22 party must set forth specific facts which sufficiently rebut the moving party’s contentions and
23 disclose the existence of a genuine issue as to a material fact.” *Michael v. Mosquera-Lacy*, 165
24 Wn.2d 595, 601, 200 P.3d 695 (2009) (internal quotation and citations omitted). The non-moving
25 party may not rely on mere allegations, conclusions, or opinions. *Id.* at 602. The court must

1 consider all facts in the light most favorable to the nonmoving party. *Indoor Billboard/Washington*
2 *Inc. v. Integra Telecom of Washington, Inc.*, 162 Wn.2d 59, 70, 170 P.3d 10 (2007).

3 3. The State has the burden of proving three elements to prevail on its Consumer
4 Protection Act (CPA claim): (1) an unfair or deceptive act or practice; (2) occurring in trade or
5 commerce; (3) that affects the public interest. *State v. LA Inv'rs, LLC*, 2 Wn.App. 2d 524, 537-38,
6 410 P.3d 1183, *review denied*, 190 Wn.2d 1023, 418 P.3d 796 (2018); *State v. Mandatory Poster*
7 *Agency*, 199 Wn.App. 506, 518, 398 P.3d 127, *review denied*, 189 Wn.2d 1021 (2017); *State v.*
8 *Kaiser*, 161 Wn.App. 705, 719, 254 P.3d 850 (2001); *see also Hangman Ridge Training Stables v.*
9 *Safeco Title Ins. Co.*, 105 Wn.2d 778, 719 P.2d 531 (1985).

10 4. Plaintiff alleges that Navient's use of the term "present amount due" was an unfair and
11 deceptive practice. Viewing the facts before the court in the light most favorable to the nonmoving
12 party, the court concludes that there remain genuine issues of material fact related to Navient's use
13 of the term "present amount due". Accordingly, summary judgment is DENIED.

14 5. Plaintiff also alleges that Navient's practices surrounding its "cosigner release" program
15 were unfair or deceptive. Viewing the facts in the light most favorable to the nonmoving party,
16 the court concludes that there is no genuine dispute of material fact about Navient's practices
17 surrounding cosigner release and summary judgment is GRANTED.

18 BASED UPON THE FOREGOING, IT IS NOW HEREBY ORDERED as follows:

19 1. Plaintiff's Motion is DENIED as to claims arising from demands for the "present
20 amount due."

21 2. Plaintiff's Motion is GRANTED as to claims against Navient arising from
22 representations regarding cosigner release eligibility for borrowers in paid-ahead status who made
23 a certain number of "consecutive, on-time" payments.

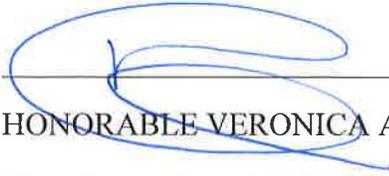
24 3. The number of violations of the CPA and amount of civil penalty (i.e., up to two
25 thousand dollars) for each violation; method of calculation, amount, structure, and administration

26 ORDER GRANTING IN PART AND
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1 of restitution to consumers, if any; terms of injunctive relief, if any; award of attorneys' fees and
2 costs; and/or other equitable relief deemed appropriate by the Court related to the claims at issue
3 in Plaintiff's Motion shall be decided at a future proceeding.

4 IT IS SO ORDERED.

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6 DATED this 5 day of March, 2021.

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10 HONORABLE VERONICA ALICEA-GALVÁN
11 King County Superior Court Judge
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