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Cloudy: High 70, Low 58

Rising star moving to a new world

Saldaña, already a major S.A. player, is heading for D.C.

By Greg Jefferson
STAFF WRITER

Julián and Joaquin Castro cried as they settled in for their first plane trip, leaving San Antonio for Stanford University in 1996.

"We'd never spent more than a few days away from home, and we missed our family already," Julián Castro wrote in his 2018 memoir.

Former Councilman Rey Saldaña knew the story, like many of the twins' longtime political supporters. But it meant more to him

than it did to most others.

He'd made the same journey from his hometown to Stanford in Palo Alto, Calif., nine years after the Castros did. And for him, too, it was his first plane trip.

Years later, with all three of them at the center of San Antonio politics, Saldaña told Joaquin half-jokingly: "At least you had somebody's shoulder to cry on."

Now, Saldaña, the former four-term city councilman, current VIA Metropolitan Transit board chairman and presumptive future mayoral candidate, is leaving San Antonio again.

In mid-March, he'll take over as CEO of Arlington, Va.-based Communities in Schools, a national nonprofit that helps at-risk chil-

dren and teens in public schools. Saldaña, his wife, Jessica, and their 1-year-old son, Eli, are moving to the Washington, D.C., area.

He'll be CIS' first chief executive who benefited from the program as a teenager.

Not that he was troubled. A CIS adviser at South San High School convinced him he could make it into the likes of Stanford.

"My life is a quilt of taking advantage of free programs that were available to me," he said.

The first time Saldaña left home, he was a model student. His record glittered with excellent grades, participation in a well-publicized campaign to bring a bookstore to the South Side and

New era continues on A20



Bob Owen / Staff photographer

Rey Saldaña says goodbye to friend and activist Marissa Ramirez, a South San High School graduate from 1998.

FROM THE COVER

Rebuilding a job at 11-11's warehouse near Sherman Road. He's worked there for 20 years.

The Saha, who's grandfather to 18 siblings, said his father was proud that all his children attend school and his father would be caught and deported. "That really affected him."

Kenneth became a U.S. citizen in 1998, when Saha's son enrolled at Texas A&M in Austin.

"I remember we would study for the citizenship exam together," the younger Saha said.

Lately in his first council term, which started in 2018, Saha's wife has been a member with H.E. Christmas Charles Hill to introduce himself and his father, who practiced education in English a week or two beforehand.

When Saha's father had successfully into his education introduction — "He was really nervous, he was really shy," he recalled — that continued by greeting him in Spanish. Their conversation took off from there, in Spanish.

Saha's wife, Jessica, also works for the San Antonio grocery chain, working data for 18-18's 11-11's warehouse before. And for his job he's working in a general advocacy director for State Near Rural Texas, an American education nonprofit largely funded by Fiat.

Teaching ethics

Saha's dad's been a shortage of people offering career help as he prepared to leave the council. Richard Perez, president of the San Antonio Chapter of Commerce and a former literacy coordinator, said he got him to teach with several private-sector nonprofits, though he declined to name them.

Perez had liked the younger Saha since right away.

In late 2013 and early 2014, Saha's dad was getting up for his first campaign in District 4, from 2013, and started Perez's advice.

To get it, he asked a geography teacher who'd taught both him and Perez in middle school, though years apart. The teacher, Alpha Galvanovic, called Perez to set up the meeting. "We started the conversation," Perez said, laughing.

Who could he be? he took the meeting in his chamber office.

In then, Saha's dad had a history of keeping his meetings with people in positions to help his career. He wanted to introduce himself to the Carter brothers, he said he contacted their mother, Rose Carter, in her home in Corpus Christi.

Saha's dad was expected to lose the District 4 race to Carlos Garcia, a City Hall leader, Carlos ally and then-father of outgoing District 4 incumbent, Carlos Garcia. He'd served as interim councilwoman for several months in 2010 while Carter underwent Air Force training.

Saha's dad returned home after carrying a banner in education policy at Stanford. Literally, he'd move back in with his parents on East Blythe Boulevard, a few blocks from Palo Alto College.

When Perez told him years ago that he had a problem with a young candidate who'd never made a campaign payment, Perez recalled. "The son, I don't know his name, but I can help you with helping the community," he turned it around on me."

Because of his position at the chamber, Perez couldn't endorse him. Instead, he said he began by meeting with Saha's dad to talk strategy and District 4 issues.

"We'd meet in a restaurant and talk about the back stories," Perez said.

Saha's dad eventually blockwalked the district, helped by a group of Grandparents. One of them, campaign manager Matt Pflaig, eventually helped connect to New Jersey in the spring.

He showed confidence in Election Day, taking 52 percent of the vote to Garcia's 39 percent. At 24, he was one of San Antonio's youngest ever council members.

And he did it without the support of father or Joseph Carter. Despite the strong parallels between the three of them — and Joseph's view that Saha's "represented the future of San Antonio" — the father and son.

"Let's be honest, he had a very good friend and a good supporter of me and my brother," Carter said. "Well, that was such a tough decision."

"The most remarkable part of it was for me to be successful. For me to be successful means... You have to understand how difficult it is to do that."

Saha's dad's father, Joseph, said that his father — and he got that a long time ago.

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"It's weird they were able to do what they were for so long without being shut down."

Lebanese immigrant owner James Jafar



The family of Jim and Ana Jafar stand together in the front yard of his father's home near Kyle. The couple's son Ana Dada, from left, Nathan, Jordan and David. Photo by Tom Rhee. Staff photo for Express-News

HOME

From page 4

red flag I started across the country.

The company's attorney and partner, Scott Mitchell, has had his law license suspended in two states. He was barred for the years from consumer law work in Washington, where he still lives, and in Texas, where he has a license to sell insurance.

Since 2015, courts in at least a dozen states — including Texas — have issued some form of sanctions against him, accusing Sprague of harassing vulnerable home owners. Federal judges have ordered the company out of their courts.

Court filings show Sprague has been repeatedly barred from bankruptcy trustees. In legal proceedings — some of which never were paid — a flagrant bankruptcy regulatory system meant that after each sanction, it simply continued operating outside those jurisdictions. Court documents up to 2015 were filed in bankruptcy cases a month in Texas alone in 2018. Sprague filed more than 100 total number of cases.

"I was just dumbfounded that he'd been operating for so long and as an independent contractor," said Geraldine Sewey, a Chapter 11 trustee in Tennessee.

"Did he perform any services?" Corporation Counsel in Washington, D.C., show Sprague law enforcement in 2018. Those matters are listed as generic court documents identified Marwell as its person owner and the company's lawyer, billing \$125 an hour.

After requesting letters from that question, Marwell responded according to requests for documents. Marwell's attorney did not make him available for an interview.

In documents filed in a Texas Court, N.Y., lawsuit, Marwell himself is listed as partner for the company's problems. In a Texas case, Marwell said he was unfairly being singled out when other Sprague Law associates remain "being comfortably in individual-filer properties."

In advertisements and helpings, Sprague promised to help people struggling with their mortgages — including a new monthly payment or a low payment plan if that's all that's left. Court filings show it had about 20 marketing employees signing up new clients.

It's unclear how many Sprague helped with their home loans, but it was when the company added clients to Chapter 11 bankruptcy that most suffered, losing their homes even as the company continued collecting its fees.

Concerns by federally appointed trustees, Chapter 11 bankruptcy is supposed to help debtors create and manage a repayment plan. It can't be reorganized.

It also temporarily halts foreclosure proceedings, and Sprague's business model "was just stalling," said Dennis Gombosi, a bankruptcy attorney who works with the Chapter 11 trustee in the Southern District of Texas.

Debtors were given only skeletal paperwork to file some said



The Jafars deal with a massive headache of paperwork and messes after losing Sprague Law, a company offering loan modification services.

they even were instructed not to respond to correspondence from the judge. The cases eventually were tossed — at which point the company often told them to file a second and third bankruptcy.

For Gonzalez said Sprague appeared not to have any meaningful increased client base through the service, even as it continued collecting its fees.

"I never saw any paperwork or indication that they'd even contacted the lender," said Dana Wilkinson, a South Carolina bankruptcy attorney who helped one of Sprague's former clients.

"I never saw any paperwork or indication that they'd even contacted the lender," said Dana Wilkinson, a South Carolina bankruptcy attorney who helped one of Sprague's former clients.

Many Sprague clients ended up losing their homes, lawyers and trustees said.

Lots of lost property
Frank and Jerry Little lived in their dream home in Montana's Big Sky for eight years. When Frank lost his job over Christmas 2016, Jerry said, they turned to Sprague to help them with their mortgage.

After paying fees for six months, Jerry said, Sprague suddenly advised them to file for bankruptcy protection to delay foreclosure. The filing was dismissed as inadvisable.

On March 25, 2018, a trustee appeared at their door. "I talk to you about the house?" Jerry recalled him saying. "I said, 'We have an attorney person talk to me and he said, 'That wasn't necessary I already own it.'"

Marwell's Chapter 11 trustee, Robert Encarnacion, said Sprague was worth about \$10,000 for the Little case and two others in which Marwell remains but their homes, but settled for about a third of that.

"This probably gives me a bit more than we think," he said. William Mark Bowers, Chapter

11 trustee for the Eastern District of Oklahoma, added: "Everybody I'm aware of who used Sprague lost their property."

The company claimed it had a network of experienced local attorneys who would help clients with their bankruptcies. But that, too, often turned out to be less than advertised, even though courts issued local lawyers apparently working for Sprague were surprised to learn of the affiliation.

"I know nothing about any of these cases," Mark Anderson, a lawyer whose name appeared on several Sprague bankruptcy filings in Montana, wrote in a 2016 affidavit.

Taken together, "I'm would think that it would be pretty easy to find out," Bowers said. "The I don't know why nothing seems to have happened. I'm pretty familiar with the U.S. Trustee system and responsibility to shut them down. We're talking millions of dollars."

Although Sprague's existence is current in the Washington-based U.S. Trustee Program, part of the Justice Department, the system is fragmented.

David Pflaig, the Texas bankruptcy trustee Chapter 11 trustee, said warnings about unscrupulous companies can be slow to spread, even as the number of victims grows.

After talking Sprague to seven at cases down 2018, Jafar said, they ordered the company to stop filing clients' bankruptcy cases in any federal court — but it continued to file them.

Lawyer Judge Marvin Lopez of the Southern District of Texas ordered it to stop filing in the Lone Star State. Set the company later filed two more cases, in Texas' Eastern and Western Districts. In Louisiana, a consumer attorney named Fred began searching for Sprague after being contacted by a woman who claimed the company had taken her money without authorization.

He quickly found debtors from the many individual courts that had filed or listed Sprague — in Kansas, Oklahoma, Missouri, Virginia, Maryland, Wisconsin, Iowa, Georgia and Tennessee, among others.

"But it was amazing there wasn't some big fraud alert," Fred said. "They were absolutely terrible

and hurt so many people. It's weird they were able to do what they were for so long without being shut down."

A spokeswoman for the U.S. Trustee's office in Washington, which has authority to issue enforcement orders, declined to comment, citing ongoing litigation.

"We're homeless!"

Sprague may have continued operating under the radar if it weren't for Marwell conducting outside business in June 2017, he purchased a real estate abstract company in a Phoenix suburb town, and into his home, about 20 miles from Phoenix County.

Marwell was arrested a year later for an array of offenses, including not paying closing fees from real estate sales and bookkeeping books.

He also was alleged to have kept documents in real estate sales — and, according to court filings, continued even after being released on bond. Eventually, he served four months in jail.

All that was one last shot at the Justice of New Mexico.

"He's in custody at the moment, mostly staying with family," Rose Jones said.

Last March the couple contacted the Texas Department of Family and Mortgage Lending, which issued a cease and desist order — and filed Sprague \$20,000 fine. "I don't think we're ever going to get the money," said Garcia, the agency's lawyer.

That's because six months ago, Sprague itself filed for Chapter 11 bankruptcy.

The bulk of assets of the company's damage still in arrears. The filing list more than 500 clients — nearly 60 from Texas — seeking reimbursement or other payment from the company, said Bowers. At least, that was the case. But "if this party, there's not much — if any — money in the company."

Marwell's old clients are still Sprague's phone number can be traced down to a new company called Thrush Law. According to corporate filings, it was founded last June by Marwell, Sprague's former owner, and a Florida attorney, Sam Babin III.

In a short interview, Babin said his company has nothing to do with Sprague and he had no contact information for Marwell.

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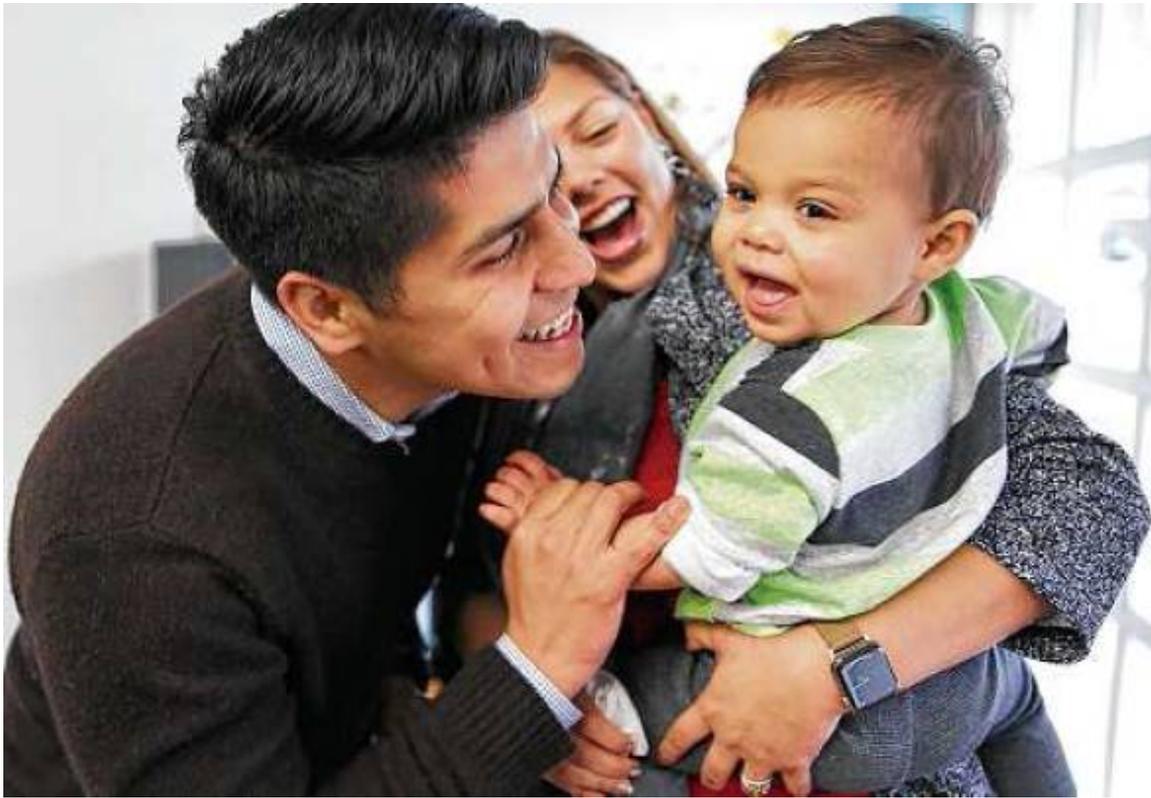
Bob Owen / Staff photographer

Rey Saldaña says goodbye to friend and activist Marissa Ramirez, a South San High School graduate from 1998.



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Saldaña gets a congratulatory handshake from fellow South San High School graduate Jesus Rendon.



Rey Saldaña and his wife, Jessica Flynn Saldaña, pick up their 16-month-old son, Eli, from Mustard Seed Academy.



Photos by Bob Owen / Staff photographer

A proud product of the South Side, Saldaña was told he was aiming too low when he thought of attending a local college. He applied for and made it into Stanford.

Julián and Joaquin Castro cried as they settled in for their first plane trip, leaving San Antonio for Stanford University in 1996.

“We’d never spent more than a few days away from home, and we missed our family already,” Julián Castro wrote in his 2018 memoir.

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In mid-March, he’ll take over as CEO of Arlington, Va.-based Communities in Schools, a national nonprofit that helps at-risk children and teens in public schools. Saldaña, his wife, Jessica, and their 1-year-old son, Eli, are moving to the Washington, D.C., area.

He’ll be CIS’ first chief executive who benefited from the program as a teenager.

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Saldaña won his first campaign for the City Council soon after graduating from college.

Not that he was troubled. A CIS adviser at South San High School convinced him he could make it into the likes of Stanford.

“My life is a quilt of taking advantage of free programs that were available to me,” he said.

The first time Saldaña left home, he was a model student. His record glittered with excellent grades, participation in a well-publicized campaign to bring a bookstore to the South Side and baseball stats — he was a catcher with a batting average of .340 — impressive enough to secure his place on Stanford’s team.

The difference this time is that he has political cachet and connections, in addition to sex appeal. At 33, he’s a star in the making.

“He can be mayor if he wants to be. He could be a congressman,” said U.S. Rep. Joaquin Castro, for whom Saldaña interned in 2009 when he served as a Democratic state representative. Leading CIS “will only enhance his future.”

The profile he’s carved out for himself — a product of the long-neglected South Side, grateful public servant, a high-energy fighter for low-income San Antonians who need more reliable bus service and paid sick leave — is a big reason he landed his new job.

In October, billionaire Elaine Wynn, known as the “Queen of Las Vegas,” called Saldaña on his cellphone to ask him to consider seeking the position. The co-founder of Mirage Resorts and Wynn Resorts chairs the nonprofit’s national board.

“I gave her Rey’s name,” said Dale Erquiaga, whom Saldaña will replace.

Wynn’s call wasn’t out of the blue. Saldaña has served on CIS’ board for two years.

Erquiaga had recruited him for the board a few years ago. They’d met when Erquiaga toured CIS schools in San Antonio — nearly half of the 1.62 million children the nonprofit serves are in Texas.

Wynn and Erquiaga liked his political chops.

“We wanted (a CIS) alum who was far along in their career,” Erquiaga said. “He had the added advantage of being an elected official. I knew he would have the skills to navigate that world” — a world of fundraising and dealing with school boards and administrators.

Still, Wynn and the other directors wanted to make sure he wouldn’t be a short-timer, leaving to campaign for office in San Antonio soon after accepting the job. Erquiaga said he committed to staying “until the job was done.”

“That means I won’t be running for mayor any time soon,” Saldaña said.

Qualifiers don’t come much more pronounced than that.

Busing it

The key to Saldaña’s and the Castros’ political success is their “story.” It’s all about aspiration and meritocracy, the old-fashioned American virtues, tempered with the belief that the deck is stacked against low-income, minority communities. They know what it’s like to scrape by in an economically segregated city.

They grew up poor but with loving, supportive parents, surrounded by families that struggled just as much as theirs. They were gifted with keen intelligence and driven by ambition. They thrived in public schools and made it to the Ivy League. They had a rough, lonely transition, but persevered. Then they came back to lead.

But none of that matters without gritty political skills — including the ability to raise campaign cash, charm voters, work other elected officials and leverage connections — or an issue to champion.

Like transportation.

In June 2015, in his fourth year on council, Saldaña parked his Buick Regal — he now drives a 2014 Ford Explorer — and took the bus for a month. He missed some meetings and was late to others, spending too much time waiting for the next bus.

He drew on — or used, depending on your point of view — the experience to push for increased funding for VIA, which receives half of the sales-tax revenue it’s allowed to take in under state law. His first attempt to get the city to kick in an extra \$10 million failed in 2016 under Mayor Ivy Taylor.

That defeat, by a 6-5 vote, “lit a fire under him, and it changed him” said Tim Salas, a friend of Saldaña and his former chief of staff. “He became more focused.”

Two years later, he got what he wanted. The City Council OK’d the extra \$10 million for VIA, with Mayor Ron Nirenberg’s support.

Making transportation his big issue also got him the appointment as VIA's chairman. That's put him in the middle of the campaign to shift about \$40 million a year in sales-tax funding from Edwards Aquifer protection to VIA. It's expected to go on the November ballot.

Saldaña, who still takes the bus once a week, said he's worried the campaign so far isn't centered on people who have to rely on bus service. He talks about a maid named Berta who takes the bus to get to work in affluent Alamo Heights.

"She's invisible to this community, she's invisible to the voters," he said.

Berta matters to him. She's also one of his talking points. That's politics.

Exits, entries

In order to come home, first you have to leave. That was an ordeal for Saldaña.

The Bay Area in 2005 seemed unaware of his high school exploits. He struggled at first, socially and academically.

At Stanford, he said he was knocked off balance by "the wealth of the place, the wealth of the people and how far behind I was." Early in his freshman year, he got an essay back covered in red, like it had bled to death, and failed multi-variable calculus.

But he rebounded, finishing his undergrad degrees in political science and communications with a respectable GPA of 3.1.

That kind of experience resonates loudly in what the U.S. Census Bureau has identified as one of the nation's poorest big cities — and where Hispanics make up 64 percent of the population.

For Saldaña, the financial aid part of preparing for college was eye-opening (though he later won a full-ride Gates Millennium academic scholarship). One of five siblings, it hit him as he filled out the paperwork that household income of \$26,000 a year wasn't much to live on.

He hadn't noticed his family's dicey financial condition before gleaning numbers from his father's W2 tax statement. Why would he? He'd had plenty of company in his neighborhood.

District 4 remains one of San Antonio's most economically hard-pressed, with a poverty rate of 22 percent and per-capita income of \$16,316 — more than \$7,000 below the city average.

His father, Reynold Saldaña, crossed the border in 1980 from his hometown of Sabinas Hidalgo in the northern Mexican state of Nuevo León. Undocumented, he settled in San Antonio, where he courted and married Marisela, Saldaña's mother, who'd moved here from McAllen as a child.

Both had been tweens when they stopped going to school.

Reynold was a meat-cutter before landing a job at H-E-B's warehouse near Rittiman Road. He's worked there for 29 years.

Tim Salas, who's godfather to Eli Saldaña, said his former boss spent a lot of his childhood afraid his father would be caught and deported. "That really affected him."

Reynaldo became a U.S. citizen in 1999, when Saldaña was enrolled at Kazen Middle School.
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“I remember we would study for the citizenship exam together,” the younger Saldaña said.

Early in his first council term, which started in 2011, Saldaña said he wangled a meeting with H-E-B Chairman Charles Butt to introduce himself and his father, who practiced salutations in English a week or two beforehand.

When Reynold launched awkwardly into his rehearsed introduction — “He was visibly nervous, he turned pale,” his son said — Butt countered by greeting him in Spanish. Their conversation took off from there, in Spanish.

Saldaña’s wife, Jessica, also works for the San Antonio grocery chain, scouring data for insights into H-E-B customer behavior. And the job he’s leaving is regional advocacy director for Raise Your Hand Texas, an Austin-based education nonprofit largely bankrolled by Butt.

Touching down

Saldaña didn’t have a shortage of people offering career help as he prepared to leave the council. Richard Perez, president of the San Antonio Chamber of Commerce and a former District 4 councilman, said he put him in touch with several private-sector employers, though he declined to name them.

Perez had liked the younger South Sider right away.

In late 2010 and early 2011, Saldaña was gearing up for his first campaign in District 4. He was 23, and wanted Perez’s advice.

To get it, he enlisted a geometry teacher who’d taught both him and Perez in middle school, though years apart. The teacher, Alpha Cobarruvias, called Perez to set up the meeting. “She made the connection,” Perez said, laughing.

What could he say? He took the meeting in his chamber office.

By then, Saldaña already had a history of leveraging meetings with people in positions to help his nascent political climb. When he wanted to introduce himself to the Castro brothers, he said he contacted their mother, Rosie Castro, to ask her to set it up.

Saldaña was expected to lose the District 4 race to Leticia Cantu, a City Hall insider, Castro ally and then-fiancee of outgoing District 4 incumbent Philip Cortez. She’d served as interim councilwoman for several months in 2010 while Cortez underwent Air Force training.

Saldaña had returned home after earning a master’s in education policy at Stanford. Literally: he’d move back in with his parents on West Mally Boulevard, a few blocks from Palo Alto College.

When Perez told him voters might have a problem with a young candidate who’d never made a mortgage payment, Perez recalled, “he said, ‘Hey, I don’t have any bills to pay. I can focus on helping the community.’ He turned it around on me!”

Because of his position at the chamber, Perez couldn’t endorse him. Instead, he said he frequently met with Saldaña to talk strategy and District 4 issues.

“We’d meet in a restaurant and sit in one of the back corners,” Perez said.

Saldaña relentlessly block-walked the district, helped by a group of Stanford friends. One of them, campaign manager Matt Platkin, currently is chief counsel to New Jersey Gov. Philip Murphy.

He stunned onlookers on Election Day, taking 52 percent of the vote to Cantu's 39 percent. At 24, he was one of San Antonio's youngest-ever council members.

And he did it without the support of Julián or Joaquin Castro. Despite the strong parallels between the three of them — and Joaquin's view that Saldaña "represented the future of San Antonio" — the twins backed Cantu.

"Leticia had been a very good friend and a good supporter of me and my brother," Castro said. "Still, that was such a tough decision.

"The most remarkable part of it was the way Rey handled it. He was incredibly mature. ... You have to understand how difficult it is to do that."

Saldaña hasn't forgotten. But that's politics — and he got that a long time ago. greg.jefferson@express-news.net