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1ST CIRCUIT COURT
STATE OF HAWAII
FILED

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M.N. TANAKA
CLERK

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, by its Office of
Consumer Protection,

Plaintiff,

vs.

ANGLO AMERICAN UNIVERSITY,
INC., a Hawaii corporation and
ALBERTO NORIEGA,

Defendants.

CIVIL NO. 01-1-1678-06

(Other Civil Action)

COMPLAINT; EXHIBITS 1-2; and
SUMMONS

COMPLAINT

Plaintiff, for a cause of action against the above-named defendants, avers
and alleges that:

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Attorney for Plaintiff

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, by its Office of Consumer Protection,)	CIVIL NO. 01-1-1678-06 (GWBC)
)	(Other Civil Action)
)	
Plaintiff,)	COMPLAINT; EXHIBITS 1-2; and
)	SUMMONS
)	
vs.)	
)	
)	
ANGLO AMERICAN UNIVERSITY, INC., a Hawaii corporation and ALBERTO NORIEGA,)	
)	
Defendants.)	
)	
)	

COMPLAINT

Plaintiff, for a cause of action against the above-named defendants,
avers and alleges that:

ALLEGATIONS COMMON TO ALL COUNTS

1. This is an action brought by the Office of Consumer Protection of the State of Hawaii pursuant to Hawaii Rev. Stat. Chapters 446E, 480 and 487 seeking to enjoin Defendants from engaging in certain acts or practices in violation of Hawaii's consumer protection laws and to obtain other and additional relief.

2. This court has subject matter jurisdiction over this case pursuant to Hawaii Rev. Stat. §§ 480-21 and 603-21.5.

3. Defendant Alberto Noriega is a resident of the State of California.

4. Defendant Anglo American University, Inc. ("AAU") is a Hawaii domestic nonprofit corporation.

5. On December 5, 1995 AAU was incorporated in the State of Hawaii. The Articles of Incorporation for AAU were signed and thereby certified by Alberto Noriega under the penalties of a class C felony as provided for in Hawaii Rev. Stat. §415B-158.

6. On March 4, 1997, Alberto Noriega also signed and thereby certified the Domestic NonProfit Corporation Annual Report for AAU for the year ending December 31, 1996 under the penalties of a class C felony as provided for in Hawaii Rev. Stat. §415B-158.

7. On March 22, 1998, Alberto Noriega also signed and thereby certified the Domestic NonProfit Corporation Annual Report for AAU for the year ending December 31, 1997 under the penalties of a class C felony as provided for in Hawaii Rev. Stat. §415B-158.

8. On March 15, 1999, Alberto Noriega also signed and thereby certified the Domestic NonProfit Corporation Annual Report for AAU for the year ending December 31, 1998 under the penalties of a class C felony as provided for in Hawaii Rev. Stat. §415B-158. This is the most recent annual report on file for AAU and it is now two years delinquent.

9. AAU's Articles of Incorporation and all three annual reports identify Alberto Noriega as the vice-president, treasurer and a director of AAU.

10. AAU's Articles of Incorporation and all three annual reports list J. Lee Ingamells of Mililani, Hawaii as a director of AAU. Mr. Ingamells never consented to being named as a director of AAU and, in fact, was unaware that he had been named until informed of such by the Plaintiff.

11. AAU's Articles of Incorporation and all three annual reports identify AAU's corporate office as being located at 350 Ward Avenue, Suite 106 in Honolulu, Hawaii 96814. In fact, that address is the address for a mailbox rental and mail-forwarding service named A-OK Business Services, Inc.

12. AAU's Articles of Incorporation and all three annual reports identify the residence address of all officers of AAU as 1305 East 12th Street, Los Angeles, California 90021. In fact, this address is an empty office address.

13. Commencing on a date uncertain, but believed to be in 1995, the defendants began engaging in trade or commerce by advertising, publicizing and announcing to consumers the availability of degrees from AAU.

14. AAU's advertising identified it as being in Honolulu, Hawaii. In fact, other than the mail-forwarding service, AUU had no physical presence in the State of Hawaii.

15. AAU's advertising identified it as having the telephone number (808) 591-1700. This telephone number was subscribed to by AAU which listed the subscriber address as 1029 Kawaiahao Street, Honolulu, Hawaii. That address is an address for a telephone company switching service. Calls made to (808) 591-1700 are actually forwarded to (808) 591-7957. That number, in turn, is registered to A-OK Business Services at 350 Ward Avenue, Suite 106 in Honolulu. A-OK Business Services leases a voice mail service on that number to Alberto Noriega.

16. AAU's catalog recited that "Anglo American University is registered in the State of Hawaii to confer Associates Bachelor, Masters and Doctoral Degree on students who have met the graduation requirement of this University."

17. AAU's catalog also recited that "Anglo American University is a church owned University and under the US Constitution requirement for the separation Church and State, HAS NOT APPLIED FOR AND IS NOT A ACCREDITED BY A ACCREDITING AGENCY OR ASSOCIATION OR ASSOCIATION RECOGNIZED BY THE UNITED STATES COMMISSION OF EDUCATION. This association is essentially used by the Federal Government or as a mechanism for the authorization to distribute Tax Payers funds which we do not wish to accept."

18. Alberto Noriega is not now and never has been accredited by a recognized accrediting agency or association recognized by the United States Secretary of Education.

19. AAU is not now and never has been accredited by a recognized accrediting agency or association recognized by the United States Secretary of Education.

20. AAU is an "unaccredited institution" as that phrase is defined in Hawaii Rev. Stat. § 446E-1.

21. Having learned of AAU's operations, plaintiff asked AAU and its principals to demonstrate that they were in compliance with Hawaii's laws regarding unaccredited degree granting institutions. A true and correct copy of plaintiff's request is attached as Exhibit 1. AAU refused to substantively respond to plaintiff's request.

22. Instead, Plaintiff received a response from an individual named Robert Leff on the letterhead of Americas Freedom Foundation. Mr. Leff claims that Americas Freedom Foundation represents AAU. Americas Freedom Foundation's website, in turn, identifies its president as Edward P. Reddeck. Mr. Reddeck has a history of operating illegal diploma mills. In 1994 Mr. Reddeck was convicted of multiple counts of mail fraud and sentenced to 43 months of imprisonment for his role in a Utah/California diploma mill called North American University.

23. Following AAU's failure to voluntarily demonstrate that it was in compliance with Hawaii's laws regarding unaccredited degree granting institutions,

plaintiff issued and served an administrative subpoena duces tecum requiring AAU to appear, to testify and to produce documents. A true and correct copy of the subpoena duces tecum is attached as Exhibit 2. AAU failed and refused to comply with the subpoena duces tecum.

COUNT I
FAILURE TO MAKE STATUTORY DISCLOSURES

24. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 23 as though fully set forth herein.

25. AAU failed to properly and adequately disclose in all catalogs, promotional materials, including its website, and/or written contracts for instruction the fact that it is not fully accredited by any nationally recognized accrediting agency or association listed by the United States Secretary of Education in violation of Hawaii Rev. Stat. § 446E-2(a).

26. Each and every catalog, promotional material and/or written contract for instruction that failed to properly and adequately disclose the fact that AAU is and was not fully accredited by any nationally recognized accrediting agency or association listed by the United States Secretary of Education constitutes a separate and independent violation of Hawaii Rev. Stat. § 446E-2(a).

27. Violations of Hawaii Rev. Stat. § 446E-2(a) constitute *per se* violations of Hawaii Rev. Stat. § 480-2(a).

COUNT II
**DECEPTIVE REPRESENTATIONS OF
STATE LICENSING, APPROVAL OR REGULATION**

28. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 27 as though fully set forth herein.

29. AAU, through its catalog, has indicated or suggested that the State of Hawaii licensed, approved, or regulated its operations.

30. Each such indication or suggestion constitutes a separate and independent violation of Hawaii Rev. Stat. § 446E-5(a).

31. Violations of Hawaii Rev. Stat. § 446E-5(a) constitute *per se* violations of Hawaii Rev. Stat. § 480-2(a).

32. Alternatively and independently, each such indication or suggestion constitutes a separate and independent violation of Hawaii Rev. Stat. § 480-2(a) and or § 481A-3(a).

COUNT III
DECEPTIVE REPRESENTATIONS

33. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 32 as though fully set forth herein.

34. AAU, through its catalog and other materials, has indicated or suggested that it has directors which it does not, in fact, have.

35. AAU, through its catalog and other materials, has indicated or suggested that its officers have residence addresses which they do not, in fact, have or have had.

36. Each such misrepresentation constitutes a separate and independent violation of Hawaii Rev. Stat. § 480-2(a).

COUNT IV
FAILURE TO HAVE AN OFFICE LOCATED IN HAWAII

37. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 36 as though fully set forth herein.

38. AAU failed to have an office located in Hawaii in violation of Hawaii Rev. Stat. §446E-5(d).

39. Violations of Hawaii Rev. Stat. § 446E-5(d) constitute *per se* violations of Hawaii Rev. Stat. § 480-2(a).

COUNT V
FAILURE TO HAVE AN EMPLOYEE LOCATED IN HAWAII

40. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 39 as though fully set forth herein.

41. AAU failed to have an employee located in Hawaii in violation of Hawaii Rev. Stat. § 446E-5(d).

42. Violations of Hawaii Rev. Stat. § 446E-5(d) constitute *per se* violations of Hawaii Rev. Stat. § 480-2(a).

COUNT VI
FAILURE TO HAVE TWENTY-FIVE HAWAII STUDENTS ENROLLED

43. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 42 as though fully set forth herein.

44. AAU failed to have twenty-five enrolled students in Hawaii in violation of Hawaii Rev. Stat. § 446E-5(d).

45. Violations of Hawaii Rev. Stat. § 446E-5(d) constitute *per se* violations of Hawaii Rev. Stat. § 480-2(a).

COUNT VII
FAILURE TO PROVIDE RECORDS AND INFORMATION

46. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 45 as though fully set forth herein.

47. AAU failed to provide records and information upon plaintiff's demand in violation of Hawaii Rev. Stat. §446E-2(b).

48. Violations of Hawaii Rev. Stat. § 446E-2(b) constitute *per se* violations of Hawaii Rev. Stat. § 480-2(a).

COUNT VIII
ACTIVE/PASSIVE PARTICIPATION IN ILLEGAL CONDUCT

49. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 48 as though fully set forth herein.

50. Defendant Noriega was, at the time of the acts complained of herein, an officer and/or director of AAU.

51. Defendant Noreiga was an active or passive participant in the conduct of AAU as set forth in the previous counts.

52. The defendants operated a joint venture or enterprise, mutually aided and/or abetted each other, furnished or provided the means to commit the illegal conduct set forth herein, actively or passively participated in such illegal activity and/or formulated, directed, supervised, participated in, benefited from, facilitated, controlled, knew and approved of, and committed or caused the commission of the various acts and practices described herein.

COUNT IX
INJUNCTIVE RELIEF

53. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 52 as though fully set forth herein.

54. Unless defendants are restrained and enjoined by this court from continuing to violate Hawaii Rev. Stat. Chap. 446E and § 480-2(a) in the manner described herein, they will continue to do so, irreparably harming and injuring the consuming public of the State of Hawaii.

WHEREFORE, plaintiff prays that this court:

1. Find, order, adjudge and declare that defendants' conduct, as alleged herein, violates the statutory provisions set forth above.

2. Issue a temporary restraining order, preliminary injunction and permanent injunction enjoining AOK Business Services, its agents, employees, successors and assigns, directly or indirectly, individually or in concert with others, or through any corporate or other device from providing voice mail, mail forwarding, or any other service to the defendants.

3. Issue a temporary restraining order, preliminary injunction and permanent injunction directing the Business Registration Division of the Department of Commerce and Consumer Affairs of the State of Hawaii to dissolve, terminate, revoke and/or cancel all tradenames, trademarks, corporate registrations, certificates of authority held by or for any of the defendants.

4. Issue a temporary restraining order, preliminary injunction and permanent injunction enjoining all defendants, their agents, employees, successors

and assigns, directly or indirectly, individually or in concert with others, or through any corporate or other device from any of the following:

- a. Providing any post-secondary instructional programs or courses leading to a degree;
- b. Acting as or holding themselves out as a “college, academy, institute, institution, university” or anything similar thereto;
- c. Failing to comply with Hawaii Rev. Stat. Chap. 446E or § 480-2(a) in any particulars; and
- d. Owning or operating any business in the State of Hawaii or claiming to operate under the laws of the State of Hawaii until all restitution, civil penalties and costs entered herein are fully satisfied.

5. Assess appropriate civil penalties against each and all of the defendants individually pursuant to Hawaii Rev. Stat. § 480-3.1 and enter judgment in favor of plaintiff accordingly.

6. Award any consumers injured by the aforementioned violations full restitution, including pre and post judgment interest, against all defendants, jointly and severally, pursuant to Hawaii Rev. Stat. § 487-14 and the court’s inherent authority and enter judgment accordingly.

7. Assess and award judgment in favor of plaintiff and against all defendants, jointly and severally, for attorneys' fees, costs, costs of investigation, interest, and other expenses.

8. Award plaintiff such other relief as the court may deem just and equitable under the circumstances.

DATED: Honolulu, Hawaii, June 1, 2001.


JEFFREY E. BRUNTON
Attorney for Plaintiff

6. Award any consumers injured by the aforementioned violations full restitution, including pre and post judgment interest, against all defendants, jointly and severally, pursuant to Hawaii Rev. Stat. § 487-14 and the court's inherent authority and enter judgment accordingly.

7. Assess and award judgment in favor of plaintiff and against all defendants, jointly and severally, for attorneys' fees, costs, costs of investigation, interest, and other expenses.

8. Award plaintiff such other relief as the court may deem just and equitable under the circumstances.

DATED: Honolulu, Hawaii, June 1, 2001.



JEFFREY E. BRUNTON
Attorney for Plaintiff