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Attorney for Plaintiff

1ST CIRCUIT COURT
STATE OF HAWAII
FILED

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B. TERAOKA
CLERK

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, by its Office of)
Consumer Protection,)
)
Plaintiff,)

vs.)

AMERICAN WORLD UNIVERSITY OF)
IOWA, INC., an Iowa corporation dba)
American World University and)
AMERICAN WORLD UNIVERSITY, a)
Louisiana corporation dba American)
World University,)
)
Defendants.)

CIVIL NO. 03-1-1648-08
(Other Civil Action)

COMPLAINT AND SUMMONS

Trial Date: None
SCF Date: None

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. _____
)	(Other Civil Action)
)	
Plaintiff,)	COMPLAINT AND SUMMONS
)	
)	
vs.)	
)	
)	
AMERICAN WORLD UNIVERSITY OF IOWA, INC., an Iowa corporation dba American World University and AMERICAN WORLD UNIVERSITY, a Louisiana corporation dba American World University,)	Trial Date: None
)	SCF Date: None
)	
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. Chaps. 446E, 480 and 487 seeking to enjoin the 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 American World University of Iowa, Inc. ("AWU-IA) is an Iowa corporation which has conducted business under the name American World University.

4. Defendant American World University ("AWU-LA") is a Louisiana corporation which has also conducted business under the name American World University.

5. Defendants AWU-IA and AWU-LA will be hereinafter referred to collectively as "AWU".

6. Defendant AWU-IA is not now and never has been accredited by a recognized accrediting agency or association recognized by the United States Secretary of Education.

7. Defendant AWU-LA is not now and never has been accredited by a recognized accrediting agency or association recognized by the United States Secretary of Education.

8. Subsequent to July 1, 1999, the Defendants, acting in concert with others, have engaged in the operation of the unaccredited degree granting institution American World University. To that end, the Defendants have offered to sell and sold educational services, including those leading to degrees. In conjunction therewith, the Defendants have utilized a variety of marketing materials, including a website, catalogs and other materials.

9. AWU-IA is an "unaccredited institution" as that phrase is defined in Hawaii Rev. Stat. § 446E-1.

10. AWU-LA is an "unaccredited institution" as that phrase is defined in Hawaii Rev. Stat. § 446E-1.

11. From July 1, 1999 through May 27, 2003 AWU had or claimed to have had a "presence" in the State of Hawaii as that term is used in Hawaii Rev. Stat. §446E-1.

COUNT I
FAILURE TO MAKE STATUTORY DISCLOSURES

12. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 11 as though fully set forth herein.

13. AWU 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).

14. Each and every catalog, promotional material and/or written contract for instruction that failed to properly and adequately disclose the fact that AWU 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).

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

COUNT II
FAILURE TO HAVE AN OFFICE LOCATED IN HAWAII

16. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 15 as though fully set forth herein.

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

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

COUNT III
FAILURE TO HAVE TWENTY-FIVE HAWAII STUDENTS ENROLLED

19. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 18 as though fully set forth herein.

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

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

COUNT IV
ILLEGAL ACCEPTANCE OF PAYMENTS

22. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 21 as though fully set forth herein.

23. AWU has accepted or received tuition payments or other fees on behalf of students despite not being in compliance with all of the requirements of Hawaii Rev. Stat. Chap. 446E.

24. The acceptance of such payment(s) or fee(s) from each student constitutes a separate and independent violation of Hawaii Rev. Stat. §446E-5(e).

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

COUNT V
INJUNCTIVE RELIEF

26. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 25 as though fully set forth herein.

27. 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 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 trade names, trademarks, corporate registrations, certificates of authority held by or for the Defendants.

3. Issue a temporary restraining order, preliminary injunction and permanent injunction enjoining the 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, claiming to operate under the laws of the State of Hawaii, or having a presence in Hawaii until all restitution, civil penalties and costs entered herein are fully satisfied.

4. Assess appropriate civil penalties against the Defendants individually pursuant to Hawaii Rev. Stat. § 480-3.1 and enter judgment in favor of Plaintiff accordingly.

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

6. Assess and award judgment in favor of Plaintiff and against the Defendants, for attorneys' fees, costs, costs of investigation, interest, and other expenses.

7. Award Plaintiff such other relief as the court may deem just and equitable under the circumstances.

DATED: Honolulu, Hawaii, August 12, 2003.

JEFFREY E. BRUNTON
Attorney for Plaintiff

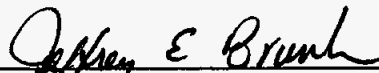
4. Assess appropriate civil penalties against the Defendants individually pursuant to Hawaii Rev. Stat. § 480-3.1 and enter judgment in favor of Plaintiff accordingly.

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

6. Assess and award judgment in favor of Plaintiff and against the Defendants, for attorneys' fees, costs, costs of investigation, interest, and other expenses.

7. Award Plaintiff such other relief as the court may deem just and equitable under the circumstances.

DATED: Honolulu, Hawaii, August 12, 2003.



JEFFREY E. BRUNTON
Attorney for Plaintiff