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Attorney for Plaintiff

1ST CIRCUIT COURT
STATE OF HAWAII
FILED

1999 FEB 11 AM 9:27

M. TANAKA
CLERK

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, Office of
Consumer Protection, by Jo Ann M.
Uchida its Executive Director,

Plaintiff,

vs.

SHELDON JOHN WOODS;
CAMBRIDGE STATE UNIVERSITY
INCORPORATED, a Delaware
corporation dba Cambridge State
University; EDUCATIONAL SUPPORT
SERVICES, INC., a California
corporation; JOHN DOES
1-20; DOE CORPORATIONS 1-10;
and DOE ENTITIES 1-10,

Defendants.

CIVIL NO. 99-0282-01
(Other Civil Action)

STIPULATED PERMANENT
INJUNCTION AND FINAL JUDGMENT
AGAINST DEFENDANTS SHELDON
JOHN WOODS; CAMBRIDGE STATE
UNIVERSITY INCORPORATED DBA
CAMBRIDGE STATE UNIVERSITY; AND
EDUCATIONAL SUPPORT SERVICES,
INC.

Trial Date: None
SCF Judge: None

STIPULATED PERMANENT INJUNCTION AND FINAL JUDGMENT
AGAINST DEFENDANTS SHELDON JOHN WOODS; CAMBRIDGE
STATE UNIVERSITY INCORPORATED DBA CAMBRIDGE STATE
UNIVERSITY; AND EDUCATIONAL SUPPORT SERVICES, INC.

Plaintiff and Defendants hereby stipulate and agree to the entry of this

Stipulated Permanent Injunction and Final Judgment Against Defendants Sheldon

JEFFREY E. BRUNTON #2833
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IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, Office of)	CIVIL NO. 99-0282-01
Consumer Protection, by Jo Ann M.	)	(Other Civil Action)
Uchida its Executive Director,)	
	)	STIPULATED PERMANENT
Plaintiff,	)	INJUNCTION AND FINAL JUDGMENT
	)	AGAINST DEFENDANTS SHELDON
vs.	)	JOHN WOODS; CAMBRIDGE STATE
	)	UNIVERSITY INCORPORATED DBA
SHELDON JOHN WOODS;	)	CAMBRIDGE STATE UNIVERSITY; AND
CAMBRIDGE STATE UNIVERSITY	)	EDUCATIONAL SUPPORT SERVICES,
INCORPORATED, a Delaware	)	INC.
corporation dba Cambridge State)	
University; EDUCATIONAL SUPPORT)	
SERVICES, INC., a California)	
corporation; JOHN DOES)	
1-20; DOE CORPORATIONS 1-10;)	
and DOE ENTITIES 1-10,	)	Trial Date: None
	)	SCF Judge: None
Defendants.)	
)	
)	

STIPULATED PERMANENT INJUNCTION AND FINAL JUDGMENT
AGAINST DEFENDANTS SHELDON JOHN WOODS; CAMBRIDGE
STATE UNIVERSITY INCORPORATED DBA CAMBRIDGE STATE
UNIVERSITY; AND EDUCATIONAL SUPPORT SERVICES, INC.

Plaintiff and Defendants hereby stipulate and agree to the entry of this Stipulated Permanent Injunction and Final Judgment Against Defendants Sheldon John Woods; Cambridge State University Incorporated dba Cambridge State University; and Educational Support Services, Inc. as follows:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. This court has jurisdiction over this matter and the parties hereto pursuant to Hawaii Rev. Stat. Chapters 446E, 480, 487 and 603 and venue is proper herein.

2. Plaintiff's Complaint states claims against Defendants Sheldon John Woods; Cambridge State University Incorporated dba Cambridge State University; and Educational Support Services, Inc. (hereinafter "Defendants") upon which relief may be granted under Hawaii Rev. Stat. §§ 446E-2, 480-2(a) and 481A-3.

3. Defendants their officers, agents, servants, employees and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, are hereby restrained and enjoined from failing to comply with the requirements set forth herein.

4. Defendants shall be responsible for making the substantive terms and conditions of this judgment known to their officers, directors, successors, managers, employees and those persons associated with Defendants who are responsible for implementing the obligations set forth in this judgment.

5. Defendants shall not effect any change in their form of doing

business or organizational identity for the purpose of avoiding the terms and conditions contained in this judgment.

6. Unless otherwise specified herein, this judgment shall take effect on filing with the court. The receipt or deposit by the Office of Consumer Protection of any monies pursuant to this judgment does not constitute acceptance by the Office of Consumer Protection and any monies received will be returned if this judgment is not executed by the Office of Consumer Protection or the court.

7. Defendants shall, with respect to any and all future business activities in the state of Hawaii, comply with Chapters 446E, 480 and 481A of the Hawaii Revised Statutes.

8. Defendants be and are hereby permanently enjoined from making any representations to the effect that they are accredited, or accredited by "World Association of Universities and Colleges" or any other organization or entity not recognized by the United States Secretary of Education. "Representation" includes any oral, written, pictorial, or graphic communication, by any medium, made by, at the request of, or with the consent of the Defendants.

9. Defendants be and are hereby required in all catalogs, promotional material and contracts for instruction, including all advertisements and internet web sites, to state clearly and conspicuously the disclosure requirement contained in Hawaii Rev. Stat. § 446E-2. "Advertisement" means any oral, written, or graphic statement or representation made by, at the request of, or with the consent of the Defendants.

10. Complaints made by any consumer for refunds shall be handled by Plaintiff. All refunds shall be conditioned upon: (a) the execution of an affidavit by the consumer stating under oath that the consumer believed that the Defendants were accredited by an agency recognized by the U.S. Department of Education or were a state-chartered, regulated or licensed educational institution approved by the State of Hawaii and (b) the return of the diploma and all transcripts, as well as any copies thereof. The refund shall be made by Defendants to the consumer within fourteen days of receipt of the executed affidavit, diploma, transcripts and copies. Defendants shall provide a full refund to any consumer as set forth herein. The refund period shall last for not more than six months from the date of filing of the stipulated judgment against Defendants. In the event Defendants fail to make restitution as required herein, Defendants agree, in addition to all other payments required herein, to pay the Office of Consumer Protection civil penalties in the amount of Five Hundred Dollars (\$500.00) for each consumer who does not receive full restitution as required and set forth herein.

11. Defendants be and are hereby, jointly and severally, liable to pay the sum of Fifty Thousand Dollars (\$50,000.00) to the Office of Consumer Protection, State of Hawaii for civil penalties, attorneys' fees and costs of investigation pursuant to Hawaii Rev. Stat. § 480-3.1 as outlined herein. Payments shall be in the form of a cashier's check made payable to the "State of Hawaii". Payment shall be made in three installments. The first installment of Five Thousand Dollars (\$5,000.00) is to be made no later than February 5, 1999; the

second installment of Five Thousand Dollars (\$5,000.00) is to be made no later than March 8, 1999; and the third and final installment of Forty Thousand Dollars (\$40,000) is to be made no later than May 7, 1999. In the event Defendant CSU fails to make timely payments as required herein, Defendant CSU shall be liable for an additional Ten Thousand Dollars (\$10,000.00) in civil penalties payable immediately upon demand by Plaintiff.

12. Defendants hereby agree that they shall, in addition to all other payments required by and in this stipulation, pay Plaintiff fifty per cent (50%) of any monies which they receive, or which they would be entitled to receive, from any third parties, based upon claims made arising out of the matters set forth in the complaint and any amendments thereto. This would include, but not be limited to, any monies received from any insurance carriers or professionals rendering legal advice. Any such payments shall be made promptly upon the receipt of said monies by Defendants.

13. Defendants shall promptly provide to the Office of Consumer Protection upon request proof of any action(s) required to be taken by the Defendants pursuant to the terms of this stipulated judgment.

14. Under no circumstances shall this document or the name of State of Hawaii, the Office of Consumer Protection, Department of Commerce and Consumer Affairs, or any of its employees or subdivisions be used by Defendants in connection with any selling, advertising or promotion of any product or service. The parties understand that this document shall not be construed as an approval or

sanction by the State of Hawaii of Defendants' business practices. Nothing in this document shall be construed to permit or make lawful any act, practice, or course of conduct prohibited or made unlawful by Hawaii Rev. Stat. Chap. 446E, 480 or 481A or any other law.

15. This stipulated judgment shall apply to Defendants, their agents, employees, successors and assigns.

16. This court shall retain jurisdiction of this case for the purpose of enabling any of the parties to this stipulation to apply to this court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this stipulation, to modify or terminate any of their provisions, to enforce compliance, and to punish violations of provisions. If it shall be made to appear to the court that there has been a violation of any of the terms of this stipulation, upon motion, this court may enter an order to show cause why Defendants should not be found in contempt. Nothing in this document shall bar Plaintiff from seeking, or the court from imposing, against Defendants or any other person any other relief available under any other applicable provision of law for violation of this document, in addition to or in lieu of the civil penalties provided for above.

17. All payments required under this stipulated judgment shall be made by cashier's checks. Payments of civil penalties shall be payable to the Plaintiff. Payment of refunds shall be payable to the consumer involved but delivered to the Plaintiff for forwarding to the consumer.

18. No claims remain against any party.

DATED: Honolulu, Hawaii, _____.

Judge of the above-entitled Court

APPROVED AS TO FORM AND CONTENT AND AGREED:

JEFFREY E. BRUNTON
Attorney for Plaintiff

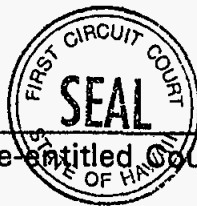
KARL H. HENRY
Attorney for Defendants SHELDON JOHN WOODS;
CAMBRIDGE STATE UNIVERSITY INCORPORATED
dba Cambridge State University and
EDUCATIONAL SUPPORT SERVICES, INC.

Civil No. _____; State of Hawaii vs. Sheldon John Woods; Cambridge
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FINAL JUDGMENT AGAINST DEFENDANTS SHELDON JOHN WOODS;
CAMBRIDGE STATE UNIVERSITY INCORPORATED DBA CAMBRIDGE STATE
UNIVERSITY; AND EDUCATIONAL SUPPORT SERVICES, INC.

DATED: Honolulu, Hawaii, FEB 10 1999.

B. EDEN WEIL

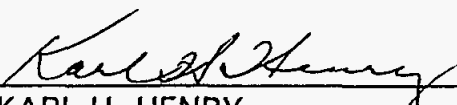
Judge of the above-entitled Court



APPROVED AS TO FORM AND CONTENT AND AGREED:



JEFFREY E. BRUNTON
Attorney for Plaintiff



KARL H. HENRY
Attorney for Defendants SHELDON JOHN WOODS;
CAMBRIDGE STATE UNIVERSITY INCORPORATED
dba Cambridge State University and
EDUCATIONAL SUPPORT SERVICES, INC.

Civil No. _____; State of Hawaii vs. Sheldon John Woods; Cambridge State University, Incorporated, et al.; STIPULATED PERMANENT INJUNCTION AND FINAL JUDGMENT AGAINST DEFENDANTS SHELDON JOHN WOODS; CAMBRIDGE STATE UNIVERSITY INCORPORATED DBA CAMBRIDGE STATE UNIVERSITY; AND EDUCATIONAL SUPPORT SERVICES, INC.

CAMBRIDGE STATE UNIVERSITY INCORPORATED
dba Cambridge State University, Defendant
By: Sheldon John Woods
Its: President

SHELDON JOHN WOODS
Defendant

EDUCATIONAL SUPPORT SERVICES, INC.
Defendant
By: Sheldon John Woods
Its: President

Civil No. _____; State of Hawaii vs. Sheldon John Woods; Cambridge
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CAMBRIDGE STATE UNIVERSITY INCORPORATED DBA CAMBRIDGE STATE
UNIVERSITY; AND EDUCATIONAL SUPPORT SERVICES, INC.

Sheldon J. Woods, President
CAMBRIDGE STATE UNIVERSITY INCORPORATED
dba Cambridge State University, Defendant
By: Sheldon John Woods
Its: President

Sheldon J. Woods
SHELDON JOHN WOODS
Defendant

Sheldon J. Woods, President
EDUCATIONAL SUPPORT SERVICES, INC.
Defendant
By: Sheldon John Woods
Its: President

Civil No. 99-0282-01; State of Hawaii vs. Sheldon John Woods; Cambridge State University, Incorporated, et al.; STIPULATED PERMANENT INJUNCTION AND FINAL JUDGMENT AGAINST DEFENDANTS SHELDON JOHN WOODS; CAMBRIDGE STATE UNIVERSITY INCORPORATED DBA CAMBRIDGE STATE UNIVERSITY; AND EDUCATIONAL SUPPORT SERVICES, INC.