

JEFFREY E. BRUNTON #2833
Office of Consumer Protection
235 South Beretania Street, Room 801
Honolulu, Hawaii 96813-2419
Telephone: (808) 586-2636

Attorney for Plaintiff

1ST CIRCUIT COURT
STATE OF HAWAII
FILED

2004 AUG 17 PM 2: 55

M.N. TANAKA
CLERK

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, by its Office of Consumer Protection,)	CIVIL NO. 04-1-0730-04 (KSSA)
)	(Other Civil Action)
)	
Plaintiff,)	STIPULATED PERMANENT
)	INJUNCTION AND FINAL JUDGMENT
)	AGAINST DEFENDANT CAMBRIDGE
vs.)	STATE UNIVERSITY, INCORPORATED
)	
)	
CAMBRIDGE STATE UNIVERSITY, INCORPORATED, a Delaware corporation dba Cambridge State University,)	
)	
)	
Defendant.)	Trial Date: None
)	SCF Date: None
)	

**STIPULATED PERMANENT INJUNCTION AND FINAL JUDGMENT AGAINST
DEFENDANT CAMBRIDGE STATE UNIVERSITY, INCORPORATED**

Plaintiff and Defendant Cambridge State University, Incorporated

(hereinafter "Defendant") hereby stipulate and agree to the entry of this Stipulated
Permanent Injunction and Final Judgment Against Defendant Cambridge State
University, Incorporated 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 Defendant upon which relief may be granted under Hawaii Rev. Stat. Chapter 446E and Hawaii Rev. Stat. § 480-2(a).

3. Defendant, its 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, is hereby restrained and enjoined from failing to comply with the requirements set forth herein.*

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

5. Defendant shall not effect any change in its 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. Defendant shall immediately cease conducting any and all business activities in or from the state of Hawaii, including the operation of any unaccredited degree granting institution. Defendant further agrees that it shall not claim to operate any unaccredited degree granting institution under the color or authority of the laws of the State of Hawaii. Upon entry of this judgment, Defendant shall take whatever steps are necessary to (a) withdraw its foreign corporation certificate in the State of Hawaii as provided for in Hawaii Rev. Stat. Chapter 414; (b) terminate the use of any telephone or facsimile numbers under the area code (808) and (c) terminate the use of any addresses within the state of Hawaii.

8. Defendant shall provide a full refund to any eligible consumer who so requests, conditioned only on the return of any diploma issued or an affidavit attesting to the loss or destruction thereof. Payment hereunder shall be made by certified check within fourteen days of receipt of the request for such and the return of the diploma or provision of the affidavit, if applicable. Eligible consumers are Cambridge State University students who enrolled or graduated between July 1, 2002 and July 1, 2004. Any claims for refund hereunder shall be made prior to one year from the date of filing of this judgment. In the event Defendant fails to make restitution as required herein, Defendant agrees, in addition to all other payments required herein, to pay the Office of Consumer Protection

civil penalties in the amount of One Thousand Dollars (\$1,000.00) for each consumer who does not receive full restitution as required and set forth herein.

9. Defendant be and is hereby liable to pay the sum of Twenty-Five Thousand Dollars (\$25,000.00) to the Office of Consumer Protection, State of Hawaii pursuant to Hawaii Rev. Stat. § 480-3.1. This amount shall be suspended on condition that Defendant complies with all other terms of this judgment.

10. Defendant hereby agrees that it shall, in addition to all other payments required by and in this stipulation, pay Plaintiff fifty per cent (50%) of any monies which it receives, or which it 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 Defendant.

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

12. 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 Defendant 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 Defendant's 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.

13. This stipulated judgment shall apply to Defendant, its agents, employees, successors and assigns.

14. 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 its 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 Defendant should not be found in contempt. Nothing in this document shall bar Plaintiff from seeking, or the court from imposing, against Defendant 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.

15. All payments required under this stipulated judgment shall be made by cashier's checks.

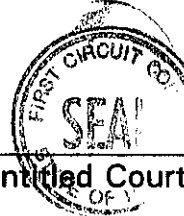
16. Defendant agrees that the facts as alleged in the Complaint shall be taken as true in the event of subsequent litigation to collect amounts due

pursuant to this stipulated final judgment, including but not limited to a nondischargeability complaint in any bankruptcy proceeding.


17. No claims remain against any party.

DATED: Honolulu, Hawaii, AUG 12 2004


GARY W. B. CHANG
Judge of the above-entitled Court



APPROVED AS TO FORM AND CONTENT AND AGREED:



JEFFREY E. BRUNTON
Attorney for Plaintiff



Cambridge State University, Incorporated
Defendant
By: Sheldon Woods
Its: President

Civil No. 04-1-0730-04 (KSSA); State of Hawaii vs. Cambridge State University, Incorporated, et al.; STIPULATED PERMANENT INJUNCTION AND FINAL JUDGMENT AGAINST DEFENDANT CAMBRIDGE STATE UNIVERSITY, INCORPORATED