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Office of Consumer Protection
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H. CHING
CLERK

Attorney for Plaintiff

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, by its Office of
Consumer Protection,

Plaintiff,

vs.

INFORMATION UNIVERSITY OF
AMERICA, INC., a Hawaii corporation
dba Kennedy Open University,

Defendant.

CIVIL NO. 07-1-1806-09 G W B C
(Other Civil Action)

COMPLAINT AND SUMMONS

COMPLAINT

Plaintiff, for a cause of action against the above-named Defendant, 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 the defendant from engaging in certain acts or practices in violation of Hawaii's
consumer protection laws and to obtain other and additional relief.

seeking to enjoin the defendant 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 Information University of America, Inc. ("IUA") is a Hawaii corporation doing business under the registered trade name Kennedy Open University ("KOU").

4. Defendant IUA dba KOU maintains websites located at <http://www.kouedu.us> and <http://www.iauedu.us>.

5. Defendant IUA dba KOU 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 IUA dba KOU is an "unaccredited institution" as that phrase is defined in Hawaii Rev. Stat. § 446E-1.

8. Defendant IUA dba KOU has a "presence" in the State of Hawaii as that term is used in Haw. Rev. Stat. § 446E-1.

COUNT I
FAILURE TO HAVE AN OFFICE LOCATED IN HAWAII

9. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 8 as though fully set forth herein.

10. Defendant IUA dba KOU has failed to have an office located in Hawaii in violation of Hawaii Rev. Stat. § 446E-5(d).

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

COUNT II
FAILURE TO HAVE TWENTY FIVE STUDENTS LOCATED IN HAWAII

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

13. Defendant IUA dba KOU has failed to have twenty-five students in Hawaii in violation of Hawaii Rev. Stat. § 446E-5(d).

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

COUNT III
FAILURE TO PROPERLY MAKE STATUTORY DISCLOSURES

15. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 14 as though fully set forth herein.

16. IUA dba KOU has failed to properly and adequately disclose in its websites, catalogs, promotional material and/or contracts for instruction of the fact that it is not accredited by an accrediting agency recognized by the United States Secretary of Education in violation of Hawaii Rev. Stat. § 446E-2(a).

17. The publication of each and every website, catalog and promotional material and the execution of each contract for instruction that failed to properly and adequately disclose the fact that IUA dba KOU is and was not accredited by an accrediting agency recognized by the United States Secretary of

Education constitutes a separate and independent violation of Hawaii Rev. Stat. § 446E-2(a).

18. Alternatively, the provision to each student of such a catalog or promotional material or the execution of a contract for instruction that failed to properly and adequately disclose the fact that IUA dba KOU is and was not accredited by an accrediting agency recognized by the United States Secretary of Education constitutes a separate and independent violation of Hawaii Rev. Stat. § 446E-2(a).

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

COUNT IV
FAILURE TO PRODUCE RECORDS AND INFORMATION

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

21. IUA dba KOU has failed to provide records and information upon Plaintiff's request in violation of Hawaii Rev. Stat. §446E-2(c).

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

COUNT V
INJUNCTIVE RELIEF

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

24. Unless defendant is restrained and enjoined by this court from continuing to violate Hawaii Rev. Stat. Chap. 446E and § 480-2(a) in the manner described herein, it 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 defendant's 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 (including that of KOU), trademarks, corporate registrations (including that for IUA), certificates of authority held by or for the defendant.

3. Issue a temporary restraining order, preliminary injunction and permanent injunction enjoining the defendant, its 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 itself 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 defendant pursuant to Hawaii Rev. Stat. § 480-3.1 and enter judgment in favor of the plaintiff accordingly.

5. Award any consumers injured by the aforementioned violations full restitution, including pre and post judgment interest, against the defendant, 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 the plaintiff and against the defendant for attorneys' fees, costs, and cost of the investigation, interests and other expenses.

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

DATED: Honolulu, Hawaii, September 28, 2007.


JEFFREY E. BRUNTON
Attorney for Plaintiff

STATE OF HAWAII CIRCUIT COURT OF THE FIRST CIRCUIT	SUMMONS TO ANSWER CIVIL COMPLAINT	CASE NUMBER Civil No.
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PLAINTIFF
STATE OF HAWAII, by its Office of Consumer Protection

vs.

DEFENDANT
INFORMATION UNIVERSITY OF AMERICA, INC., a Hawaii corporation dba Kennedy Open University

PLAINTIFF'S ATTORNEY (NAME, ADDRESS, TEL. NO.)
JEFFREY E. BRUNTON #2833
Office of Consumer Protection
235 South Beretania Street, Room 801
Honolulu, Hawaii 96813-2419
Telephone: (808) 586-2636

TO THE DEFENDANT(S):

You are hereby summoned and required to serve upon plaintiff's attorney, whose address is stated above, an answer to the complaint which is attached. This action must be taken within twenty (20) days after service of this summons upon you, exclusive of the day of service.

If you fail to make your answer within the twenty (20) day time limit, judgment by default will be taken against you for the relief demanded in the complaint.

If you fail to obey this summons, this may result in an entry of default and default judgment.

Pursuant to Rule 4(b) of the Hawai'i Rules of Civil Procedure, this summon shall not be delivered between 10:00 p.m. and 6:00 a.m. on premises not open to the public, unless a judge of the District or Circuit courts permits, in writing on the summons, personal delivery during those hours.

In accordance with the Americans with Disabilities Act, and other applicable state and federal laws, if you require a reasonable accommodation for a disability, please contact the ADA Coordinator at the First Circuit Court Administration Office at PHONE NO. 539-4333, FAX 539-4322, or TTY 539-4853, at least ten (10) working days prior to your hearing or appointment date.

DATE ISSUED
SEP 28 2007

CLERK
H. CHING



I do hereby certify that this is a full, true, and correct copy of the original on file in this office.

CIRCUIT COURT CLERK