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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,)	CIVIL NO. <u>00-1-3366-10</u>
)	(Other Civil Action)
)	
Plaintiff,)	COMPLAINT and SUMMONS
)	
vs.)	
)	
UNIVERSITY OF NORTHERN)	
WASHINGTON, INC. a Hawaii for)	
profit corporation, JOHN DOES 1-20;)	
DOE CORPORATIONS 1-10; and DOE)	
ENTITIES 1-10)	
)	
Defendant.)	
_____)	

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 Haw. Rev. Stat. Chaps. 446E, 480, 481A and 487
seeking to enjoin Defendant from engaging in certain acts or practices in violation
of Hawaii's consumer protection laws and to obtain other and additional relief.

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1. This is an action brought by the Office of Consumer Protection of the State of Hawaii pursuant to Haw. Rev. Stat. Chaps. 446E, 480, 481A and 487 seeking to enjoin 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 Haw. Rev. Stat. §§ 480-21 and 603-21.5.

3. Defendant University of Northern Washington is a for profit Hawaii corporation with a mailing address at Seven Waterfront Plaza, 500 Ala Moana Boulevard, Suite 400, Honolulu, Hawaii 96813.

4. Venue in the City and County of Honolulu, State of Hawaii, is proper under Haw. Rev. Stat. § 603-36 because Defendant is a Hawaii corporation and the cause of action arose, in part, in the City and County of Honolulu.

5. Defendant University of Northern Washington represents in its catalogs and websites that its "Hawaii campus" is located at Seven Waterfront Plaza, 500 Ala Moana Boulevard, Suite 400, Honolulu, Hawaii 96813.

6. Seven Waterfront Plaza, 500 Ala Moana Boulevard, Suite 400, Honolulu, Hawaii is occupied by Corporate Office Centers who provides mail drop, phone answering and mail forwarding services to Defendant and a number of other entities.

7. Defendants John Does 1-20, Doe Corporations 1-10, and Doe Entities 1-10 are defendants who have engaged in and/or participated and/or aided and/or assisted in and/or furnished the means for the violations described herein, and their true capacities, names and relationships with or responsibilities to or involvement with the named defendant is unknown to plaintiff at this time. Plaintiff has undertaken an investigation to determine the identities of the defendants described in this paragraph, but at this time, said identities have not been discovered.

COUNT I

8. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 7 as though fully set forth herein.

9. Defendant University of Northern Washington Inc., (hereafter UNW) is an "unaccredited institution" as defined in Haw. Rev. Stat. Chap. 446E. It is a degree granting institution, which has not been accredited or provisionally accredited by at least one nationally, recognized accrediting agency or association which is listed by the United States Secretary of Education.

10. As an "unaccredited institution" operating in the State of Hawaii, Defendant UNW must comply with all of the disclosure requirements of Haw. Rev. Stat. § 446E-2(a).

11. Haw. Rev. Stat. § 446E-2 requires unaccredited institutions to have disclosure statements in all of its catalogs, promotional materials and contracts for instruction.

12. Haw. Rev. Stat. § 446E-2 specifically requires the following language to be included in the disclosure statement:

Note: In the United States, many licensing authorities require accredited degrees as the basis for eligibility for licensing. In some cases, accredited colleges may not accept for transfer courses and degrees completed at unaccredited colleges and some employers may require an accredited degree as a basis for eligibility for employment.

13. Defendant UNW's catalogs, promotional materials and/or contracts for instruction do not contain the disclosure statement required by Haw. Rev. Stat. § 446E-2(a).

14. Each catalog, promotional material and contract for instruction

disseminated by Defendant UNW to consumers without the requisite disclosure constitutes a separate and independent violation of Haw. Rev. Stat. § 480-2.

COUNT II

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

16. Defendant UNW places advertisements on the internet at its websites: <http://www.unw.com> or <http://www.unw.edu>. The advertisements constitute promotional material under Haw. Rev. Stat. § 446E-2.

17. The advertisements do not contain the disclosures required by Haw. Rev. Stat. § 446E-2.

18. Each advertisement disseminated and/ or downloaded, without the proper disclosures, constitutes a separate and independent violation of Haw. Rev. Stat. § 480-2.

COUNT III

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

20. Defendant UNW disseminates material by mail and on the internet asserting that UNW is "registered in the State of Hawaii to confer Bachelor's, Master's and Doctoral degrees upon students who have met the graduation requirements of the University" and that Defendant UNW does so "in accordance with the laws of the State of Hawaii that govern the operation of private colleges and universities."

21. Haw. Rev. Stat. § 446E-5(a) provides that "No unaccredited

institution shall indicate or suggest that the State licenses, approves, or regulates its operations. Acceptance by the director of any documents from an unaccredited institution shall not be construed as evidence that the director has determined the adequacy of any filing."

22. Defendant's assertions that UNW is authorized to provide higher education and grant degrees through its registration with the Department of Commerce and Consumer Affairs is deceptive and/or misleading to consumers.

23. Defendant UNW's statements falsely lead consumers to believe that UNW's practices have been approved, authorized or sanctioned by the State of Hawaii.

24. Defendant UNW's statements are misleading, unfair and/or deceptive in violation of Haw. Rev. Stat. §§ 480-2 and/or 481A-3.

25. Each misleading statement constitutes a separate and independent violation of Haw. Rev. Stat. §§ 480-2 and/or 481A-3.

COUNT IV

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

27. Defendant UNW's catalogs, websites and correspondence indicate a "Hawaii campus" located at Seven Waterfront Plaza, 500 Ala Moana Boulevard, Suite 400, Honolulu, Hawaii 96813.

28. The location is occupied by Corporate Office Centers who provide UNW and a number of other entities with answering and mail forwarding services.

29. Defendant UNW has never been a tenant of Seven Waterfront Plaza and does not have an office for its exclusive use or a "campus" at that location.

30. Defendant UNW's statement is misleading, unfair and/or deceptive in violation of Haw. Rev. Stat. §§ 480-2 and/or 481A(12).

31. Each representation constitutes a separate and independent violation of Haw. Rev. Stat. §§ 480-2 and/or 481A(12).

COUNT V

32. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 31 as though fully set forth herein.

33. Haw. Rev. Stat. § 446E-7 requires unaccredited degree granting institutions to have an office that is leased, subleased, rented or owned by the unaccredited institution for its exclusive use and shall not include an arrangement for mail forwarding or mailbox rental.

34. Defendant UNW does not have an office as required by Haw. Rev. Stat. § 446E-7.

35. Defendant UNW's practice constitutes an unfair or deceptive act or practice in violation of Haw. Rev. Stat. § 480-2.

COUNT VI

36. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 35 as though fully set forth herein.

37. Haw. Rev. Stat. § 446E-7 requires unaccredited degree granting institutions to have an employee, residing in Hawaii, who works for the institution

at least twenty hours a week as required by Haw. Rev. Stat. § 446E-7.

38. Defendant UNW does not have an employee who resides in Hawaii and who works for Defendant UNW at least twenty hours a week.

39. Defendant UNW's practices do not comply with Haw. Rev. Stat. § 446E-7 and constitute an unfair or deceptive trade practice in violation of Haw. Rev. Stat. 480-2.

COUNT VII

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

41. Defendant UNW's catalogs and websites advertise that UNW offers a graduate program for a Master of Law and Ph. D. programs with "Law Specialization" for a "Juris Doctor, Juris Doctor/Doctor of Philosophy, Juris Doctor/Master of Management and/or Doctor of Juridical Science."

42. Defendant UNW is not accredited by the American Bar Association to issue a juris doctor degree.

43. Haw. Rev. Stat. Chap. 446E-5 specifically prohibits institutions, which have not been accredited by the American Bar Association from issuing juris doctor degrees (J.D.), a master of laws degree (L.L.M.), or any equivalent or comparable degree.

44. Defendant UNW's advertising law degrees in violation of Haw. Rev. Stat. §§ 446E-5 and 480-2.

45. Each representation constitutes a separate and independent violation of Haw. Rev. Stat. § 480-2.

COUNT VIII

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

47. Unless Defendant UNW is enjoined from further engaging in the acts and/or practices complained of herein, Defendant will continue to engage in such activities in violation of Haw. Rev. Stat. Chaps. 446E, 480-2 and 481A.

48. Unless Defendant UNW is enjoined from further engaging in the acts and/or practices complained of herein, Defendant UNW will continue to engage in said activities and the continued activities of Defendant UNW will result in a multiplicity of lawsuits, irreparable injury, and loss and damage to consumers who continue to deal with Defendant UNW.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests this Court:

1. Issue a preliminary and permanent injunction enjoining and restraining Defendant UNW, its employees, officers, directors, agents, successors, assignees, affiliates, merged or acquired predecessors, parent or controlling entities, subsidiaries, and all other persons acting in concert or participation with it, from doing business in the state of Hawaii unless it complies with Haw. Rev. Stat. Chap. 446E.

2. Issue a preliminary and permanent injunction enjoining and restraining Defendant UNW from failing to provide all disclosures required by Haw. Rev. Stat. Chap. 446E and from misleading consumers by asserting that UNW is registered with the State of Hawaii.

3. Order Defendant UNW to provide restitution to each and every consumer who was injured as a result of the unlawful acts or practices complained of herein and as may be proven at trial.

4. Order Defendant UNW to pay the State of Hawaii, pursuant to Haw. Rev. Stat. § 480-3.1, civil penalties of \$10,000 for each violation.

5. Order Defendant UNW to reimburse the Office of Consumer Protection its costs and reasonable attorneys' fees.

6. Order such other relief as the Court may deem just and appropriate.

DATED: Honolulu, Hawaii, October 31, 2000

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DATED: Honolulu, Hawaii, October 31, 2000



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