

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

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R. HIGA
CLERK

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

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

vs.)

WASHINGTON AMERICAN OPEN)
UNIVERSITY, INC., a Hawaii)
corporation dba Ottawa Global)
University and Ottawa and TAMS)
Global College and YOSHIO)
TAKAHASHI aka Alexander Takahashi)
aka Rao V. Yellapragada,)
)
Defendants.)

CIVIL NO. 04-1-2280-12
(Other Civil Action)

B I A

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:

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 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 Washington American Open University ("WAOU") is a Hawaii corporation with its principal place of business at 1188 Bishop Street, Suite 1801, Honolulu, Hawaii 96813. WAOU has registered the tradenames Ottawa Global University and Ottawa and TAMS Global College in the state of Hawaii.

4. Defendant Yoshio Takahashi is also known as Alexander Takahashi and Rao V. Yellapragada. Defendant Takahashi is believed to hold passports issued by Japan and Egypt. Defendant Takahashi has resided in the State of Hawaii, although his current residency is unknown and he is believed to be residing in Cairo, Egypt.

5. WAOU is not now or never has been accredited by a recognized accrediting agency or association recognized by the United States Secretary of Education.

6. Subsequent to July 1, 2003, WAOU, acting in concert with others, has engaged in the operation of the unaccredited degree granting institution. To that end, WAOU has offered to sell and sold post-secondary degrees.

7. WAOU is an "unaccredited institution" as that phrase is defined in Hawaii Rev. Stat. §446E-1.

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

9. WAOU primarily markets its degrees to citizens of India through its affiliate, the Alfa Institute of Management and Technology in Coimbatore. Under this arrangement, for a fee of several hundred dollars each, WAOU issues "American" diplomas to foreign citizens.

COUNT I
FAILURE TO MAKE STATUTORY DISCLOSURES

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

11. WAOU and its agents have failed to properly and adequately disclose in all catalogs, promotional materials and/or written contracts for instruction the fact that WAOU 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).

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

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

COUNT II
FAILURE TO MAINTAIN AN AGENT FOR SERVICE OR PROCESS

14. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 13 as though fully set forth herein.

15. WAOU has failed to continuously maintain an agent for service of process within the State of Hawaii as required by Hawaii Rev. Stat. §446E-4(a).

COUNT III
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. WAOU has 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 IV
FAILURE TO HAVE AN EMPLOYEE LOCATED IN HAWAII

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

20. WAOU has failed to have an employee located 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 V
FAILURE TO HAVE TWENTY-FIVE HAWAII STUDENTS ENROLLED

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

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

24. WAOU is and has been, therefore, unauthorized to issue any degrees.

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

COUNT VI
ILLEGAL ACCEPTANCE OF PAYMENTS

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

27. WAOU 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.

28. 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).

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

COUNT VII
FAILURE TO PRODUCE RECORDS AND INFORMATION

30. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 29 as though fully set forth herein.

31. WAOU has failed to provide records and information upon Plaintiff's demand in violation of Hawaii Rev. Stat. §446E-2(b).

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

COUNT VIII
SUGGESTIONS OF STATE LICENSING, APPROVAL OR REGULATION

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

34. WAOU has in its catalogs, diplomas and/or promotional materials indicated or suggested that the State of Hawaii licenses, approves of or regulates its operations in violation of Hawaii Rev. Stat. §446E-5(a).

35. Each and every catalog, promotional material and/or written contract for instruction that contains such a suggestion or indication constitutes a separate and independent violation of Hawaii Rev. Stat. §446E-5(a).

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

COUNT IX
ILLEGAL ISSUANCE OF DEGREES

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

38. Because WAOU is not now and never has been in compliance with Hawaii Rev. Stat. §446E-5(d), no of the degrees issued or diploma printed by it are valid.

COUNT X
DECEPTIVE CLAIMS OF IEMMA ACCREDITATION

39. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 38 as though fully set forth herein.

40. In its solicitations and promotional materials, WAOU claims accreditation from the International Education Ministry Accreditation Association or IEMAA. It further claims that the IEMAA sets high standards for accreditation.

41. In fact IEMAA provides accreditation certificates for a fee of \$500.

42. Such conduct violates Hawaii Rev. Stat. §480-2(a) and §481A-3.

COUNT XI
DECEPTIVE CLAIMS OF APDLUA ACCREDITATION

43. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 42 as though fully set forth herein.

44. In its solicitations and promotional materials, WAOU claims accreditation from the American Pacific Distance Learning Universities Association or APDLUA.

45. In fact there is no APDLU or, alternatively, the APDLUA was set up by Defendant Takahashi to further this scheme.

46. Such conduct violates Hawaii Rev. Stat. §480-2(a) and §481A-3.

COUNT XII
DECEPTIVE CLAIMS OF LONGEVITY

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

48. In its solicitations and promotional materials, WAOU'S affiliate falsely claims that WAOU was registered in Hawaii in 1976.

49. Such conduct violates Hawaii Rev. Stat. §480-2(a) and §481A-3.

COUNT XIII
DECEPTIVE CLAIMS OF VALUE OF DEGREE

50. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 49 as though fully set forth herein.

51. In its solicitations and promotional materials, WAOU'S affiliate falsely claims that the WAOU "degree will be comparable to any issued by a traditional university."

52. Such conduct violates Hawaii Rev. Stat. §480-2(a) and §481A-3.

COUNT XIV
DECEPTIVE CLAIMS OF ACCEPTANCE OF WAOU DEGREES

53. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 52 as though fully set forth herein.

54. In its solicitations and promotional materials, WAOU'S affiliate falsely claims that "More than 350 organisations all over the U.S. have either reimbursed all or a portion of a students tuition during or after the degree program was completed."

55. Such conduct violates Hawaii Rev. Stat. §480-2(a) and §481A-3.

COUNT XV
DECEPTIVE CLAIMS OF TESIMONIALS

56. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 55 as though fully set forth herein.

57. In its solicitations and promotional materials, WAOU'S affiliate falsely claims that "The university has on file many testimonials from graduates and leaders in buisness [sic] and industry that attest to promotions , new positions and salary increases, directly related to the completion of a course of study and receipt of a degree from the university."

58. Such conduct violates Hawaii Rev. Stat. §480-2(a) and §481A-3.

COUNT XVI
DEFENDANT TAKAHASHI'S INDIVIDUAL LIABILITY

59. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 58 as though fully set forth herein.

60. Defendant Takahashi actively or passively participated in the illegal activity and/or formulated, directed, supervised, participated in, benefited from, facilitated, controlled, knew and approved of, and committed or caused the commission of the various acts and practices described herein.

COUNT XVII
INJUNCTIVE RELIEF

61. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 60 as though fully set forth herein.

62. 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 (including that for Washington American Open University), 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.

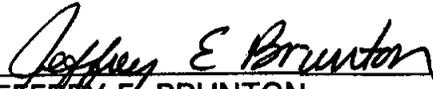
4. Assess appropriate civil penalties against the Defendants pursuant to Hawaii Rev. Stat. § 480-3.1 and enter judgment in favor of Plaintiff accordingly.

5. Award any consumers injured by the aforementioned violations full restitution, including pre and post judgment interest, against the Defendants 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, December 8, 2004.



JEFFREY E. BRUNTON
Attorney for Plaintiff