

2002 JUL -1 PM 2: 55

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Office of Consumer Protection
235 South Beretania Street, Room 801
Honolulu, Hawaii 96813-2419
Telephone: (808) 586-2636

H. CHING

CLERK

Attorney for Plaintiff

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

PLEASE NOTE CHANGES

STATE OF HAWAII, by its Office of
Consumer Protection,

Plaintiff,

vs.

HAWAII AMERICAN UNIVERSITY,
INC., a Hawaii corporation; WORLD
EDUCATION, INC., a Nevada
corporation; LEROY H. GRAW; and
DAVID MCNARY

Defendants.

CIVIL NO. 01-1-2836-09 (GWBC)^M
(Other Civil Action)

DEFAULT JUDGMENT AGAINST
DEFENDANTS HAWAII AMERICAN
UNIVERSITY, INC., WORLD
EDUCATION, INC., LEROY H. GRAW
AND DAVID MCNARY; EXHIBITS 1 AND
2

(Motion filed May 24, 2002)

HEARING

Date: June 26, 2002

Time: 3:00 p.m.

Judge: Gary W.B. Chang

Trial Date: None

SCF Date: None

FILED
JUN 26 2002
CLERK

DEFAULT JUDGMENT AGAINST
DEFENDANTS HAWAII AMERICAN UNIVERSITY, INC.,
WORLD EDUCATION, INC., LEROY H. GRAW AND DAVID MCNARY

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendants

GWBC

Hawaii American University, Inc., World Education, Inc., Leroy H. Graw and David

McNary, their agents, employees, successors and assigns, directly or indirectly,

Default judgment is entered in favor of plaintiff and against all defendants in accordance with the following. GWBC

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

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, by its Office of Consumer Protection,	)	CIVIL NO. 01-1-2836-09 (GWBC)
	)	(Other Civil Action)
)	
Plaintiff,	)	DEFAULT JUDGMENT AGAINST
	)	DEFENDANTS HAWAII AMERICAN
	)	UNIVERSITY, INC., WORLD
	)	EDUCATION, INC., LEROY H. GRAW
vs.	)	AND DAVID MCNARY; EXHIBITS 1
	)	AND 2
)	
	)	(Motion filed May 24, 2002)
)	
HAWAII AMERICAN UNIVERSITY, INC., a Hawaii corporation; WORLD EDUCATION, INC., a Nevada corporation; LEROY H. GRAW; and DAVID MCNARY	)	<u>HEARING</u>
	)	Date: June 26, 2002
	)	Time: 3:00 p.m.
	)	Judge: Gary W.B. Chang
)	
	)	Trial Date: None
Defendants.	)	SCF Date: None
)	

DEFAULT JUDGMENT AGAINST
DEFENDANTS HAWAII AMERICAN UNIVERSITY, INC.,
WORLD EDUCATION, INC., LEROY H. GRAW AND DAVID MCNARY

Default judgment is entered in favor of Plaintiff and against all

defendants in accordance with the following:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendants

Hawaii American University, Inc., World Education, Inc., Leroy H. Graw and David McNary, their agents, employees, successors and assigns, directly or indirectly, individually or in concert with others, or through any corporate or other device, be and are hereby permanently enjoined from:

- 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 or claiming to operate under the laws of the State of Hawaii until all restitution, civil penalties and costs entered herein are fully satisfied.

The Business Registration Division of the Department of Commerce and Consumer Affairs of the State of Hawaii **BE AND IS HEREBY ORDERED** to dissolve, terminate, revoke and/or cancel, all trademarks, corporate registrations (including that for Hawaii American University, Inc.) and certificates of authority held by or for any of the defendants.

Corporate Office Centers **BE AND IS HEREBY ORDERED** to cease providing any services to any of the Defendants, including but not limited to mailbox, mail services, professional telephone answering, voice mail, receptionist services, directory listings and/or business address services.

Defendants, jointly and severally, **BE AND ARE HEREBY ORDERED** to implement a restitution program as follows. Defendants be and are hereby ordered to immediately compile a list of those students who enrolled in or graduated from Hawaii American University subsequent to July 1, 1999 and to send a written offer of restitution to each such individual in the appropriate form attached as Exhibits 1 or 2.

Defendants, jointly and severally, **BE AND ARE HEREBY ORDERED, ADJUDGED AND DECREED** to make restitution to anyone requesting it within twenty days of the receipt of such a request.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Hawaii Rev. Stat. § 480-3.1, Defendant Hawaii American University, Inc. be and hereby is liable to Plaintiff for civil penalties in the amount of \$300,000.00.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Hawaii Rev. Stat. § 480-3.1, Defendant World Education, Inc. be and hereby is liable to Plaintiff for civil penalties in the amount of \$300,000.00.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Hawaii Rev. Stat. § 480-3.1, Defendant Leroy H. Graw be and hereby is liable to Plaintiff for civil penalties in the amount of \$300,000.00.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Hawaii Rev. Stat. § 480-3.1, Defendant David McNary be and hereby is liable to Plaintiff for civil penalties in the amount of \$300,000.00.

There are no remaining claims against any party. All remaining claims, if any, are dismissed with prejudice.

DATED: Honolulu, Hawaii, _____.

Judge of the above-entitled Court

Civil No. 01-1-2836-09 (GWBC); State of Hawaii vs. Hawaii American University, Inc. et al.; DEFAULT JUDGMENT AGAINST DEFENDANTS HAWAII AMERICAN UNIVERSITY, INC., WORLD EDUCATION, INC., LEROY H. GRAW AND DAVID MCNARY

American University subsequent to July 1, 1999 and to send a written offer of restitution to each such individual in the appropriate form attached as Exhibits 1 or 2. Defendants, jointly and severally, **BE AND ARE HEREBY ORDERED, ADJUDGED AND DECREED** to make restitution to anyone requesting it within twenty days of the receipt of such a request.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Hawaii Rev. Stat. § 480-3.1, Defendant Hawaii American University, Inc. be and hereby is liable to Plaintiff for civil penalties in the amount of \$300,000.00.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Hawaii Rev. Stat. § 480-3.1, Defendant World Education, Inc. be and hereby is liable to Plaintiff for civil penalties in the amount of \$300,000.00.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Hawaii Rev. Stat. § 480-3.1, Defendant Leroy H. Graw be and hereby is liable to Plaintiff for civil penalties in the amount of \$300,000.00.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Hawaii Rev. Stat. § 480-3.1, Defendant David McNary be and hereby is liable to Plaintiff for civil penalties in the amount of \$300,000.00.

There are no remaining claims against any party.

WBC if any, *are dismissed with prejudice, GWBC*

All remaining claims,

DATED: Honolulu, Hawaii, JUL - 1 2000

Cary WB
Judge of the above entitled Court



Civil No. 01-1-2836-09 (GWBC); State of Hawaii vs. Hawaii American University, Inc. et al.; DEFAULT JUDGMENT AGAINST DEFENDANTS HAWAII AMERICAN UNIVERSITY, INC., WORLD EDUCATION, INC., LEROY H. GRAW AND DAVID MCNARY

PLEASE NOTE CHANGES

Date

Name
Address
City, State Zipcode

Dear Graduate:

We are writing to inform you that during your course of studies, Hawaii American University, Inc. was operating in violation of Hawaii's laws relating to unaccredited degree granting institutions. By law, such violations are automatically considered unfair or deceptive business practices.

As a result of a court order, we are offering all graduates a full refund of the tuition paid conditioned only on return of the diploma. If you would like to accept this offer, please simply indicate that fact on the enclosed form and return it to us with the diploma. Your refund will be processed within twenty days from its receipt.

If you choose to accept this offer, you will be barred from seeking any other damages against the university. You should know that under Hawaii law, you have the right to bring your own lawsuit for damages and, in the event you prevail, you would be awarded not less than \$1,000 or threefold the damages, whichever is greater. You would also, in that event, be awarded your attorneys fees.

If you have any questions about this offer, you may call the State of Hawaii's Consumer Resource Center at (808) 586-2653.

Very truly yours, □

Leroy H. Graw, President □
Hawaii American University, Inc. □

Enc.

Date

Name
Address
City, State Zipcode

Dear Graduate:

We are writing to inform you that during your course of studies, Hawaii American University, Inc. was operating in violation of Hawaii's laws relating to unaccredited degree granting institutions. By law, such violations are automatically considered unfair or deceptive business practices.

As a result of a court order, we are offering all graduates a full refund of the tuition paid conditioned only on return of the diploma. If you would like to accept this offer, please simply indicate that fact on the enclosed form and return it to us with the diploma. Your refund will be processed within twenty days from its receipt.

If you choose to accept this offer, you will be barred from seeking any other damages against the university. You should know that under Hawaii law, you have the right to bring your own lawsuit for damages and, in the event you prevail, you would be awarded not less than \$1,000 or threefold the damages, whichever is greater. You would also, in that event, be awarded your attorneys fees.

If you have any questions about this offer, you may call the State of Hawaii's Consumer Resource Center at (808) 586-2653.

Very truly yours,

Leroy H. Graw, President
Hawaii American University, Inc.

Enc.

EXHIBIT 1

Return This Form To:

Hawaii American University
1000 S. Fremont Avenue, #A12
Alhambra, CA 91803

Yes, I would like a full refund of all tuition paid. My diploma is enclosed.
Please send the refund to:

Name

Street Address

City, State, ZipCode

Country

Dated: _____, 2002.

Signature

Date

Name

Address

City, State Zip Code

Dear Student:

We are writing to inform you that during your course of studies, Hawaii American University, Inc. was operating in violation of Hawaii's laws relating to unaccredited degree granting institutions. By, law such violations are automatically considered unfair or deceptive business practices.

As a result of a court order, we are offering all graduates a full refund of the tuition paid. If you would like to accept this offer, please simply indicate that fact on the enclosed form and return it to us. Your refund will be processed within twenty days from its receipt.

If you choose to accept this offer, you will be barred from seeking any other damages against the university. You should know that under Hawaii law, you have the right to bring your own lawsuit for damages and, in the event you prevail, you would be awarded not less than \$1,000 or threefold the damages, whichever is greater. You would also, in that event, be awarded your attorneys' fees.

If you have any questions about this offer, you may call the State of Hawaii's Consumer Resource Center at (808) 586-2653.

Very truly yours,

Leroy H. Graw, President
Hawaii American University, Inc.

Enc.

Date

Name

Address

City, State Zip Code

Dear Student:

We are writing to inform you that during your course of studies, Hawaii American University, Inc. was operating in violation of Hawaii's laws relating to unaccredited degree granting institutions. By, law such violations are automatically considered unfair or deceptive business practices.

As a result of a court order, we are offering all graduates a full refund of the tuition paid. If you would like to accept this offer, please simply indicate that fact on the enclosed form and return it to us. Your refund will be processed within twenty days from its receipt.

If you choose to accept this offer, you will be barred from seeking any other damages against the university. You should know that under Hawaii law, you have the right to bring your own lawsuit for damages and, in the event you prevail, you would be awarded not less than \$1,000 or threefold the damages, whichever is greater. You would also, in that event, be awarded your attorneys' fees.

If you have any questions about this offer, you may call the State of Hawaii's Consumer Resource Center at (808) 586-2653.

Very truly yours,

Leroy H. Graw, President
Hawaii American University, Inc.

Enc.

EXHIBIT 2

Return This Form To:

Hawaii American University
1000 S. Fremont Avenue, #A12
Alhambra, CA 91803

Yes, I would like a full refund of all tuition paid. Please send the refund to:

Name

Street Address

City, State, ZipCode

Country

Dated: _____, 2002.

Signature