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Attorney for Plaintiff

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,

Plaintiff,

vs.

NATIONAL UNIVERSITY OF  
AMERICA, INC., a Hawaii corporation  
and BILL E. TSAGRIS,

Defendants.

CIVIL NO. 02-1-1583-07  
(Other Civil Action)

COMPLAINT AND SUMMONS

**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

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IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, by its Office of Consumer Protection,	)	CIVIL NO. _____
	)	(Other Civil Action)
	)	
Plaintiff,	)	COMPLAINT AND SUMMONS
	)	
vs.	)	
	)	
NATIONAL UNIVERSITY OF AMERICA, INC., a Hawaii corporation and BILL E. TSAGRIS,	)	
	)	
Defendants.	)	
_____	)	

**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 National University of America, Inc. (hereinafter "NUA") is a Hawaii corporation.

4. Upon information and belief, defendant Bill E. Tsagris is a resident of the State of California.

5. On May 23, 1995, Articles of Incorporation of NUA were filed with the Department of Commerce and Consumer Affairs of the State of Hawaii.

6. Defendant NUA 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 Bill E. Tsagris is not now and never has been accredited by a recognized accrediting agency or association recognized by the United States Secretary of Education.

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

9. NUA has or had a "presence" in the State of Hawaii as that term is used in Haw. Rev. Stat. §446E-1.

**COUNT I**  
**FAILURE TO CONTINUOUSLY MAINTAIN AN AGENT IN HAWAII**

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

11. NUA 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 II**  
**FAILURE TO MAKE STATUTORY DISCLOSURES**

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

13. NUA failed to properly and adequately disclose in all catalogs, promotional materials, including its website, and/or written contracts for instruction the fact that it 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).

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

15. Violations of Hawaii Rev. Stat. § 446E-2(a) constitute *per se* violations of Hawaii Rev. Stat. § 480-2(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. NUA 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. NUA 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. NUA has failed to have twenty-five enrolled students in Hawaii in violation of Hawaii Rev. Stat. § 446E-5(d).

24. 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**

25. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 24 as though fully set forth herein.

26. NUA has had a continual “presence” in the State of Hawaii as that phrase is used in Hawaii Rev. Stat. § 446E-1 and § 446E-5 since at least January 24, 2000.

27. NUA 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**  
**SUGGESTIONS OF STATE LICENSING, APPROVAL OR REGULATION**

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

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

32. 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).

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

**COUNT VIII**  
**SUGGESTIONS OF FUTURE ACCREDITATION**

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

35. NUA has in its catalogs, promotional materials and/or written contracts for instruction indicated or suggested that it intends to apply for future accreditation.

36. 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(f).

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

**COUNT IX**  
**ISSUANCE OF BANNED DEGREES**

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

39. NUA is not now and never has been accredited by the American Bar Association.

40. NUA has offered for sale or issued juris doctor degrees, master of laws degrees or equivalent or comparable degrees.

41. Each and every catalog, promotional material and/or written contract for instruction that contains such an offer and/or each such degree issued constitutes a separate and independent violation of Hawaii Rev. Stat. § 446E-5(b).

**COUNT X**  
**DEFENDANT TSAGRIS'S INDIVIDUAL LIABILITY**

42. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 41 as though fully set forth herein.

43. Defendant Bill E. Tsagris 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 XI**  
**INJUNCTIVE RELIEF**

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

45. 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 National University of America, Inc.), 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 individually 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, jointly and severally, 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, July 1, 2002.

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JEFFREY E. BRUNTON  
Attorney for Plaintiff

Civil No. \_\_\_\_\_; State of Hawaii vs. National University of America, Inc., et al; COMPLAINT AND SUMMONS.

DATED: Honolulu, Hawaii, July 1, 2002.

  
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JEFFREY E. BRUNTON  
Attorney for Plaintiff

Civil No. \_\_\_\_\_; State of Hawaii vs. National University of America, Inc., et al;  
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