

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

2002 JUN 28 PM 1:43

T. WONG  
CLERK

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, by its Office of Consumer Protection,	)	CIVIL NO. 01-1-2577-08 (DDD)
	)	(Other Civil Action)
	)	
Plaintiff,	)	STIPULATED PERMANENT
	)	INJUNCTION AND FINAL JUDGMENT
	)	AGAINST DEFENDANTS STANTON
vs.	)	UNIVERSITY, INC., RICHARD GAO,
	)	ELMER C. MAY AND JACQUELINE
	)	MAY
STANTON UNIVERSITY, INC., a Hawaii corporation; RICHARD GAO; ELMER C. MAY and JACQUELINE MAY,	)	
	)	
Defendants.	)	Trial Date: None
	)	SCF Date: None

STIPULATED PERMANENT INJUNCTION AND  
FINAL JUDGMENT AGAINST DEFENDANTS STANTON  
UNIVERSITY, INC., RICHARD GAO, ELMER C. MAY AND JACQUELINE MAY

Plaintiff and Defendants Stanton University, Inc., Richard Gao, Elmer C.  
May and Jacqueline May (hereinafter collectively "Defendants") hereby stipulate and  
agree to the entry of this Stipulated Permanent Injunction and Final Judgment Against  
Defendants Stanton University, Inc., Richard Gao, Elmer C. May and Jacqueline May as  
follows:

JEFFREY E. BRUNTON #2833  
Office of Consumer Protection  
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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. 01-1-2577-08 (DDD)
	)	(Other Civil Action)
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Plaintiff,	)	STIPULATED PERMANENT
	)	INJUNCTION AND FINAL JUDGMENT
	)	AGAINST DEFENDANTS STANTON
vs.	)	UNIVERSITY, INC., RICHARD GAO,
	)	ELMER C. MAY AND JACQUELINE
	)	MAY
STANTON UNIVERSITY, INC., a Hawaii corporation; RICHARD GAO; ELMER C. MAY and JACQUELINE MAY,	)	
	)	
	)	Trial Date: None
Defendants.	)	SCF Date: None
	)	

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STIPULATED PERMANENT INJUNCTION AND  
FINAL JUDGMENT AGAINST DEFENDANTS STANTON  
UNIVERSITY, INC., RICHARD GAO, ELMER C. MAY AND JACQUELINE MAY

Plaintiff and Defendants Stanton University, Inc., Richard Gao, Elmer  
C. May and Jacqueline May (hereinafter collectively "Defendants") hereby stipulate  
and agree to the entry of this Stipulated Permanent Injunction and Final Judgment

Against Defendants Stanton University, Inc., Richard Gao, Elmer C. May and Jacqueline May as follows:

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that:

1. This court has jurisdiction over this matter and the parties hereto pursuant to Hawaii Rev. Stat. Chapters 446E, 480, 487 and 603 and venue is proper herein.

2. Plaintiff's Complaint states claims against Defendants upon which relief may be granted under Hawaii Rev. Stat. Chapter 446E and Hawaii Rev. Stat. § 480-2(a).

3. Defendants their officers, agents, servants, employees and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, are hereby restrained and enjoined from failing to comply with the requirements set forth herein.

4. Defendants shall be responsible for making the substantive terms and conditions of this judgment known to their officers, directors, successors, managers, employees and those persons associated with Defendants who are responsible for implementing the obligations set forth in this judgment.

5. Defendants shall not effect any change in their form of doing business or organizational identity for the purpose of avoiding the terms and conditions contained in this judgment.

6. Unless otherwise specified herein, this judgment shall take effect on filing with the court. The receipt or deposit by the Office of Consumer

Protection of any monies pursuant to this judgment does not constitute acceptance by the Office of Consumer Protection and any monies received will be returned if this judgment is not executed by the Office of Consumer Protection or the court.

7. Defendants shall immediately cease conducting any and all business activities in the state of Hawaii, including the operation of any unaccredited degree granting institution. Defendants further agree that they shall not claim to operate any unaccredited degree granting institution under the color or authority of the laws of the State of Hawaii. Upon entry of this judgment, Defendants shall take whatever steps are necessary to voluntarily dissolve Stanton University, Inc. as provided for in Hawaii Rev. Stat. Chapter 415.

8. Defendants, jointly and severally, shall provide a full refund to any consumer as set forth herein. Upon entry of this judgment, Defendants shall notify in writing all individuals who paid Stanton University any fees or tuition subsequent to July 1, 1999 that they are entitled to full restitution (conditioned on the return of any diploma awarded). Said notice shall be in a form agreeable by Plaintiff and shall also notify the recipients of their rights under Hawaii Rev. Stat. §480-13. Defendants shall provide a full refund to any recipient requesting one by certified check within fourteen days of receipt of the request for such and the return of the diploma, if applicable. In addition, Defendants, jointly and severally, shall be liable for restitution to all individuals who paid Stanton University any fees or tuition subsequent to July 1, 1999 regardless of whether they are notified by Defendants as set forth above. In the event Defendants fail to make restitution as

required herein, Defendants agree, in addition to all other payments required herein, to pay the Office of Consumer Protection civil penalties in the amount of One Thousand Dollars (\$1,000.00) for each consumer who does not receive full restitution as required and set forth herein.

9. Defendants be and are hereby, jointly and severally, liable to pay the sum of Ten Thousand Dollars (\$10,000.00) to the Office of Consumer Protection, State of Hawaii for civil penalties, attorneys' fees and costs of investigation pursuant to Hawaii Rev. Stat. § 480-3.1 as outlined herein. Payments shall be in the form of a cashier's check made payable to the "State of Hawaii". In the event Defendants fail to make timely payments as required herein, each Defendant shall be liable for an additional Five Thousand Dollars (\$5,000.00) in civil penalties payable immediately upon demand by Plaintiff.

10. Defendants hereby agree that they shall, in addition to all other payments required by and in this stipulation, pay Plaintiff fifty per cent (50%) of any monies which they receive, or which they would be entitled to receive, from any third parties, based upon claims made arising out of the matters set forth in the complaint and any amendments thereto. This would include, but not be limited to, any monies received from any insurance carriers or professionals rendering legal advice. Any such payments shall be made promptly upon the receipt of said monies by Defendants.

11. Defendants shall promptly provide to the Office of Consumer Protection upon request proof of any action(s) required to be taken by the Defendants pursuant to the terms of this stipulated judgment.

12. Under no circumstances shall this document or the name of State of Hawaii, the Office of Consumer Protection, Department of Commerce and Consumer Affairs, or any of its employees or subdivisions be used by Defendants in connection with any selling, advertising or promotion of any product or service. The parties understand that this document shall not be construed as an approval or sanction by the State of Hawaii of Defendants' business practices. Nothing in this document shall be construed to permit or make lawful any act, practice, or course of conduct prohibited or made unlawful by Hawaii Rev. Stat. Chap. 446E, 480 or 481A or any other law.

13. This stipulated judgment shall apply to Defendants, their agents, employees, successors and assigns.

14. This court shall retain jurisdiction of this case for the purpose of enabling any of the parties to this stipulation to apply to this court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this stipulation, to modify or terminate any of their provisions, to enforce compliance, and to punish violations of its provisions. If it shall be made to appear to the court that there has been a violation of any of the terms of this stipulation, upon motion, this court may enter an order to show cause why Defendants should not be found in contempt. Nothing in this document shall bar Plaintiff from

seeking, or the court from imposing, against Defendants or any other person any other relief available under any other applicable provision of law for violation of this document, in addition to or in lieu of the civil penalties provided for above.

15. All payments required under this stipulated judgment shall be made by cashier's checks. Payments of civil penalties shall be payable to the Plaintiff.

16. There is no just reason for delaying entry of this judgment and judgment is hereby expressly directed to be entered pursuant to Hawaii R. Civ. P. 54(b).

17. No claims remain against any party.

DATED: Honolulu, Hawaii, \_\_\_\_\_.

\_\_\_\_\_  
Judge of the above-entitled Court

APPROVED AS TO FORM AND CONTENT AND AGREED:

\_\_\_\_\_  
JEFFREY E. BRUNTON  
Attorney for Plaintiff

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JOHN J. REMIS, JR.  
Attorney for Defendants Stanton University, Inc.,  
Richard Gao, Elmer C. May and Jacqueline May

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STANTON UNIVERSITY, INC., Defendant  
By: Jacqueline May  
Its: President

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JACQUELINE MAY  
Defendant

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ELMER C. MAY  
Defendant

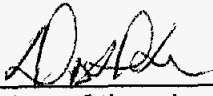
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RICHARD GAO  
Defendant

Civil No. 01-1-2577-08 (DDD); State of Hawaii vs. Stanton University, Inc., et al.;  
STIPULATED PERMANENT INJUNCTION AND FINAL JUDGMENT AGAINST  
DEFENDANTS STANTON UNIVERSITY, INC., RICHARD GAO, ELMER C. MAY,  
AND JACQUELINE MAY

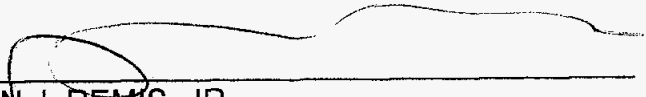



DATED: Honolulu, Hawaii, JUN 24 2002

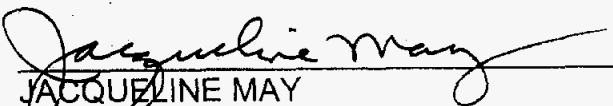
  
\_\_\_\_\_  
Judge of the above-entitled Court

APPROVED AS TO FORM AND CONTENT AND AGREED:

  
\_\_\_\_\_  
JEFFREY E. BRUNTON  
Attorney for Plaintiff

  
\_\_\_\_\_  
JOHN J. REMIS, JR.  
Attorney for Defendants Stanton University, Inc.,  
Richard Gao, Elmer C. May and Jacqueline May

  
\_\_\_\_\_  
STANTON UNIVERSITY, INC. Defendant  
By: Jacqueline May  
Its: President

  
\_\_\_\_\_  
JACQUELINE MAY  
Defendant

  
\_\_\_\_\_  
ELMER C. MAY  
Defendant

  
\_\_\_\_\_  
RICHARD GAO  
Defendant

Civil No. 01-1-2577-08 (DDD); State of Hawaii vs. Stanton University, Inc., et al.;  
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DEFENDANTS STANTON UNIVERSITY, INC., RICHARD GAO, ELMER C. MAY, AND  
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