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C. CASIL, CLERK  
SECOND JUDICIAL CIRCUIT  
STATE OF HAWAII

Attorney for Plaintiff

IN THE CIRCUIT COURT OF THE SECOND CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, by its Office of  
Consumer Protection,

Plaintiff,

vs.

AMERICAN UNIVERSITY HAWAII,  
INC., a Hawaii corporation dba The  
American University of Hawaii and  
AUH and HASSAN H. SAFAVI aka  
Henry Safavi,

Defendants.

CIVIL NO. 03-1-0458 (2)  
(Other Civil Action)

PERMANENT INJUNCTION AND FINAL  
JUDGMENT AGAINST DEFENDANT  
AMERICAN UNIVERSITY HAWAII, INC.

(Motion Filed November 17, 2004)

HEARING

Date: December 22, 2004

Time: 8:30 a.m.

Judge: Shackley F. Raffetto

Trial Date: April 5, 2005

SCF Date: October 29, 2004

PERMANENT INJUNCTION AND FINAL JUDGMENT  
AGAINST DEFENDANT AMERICAN UNIVERSITY HAWAII, INC.

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

1. This court has jurisdiction over this matter and Defendant American University Hawaii, Inc. ("AUH") hereto pursuant to Hawaii Rev. Stat. Chapters 446E, 480, 487 and 603 and venue is proper herein.

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

3. Defendant AUH, its officers, agents, servants, employees and those persons in active concert or participation with it 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. Defendant AUH shall be responsible for making the substantive terms and conditions of this judgment known to its officers, directors, successors, managers, employees and those persons associated with Defendant AUH who are responsible for implementing the obligations set forth in this judgment.

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

6. Defendant AUH shall, with respect to any and all future business activities in, from or under the color of the laws of the state of Hawaii, comply with all of the provisions of Chapters 446E and 480 of the Hawaii Revised Statutes. Defendant AUH and its officers, agents, servants, employees, attorneys and those persons in active concert or participation with it who receive actual notice of this order agree to and hereby are permanently enjoined from:

A. Representing that the operations of American University of Hawaii worldwide are not subject to the requirements of Hawaii Rev. Stat. Chapter 446E;

B. Permitting the view ability of any websites, dissemination of any catalogs and placement of advertisements which do not fully comply with Hawaii Rev. Stat. § 446E-2;

C. Using or disseminating legislative certificates and other government documents in websites or promotional materials and otherwise indicating or suggesting that the State of Hawaii licenses, approves or regulates its operations;

D. Enrolling any J.D. candidates and issuing any J.D. degrees ("non-bar" or otherwise);

E. Enrolling any M.D. candidates and issuing any M.D. degrees and

F. Making any claims, promises or indicia of future accreditation.

7. Defendant AUH be is hereby liable for restitution to consumers as set forth herein. Upon entry of this judgment, Defendant AUH shall notify all degree holders and degree applicants who enrolled or received their degrees subsequent to July 1, 1999 in writing that they are entitled to full restitution (conditioned only 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. Defendant AUH 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.

8. Defendant AUH be and is hereby liable to Plaintiff for civil penalties pursuant to Hawaii Rev. Stat. § 480-3.1 in the amount of Five Hundred Thousand Dollars (\$500,000.00).

9. In the event Defendant AUH fails to satisfy the amounts specified in paragraphs 7 and 8 above within ten (10) days of the entry of this judgment, Defendant AUH, its agents, employees, successors and assigns, directly or indirectly, individually or in concert with others, or through any corporate or other device be and are enjoined from any of the following: (a) providing any post-secondary instructional programs or courses leading to a degree; (b) acting as or holding itself out as a "college, academy, institute, institution, university" or anything similar thereto; (c) accepting or receiving any tuition payments or other fees from or on behalf of any students; (d) enrolling and students and (e) issuing any diplomas.

10. Defendant AUH shall promptly provide to Plaintiff upon request proof of any action(s) required to be taken by the Defendant AUH pursuant to the terms of this judgment.

11. 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 Defendant AUH 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 Defendant AUH's 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.

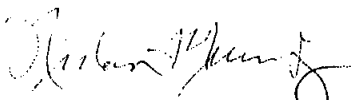
12. This court shall retain jurisdiction of this case for the purpose of enabling any of the parties to this action to apply to this court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this judgment, to modify or terminate any of its provisions, 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 judgment, upon motion, this court may enter an order to show cause why Defendant AUH should not be found in contempt. Nothing in this document shall bar Plaintiff from seeking, or the court from imposing, against Defendant AUH 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.

13. The only remaining claims are Plaintiff's claims against Defendant Hassan H. Safavi.

DATED: Wailuku, Maui, Hawaii, JAN 31 2005.

/s/ SHACKLEY F. RAFFETTO (Seal)  
Judge of the above-entitled Court

APPROVED AS TO FORM:

  
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RICHARD K. MINATOYA  
Attorney for Defendants

CIVIL NO. 03-1-0458 (2); State vs. American University Hawaii, Inc., et al.;  
PERMANENT INJUNCTION AND FINAL JUDGMENT AGAINST DEFENDANT  
AMERICAN UNIVERSITY HAWAII, INC.