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Attorney for Plaintiff

FIRST CIRCUIT COURT
STATE OF HAWAII
FILED

2005 OCT 27 AM 10:43

H. CHING
CLERK

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, by its Office of Consumer Protection,)	CIVIL NO. 05-1-1595-09 VSM
)	(Other Civil Action)
)	
Plaintiff,)	STIPULATED PERMANENT
)	INJUNCTION AND FINAL JUDGMENT
)	AGAINST DEFENDANTS SOUTHWEST
vs.)	INTERNATIONAL UNIVERSITY, INC.
)	AND HENRY YEH
)	
SOUTHWEST INTERNATIONAL)	
UNIVERSITY, INC., a Hawaii)	
corporation and HENRY YEH,)	
)	
Defendants.)	Trial Date: None
)	SCF Date: None
)	

STIPULATED PERMANENT INJUNCTION
AND FINAL JUDGMENT AGAINST DEFENDANTS
SOUTHWEST INTERNATIONAL UNIVERSITY, INC. AND HENRY YEH

Plaintiff and Defendants Southwest International University, Inc. and Henry Yeh (hereinafter collectively "Defendants") hereby stipulate and agree to the entry of this Stipulated Permanent Injunction and Final Judgment Against Defendants Southwest International University, Inc. and Henry Yeh as follows:

I do hereby certify that this is a full, true and correct copy of the original on file in this office.

H. Ching
Clerk, Circuit Court, First Circuit

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. 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.
6. 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 dissolve Southwest International University, Inc. as provided for in Hawaii Rev. Stat. Chapter 414.

7. Defendants shall provide a full refund to any eligible consumer who so requests, conditioned only on the return of any diploma issued or an affidavit attesting to the loss or destruction thereof. Payment hereunder shall be made by certified check within fourteen days of receipt of the request for such and the return of the diploma or provision of the affidavit, if applicable. Eligible consumers are Southwest International University students who enrolled or graduated between August 1, 2003 and August 1, 2005. Any claims for refund hereunder shall be made prior to one year from the date of filing of this judgment. 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.

8. Defendant Southwest International University, Inc. be and is hereby liable to pay the sum of Twenty-Two Thousand Five Hundred Dollars (\$22,500.00) to the Office of Consumer Protection, state of Hawaii pursuant to Hawaii Rev. Stat. § 480-3.1. This amount shall be suspended on condition that Defendants comply with all other terms of this judgment.

9. Defendant Henry Yeh be and is hereby liable to pay the sum of

Twenty-Two Thousand Five Hundred Dollars (\$22,500.00) to the Office of Consumer Protection, state of Hawaii pursuant to Hawaii Rev. Stat. § 480-3.1.

This amount shall be suspended on condition that Defendants comply with all other terms of this judgment.

10. 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.

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 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. Chapters 446E, 480 or 481A or any other law.

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

13. 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

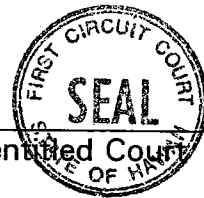
to the court that there has been a violation of any of the terms of this stipulation, upon motion, this court may enter an order to show cause why Defendants should not be found in contempt. Nothing in this document shall bar Plaintiff from seeking, or the court from imposing, against Defendants or any 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.

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

15. No claims remain against any party.

DATED: Honolulu, Hawaii, OCT 26 2005.

VICTORIA S. MARKS
Judge of the above-entitled Court



CIVIL NO. 05-1-1595-09 VSM; State vs. Southwest International University, Inc., et al.;
STIPULATED PERMANENT INJUNCTION AND FINAL JUDGMENT AGAINST DEFENDANTS
SOUTHWEST INTERNATIONAL UNIVERSITY, INC. AND HENRY YEH

APPROVED AS TO FORM AND CONTENT AND AGREED:

for *Lia P. Tozy*
JEFFREY E. BRUNTON
Attorney for Plaintiff

Henry
SOUTHWEST INTERNATIONAL
UNIVERSITY, INC.
Defendant
By: Henry Yeh
Its: President

Henry
HENRY YEH
Defendant

CIVIL NO. 05-1-1595-09 VSM; State vs. Southwest International University, Inc., et al.;
STIPULATED PERMANENT INJUNCTION AND FINAL JUDGMENT AGAINST DEFENDANTS
SOUTHWEST INTERNATIONAL UNIVERSITY, INC. AND HENRY YEH

1ST CIRCUIT COURT
STATE OF HAWAII
FILED

2005 SEP -7 PM 3: 37

M.N. TANAKA
CLERK

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,

Plaintiff,

CIVIL NO. 05-1-1595-09 VSM
(Other Civil Action)

COMPLAINT AND SUMMONS

vs.

SOUTHWEST INTERNATIONAL
UNIVERSITY, INC., a Hawaii
corporation and HENRY YEH,

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. Chaps. 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 Southwest International University, Inc. (hereinafter "SWIU") is a Hawaii corporation.

4. Upon information and belief, Defendant Henry Yeh is a resident of the State of California.

5. On August 6, 2001 Articles of Incorporation of SWIU were filed with the Department of Commerce and Consumer Affairs of the State of Hawaii.

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

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

9. SWIU has or had a "presence" in the State of Hawaii as that that phrase is defined in Hawaii Rev. Stat. § 446E-1.

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. SWIU 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).

12. Each and every catalog, promotional material and/or written contract for instruction that failed to properly and adequately disclose the fact that SWIU 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 HAVE AN EMPLOYEE LOCATED IN HAWAII

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

15. Defendant SWIU has failed to have an employee located in Hawaii in violation of Hawaii Rev. Stat. §446E-5(d).

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

COUNT III
ILLEGAL ACCEPTANCE OF PAYMENTS

17. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 16 as though fully set forth herein.

18. SWIU 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 August 6, 2001.

19. SWIU 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.

20. 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).

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

COUNT IV
DEFENDANT YEH'S INDIVIDUAL LIABILITY

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

23. Defendant Yeh 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 V
INJUNCTIVE RELIEF

24. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 23 as though fully set forth herein.

25. 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 Southwest International University, 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, September 7, 2005.



JEFFREY E. BRUNTON
Attorney for Plaintiff

STATE OF HAWAII
CIRCUIT COURT OF THE
FIRST CIRCUIT

**SUMMONS
TO ANSWER CIVIL COMPLAINT**

CASE NUMBER
Civil No.

PLAINTIFF
STATE OF HAWAII, by its Office of Consumer
Protection

vs.

DEFENDANT
SOUTHWEST INTERNATIONAL UNIVERSITY,
INC., a Hawaii corporation and HENRY YEH

PLAINTIFF'S ATTORNEY (Name, Address, Tel. No.)
JEFFREY E. BRUNTON #2833
Office of Consumer Protection
235 South Beretania Street, Room 801
Honolulu, Hawaii 96813-2419
Telephone: (808) 586-2636

TO THE DEFENDANT(S):

You are hereby summoned and required to serve upon plaintiff's attorney, whose address is stated above, an answer to the complaint which is attached. This action must be taken within twenty (20) days after service of this summons upon you, exclusive of the day of service.

If you fail to make your answer within the twenty (20) day time limit, judgment by default will be taken against you for the relief demanded in the complaint.

If you fail to obey this summons this may result in an entry of default and default judgment.

Pursuant to Rule 4(b) of the Hawai'i Rules of Civil Procedure, this summon shall not be delivered between 10:00 p.m. and 6:00 a.m. on premises not open to the public, unless a judge of the District or Circuit courts permits, in writing on the summons, personal delivery during those hours.

In accordance with the Americans with Disabilities Act, and other applicable state and federal laws, if you require a reasonable accommodation for a disability, please contact the ADA Coordinator at the First Circuit Court Administration Office at PHONE NO. 539-4333, FAX 539-4322, or TTY 539-4853, at least ten (10) working days prior to your hearing or appointment date.

DATE ISSUED

CLERK

SEP - 7 2005

M. N. TANAOKA



I do hereby certify that this is a full, true, and correct copy of
the original on file in this office.

CIRCUIT COURT CLERK