

LISA P. TONG #4012
Office of Consumer Protection
235 South Beretania Street, Room 801
Honolulu, Hawaii 96813-2437
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1ST CIRCUIT COURT
STATE OF HAWAII
FILED

1999 JAN 27 AM 10: 55

J. TAKAHASHI
CLERK

Attorney for Plaintiff

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, Office of
Consumer Protection, by Jo Ann M.
Uchida its Executive Director,

Plaintiff,

vs.

WASHINGTON INTERNATIONAL
UNIVERSITY, INC. a Hawaii
corporation, fka Washington
University, Inc.; JOHN DOES 1-20;
DOE CORPORATIONS 1-10; and
DOE ENTITIES 1-10,

Defendants.

CIVIL NO. 99-0341-01
(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 Haw. Rev. Stat. Chapters 446E, 480 and 487

seeking to enjoin 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 Haw. Rev. Stat. §§ 480-21 and 603-21.5.

3. Venue in the City and County of Honolulu, State of Hawaii, is proper under Haw. Rev. Stat. § 603-36 because the cause of action arose, in part, in the City and County of Honolulu, and the marketing operations of Defendants are based primarily in the City and County of Honolulu.

4. Defendant Washington International University, Inc. formerly known as Washington University, Inc. is a for profit Hawaii corporation with a mailing address at 2752 Woodlawn Drive, Suite 5 215, Honolulu, Hawaii 96825

5. Defendants John Does 1-20, Doe Corporations 1-10, and Doe Entities 1-10 are Defendants who have engaged in and/or participated and/or aided and/or assisted in and/or furnished the means for the unfair or deceptive acts and practices described herein, and their true capacities, names and relationships with or responsibilities to or involvement with the named Defendants are unknown to Plaintiff at this time.

6. Plaintiff has undertaken an investigation to determine the identities of the Defendants described in paragraph 5 above, but at this time, said identities have not been discovered.

COUNT I

7. Defendant Washington International University, Inc. is an "unaccredited institution" as defined in Haw. Rev. Stat. Chap. 446E. It is a degree granting institution which has not been accredited or provisionally accredited by at least one nationally recognized accrediting agency or association which is listed by the United States Secretary of Education.

8. As an "unaccredited institution" operating in the State of Hawaii, Defendant Washington International University, Inc. must comply with all of the disclosure requirements of Haw. Rev. Stat. § 446E-2(a). It must affirmatively disclose that it is not fully accredited by any nationally recognized accrediting agency or association listed by the United State Secretary of Education.

9. Defendant Washington International University, Inc. places advertisements on the internet. The advertisements and brochures constitute promotional material under Haw. Rev. Stat. § 446E-2.

10. The advertisements do not contain the disclosures required by Haw. Rev. Stat. § 446E-2.

11. Each advertisement, without the proper disclosures, constitutes a separate and independent violation of Haw. Rev. Stat. § 480-2.

COUNT II

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

13. Defendant Washington International University, Inc. receives inquiries from consumers interested in obtaining a degree from Washington International University.

14. Defendant Washington International University, Inc. disseminates catalog, promotional materials and written contracts to consumers.

15. The materials sent to consumers by Washington International University, Inc. fail to adequately disclose that Washington International University, Inc. is not fully accredited, as required by Haw. Rev. Stat. § 446E-2(a).

16. Each document disseminated by Defendants to consumers without the requisite disclosure of Haw. Rev. Stat. § 446E-2 constitutes a separate and independent violation of Haw. Rev. Stat. §§ 446E-3 and 480-2.

COUNT III

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

18. Defendants disseminate material by mail and the internet asserting that Washington International University, Inc. is registered and incorporated in the State of Hawaii "to carry on the business of a distance education university, to grant bachelor, master and ph.d degrees."

19. Defendants' assertions that Washington International University, Inc. is authorized to provide higher education and grant degrees through its registration with the Department of Commerce and Consumer Affairs is misleading to consumers.

20. Defendant's statements falsely lead consumers to believe that Washington International University, Inc.'s practices have been approved, authorized or sanctioned by the State of Hawaii.

21. Defendants' statements are an unfair or deceptive trade practice which violates Haw. Rev. Stat. §§ 480-2 and 481A-3(2)(5).

22. Each misleading statement constitutes separate and independent violations of Haw. Rev. Stat. §§ 480-2.

COUNT IV

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

24. Unless Defendants are enjoined from further engaging in the acts and/or practices complained of herein, Defendants will continue to engage in such activities in violation of Haw. Rev. Stat. Chapters 446E, 480-2 and 481A.

25. Unless Defendants are enjoined from further engaging in the acts and/or practices complained of herein, Defendants will continue to engage in said activities and the continued activities of Defendants will result in a multiplicity of lawsuits, irreparable injury, and loss and damage to consumers who continue to deal with Defendants.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests this Court:

1. Issue a preliminary and permanent injunction enjoining and restraining Defendants, their employees, officers, directors, agents, successors,

assignees, affiliates, merged or acquired predecessors, parent or controlling entities, subsidiaries, and all other persons acting in concert or participation with it, from failing to provide all disclosures required by Haw. Rev. Stat. Chapter 446E and from misleading consumers by asserting that Washington International University, Inc. is registered with the State of Hawaii.

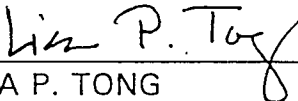
2. Order Defendants to provide restitution to each and every consumer who was injured as a result of the unlawful acts or practices complained of herein and as may be proven at trial.

3. Order Defendants to pay the State of Hawaii, pursuant to Haw. Rev. Stat. § 480-3.1, civil penalties of \$10,000 for each violation.

4. Order Defendants to reimburse the Office of Consumer Protection its costs and reasonable attorneys fees.

5. Order such other relief as the Court may deem just and appropriate.

DATED: Honolulu, Hawaii, January 25, 1999.



LISA P. TONG
Attorney

STATE OF HAWAII CIRCUIT COURT OF THE FIRST CIRCUIT	SUMMONS TO ANSWER CIVIL COMPLAINT	CASE NUMBER
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PLAINTIFF STATE OF HAWAII, Office of Consumer Protection, by Jo Ann M. Uchida its Executive Director	vs.	DEFENDANT WASHINGTON INTERNATIONAL UNIVERSITY, INC. a Hawaii corporation, fka Washington University, Inc.; JOHN DOES 1-20; DOE CORPORATIONS 1-10; and DOE ENTITIES 1-10
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PLAINTIFF'S ATTORNEY (NAME, ADDRESS, TEL. NO.) LISA P. TONG #4012 Office of Consumer Protection 235 South Beretania Street, Room 801 Honolulu, Hawaii 96813-2437 Telephone: 586-2636	
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TO THE DEFENDANT(S):

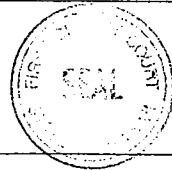
You are hereby summoned and required to serve upon plaintiff's attorney, whose address is stated above, an answer to the complaint which is attached. This action must be taken within twenty days after service of this summons upon you, exclusive of the day of service.

If you fail to make your answer within the twenty 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 summons 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 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 JAN 27 1999	CLERK J. TAKAHASHI 	
I do hereby certify that this is a full, true, and correct copy of the original on file in this office.	CIRCUIT COURT CLERK	

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Honolulu, Hawaii 96813-2437
Telephone: 586-2636

Attorney for Plaintiff

STATE OF HAWAII
FILED

1999 NOV 23 AM 8:56

B. TERAOKA
CLERK

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, Office of)	CIVIL NO. 99-0341-01
Consumer Protection, by Jo Ann M.)	(Other Civil Action)
Uchida its Executive Director,)	
)	STIPULATED PERMANENT
Plaintiff,)	INJUNCTION AND FINAL JUDGMENT
)	AGAINST DEFENDANT WASHINGTON
vs.)	INTERNATIONAL UNIVERSITY, INC.
)	FKA WASHINGTON UNIVERSITY, INC.
WASHINGTON INTERNATIONAL)	
UNIVERSITY, INC. a Hawaii)	
corporation, fka Washington)	
University, Inc.; JOHN DOES 1-20;)	
DOE CORPORATIONS 1-10; and)	
DOE ENTITIES 1-10,)	
)	Trial Date: None
Defendants.)	SCF Judge: None
)	

STIPULATED PERMANENT INJUNCTION AND FINAL JUDGMENT
AGAINST DEFENDANT WASHINGTON INTERNATIONAL
UNIVERSITY, INC. FKA WASHINGTON UNIVERSITY, INC.

Plaintiff and Defendant hereby stipulate and agree to the entry of this
Stipulated Permanent Injunction and Final Judgment Against Defendant Washington
International University, Inc. fka Washington University, Inc. 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. Chaps. 446E, 480, 487 and 603 and venue is proper herein.

2. Plaintiff's Complaint states claims against Defendant upon which relief may be granted under Hawaii Rev. Stat. §§ 446E-2, 480-2(a) and 481A-3.

3. Defendant, its officers, agents, servants, employees, and attorneys, 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. Defendant 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 who are responsible for implementing the obligations set forth in this judgment.

5. Unless otherwise specified herein, this judgment shall take effect on its 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, the court or is otherwise deemed of no force and effect.

6. Defendant shall, dissolve its Hawaii Corporation, and shall not

represent in any literature or promotional documents it is incorporated in or affiliated with the state of Hawaii.

7. Defendant shall revise their catalogs by September 30, 1999.

8. Defendant is hereby permanently enjoined from making any representations to the effect that it is "registered with the State of Hawaii."

"Representation" includes any oral, written, pictorial, or graphic communication, by any medium, made by, at the request of, or with the consent of the Defendant.

9. If Defendant conducts business in Hawaii, Defendant shall comply with Act 171, Twentieth Hawaii State Legislative Regular Session, 1999 and Chapters 446E, 480 and 481A of the Hawaii Revised Statutes, and is hereby required in all catalogs, promotional material and contracts for instruction, including all advertisements, to comply with the disclosure requirements contained in Hawaii Rev. Stat. § 446E-2. "Advertisement" means any oral, written, or graphic statement or representation made by or at the request of the Defendant.

10. Defendant is hereby liable to pay the sum of Thirty Thousand Dollars (\$30,000.00) to the Office of Consumer Protection, State of Hawaii for the settlement of all claims herein, including but not limited to, attorney's fees and investigative costs, or for consumer restitution, education, litigation, public protection or local aid funds at the discretion of the Office of Consumer Protection pursuant to Haw. Rev. Stat. § 26-9 or as allowed by law.

Payments shall be in the form of a cashier's check made payable to the "State of Hawaii". The Thirty Thousand Dollars (\$30,000.00) shall be paid within forty eight (48) hours after receipt by Defendant, c/o Eugene Lau 1188

Bishop Street #1912, Honolulu, Hawaii 96813, of a filed copy of the Stipulated Permanent Injunction and Final Judgment Against Defendant Washington International University Inc. fka Washington University, Inc.

In the event Defendant fails to make timely payment as required herein, Defendant shall be liable for an additional Ten Thousand Dollars (\$10,000.00) in civil penalties payable within ten (10) days after Defendant's receipt of Plaintiff's notice of late payment by certified mail to Defendant c/o Eugene Lau, 1188 Bishop Street #1912, Honolulu, Hawaii 96813.

11. Defendant agrees to the entry of this Stipulated Permanent Injunction and Final Judgment for purposes of settlement only. The execution and entry of this Stipulated Permanent Injunction and Final Judgment shall, in no event, be considered an admission of any liability, violation or wrongdoing by Defendant, nor shall it constitute evidence, prima facie or otherwise, in any other action or proceeding. The issues of this case have not actually been litigated or actually decided. This Stipulated Permanent Injunction and Final Judgment shall not have the effect of collateral estoppel.

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 Defendant 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'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. Chaps. 446E, 480 or 481A or any other law.

13. This stipulated judgment shall apply to the Defendant, its agents, employees, successors and assigns.

14. The Office of Consumer Protection, State of Hawaii shall not institute any further civil proceedings or take any further civil action against Defendant, (and its directors, officers, shareholders, employees, agents and attorneys, but only with respect to their acts as directors, officers, shareholders, employees, agents and attorneys of Defendant), under Hawaii's above- referenced statutes for the acts described in this action up to and including the date Defendant signs this agreement as long as Defendant is in compliance with the terms of this agreement.

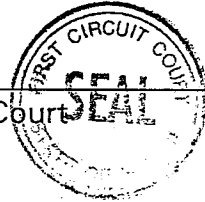
15. This court shall retain jurisdiction of this case for purpose of enabling any of the parties to this stipulation to apply to this court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this stipulation, to modify or terminate any of its provisions,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

16. No claims remain against any party.

NOV 23 1999

DATED: Honolulu, Hawaii, _____.

KEVIN S.C. CHIANG
Judge of the above-entitled Court



APPROVED AS TO FORM AND CONTENT AND AGREED:

Lisa P. Tong
LISA P. TONG
Attorney for Plaintiff

Eugene W. I. Lau 11-12-99
EUGENE W. I. LAU
Attorney for Defendant
WASHINGTON INTERNATIONAL UNIVERSITY, INC.
fka WASHINGTON UNIVERSITY, INC.

Washington International University, Inc.
WASHINGTON INTERNATIONAL UNIVERSITY, INC.
By its Director.

Civil No. 99-0341-01; State of Hawaii vs. Washington International University, Inc.
fka Washington University, Inc., et al.; STIPULATED PERMANENT INJUNCTION
AND FINAL JUDGMENT AGAINST DEFENDANT WASHINGTON INTERNATIONAL
UNIVERSITY, INC. FKA WASHINGTON UNIVERSITY INC.