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Attorney for Plaintiff

FIRST CIRCUIT COURT  
STATE OF HAWAII  
FILED

2008 MAY -8 PM 3: 26

F. OTAKE  
CLERK

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII, by its Office of  
Consumer Protection,

Plaintiff,

vs.

STEWART UNIVERSITY OF AMERICA,  
a District of Columbia non-profit  
corporation,

Defendant.

CIVIL NO. 08-1-0926-05 **E E H**  
(Other Civil Action)

COMPLAINT AND SUMMONS

**COMPLAINT**

Plaintiff, for a cause of action against the above-named defendant, 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 Defendant 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 Stewart University of America (“SUA”) is a District of Columbia non-profit corporation. On May 1, 2008 it obtained a Certificate of Authority for Foreign Corporation from the Business Registration Division of the State of Hawaii.

4. Defendant SUA is not now or never has been accredited by a recognized accrediting agency or association recognized by the United States Secretary of Education.

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

6. SUA has or claims a “presence” in the State of Hawaii as that term is used in Haw. Rev. Stat. §446E-1.

**COUNT I**  
**FAILURE TO MAKE STATUTORY DISCLOSURES**

7. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 6 as though fully set forth herein.

8. Defendant SUA and its agents have failed to properly and adequately disclose in its website the fact that SUA 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).

9. Each and every day that SUA’s website is viewable without properly and adequately disclosing the fact that SUA 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).

10. Violations of Hawaii Rev. Stat. § 446E-2(a) constitute a *per se* violation of Hawaii Rev. Stat. § 480-2(a).

**COUNT II**  
**SUGGESTIONS OF STATE LICENSING OR APPROVAL**

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

12. SUA's website claims that "it is licensed as a post-secondary degree granting institution in the State of Hawaii" in violation of Hawaii Rev. Stat. §446E-5(a).

13. Each and every day that SUA's website is viewable and contains claims of licensing or approval by the State of Hawaii constitutes a separate and independent violation of Hawaii Rev. Stat. § 446E-5(a).

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

**COUNT III**  
**FAILURE TO DISCLOSE INABILITY TO LAWFULLY ISSUE DEGREES**

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

16. Defendant SUA does not have an office in Hawaii, therefore it cannot lawfully issue post-secondary degrees.

17. Defendant SUA's website fails to disclose that fact.

18. Each and every day that SUA's website is viewable and fails to disclose that fact constitutes a separate and independent violation of Hawaii Rev. Stat. § 480-2(a).

**COUNT IV**  
**CLAIMS OF APPLICATION FOR FUTURE ACCREDITATION**

19. Plaintiff repeats and realleges the allegations contained in paragraphs 1 through 18 as though fully set forth herein.

20. Defendant SUA's website claims that it is applying for accreditation in violation of Hawaii Rev. Stat. §446E-5(f).

21. Each and every day that SUA's website is viewable and claims that it has applied for future accreditation constitutes a separate and independent violation of Hawaii Rev. Stat. § 446E-5(f).

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

**COUNT V**  
**INJUNCTIVE RELIEF**

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

24. Unless Defendant is restrained and enjoined by this court from continuing to violate Hawaii Rev. Stat. Chap. 446E and § 480-2(a) in the manner described herein, it 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 Defendant's 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 and certificates of authority held by or for the defendant.

3. Issue a temporary restraining order, preliminary injunction and permanent injunction enjoining the defendant, its 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 itself 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 defendant pursuant to Hawaii Rev. Stat. § 480-3.1 and enter judgment in favor of the plaintiff accordingly.

5. Award any consumers injured by the aforementioned violations full restitution, including pre and post judgment interest, against the defendant pursuant to Hawaii Rev. Stat. § 487-14 and the court's inherent authority and enter judgment accordingly.

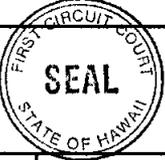
6. Assess and award judgment in favor of the plaintiff and against the defendant, for attorneys' fees, costs, costs of investigation, interest, and other expenses.

7. Award plaintiff such other relief as the court may deem just and equitable under the circumstances.

DATED: Honolulu, Hawaii, May 8, 2008.

  
JEFFREY E. BRUNTON  
Attorney for Plaintiff

Civil No. \_\_\_\_\_; State of Hawaii v. Stewart University of America;  
COMPLAINT AND SUMMONS

<b>STATE OF HAWAII</b> <b>CIRCUIT COURT OF THE</b> <b>FIRST CIRCUIT</b>	<b>SUMMONS</b> <b>TO ANSWER CIVIL COMPLAINT</b>	<b>CASE NUMBER</b>  (Civil No.
<b>PLAINTIFF</b> STATE OF HAWAII, by its Office of Consumer Protection	<b>vs.</b>	<b>DEFENDANT</b> STEWART UNIVERSITY OF AMERICA, a District of Columbia non-profit corporation
<b>PLAINTIFF'S ATTORNEY (Name, Address, Tel. No.)</b> JEFFREY E. BRUNTON #2833 Office of Consumer Protection 235 South Beretania Street, Room 801 Honolulu, Hawaii 96813-2419 Telephone: (808) 586-2636		
<p><b>TO THE DEFENDANT(S):</b></p> <p>You are hereby summoned and required to serve upon plaintiffs 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.</p> <p>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.</p> <p>If you fail to obey this summons, this may result in an entry of default and default judgment.</p> <p>Pursuant to Rule 4(b) of the <u>Hawai'i Rules of Civil Procedure</u>, 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.</p> <p>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.</p>		
<b>DATE ISSUED</b> MAY - 8 2008	<b>CLERK</b> F. OTAKE	
<b>I do hereby certify that this is a full, true, and correct copy of the original on file in this office.</b>		<b>CIRCUIT COURT CLERK</b>