

BEFORE THE AMERICAN ARBITRATION ASSOCIATION
DENVER, COLORADO

MICHAEL MENSCH, an individual; TYRONE BAILEY, an individual; JESSICA ROSALES, an individual; COURTLAND WALKER, an individual; on behalf of themselves and all others similarly situated,

Claimants,

CLASS ARBITRATION

ALTA COLLEGES, INC., a Delaware corporation; WESTWOOD COLLEGE, INC., a Colorado Corporation, TRAV CORPORATION, a Colorado corporation d/b/a Westwood College and Westwood College Online, GRANT CORPORATION, a Colorado corporation d/b/a Westwood College, WESGRAY CORPORATION, a Colorado corporation d/b/a Westwood College, EL NELL, INC., a Colorado corporation d/b/a Westwood College, PARIS MANAGEMENT COMPANY, a Delaware corporation d/b/a Redstone College, ELBERT, INC., a Colorado corporation d/b/a Westwood College, and BOUNTY ISLAND CORPORATION, a Delaware corporation formerly d/b/a Redstone College,

Respondents.

DEMAND FOR CLASS ACTION ARBITRATION

Plaintiffs, Michael Mensch, Tyrone Bailey, Jessica Rosales and Courtland Walker, individually and on behalf of all others similarly situated, demand class arbitration of this dispute with Alta Colleges, Inc., a Delaware corporation, Westwood Colleges, Inc., a Colorado corporation, TRAV Corporation, a Colorado corporation, Grant Corporation, a Colorado corporation, Wesgray Corporation, a Colorado corporation, El Nell, Inc., a Colorado corporation, Paris Management Company, a Delaware corporation, Elbert, Inc., a Colorado corporation, and Bounty Island Corporation, a Delaware corporation, for unlawful, deceptive and misleading practices in the state of Colorado, and for violations of state law as more fully defined and discussed within.

NATURE OF THE CASE

Respondents, through their institutions of Westwood College, Westwood College Online and Redstone College (collectively “Westwood College” or “Westwood”) have perfected the art of playing on the hopes and dreams of vulnerable students who are in a desperate search for a better life. Flashy Westwood commercials offer the enticing promise that “Your Future is in Your Hands,” followed closely by the invitation to find out “What Will It Hold?” Understandably, students answer this with dreams of graduate degrees, high-paying and gratifying careers and more than anything else, a brighter path than the one left behind. The reality is that Westwood College knows exactly what the future holds because they are responsible for creating it: astronomic and insurmountable debt obtained in the pursuit of a largely useless degree.

Westwood aggressively pursues the enrollment of all potential students, regardless of the methods necessary to persuade the student into registering. Admissions Representatives, employed by Respondents, regularly and deliberately fail to disclose material information relevant to the students’ decision-making process, with utter disregard for truth or accuracy. Students are subjected to a litany of claims, highlighted by intentional misrepresentations as to the accreditation status of the college, the costs and fees of attendance, and the academic qualifications of the Admissions Representatives.

Once the Admissions Representative successfully convinces a student to enroll, the focus of the deceptions and misrepresentations shift to financing the astronomic cost of the education. With programs costing over \$80,000.00, the process is critical, yet overwhelming and intentionally confusing. Westwood touts a four-tier loan system for funding the education of enrolled students: (1) federal grants, (2) federal loans, (3) private loans, and (4) a “Westwood” or “Apex” loan. Each student is contractually obligated to apply for and accept all traditional loan options before Westwood guides them through “alternative lending.” If a balance remains on a student’s account after federal and private loans are applied, the internal “Apex loan program” is triggered. The loan is unilaterally created by the school and carries an 18% interest rate, causing Westwood to operate as an unlicensed lender arranging supervised loans in direct contravention of applicable Colorado law.

Claimants and Class Members bring their claims pursuant to the Colorado Consumer Protection Act (C.R.S. Section 6-1-101*et seq.*) and the Colorado Uniform Consumer Credit Code (C.R.S. Section 5-1-101 *et seq.*).

JURISDICTION AND VENUE

1. The American Arbitration Association has jurisdiction over this class action arbitration and Respondents pursuant to an Agreement to Binding Arbitration and Waiver of Jury Trial included in the Enrollment package of each student and requiring that “any dispute arising from [a student’s] enrollment at Westwood College, no matter how described, pleaded or styled, shall be resolved by binding arbitration under the Federal Arbitration Act conducted by the American Arbitration Association (“AAA”) under its Commercial Rules.” *See* Exhibit A.

2. The parties have not discussed or agreed to a particular arbitrator or a place for arbitration. The arbitration agreements signed in different states direct students to contact the AAA office nearest to their respective campuses, but there are no further venue provisions or requirements. Claimants request this class arbitration be assigned to the American Arbitration Association’s Local/Regional Office located at 1675 Broadway Street, Suite 2550, Denver, Colorado. This represents the location closest to Respondents’ headquarters and largest campus, and is where many of the acts complained of occurred and where many of the potential witnesses and evidence are located.

3. This class action arbitration is brought under the AAA’s Commercial Rules of Arbitration and Mediation, and the Supplementary Rules of Class Arbitration in accordance with the requirements of the Arbitration Agreement.

4. Colorado law is appropriately applied to all disputes addressed in this Demand for Arbitration. While the individual enrollment contracts do not contain choice of law provisions, the concurrently-signed promissory notes include a statement that, “This Promissory Note and Disclosures shall be governed in accordance with the laws of the State of Colorado, without giving effect to principles of conflicts of law.” The promissory note is incorporated by reference into the enrollment agreement, so the choice of law provision is incorporated as well.

THE PARTIES

5. Claimant Michael Mensch is a resident of Pennsylvania residing at 6462 Sullivan Trail, Wind Gap, Pennsylvania. Mensch attended Westwood College Online from October 2007 to April 2008. He completed two and a half terms of the Game Art and Design program before dropping out due to the unexpected, rising expenses. The total cost of his attendance was approximately \$15,000.00 which was paid for by federal Stafford loans, a Parent PLUS loan and an Apex loan of \$2,026.45.

6. Claimant Tyrone Bailey is a resident of California residing at 4180 Elm Avenue, Apartment 5, Long Beach, California. Bailey attended the Long Beach campus from January 2005 to December 2007. He graduated from the Criminal Justice program. The total cost of his attendance was approximately \$61,000 which was paid for by out-of-pocket payments, federal grants, federal Stafford loans, and an Apex loan of \$14,073.75.

7. Claimant Jessica Rosales is a resident of California residing at 160 North Linden Avenue, Apartment 49, Rialto, California. Rosales attended the Inland Empire campus from October 2006 to January 2007. She completed one term and began a second term in the Criminal Justice program, but has been charged for three complete terms. The total cost of her attendance was approximately \$13,000.00 which was paid for by federal loans and an Apex loan of \$10,827.28

8. Claimant Courtland Walker is a resident of Texas residing at 3508 Kimball Street, Houston, Texas. Walker attended Westwood College Online from January 2008 to August 2008. He completed three terms, but was asked by a financial aid representative to sign attendance sheets for one additional semester so the school could collect his federal financial aid. The total cost of his education was approximately \$17,000.00 which was paid for by federal loans, private loans and an Apex loan of \$375.00.

9. Respondent Alta Colleges, Inc. ("Alta") is the parent company of Westwood Colleges, Inc. which is the operating company for seventeen colleges and trade schools offered in six states and operating under the names Westwood College and Redstone College. The colleges offer a range of academic programs, including two-year Associate's degrees, three-year Bachelor's degrees and one-year

Master's degrees in the Institutes of Business, Design, Healthcare, Criminal Justice, Industrial Services and Computer and Information Technology. Westwood Colleges, Inc. also operates Westwood College Online, an internet-based education program offering eighteen degree-granting programs structured after those offered at the traditional brick-and-mortar schools. Westwood College Online is based out of the Denver North campus of Westwood College. Alta colleges have approximately 12,000 current students and 20,000 graduates nationwide.

10. Alta maintains a central corporate structure wherein it controls the policy and decision-making for all of the Westwood and Redstone College campuses, including Westwood College Online, in aspects that include, but are not limited to, marketing, operation, educational planning, admissions policy, enrollment, career services, training and management. Alta wholly owns the seven subsidiary corporations that operate the individual campuses. A diagram of the corporate structure is attached as Exhibit B.

11. TRAV Corporation is a Colorado corporation that operates six Westwood schools: Denver North campus in Denver, Colorado; Denver South campus in Denver, Colorado; Anaheim campus in Anaheim, California; Inland Empire campus in Upland, California; Houston South campus in Houston, Texas; and the Westwood College Online campus based out of the Denver North campus. For accreditation purposes, the Anaheim, Inland Empire and Houston campuses are branches of the Denver North campus.

12. Wesgray Corporation is a Colorado corporation that operates three Westwood schools: Los Angeles Main Campus in Los Angeles, California; River Oaks campus in Calumet City, Illinois; and Chicago Loop campus in Chicago, Illinois. For accreditation purposes, the River Oaks and Chicago Loop campuses are branches of the Los Angeles Main Campus.

13. Grant Corporation is a Colorado corporation that operates three Westwood schools: South Bay campus in Torrance, California; Arlington Ballston campus in Arlington, Virginia; and Annandale Satellite campus in Annandale, Virginia. For accreditation purposes, the Annandale campus is a satellite of the Arlington campus, which is a branch of the South Bay campus.

14. El Nell, Inc. is a Colorado corporation that operates three Westwood schools: O'Hare Airport Main Campus in Schiller Park, Illinois; Dallas campus in Dallas, Texas; and Atlanta Northlake campus in Atlanta, Georgia. For accreditation purposes, the Dallas and Atlanta Northlake campuses are branches of the O'Hare Airport campus.

15. Paris Management Company is a Delaware corporation that operates the Redstone College campus in Denver, Colorado.

16. Elbert, Inc. is a Colorado corporation that operates three Westwood schools: DuPage Main Campus in Woodbridge, Illinois; Fort Worth campus in Fort Worth, Texas and Atlanta Midtown campus in Atlanta, Georgia. For accreditation purposes, the Fort Worth and Atlanta Midtown campuses are branches of the DuPage Main Campus.

17. Bounty Island Corporation is a Delaware corporation that formerly operated two Redstone schools: Redstone College in Los Angeles, California, and Redstone Institute in Houston, Texas. Redstone College was sold in September 2008 and Redstone Institute was shut down in April 2008.

RESPONDENTS' DECEPTIVE AND ILLEGAL PRACTICES

18. Respondents engaged in deceptive and illegal trade practices continuously throughout the course of a student's interactions with the colleges. From the moment of initial contact, Westwood specializes in a high-pressure, sales-oriented recruiting program with a solitary goal of increasing student enrollments. Admissions Representatives intentionally mislead or lie to students regarding the actual costs and fees associated with enrollment, job placement opportunities and statistics, credit transferability, and the value of the school's accreditation. Further, the Admissions Representatives are wrongfully represented as academic advisors with the credentials to guide students in important educational decisions, rather than sales agents with quota requirements and enrollment-based incentive programs.

19. Respondents engaged in an unfair and deceptive trade practice by failing to disclose the complete cost of the education program and by making statements intended to mislead students about the costs and fees, and did so with the intention of inducing students to complete an enrollment contract.

20. Costs and fees are determined based on a nine-week term with five terms in one calendar

year. Each term has a base tuition and additional fees for books, shipping, tool kits, lab fees and certification exams. Currently, the cost per term for a Bachelor's degree ranges from \$4,024.00 to \$4,921.00, for total program costs of approximately \$69,000.00 to \$81,000.00 for three years. Tuition costs vary by program and campus location.

21. Admissions Representatives are instructed to mislead or lie to students regarding the total cost of education. Admissions Representatives would imply or directly state that the costs provided as "tuition" were inclusive of books, course materials and tool kits. In actuality, each one of these are independent costs charged to the student and not reflected in the tuition price. Additionally, Admissions Representatives are instructed not to mention the "online fee" for students enrolling in the online program. This fee is currently as high as \$7,800.00.

22. Westwood College's website advertises the costs by using the term "Tuition Investment Per Term". There is no indication anywhere on the site that significant additional fees will apply or that a fee list can be found in the course catalog addendum. The term "investment" is intended to induce students into believing that the figure presented represents the total cost per term. Previously, the website contained a very small caveat at the bottom of the page stating, "Additional fees will apply. Please see catalogs for complete details." The catalogs are cumbersome 300-plus page documents which ultimately direct the student that, "A complete listing of tuition and charges is contained in a catalog addendum." The student must then locate the proper catalog addendum where a listing of fees and costs is finally provided. However, that disclaimer has been removed from the website and there is no indication of any additional costs or where those costs can be located. *See Exhibit C.*

23. Even if a student is able to locate the costs and fees chart in a catalog addendum, the disclosures are presented in a manner intended to confuse and mislead the student. By way of illustration, the catalog addendum for the March 2009 term lists prices by varying time periods – "per credit" where "credit" refers alternately to an individual credit and to the entire program course, and "per term" where "term" refers alternately to the numbers of terms in the program and to the entire program course. A "Grand Total" column is provided, but the amount provided cannot be readily reached using the figures

and time periods provided. The inaccuracy of the “Grand Total” removes any credibility of that figure. The “disclosures” provided in the catalog addendums are insufficient to put any student on notice of actual fees and costs associated with attendance, particularly in light of the conflicting information provided by Admissions Representatives. A copy of the March 2009 catalog addendum for the Denver North and Online campuses is attached hereto as Exhibit D.

24. Admissions Representatives further mislead students with false and deceptive job placement opportunities and statistics intended to bolster the students’ confidence in the quality and value of a Westwood education. Admissions Representatives promote a school-assisted placement rate of over 85% from 2005-2008, though the Representatives cannot provide any support for how those figures are calculated. The 2002-2005 employment rates were 54.3%, with only one-third of graduates acquiring positions with school assistance. Moreover, the Admissions Representatives are encouraged to lie to students about placement opportunities by falsely touting relationships with companies like Sony and Electronic Arts (EA).

25. Respondents engaged in an unfair and deceptive trade practice by misrepresenting the quality of a Westwood education through deceptive accreditation claims and misleading credit transferability options.

26. Westwood’s campuses are nationally accredited by one of two agencies: the Accrediting Commission of Career Schools and Colleges of Technology¹ or the Accrediting Counsel for Independent Colleges and Schools.² The Westwood College website also promotes that it is a candidate for regional accreditation by the Higher Learning Commission. The website fails to disclose that it has been a candidate for two years and was passed over for accreditation during its first evaluation. The language of the website is designed to lead a student to believe that the accreditation process is simply a lengthy endeavor that the school is still under-taking, rather than to disclose the failed attempts at approval.

¹ ACCSCT accredits the following campuses: Anaheim, Inland Empire, South Bay, Denver North, Denver South, Houston South, Arlington Ballston and Annandale Satellite.

² ACICS accredits the following campuses: Los Angeles, DuPage, Chicago Loop, O’Hare Airport, River Oaks, Atlanta Midtown, Atlanta Northlake, Dallas, Fort Worth and the California Online campus.

Westwood is currently undergoing another review by the Higher Learning Commission, but even if this approval is successful, the accreditation will not be retro-active to credits earned before the change in status.

27. Further, the school purposefully misleads students about the value of national accreditation in an attempt to induce students to enroll in the program. This is a critical decision-making factor to students who may wish to transfer their credits or pursue continuing degrees based on their Westwood credits. It is common industry knowledge that nationally-accredited institutions regularly accept credits from both regionally- and nationally-accredited institutions, but that regionally-accredited institutions generally will not accept credits from nationally-accredited institutions. However, students rely on the guidance of their Admissions Representative to understand how the accreditation and transfer process works. The Admissions Representatives purposefully mislead students into assuming that the national accreditation is of equal value and reputation as regional accreditation and omit any explanation of the various forms of accreditation.

28. By way of example, one Admissions Representative promised a potential student that Westwood credits would be transferable to the University of Florida or Florida State University if the student ultimately got an offer from a “classier, shinier school”, as long as the course descriptions were the same. Representatives from both Florida colleges said they would not accept credits from Westwood College under any circumstance because Westwood is not regionally-accredited.

29. Respondents engaged in an unfair and deceptive trade practice by representing that employees whose primary job duties are to recruit students are academic counselors with the authority and qualifications to assist the student in making critical educational decisions.

30. When a student contacts or is contacted by Westwood, the student is restricted to speaking only with an Admissions Representative until the application process has been completed. The Admissions Representative represents to the student that the Admissions Representative is capable of addressing any of the student’s concerns about the school, including quality of the education, costs and fees, financial aid options, course offerings, and credit transferability. However, the job description for

this position has no relationship to an educational background. Rather, the job listing specifies that the job category is “Sales” and a candidate is required to have “one to three years of sales experience,” an “ability to work in a sales driven environment” and a “strong track record of sales success.” See Exhibit E.

31. A 2008 case study of the Alta call centers by a third-party, CosmoCos, referred to the function of the Admissions Representatives: “Acting as counselors, the call center agents advise students on registration, class selection, enrolment [*sic*] and financial aid.” This emphasizes that the Admissions Representatives are actually call center staff members tasked with convincing the students that the Representatives have some knowledge base or authority to help make an enrollment decision. The students, who rely so heavily on these “counselors” for guidance, are simply being subjected to an elaborate sales pitch.

32. Admissions Representatives are required to meet a minimum enrollment quota to maintain employment and to be granted promotions. Admissions Representatives are encouraged to sign-up as many students as possible by participating in competitive “games” based on applications, actual enrollments and sales tactics. “Winners” were rewarded with paid vacation days, gift cards to local restaurants, parties and exotic vacations. Respondents fostered a competitive sales environment by regularly sending emails updating the Admissions Representatives on new sales. By way of illustration, an Admissions Representative sent an email from “The Drivers” team stating “Everyone Hit the DECK!!!!!!!!!!!!!! A Drive BY JUST Occurred!” with a violent depiction of a drive-by shooting to let other teams know that one sales representative had secured his second application of the day. A copy of “The Drivers” email is attached as Exhibit F.

33. Once an Admissions Representative has successfully convinced a student to enroll, the focus shifts to finding a way to manage the astronomic debt associated with enrollment. Each student has a contractual obligation to apply for and accept all available forms of financial aid, which includes federal grants, federal loans for the student and the student’s parents if applicable, and private loans. Students are required to provide at least one, but preferably two credit-worthy co-signers to assume part of the student

loan responsibility. The school has a close relationship with Sallie Mae, the student lending giant, and Admissions Representatives work closely with Sallie Mae representatives to guide students and their co-signers through the Sallie Mae application process.

34. However, certain students do not qualify for private, credit-based loans or cannot acquire enough loans to cover the cost of the program. Rather than tell the student that the program is unaffordable, Westwood creates and arranges a private, unsecured loan called the Apex loan. The Apex loan program is a Westwood-created vehicle for financing the sizable gap between traditional financial aid options and the cost of tuition and fees. The loan has no limit, is not credit-based and carries an 18% interest rate. *See Exhibit G.*

35. The Apex loan paperwork, if actually completed, is originated during the process in which the student fills out the financial aid packet. This time is typically the most confusing and overwhelming to any college student, so the student places an implicit trust in the direction provided by the school. Admissions Representatives are instructed not to tell students about the 18% interest rate under any circumstance. Instead, the Admissions Representatives widely tout a tuition-payment program aimed at making college affordable. The self-promotion is carefully worded, disclosing no origination fee, a zero percent interest rate and maximum payments of \$150 *while the student is in school*. The after-school repercussions and their crippling effects are purposefully omitted and are never disclosed until the student receives the first bill.

Violations of the Colorado Consumer Protection Act

36. Section 6-1-105(1)(g) provides that it is a deceptive trade practice when a person³, in the course of his business, vocation or occupation represents that goods or services are of a particular standard, if he knows or should know that they are of another. It is common industry knowledge that a regional accreditation is more widely sought after and is the type of accreditation commonly awarded to

³ CRS §6-1-102(6) defines “person” as: “an individual, corporation, business trust, estate, trust, partnership, unincorporated association, or two or more thereof having a joint or common interest, or any other legal or commercial entity.”

traditional colleges and universities. Respondents know or should know that national accreditation is not widely accepted by other universities for credit transfers or degree recognition, but still routinely omit or misrepresent critical information about the value of a national accreditation.

37. Section 6-1-105(1)(l) provides that it is a deceptive trade practice when a person, in the course of his business, vocation or occupation makes false or misleading statements of fact concerning the price of goods or services. Respondents deliberately provide misleading, confusing and inconsistent calculations regarding the costs and fees associated with enrollment, regarding the existence of an internal loan program and the terms and conditions associated with the internal Apex loan.

38. Section 6-1-105(1)(u) provides that it is a deceptive trade practice when a person, in the course of his business, vocation or occupation fails to disclose material information concerning goods or services which information was known at the time of the advertisement or sale if such failure to disclose such information was intended to induce the customer to enter into the transaction. Respondents provide misleading information about the evaluation process for a pending candidacy with a regional accreditation agency, routinely omit or misrepresent critical information about the value of a national accreditation, provide false or misleading information about job placement opportunities and statistics, and provide misleading, confusing and inconsistent figures regarding the costs and fees associated with enrollment with the intention to induce potential students to enroll in a course of study at Westwood College.

39. Section 6-1-105(3) of the Colorado Consumer Protection Act states that the deceptive trade practices listed within the statute are in addition to other unfair trade practices actionable at common law or under other state statutes. Section 6.01.05(A) of the Colorado Department of Education policies, in and through the Degree Authorization, provide that it is a deceptive trade practice for a school or agent to make or cause to be made any statement or representation, oral, written or visual, in connection with the offering of educational services if such school or agent knows or reasonably should have known the statement or representation to be materially false, substantially inaccurate or materially misleading. The practices previously described herein indicate that Respondents knew or should have known the false, inaccurate or misleading nature of the incorporated statements.

40. Section 6.01.05(F) of the Colorado Department of Education policies, in and through the Degree Authorization Act, provide that it is a deceptive trade practice for a school or agent to provide prospective students with any information that may materially mislead or deceive prospective students or the public regarding current practices of the school. The practices previously described herein indicate that Respondents provided false and misleading information to prospective students and public via the websites and the information provided by an Admissions Representative during the enrollment process.

41. Section 6.01.05(F) of the Colorado Department of Education policies, in and through the Degree Authorization Act, provide that it is a deceptive trade practice for a school or agent to designate titles to employees whose primary job duties are to recruit students that may mislead prospective students or the public regarding the authority or qualifications of such employees. Respondents designate sales agents as “Admissions Representatives” with the intention to mislead students and the public regarding the qualifications that the sales agents possess in guiding students through education-related decisions.

Violations of the Colorado Uniform Consumer Credit Code

42. Section 5-1-301(25)(a) provides several alternative definitions of the terms “loan.” Section 5-1-301(25)(a)(I) defines a “loan” to include the creation of debt by the lender’s payment of money to the consumer or to a third party for the account of the consumer. Section 5-1-301(25)(a)(II) defines a “loan” to include the creation of debt by a credit to an account with the lender upon which the consumer is entitled to draw immediately. The Apex loan is created by crediting the student’s account with the total balance due ninety days after graduation, causing a zero balance on the student’s ledger account and creating a second account with a debt for the amount owed to Respondents. That transaction may be characterized as a payment of money to the consumer that was directly applied to the first account or, alternatively, as crediting the first account, which is immediately drawn upon to pay the balance of the debt. Either characterization accurately defines the creation of a debt in the student’s name as a loan.

43. Section 5-1-301(15)(a) defines a “consumer loan” to mean a loan made or arranged by a person regularly engaged in the business of making loans in which: (1) the consumer is a person other than an organization, (2) the debt is incurred primarily for a personal, family or household purpose; (3)

the debt is by a written agreement payable in installments or a finance charge is made and (4) the principal does not exceed seventy-five thousand dollars. Although Respondents are not a licensed lending agency, approximately thirty percent of the students are given Apex loans by the school, indicating that the school is regularly engaged in the business of making loans. The education-related loans are clearly to individuals for personal reasons and each loan carries a finance charge of eighteen percent and a balance of less than seventy-five thousand dollars.

44. Section 5-1-301(47) of the CUCCC defines a “supervised loan” to be “a consumer loan, including a loan made pursuant to a revolving credit account, in which the rate of the finance charge exceeds twelve percent per year as determined according to the provisions on finance charges contained in Section 5-2-201.” It follows naturally then that a “‘supervised lender’ means a person authorized to make or take assignments of supervised loans under a license issued by the administrator or as a supervised financial organization.” *C.R.S. 5-1-301(46)*. Further, the CUCCC provides, in relevant part,

Section 5-2-301 Authority to make supervised loans.

- (1) Unless a person is a supervised financial organization or has first obtained a license from the administrator authorizing him or her to make supervised loans, he or she shall not engage in the business of:
 - (a) Making supervised loans or undertaking direct collection of payments from or enforcement of rights against consumers arising from supervised loans he or she has previously made;

45. Respondents are not a supervised financial organization and have not obtained a license from the Attorney General authorizing the issuance of supervised loans. The Colorado Attorney General’s Office maintains a list of all supervised lenders licensed by the state of Colorado. The most recent list was released on May 4, 2009. As of that time, neither Alta Colleges, Inc. or Westwood Colleges, Inc., nor any of their subsidiary companies - Trav Corporation, Grant Corporation, Wesgray Corporation, El Nell Inc., Paris Management Company and Elbert, Inc. – are registered as supervised lenders. Significantly, the list also includes applications that were cancelled, denied, expired or revoked. None of the above listed companies are identified in any of these categories either.

46. Section 5-2-309 provides that a supervised lender may not carry on any other business for

the purpose of evasion or violation of this code. Respondents carry on business as an educational institute, but may not use that business as a shield from being considered lenders requiring supervision under the CUCCC.

CLASS ALLEGATIONS

47. Claimants and each Class Member are former or current students of Westwood College, Westwood College Online or Redstone College and each entered into an Enrollment Agreement containing an Agreement to Binding Arbitration and Waiver of Jury Trial for any dispute arising from enrollment at Westwood College, Westwood College Online or Redstone College.

48. Claimants bring this action on behalf of themselves and the following class of persons similarly situated. The class is a nation-wide class and is defined as:

All persons who have signed enrollment contracts with an Alta Colleges, Inc. school and whose last date of enrollment was on or after May 14, 2005, which is four years prior to the date of filing.

49. Respondents' deceptive practices were a series of actions cumulating at the last date of enrollment for each student, respectively. Further, Claimants acted with reasonable due diligence in discovering the facts underlying this complaint and determined the true facts at a time closely corresponding with their last dates of enrollment or later. Respondents engaged in conduct calculated to induce the Claimants and Class Members to refrain from or postpone the commencement of this demand.

50. Claimants also bring this action on behalf of themselves and the following sub-class of persons similarly situated. The sub-class is a nationwide class and is defined as:

All persons who have signed enrollment contracts with an Alta Colleges, Inc. school and subsequently financed their education in whole or in part with an Apex loan created, distributed or arranged through Alta Colleges, Inc., Westwood College, Inc., or a subsidiary of either corporation, in which the principal balance is less than or equal to seventy-five thousand dollars, the finance charge for such loan exceeds twelve percent per year and in which the last payment due on such loan is due on or after one year prior to the date of filing.

51. Pursuant to Rule 3 of the Supplementary Rules for Class Arbitration, the Arbitration Agreement does not preclude the bringing of this action as a Class Arbitration. As set forth below,

Claimants meet the requirements of Rule 4 to maintain this as a class arbitration.

52. The members of the class are so numerous that separate joinder of each member is impracticable. The exact number of Class Members is currently unknown and the exact number will be obtained through discovery. However, approximately 12,000 students are currently enrolled at the various Westwood campuses and there are approximately 20,000 graduates nation-wide, which creates a class size of approximately 32,000 students. Claimants are informed and believe that approximately thirty percent of students finance a portion of their education with a Westwood loan, which creates a sub-class size of nearly 10,000 former and current students. Claimants believe that the names and last-known addresses of the Class and Sub-Class Members are readily attainable from the Respondents.

53. Respondents acted in such a manner that Claimants and Class Members did not know and should not have known that Respondents were engaging in false, deceptive or misleading practices. Claimants and Class Members, exercising reasonable due diligence, had no way to discover the occurrence of Respondents' false, misleading and deceptive practices.

54. Claimants raise questions of law and fact common to the questions of law and fact raised by the claims of all Class Members and defenses of Respondents. Among the issues of law and fact common to the class are, without limitation:

- a. Whether Respondents misrepresented the costs and fees associated with enrollment, the existence of an internal loan, and the percentage interest charged on the internal loan in violation of C.R.S. Section 6-1-101 *et seq.*;
- b. Whether Respondents misrepresented the meaning and reputation of a nationally-accredited school and the transferability of credits in violation of C.R. S. Section 6-1-101 *et seq.*;
- c. Whether Respondents misrepresented the job placement opportunities and statistics of past graduates in violation of C.R.S. Section 6-1-101 *et seq.*;
- d. Whether Respondents misrepresented the position and qualifications of sales associates as qualified Admissions Representatives in violation of the Colorado Department of

Education policies and C.R.S. Section 6-1-101 *et seq.*;

- e. Whether Respondents, by clear and convincing evidence, acted with bad faith conduct in violation of C.R.S. Section 6-1-101 *et seq.*;
 - f. Whether Respondents acted in a manner calculated to induce the Claimants to refrain from or postpone the commencement of this action, thereby extending the limitation by one year in accordance with C.R.S. Section 6-1-115;
55. Among the issues of law and fact common to the sub-class are, without limitation:
- a. Whether the Apex loan program creates consumer credit contracts governed by the Colorado Uniform Consumer Credit Code. C.R.S. Section 5-1-101 *et seq.*;
 - b. Whether Respondents are acting as supervised lenders under the definitions set forth in C.R.S. Section 5-1-301(46) and (47);
 - c. Whether Respondents made supervised loans in violation of C.R.S. Section 5-2-301;
 - d. Whether Respondents acted in deliberate violation or with reckless disregard for the requirements set forth in C.R.S. Section 5-1-101 *et seq.*

56. The claims advanced by the representative Claimants are typical of the claims of each Class and Sub-Class Member in that Claimants and all Class and Sub-Class Members have been damaged in the same way arising out of Respondent's unfair and unlawful conduct. As a result of Respondent's unfair and unlawful conduct, Claimants and each Class Member entered into an enrollment contract based on misleading and deceptive information. Further, Claimants and each Sub-Class Member financed a portion of the ensuing academic program with a loan at an eighteen percent interest rate from an unsupervised lender. Accordingly, the interests of the representative Claimants are coextensive with the interest of each Class and Sub-Class Member and all have a common right of recovery based on the same facts.

57. Claimants can and have agreed to fairly and adequately protect the best interest of each Class Member. Claimants are aware of their fiduciary responsibility to the class and are determined to diligently discharge those duties, and have no interest which is adverse to or in conflict with other Class

Members.

58. Claimants have retained counsel who is experienced in prosecuting large and complex class action cases and who is familiar with the legal issues raised in this arbitration. As a result, Claimants' counsel will adequately protect the interests of the class.

59. The questions of law or fact common to the claims of Claimants and the claims of each Class and Sub-Class Member predominate over any question of law or fact affecting only individual class members. Given the number of Class and Sub-Class Members, the common financial distress caused to each Class and Sub-Class Member, the typicality of Claimants' claims to those of the Class and Sub-Class Members, the adequate representation of the Class and Sub-Class Members by Claimants, and the interests of judicial economy, class representation is superior to other methods for the fair and efficient resolution of this controversy.

60. Individual Class and Sub-Class Members would not benefit from controlling their own separate arbitration. Individual arbitrations would pose too great a burden to individual Class and Sub-Class Members such that many claims would never be arbitrated and Class and Sub-Class Members would never obtain the relief they are entitled to from Respondents. A single arbitration will also reduce the possibility of repetitive arbitrations with potentially contrary results. Certification of a class would promote judicial economy, as the number of students involved would unduly congest and burden the American Arbitration Association. Claimants can think of no difficulty in the management of this controversy as a class arbitration.

61. Claimants are unaware of any other pending proceeding or controversy between Class or Sub-Class Members and Respondents that would preclude or interfere with this class arbitration.

62. The Arbitration Agreement entered into by Claimants and Class and Sub-Class Members directs that, "The costs of the arbitration filing fee, arbitrator's compensation and facilities fees will be paid by the College, to the extent that these fees are greater than a Superior Court filing fee." Claimants hereby make their request on Respondents to advance all fees, above and beyond the \$224.00 civil court filing fee, charged by the AAA Arbitration Administrator for any and all claims related to this matter.

CLASS REPRESENTATIVE ALLEGATIONS

Mensch – Background and Facts

63. Michael Mensch (“Mensch”) has been subjected to Westwood’s deceptive and unlawful practices as set forth herein.

64. On or about September 6, 2007, Mensch entered into an Online Program Enrollment Agreement with Westwood College Online that included limited financial terms and disclosures relating to his enrollment.

65. Mensch never received or signed a Retail Installment Contract or any other form of promissory note authorizing the issuance of a Westwood loan, nor was he ever informed that such a loan would be created in his name.

66. During the enrollment process, Mensch relied solely on the guidance of the Admissions Representatives to direct him through the enrollment process because he understood them to be experts who were qualified to provide him with the assistance needed to make an enrollment decision. Mensch relied on the Admissions Representative’s representations of cost, fees, job placement opportunities and statistics, and accreditation in making his decision to attend the college. Specifically, Mensch was told that he could expect a job making over \$100,000.00 in video game design.

67. Mensch attended school from October 2007 through April 2008, completing two terms and beginning a third. He received high marks in the classes he completed and was commended for being one of the outstanding students. During the course of the third term, Mensch’s family began to receive billing statements from a Sallie Mae loan. Mensch became concerned by the amount of the loans and the fact that the payments were coming due, so he decided to stop attending classes. He withdrew on April 24, 2008.

68. The total cost of Mensch’s attendance was \$15,182.45.

69. Mensch relied on the representations and omissions made by his Admissions Representative. If he known the true costs and fees associated with the program, the actual salary expectations for his career field, or the value of a nationally-accredited degree, he would not have

enrolled at Westwood College Online.

70. On or about November 10, 2008, Mensch received a billing statement from Unisa, Inc. for a loan from the “Apex loan program” for a bill in the amount of \$2,026.45 with a fixed interest rate of eighteen percent. The loan’s debt date is October 21, 2008, which is five months and two days from the date that Westwood processed his withdraw paperwork. This was the first time he had heard anything about a loan from Westwood College.

71. Westwood acted as the lender of the Apex loan made in Mensch’s name. However, Westwood is not a licensed supervised lender in the state of Colorado, and thereby cannot arrange or create a loan with an interest rate above twelve percent in accordance with C.R.S. Section 5-2-301(1)(a).

Bailey – Background and Facts

72. Tyrone Bailey (“Bailey”) has been subjected to Westwood’s deceptive and unlawful practices as set forth herein.

73. On or about January 27, 2005, Bailey entered into a California enrollment agreement for the Long Beach campus of Westwood College in Long Beach, California that included limited financial terms and disclosures relating to his enrollment.

74. During the enrollment process, Bailey was told by an Admissions Representative that a degree in criminal justice from Westwood College would be widely accepted by federal, state and local law enforcement agencies, which he relied entirely on in making his enrollment decision.

75. On or about March 22, 2005, Bailey signed a “Promissory Note and Disclosure” disclosing the terms and conditions of the Apex loan. The “description of the loan” states, “We may loan amounts to you in our discretion for the purpose of funding your tuition and expenses and for books and supplies (‘Loan’)...It is anticipated that principal amounts will be advanced to you periodically while you remain a student at the School; provided that we will not be required to advance any portion of the Disclosure Amount and all advances will be in our sole discretion.” The document also states that, “This Promissory Note and Disclosure shall be governed in accordance with the laws of the State of Colorado, without giving effect to principles of conflicts of law.”

76. On or about July 11, 2007, Bailey was called out of one of his courses by a financial aid officer and asked to sign a document without an explanation. Bailey refused to sign the paper without reading it and discovered that the paper was a promissory note for a loan with an eighteen percent interest rate and a principal balance of \$18,219.34. Bailey was also told that he needed to find a co-signer for the loan, which he was unable to do. The financial aid counselor instructed Bailey that he would not be able to graduate if he refused to sign the piece of paper, but later told Bailey that it didn't matter if he signed it or not, because the school would just use the first promissory note if he refused. Bailey did not sign the document.

77. In December 2007, Bailey graduated from Westwood College with a degree in Criminal Justice.

78. The total cost of Bailey's attendance was \$60,652.03.

79. Bailey relied on the representations and omissions made by his Admissions Representative. If he had understood the value of a nationally-accredited degree in the law enforcement job market, the absolute lack of job opportunities, the creation and terms of an Apex loan, or the total cost of enrollment, he would not have enrolled at Westwood College.

80. Bailey has been unable to locate any law enforcement job that will recognize his degree from Westwood College. He has returned to school at the University of Phoenix to obtain a Master's degree in Business Administration.

81. On or about April 13, 2008, Bailey began to receive interest-bearing billing statements from Unisa, Inc. as the servicer for the Apex loan program, reflecting a fixed 18% interest rate and a 9% origination fee.

82. Westwood acted as the lender of the Apex loan made in Bailey's name. However, Westwood is not a licensed supervised lender in the state of Colorado, and thereby cannot arrange or create a loan with an interest rate above twelve percent in accordance with C.R.S. Section 5-2-301(1)(a).

Rosales – Background and Facts

83. Jessica Garcia Rosales ("Rosales") has been the subjected to Westwood's deceptive and

unlawful practices as set forth herein.

84. On or about September 13, 2006, Rosales entered into a California enrollment agreement for the Inland Empire campus of Westwood College in Upland, California that included limited financial terms and disclosures relating to her enrollment.

85. During the enrollment process, Rosales asked about transferring credits and was advised that the school was recently accredited so that she could transfer credits to any college if she decided to leave Westwood College.

86. The Admissions Representative led Rosales to believe that the money that she received from FAFSA would be “free money” that she would not have to repay at any time. She also applied for a private student loan with Wells Fargo or Washington Mutual. Rosales was declined for the private loan, so she was instructed by a Financial Aid Counselor that she needed to apply for a different student loan with a co-signer. A Financial Aid Counselor convinced Rosales’ mother to be a co-signer, but she later changed her mind and requested to be removed for the application. The Financial Aid Counselor failed to inform Jessica that her private loan applications were refused.

87. Rosales attended the Criminal Justice program from October, 2006 through January, 2007. Around the end of January, 2007, Rosales had a conversation with the director of the Criminal Justice program regarding unused books from the prior term. Rosales was instructed by her professors that the books were not necessary and they were still plastic-wrapped and unused, so Rosales wanted to return them to the college. The director of the Criminal Justice program advised that, even though the books were from that semester and were unused, the books were outdated and could not be returned. Frustrated at the prospect of spending several hundred more dollars on unnecessary books, Rosales advised the director of the Criminal Justice program that Rosales would no longer be attending classes. Despite not attending classes from that point forward, Rosales was charged full tuition for the January 2007 term and a subsequent March 2007 term.

88. In April, 2008, Rosales received a billing statement from Unisa, Inc. for a loan from the “Apex loan program” for a bill in the amount of \$10,827.28 with a fixed interest rate of eighteen percent.

The loan's debt date is October 29, 2007, which is five months and twelve days from the date that Westwood processed her withdraw paperwork, and approximately ten months from the date that Rosales actually stopped attending classes. This was the first time she had heard anything about a loan from Westwood College.

89. Rosales' Apex loan has been sent to collections with National Recovery, Inc. A statement sent on November 11, 2008 indicated a balance of \$19,170.99.

90. Rosales was charged full tuition and books for a March 2007 term, which she did not attend. Rosales has repeatedly requested proof of attendance for that semester and a promissory note for all of her loans; none has been provided to her.

91. The total cost of Rosales' attendance was \$13,421.68.

92. Rosales relied on the representations and omissions made by her Admissions Representative. If she had understood the value of a nationally-accredited degree, the true total costs and fees associated with enrollment, the existence and conditions of the internal loan, and the true job placement opportunities and statistics, she would not have enrolled at Westwood College.

93. Westwood acted as the lender of the Apex loan made in Rosales's name. However, Westwood is not a licensed supervised lender in the state of Colorado, and thereby cannot arrange or create a loan with an interest rate above twelve percent in accordance with C.R.S. Section 5-2-301(1)(a).

Walker – Background and Facts

94. Courtland Walker ("Walker") has been subjected to Westwood's deceptive and unlawful practices as set forth herein.

95. In or around November, 2007, Walker enrolled at Westwood College Online, but quickly changed his mind. For the following two months, Walker was aggressively pursued by a series of Admissions Representatives determined to convince Walker to enroll. He finally agreed to re-enroll in Westwood College Online to pursue a degree in graphic design.

96. During the enrollment process, Admissions Representatives told Walker that the total cost of the program would be around \$12,000.00 and that the majority of that cost would be covered by federal

grants that would not have to be repaid. During his enrollment, Walker received an email from Financial Aid Counselor stating, "Please log-in to SallieMae.com and apply for a Signature Loan with a co-signer. If you are declined, I can set you up on a payment plan with Westwood."

97. Walker was told he was rejected from two private loan applications, one with his mother and one with his grandfather as co-signers. At that time, the Financial Aid Counselor told Walker that Westwood would put in place a payment plan which would require him to pay \$124.00 per month. Walker was never told of a loan created in his name or an interest rate on that payment plan.

98. When Walker realized that amount of accumulating debt and that his credits would not transfer to a local community college, he decided to withdraw from the program. Walker called the school to find out why he hadn't gotten the withdraw paperwork processed yet. A Financial Aid Counselor told Walker that before they would drop him, she needed him to post attendance in every one of his classes for the following semester. Walker inquired as to whether this would charge him for a semester that he wasn't actually attending, and the Counselor would only tell him that "the matter had been escalated to management."

99. The total cost of Walker's attendance was \$17,882.00. A charge of \$2285.00 was posted on March 6, 2009 but is identified as tuition and an online fee for the January 2008 term, fifteen months earlier.

100. Walker's account ledger does not apply or account for a \$6,925.00 Sallie Mae Signature loan paid directly to Westwood College by Sallie Mae on March 11, 2008.

101. Walker relied on the representations and omissions made by his Admissions Representatives and the Financial Aid Counselors. If he had understood the value of a nationally-accredited degree, the transferability of credits, the true cost and fees associated with enrollment or the existence and terms of an internal loan, he would not have enrolled at Westwood College.

102. Westwood acted as the lender of the Apex loan made in Walker's name. However, Westwood is not a supervised lender in the state of Colorado, and thereby cannot arrange or create a loan with an interest rate above twelve percent in accordance with C.R.S. Section 5-2-301(1)(a).

COUNT ONE

VIOLATIONS OF THE COLORADO CONSUMER PROTECTION ACT

C.R.S. § 6-1-101 et seq.

103. Claimants incorporate by reference each and every allegation set forth in paragraphs 1 through 102 as though fully set forth herein

104. Respondents violated C.R.S. Section 6-1-105(1)(g) by representing that the national accreditation granted to Westwood College is equal or greater to regional accreditation and by misrepresenting or omitting the true value of credits obtained at a nationally-accredited institution, as judged by the transferability of the credits to a regionally-accredited institution.

105. Respondents violated C.R.S. Section 6-1-105(1)(l) by providing misleading, confusing and inconsistent calculations regarding the costs and fees associated with enrollment and by omitting any information or providing false or misleading information about the existence of an internal loan program, and the terms and conditions of an Apex loan.

106. Respondents violated C.R.S. Section 6-1-105(1)(u) by providing misleading information a pending candidacy for regional accreditation, routinely omitting or misrepresenting the value of a national accreditation, providing misleading, confusing and inconsistent figures regarding the costs and fees associated with enrollment and providing false or misleading information about job placement opportunities and statistics with the intention to induce the potential student to enrolling in a course of study at Westwood College or Westwood College Online.

107. Respondents violated Section 6.01.05(A) of the Colorado Department of Education policies through C.R.S. Section 6-1-105(3) by making statements concerning accreditation, costs and fees, and job placement opportunities and statistics which they knew to be materially false, substantially inaccurate or materially misleading.

108. Respondents violated Section 6.01.05(F) of the Colorado Department of Education policies through C.R.S. Section 6-1-105(3) by materially misleading or deceiving prospective students and the public regarding current practices of the school via the school websites and through information provided

by Admissions Representatives.

109. Respondents violated Section 6.01.05(F) of the Colorado Department of Education policies through C.R.S. Section 6-1-105(3) by designating as “Admissions Representatives” whose primary job duties are to recruit students in a manner that may mislead prospective students or the public regarding the authority or qualifications of such employees.

110. Claimants and Class Members suffered actual damages of the amount of tuition, costs and fees. Claimants and Class Members would not have enrolled if they had been given true and accurate information, so Claimants and Class Members should be put back in the position they were in if they had not entered into these contracts. The amount of damages is readily ascertainable for each student as the amount of money the college collected on behalf of the student.

111. Respondents acted fraudulently, willingly, knowingly or intentionally and their conduct caused injury to Claimants and Class Members.

112. Respondents engaged in conduct calculated to induce the Claimants and Class Members to refrain from or postpone the commencement of this demand.

113. Pursuant to the remedies provided under C.R.S. Section 6-1-113 Claimants request the greater of statutory damages, actual damages as deemed appropriate by the arbitrator or three times the actual damages if the arbitrator finds that Respondents acted with bad faith conduct.

COUNT TWO

VIOLATIONS OF THE COLORADO UNIFORM CONSUMER CREDIT CODE

C.R.S. § 5-1-101 et seq.

114. Claimants incorporate by reference each and every allegation set forth in paragraphs 1 through 102 as though fully set forth herein.

115. Respondents violated C.R.S. Section 5-2-301(1)(a) by engaging in the business of making supervised loans without being a supervised financial organization or obtaining a license from the state administrator authorizing Respondents to make supervised loans.

116. Pursuant to the remedies available in C.R.S. Section 5-5-201(1) for creditors that have

violated the authority to make supervised loans, Claimants request release from any and all obligation to pay the finance charge and require Respondents to pay a penalty in an amount not exceeding three times the amount of the finance charge, or fifty-four percent of the amount financed.

117. Pursuant to the remedies available in C.R.S. Section 5-5-201(3), Claimants allege that the Respondents have acted in deliberate violation or reckless disregard for this code and require Respondents to pay a penalty not exceeding ten times the amount of the excess charge, or sixty percent of the amount financed.

118. Pursuant to Section 5-5-201(7), Claimants request attorneys' fees, expenses and costs incurred by Claimants.

PRAYER FOR RELIEF

WHEREFORE, Claimants, on behalf of themselves and each Class Member and request the following relief:

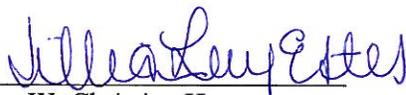
- a. For a Clause Construction Award that this action is properly maintainable in arbitration;
- b. For a Class Determination Award that the arbitration may be maintained as a class arbitration in satisfaction of Rule 4 of the Supplementary Rules for Class Arbitration, confirming the Claimants as class representatives, and certifying the class and sub-class as defined herein;
- c. For an order directing Notice of Class Determination be provided to all Class and Sub-Class Members who can be identified through reasonable effort;
- d. For a Final Award with a judgment against Respondents with respect to Count I that Respondents acted with bad faith conduct and for the greater of statutory damages, actual damages as deemed appropriate by the arbitrator in accordance with C.R.S. Section 6-1-113(2)(a), or three times the actual damages sustained in accordance with C.R.S. Section 6-1-113(2)(a)(III);
- e. For a Final Award with judgment against Respondents with respect to Count II for release of Claimants and Class Members' obligation to pay the finance charge and a

penalty not exceeding three times the amount of the finance charge in accordance with C.R.S. Section 5-5-201(1); judgment against Respondents II finding that Respondents acted in deliberate violation of or in reckless disregard for the Colorado Uniform Consumer Credit Code and a penalty not exceeding ten times the amount of the excess finance charge over the twelve percent limit in accordance with C.R.S. Section 5-5-201(3); and for attorneys fees and costs in accordance with C.R.S. Section 5-5-201(7);

- f. For a Final Award including any damages and penalties that the Arbitrator deems fair and reasonable;
- g. For a Final Award of the reasonable attorneys' fees, costs and expenses incurred by Claimants and Class and Sub-Class Members; and
- h. For such other and further relief to which Claimants and Class and Sub-Class Members are duly entitled.

Respectfully submitted,

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Tampa, Florida 33609
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Florida Bar No. 0012035

Attorneys for Claimants

EXHIBIT A – ARBITRATION AGREEMENT



WESTWOOD
COLLEGE

COLORADO

Agreement to Binding Arbitration and Waiver of Jury Trial

I, Michael Mensch, ("student") agree that any dispute arising from my enrollment at Westwood College, no matter how described, pleaded or styled, shall be resolved by binding arbitration under the Federal Arbitration Act conducted by the American Arbitration Association ("AAA") under its Commercial Rules. The award rendered by the arbitrator may be entered in any court having jurisdiction.

Terms of Arbitration

1. Both Student and the College irrevocably agree that any dispute between them shall be submitted to Arbitration.
2. Neither the Student nor the College shall file or maintain any lawsuit in any court against the other, and agree that any suit filed in violation of this Agreement shall be dismissed by the court in favor of an arbitration conducted pursuant to this Agreement.
3. The costs of the arbitration filing fee, arbitrator's compensation and facilities fees will be paid by the College, to the extent these fees are greater than a Superior Court filing fee.
4. The arbitrator's decision shall be set forth in writing and shall set forth the essential findings and conclusions upon which the decision is based.
5. Any remedy available from a court under the law shall be available in the arbitration.
6. Nothing in this Agreement prohibits the Student from filing a complaint with the Division of Private Occupational Schools.

Procedure for Filing An Arbitration

1. Students are strongly encouraged, but not required, to utilize the Grievance Procedure described in the Catalog, prior to filing arbitration.
2. A student desiring to file arbitration should first contact the School Director, who will provide the student with a copy of the AAA Commercial Rules. A Student desiring to file Arbitration should then contact the American Arbitration Association at Denver, Colorado, which will provide the appropriate forms and detailed instructions. The Student should bring this form to AAA.
3. A student may, but need not, be represented by an attorney at the Arbitration.

Acknowledgment of Waiver of Jury Trial and Availability of AAA Rules

By my signature below, I acknowledge that I understand that both the College and I are irrevocably waiving rights to a trial by jury, and are selecting instead to submit any and all claims to the decision of an arbitrator instead of a court. I understand that the award of the arbitrator will be binding, and not merely advisory.

I also acknowledge that I may at any time, before or after my admission, obtain a copy of the Rules of the American Arbitration Association, at no cost, from the School Director.

Equifax trans #: 1200709061743491207906246 9/6/2007

Signature of Student and Date

Signature of Admissions Representative and Date

EXHIBIT B – CORPORATE STRUCTURE

Alta Colleges, Inc. Corporation Organizational Chart

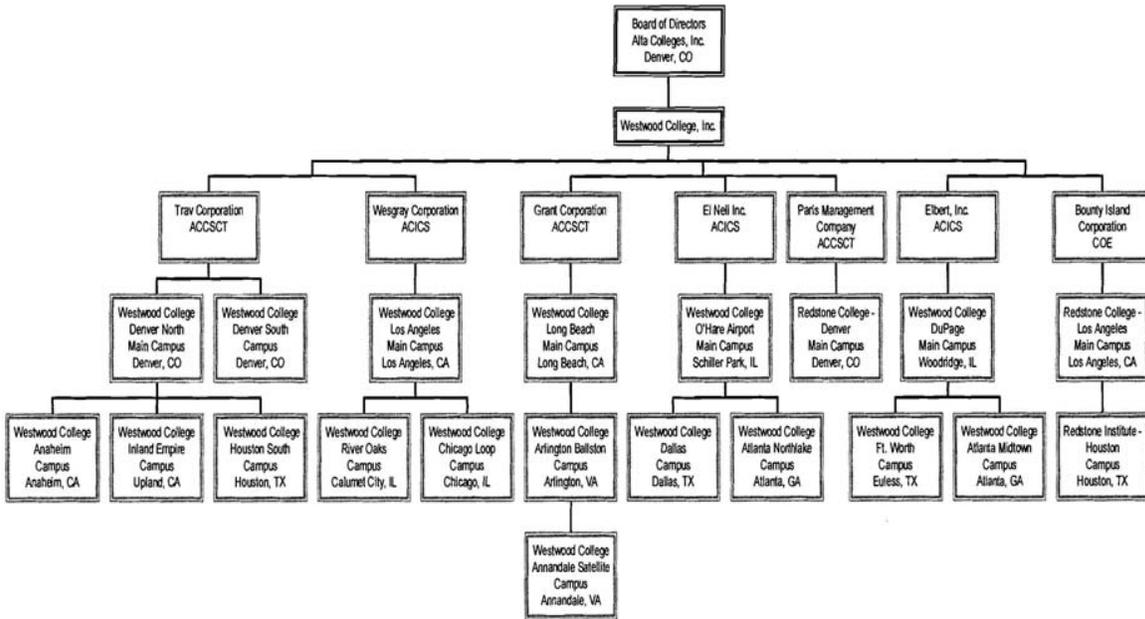


EXHIBIT C – TUITION WEBSITE PAGE



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WESTWOOD COLLEGE - ONLINE CAMPUS TUITION

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School Program	Degree Level	Total Credit Hours	Total Terms	Tuition Investment Per Term
Design				
Animation	BS	195	15	\$4,306
Game Art & Design	BS	193	15	\$4,306
Interior Design	BS	190	15	\$4,306
Web Design & Multimedia	BS	192	15	\$4,306
Technology				
Computer Network Engineering	AAS	108	8	\$4,306
Computer Network Management	BS	192	15	\$4,306
Game Software Development	BS	193.5	15	\$4,306
Information Systems Security	BS	192	15	\$4,306
Business				
Business Administration: Concentration in Accounting	BS	180	15	\$4,024
Business Administration: Concentration in Marketing & Sales	BS	180	15	\$4,024
Fashion Merchandising	BS	182	15	\$4,024
Healthcare Management	BS	180	15	\$4,024
MBA - Master of Business Administration	MBA	45	5	\$4,829
Justice				
Criminal Justice	BS	189	15	\$4,265
Paralegal	AAS	102.5	8	\$3,857

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 - [Financial Aid at a Glance](#)
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|---|--|--|--|---|---|---|
| <p>More About Westwood</p> <ul style="list-style-type: none"> Why Westwood About Westwood Accreditation Student services Westwood graduates Westwood faculty Job openings Request info Apply now Contact us | <p>Westwood Schools</p> <ul style="list-style-type: none"> Technology Design Business Justice Healthcare Industrial Services | <p>Westwood Locations</p> <ul style="list-style-type: none"> Online California Colorado Georgia Illinois Texas Virginia | <p>Online Learning</p> <ul style="list-style-type: none"> How it works Online learning benefits is online learning for you? Technical requirements | <p>Get Started</p> <ul style="list-style-type: none"> Steps to apply Acceptance requirements Admissions FAQ Request info Apply now | <p>Financial Aid & Tuition</p> <ul style="list-style-type: none"> Education - a smart investment Tuition Government loans Private loans Grants Scholarships Frequently used student financing terms | <p>Current Students</p> <ul style="list-style-type: none"> Information for current students Student services Advising and tutoring Career development services Edline.net eCollege online student login Student email Alumni relations |
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EXHIBIT D – CATALOG ADDENDUM

FINANCIAL INFORMATION *Colorado Campuses*

EFFECTIVE: 03/18/09

Information in this addendum augments or amends the Westwood College 2009 Academic Catalog (Colorado campuses only) and remains in effect until a subsequent addendum is published.

FINANCIAL INFORMATION AND CHARGES – EFFECTIVE FOR THE MARCH 2009 TERM					
TUITION AND CHARGES		OTHER CHARGES (non-refundable)		Transcript Charge: \$5 original, \$2 copy	
Application Charge: \$25		Proficiency Exam Charge: \$20		Continuing Student Late Registration: \$50	
Registration Charge: \$75		Copy of Record (per page): \$1		Late Monthly Payment: \$25	
Cisco Student Materials (per term): \$89		Exit Fee: \$150		Online Charge p/credit: \$40	
TUITION INFORMATION BY SCHOOL					
Tuition per Term	Full-Time	3/4 Time	1/2 Time	< 1/2 Time*	Overload*
Credits	12 or more	9-11.5	6-8.5	Less than 6	Over 19
School of Business	\$4,239	\$3,180	\$2,756	\$483	\$296
Masters of Business Administration	\$5,090	N/A	\$3,309	\$563	\$363
School of Design	\$4,921	\$3,689	\$3,198	\$559	\$343
Computer Aided Design - Architectural Drafting	\$4,687	\$3,514	\$3,046	\$533	\$327
School of Healthcare	\$3,990	\$2,992	\$2,593	\$453	\$279
School of Justice	\$4,731	\$3,547	\$3,075	\$538	\$330
School of Service	\$4,687	\$3,514	\$3,046	\$533	\$327
School of Technology	\$4,687	\$3,514	\$3,046	\$533	\$327
ONLINE PROGRAMS:					
School of Business	\$4,024	\$3,017	\$2,615	\$458	\$281
Masters of Business Administration	\$4,829	N/A	\$3,139	\$535	\$345
E-Business Management	\$4,306	\$3,229	\$2,798	\$489	\$300
School of Design	\$4,306	\$3,229	\$2,798	\$489	\$300
School of Justice	\$4,265	\$3,198	\$2,771	\$485	\$297
Paralegal	\$3,857	\$2,892	\$2,507	\$452	\$278
School of Technology	\$4,306	\$3,229	\$2,798	\$489	\$300
*Per Credit Hour					
Lab Charges per Term		Full-Time	Less Than Full-Time		
Computer Aided Design		\$170	\$120		
Computer Networking		\$170	\$120		
Fashion Merchandising		\$170	\$120		
Game Art and Design		\$170	\$120		
Game Software Development		\$170	\$120		
Information Systems Security		\$170	\$120		
Interior Design		\$170	\$120		
Medical Assisting		\$170	\$120		
Software Engineering		\$170	\$120		
Web Design and Multimedia		\$170	\$120		
Tools by Program Area					
Automotive		\$1,300			
Computer Aided Drafting – Architectural		\$314			
Computer Networking (WOL only)		\$130			
Construction Management		\$505			
Game Art and Design		\$363			
Information Systems Security (WOL only)		\$130			
Interior Design (new students)		\$722			
Interior Design (continuing students)		\$408			
Medical Assisting		\$165			
Surveying		\$315			
Web Design and Multimedia		\$490			
OTHER INFORMATION					
<ul style="list-style-type: none"> ■ Tuition and charges do not include testing costs for Novell, Microsoft, or other certification tests. The cost of certification testing, if any, is the responsibility of the student. ■ Westwood College is not an authorized Microsoft MCSE or Novell center. ■ All listed charges are mandatory if the service is requested. ■ Any parking charges are the responsibility of the student. ■ Book range includes \$89 fee (4 terms only) for Cisco materials and assessment for the Computer Networking and Information Systems Security programs. ■ Tool kits subject to sales tax, if applicable. ■ Book range does not include fees for shipping and sales tax. 					

TUITION AND CHARGES BY PROGRAM FOR STUDENTS ENROLLED IN A FULL-TIME SCHEDULE – EFFECTIVE MARCH 2009 TERM

Note: The following fees are included in Total Tuition & Charges, except for prior Westwood graduates:

Application Charge: \$25

Registration Charge: \$75

Program	Credential	Campus	Number of Terms	Tuition p/Term	Lab Fee p/Term	Tool Kit	Total Tuition and Fees	Estimated Cost of Books p/Term	Grand Total	Degree Completer p/Credit
SCHOOL OF BUSINESS										
Masters of Business Administration	MBA	DNN	5	\$5,090			\$25,550	\$220-\$300	\$27,050	\$566
Business Administration:										
Concentration in Accounting *	BS	DNS	15	\$4,239			\$63,685	\$290-\$350	\$68,935	\$353
Business Administration:										
Concentration in Marketing & Sales [†]	BS	DNN/DNS	15	\$4,239			\$63,685	\$320-\$380	\$69,385	\$353
Business Management	BS	DNN/DNS	15	\$4,239			\$63,685	\$320-\$380	\$69,385	\$353
Construction Management	BS	DNN/DNS	15	\$4,239		\$505	\$64,190	\$320-\$420	\$70,490	\$331
Fashion Merchandising [‡]	BS	DNN	15	\$4,239	\$170		\$66,235	\$300-\$380	\$71,935	\$349
Health Care Management	BS	DNN	15	\$4,239			\$63,685	\$290-\$330	\$68,635	\$353
Fashion Merchandising [‡]	AAS	DNN	8	\$4,239	\$170		\$35,372	\$300-\$380	\$38,412	\$343
SCHOOL OF DESIGN										
Game Art and Design [†]	BS	DNN/DNS	15	\$4,921	\$170	\$363	\$76,828	\$170-\$250	\$80,578	\$382
Interior Design [†]	BS	DNN/DNS	15	\$4,921	\$170	\$722	\$77,187	\$200-\$260	\$81,087	\$388
Web Design and Multimedia [†]	BS	DNN	15	\$4,921	\$170	\$490	\$76,955	\$170-\$250	\$80,705	\$384
CAD - Architectural Drafting [†]	AAS	DNS	8	\$4,687	\$170	\$314	\$39,270	\$220-\$280	\$41,510	\$371
SCHOOL OF HEALTHCARE										
Medical Assisting [‡]	AOS	DNN/DNS	7	\$3,990	\$170	\$165	\$29,385	\$210-\$290	\$31,415	\$279
SCHOOL OF JUSTICE										
Criminal Justice [†]	BS	DNN/DNS	15	\$4,731			\$71,065	\$260-\$340	\$76,165	\$375
SCHOOL OF SERVICE										
Automotive Technology	AOS	DNN	7	\$4,687		\$1,300	\$34,209	\$140-\$200	\$35,609	\$363
Surveying	AAS	DNN	7	\$4,687		\$315	\$33,224	\$260-\$320	\$35,464	\$322
SCHOOL OF TECHNOLOGY										
Computer Network Management [†]	BS	DNN/DNS	15	\$4,687	\$170		\$72,955	\$190-\$270	\$77,005	\$366
Game Software Development [†]	BS	DNN	15	\$4,687	\$170		\$72,955	\$200-\$280	\$77,155	\$363
Information Systems Security [†]	BS	DNN/DNS	15	\$4,687	\$170		\$72,955	\$210-\$270	\$77,005	\$366
Computer Network Engineering [†]	AAS	DNN	8	\$4,687	\$170		\$38,956	\$190-\$270	\$41,116	\$329
Software Engineering [†]	AAS	DNN/DNS	8	\$4,687	\$170		\$38,956	\$210-\$270	\$41,116	\$385

CREDENTIAL ABBREVIATIONS:

Masters	MBA
Bachelor of Science	BS
Associate of Applied Science	AAS
Associate of Occupational Science	AOS
Diploma	DIP

CAMPUS ABBREVIATIONS:

Denver - North	DNN
Denver - South	DNS

[†]DNS Students Only: Blended students enrolled in this program will be charged an additional technology fee of \$25 per term.

TUITION AND CHARGES BY PROGRAM FOR STUDENTS ENROLLED IN FULL-TIME SCHEDULE – EFFECTIVE MARCH 2009 TERM
 Note: The following fees are included in Total Tuition & Charges, except for prior Westwood graduates:
 Application Charge: \$25 Registration Charge: \$75 Online Charge per Credit: \$40

Program	Credential	Campus	Number of Terms	Tuition p/Term	Online Fee p/Credit	Tool Kit	Total Tuition and Fees	Estimated Cost of Books p/Term	Estimated Cost of Software p/Term	Grand Total	Degree Completion p/Credit
SCHOOL OF BUSINESS											
Masters of Business Administration	MBA	WOL	5	\$4,829	\$1,800		\$26,045	\$220-\$300	\$500	\$28,045	\$537
Business Management	BS	WOL	15	\$4,024	\$7,200		\$67,660	\$320-\$380	\$500-\$950	\$74,310	\$335
Business Administration:											
Concentration in Accounting	BS	WOL	15	\$4,024	\$7,200		\$67,660	\$290-\$350	\$500-\$950	\$73,860	\$335
Business Administration:											
Concentration in Marketing & Sales	BS	WOL	15	\$4,024	\$7,200		\$67,660	\$320-\$380	\$500-\$950	\$74,310	\$335
E-Business Management	BS	WOL	15	\$4,306	\$7,500	\$130	\$72,320	\$250-\$330	\$500-\$950	\$78,220	\$344
Fashion Merchandising	BS	WOL	15	\$4,024	\$7,280		\$67,740	\$300-\$380	\$500-\$950	\$74,390	\$332
Health Care Management	BS	WOL	15	\$4,024	\$7,200		\$67,660	\$290-\$330	\$500-\$950	\$73,560	\$335
Technical Management	BS	WOL	7	\$4,024	\$3,600		\$31,868	\$290-\$370	\$500-\$950	\$35,408	\$313
Fashion Merchandising	AAS	WOL	8	\$4,024	\$3,960		\$36,252	\$300-\$380	\$500-\$950	\$40,242	\$325
SCHOOL OF DESIGN											
Animation	BS	WOL	15	\$4,306	\$7,800	\$490	\$72,980	\$170-\$230	\$2,300-\$2,600	\$79,030	\$331
Game Art and Design	BS	WOL	15	\$4,306	\$7,720	\$363	\$72,773	\$170-\$250	\$2,000-\$2,200	\$78,723	\$335
Interior Design	BS	WOL	15	\$4,306	\$7,600	\$722	\$73,012	\$200-\$260	\$700-\$1,000	\$77,912	\$340
Visual Communications	BS	WOL	15	\$4,306	\$7,680	\$490	\$72,860	\$180-\$260	\$2,000-\$2,500	\$79,260	\$336
Web Design and Multimedia	BS	WOL	15	\$4,306	\$7,680	\$490	\$72,860	\$170-\$250	\$2,300-\$2,600	\$79,210	\$336
Graphic Design and Multimedia	AAS	WOL	8	\$4,306	\$4,200	\$490	\$39,238	\$180-\$260	\$2,300-\$2,600	\$43,918	\$328
SCHOOL OF JUSTICE											
Criminal Justice	BS	WOL	15	\$4,265	\$7,560		\$71,635	\$260-\$340	\$500-\$950	\$77,685	\$338
Paralegal	AAS	WOL	8	\$3,857	\$4,100		\$35,056	\$200-\$270	\$850-\$1,250	\$38,466	\$301
SCHOOL OF TECHNOLOGY											
Computer Network Management	BS	WOL	15	\$4,306	\$7,680	\$130	\$72,500	\$190-\$270	\$500-\$950	\$77,500	\$336
Game Software Development	BS	WOL	15	\$4,306	\$7,740		\$72,430	\$200-\$280	\$500-\$800	\$77,430	\$334
Information Systems Security	BS	WOL	15	\$4,306	\$7,680	\$130	\$72,500	\$210-\$270	\$500-\$950	\$77,500	\$336
Computer Network Engineering	AAS	WOL	8	\$4,306	\$4,560	\$130	\$39,238	\$190-\$270	\$500-\$950	\$42,348	\$302
Software Engineering	AAS	WOL	8	\$4,306	\$4,260		\$38,808	\$210-\$270	\$500-\$950	\$41,918	\$323
CREDENTIAL ABBREVIATIONS:						CAMPUS ABBREVIATIONS:					
Masters	MBA					Denver - North				DNN	
Bachelor of Science	BS					Denver - South				DNS	
Associate of Applied Science	AAS					Distance Learning/Online				WOL	

EXHIBIT E – JOB POSTING

ADMISSIONS REPRESENTATIVE-CAMPUS

Req. Code : 4730
Division/Department : DNN
Location : Denver CO US 80221
Job Type : Full Time
Career Level : Experienced (Non-Manager)
Education : Bachelor's Degree
Category : Sales

Job Description :

Headquartered in Denver, Colorado, Alta College, Inc. (Alta) is the parent company of a system of higher education institutions including Westwood College, and Westwood College Online. With over 16,000 students currently enrolled in our programs, the company operates 18 campuses in California, Colorado, Georgia, Illinois, Texas and Virginia as well as Westwood College Online - a part of Westwood College - Denver North.

Since its inception, Alta Colleges, Inc. has helped launch the careers of over 20,000 graduates and we currently employ over 3,000 full time employees, including 1,200 full and adjunct instructors.

Westwood College was founded in Denver, Colorado in 1953. For many years the school was known as Denver Institute of Technology, offering diploma and degree programs in a variety of technical fields. Since then, Alta has expanded Westwood College's offerings by leveraging its proven approach of career-focused education to reach a wider array of students.

Westwood [College in Denver](#) - North campus is looking for Admissions Representatives

The primary role of the Admissions Representative is to selectively prospect, interview, recommend and enroll individuals into a qualified career-focused Alta Colleges education and guide the prospect through the enrollment completion process.

ESSENTIAL DUTIES AND RESPONSIBILITIES

To be successful in the organization, the Representative must be able to work with diverse contacts and have a high level of professional customer service. Other essential responsibilities include:

- Heavy outbound phone prospecting to company-provided and self-generated leads
- Appointment setting for on-campus interviews
- Maintains a high level of production activity, conversion rates and start rates. Meets and exceeds established Admissions goals
- Completes Enrollment Paperwork and follows up with candidates through the enrollment completion process up to and including active attendance in school
- Acts as liaison between the student and appropriate school departments to arrange housing, part time employment, financial aid processing and document submittal
- Communicates with candidates prior to the class start to identify potential problems and facilitate solutions
- Stays in contact with students throughout their program in order to assist them in becoming successful graduates
- Quotes prices, terms, and conditions and only make representations concerning programs, quality, capacity and other educational particulars as set forth by the School
- Operates within the highest ethical standards and integrity in all aspects of the position
- Networks off-campus in a variety of areas to promote the College and secure personal leads including trade events, job fairs and personal interactions
- For duties specifically related to Senior, Master and Executive level Admissions Representative please refer to the current compensation plan.
- Perform all other duties as assigned

MINIMUM QUALIFICATIONS

- Education: Bachelor's degree or equivalent related

- One to three years of sales experience
- Ability to work in a sales driven environment
- Passion for results, solid work ethic, and a winning attitude
- Excellent phone skills
- Strong track record of sales success
- Ability to work a flexible schedule
- Professional appearance and demeanor

Equal Employment Opportunity

Our Company is committed to serving a diverse multicultural body of students in an atmosphere that promotes pride, respect and teamwork. To our campuses and campus communities, we commit to recruit an experienced and qualified faculty and staff who are reflective of the infinitely varied human talent available. All employment decisions are made without regard to race, color, religion, sex, national origin, age, disability, veteran status, marital or family status, sexual orientation, or gender identity.

For more information visit Westwood [College online](#)

EXHIBIT F – “DRIVE BY” EMAIL

Subject: FW: WOW!!!!!!!!!!!!!!!!!!!!
From: "Robert M. Fregia" <RFregia@westwood.edu>
Date: Thu, 3 Apr 2008 11:31:08 -0600
To: "wold800" <wold800@westwood.edu>, "WOLCRAdmissions" <WOLCRAdmissions@westwood.edu>

Everyone Hit the DECK!!!!!!!!!!!!!!!

A Drive BY JUST Occurred!



Thanks to Mark McDaniel!

Hitting WOW!!!!!!!!!!!!!!!!!!!!!! 2nd app of the day!

The Drivers now at 9 Double digits here we come!

EXHIBIT G – APEX LOAN STATEMENT

WESTWOOD COLLEGE ONLINE/5056
C/O UNISA INC
7400 E ARAPAHOE RD SUITE 10
ENGLEWOOD CO 80112-1279
WWW.UNISAINC.COM

PHONE: (800) 875-8910
FAX: (303) 221-5606

BILLING STATEMENT: 11/10/2008

PROGRAM: APEX LOAN PROGRAM
LETTER: APEXBL5

MICHAEL MENSCH
6462 SULLIVAN TRAIL
WIND GAP PA 18091-9786

TO PAY YOUR LOAN IN FULL, REMIT
\$2,056.85 ON OR BEFORE 12/01/2008

ACCOUNT NUMBER



DUE AMOUNT: \$150.00

KEEP THIS SECTION FOR YOUR RECORDS

PLEASE REMIT THE AMOUNT DUE NO LATER THAN THE DUE DATE TO AVOID
THE POSSIBLE ASSESSMENT OF LATE AND/OR PENALTY CHARGES. PLEASE
CONTACT OUR OFFICE IF YOU HAVE ANY QUESTIONS OR NEED ASSISTANCE.

LOAN AMOUNT	\$2,026.45	LATE CHARGE DUE	\$0.00
PRINCIPAL PAID		SERVICE CHARGE DUE	\$0.00
PRINCIPAL CANCELLED	\$0.00	COLLECTION CHARGE DUE	\$0.00
PRINCIPAL BALANCE	\$2,026.45	LITIGATION CHARGE DUE	\$0.00
INTEREST PAID		PRINCIPAL DUE	\$119.60
		INTEREST DUE	\$30.40
LAST PAID AMOUNT		LAST PAID DATE	
ALWAYS WRITE YOUR ACCOUNT NUMBER ON ALL CHECKS AND CORRESPONDENCE			

DETACH AND RETURN THE LOWER SECTION WITH PAYMENT:

MICHAEL MENSCH
6462 SULLIVAN TRAIL
WIND GAP PA 18091-9786

ADDRESS CHANGE:

HOME PHONE: _____
WORK PHONE: _____

SEND PAYMENT TO THE FOLLOWING:

WESTWOOD COLLEGE ONLINE/5056
PO BOX 4385
ENGLEWOOD CO 80155-4385

ACCOUNT NO:

DUE DATE: 12/01/2008
DUE AMOUNT: \$150.00

