

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT
BUSINESS LITIGATION SESSION
CIVIL ACTION NO.

14-3854

COMMONWEALTH OF MASSACHUSETTS,

Plaintiff,

v.

PREMIER EDUCATION GROUP L.P.,
SALTER COLLEGE: A PRIVATE TWO-YEAR
COLLEGE, LLC,

Defendants.

COMPLAINT



INTRODUCTION

1. The Commonwealth of Massachusetts, by and through its Attorney General, Martha Coakley, brings this enforcement action in the public interest pursuant to the Massachusetts Consumer Protection Act, G.L. c. 93A, § 4.

JURISDICTION AND VENUE

2. The Attorney General is authorized to bring this action pursuant to G.L. c. 93A, § 4. The Attorney General ("AGO") has an interest in preventing unfair or deceptive acts or practices in order to promote the health and economic well-being of those who live and transact business in Massachusetts.

3. This court has jurisdiction over the subject matter of this action pursuant to G.L. c. 93A, § 4.

4. This court has personal jurisdiction over Defendants Premier Education Group,

L.P. and Salter College: A Private Two-Year College, LLC (hereinafter, collectively, “Defendants”), pursuant to G.L. c. 223A, § 3(a) and (b). Pursuant to G.L. c. 223, § 5 and G.L. c. 93A, § 4, venue is proper in Suffolk County.

PARTIES

5. The Plaintiff is the Commonwealth of Massachusetts, represented by the Attorney General, who brings this action in the public interest to remedy Defendants’ unlawful conduct and to enjoin future unlawful acts.

6. Defendant Premier Education Group, L.P. is a Pennsylvania limited partnership with its principal place of business located at 100 South Shore Drive, East Haven, Connecticut and a regional office in Springfield, Massachusetts. Defendant Salter College: A Private Two-Year College, LLC is a limited liability company owned and operated by Defendant Premier Education Group, L.P. with its principal place of business located at 184 West Boylston Street, West Boylston, Massachusetts.

STATEMENT OF FACTS

7. Since at least 2009 and continuing through the present, Defendants have made unfair or deceptive representations concerning various aspects of its educational programs and services.

A. Representations Concerning the Selectivity of Defendants’ Admissions in Massachusetts

8. Defendants’ corporate policy requires its representatives in Massachusetts to tell students that “we must be very selective as to the type of student we accept into our school.”

9. In fact, Defendants are open enrollment schools with limited admission standards beyond a high school diploma (or equivalent) and the ability to pay tuition or eligibility to

receive Title IV funding.

10. Defendants' representations to prospective Massachusetts students and the public that Defendants' admissions in Massachusetts are "selective" had the effect of inducing students to enroll in Defendants' programs in Massachusetts.

B. Representations Concerning Job Placement Rates

11. Since at least 2009 or earlier, a key part of Defendants' recruiting efforts to attract students to its Massachusetts campuses has involved written and oral statements concerning Defendants' career-training preparation for jobs in the students' fields of study, and to Defendants' influence and historical success in placing students in these jobs.

12. Between 2009 or earlier and the present, Defendants' website states: "In each of its campuses, Premier Education Group is committed to providing students with the necessary skills and attitudes to secure employment in their field of study."

13. Between 2011-2012 or earlier and the present, the website for Salter College, a Defendant location in Massachusetts, refers to "Salter College's mission... for over sixty years—to offer students a challenging, intensive program of study leading to satisfying business and professional careers." Salter tells students that "[t]he education you receive at Salter College is designed to prepare you for an exciting career or to enhance the opportunities in your current career."

14. Since at least 2009 or earlier and continuing through the present, Defendants have reported placement rates to prospective students and the public in its oral recruitment statements and in written marketing and recruitment materials. Beginning in 2009 or earlier, Defendants published their high placement rates to consumers and prospective students in Massachusetts.

15. In some instances, Defendants' admissions representatives reported placement

rates above 80% when in fact the actual placement rates were materially lower. In order to reach these higher rates, Defendants counted among their placements temporary jobs, part-time jobs, and jobs which the AGO has determined not to be in the students' field of study, such as home health aides.

16. Defendants' representations concerning placement rates had the effect of inducing Massachusetts students to enroll in Defendants' Massachusetts programs and providing access to tuition and fee monies acquired by Defendants.

C. Representations Concerning Job Placement Services

17. In its oral recruitment statements and written materials, Defendants promised to provide students with help in finding jobs in their fields of study. The Salter College website stated, "The Salter College Career Services Department assists students and alumni in all aspects of their job search."

18. In fact, students reported that the job listings provided by Defendants were from publicly available sources and that Defendants did not provide any special services or programs to assist students and alumni in their job search.

19. Defendants' representations concerning placement services had the effect of inducing students to enroll in Defendants' programs in Massachusetts and providing access to tuition and fee monies acquired by Defendants.

D. Defendants' Statements Concerning Student Externships

20. Since at least 2009, Defendants have represented to prospective students and the public that an externship component is an important element of their education. Defendants' recruiters in Massachusetts stated orally to prospective students and the public and in written

materials that the Defendants' externships in Massachusetts provide hands-on, real world experience and training in the student's field of study. The Salter College 2011-2012 catalog states, "Externships provide hands-on experience utilizing the skills attained in the students' programs. Depending upon the program of study, students serve up to 200 hours in their career field." It further states, "Externships are a cooperative effort between the College and various facilities. Externship sites are carefully selected based on facility, learning opportunity, geographic location, site personnel and availability. The Career Services personnel maintain individual relationships with all active sites and visit these locations on an ongoing basis." The catalog promised Medical Billing and Coding students the "opportunity to gain practical experience in both medical billing and coding fundamentals."

21. Defendants also claim on their websites that externships lead to full time, in-field employment. On its website for the Salter School, Defendants claimed, "Most programs include externships. Externship companies frequently hire our students on a permanent basis." In fact, for many of Defendants' students in Massachusetts, externships do not lead to jobs in the students' fields of study.

22. While Defendants told Massachusetts students that most programs include externships, many students were forced to find their own externships, delaying the completion of their program and their ability to work.

23. Defendants' representations concerning externships in marketing materials, on Defendants' websites, and in statements to consumers and prospective students had the effect of inducing consumers to enroll in at Defendants' schools in Massachusetts and to make tuition and fee payments to Defendants.

E. Representations Concerning Certification and Qualification for Employment

24. In order to be certified in medical assisting by some credentialing bodies, students must take a certification exam administered by those bodies. Some of Defendants' recruiters stated to consumers and prospective students that tuition included the cost of the certification exam and/or omitted to tell students that the certification exam requires students to pay an additional amount to take the certification test.

25. Defendants' representations concerning certification and qualification for employment had the effect of inducing students to enroll in Defendants' programs in Massachusetts and providing access to tuition and fee monies acquired by Defendants.

CAUSES OF ACTION

Count One
(Violations of G.L. c. 93A)

26. The Commonwealth repeats and realleges paragraphs 1 through 25 of the Complaint.

27. Defendants' representations to Massachusetts consumers, prospective students, and others were material and deceived or had the tendency or capacity to deceive or mislead potential and existing customers, in violation of G.L. c. 93A, § 2, inducing consumers to enroll in Defendants' programs in Massachusetts and to provide tuition and fee monies to Defendants.

28. Defendants knew or should have known that their acts or practices were unfair and deceptive acts in violation of G.L. c. 93A, § 2.

29. Defendants acquired tuition and fee monies by reason of its unfair or deceptive acts or practices, causing students to suffer an ascertainable loss by paying out funds and/or incurring student loan debts.

30. Defendants' unfair or deceptive acts and practices resulted in harm to consumers.

Count Two
(Violations of 940 CMR 3.10 and 3.16)

31. The Commonwealth repeats and realleges paragraphs 1 through 30 of the Complaint.

32. Defendants have engaged in acts or practices in violation of 940 CMR 3.10 and 3.16.

33. Defendants' representations to consumers, prospective students, and others were material and deceived or had the tendency or capacity to deceive or mislead potential and existing Massachusetts customers, inducing consumers to enroll in Defendants' programs in Massachusetts and to provide tuition and fee monies to Defendants.

34. Defendants knew or should have known that its representations, acts or practices were in violation of 940 CMR 3.10 and 3.16.

35. Defendants acquired tuition and fee monies by reason of their unfair or deceptive acts or practices, causing students to suffer an ascertainable loss.

36. Defendants' unfair or deceptive acts and practices resulted in harm to consumers.

RELIEF REQUESTED

WHEREFORE, the Commonwealth requests that this Court:

A. Issue a permanent injunction restraining Defendants, their agents, employees and all other persons and entities, corporate and otherwise, in active concert or participation with any of them from:

- i. making false and/or misleading representations to the public, to prospective and current students concerning job placement and career services, and, in particular: their influence in obtaining employment in students' field of study, their historical

success in finding jobs for students in their field of study, and opportunities available for students in their field of study,

- ii. making false and/or misleading representations to the public and to prospective students concerning the assistance they provide to students in obtaining employment in their field of study,
- iii. making false and/or misleading representations to the public and to prospective and current students concerning the availability of externships and the training provided by and employment opportunities accompanying externships,
- iv. making false and/or misleading representations to the public and to prospective and current students regarding certification and/or licensure.

B. Order such other and further relief as may be allowed under the Massachusetts Consumer Protection Act, G.L. c. 93A, § 4.

C. Grant such other and further relief as this Court deems just and proper.

Respectfully Submitted,

COMMONWEALTH OF MASSACHUSETTS

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