

1 TERRY GODDARD
2 Attorney General
3 Firm Bar No. 14000

4 VINCENT L. RABAGO
5 Assistant Attorney General
6 Consumer Protection & Advocacy Section
7 State Bar No. #15522
8 400 W. Congress, South Bldg., Suite 315
9 Tucson, Arizona 85701-1367
10 Telephone: (520) 628-6504
11 Pima County Computer No. 65796
12 Attorneys for Plaintiff

13 **ARIZONA SUPERIOR COURT**

14 **COUNTY OF PIMA**

15 State of Arizona, ex rel. Terry Goddard,
16 Attorney General,

17 Plaintiff,

18 vs.

19 Southwest Business Colleges, Inc. dba
20 Tucson College,

21 Defendant.

No. _____

ORDER RE: CONSENT JUDGMENT

Unclassified Civil

22 **Based on the parties' Joint Motion to Enter Consent Judgment and good cause**
23 **appearing,**

24 **THE COURT HEREBY FINDS AND ORDERS:**

25 1. The State of Arizona, having filed a complaint alleging violations of
26 A.R.S. § 44-1521 *et seq.*, the Consumer Fraud Act, and Defendant, Southwest
27 Business Colleges Inc. dba Tucson College (Tucson College), having been fully
28 advised of its right to trial in this matter and, after consulting with counsel, having
waived that right, admit the jurisdiction of this Court over the subject matter and the
parties for the purpose of entry of this Consent Judgment and acknowledge that

1 jurisdiction is retained by the Court for the purpose of enforcement of this Consent
2 Judgment.

3 A. Tucson College has agreed to a voluntary compromise of disputed
4 claims, and the State of Arizona and Defendant have agreed on a basis for the
5 settlement of these matters in dispute. Tucson College disputes the allegations in the
6 Complaint but has agreed to a voluntary compromise of disputed claims.

7 B. This Consent Judgment does not constitute an admission by Tucson
8 College for any purpose of a violation of any state or federal law, rule or regulation, nor
9 does this Consent Judgment constitute evidence of any liability. This Consent
10 Judgment is made without trial or adjudication of any issues of fact or law or finding of
11 liability of any kind.

12 C. Defendant Tucson College recognizes and states that this Consent
13 Judgment is entered into voluntarily and that no threats or promises have been made
14 by the Office of the Attorney General or any member thereof to induce Defendant to
15 enter into this Consent Judgment.

16 **CONSENT JUDGMENT**

17 2. This Order incorporates the parties' Joint Motion to Enter Consent
18 Judgment in *State v. Southwest Business Colleges, Inc. dba Tucson College*.

19 **DEFINITIONS**

20 3. For purposes of this Consent Judgment, the following definitions shall
21 apply:

22 **“Advertise,” “Advertising” and “Advertisement”** means the publication,
23 dissemination, solicitation, and circulation of information promoting Tucson College
24 products and services via computer networks, television, radio or print, or through direct
25 mailing, visual and audio displays, or through any other means.

26 **“Clear and conspicuous”** means that the statement, representation, or term
27 being conveyed is in close proximity to some other statement, representation or term it
28 clarifies, modifies, explains, or to which it otherwise relates; is readily noticeable; is

1 reasonably understandable by the person(s) to whom it is directed; and is not
2 contradictory to any terms it purports to clarify, modify or explain.

3 A statement, representation or term is not clear and conspicuous, unless:

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5 (A) For printed, written, typed or graphic advertisements, it is of
6 sufficient prominence in terms of print, size and color contrast as
7 to be readily noticeable when read in the context of the
8 remainder of the advertisement. Any type size which is 10-point
9 type or larger is deemed readily noticeable when contained in a
10 written document 8 ½ inches by 14 inches or smaller.

11 (B) For radio advertisement and the audio portion of television
12 advertisements or advertisements in any other audio-visual
13 medium, it is at a decibel level equal to or louder than the typical
14 decibel level used in the advertisement; is at a speed that is
15 typical of or more audible than any other statements,
16 representations or terms contained in the advertisement; and, if
17 it is a statement of terms or conditions of sale, it is made during
18 or after the remainder of the advertisement, rather than
19 preceding the advertisement.

20 (C) For superimposed written copy in a television advertisement
21 or advertisements in any other audio-visual medium, it is legible
22 and appears on the screen for a duration sufficient to allow a
23 viewer to have a reasonable opportunity to read and understand
24 the statement, representation, or term.

25 **APPLICATION**

26 4. This Order applies to Southwest Business Colleges Inc. dba Tucson
27 College (hereafter "Tucson College") and to its current and future principals, owners,
28 members, officers and directors, assigns and successors, managerial or supervisory
employees, and to any employees or agents having responsibilities concerning the
subject matter of this Order.

29 **INJUNCTION**

30 5. Tucson College shall not represent or imply that the Attorney General,
31 the State of Arizona or any state agency has approved any of Tucson College's
32 actions or has approved any of its past, present or future business practices, and
33 Tucson College is enjoined from directly or indirectly representing anything to the

1 contrary.

2 6. Tucson College shall comply with the Arizona Consumer Fraud Act,
3 A.R.S. § 44-1521 *et seq.*, as it is currently written, or as it is amended in the future.

4 7. Tucson College shall engage in truthful advertising and use advertising
5 disclosures, no matter the medium, only in a clear and conspicuous, truthful and non-
6 misleading manner and in close proximity to the information to which the disclosure
7 refers.

8 8. Tucson College shall not advertise, imply or represent that:

9 a. Tucson College provides the only professional training required or
10 needed for entry level positions in corrections, probation, police, and other
11 positions in law enforcement;

12 b. Tucson College's Criminal Justice Program qualifies
13 graduates to obtain entry level positions in law enforcement or corrections;

14 c. enrollment in Tucson College's Criminal Justice Program does not
15 require a G.E.D. (General Equivalency Diploma) or a high school diploma;

16 d. Tucson College will provide a Criminal Justice Program certificate
17 in lieu of a Criminal Justice Program diploma for students who complete the
18 program but cannot graduate because they have not yet obtained a G.E.D. or
19 high school diploma;

20 9. Tucson College shall not misrepresent qualification requirements for any
21 job relating to law enforcement and/or corrections, including but not limited to age,
22 education, certification, criminal history, and other requirements.

23 10. Tucson College shall disclose clearly and conspicuously in writing on a
24 separate document titled "Notice About Criminal Justice Career Requirements and
25 Possible Disqualifying Factors", that there are minimum additional job qualification,
26 training and certification requirements as well as disqualifying factors for employment
27 in law enforcement agencies and correctional institutions, including but not limited to
28 age, certification, education, and criminal history (felony offenses, drug crimes,

1 offenses involving dishonesty, etc.). Tucson College shall obtain students' initials and
2 acknowledgment of their receipt and understanding of the Notice, and shall provide a
3 copy of the notice to prospective students during the initial face-to-face recruitment
4 meeting.

5 11. If Tucson Colleges advertises the Criminal Justice program as leading to
6 a possible career in law enforcement or corrections, Tucson College shall include
7 clear and conspicuous disclosure about minimum job qualification requirements,
8 additional training or certification requirements, and/or disqualifying factors for
9 employment in the Criminal Justice field, including but not limited to age, education,
10 and criminal history (felony offenses, drug crimes, offenses involving dishonesty, etc.).

11 12. If Tucson College makes the above advertising claim orally, Tucson
12 College must orally provide the same disclosure required by Paragraph 11 about
13 minimum job qualification requirements, additional training or certification
14 requirements, and/or disqualifying factors for employment in the Criminal Justice field,
15 including but not limited to age, education, and criminal history (felony offenses, drug
16 crimes, offenses involving dishonesty, etc.).

17 13. Tucson College shall not in any way advertise to, recruit and/or enroll,
18 students without a high school diploma or G.E.D. in the Criminal Justice Program or
19 any Tucson College diploma program where accreditation is based, in part or in
20 whole, on Tucson College's representations to any accrediting body and/or licensing
21 agency that Tucson College students are required to have a high school diploma or
22 G.E.D. in order to enroll in the program.

23 14. Tucson College shall not offer a certificate in lieu of a Tucson College
24 diploma in order to recruit students who are ineligible to enroll in any diploma program.

25 15. Tucson College shall not imply or represent that Tucson College credits
26 are transferable unless Tucson College knows the credits are transferable to specific
27 community colleges and universities.

28 16. Tucson College shall disclose clearly and conspicuously in bold writing

1 on the front page of student enrollment agreements, the following:

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TRANSFER OF CREDITS

Tucson College does not guarantee that your credits or coursework will transfer to other schools, colleges, or universities. DO NOT ASSUME that your credits from Tucson College can be transferred to schools like Pima Community College and the University of Arizona, Arizona State University, and Northern Arizona University.

17. If Tucson College makes oral representations about transferability of credits, Tucson College shall orally make the disclosure required by Paragraph 16.

18. Tucson College shall immediately destroy all advertising, brochures, and handouts formerly used to market the Criminal Justice Program, which were the subject of this Consent Judgment.

19. Tucson College shall maintain any student questionnaires for all of its programs for a period of at least 3 years.

20. For a period of 3 years beginning on the date the Court signs the Consent Judgment, and within fifteen (15) days of a written request by the Attorney General, Tucson College will provide such records and documents as the Attorney General may determine has bearing on compliance with the Consent Judgment.

RESTITUTION AND PAYMENT

21. Tucson College shall withdraw from collections agencies any student accounts for students who enrolled in Tucson College's Criminal Justice Program, and shall take the necessary steps to cause any negative credit reporting concerning such student accounts to be corrected. Tucson College shall provide documentation of the withdrawal of such accounts from collections and all credit history/reporting corrections to the Attorney General within 90 days of the signing date of the consent judgment.

22. Within 90 days of the signing date of the consent judgment, Tucson College shall pay full restitution to all Criminal Justice Program students for payments made to Tucson College to attend the Criminal Justice Program, including but not

1 limited to:

- 2 a. refunding and/or repaying all student loans and/or third party
- 3 payments incurred to attend;
- 4 b. all payments made by the students and/or their agents directly to
- 5 the school related to enrollment or attendance at Tucson College.

6 23. Within 120 days of the signing date of the consent judgment, Tucson
7 College shall provide documentation to the Office of the Attorney General of:

- 8 a. student loan refunds and/or other third party repayments; and
- 9 b. direct repayments to students. If Tucson College is unable to find
- 10 students to repay money that students paid directly to Tucson
- 11 College, Tucson College shall provide evidence of their good faith
- 12 attempts to repay the money.

13 24. If Tucson College is unable to locate students to make direct repayments
14 to them, Tucson College shall write a check to the Attorney General's Office for the
15 aggregate amount owed to such students and shall identify to the Attorney General
16 which students could not be located and the amount due to each student. Tucson
17 College will provide this check and information within 120 days of the signing date of
18 the Consent Judgment. Upon receipt of Tucson College's check, the Attorney
19 General shall deposit the money in a separate interest bearing account and hold the
20 funds for up to 2 years. If at any point during the 2 year period, Tucson College or the
21 Attorney General's Office is able to locate the students, the Attorney General shall
22 write a check to the students for the amount they directly paid Tucson College. If the
23 students are not located by the end of the 2 year period, the funds in the separate
24 interest bearing account shall revert to the Consumer Fraud revolving fund for costs
25 and attorney fees.

26 25. Tucson College shall pay the amount of \$150,000.00 to the Office of the
27 Arizona Attorney General for consumer fraud education, investigative and
28 enforcement operations of the consumer protection section, and attorney's fees and

1 costs of the investigation, pursuant to A.R.S. § 44-1531.01 (B) and (C). Tucson
2 College shall make the payment of \$ 37,500.00 within 15 days of the filing of this
3 Order. The remaining amount of \$112,500.00 shall be paid no later than 45 days from
4 the date of the date of this Order. The payment of attorneys' fees and costs and other
5 obligations herein, shall not be considered a civil fine or penalty and is paid pursuant
6 to A.R.S. §§ 44-1531 and 1534.

7 DATED this ____ day of March, 2008.

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9 JUDGE OF THE SUPERIOR COURT

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