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MICHAEL K JEANES, Clerk
By S. Ortega
Deputy

1 **MARK BRNOVICH**
2 **ATTORNEY GENERAL**
(Firm Bar No. 14000)
3 **EVAN G. DANIELS (Bar No. 030624)**
4 **ASSISTANT ATTORNEY GENERAL**
1275 West Washington Street
5 Phoenix, Arizona 85007-2997
6 Telephone: (602) 542-7751
7 Facsimile: (602) 542-4377
consumer@azag.gov
8 *Attorneys for State of Arizona*

9 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **IN AND FOR THE COUNTY OF MARICOPA**

11 STATE OF ARIZONA, *ex rel.*
12 MARK BRNOVICH, Attorney General

13 Plaintiff,

14 v.

15 PARA HEALTH PROFESSIONALS, INC.,
16 an Arizona corporation; EXAMINATION
17 PREPARATION INSTITUTE, INC., an
18 Arizona corporation; PAMELA RAE DAVIS
and JOHN C. DAVIS, wife and husband; and
19 ERNEST C. ESTEBAN.

20 Defendants.

Case No: CV2017-001826

STIPULATED CONSENT JUDGMENT

Assigned to the Honorable Joshua Rogers

21 Plaintiff State of Arizona, *ex rel.* Mark Brnovich, Attorney General, has filed a Civil
22 Complaint in this action (“the Complaint”) alleging violations of the Arizona Consumer Fraud
23 Act, Ariz. Rev. Stat. (“A.R.S.”) §§ 44-1521 to 44-1534 (“the Consumer Fraud Act”), against
24 Defendants Para Health Professionals, Inc., Examination Preparation Institute, Inc., Pamela Rae
25 Davis and John C. Davis, wife and husband, and Ernest C. Esteban (collectively “Defendants”).
26

1 Having waived their right to service and to a trial in this matter, Defendants admit that this Court
2 has jurisdiction over the parties and subject matter to enter this Consent Judgment (“Judgment”).
3 Defendants consent and stipulate to entry of the Judgment, including the findings of fact and
4 conclusions of law, to compromise and settle the claims asserted in the Complaint.
5 Accordingly, the Court enters this Judgment against the Defendants.

6 **PARTIES AND JURISDICTION**

7 1. Plaintiff is the State of Arizona, *ex rel.* Mark Brnovich, the Attorney General
8 (“the State”).

9 2. Defendant Para Health Professionals, Inc. (“Para Health”) is an Arizona
10 corporation that has operated from April 2012 to the present with its principal place of business
11 in Scottsdale, Arizona. Para Health also has an office in Las Vegas, Nevada.

12 3. Defendant Examination Preparation Institute, Inc. (“EPI”) is an Arizona
13 corporation that has operated from April 2012 to the present with its principal place of business
14 in Scottsdale, Arizona.

15 4. Defendant Pamela Rae Davis resides in Maricopa County. At all times relevant to
16 this Complaint, Defendant Davis directed, managed, and controlled Para Health’s and EPI’s
17 business.

18 5. Defendant Ernest C. Esteban resides in Maricopa County. At all times relevant to
19 this Complaint, Defendant Esteban directed, managed, and controlled Para Health’s and EPI’s
20 business.

21 6. Defendant John C. Davis resides in Maricopa County and is named solely for any
22 interest he may possess in his marital community with Defendant Pamela Rae Davis.
23 “Defendants” as noted throughout the Judgment generally is a collective reference to all
24 defendants excluding John C. Davis, except to the extent his marital community is liable as
25 ordered by the Judgment.

26 7. This Court has jurisdiction over the Complaint and the parties to enter the

1 Judgment and any future orders as necessary to enforce the Judgment or the Arizona Consumer
2 Fraud Act.

3 8. Venue is proper in Maricopa County, Arizona.

4 **FINDINGS OF FACT**

5 9. From April 2012 to December 2015, Defendant EPI provided seminars to
6 consumers, such as Phlebotomy, Electrocardiogram (“EKG”) Technician, “Medical
7 Technician,” “Behavioral Health Technician,” “Health Care Technician,” “Pharmacology,” and
8 “Pharmacy Technician.” These seminars were taught by Defendant Davis or Defendant Esteban.

9 10. Seminars lasted various lengths of time and included lectures and take home work.

10 11. Defendants charged between \$99 and \$800 per student, per seminar.

11 12. Defendants represented to consumers that taking seminars from Defendant EPI
12 would be sufficient to obtain certification from Defendant Para Health.

13 13. From April 2012 to the present, Defendant Para Health issued what it termed
14 “national certifications” in certain practices related to the medical field, including those for
15 which Defendant EPI provided seminars.

16 14. Defendant Para Health claimed to issue certifications to students after students
17 demonstrated that they had sufficient knowledge and experience. To qualify for certifications,
18 Defendants Davis or Esteban required students to (1) complete one or more seminars from
19 Defendant EPI and (2) take an examination written and graded by Defendants Davis or Estaban.

20 15. Defendants represented to consumers that obtaining a certification from Defendant
21 Para Health would assist a consumer in finding paid employment in the certification field.

22 16. Under A.R.S. § 32-3021(A), “[a] person shall not operate a private vocational
23 program unless the person holds a private vocational program license.” Defendants have never
24 held or sought to hold such a license.

25 17. Defendants represented to consumers that receiving a certification from
26 Defendants was equivalent to obtaining a state-issued private vocational program license.

1 18. Defendants also represented to consumers that taking seminars through Defendant
2 EPI could be used to obtain education credentials such as a high school diploma, an
3 undergraduate college degree, or an advanced graduate degree, including a “PhD in Medicine.”

4 19. Concerning education credentials, Defendants represented to consumers in
5 promotional materials that Defendant EPI would:

- 6 a. “[E]valuate your previous degrees and experiences that you can turn into college
7 credit”;
- 8 b. “[C]ounsel and guide you all the way through to your degree”;
- 9 c. “[H]old monthly lectures to allow you to get the credits you need to complete your
10 degree,” and;
- 11 d. [P]roctor your exams and grade your classwork.”

12 20. Defendants charged consumers to obtain education credentials as follows: \$800
13 for a high school diploma; \$3,000 for an associate’s degree; \$6,000 for a bachelor’s degree;
14 \$9,000 for a Doctorate of Nursing Practice; and \$12,000 for a “PhD in Medicine.”

15 21. Some consumers paid for and obtained from Defendants what they believed were
16 valid education credentials based on seminars that Defendants taught.

17 22. In fact, the education credentials for which consumers paid Defendants were
18 issued by an establishment purporting to be located in the British West Indies.

19 23. Additionally, Defendants claimed to assist consumers with obtaining education
20 credentials from a “foreign credentials evaluation” service. Such services purport to validate
21 credentials obtained from an education establishment outside the United States and issue
22 equivalent credentials that appear to be granted from an institution inside the United States.

23 24. None of the credentials consumers paid to obtain from Defendants, whether from
24 establishments inside or outside the United States, were issued by degree programs accredited
25 by an accrediting agency recognized by the United States Department of Education.

26 25. Defendants have never held or sought to hold a state-issued license to grant or

1 offer to grant degrees under A.R.S. § 32-3022.

2 26. Both Defendant Davis and Defendant Esteban fully and jointly exercised control
3 over Defendants EPI and Defendant Para Health. Defendants operated out of the same office
4 space, used the same resources, and, other than in name, operated as a single entity.

5 **CONCLUSIONS OF LAW**

6 27. Defendants' acts and practices described in the paragraphs set forth above
7 constitute violations of the Consumer Fraud Act, A.R.S. §§ 44-1521, *et seq.*

8 28. Defendants violated the Consumer Fraud Act by deceiving consumers that taking
9 seminars or obtaining a certification from Defendants would assist consumers in obtaining
10 employment and was the equivalent of a state-licensed private vocational program certification.

11 29. Defendants violated the Consumer Fraud Act by deceiving consumers that,
12 through Defendants, consumers could obtain education credentials that would be recognized as
13 valid in the United States, such as high school diplomas, undergraduate level college degrees,
14 and graduate level college degrees.

15 30. Defendants' actions as set forth above entitle the State to injunctive relief; an
16 award of restitution; disgorgement of profits, gains, gross receipts, or other benefits; attorneys'
17 fees and costs; investigative expenses; and any other relief necessary to remedy the
18 consequences of Defendants' unlawful acts and practices

19 31. Defendants acted willfully, as defined by A.R.S. § 44-1531(B), because
20 Defendants knew or should have known that the acts and practices noted above violated the
21 Arizona Consumer Fraud Act. Under the Arizona Consumer Fraud Act, such willful
22 violations entitle the State to civil penalties.

23 32. Defendants are jointly and severally liable for the unlawful acts and practices as
24 recited in the Judgment.

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26

1 **ORDER**

2 33. Defendants and their members, officers, agents, servants, attorneys, employees,
3 and any entity established by Defendants, if any, and those persons in active concert or
4 participation with them, either directly or indirectly, in connection with the advertisement or
5 sale of any merchandise, are permanently enjoined from engaging in all deceptive or unfair
6 acts or practices, fraud, false pretense, false promises, misrepresentations, or concealment,
7 suppression or omission of material fact in violation of the Arizona Consumer Fraud Act,
8 A.R.S. § 44-1522, *et seq.*, as it is currently written, or as it is amended in the future.

9 34. In addition, Defendants are permanently enjoined from:

- 10 a. Making deceptive statements, false promises, or misrepresentations, or omitting,
11 concealing, or suppressing material information regarding how private
12 vocational program certifications may assist a consumer in obtaining paid
13 employment or whether a certification is the equivalent of a certification issued
14 by an establishment with a private vocational program license.
- 15 b. Making deceptive statements, false promises, or misrepresentations, or omitting,
16 concealing, or suppressing material information, about how a consumer may
17 obtain valid education credentials such as (but not limited to) college degrees
18 and advanced postsecondary degrees.
- 19 c. Operating an entity that accepts money from consumers for services that result in
20 obtaining education credentials from entities outside of the United States or
21 otherwise requires "verification" from an entity in the United States.

22 35. Because of Defendants' unlawful acts and practices, Defendants are jointly and
23 severally liable to pay the State: forty thousand dollars (\$40,000) in consumer restitution
24 pursuant to A.R.S. § 44-1528(A)(2); a civil penalty of eight thousand dollars (\$8,000) for
25 pursuant to A.R.S. § 44-1531; and two thousand dollars (\$2,000) in the State's attorneys' fees
26 and investigative costs pursuant to A.R.S. § 44-1534, for a total Judgment award to the State of

1 fifty thousand dollars (\$50,000). Interest shall accrue on the Judgment award at an annual rate
2 of five percent (5%) from the Judgment's entry date.

3 36. Defendants are jointly and severally liable to pay additional consumer restitution if
4 the State receives further consumer complaints within thirty (30) days after the Judgment's entry
5 that cannot be satisfied in full by the forty thousand dollars (\$40,000) in consumer restitution to
6 be paid by Defendants. The Attorney General's Office shall verify that any consumers who file
7 complaints after the Judgment's entry are entitled to restitution. Within a reasonable time after
8 thirty (30) days from the Judgment's entry, the Attorney General will notify Defendants
9 whether and how much additional restitution must be paid to provide full restitution for
10 consumer complaints. If additional restitution is required, Defendants must pay restitution,
11 above and beyond that specified in ¶ 37, of up to twenty thousand dollars (\$20,000). Any
12 additional consumer restitution paid under this paragraph will be deposited in an interest bearing
13 account within the Consumer Restitution Subaccount of the Consumer Remediation Revolving
14 Fund, pursuant to A.R.S. § 44-1531.02, and distributed to eligible consumers. If the total
15 consumer restitution amount paid by Defendants is not sufficient to fully restore eligible
16 consumers, consumer restitution shall be distributed to eligible consumers on a pro rata basis.

17 37. Defendants must pay to the State an initial payment of ten thousand dollars
18 (\$10,000) by June 1, 2017. The Attorney General will deposit the initial payment into an
19 interest bearing account within the Consumer Restitution Subaccount of the Consumer
20 Remediation Revolving Fund, pursuant to A.R.S. § 44-1531.02, and distribute funds to eligible
21 consumers at the discretion of the Attorney General's Office. If any portion of the restitution
22 cannot be distributed to eligible consumers, or exceeds the amount of restitution required by
23 consumers deemed eligible by the Attorney General's Office, such portion shall be deposited
24 into the Consumer Protection – Consumer Fraud Revolving Fund and used for the purposes set
25 forth in A.R.S. § 44-1531.01.

26 38. After making the initial payment, Defendants thereafter must pay three thousand,

1 five hundred dollars (\$3,500) per month to the State of Arizona to satisfy the remaining portion
2 of the restitution, civil penalties, and attorneys' fees and investigative costs awarded by this
3 Judgment. Monthly payments shall be due on the first day of each month until the balance of
4 consumer restitution, civil penalties, attorney's fees, investigative costs, and interest is paid in
5 full. Said payments shall be deposited by the Attorney General's Office into the Consumer
6 Protection – Consumer Fraud Revolving Fund in accordance with A.R.S. § 44-1531.01 and used
7 for the purposes set forth in the statute.

8 39. Failure to make a timely payment according to the conditions set forth above
9 constitutes a default of Defendants' payment obligation. Upon default, the full amount owed
10 under the Judgment when default occurs becomes immediately due.

11 40. Defendants must not participate, directly or indirectly, in any activity, or form a
12 separate corporation or entity for the purpose of engaging in acts or practices in whole or in part
13 within the State of Arizona that is prohibited by this Judgment or for any other purpose that
14 would otherwise circumvent any part of this Judgment.

15 41. The Judgment is effective on the date the Court enters it. For any time periods
16 established herein, the Judgment's entry date is the date it is filed by the Clerk of the Court.

17 42. This Court retains jurisdiction over this matter for the purpose of considering, if
18 necessary, an application by the State to enforce the Judgment.

19 43. If any portion of the Judgment is held invalid by operation of law, the remaining
20 terms shall not be affected and shall remain in full force and effect.

21 44. The Court has determined that no further matters remain pending, and that the
22 Judgment is entered pursuant to Arizona Rule of Civil Procedure 54(c).

23 DATED this 15 day of March, 2017.

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Judge of the Superior Court

Judge Joshua D. Rogers

1 CONSENT TO JUDGMENT

2 1. Defendants state that they received no promise of any kind or nature whatsoever
3 to induce them to enter into this Consent Judgment, and they voluntarily enter into this
4 Consent Judgment.

5 2. Defendants have fully read and understand this Consent Judgment, understand
6 the legal consequences of signing it, affirm that this is the entire agreement of the parties,
7 affirm that other representations or agreements do not exist outside the writing of this Consent
8 Judgment, and affirm that no force, threats, or coercion of any kind have been used to obtain
9 their agreement and signature.

10 3. Defendants understand that accepting this Consent Judgment is solely for the
11 purpose of settling this litigation and does not preclude the State, or any other agency or
12 officer, or subdivision of this State from instituting other civil or criminal proceedings as may
13 be appropriate for any acts unrelated to this litigation or committed after the entry of this
14 Consent Judgment.

15 4. Defendants agree that the facts set forth in the Judgment's Findings of Fact are
16 sufficient for a court to take as true without further proof in any subsequent legal proceeding
17 against the Defendants that may be pursued by the State to enforce its rights to any payment or
18 money judgment owed pursuant to this Order.

19 DATED this 8 day of March, 2017.

20
21 By: Pamela Rae Davis
22 Para Health Professionals, Inc.
23 Pamela Rae Davis, Manager

By: Pamela Rae Davis
Examination Preparation Institute, Inc.
Pamela Rae Davis, Manager

24 By: Pamela Rae Davis
25 Defendant Pamela Rae Davis

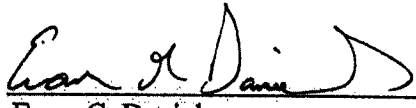
By: Ernest C. Esteban
26 Defendant Ernest C. Esteban


By: John C. Davis, Sr.
Defendant John C. Davis

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APPROVED AS TO FORM AND CONTENT:

MARK BRNOVICH
ATTORNEY GENERAL

By: 
Evan G. Daniels
Assistant Attorney General

By: 
Delano M. Phillips
Attorney for Defendants