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**FILED**

DEC 20 2010

RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
OAKLAND

Free  
Pd.  
ISS

**IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA - OAKLAND DIVISION**

JACQUEL KIMBLE, individually and on  
behalf of all others similarly situated,

Plaintiff,

v.

RHODES COLLEGE, INC., d/b/a EVEREST  
COLLEGE; RHODES BUSINESS GROUP,  
INC., d/b/a EVEREST COLLEGE; and  
CORINTHIAN COLLEGES, INC.,

Defendants

Case No. **C10-05786**

**CLASS ACTION COMPLAINT**

EMC

ADR

**DEMAND FOR JURY TRIAL**

**ORIGINAL**

EMC  
ADR

1 Plaintiff, Jacquell Kimble, individually and on behalf of all others similarly situated, alleges  
2 as follows:

3 **NATURE OF CASE**

4 1. Plaintiff Jacquell Kimble is a former student of Everest College. On behalf of  
5 herself and a proposed class of similarly situated individuals nationwide who enrolled at Everest  
6 College ("the Class"), she seeks an injunction and restitution pursuant to California's Unfair  
7 Competition Law ("UCL"), Cal. Bus. & Prof. Code §§ 17200, *et seq.*, and California's Consumers  
8 Legal Remedies Act ("CLRA"), California Civil Code §§ 1750, *et seq.*

9 **JURISDICTION AND VENUE**

10 2. Jurisdiction is conferred on this Court by 28 U.S.C. § 1332(d).

11 3. Venue lies in this District pursuant to 28 U.S.C. § 1391.

12 **PARTIES**

13 4. Plaintiff Jacquell Kimble ("Ms. Kimble") is an individual who resides in Oakland,  
14 California. Ms. Kimble is sometimes referred to hereafter as "Plaintiff."

15 5. Defendant Rhodes Colleges, Inc., d/b/a Everest College is a corporation organized  
16 under the laws of the State of Delaware whose principal office is situated at 6 Hutton Center  
17 Drive, Suite 400, Santa Ana, California 92707. Rhodes Colleges, Inc. may be served through its  
18 registered agent for service of process, CT Corporation System, 818 West 7th Street, Los Angeles,  
19 California 90017.

20 6. Defendant Rhodes Business Group, Inc., d/b/a Everest College is a corporation  
21 that is organized under the laws of the State of Delaware whose principal office is situated in Santa  
22 Ana, California. Rhodes Business Group Inc. may be served through its registered agent for  
23 service of process, CT Corporation System, 818 West 7th Street, Los Angeles, California 90017.

24 7. Defendant Corinthian Colleges, Inc. is a corporation that is organized under the  
25 laws of the State of Delaware whose principal office is situated in Santa Ana, California.  
26 Corinthian Colleges, Inc. may be served through its registered agent for service of process, CT  
27 Corporation System, 818 West 7th Street, Los Angeles, California 90017.

28 8. Defendants Rhodes Colleges, Inc., d/b/a Everest College, Rhodes Business Group,

1 Inc., d/b/a Everest College, and Corinthian Colleges, Inc. are referred to collectively hereafter as  
2 "Defendants."

3 **FACTUAL ALLEGATIONS**

4 9. Corinthian Colleges, Inc. is one of the largest for profit, post secondary education  
5 companies in North America, with more than 100 campuses across the United States and Canada.  
6 Its campuses offer short term diploma and degree programs in a number of career fields. Rhodes  
7 Colleges, Inc. and Rhodes Business Group, Inc. are both wholly owned subsidiaries of Corinthian  
8 Colleges, Inc., and each are doing business in the State of California and 23 other states under the  
9 assumed name of "Everest College." Everest campuses offer diploma and degree programs in the  
10 health care, business, and computer technology career fields. There are sixteen campuses located  
11 throughout California, including the Hayward, California campus at which Plaintiff was a student.

12 10. Plaintiff was, at all times relevant herein, a student at Everest's Hayward,  
13 California campus situated at 22336 Main Street, Hayward, California 94541 and was enrolled in  
14 Everest's Medical Assisting program.

15 11. In or around May of 2009, Defendants' agents and representatives made numerous  
16 promises to Plaintiff to induce her to enroll at Everest. Students enrolled in the Medical Assisting  
17 program were told by officials of the school that Everest would prepare them for a career "as a  
18 Medical Assistant in a variety of health care settings." Everest represented that through its  
19 program, Plaintiff would gain the skills necessary to maintain a high quality of patient care, take  
20 vital signs, run laboratory and diagnostic tests, all while utilizing her organization, communication  
21 and management skills, which would also be developed through Everest's program.

22 12. Plaintiff was told that Everest's programs were characterized by hands on training  
23 that would allow her to practice with the tools of her new career, small work teams where she  
24 would be able to ask questions and work with instructors who would offer helpful instruction to  
25 students, and experienced and qualified instructors. Admissions personnel specifically told  
26 Plaintiff that Everest offered career placement services, which would help her launch her new  
27 career after graduation. Through the admissions department, Defendants represented that Everest  
28 had between a 90 and 99.9 percent job placement rate.

1           13.    Central to Defendants' efforts to induce Plaintiff to enroll at Everest was the  
2 promise that Everest was an "accredited" college, such that her course credits would transfer to  
3 any four year college or university in the country. Through admissions personnel, Defendants  
4 further represented to Plaintiff that, upon completion of her Medical Assistant program, Plaintiff  
5 would be "certified" to begin work as a medical assistant making an entry-level salary of \$16 per  
6 hour. Defendants, through admissions personnel, presented Everest to Plaintiff as a better  
7 educational and career choice than a degree program at a four-year college or university.

8           14.    Based on these and other representations made by Defendants' agents and  
9 representatives, Plaintiff enrolled at Everest. On the same day that Plaintiff was given an Everest  
10 sales presentation lasting several hours, Plaintiff was told to complete, and did complete,  
11 applications for approximately \$11,000.00 in loans to cover the cost of her tuition at Everest.  
12 These funds were disbursed directly to Everest from federal and private lenders, leaving Plaintiff  
13 obligated to repay these amounts immediately upon enrolling at Everest.

14           15.    Once Everest secured Plaintiff's tuition payments, it became apparent that  
15 Defendants could not foster Plaintiff's professional development in the manner they represented.  
16 Plaintiff attended Everest for a total nine months. During her entire time as a student at Everest,  
17 she had only a single instructor. Plaintiff did not feel that she was receiving the education  
18 sufficient to qualify her as a medical assistant.

19           16.    Nor did the "on the job training" provided Plaintiff measure up to Defendants'  
20 representations. As a graduation requirement, rather than "practicing with the tools of her new  
21 career" as promised, Plaintiff was required to perform 180 hours of unpaid administrative work at  
22 two different eye care centers in Concord and Napa. Nobody from Everest ever observed Plaintiff  
23 at her externship; she simply reported her hours logged to Everest. The only assistance Plaintiff  
24 received from Everest's placement office in finding employment consisted of instructions to bring  
25 her copy of the yellow pages from home, and to cold-call medical offices with scripted questions  
26 about whether they were hiring.

27           17.    Toward the end of her nine-month tenure as an Everest student, Plaintiff learned  
28 that despite Defendants' representations that their course credits would readily transfer to any

1 college or university, this was not the case. In fact, their course credits were not accepted by any  
2 institution of higher learning, leaving her with no option but to start over at great and duplicative  
3 expense, or simply abandon her educational goals altogether. Plaintiff opted to complete her  
4 medical assistant program at Everest and receive a diploma – but she found that her credits would  
5 not transfer to any other institution, and that the certificate she received was not a genuine  
6 certification in the field of medical assisting.

7 18. Notwithstanding Plaintiff's completion of her Everest program, with a worthless  
8 credential and no career placement services, Plaintiff has not found a job within her field of study.  
9 Plaintiff has repeatedly sought employment as a medical assistant over the course of several  
10 months since her experience at Everest, all to no avail.

#### 11 CLASS ACTION ALLEGATIONS

12 19. Pursuant to Fed. R. Civ. P. 23, Plaintiff brings this action on behalf of herself and  
13 a Class of all other persons similarly situated in the United States. The Class consists of:

14 All persons who, during the applicable statutes of limitation, were enrolled as  
15 students at any Everest College campus in the United States through the date of  
16 judgment in this case. Excluded from the Class are Defendants; any parent,  
17 subsidiary, or affiliate of Defendant or any employees, officers, or directors of  
18 Defendants; legal representatives, successors, or assigns of Defendants; and any  
19 justice, judge or magistrate judge of the United States who may hear the case, and  
20 all persons related to any such judicial officer, as defined in 28 U.S.C. § 455(b).

21 Plaintiff reserves the right to modify or amend this proposed definition of the Class in connection  
22 with any motion to certify a class or based on information or discovery learned during the course  
23 of this litigation.

24 20. There are questions of law and fact that are common to all members of the Class,  
25 which questions predominate over any question affecting only individual Class members. The  
26 principal common issues are:

27 a. whether Defendants violated the UCL through their actions as described  
28 herein;

b. whether Plaintiff and the Class members have a right to obtain injunctive  
relief and/or restitution by virtue of Defendants' violations of the UCL;

- 1           c.     whether Defendants violated the CLRA through their actions as described  
2 herein;
- 3           d.     whether Plaintiff and the Class members have a right to obtain injunctive  
4 relief by virtue of Defendants' violations of the CLRA;
- 5           e.     whether Defendants have included language in their enrollment agreements  
6 that is unconscionable under California law; and
- 7           f.     the nature and extent of any other remedies, including statutory damages,  
8 restitution and/or injunctive relief, to which proposed Class members are entitled as a result of  
9 Defendants' wrongful conduct.

10           21.    The only potential individual questions concern the computation of restitution or  
11 damages to be awarded each Class member, which are questions that can be determined by a  
12 ministerial examination of the relevant files. For notice purposes, Class members can be identified  
13 using Defendants' computerized databases of student records.

14           22.    Plaintiff's claims are typical of the claims of all of the other Class members,  
15 because her claims are based on the same legal and remedial theories as the claims of the Class  
16 and arise from the same course of conduct by Defendants.

17           23.    Plaintiff will fairly and adequately protect the interest of all Class members in the  
18 prosecution of this Action and in the administration of all matters relating to the claims stated  
19 herein. Plaintiff is similarly situated with, and has suffered similar injuries as, the members of the  
20 Class she seeks to represent. Plaintiff has retained counsel experienced in handling class action  
21 lawsuits involving California consumer law claims. Neither Plaintiff nor her counsel have any  
22 interest that is antagonistic to those of the Class or which might cause them not to vigorously  
23 pursue this action.

24           24.    A class action is superior to other available methods for the fair and efficient  
25 adjudication of the controversy, in that:

- 26           a.     the losses suffered by the Class members are such that prosecution of  
27 individual actions is impractical or economically unfeasible;

28



1 falsely representing that students who enroll at Everest will receive certifications that qualify them  
2 for work in their fields of study when that is not the case, by falsely representing that they will  
3 furnish students with career placement services that will help secure employment in their fields of  
4 study when that is not the case, and by falsely representing that completion of programs at Everest  
5 results in a very high likelihood of securing employment within the field of study when that is not  
6 the case.

7         30. These acts and practices are unfair because they are likely to cause consumers to  
8 falsely believe that Everest is offering a value that does not, in fact, exist. As a result, purchasers,  
9 including Plaintiff, have reasonably perceived that they are receiving valuable course credits that  
10 transfer freely to other colleges and universities, diplomas and/or certificates that qualify them for  
11 employment within their field of study, and career placement services that will help secure  
12 employment within their field of study. This perception has induced reasonable purchasers,  
13 including Plaintiff, to enroll at Everest and to refrain from enrolling in educational programs at  
14 other colleges and universities.

15         31. Defendants also engaged in unfair conduct by unilaterally inserting  
16 unconscionable provisions in its enrollment agreements. Defendants inserted an arbitration  
17 provision that includes a class action waiver, which is contrary to a fundamental right, contrary to  
18 public policy and so unfairly one-sided that it is substantively unconscionable. Since Defendants  
19 had superior bargaining power and unilaterally inserted these provisions into standard form  
20 contracts which it offered on a take-it-or-leave-it basis, its insertion of these provisions into  
21 enrollment agreements was procedurally unconscionable.

22         32. The gravity of the harm to members of the Class resulting from these unfair acts  
23 and practices outweighs any conceivable reasons, justifications and/or motives of Defendants for  
24 engaging in such deceptive acts and practices. By committing the acts and practices alleged  
25 above, Defendants have engaged, and continue to engage, in unfair business practices within the  
26 meaning of California Business & Professions Code §§ 17200, *et seq.*

27         33. Through their unfair acts and practices, Defendants have improperly obtained  
28 money from Plaintiff and the Class, and continue to improperly obtain money from the general



1 public. As such, Plaintiff requests that this Court cause Defendants to restore this money to  
2 Plaintiff and all Class members, and to enjoin Defendants from continuing to violate the UCL as  
3 discussed herein. Otherwise, Plaintiff, the Class and members of the general public may be  
4 irreparably harmed and/or denied an effective and complete remedy if such an order is not granted.  
5 Plaintiff also requests that this Court order a backward-reaching injunction in order to remedy the  
6 past effects of the unfair conduct alleged herein.

7 **SECOND CAUSE OF ACTION**

8 **(Violation of the "Fraudulent" Prong of the UCL)**

9 34. Plaintiff realleges by reference, as if fully set forth herein, all of the above  
10 Paragraphs.

11 35. The UCL defines unfair business competition to include any "unlawful, unfair or  
12 fraudulent" act or practice, as well as any "unfair, deceptive, untrue or misleading" advertising.  
13 Cal. Bus. & Prof. Code § 17200.

14 36. A business act or practice is "fraudulent" under the UCL if it is likely to deceive  
15 members of the consuming public.

16 37. Defendants' representations including, but not limited to, its advertising and  
17 admissions representatives' presentations and statements regarding Everest's purported  
18 accreditation, transferability of credits, certifications, career placement services, and job placement  
19 rates are "fraudulent" within the meaning of the UCL because they are likely to deceive members  
20 of the general public into believing that Defendants are offering valuable educational services that  
21 do not, in fact, exist. As a result, Plaintiff and the members of the Class have reasonably perceived  
22 that they are receiving valuable course credits that transfer freely to other colleges and universities,  
23 diplomas and/or certificates that qualify them for employment within their field of study, and  
24 career placement services that will help secure employment within their field of study. This  
25 perception has induced reasonable purchasers, including Plaintiff, to enroll at Everest and to  
26 refrain from enrolling in educational programs at other colleges and universities.

27 38. Defendants' acts and practices as described herein have deceived Plaintiff and are  
28 highly likely to deceive members of the consuming public. Specifically, in deciding to enroll at

1 Everest, Plaintiff relied on Defendants' misleading and deceptive representations regarding  
2 Everest's purported accreditation, the transferability of its credits, job certification, and job  
3 placement services and success rates. Each of these factors played a substantial role in Plaintiff's  
4 decision to enroll at Everest, and Plaintiff would not have enrolled at Everest in the absence of  
5 Defendants' misrepresentations.

6 39. Accordingly, Plaintiff suffered monetary loss as a direct result of Defendants'  
7 practices described herein.

8 40. As a result of the conduct described above, Defendants have been, and will  
9 continue to be, unjustly enriched at the expense of Plaintiff and members of the proposed Class.  
10 Specifically, Defendants have been unjustly enriched by obtaining revenues and profits that they  
11 would not otherwise have obtained absent their false, misleading and deceptive conduct.

12 41. Through their unfair acts and practices, Defendants have improperly obtained  
13 money from Plaintiff and the Class, and continue to improperly obtain money from the general  
14 public. As such, Plaintiff requests that this Court cause Defendants to restore this money to  
15 Plaintiff and all Class members, and to enjoin Defendants from continuing to violate the UCL as  
16 discussed herein. Otherwise, Plaintiff, the Class and members of the general public may be  
17 irreparably harmed and/or denied an effective and complete remedy if such an order is not granted.  
18 Plaintiff also requests that this Court order a backward-reaching injunction in order to remedy the  
19 past effects of the unfair conduct alleged herein.

20 **THIRD CAUSE OF ACTION**

21 **(Violation of the "Unlawful" Prong of the UCL)**

22 42. Plaintiff realleges by reference, as if fully set forth herein, all of the above  
23 Paragraphs.

24 43. The UCL defines unfair business competition to include any "unlawful, unfair or  
25 fraudulent" act or practice, as well as any "unfair, deceptive, untrue or misleading" advertising.  
26 Cal. Bus. & Prof. Code § 17200.

27 44. A business act or practice is "unlawful" under the UCL if it violates any other law  
28 or regulation.



1           50. This cause of action is brought pursuant to the Consumers Legal Remedies Act,  
2 California Civil Code §§ 1750, *et seq.* (the "CLRA").

3           51. Plaintiff and each member of the proposed Class are "consumers" within the  
4 meaning of Civil Code § 1761(d).

5           52. Defendants have engaged in unfair methods of competition and unfair and/or  
6 deceptive acts or practices against Plaintiff and the members of the Class, in violation of the  
7 CLRA, by falsely representing that consumers, including Plaintiff, were receiving transferable  
8 course credits at an accredited institution as well as certifications for jobs within their fields of  
9 study and career placement services with very a high likelihood of job placement where  
10 Defendants misrepresented Everest's purported "accreditation," certifications, career placement  
11 services and job placement rates such that the promised value of the services was false, in  
12 violation of Cal. Civ. Code § 1770, subsection (a)(9) ("[a]dvertising goods or services with intent  
13 not to sell them as advertised").

14           53. As a result of these acts and practices, Plaintiff and the Class were damaged in that  
15 Defendants' unlawful and misleading acts and practices alleged herein played a substantial and  
16 material role in Plaintiff's and the Class' decision to enroll at Everest. Absent these acts and  
17 practices, Plaintiff and the Class would not have enrolled at Everest.

18           54. Pursuant to California Civil Code § 1780(a)(2), Plaintiff, on behalf of herself and  
19 the Class, requests that this Court enjoin Defendants from continuing to engage in the unlawful  
20 and deceptive methods, acts and practices alleged above. Unless Defendants are permanently  
21 enjoined from continuing to engage in such violations of the CLRA, future consumers will be  
22 damaged by their acts and practices in the same way as have Plaintiff and the members of the  
23 proposed Class. Plaintiff also requests that this Court cause Defendants to order a backward-  
24 reaching injunction in order to remedy the past effects of the unfair conduct alleged herein. No  
25 damages are presently sought in relation to this Fourth Cause of Action.

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1 **REQUEST FOR RELIEF**

2 WHEREFORE, Plaintiff, Jacquel Kimble, on behalf of herself and the Class, requests the  
3 following relief:

4 A. An order certifying that this action is properly brought and may be maintained as a  
5 class action under Rule 23 of the Federal Rules of Civil Procedure, that Plaintiff be appointed as  
6 Class Representative, and that Plaintiff's counsel be appointed Class Counsel;

7 B. Restitution and injunctive relief for violating the UCL;

8 C. Injunctive relief for violating the CLRA; and

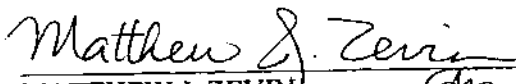

9 D. Such other relief at law or equity as this court may deem just and proper.

10 **JURY TRIAL DEMANDED**

11 Plaintiffs demand a jury trial for all claims so triable.

12 DATED: December 20, 2010

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