DISTRICT COURT, DENVER CITY AND COUNTY, COLORADO 1437 Bannock Street Denver, Colorado 80202 STATE OF COLORADO, ex rel. JOHN W. SUTHERS, ATTORNEY GENERAL, and LAURA E. UDIS, ADMINISTRATOR, UNIFORM CONSUMER CREDIT CODE, Plaintiffs, v. ALTA COLLEGES, INC., a Delaware Corporation; wholly-owned subsidiary WESTWOOD COLLEGE, INC., a Colorado Corporation; and wholly-owned subsidiaries TRAV CORPORATION, ELBERT, Inc., EL NELL, Inc., and GRANT CORPORATION, Colorado Corporations, and WESGRAY CORPORATION, a Delaware Corporation, all d/b/a WESTWOOD COLLEGE, Defendant.	▲ **COURT USE ONLY** ▲
Attorneys for Plaintiffs: JOHN W. SUTHERS Attorney General JAY B. SIMONSON, 24077* First Assistant Attorney General OLIVIA C. DEBLASIO, 35867* MARK T. BAILEY, 36861* Assistant Attorneys General PAUL CHESSIN, 12695* Senior Assistant Attorney General 1525 Sherman Street, 7th Floor Denver, CO 80203 (303) 866-5079 *Counsel of Record	Case No.:

COMPLAINT

Plaintiffs, the State of Colorado, upon relation of John W. Suthers, Attorney General for the State of Colorado, and Laura E. Udis, Administrator, Uniform Consumer Credit Code, by and through undersigned counsel, states and alleges as follows:

INTRODUCTION

1. This is an action brought by the State of Colorado pursuant to the Colorado Consumer Protection Act, Colo. Rev. Stat. §§ 6-1-101 through to -115 (2012) ("CCPA"), and the Colorado Uniform Consumer Credit Code, § 5-1-101, *et seq.*, C.R.S. (2012) ("Code" or "UCCC") to enjoin and restrain Alta Colleges, Inc., et. al, from engaging in certain unlawful practices, for statutorily-mandated civil penalties, for disgorgement, consumer restitution, and for other relief as provided in the CCPA and the Code.

PARTIES

2. John W. Suthers is the duly-elected Attorney General of the State of Colorado and is authorized under § 6-1-103, to enforce the provisions of the CCPA.

3. Laura E. Udis is the Administrator of the Colorado Uniform Consumer Credit Code. She is authorized to enforce compliance with the Code. She may bring a civil action against a creditor for making or collecting charges in excess of those permitted by the Code. In such action, the Administrator may seek injunctive and other equitable relief to restrain persons from violating the Code, obtain consumer restitution, and collect civil penalties for violations of the Code. *See* Code §§ 5-6-111, 5-6-113, and 5-6-114.

4. Alta Colleges, Inc. is a for-profit and privately held Delaware corporation headquartered in Colorado. Alta Colleges, Inc. is the parent company of Westwood College, Inc., which is a Colorado corporation. Westwood College, Inc. operates 17 career school campuses located in Colorado, California, Georgia, Illinois, Texas and Virginia. In addition, Westwood College, Inc. operates an online campus based in Colorado called Westwood College Online. The headquarters, which is called Central Administration, and principal place of business for Alta Colleges, Inc. and Westwood College, Inc. is Denver, Colorado.

5. In 1997, Kirk T. Riedinger and James Z. Turner purchased Denver Institute of Technology and renamed it Westwood College of Technology. In 2004, Riedinger and Turner renamed it Westwood College. The company expanded and restructured under Alta Colleges and opened additional campuses outside of Colorado.

6. Westwood College, Inc. wholly owns five subsidiary corporations to operate its Westwood campuses. Trav Corporation is a Colorado Corporation and operates five Westwood campuses including Westwood College Denver North, Westwood College Denver South, two campuses in Los Angeles, California, and one campus in Houston, Texas. Wesgray Corporation is a Delaware corporation doing business in Colorado and operates two campuses in Illinois and a Los Angeles, California campus at which Westwood College Online is a branch (at all relevant times, however, Westwood College Online has been physically located in Colorado). Elbert, Inc., a Colorado corporation, operates Westwood

campuses in suburban Chicago, Illinois, Fort Worth, Texas and Atlanta, Georgia. Grant Corporation, a Colorado corporation, operates Westwood campuses in Long Beach, California and Annandale and Arlington, Virginia. El Nell, Inc., a Colorado corporation, operates Westwood campuses in Illinois, Dallas, Texas and Atlanta, Georgia.

7. Alta Colleges, Inc., Westwood College, Inc., and all wholly-owned subsidiaries listed in paragraph six, hereinafter shall be referred to as "Westwood." Westwood employs 2,400 full-time and part-time employees and offers certificates, associate and bachelor degrees in business, design, technology, industrial services, criminal justice and healthcare. More than 24,000 students have graduated from Westwood since it began operations.

8. Westwood's Central Administration office is located at 7604 Technology Way, Suite 400, Denver, Colorado. Westwood's Denver North Campus is located at 7350 North Broadway in Denver, Colorado. Westwood's Denver South Campus is located at 3150 South Sheridan Boulevard in Denver, Colorado. The Westwood College Online (hereinafter "WOL") campus, which is comprised of administrative offices and a large admissions recruitment department, is located at 10249 Church Ranch Way, in Westminster, Colorado.[1]

9. Westwood, at relevant times, has operated offices for its National and WOL admissions recruitment in Westminster, the Denver Tech Center, and in Colorado Springs. The National admissions offices consist of admissions representatives who conduct admissions interviews with prospective students over the phone for all of the physical campuses within and without Colorado and for WOL. The WOL admissions offices also employ admissions representatives, but they conduct admissions interviews with prospective students over the phone solely for enrollment in WOL.

10. Westwood's physical campuses, including Denver North and Denver South, also employ admissions representatives who operate out of the respective campuses. These admissions representatives call prospective students and set up face-to-face admissions interviews at the campus that the student is interested in attending.

11. Westwood offers, and at all relevant times offered since at least 2002, financing to its students to pay expenses not otherwise covered by federal and private student loans. Westwood's financing transactions are, and were, consumer credit sales under Code § 5-1-301(11), and Westwood was a creditor under the Code.

12. Westwood's institutional financing has taken several forms, including what Westwood calls a "Promissory Note and Disclosure," a "Retail Installment Contract," and "APEX Educational Services Installment Payment Agreement," otherwise known as APEX

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[1] Beginning in 2004, WOL operated as the distance education division and a branch campus of the Denver North campus. In May 2009, WOL became a branch of Westwood College-Los Angeles, California but the administration offices, *i.e.* the campus, remain in Colorado.

financing [all types and forms of Westwood's financing are hereinafter referred to as "APEX"].

13. Alta Colleges, Inc. and Westwood College, Inc. direct and oversee the policies and procedures of all Westwood campuses, including WOL and all physical campuses within and without Colorado, to ensure uniformity among the campuses' admissions, career services and financial aid processes and policies. Unless otherwise specified, the allegations herein pertain to all Westwood campuses within and outside of Colorado.

JURISDICTION AND VENUE

14. Pursuant to Colo. Rev. Stat. §§ 6-1-103, 110(1) (2012), this Court has jurisdiction to enter appropriate orders prior to and following an ultimate determination of liability.

15. The violations alleged herein were committed, in part, in the City and County of Denver, Colorado. Therefore, venue is proper in the county of Denver, Colorado, pursuant to Colo. Rev. Stat. § 6-1-103 and Colo. R. Civ. P. 98 (2012).

RELEVANT TIMES

16. The conduct that gives rise to the claims for relief contained in this Complaint began in the year 2002, at the latest, and has continued to the present, unless otherwise specified.

17. This action is timely brought pursuant to Colo. Rev. Stat. § 6-1-115 (2012), in that it is brought within three years of the date on which false, misleading, and deceptive acts or practices occurred, or the date on which the last in a series of such acts or practices occurred, or within three years after the discovery of the false, misleading or deceptive trade practices.

PUBLIC INTEREST

18. Through the practices of its business Westwood has misled and financially injured consumers. Therefore, the Colorado Attorney General believes these legal proceedings are in the public interest and are necessary to safeguard citizens.

GENERAL ALLEGATIONS

19. Westwood represents itself as a "career college" and promises to help launch students' careers in their fields of study. At relevant times, the school's TV and Internet ads, as well as its admissions interviews with prospective students, frequently presented high rates of graduates employed in their fields of study and high salary figures.

20. According to surveys of enrolled Westwood students over the last five years, the overwhelming majority – at least 75 percent – enrolled in order to start a new career (not simply to earn a degree). They chose to attend Westwood because the school offered a career-focused education.

21. Students consistently reported in the surveys that Westwood's job placement statistics were one of the reasons they decided to enroll in the school.

22. Between 2005 and 2010, more than 80 percent of the enrolled students at Westwood Denver North, Denver South and WOL campuses signed up for bachelor's degree programs versus associate's degree and certificate programs. The average tuition to earn a bachelor's degree at Westwood has ranged over the last five years between $60,000 and $76,000.

23. In 2009, students filed complaints about misrepresentations made during the admissions process and the quality and cost of a Westwood education with the school, accrediting bodies, and the Better Business Bureau. Westwood students who attended Westwood campuses within and outside of Colorado complained they were misled as to the total cost to attend, the terms of Westwood's institutional financing, the quality of the academic programs, and the graduate employability and earning potential. The Colorado Department of Higher Education and the Colorado Attorney General's Office received these complaints and others in late 2009 and early 2010.

24. Westwood receives the majority of its tuition revenue in the form of federal student loans. According to the U.S. Department of Education's ("DOE") Center for Education Statistics, more than 90 percent of Westwood's students take out federal student loans under the Higher Education Act (HEA), 20 U.S.C.A., §§ 1070–1099d (2012) (hereinafter "Title IV funding" or "federal student aid program").

25. Because Westwood avails itself of the federal student aid program, it must comply with certain federal laws and regulations or else risk losing access to the program. In order to receive Title IV funding, a post-secondary school must be accredited by a recognized accrediting agency, follow the Department of Education's rules, and, among other things, maintain and make available to prospective and enrolled students, upon request, certain data, including tuition costs, student retention rates, and "the placement in employment of, and types of employment obtained by, graduates of the institution's degree or certificate programs, gathered from such sources as alumni surveys… ." *Id.* §1092(a)(1)(R); 34 C.F.R. §668.41(d) (2012).

26. At relevant times, Westwood's campuses have been accredited by the Accrediting Commission of Career Schools and Colleges ("ACCSC") and the Accrediting Council for Independent Colleges and Schools ("ACICS"), both of which require their member schools to calculate and report an annual graduate employment placement rate.

27. ACCSC requires member schools to maintain a 70 percent graduate employment rate in each of its programs. ACICS requires a 65 percent rate. ACCSC defines "employed in field" as graduates employed in jobs for which the program trained them. In addition to "employed in field," ACICS recognizes "employed in related field of study."

28. Both accrediting bodies have required Westwood to maintain underlying graduate employment data including the graduate's name, date of graduation, employer, start date, and job title.

29. If Westwood's placement rates dip below the accrediting bodies' benchmark rates, the accrediting bodies will request Westwood to produce the graduate employment data underlying the failing rate. However, between 2005 and 2010, the accrediting bodies infrequently examined Westwood's underlying graduate employment data.

I. Graduate Employment and Salaries

30. Westwood advertised graduate employment rates and salaries using methods that were invalid and resulted in the inflation of graduate employment and salary statistics for certain Westwood programs and campuses.

31. The Attorney General's investigation revealed that, during the relevant time period, Westwood's admissions representatives routinely advertised to prospective students employment placement figures of 83 to 85 percent.

32. The Attorney General analyzed Westwood's graduate employment data for the Westwood Denver North, South and WOL students who graduated between 2005 and 2010. The data contains the graduate employment information upon which Westwood relied in making its claims for accrediting and marketing purposes, *i.e.* the 80-plus percent employment rate.

33. The Attorney General's investigation revealed that some of Westwood's most popular degree programs had employment rates that were far lower than the aggregate rate for all of Westwood's programs. However, in advertising these more popular programs, Westwood focused on the aggregate rate, which led students to believe that they had a higher likelihood of obtaining employment in their field than they actually had.

34. The Attorney General's investigation found inaccuracies in Westwood's underlying graduate employment data, including a lack of verification or substantiation that graduates characterized as "freelance" had sustainable employment. Westwood also included a significant number of jobs where the title and responsibilities did not relate to the field of

study and did not match those job titles advertised by the school in its advertisements and in admissions interviews.

35. Westwood's TV and Internet advertisements and admissions presentations frequently touted the salaries graduates can expect to receive. Westwood's representations are often based on Bureau of Labor Statistics ("BLS") data and not on actual Westwood graduates' graduates' salaries. The BLS salary data is typically higher than actual Westwood graduates' salary data.

II. Tuition Costs

36. At relevant times, Westwood did not disclose the full total cost to complete a degree program at Westwood until after the student had applied to Westwood.

37. The Attorney General's investigation revealed that admissions representatives frequently told prospective students that their education could be obtained with "a monthly investment of $0 to $150" while they were in school. Students complain that they understood this to mean $150 per month is all they would ever have to pay, even after graduation.

38. In reality, "$150 per month" was a payment toward APEX financing. Although Westwood did not charge interest on the APEX financing while the student was enrolled in school, it did charge a 10 to 18 percent rate beginning six months after graduation.

III. Transferability of Credits

39. At relevant times, Westwood failed to meaningfully and affirmatively disclose to prospective students that the credits they would earn at Westwood would not transfer to most other schools or serve as a basis for enrolling in a graduate degree program at other schools.

40. Many students complain that they were not made aware that their Westwood credits would not transfer to other schools until mid-way through their program or after they graduated.

IV. Misrepresentations regarding the Costs Covered by Military Benefits

41. Federal law restricts for-profit schools from deriving more than 90 percent of their revenue from Title IV Funds. 34 C.F.R. § 668.14(b)(16). Military education benefits, including the GI Bill, are available under U.S.C.A. Title 38, and, although they are federal in nature, such funds may be counted toward a for-profit school's mandatory 10 percent revenue derived from non-Title IV funds.

42. Active and former military students outside of Colorado complain that they were led to believe that their military benefits available under the GI Bill, would be applied toward their tuition when it never was, that their military benefits would cover 100 percent of all costs to attend Westwood when that was not the case.

43. The Attorney General's investigation revealed that Westwood admissions representatives estimated, without any confirmation from the United States Department of Veteran's Administration or the Department of Defense, the amount in benefits that a military service member or veteran would receive to cover tuition at Westwood.

44. After enrollment and during the financial aid process, Westwood would instruct military students to complete a Free Application for Federal Student Aid ("FAFSA"). Some military students complain that when their GI Bill funds did not come through as initially estimated by the admissions representatives, they were placed into student loans to cover the costs to attend Westwood.

V. Compensation of Westwood Employees

45. Westwood cultivated a culture within its admissions departments that rewarded admissions representatives for enrolling students. It also incentivized admissions representatives to enroll prospective students in bachelor's rather than associate's degrees.

46. Westwood's Career Services employees collect information relating to Westwood graduates' employment. At relevant times, Westwood paid career services employees an annual bonus when the "employed in field" and "related field" of study rates reached an overall average among programs of 80 percent or higher within a single campus.

VI. Institutional Financing Transactions Fail to Comply with the Code

47. Students complained that Westwood enrolled them into APEX financing without their knowledge and consent.

48. Westwood's finance transactions (APEX) were all consumer credit sales under Code § 5-1-301(11), and Westwood is a "creditor," which is defined as the seller who makes or arranges a consumer credit transaction and to whom the transaction is initially payable. Code §5-1-301(17). In particular, Westwood made and engaged in consumer credits sales, which has a number of implications.

A. Failure to Disclose

49. The Code requires Westwood to disclose to students to whom APEX financing is extended the information, disclosures, and notices required by, among others, the federal

Truth in Lending Act, 15 U.S.C.A. § 1601, *et seq.*, including, but not limited to, Regulation Z, 12 C.F.R. 226. *See* Code § 5-3-101.

50. Westwood, however, did not disclose, in the manner prescribed by Regulation Z and as required by Code § 5-3-101, such things as: (a) the transaction's prepayment provision, *see* Regulation Z § 226.18(k); (b) the transaction's delinquency charges provision, *see* Regulation Z § 226.18(l); (c) a "Contract Reference" statement, *see* Regulation Z § 226.18(p); or (d) for those transactions entered into after February 4, 2010, the consumer's right to cancel, *see* Regulation Z § 226.47(c).

B. Levying of Fees

51. The Code allows Westwood to contract for and charge a delinquency charge not to exceed $15.00, and then, only if certain other conditions are met. Among these conditions are that (a) Westwood must assess the delinquency charge within 30 days of the delinquent installment's scheduled due date, and (b) Westwood must notify the borrowing student of the amount of the delinquency charge prior to the due date of the next scheduled payment. *See* Code § 5-2-203(1)(a).

52. Westwood, however, during the relevant timeframe, failed to assess delinquency charges within 30 days; Westwood failed to provide notification to students, prior to their next scheduled payments, that delinquency charges have been assessed; and Westwood assessed delinquency charges in excess of what was contracted for or, at the very least, what is allowable under Code § 5-2-203(1)(a).

53. In the event a student defaults on APEX payments after withdrawing or graduating from Westwood, Westwood cannot accelerate the maturity of the unpaid balance without providing a notice of right to cure. *See* Code §§ 5-5-110 and 5-5-111. The Code also requires Westwood to allow at least 20 days after giving such notice to cure before accelerating the APEX balance. However, in numerous cases, Westwood accelerated students' unpaid APEX balances without providing students with *any* notice of right to cure.

54. The Code also prohibits Westwood from imposing any charges on students who receive funding via APEX and then, after graduation or withdrawal from the school, default on their payments. *See* Code § 5-3-302. However, Westwood contracted for and may have collected from students a default rate of interest and charged students for collection agency costs.

C. Inadequate Recordkeeping

55. The Code requires Westwood to maintain its student finance records "in a manner that will establish that the creditor is complying with the provisions of" the Code.

(Administrator Rule 10, 4 Code Colo. Reg. 902-1, illustrates the types of records creditors are required to maintain.) *See* Code § 5-3-109.

56. The Attorney General's investigation revealed that Westwood's maintenance of student finance records did not comply with the Code or Administrator Rule 10. Westwood failed to maintain copies of transactions' promissory notes, disclosures, or retail installment agreements; failed to maintain copies of, or other evidence that it provided students with, rights to cancel or notices of rights to cure; and failed to maintain accurate or complete transaction payment histories, including, without limitation, records of delinquency charges.

D. Failure to File Notification

57. The Code requires creditors who regularly engage in consumer credit sales to file notification with, and pay appropriate fees to, the Administrator within thirty days after commencing business in Colorado and on or before January 31 of each year thereafter. *See* Code §§ 5-6-201 to 5-6-203.

58. Westwood failed to file any notification with the Administrator until March 2009, at the earliest. Even then, Westwood did not pay all of the fees that the Code required it to pay.

FIRST CLAIM FOR RELIEF

(Knowingly makes a false representation as to the characteristics, ingredients, uses, benefits, alterations, or quantities of goods, food, services, or property or a false representation as to the sponsorship, approval, status, affiliation, or connection of a person therewith)

59. Plaintiffs incorporate herein by reference all of the allegations contained in Paragraphs 1 through 58 of this Complaint.

60. Through the above-described conduct in the course of its business, occupation or vocation, Westwood knowingly made false representations as to the characteristics and benefits of its academic programs, and made false representations as to the characteristics and quantities of jobs obtained by Westwood graduates, in violation of § 6-1-110(1)(e), C.R.S. (2012).

61. By means of the above-described unlawful deceptive trade practices, Westwood deceived, misled, and unlawfully acquired money from students.

SECOND CLAIM FOR RELIEF
(Makes false or misleading statements of fact concerning the price of goods, services, or property or the reasons for, existence of, or amounts of price reductions)

62. Plaintiffs incorporate herein by reference all of the allegations contained in Paragraphs 1 through 58 of this Complaint.

63. Through the above-described conduct in the course of its business, occupation or vocation, Westwood made false and misleading statements of fact to prospective students about the total cost to earn a degree at Westwood, in violation of § 6-1-105(1)(l), C.R.S. (2012).

64. By means of the above-described unlawful deceptive trade practices, Westwood deceived, misled, and unlawfully acquired money from students.

THIRD CLAIM FOR RELIEF
(Failing to disclose material information concerning goods, services, or property which information was known at the time of an advertisement or sale if such failure to disclose such information was intended to induce the consumer to enter into a transaction)

65. Plaintiffs incorporate herein by reference all of the allegations contained in Paragraphs 1 through 58 of this Complaint.

66. Through the above-described conduct in the course of their business, occupation or vocation, Westwood failed to disclose material information it knew at the time it advertised to and engaged in admissions interviews with prospective students so that students would enroll at Westwood; and Westwood failed to disclose to students certain information required by the Code, and information it knew at the time, about the terms of its institutional financing so that students would enroll at Westwood, all in violation of § 6-1-105(1)(u), C.R.S. (2012).

67. By means of the above-described unlawful deceptive trade practices, Westwood deceived, misled, and unlawfully acquired money from students.

FOURTH CLAIM FOR RELIEF
(Refunds to Consumers – Code §§ 5-6-201 to 5-6-203 -- Notification Fee)

68. Plaintiffs incorporate herein by reference all of the allegations contained in Paragraphs 1 through 58 of this Complaint.

69. Code §§ 5-6-201 to 5-6-203 require consumer credit sellers to file notification with, and pay appropriate fees to, the Administrator within thirty days after commencing business in Colorado and on or before January 31 of each year thereafter.

70. Westwood financed all or a portion of its students' tuition since at least 2002. However, it did not file notification with or pay all required notification fees to the Administrator until March 2009, at the earliest, in violation of Code §§ 5-6-201 to 5-6-203.

71. Failure to do so results in the consumer not being obligated to pay the finance charges due under the transaction and entitles the consumer to a refund of all finance charges paid.

FIFTH CLAIM FOR RELIEF
(Refuses or fails to obtain all governmental licenses or permits required to perform the services or to sell the goods, food, services, or property as agreed to or contracted or with a consumer)

72. Plaintiffs incorporate herein by reference all of the allegations contained in Paragraphs 1 through 58 of this Complaint.

73. Through the above-described conduct in the course of their business, occupation or vocation, Westwood failed to obtain all required government licenses or permits to operate as a consumer credit seller in Colorado, in violation of § 6-1-105(1)(z).

74. By reason of the foregoing, and pursuant to CPA § 6-1-112(1), for every transaction in which Westwood engaged in a deceptive trade practice, Westwood is required to pay to the State a penalty of not more than $2,000.00 or, in the case of an elderly person, $10,000.00.

SIXTH CLAIM FOR RELIEF
(Refunds to Consumers – Code § 5-2-202 – Excess Charges)

75. Plaintiffs incorporate herein by reference all of the allegations contained in Paragraphs 1 through 58 of this Complaint.

76. Code § 5-2-202 itemizes those charges, in addition to the finance charge, that a creditor lawfully may charge a consumer in connection with a consumer credit transaction. All charges that are not expressly authorized under the Code are impermissible excess charges.

Delinquency Charge Violation

77. Code § 5-2-203(1)(a) allows a creditor to contract for and charge a delinquency charge not to exceed $15.00, and then only if certain other conditions are met. Among these conditions are that (a) the creditor must assess the delinquency charge within 30 days of the delinquent installment's scheduled due date, and (b) the creditor must notify the consumer of the amount of the delinquency charge prior to the due date of the next scheduled payment.

78. In various transactions, Westwood assessed and may have collected delinquency charges: (a) in excess of that for which it contracted; (b) in excess of the maximum the Code allows; (c) after 30 days after the late installment's scheduled due date; or (d) without notifying the consumer of the late charge prior to the next installment's due date.

79. By reason of the foregoing, Westwood violated the Code.

80. By reason of the foregoing, all such delinquency charges are excess charges under the Code.

Return Check Charge Violation

81. Code § 5-2-202(1)(e)(II) allows a creditor to contract for and charge a fee, not to exceed $25.00, for return or dishonor of a check or other instrument tendered as payment.

82. In various transactions, Westwood may have collected return check charges: (a) for which it did not contract; (b) in excess of that for which it contracted; or (c) in excess of the maximum the Code allows.

83. By reason of the foregoing, Westwood violated the Code.

84. By reason of the foregoing, all such return check charges are excess charges under the Code.

Overpayment Violation

85. In various transactions in which the consumer paid the transaction in full, Westwood received and retained amounts in excess of the total actual amount due under the transaction.

86. By retaining and not refunding to the consumer the overpayment, Westwood violated the Code.

87. By reason of the foregoing, all such overpayments are excess charges under the Code.

Default Rate of Interest Violation

88. Code § 5-3-302 prohibits a creditor from imposing any charges upon the consumer as a result of the consumer's default (except in certain circumstances not here pertinent).

89. In various transactions, Westwood (a) contracted for, charged, and may have collected from the consumer a default rate of interest, sometimes called an "Origination Fee," in the event the consumer defaulted under the transaction; or (b) charged the consumer collection costs, such as a collection agency's commission, in the event Westwood assigned the transaction for collections.

90. By reason of the foregoing, Westwood violated the Code.

91. By reason of the foregoing, all such default charges are excess charges under the Code.

SEVENTH CLAIM FOR RELIEF
(Civil Penalties to Consumers – Code § 5-3-101-- Disclosures)

92. Plaintiffs incorporate herein by reference all of the allegations contained in Paragraphs 1 through 58 of this Complaint.

93. Code § 5-3-101 requires a creditor to disclose to a consumer to whom credit is extended the information, disclosures, and notices required by, among others, the federal Truth in Lending Act, 15 U.S.C.A. § 1601, *et seq.*, and regulations thereunder, including Regulation Z, 12 C.F.R. 226.

94. In various transactions, Westwood did not disclose, in the manner prescribed by Regulation Z and as required by Code § 5-3-101, such things as: (a) the transaction's prepayment provision, *see* Regulation Z § 226.18(k); (b) the transaction's late charges provision, *see* Regulation Z § 226.18(l); (c) a "Contract Reference" statement, *see* Regulation Z § 226.18(p); or (d) for those transactions entered into after February 14, 2010, the consumer's right to cancel, *see* Regulation Z § 226.47(c).

95. By reason of the foregoing, Westwood violated the Code.

96. By reason of the foregoing, and pursuant to Code § 5-6-114, for every transaction as may be determined at trial or otherwise in which Westwood failed to make a required disclosure as described above, Westwood is liable to each such consumer for twice the amount of the transaction's finance charge, but not less than $100.00 nor more than $1,000.00.

EIGHTH CLAIM FOR RELIEF
(Right to Cure – Code §§ 5-5-110 and 5-5-111)

97. Plaintiffs incorporate herein by reference all of the allegations contained in Paragraphs 1 through 58 of this Complaint.

98. Code §§ 5-5-110 and 5-5-111 provide that, where a consumer's default consists of nonpayment, a creditor may not accelerate maturity of the transaction's unpaid balance without providing the consumer with a notice of right to cure. Further, the creditor must give the consumer at least twenty days after the giving of the notice within which to cure the default before accelerating the transaction's balance.

99. In various transactions, Westwood violated the Code's notice of and right to cure provisions by such things as accelerating the transaction's unpaid balance without providing the consumer with a notice of right to cure.

100. By reason of the foregoing, Westwood violated the Code.

NINTH CLAIM FOR RELIEF
(Record Keeping – Code § 5-3-109)

101. Plaintiffs incorporate herein by reference all of the allegations contained in Paragraphs 1 through 58 of this Complaint.

102. Code § 5-3-109 requires creditors to maintain records "in a manner that will establish that the creditor is complying with the provisions of" the Code. Further, Administrator Rule 10, 4 Code Colo. Reg. 902-1, illustrates the types of records creditors are required to maintain.

103. In various transactions, Westwood did not maintain records required by the Code by such things as: (a) failing to maintain copies of transactions' promissory notes, disclosures, or retail installment agreements; (b) failing to maintain copies of, or other evidence that it provided consumers with, rights to cancel or notices of rights to cure; or (c) failing to maintain accurate or complete transaction payment histories, including, without limitation, records of delinquency charges.

104. By reason of the foregoing, Westwood violated the Code.

RELIEF REQUESTED

WHEREFORE, Plaintiffs pray for judgment against Westwood and the following relief:

A. An order declaring Westwood's above-described conduct to be in violation of the Colorado Consumer Protection Act, § 6-1-105 (e), (l), (u), and (z), C.R.S. (2012) and the Code § 5-1-101, *et seq.*, C.R.S. (2012).

B. An order and judgment permanently enjoining Westwood, its owners, officers, directors, successors, assigns, agents, employees, and anyone in active concert or participation with Westwood with notice of such injunctive orders, from engaging in any deceptive trade practices as defined in and proscribed by the CCPA and behavior proscribed by the Code, as set forth in this Complaint.

C. A judgment in an amount to be determined by this court for restitution, disgorgement, or other equitable relief pursuant to § 6-1-110(1), and the Code §§ 5-6-111 and 5-6-113, including, but not limited to, the following:

i.) An order requiring Westwood to pay all excess charges for each APEX transaction as may be determined at trial or otherwise in which a student was charged an excess charge, pursuant to Code § 5-6-114.

ii.) An order requiring Westwood to refund all finance charges for every APEX transaction in which Westwood engaged without having first filed and paid notification fees to the Administrator, pursuant to Code § 5-6-203(4).

D. An order requiring Westwood to forfeit and pay to the General Fund of the State of Colorado, civil penalties in an amount not to exceed $2000 per violation pursuant to § 6-1-112(1), C.R.S. (2012), or $10,000 per violation pursuant to § 6-1-112(3), C.R.S. (2012).

E. An order to pay the Administrator a penalty of up to $1,000.00 for each violation of the Code in each of Westwood's transactions as may be determined at trial or otherwise, pursuant to Code § 5-6-114(1)(a).

F. An order requiring Westwood to pay the costs and expenses of this action incurred by the Attorney General, including, but not limited to, Plaintiffs' attorney fees, pursuant to § 6-1-113(4) and § 5-6-114(3), C.R.S. (2012).

G. Any such further orders as the Court may deem just and proper to effectuate the purposes of the CCPA and the Code.

Dated this 13th day of March, 2012.

In all respects, on behalf of the Plaintiffs the State of Colorado, *ex rel.* JOHN W. SUTHERS, Attorney General, and Laura E. Udis, Administrator, Uniform Consumer Credit Code

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Pursuant to C.R.C.P. 121, § 1-26(9), the original of this document with original signatures is maintained in the offices of the Colorado Attorney General, 1525 Sherman Street, Denver, CO 80203, and will be made available for inspection by other parties or the Court upon request.