Firm # 34560

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT – LAW DIVISION

TARAH FRIEDMAN, JONATHAN LAMPAZIANIE, MELISSA MAZE KONSTANTINOS MARROS, JADA MILLER, JASON OVIEDO, and MAURICE RUSSELL, Plaintiffs, v. STERLING CAPITAL PARTNERS, L.P., STERLING CAPITAL PARTNERS GmbH & Co. KG, and STERLING FUND MANAGEMENT, LLC, Defendants.	2019L003294 **No. 2019 L** **JURY TRIAL DEMANDED**

COMPLAINT AT LAW

NOW COME Plaintiffs TARAH FRIEDMAN, JONATHAN LAMPAZIANE, MELISSA MAZE, KONSTANTINOS MARROS, JADA MILLER, JASON OVIEDO, and MAURICE RUSSELL, by and through their attorneys, Salvi, Schostok & Pritchard; Langdon & Emison; and the Law Offices of James Scott Farrin, and file this Complaint against Defendants, STERLING CAPITAL PARTNERS, L.P.; STERLING CAPITAL PARTNERS GMBH & CO.; and STERLING FUND MANAGEMENT, LLC. Plaintiffs' allegations are based on the investigation of counsel, reviews of advertising and marketing material for Charlotte School of Law ("CSL"), information derived from the United States Department of Education ("DoE"), the American Bar Association ("ABA"), interviews with former CSL faculty and staff members, various publicly available information, and interviews of students, and are thus made on information and belief, except as to the individual actions of Plaintiffs, of which Plaintiffs have personal knowledge.

INTRODUCTION

1. Plaintiffs are former CSL students who bring this action to recover damages resulting from a years-long campaign of misrepresentations and other deceptive and abusive behavior by Defendants and their subsidiaries including Charlotte School of Law, LLC (also "CSL"). Plaintiffs raise claims of violations of the North Carolina Unfair and Deceptive Trade Practices Act ("UDTPA"), the Illinois Consumer Fraud and Deceptive Business Practices Act, and applicable common law theories as interpreted and applied by the courts of North Carolina and Illinois.

2. Defendant Sterling Capital Partners, L.P., and Defendant Sterling Capital Partners GmbH & Co. KG ("the Sterling Funds") own and control CSL. While two entities—InfiLaw Holding, LLC ("Holding") and Corporation ("Corporation") (collectively "InfiLaw")—were nominally intermediate subsidiaries between CSL and the Sterling Funds, they existed primarily to obscure the actual domination and control of CSL by the Sterling Funds and/or Sterling Fund Management, LLC ("SFM"), as described further below. Accordingly, these intermediate corporate veils should be pierced and disregarded to allow liability to be imposed on the Sterling Funds and/or SFM.

3. Defendant SFM manages and controls the Sterling Funds' portfolio companies, including CSL, under contractual and/or agency relationships with the two funds.

4. CSL was a private for-profit institution that SFM and the Sterling Funds (collectively, "the Sterling Entities" or simply "Sterling") created and established, or caused to be created and established, in 2006 in order to take advantage of the Federal Student Loans Direct PLUS loan program for graduate and professional students.

5. The ABA granted CSL full accreditation in June 2011.

6. From the time the Sterling Entities established the InfiLaw and CSL subsidiaries, the Sterling Entities and their subsidiaries recklessly planned to increase CSL's enrollment, revenue, and profit once it obtained full ABA accreditation by slashing standards for admission and curricular quality. The Sterling Entities installed CSL officers with specific directives which would result in the expansion of CSL at the expense of compliance with ABA Standards, students' outcomes at CSL, and graduates' outcomes on the bar exam and in professional practice, notwithstanding InfiLaw's, CSL's and the Defendants' deliberately misleading rhetoric about being "student outcome centered".

7. The inevitable end result was that the Council of the ABA's Section of Legal Education and Admissions to the Bar ("Council") placed CSL on probation in November 2016.

8. Throughout the time from CSL's accreditation until August 2017, CSL and the Sterling Entities marketed and represented CSL as being fully accredited by the ABA and in full compliance with ABA Standards.

9. Over the course of 2015 and 2016, the ABA issued a series of increasingly sharp decisions that CSL's *juris doctor* ("JD") program was out of compliance with several core, fundamental Standards. The ABA made these decisions known to CSL, which in turn informed Defendant SFM; however, Defendant SFM directed the Sterling Entities' subsidiaries, including CSL, and the agents of these companies not to disclose the decisions to Plaintiffs and other students and took other affirmative steps to conceal the decisions.

10. Also during this time, Defendant SFM caused CSL to violate multiple DoE regulations for schools that participate in student loan programs under Title IV of the Higher Education Act, including a prohibition on substantially misrepresenting elements of a school's

educational program. As a result, the DoE denied CSL's Recertification Application to Participate in the Federal Student Financial Assistance Programs on December 19, 2016.

11. Following the ABA and DoE actions, the University of North Carolina System ("UNC"), which licenses private institutions of higher education in the state, found that CSL was noncompliant with several licensure standards, including standards related to financial stability and solvency. As a result, CSL's license expired on or around August 11, 2017, and it closed on that date or shortly thereafter.

12. As a result of the Defendants' actions, Plaintiffs must now seek to vindicate their interests through the judicial system. This action asserts the following claims: violations of the UDTPA (or, in the alternative, the Illinois Consumer Fraud and Deceptive Business Practices Act), Fraudulent Misrepresentation, Fraudulent Concealment, and Willful and Wanton Conduct.

13. Damages from these wrongful acts and omissions include but are not limited to the following: refunding and reimbursing Plaintiffs for tuition and fees paid; consequential damages arising from the Defendants' wrongful acts; costs and expenses, including attorneys' fees, and any additional relief this Court determines to be necessary or appropriate to provide complete relief to Plaintiffs.

14. As described elsewhere in this Complaint, these Defendants are liable for these acts both directly, because of their own actions, and indirectly, because the portfolio companies were mere alter egos for the Sterling Funds and SFM, controlled by the Sterling Funds and SFM, and adherence to the fiction of a separate corporate existence would sanction their fraud or otherwise result in manifest injustice for reasons including that the Defendant Sterling Funds siphoned money from InfiLaw and CSL and that InfiLaw and CSL are not adequately capitalized to account for the liabilities they have incurred through their fraudulent conduct described below.

Accordingly, the corporate veils of the Sterling Funds' subsidiaries – Holding, Corporation, and CSL – should be pierced such that liability may be imposed on the Sterling Funds and SFM.

JURISDICTION, VENUE, and APPLICABLE LAW

15. The Defendant Sterling Entities maintain their principal place of business in Chicago, Cook County, Illinois and, as such, have continuous and systematic contacts so as to render them at home in Illinois and subject to the jurisdiction of Illinois courts.

16. Cook County is the proper venue pursuant to 735 ILCS 5/2-102(b).

17. Cook County Circuit Court has proper subject-matter jurisdiction.

18. CSL is located in Mecklenburg County, North Carolina, where it operated its principal place of business. The conduct of which Plaintiffs complain violated the statutes and tort law of both North Carolina and Illinois.

19. Plaintiffs are concurrently maintaining separate actions in North Carolina against CSL, other Sterling subsidiaries, and several of their officers.

PARTIES

Plaintiffs reassert the allegations above and in addition allege as follows:

I. PLAINTIFFS

20. Plaintiff Tarah Friedman ("Friedman") is a citizen and resident of Davie, Broward County, Florida, and attended CSL from fall semester 2015 through fall semester 2016. Plaintiff Friedman is registered to vote in Florida and has an identification card issued by the state of Florida.

21. Plaintiff Jonathan Lampazianie ("Lampazianie") is a citizen and resident of Arlington, Arlington County, Virginia.

22. Plaintiff Melissa Maze ("Maze") is a citizen and resident of Beaver Dam, Ohio

County, Kentucky.

23. Plaintiff Konstantinos Marros ("Marros") is a citizen and resident of Charlotte, Mecklenburg County, North Carolina.

24. Plaintiff Jada Miller ("Miller") is a citizen and resident of Cary, Wake County, North Carolina.

25. Plaintiff Jason Oviedo ("Oviedo") is a citizen and resident of Concord, Cabarrus County, North Carolina.

26. Plaintiff Maurice Russell ("Russell") is a citizen and resident of Antioch, Contra Costa County, California, who attended CSL from fall of 2014 until January 2016.

II. DEFENDANTS

27. The Sterling Funds are both members of Holding. Holding owns Corporation, and Corporation owns CSL. "Sterling Partners" is the trade name for Defendant SFM and the private equity funds that SFM manages, including the Defendants Sterling Capital Partners, L.P., and Sterling Capital Partners GmbH & Co. KG.

28. The private-equity group to which Defendant Sterling Capital Partners, L.P., and Defendant Sterling Capital Partners GmbH & Co. KG belong has more than $4 billion under investment management. The Sterling Funds are set up to purchase equity in businesses, generate profits, and sell the businesses at a profit for investors.

29. The principal member of Defendant Sterling Fund Management, LLC, is Sterling Fund Management Holdings, L.P. The members of Sterling Fund Management Holdings, L.P. are:

a. Douglas L. Becker, a citizen of and domiciled in Miami, Florida (or, alternatively, Baltimore, Maryland);

b. M. Avi Epstein, a citizen of and domiciled in Chicago, Illinois;

c. R. Christopher Hoehn-Saric, a citizen of and domiciled in Miami Beach, Florida (or, alternatively, Gibson Island, Maryland);

d. Jeff Schechter, a citizen of and domiciled in Buffalo Grove, Illinois;

e. Steven Taslitz, a citizen of and domiciled in Miami Beach, Florida (or, alternatively, Glencoe, Illinois).

30. The general partner of Defendant Sterling Capital Partners, L.P., is SC Partners, L.P. The general partner of SC Partners, L.P. is Sterling Capital Partners, LLC. The members of Sterling Capital Partners, LLC, are:

a. Douglas L. Becker, a citizen of and domiciled in Miami, Florida (or, alternatively, Baltimore, Maryland);

b. Eric D. Becker, a citizen of and domiciled in Jupiter, Florida;

c. Merrick M. Elfman, a citizen of and domiciled in Hartland, Wisconsin (or, alternatively, Northfield, Illinois);

d. R. Christopher Hoehn-Saric, a citizen of and domiciled in Miami Beach, Florida, (or, alternatively, Gibson Island, Maryland); and

e. Steven Taslitz, a citizen of and domiciled in Miami Beach, Florida (or, alternatively, Glencoe, Illinois).

31. The Sterling Entities' principal place of business is at 401 North Michigan Avenue, Suite 3300, Chicago, Illinois 60611.

32. Defendant SFM's liability arises from its own actions described herein in management of the Sterling Funds as well as their management, direction, and control of Holding, Corporation, and CSL.

33. The Sterling Funds acted as dominant members and owners of the portfolio companies and related entities described below. Thus, the Sterling Funds are liable for those entities' actions.

34. SFM and the Sterling Funds are also liable for the actions of their portfolio companies, InfiLaw and CSL, which were mere alter egos for the Sterling Funds and/or SFM and controlled by the Sterling Funds and/or SFM. Accordingly, adherence to the fiction of a

separate corporate existence of SFM and the Sterling Funds would sanction the fraud of the Sterling Entities or otherwise result in manifest injustice for reasons including that the Sterling Funds siphoned money from InfiLaw and CSL and that InfiLaw and CSL are not adequately capitalized to account for the liabilities they have incurred through their fraudulent conduct described below. Thus, the corporate veils of the Sterling Funds' subsidiaries, InfiLaw and CSL, should be pierced such that liability may be imposed on the Sterling Funds and SFM.

35. The Sterling Entities established Corporation, a for-profit company that operates law schools, in 2003. Following Corporation's creation, the Sterling Entities and Corporation acquired Florida Coastal School of Law. Corporation and the Sterling Entities then established Arizona Summit (originally known as "Phoenix School of Law") in 2005 and CSL in 2006.

36. The Sterling Entities later established Holding in 2006, whereafter Holding assumed full control over Corporation.

37. CSL's application to operate in North Carolina lists 1033 Skokie Boulevard, Suite 600, Northbrook, Illinois, 60062, an address of one or more of the Sterling Entities at the time, as the address of CSL's "principal office."

38. The Sterling Funds, in part through the direction of Defendant SFM, exercised complete domination and control over Holding, Corporation, and CSL such that Holding, Corporation, and CSL were mere alter egos of the Sterling Funds with no wills or identities of their own.

39. The Sterling Entities siphoned CSL's capital, leaving it without adequate funds to operate as an independent company, as evidenced by multiple regulatory findings in May, June, and August 2017, as further described herein.

40. A Sterling officer, Avi Epstein, told investors that the Sterling Entities are not merely passive investors in its portfolio companies, but rather that they and each portfolio company are "joined at the hip".[1]

41. The Sterling Entities' creation of InfiLaw coincided with an expansion of the Federal Direct Plus Loan Program. The program's new rules lifted caps on the amounts that graduate students were able to borrow. It did not set limits on tuition that schools could charge. Under the direction of Defendant SFM, InfiLaw admitted more than 1,000 new students each year into the three institutions and willingly and knowingly took their full tuition payment without assuming any risk of student default.

III. RELATED NON-PARTY PERSONS

Charlotte School of Law, LLC

42. Charlotte School of Law, LLC, is a for-profit limited liability company formed in the State of Delaware, with its principal place of business at 201 S. College Street, Suite 400, Charlotte, North Carolina 28244-0048.

43. CSL was at one time North Carolina's largest law school, but its enrollment fell to 100 students by June 2017, and it shut down in mid-August 2017.[2]

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[1] *IVCA Feature: Educational Luncheon Highlights, 'Strategies for Incentive Compensation at Private Companies,' Sponsored by Neal, Gerber & Eisenberg LLP*, ILL. VENTURE CAPITAL ASS'N (Sept. 16, 2014), http://www.illinoisvc.org/index.php?id=4756:ivca-feature--educational-luncheon-highlights---strategies-for-incentive-compensation-at-private-companies---sponsored-by-neal-gerber---eisenberg-llp **[**https://perma.cc/FU5A-X5MR**].**

[2] *Recommended Findings and License Restrictions for Charlotte School of Law*, Mem. from Margaret Spellings, UNC Sys. Pres., to UNC Bd. of Govs. Comm. on Educ. Planning, Policies & Programs 2 (June 16, 2017), http://www.northcarolina.edu/apps/bog/doc.php?id=57340&code=bog [https://perma.cc/SX4Z-K5NT]; Amanda Griffin, *Charlotte School of Law Misses Two Deadlines, Asks for Extension*, JDJOURNAL, Aug. 11, 2017, http://www.jdjournal.com/2017/08/11/charlotte-school-of-law-misses-two-deadlines-asks-for-extension [https://perma.cc/K52Q-VWPM]; U.S. DEP'T EDUC., FACT SHEET: SCHOOL CLOSURE, https://studentaid.ed.gov/sa/sites/default/files/charlotte-law.pdf [https://perma.cc/RPM8-5JUN] (last viewed Aug. 25, 2017).

InfiLaw Entities

44. Holding is a holding company which owns Corporation and CSL. Holding is a Delaware limited-liability company with its principal place of business at 1100 5th Avenue South, Naples, Florida 34102.

45. Corporation is incorporated in Delaware with its principal place of business at 8625 Tamiami Trail N, Suite 500, Naples, Florida 34108-2890. Corporation is the primary member-manager of CSL and maintained complete domination and control of CSL at all relevant times.

46. Corporation owns three for-profit law schools: CSL; Arizona Summit Law School ("Arizona Summit") in Phoenix, Arizona; and Florida Coastal School of Law ("Florida Coastal") in Jacksonville, Florida. While they are nominally distinct entities and subject to separate accreditation actions by the ABA, they were run as a single operation. InfiLaw and the Sterling Entities rotated senior managers freely among InfiLaw and the three schools, eliminating any autonomy that the schools might have otherwise had.

47. The ABA accredited Arizona Summit in 2010 but placed it on probation in March 2017 and withdrew Arizona Summit's accreditation in June 2018 after finding it out of compliance with three ABA Standards and two ABA interpretations of its Standards.[3] Three of these – Standard 301(a), Standard 501(b), and Interpretation 501-1 – are among the four that CSL was found to have violated as a precursor to probation.

[3] *See* Memorandum, Barry Currier, Managing Dir. of Accreditation & Legal Educ., Am. Bar Assoc., Withdrawal of Approval: Arizona Summit Law School (June 8, 2018), https://www.americanbar.org/content/dam/aba/administrative/legal_education_and_admissions_to_the_bar/18_june_arizona_summit_public_notice.authcheckdam.pdf [https://perma.cc/E8SW-VYYK].

48. The ABA notified Florida Coastal in October 2017 that it was "significantly out of compliance" with four ABA Standards and one ABA interpretation of a Standard.[4] Four of these – Standard 301(a), Standard 501(a), Standard 501(b), and Interpretation 501-1 – are exactly the same standards that CSL was found to have violated as a precursor to probation.

49. CSL's management structure is similar to those of sister subsidiaries Arizona Summit and Florida Coastal and different from those of nearly every other law school in the United States. The top administrative officer at each of the three InfiLaw subsidiaries is a "president", while the "dean" is second in command. This structure allowed all three subsidiaries to violate the spirit of ABA Standards on law-school governance, which require faculty to have "meaningful involvement" in the dean's selection[5] but no similar requirement for selection of a stand-alone law school's "president".

50. In the absence of local faculty influence, the Sterling Entities, through Corporation and Holding, exercised complete domination over CSL such that CSL had no will or identity of its own.

51. InfiLaw and the Sterling Entities accomplished this domination in part by installing a series of InfiLaw executives as CSL's President, with authority over its dean and faculty.

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[4] Letter from Barry Currier, Managing Dir. of Accreditation & Legal Educ., Am. Bar Assoc., to Dennis Stone, Pres., Fla. Coastal Sch. L., and Scott Devito, Dean, Fla. Coastal Sch. L. (June 8, 2018), https://www.americanbar.org/content/dam/aba/administrative/legal_education_and_admissions_to_the_bar/PublicNoticeAnnouncements/2017_october_florida_coastal_school_of_law.authcheckdam.pdf [https://perma.cc/24CY-54WX].

[5] E.G., AM. BAR ASS'N, STANDARDS AND RULES OF PROCEDURE FOR APPROVAL OF LAW SCHOOLS, 2017-18, STANDARD 203(C), https://www.americanbar.org/content/dam/aba/publications/misc/legal_education/Standards/2017-2018ABAStandardsforApprovalofLawSchools/2017_2018_standards_chapter2.authcheckdam.pdf [https://perma.cc/9BDX-6CAZ]; *see also* ABA STANDARD 203(B) ("Except in extraordinary circumstances, a dean shall also hold appointment as a member of the faculty with tenure"); ABA STANDARD 203, INTERPRETATION 203-1 ("Except for good cause, a dean should not be appointed or reappointed to a new term of the stated objection of a substantial majority of the faculty").

52. InfiLaw and Defendant SFM created CSL's "president" position for InfiLaw executive Dennis Stone in or around September 2011, just three months after CSL secured full ABA accreditation. Stone had been serving as CSL's interim dean since 2009, when founding Dean Eugene Clark stepped down. Stone, a law librarian who had little or no experience as a law professor, failed to draw enough faculty support for appointment as permanent dean in compliance with ABA Standard 203, and so InfiLaw simply moved him into the new "president" role.

53. InfiLaw and Defendant SFM later transferred Stone to become president of Florida Coastal, where he oversaw its fall from compliance with ABA Standards. InfiLaw and Defendant SFM transferred Stone's successor at CSL, Donald E. Lively, from Florida Coastal in 2011 and, after CSL, to Arizona Summit over the course of 2014 and 2015. InfiLaw and Defendant SFM installed Lively's successor, Chidi Ogene, in the position after a stint as Corporation's general counsel.

54. The two InfiLaw entities, in turn, were dominated and controlled by the Sterling Entities. The Sterling Entities accomplished this domination by installing Inatome, an agent of one or more of the Defendant Sterling Entities and their affiliates, as Corporation's CEO and Holding's manager. The Sterling Entities further controlled InfiLaw by installing Sterling partners Inatome, Philip Alphonse, and Chris Hoehn-Saric on Holding's board. Sterling partners including Justin Marku and Steve Fireng participated in Holding's board meetings.

55. During the relevant time period described in this Complaint, Sterling and InfiLaw controlled and managed CSL, Florida Coastal, and Arizona Summit with profit maximization predominating over educational considerations.

56. As further described herein, Corporation, Holding, and Sterling siphoned CSL's capital. Corporation, Holding, and Sterling regularly withdrew money from CSL's accounts. In the most common scenario, CSL received cash from the DoE, a portion of which was to be applied to tuition charges, with the remainder disbursed to students as living stipends. Corporation, Holding, and Sterling withdrew large portions of the deposits from the DoE and returned the money to CSL's accounts weeks after it was due for disbursal to students. Corporation, Holding, and Sterling regularly did so without coordinating with CSL employees who were nominally in charge of managing the funds. This pattern of conduct left CSL without adequate capital to operate as its own company, as evidenced by multiple regulatory findings in May, June, and August 2017.[6]

Rick Inatome

57. Rick Inatome is the Chief Executive Officer of Corporation and the chief manager of Holding. At various times relevant to the acts alleged herein, Inatome also held the roles of Vice President of SFM until 2012, Special Limited Partner at SFM, and Managing Director of an affiliate of the Sterling Defendants, Sterling Partners, Inc.

58. Inatome was a primary conduit for the Sterling Entities' domination and control of CSL and participated in its week-to-week management.

59. Inatome is a professional entrepreneur who has not graduated from law school, is not a licensed attorney, and has no prior experience operating an educational institution.

[6] Sterling, Holding, and Corporation similarly siphoned capital from Arizona Summit, leaving it undercapitalized to the point of being in violation of an ABA Standard. *See* Letter from Barry Currier, Managing Dir. of Accreditation & Legal Educ., Am. Bar Assoc., to Don Lively, Pres., Ariz. Summit Sch. Of L. and Penny Willrich, Dean, Ariz. Summit Sch. L. (Jan. 4, 2018), https://www.americanbar.org/content/dam/aba/administrative/legal_education_and_admissions_to_the_bar/PublicNoticeAnnouncements/arizona_summit_12a4_public_notice_january_4_2018.authcheckdam.PDF [https://perma.cc/32GB-WDFN].

60. In his various roles for the Sterling Defendants and their affiliated entities, Inatome facilitates their control over Holding, Corporation, and CSL. Sterling, for example, authorized and directed him to apply for CSL's North Carolina certificate of authorization in 2006. CSL's application lists Sterling's address as the address of its "principal office."

61. In his various roles for the Sterling Defendants and their affiliated entities, as Corporation's CEO, and as Holding's chief manager, Inatome participated at all relevant times in the week-to-week management of CSL. Inatome was on location at CSL for at least two days every semester to effect short- and longer-term management. Inatome met at least weekly, by videoconference or telephone, to direct CSL's senior managers including Dennis Stone, Donald E. Lively, and Chidi Ogene; former Dean Jay Conison; Conison's successors as dean; and at least one associate dean in performance of their duties. Also in his various roles for the Sterling Defendants, Inatome directed CSL's senior managers through frequent phone calls and e-mails.

Jay Conison

62. Jay Conison was the Dean of CSL from 2013 to March 2017.

63. Conison was the Dean at Valparaiso Law from 1998 to 2013. After Conison left Valparaiso, that law school was found to have been non-compliant with ABA Standards for admissions practices while under his direction. InfiLaw and the Defendant Sterling Entities hired Conison for the position at CSL specifically because of his savvy in implementing and managing high-volume admissions practices.

Chidi Ogene

64. Chidi Ogene was the President of CSL from 2015 until its closure in August 2017.

65. Ogene was formerly general counsel of Corporation and Dean of Florida Coastal.

66. After CSL's collapse, Ogene reassumed his former position as general counsel of Corporation and/or Holding.

Donald E. Lively

67. Donald E. Lively was President of CSL from 2011 to 2015.

68. Lively was previously the Dean and Chancellor of Florida Coastal. Lively is currently President of Arizona Summit.

FACTS

Plaintiffs reassert the allegations above and in addition allege as follows:

A. THE CSL CASH MACHINE

69. The Defendant Sterling Entities founded CSL in 2006. CSL's application for certificate of authorization as a North Carolina LLC lists Sterling's address as the address of its "principal office".

70. CSL was provisionally accredited in 2008 by the ABA and fully accredited by the ABA in 2011.

71. CSL's annual tuition rose as high as $44,284.00, not including the cost of extra courses that some students were required to take.

72. CSL's enrollment rose as high as approximately 1,400, in 2012, 2013, and 2014.

73. The Defendant Sterling Entities fuelled this growth by establishing revenue and profit goals for InfiLaw and CSL that Sterling knew to be attainable only by slashing CSL's admissions standards to among the very lowest of U.S. law schools.

74. The median Law School Admission Test ("LSAT") score for incoming CSL students fell from 149 in 2011 to 147 in 2012, 145 in 2013, and 143 in 2014. By 2015, its median LSAT score had fallen to 142 and its median undergraduate grade-point average ("UGPA") to

2.82. By comparison, the nationwide median LSAT score for all test-takers, including those not accepted to any law school, has been about 151 in recent years.

75. The Defendant Sterling Entities caused CSL's admissions standards to be slashed most dramatically after 2011, when CSL won ABA accreditation and was no longer subject to the same degree of ABA scrutiny.

76. CSL's acceptance rates after 2011 ranged from 65% to 75%.

77. To facilitate the lowering of standards, InfiLaw and Defendant SFM established admissions targets outside the oversight and involvement of CSL's faculty. Sterling directed and facilitated the admission of an unknown but large number of CSL students without allowing a committee of faculty to participate in the decisions as has long been required by the ABA.[7] Given this ABA requirement and the prevailing norm of faculty involvement in such decisions at U.S. law schools and other institutions of higher learning, Plaintiffs were reasonable in their expectations that faculty would be similarly involved at CSL and that an admissions decision reflected a belief that the applicant was prepared for law school rather than merely as a source of revenue.

78. The Defendant Sterling Entities also lowered CSL's standards more directly by staffing CSL's admissions office with employees of their other subsidiaries and instructing admissions officers to increase enrollment without any regard for successful outcomes of students while at CSL or on the bar exam.

[7] E.G., AM. BAR ASS'N, STANDARDS AND RULES OF PROCEDURE FOR APPROVAL OF LAW SCHOOLS, 2017-18, STANDARD 201(A), https://www.americanbar.org/content/dam/aba/publications/misc/legal_education/Standards/2017-2018ABAStandardsforApprovalofLawSchools/2017_2018_standards_chapter2.authcheckdam.pdf [https://perma.cc/9BDX-6CAZ].

79. One such admissions officer was Steve Jones. Jones had been director of admissions for the University of St. Augustine ("St. Augustine"). St. Augustine's precipitous growth under Jones attracted the attention of Inatome, the Defendant Sterling Entities and Laureate Education, Inc. ("Laureate"), a Sterling portfolio company, leading the Sterling Funds and Laureate to acquire St. Augustine in late 2013. Soon after this acquisition, the Defendant Sterling Entities transferred Jones and installed him as director of admissions for both Florida Coastal and CSL, with directions to maximize both subsidiaries' enrollments through any means necessary and without regard to applicants' qualifications or preparedness.

80. The Defendant Sterling Entities did not disclose these recruitment and admissions practices to Plaintiffs, the ABA, the DoE, or other applicants and students. Sterling directed CSL, InfiLaw, and their employees not to disclose these practices.

81. From CSL's accreditation until mid-August 2017, the Defendant Sterling Entities, InfiLaw, and CSL marketed and represented CSL as having "been awarded full accreditation by the ABA in 2011." As recently as mid-August 2017, CSL's website proclaimed that the ABA "determined through its accreditation process that Charlotte School of Law *is in full compliance with the ABA Standards* for the Approval of Law School,"[8] language that had been formulated by InfiLaw and Defendant SFM.

82. From CSL's accreditation until mid-August 2017, the Sterling Funds and CSL marketed CSL as having "a rigorous curriculum [that] has been created to ensure that our students are equipped with practical skills that will allow them to thrive in a professional setting. Students are taught not only the traditions and theory of law, but also how to apply this learning through critical thinking and analytical skill sets. We address what using a law degree in real life

[8] OUR MISSION, http://www.charlottelaw.edu/our-mission.html [https://perma.cc/D8KR-KMZE] (last viewed July 28, 2017).

can mean to an individual both personally and professionally."[9] In marketing and representing CSL to current and prospective students, CSL's website claimed that "[s]tudent success is of the utmost importance to everyone at the institution, on every level."[10]

83. InfiLaw and Defendant SFM approved and encouraged CSL to use such phrasing despite knowing it was misleading after they began hollowing out CSL's faculty in 2011.

84. Contrary to those pronouncements, Defendant SFM directed CSL and InfiLaw to solicit, entice, and admit students that they anticipated would fail–not succeed–and to provide them with an insufficient legal education.

85. CSL, InfiLaw, and SFM relegated the majority of CSL students to indentured servitude, saddling them with hundreds of thousands of dollars of crushing debt that will take literally decades to repay.[11] The Sterling Entities are the only parties that have benefited from this scheme, to the detriment of the students upon whom they preyed.

86. Under the direction of Defendant SFM, CSL and InfiLaw knowingly contacted, recruited, enticed, and encouraged students, including Plaintiffs, to attend CSL even though some students had not yet received their LSAT scores.

87. Plaintiffs and other students targeted by CSL, InfiLaw, and Defendant SFM did not understand how CSL or other law schools select incoming classes of students, or how LSAT scores, UGPAs, and an applicant's other attributes correlate with success in law school, graduation, and, in the instances where students were able to graduate, on the bar exam.

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[9] CHARLOTTE SCHOOL OF LAW, https://lsac.org/officialguide/2014/lsac_5499.asp [https://perma.cc/8NMX-JQWZ] (mission statement supplied by CSL to Law School Admissions Council) (last viewed September 4, 2018).
[10] OUR MISSION, http://www.charlottelaw.edu/our-mission.html [https://perma.cc/D8KR-KMZE] (last viewed July 28, 2017).
[11] Plaintiffs' student debt associated with CSL averages approximately $170,000, including accrued interest.

88. CSL, InfiLaw, and Defendant SFM understood well how LSAT scores, UGPAs, and an applicant's other attributes correlate with success in law school and on the bar exam. Officers of Corporation, Holding, and the Defendant Sterling Entities discussed the correlation at multiple board meetings.

89. Under the direction of Defendant SFM, CSL and InfiLaw exploited this information disparity in specifically targeting Plaintiffs and other unsophisticated applicants for recruitment to CSL.

90. Under the direction of InfiLaw and Defendant SFM, CSL, Lively, Ogene, and Conison encouraged Plaintiffs to trust their educational expertise during the recruitment process and as students.

91. Under the direction of the Defendant Sterling Entities, CSL and InfiLaw represented to Plaintiffs before they enrolled that they were likely to succeed academically at CSL and then pass the bar exam.

92. Under the direction of the Defendant Sterling Entities, CSL and InfiLaw developed a pattern and practice of admitting applicants who stood little chance of graduating and no reasonable chance of passing a bar exam.

93. CSL's retention rates were strikingly low and continued to worsen right up until the end. For the 2013–14 academic year, the attrition rate for first-year students was 32.1%. It rose to 44.6% in 2014–15 and 49.2% in 2015–16.

94. This high and rising attrition rate was due primarily to "academic dismissal," which resulted when a student's grade-point average ("GPA") fell below a 2.0 ("C" average). This result was all but inevitable for fully half of CSL's students, since each course's final grade was curved to a "C" average.

95. CSL's lax admission standards and tight grading curve were essential to its business model: enroll the maximum number of students, regardless of whether they are adequately prepared for law school, and collect millions of dollars in tuition and fees, but then, in order to inflate CSL's bar passage rate, discard the students who were deemed unlikely to pass the bar exam.

96. A key aspect of the business model was CSL's, InfiLaw's, and the Defendant Sterling Entities' rhetorical emphasis on racial and ethnic diversity and "underserved markets". The purpose of this "diversity" marketing was to focus on students whose educational backgrounds provided little preparation for the rigors of law school and who provided easy marks for Sterling's and InfiLaw's high-volume admissions strategy.

97. In this respect and others, CSL's business model was identical to those of the Sterling Funds' other law school subsidiaries. This is because Defendant SFM and InfiLaw operated all three schools first and foremost as profit-seeking entities, with education a distinctly secondary consideration. Like Inatome, Corporation's "vice president of academics," Adam Cota, had no training in either law or education.

98. For the class of 2017, CSL and InfiLaw advertised during the application process that CSL would have a "C" curve only for those students' first year at CSL. In other words, if a student finished his first year in the middle of his class cohort, he would have a 2.0 GPA. Defendant SFM directed CSL and InfiLaw to implement this curve because they were fully aware that a large portion of CSL's admitted students did not have test scores and/or adequate UGPAs that predicted success in law school or, for those who graduated, on the bar exam.

99. However, in 2015, CSL and InfiLaw created a requirement whereby the class of 2017 would have a "C" curve during their second and third years as well. This was never

disclosed to the Class of 2017 students during their application process. Fully aware that a large portion of its admitted students did not have test scores and/or adequate UGPAs that predicted success in law school or the bar exam, Defendant SFM directed CSL and InfiLaw to implement this curve in order to weed out those students before they could get to the bar exam, where they would weigh on CSL's bar-passage statistics.

100. CSL, InfiLaw, and Defendant SFM knew that roughly half of incoming students at CSL would leave law school during the first two years, including many through academic dismissal.

101. The Alternate Admission Model Program for Legal Education ("AAMPLE") program was the primary vehicle for admitting such students. AAMPLE targeted applicants whose low UGPAs and low LSAT scores (typically below 140) made them less likely to be accepted by other law schools. AAMPLE was a six-week program in which paying participants took two classes that were comparable to classes taught in the JD program, but simpler. AAMPLE classes included "Fourth Amendment", which corresponded roughly to a criminal procedure class in the JD program, and "Negotiable Instruments".

102. CSL and InfiLaw advertised AAMPLE to applicants as a "conditional admittance" program. Its central conceit was that a participant took two exams at the end of the six-week program and was admitted to the JD program upon passing both.

103. In reality, AAMPLE was a ruse intended to mask CSL's, InfiLaw's, and the Defendant Sterling Entities' goal of roping in as many students as possible, while still showing ABA accreditors and the broader legal-education community a semblance of selectivity and convincing AAMPLE participants that law was a viable career choice and to attend CSL.

104. CSL, InfiLaw, and Defendant SFM caused AAMPLE exams to be graded more leniently than the exams in CSL's JD program. In many instances, an AAMPLE instructor would assign a failing grade and then, to his or her surprise, encounter the same student in a first-semester JD course. This use of AAMPLE reflects the broader reality of CSL faculty having no meaningful role in the admission and enrollment process, which was designed by InfiLaw's financial planners at Defendant SFM's direction.

105. Even the few applicants who failed an AAMPLE class were admitted under other pretexts. In early 2014, Defendant SFM directed InfiLaw to install Steve Jones as CSL's admissions director with instructions to increase numbers of matriculants with LSAT scores below 140. As the beginning of each semester approached and Jones saw that CSL was falling short of its enrollment goal, Jones dug ever deeper into the pools of applicants who had initially failed the AAMPLE exams and admitted those students on other pretexts.

106. One such pretext was a so-called "diagnostic exam" developed and administered by the Kaplan testing company, which is designed primarily to help first-year law students identify strengths and weaknesses in their own study habits and the modes of learning. CSL, InfiLaw, and Defendant SFM used this "diagnostic exam", like AAMPLE, as a pretext to convey a semblance of selectivity rather than as an actual screening mechanism. Applicants who took the "diagnostic exam" were typically admitted. This was another feature of CSL's, InfiLaw's, and the Defendant Sterling Entities' "diversity" profiteering.

107. Students admitted to CSL through AAMPLE were academically dismissed from at a far higher rate than students admitted under traditional criteria.

108. AAMPLE instructors, CSL Registrar Traci Fleury, and admissions employees complained repeatedly to CSL, Corporation, Lively, Ogene, and Conison about these admissions

practices and the resulting increase in attrition rates. CSL, Lively, Ogene, and Conison, in turn, communicated these concerns to Defendants SFM and the Sterling Funds via Inatome in his capacity as their agent, but Inatome, again in his capacity as their agent, directed them to ignore the concerns.

109. Of AAMPLE students who graduated from CSL, fewer than one-third went on to pass a bar exam, even after multiple attempts.

110. Defendant SFM was well aware of all these facts related to AAMPLE but did not disclose them to AAMPLE participants or to the relevant faculty members.

111. CSL, InfiLaw, and Defendant SFM knowingly enticed students to attend or select CSL on the promise of receiving a scholarship. After granting the scholarship for a period of time, CSL, InfiLaw, and Defendant SFM changed the grading pattern and were able to manipulate the grades to prevent applicants from receiving a continued scholarship. CSL, InfiLaw, and Defendant SFM did not disclose this practice to Plaintiffs or other students at any time, and they discouraged faculty from doing so.

112. Under the direction of Defendant SFM, CSL and InfiLaw knowingly misrepresented the utility and availability of CSL law clinics.

113. Under the direction of Defendant SFM, CSL and InfiLaw knowingly exaggerated statistics on CSL graduates' true legal employment after graduation to Plaintiffs and other students while they were considering attending CSL and also while they were considering transfer from CSL to other law schools.

114. In or around 2013, CSL began to experience an increase in numbers of students transferring to higher-quality law schools. In response, Defendant SFM directed CSL and

InfiLaw to overhaul its curriculum in ways that Defendant SFM knew would ultimately hinder students' ability to transfer to other law schools.

115. One such impediment was that InfiLaw created new courses that were not in the regular curriculum of most law schools in the United States, such as "Civil Wrongdoing" and "Introduction to the Study of Law," so that a student transferring to another school would lose academic credit. At least some of these new courses were composites of two or even three courses that other U.S. law schools offered to first-year students, typically one or two courses in substantive law and one course in legal writing and/or other skills.

116. The curricular overhaul also entailed the elimination and reduction of certain topics from core classes so that other law schools would not grant credit for those classes to students transferring from CSL. This, too, was integral to the Defendant Sterling Entities' scheme to impede students' transfers and keep the tuition dollars flowing in.

117. Under Defendant SFM's direction, InfiLaw imposed this new curricular structure on all three of its subsidiaries. InfiLaw and Defendant SFM dubbed the structure "Legal Education 2.0", a moniker aimed at convincing the Sterling Funds' investors that InfiLaw's business model would remain profitable even as U.S. law schools in the aggregate faced declining numbers of applicants, starting around 2012. While law-school applicant numbers were decreasing nationwide and positions for first-year attorneys becoming scarcer, other law schools were adjusting to the circumstances by admitting smaller classes. However, Defendant SFM directed InfiLaw and CSL to increase enrollment, even if lower admissions standards were necessary to do so, and to overhaul the curriculum, which was certain to hamper CSL students' ability to transfer to other law schools.

118. Defendant SFM, however, directed InfiLaw and CSL to increase enrollment by means including lowering admissions standards and hampering CSL students' transfer attempts.

119. InfiLaw executives introduced the model to CSL faculty during or around the 2012–13 academic year. During that academic year or the 2013–14 academic year, InfiLaw and CSL introduced the new curriculum for all first-year students as the "Charlotte Edge" curriculum.

120. Since then, the structure inhibited numerous CSL students' ability to transfer. The relatively few students who have been able to transfer have lost credits in the process and incurred additional time and expenses.

121. Another such impediment to transfer was that CSL and InfiLaw knowingly and intentionally failed to provide transcripts that students needed in order to explore transfer opportunities.

122. Similarly, CSL and InfiLaw imposed a requirement that students attempting to transfer first sit down for an "exit interview" with CSL's dean. Such interviews were initially considered a formality when they were introduced in or around 2014. As Defendant SFM increasingly pressured InfiLaw and CSL to show growing or at least steady enrollment, however, CSL and InfiLaw made it increasingly difficult for transferring students to arrange these interviews.

123. These were conscious strategic moves instigated by CSL, InfiLaw, and Defendant SFM to hamper CSL students' efforts to transfer.

B. ABA INVESTIGATION

124. Between March 16 and 19, 2014, an ABA "site team" conducted an on-site Three-Year Interval evaluation of CSL. During the course of this site visit, the team met with

Inatome, who was CEO of Corporation, chief manager of Holding, and an agent of the Defendant Sterling Entities and their affiliates; Conison, then Dean of CSL; Lively, then President of CSL and now president of Arizona Summit; and numerous CSL administrators, faculty, and staff. Members of the site team visited a significant majority of the classes taught during its visit. Site-team members met with some CSL students; however, faculty and staff instructed at least some students not to speak with site-team members, for fear that the students would reveal damaging information about CSL, InfiLaw, or the Defendant Sterling Entities.

125. On September 15, 2014, the ABA provided CSL with a 72-page Inspection Report and invited CSL to provide comments and note factual errors. The ABA informed CSL that the Report would provide the basis for its determination on whether CSL's programs were operating in compliance with the ABA Standards. Among its topics, the Report discussed CSL's program of legal education, students (including both admissions qualifications and output metrics, including a discussion of bar passage statistics), and financial operations.

126. CSL provided a copy of the report to Inatome, in his capacity as Corporation's CEO, his capacity as Holding's chief manager, and his capacity as an agent of one or more the Defendant Sterling Entities and their affiliates.

127. In his capacities as the CEO of Corporation, chief manager of Holding, and an agent of one or more of the Defendant Sterling Entities and their affiliates, Inatome controlled CSL's response to the report by communicating frequently with Conison and Lively and by reviewing draft responses.

128. CSL responded in writing to the report in October 2014.

129. Based on the issues raised in the 72-page report, Defendant SFM knew or should have known that CSL's compliance status was in jeopardy.

130. At its January 2015 meeting, the ABA Accreditation Committee ("Committee") reviewed both the Report and CSL's written response. Following that meeting, the Committee issued its first decision announcing that it had "reason to believe" that CSL had "not demonstrated compliance" with certain ABA Standards. The ABA also "request[ed] additional information to make a determination" as to CSL's compliance with additional Standards and interpretations, including Standards 301(a), 501(a), and 501(b), and Interpretation 501-1, which are foundational to the educational enterprise and the nature of the education program offered by CSL. Those Standards are as follows:

> Standard 301(a): "A law school shall maintain a rigorous program of legal education that prepares its students, upon graduation, for admission to the bar and for effective, ethical, and responsible participation as members of the legal profession."
>
> Standard 501(a): "A law school shall maintain sound admission policies and practices consistent with the Standards, its mission, and the objectives of its program of legal education."
>
> Standard 501(b): "A law school shall not admit an applicant who does not appear capable of satisfactorily completing its program of legal education and being admitted to the bar."
>
> Interpretation 501-1: "Among the factors to consider in assessing compliance with this Standard are the academic and admissions test credentials of the law school's entering students, the academic attrition rate of the law school's students, the bar passage rate of its graduates, and the effectiveness of the law school's academic support program."

131. Under Defendant SFM's direction, Conison misrepresented the ABA's decision by e-mailing all current CSL students the following:

> The report of the site visit team was very positive. The letter is also very positive and contains only a few items on which we need to report back with updated information. Requests to report back are normal. I previously served in the role of Chair of the ABA Accreditation Committee and in my experience decision letters typically contain more requests to report back than does ours.

132. Relying on Conison's representations of a "very positive" visit and unaware that CSL had "not demonstrated compliance" with certain ABA Standards, Plaintiffs and other students felt no need to seek admission elsewhere.

133. On February 3, 2016, the ABA Committee issued its second decision regarding CSL. In this decision, the Committee made twenty factual findings, thirteen of which pertained to the Committee's request for additional information to determine CSL's compliance with Standards 301(a), 501(a), and 501(b) and Interpretation 501-1. The Committee concluded that CSL was "not in compliance" with "Standards 301(a), 501(a), 501(b), and Interpretation 501-1, in that the Law School has not demonstrated that it is maintaining a rigorous program of legal education that prepares its students, upon graduation, for admission to the bar and for effective, ethical, and responsible participation as members of the legal profession; maintaining sound admissions policies and practices consistent with the Standards, its mission, and the objectives of its program of legal education; or is admitting applicants who do not appear capable of satisfactorily completing its program of legal education and being admitted to the bar."

134. Having full knowledge of the Committee's second, firmer admonition on February 3, 2016, CSL, InfiLaw, and Defendant SFM nevertheless again failed to amend, update, or otherwise correct the continuing and misleading representations on CSL's website or the websites of InfiLaw or the Sterling Entities or inform CSL's current or prospective students about the ABA's notification.

135. In July 2016, the ABA issued its third decision, again finding CSL to be out of compliance with Standards 301(a), 501(a), and 501(b) and Interpretation 501-1. In this decision, the ABA also announced its conclusion that "the issues of non-compliance with Standards 301(a), 501(a), and 501(b), and Interpretation 501-1 *are substantial and have been persistent*"

(emphasis added). The Committee also found that CSL's "plans for bringing itself into compliance with the Standards have not proven effective or reliable." Among its factual findings, the Committee concluded:

> With respect to CSL's admission policies, [i]t was not clear to the Committee how [CSL's] admission practices demonstrate that applicants with low academic and admission test credentials appear capable of completing the Law School's program of legal education and being admitted to the bar.
> …
> Attrition is substantial and suggests that the Law School's admissions process is not as predictive of academic success as it might be.
> …
> The Law School's bar passage rates…remain low, often significantly so.
> …
> The Law School's ultimate bar passage rates were in compliance for 2011, 2012, and 2013. The school may be in compliance for 2014, but the 17% missing or never passed could affect that compliance. It is not in compliance for 2015 at this point, with 43% either missing or never [having] passed the bar.

136. The third decision's "substantial" and "persistent" language suggests that the noncompliance dated to long before February 2016, when the ABA issued its second decision.

137. As part of this third decision, the Committee ordered CSL to disclose its noncompliance to students and the public.

138. After the ABA's third decision, CSL, InfiLaw, and Defendant SFM continued to conceal CSL's noncompliance with ABA Standards from current and prospective students and misrepresented this noncompliance in its discussions with current and prospective students. Specifically, Defendant SFM prevented CSL and InfiLaw from amending, updating, or otherwise correcting the continuing and misleading representations on CSL's website. Similarly, Defendant SFM prevented CSL and InfiLaw from correcting and updating the earlier representations that CSL and InfiLaw had made to current and prospective students.

139. Instead, in August 2016, CSL appealed the third decision to the Council. CSL asked the Council to eliminate the requirement that CSL disclose the noncompliance to students. CSL conceded that "if students and prospective students were aware of the ABA's findings of noncompliance, that would have a profound impact on admissions because: (1) knowledge of the ABA's findings would make applicants much less likely to enroll; and (2) such a disclosure would effectively tell applicants to beware of attending the Charlotte School of Law." In addition, CSL argued to the ABA that public disclosure of its noncompliance would "have an adverse impact on [CSL's] ability to retain high-performing students," because it would "inevitably create anxiety on the part of high-performing students and make their transfer more likely." Thus, CSL acknowledged that informing students of its noncompliance would have impacted the decisions made by both prospective students and current students to either enroll or continue their studies at CSL; in other words, Defendant SFM, which was directing CSL's responses, was aware that CSL students were relying on the misimpression that CSL was fully compliant with ABA Standards.[12]

140. On October 21, 2016, the Council held a hearing at which Conison testified on CSL's behalf. At that hearing, *Conison noted that CSL was "not appealing that conclusion of noncompliance with Standards 301 and 501."*

141. On November 14, 2016, the Council found *for the fourth time in two years* that CSL was not in compliance with ABA Standards. On that date, the Council determined again

[12] In connection with CSL's appeal to the ABA, CSL and InfiLaw provided the ABA with a market study that tested the impact of disclosure on CSL applicants. The study analyzed the view of individuals with LSAT scores below 142 who have applied to one or more of the InfiLaw Schools. These individuals were asked to assess the impact on the likelihood of their enrollment at a particular law school if acceptance materials from that school included a statement that CSL failed to meet accreditation standards dealing with admissions, educational programs and bar passage. The study concluded that approximately 3 in 4 applicants (or 74%) stated that they would be "much less likely to enroll" after reading such a statement – establishing that reasonable students were highly likely to rely on the disclosure of information regarding the accreditation failure that CSL sought to keep from public view.

that CSL was not in compliance with Standards 301(a), 501(a), and 501(b), that the issues of noncompliance with these Standards "are substantial and have been persistent," and that CSL's "plans for bringing itself into compliance with the Standards have not proven effective or reliable."

142. Because Inatome, on behalf of SFM, prevented CSL from disclosing to its current and prospective students its noncompliance with ABA Standards, the Council ordered remedial actions, including public disclosure.

143. Citing the foregoing, the ABA placed CSL on probation, effective November 14, 2016.

144. Plaintiffs and other students were devastated, both by learning of CSL's persistent noncompliance with ABA Standards and by the probation, because CSL and Corporation, at the direction of Defendant SFM, refrained from giving them forewarning and instead misled them at multiple points.

145. In a meeting with students on November 16, 2016, Ogene acknowledged the ABA's determinations of noncompliance in 2015 and 2016 but added "I thought it would blow over." Ogene's statement is reflective of CSL, InfiLaw, and Defendant SFM's failure to take the ABA Standards and enforcement process seriously.

C. CSL'S, INFILAW'S, AND DEFENDANT SFM'S MISREPRESENTATIONS CAUSED CSL STUDENTS TO LOSE ACCESS TO FEDERAL STUDENT AID

146. On December 19, 2016, after finding that CSL had "substantially misrepresent[ed] the nature of its educational program" to the DoE and current and prospective students, the DoE denied CSL's Recertification Application to Participate in the Federal Student Financial Assistance Program.

147. CSL's, InfiLaw's, and Defendant SFM's actions, in other words, suddenly dropped the full weight of tuition payments–$22,142.00 per semester–on students, including Plaintiffs. Students were left wondering where to go and what to do in order to graduate, take and pass the bar, and pay off the massive amount of student debt most had accumulated.

148. On information and belief, Defendant SFM caused CSL to delay a full month after the DoE's December 19, 2016, letter ("DoE Denial Letter") to issue any sort of public statement. In the meantime, Ogene e-mailed the student body on December 29, 2016, a "don't call us; we'll call you" message. In fact, immediately after the DoE Denial Letter, students who attempted to meet with Conison, Ogene, and InfiLaw representatives were locked out of the administrative offices on the seventh floor of CSL's building. Students were denied elevator access to the seventh floor and the doors to CSL administrative offices were locked, thereby denying students access, and leaving students such as Plaintiffs without answers. Not only had Plaintiffs never been informed of CSL's noncompliance with ABA Standards, but certain faculty members at CSL say that Conison, Ogene, and other agents of InfiLaw kept the details of CSL's noncompliance hidden from them as well. Outraged that neither CSL nor InfiLaw had made any public statements to inform and assist students or themselves, the faculty sent an open letter to current students, including those among Plaintiffs who remained at CSL, stating:

> Since Monday, December 19, faculty members of CSL have met to discuss the current school crisis caused by the actions, and inaction, of key decision-makers. The outcome of the meetings was to prioritize communication to our student body and to insist to InfiLaw that the school must change the way it is governed.
> …
> Students, we share in your feelings of sadness, anger, and disappointment. At this juncture, we are insisting that InfiLaw recognize that decisions about admissions and curriculum must be made by the faculty. These decisions are the subject of our current

> situation and were made without the benefit of those best able to protect the student's interest.
> …
> The missteps of key decision-makers should never overshadow the positive contributions and capabilities of our students and alumni.

149. Conison's response on January 19, 2017, provided scant guidance as to how Plaintiffs would actually be affected by these developments. Instead, it perpetuated the façade that CSL was a functioning and reputable law school. Conison continued to do his best to keep tuition flowing into CSL (and ultimately to the Defendant Sterling Funds) without looking out for the interests of the students, former students, or alumni, including those Plaintiffs who were still enrolled at CSL.

150. CSL reopened its doors for spring semester on January 23, 2017, a week after classes were scheduled to resume.

151. By that date, CSL, InfiLaw, and Defendant SFM had discharged as many as two-thirds of CSL's faculty, eliminated most of its courses for the semester, cancelled most of the clinical programs it had previously heralded as its unique contribution to the community, and did not enroll new students in the spring 2017 semester.

152. By the time students became aware of these events, it was too late for most of them to apply as transfer students to other law schools. Therefore, CSL's move to delay the spring semester hampered many of the students in their efforts to transfer from CSL to continue their legal education. Had students known of CSL's noncompliance in 2015 when the ABA first shared its findings with, students could have avoided the financial calamities they now face; even a disclosure earlier in 2016 might have helped students to avoid some of the calamity.

D. DoE'S FINDINGS OF SUBSTANTIAL MISREPRESENTATION BY CSL

153. In making its determination that CSL had "substantially misrepresent[ed] the nature of its educational program" to the DoE to and current and prospective students, the DoE considered the particular accreditation Standards for which CSL was found to be noncompliant, the nature of those Standards, the fact that the ABA found the noncompliance to be both substantial and persistent, the fact that the ABA found CSL's plans for bringing itself into compliance with the Standards proved ineffective and unreliable, the fact that ABA believed the noncompliance to be so severe as to merit placing the institution on probation, corroborative evidence of the noncompliance, and the institution's administrative capability and fiduciary conduct.

154. The DoE found that CSL *substantially misrepresented* to students and prospective students the "nature and extent" of CSL's accreditation and the "appropriateness of its courses and programs to the employment objectives that it states its programs are designed to meet," all in order to gain prospective students' admission and prevent current students from transferring.

155. Moreover, the DoE found substantial misrepresentations on the part of CSL, because there were no public statements before November 2016 that would have informed a student or prospective student that the ABA had found CSL to be out of compliance with the Standards, or that the ABA had determined that CSL had "not demonstrated that it is maintaining a rigorous program of legal education that prepares its students, upon graduation, for admission to the bar and for effective, ethical, and responsible participation as members of the legal profession." Nor was the DoE aware of any disclosure during that period by CSL that the ABA had determined that CSL was "admitting applicants who do not appear capable of satisfactorily completing its program of legal education and being admitted to the bar."

156. The DoE stated that CSL's misrepresentations on its website that it was in full compliance with the ABA Standards could lead a current or prospective student to "conclude that the 2011 finding of 'full compliance' by the ABA was the final word as to the institution's compliance with the ABA's accreditation Standards." These representations were misleading in that they had the likelihood or tendency to deceive reasonable students and prospective students about the current status, nature, and extent of CSL's accreditation.

157. Moreover, the DoE found that CSL's representations that it created a "rigorous curriculum … to ensure that [CSL] students are equipped with practical skills that will allow them to thrive in a professional setting," was misleading:

> (1) the ABA has specifically and repeatedly concluded that CSL has not maintained a "rigorous" program of legal education, that its failure in this regard are "substantial" and "persistent," and that CSL's plans to come into compliance with that standard have not proven effective or reliable; and (2) the positioning of CSL's discussion of compliance with the ABA standards (which use the word "rigorous" to describe what is expected of a compliant program) has the likelihood or tendency to leave students and prospective students with the false impression that CSL was compliant with that very requirement by the ABA.

158. Each of these misleading statements constitutes a substantial misrepresentation because students and prospective students, including Plaintiffs, could reasonably be expected to rely on each of these statements to their detriment. Indeed, CSL argued to the ABA that if students and prospective students were aware of the ABA's findings of noncompliance, that would have a "profound impact on admissions" because: (1) knowledge of the ABA's findings would make applicants "much less likely to enroll;" and (2) such a disclosure would "effectively tell applicants to beware of attending the Charlotte School of Law." In addition, CSL argued to the ABA that public disclosure of its noncompliance would "have an adverse impact on [CSL's] ability to retain high-performing students," because it would "inevitably create anxiety on the

part of high-performing students and make their transfer more likely." Thus, CSL privately conceded to the ABA that revealing the truth about its noncompliance would have impacted the decisions made by prospective students and current students to either enroll or continue their studies at CSL. Notably, the CSL did not appeal the ABA's July 2017 finding that CSL was out of compliance with ABA Rules 301(a), 501(a), and 501(b).

159. The DoE found that CSL substantially overstated the bar passage rates of CSL graduates in an interview with the *Charlotte Business Journal* published on November 30, 2016.[13] In that interview, Ogene stated that "[i]f you look at bar pass rates between 2009 and 2013, we were consistently at or above the state bar average pass rate." However, bar passage data available from the ABA shows that, out of the nine sittings of the North Carolina bar exam between July 2009 and July 2013), CSL's first-time bar passage rate was actually below the state average five times (with a maximum differential of -13.33%) and above the state average only four times (with a maximum differential of 7.4%).[14] In other words, CSL's statement was false and/or misleading.

160. The statements regarding CSL graduates' success on the bar examination constitute substantial misrepresentations about both the "appropriateness of [CSL's] courses and programs to the employment objectives that [CSL] states its programs are designed to meet." CSL and Defendant SFM either knew or reasonably should have known that the interview was to

[13] Jennifer Thomas, *Charlotte School of Law president talks probation, considers nonprofit status*, CHARLOTTE BUS. J., Nov. 30, 2016, 2016 WLNR 36711693 (Nov. 31, 2016), https://www.bizjournals.com/charlotte/news/2016/11/30/charlotte-school-of-law-president-talks-probation.html [https://perma.cc/T9GF-VSJZ].

[14] CSL graduates taking the July 2009 exam for the first time passed at a rate of 67.3%, compared to a statewide average of 80.6%; the February 2010 exam at a rate of 73.3%, compared to a statewide average of 68.9%; the July 2010 exam at a rate of 87.0%, compared to a statewide average of 79.8%; the February 2011 exam at a rate of 75.0%, compared to a statewide average of 72.3%; the July 2011 exam at a rate of 78.8%, compared to a statewide average of 82.2%; the February 2012 exam at a rate of 53.1%, compared to a statewide average of 60.2%; the July 2012 exam at a rate of 68.2%, compared to a statewide average of 78.8%; the February 2013 exam at a rate of 69.8%, compared to a statewide average of 62.4%; and the July 2013 exam at a rate of 57.8%, compared to a statewide average of 71.0%.

be made public and would be viewed by current and prospective students. Because a reasonable current or prospective student would have understood CSL's comments to be misleading in its representation of CSL graduates' prior success on the bar examination, these statements constituted substantial misrepresentations.

161. While the DoE did not specifically ascribe these misrepresentations to the Defendant Sterling Entities' domination and control of CSL and InfiLaw, Defendant SFM did in fact direct CSL and InfiLaw to make the misrepresentations, as described elsewhere in this Complaint.

162. Through agents including Inatome, the Sterling Defendants furthermore manipulated CSL's bar-passage rates beginning in 2015 by identifying students they expected to fail the exam and then paying those students to defer taking the exam, thus inflating CSL's reported passage rates.

163. Through agents including Inatome, the Sterling Defendants also directed CSL, Corporation, and their agents to misrepresent CSL graduates' employability, telling students and prospective students that they would be highly sought. In fact, many law firms and other legal employers in the Charlotte market customarily reject all CSL graduates because of CSL's abysmal reputation and because it did so little to prepare students for practice.

E. THE CSL HOUSE OF CARDS COLLAPSES

164. Without jobs and now without access to federal student loans, CSL students found themselves unable to cover basic living expenses.

165. Under the direction of the Sterling Defendants, Ogene, Conison, and other CSL agents repeatedly told students not to worry and that DoE would reverse its decision soon after a change in leadership in January, and that DoE would then restore federal student loan access.

166. In fact, neither the Sterling Defendants, nor Ogene, nor Conison had any reason to believe that such a turnaround was likely, or even legal under principles of administrative law that would control such a change of policy.

167. Meanwhile, UNC's General Administration initiated a licensure review of CSL on January 24, 2017, citing the findings and decisions by the ABA and DoE.

168. On May 24, 2017, the General Administration notified CSL of its noncompliance with several Standards for licensure, including:

a. "[F]ailure to demonstrate financial resources indicating the institution is capable of maintaining operational continuity;"

b. "[F]ailure to demonstrate an adequate financial plan for long-range management of the institution;"

c. "[R]ecent financial records and audit reports that do not demonstrate financial stability;" and

d. "[F]ailure to maintain an adequate tuition guarantee bond."

169. These findings paralleled a finding by the N.C. Department of Justice that CSL was nearly six months late paying a $144,260.46 property tax bill due on September 1, 2016, evidence that CSL was insufficiently capitalized by its corporate owners.[15]

170. On June 21, 2017, UNC's Board of Governors set conditions for CSL's continued licensure, including (1) that it arrange renewed federal student aid for CSL students by August 10, 2017, (2) that it obtain by August 10, 2017, ABA approval for a "teach out" plan that would allow current CSL students to graduate, and (3) that it remedy the financial deficiencies described above.

[15] Letter from Harriet Worley, Spec. Dep. Att'y Gen., & Matt Liles, Ass't Att'y Gen., N.C. Dep't Just., to Betsy DeVos, U.S. Sec. Educ. (Apr. 12, 2017) (citing Bill No. 0007042776-2016-2016-0000-00, *available at* Mecklenburg County, N.C., Ofc. Tax Collector Property Tax Sys., http://taxbill.co.mecklenburg.nc.us/publicwebaccess).

171. Having been depleted of resources by the Defendants, CSL did not meet these conditions. As a result, its license expired on or shortly after August 10, 2017. CSL then shut down on or shortly after August 11, 2017.

F. PLAINTIFF FRIEDMAN'S EXPERIENCE AT CSL

172. Plaintiff Friedman lived in Davie, Broward County, Florida, in 2011 and 2012 and, immediately before enrolling at CSL, in Rochester, New York.

173. Plaintiff Friedman enrolled at CSL to pursue a career as an attorney.

174. Plaintiff Friedman reviewed CSL's website, which CSL and Corporation created and maintained under the direction and control of Defendant SFM, in mid-2015 when considering enrolling at CSL.

175. On one CSL web page, Plaintiff Friedman saw that CSL was fully accredited by the ABA and that this accreditation resulted from CSL's compliance with ABA Standards.

176. On another CSL web page, Plaintiff Friedman viewed statistics that indicated that CSL graduates taking the bar exam for the first time passed at a rate of greater than 80%.

177. In August 2015, when Plaintiff Friedman attended orientation before her first semester at CSL, CSL representatives, acting under the control and direction of Defendant SFM, quoted similar rates to Plaintiff Friedman and her incoming classmates.

178. Both as a prospective student and at orientation, Plaintiff Friedman reasonably (and correctly) believed that this rate was comparable to or above average first-time passage rates in North Carolina and nationwide.

179. In fact, however, CSL graduates taking the North Carolina bar exam in Febraury 2015, the most recent administration of that test whose results were then available to CSL and

Defendant SFM, passed the exam at a rate of just 40.5%, fully 14 percentage points below the statewide average rate.

180. Similarly, CSL graduates taking the North Carolina bar exam in 2014, the most recent calendar year whose results were available to CSL and Defendant SFM, passed the exam at a rate of just 57%, fully 12 percentage points below the statewide average rate.

181. Taking into account North Carolina, Florida, and all other states where CSL graduates applied for bar admission for the first time, CSL graduates passed the various states' exams at a rate of 58%, also 12 percentage points below the nationwide average.

182. Unaware of these true statistics and relying on the false statistics that CSL, Infilaw, and Defendant SFM published, Plaintiff Friedman chose to enroll at CSL.

183. Plaintiff Friedman incurred moving costs moving from Rochester, New York, to Charlotte, North Carolina, to attend CSL.

184. As a CSL student, Plaintiff consistently received her student-loan disbursements at least two weeks into the semester. This frequently caused her hardship and in at least one instance forced her to obtain a $2,000 personal loan.

185. This delay resulted from InfiLaw and CSL temporarily misappropriating, with Defendant SFM's knowledge and under SFM's direction, the money that Plaintiff Friedman had borrowed in her own name.

186. Plaintiff Friedman paid tuition in the amount of $65,740.00 to CSL.

187. Plaintiff Friedman paid fees and dues in the amount of $4,090.00 to CSL.

188. Plaintiff Friedman needed to take out loans to pay for her tuition and living expenses in the amount of $101,946.00.

189. Plaintiff Friedman's CSL-related loans have accrued interest and continue to accrue interest.

190. Plaintiff Friedman relied on CSL to remain in good standing with the ABA and in full compliance with its Standards. Plaintiff Friedman enrolled at CSL and returned for a second and third semester based on her understanding that CSL was fully compliant with ABA Standards.

191. Plaintiff Friedman never imagined that access to her student loans could be lost before she could begin a career as an attorney.

192. After CSL was placed on probation in November 2016, Plaintiff Friedman was in a bind. Plaintiff Friedman learned that she would lose some significant number of credits if she transferred, and therefore decided to stay put. In so doing, Plaintiff Friedman relied on assurances by Scott Sigman, a CSL professor and later a dean of the school, as well as assurances by other CSL administrators and faculty members, who were acting under the direction of Defendant SFM, that CSL would not lose its accreditation or its access to federal student loans.

193. After learning in late December 2016 that she would lose access to student loan money if she stayed at CSL, Plaintiff Friedman took a leave of absence.

194. Plaintiff Friedman later withdrew from CSL and moved to Miami, Florida, in May 2017.

195. Plaintiff Friedman restarted her legal education at Nova Southeastern University Law School ("Nova") in Ft. Lauderdale, Florida, beginning classes in the summer 2017 term.

196. Nova only accepted 36 of Plaintiff Friedman's 53 credits from CSL. These 17 lost credits represent at least one additional semester that Plaintiff had to dedicate to law school,

requiring her to incur additional expense and to forgo several months of employment in order to graduate.

197. Plaintiff Friedman graduated from Nova in December 2018.

198. Plaintiff Friedman took the Uniform Bar Exam ("UBE") in February 2019.

199. Plaintiff Friedman plans to remain in Florida and, if she attains a sufficient UBE score to practice law in Florida, then she plans to do so.

200. Plaintiff Friedman incurred moving costs once accepted into Nova.

G. PLAINTIFF LAMPAZIANIE'S EXPERIENCE AT CSL

201. Before enrolling at CSL, Plaintiff Lampazianie lived in Houston, Texas.

202. Before enrolling at CSL, Plaintiff Lampazianie worked at his family's restaurant part time for $10.00/hour.

203. Plaintiff Lampazianie chose to attend law school in order to pursue a career as an attorney after completing a masters degree in cybersecurity at the University of Maryland University College.

204. Plaintiff Lampazianie first applied to CSL in 2011 after receiving a 129 on his LSAT, and was accepted into the AAMPLE program. Plaintiff Lampazianie did not accept CSL's admission offer at the time.

205. Plaintiff Lampazianie next applied to CSL in spring 2014 after receiving a LSAT score of 141 in June 2014.

206. CSL accepted Plaintiff Lampazianie during the summer of 2014 for the fall 2014 class without having to complete AAMPLE.

207. Plaintiff Lampazianie also applied, and was accepted, to CSL's sister subsidiary Florida Coastal.

208. Plaintiff Lampazianie chose CSL as a way to better his chances in finding gainful employment.

209. Plaintiff Lampazianie chose CSL based on CSL's representations that, as a "practice-ready" student, Plaintiff Lampazianie would have the competitive edge over traditional law students in the work force. CSL made these representations at the direction of Defendant SFM.

210. Plaintiff Lampazianie relied on CSL's representations believing he would be receiving an education that would give him a competitive edge over his non-CSL peers.

211. In deciding to attend CSL, Plaintiff Lampazianie also relied upon his understanding, which Defendant SFM fostered through representations on CSL's website as well as in other marketing materials, that CSL was in good standing with the ABA and in complete compliance with all its Standards, and that it provided significant academic support, and led to high-quality job opportunities.

212. In deciding to enroll in the summer 2015 semester, Plaintiff Lampazianie furthermore relied on Dean Conison's misrepresentations, earlier that year, about the feedback that CSL was getting from the ABA during its review process.

213. Plaintiff Lampazianie needed to take out loans to pay for his tuition and living expenses. On August 29, 2014, Plaintiff Lampazianie took out a loan in the amount of $20,500 with an interest rate of 6.21%. On August 29, 2014, Plaintiff Lampazianie took out a loan in the amount of $43,464.00 with an interest rate of 7.21%.

214. Plaintiff Lampazianie was academically dismissed after the spring 2015 semester after his GPA fell below 2.0.

215. Plaintiff Lampazianie was enrolled in the 2015 summer semester and was two or three weeks into the coursework when Plaintiff Lampazianie was instructed by his professor that he was no longer able to continue taking the class because he was academically dismissed based on his spring semester grades.

216. Plaintiff first learned of CSL's noncompliance with multiple ABA Standards in November 2016 after CSL was placed on probation by the ABA, and forced to disclose its noncompliance.

H. PLAINTIFF MAZE'S EXPERIENCE AT CSL

217. Before enrolling at CSL, Plaintiff Maze lived in Owensboro, Kentucky.

218. Before enrolling at CSL, Plaintiff Maze made her living as an office manager and agent for a real estate brokerage in the Owensboro, Kentucky, area, with average monthly income of approximately $5,000.00.

219. Plaintiff Maze applied to CSL to pursue a career as an attorney, possibly specializing in real estate transactions.

220. Plaintiff Maze was accepted by CSL for the spring 2013 semester and was allowed to defer admission for the fall 2013 semester. CSL's offer of admission to Plaintiff Maze included a merit scholarship of $4,000.00 per semester, contingent on maintaining a GPA of 3.0 or better.

221. During the application process, representatives of CSL and Corporation, acting at the direction of Defendant SFM, told Plaintiff Maze that CSL graduates' bar-passage rates were strong compared to other law graduates in North Carolina and nationwide. Plaintiff Maze relied on these representations in choosing CSL.

222. During the application process, representatives of CSL and Corporation, acting at the direction of Defendant SFM, told Plaintiff Maze that CSL provided strong experiential education, including skills-focused classes and law clinics. Plaintiff Maze relied on these representations in choosing CSL.

223. During the application process, representatives of CSL and Corporation told Plaintiff Maze that most CSL graduates were able to find work as attorneys soon after graduation. Plaintiff Maze relied on these representations in choosing CSL.

224. During her orientation in fall 2013, representatives of CSL and/or Corporation specifically told Plaintiff Maze that CSL graduates' passage rate on the North Carolina bar exam was at or above 90%. Plaintiff Maze relied on these representations in deciding to begin classes and complete her first three semesters.

225. In reality, CSL's graduates attempting the North Carolina exam for the first time in 2013 passed at a rate of 60%, compared to 69% for all North Carolina bar candidates. In 2012, CSL graduates attempting the North Carolina exam for the first time passed at a 65% rate, compared to 78% for all North Carolina bar candidates.

226. Taking all states' bar-passage results into account, CSL first-time attempters passed at a rate of 62% in 2013 and 67% in 2012, compared to all first-time attempters' rates of 71% and 78%.

227. In other words, CSL and InfiLaw had been representing CSL to Plaintiff Maze that CSL's rates were significantly higher than other schools' rates, when in fact CSL's rates were significantly lower.

228. Near the end of spring semester 2014, in Plaintiff Maze's contracts class, a representative of CSL and/or Corporation told Plaintiff Maze that CSL offered a clinic in real estate law and that she would be able to participate in this clinic as a second-year student.

229. Plaintiff Maze relied on this representation in deciding to return to CSL for the 2014–15 academic year.

230. During the fall 2014 semester, Plaintiff Maze applied to participate in the clinic in the spring 2015 semester by completing and submitting an application form with resume attached, as per the application directions.

231. Defendants CSL and Corporation never notified Plaintiff Maze of her acceptance to or rejection for the clinic.

232. In fact, Defendants did not offer and never intended to offer the clinic in the 2014–15 academic year.

233. Plaintiff Maze felt very unsettled at CSL by early 2015, because of the phantom real estate clinic, and because she had come to question Defendants' representations about bar-passage rates and ABA compliance – questions that later proved well founded.

234. Plaintiff Maze withdrew from CSL in February 2015, and received only a negligible refund for spring 2015 tuition and fees.

235. In deciding to enroll at CSL and remain enrolled until February 2015, Plaintiff Maze relied upon Defendants' representations about bar-passage rates and high-quality job opportunities.

236. Plaintiff Maze first learned of CSL's substantial and persistent noncompliance with multiple ABA Standards after CSL was placed on probation by the ABA in November 2016.

237. Plaintiff Maze was not aware that CSL was a for-profit institution when she enrolled.

238. Plaintiff Maze incurred approximately $3,000.00 in costs moving from Owensboro, Kentucky, to Charlotte, North Carolina, to enroll at CSL.

239. Plaintiff Maze paid tuition, fees, and dues to CSL.

240. Plaintiff Maze needed to take out loans to pay for her tuition and living expenses.

241. On August 27, 2013, Plaintiff Maze took out a loan in the amount of $20,000.00 with an interest rate of 6.41%. Also on August 27, 2013, Plaintiff Maze took out a loan in the amount of $20,500.00 with an interest rate of 5.41%.

242. On May 31, 2014, Plaintiff Maze took out a loan in the amount of $3,885.00 with an interest rate of 6.41%. Also on May 30, 2014, Plaintiff Maze took out a loan in the amount of $10,250.00 with an interest rate of 5.41%.

243. On September 5, 2014, Plaintiff Maze took out a loan in the amount of $17,540.00 with an interest rate of 7.21%. Also on September 5, 2014, Plaintiff Maze took out a loan in the amount of $10,250.00 with an interest rate of 6.21%.

244. On January 26, 2015, Plaintiff Maze took out a loan in the amount of $12,902.00 with an interest rate of 7.21%.

I. PLAINTIFF MARROS'S EXPERIENCE AT CSL

245. Before enrolling at CSL, Plaintiff Marros lived in York, Pennsylvania.

246. Before enrolling at CSL, Plaintiff Marros was working at Gold's Gym in York as a salesperson, earning $9.50 per hour plus commission.

247. Plaintiff Marros applied to and enrolled at CSL to pursue a career as an attorney.

248. Plaintiff Marros applied to four law schools but was accepted only by CSL's AAMPLE program.

249. Plaintiff Marros completed AAMPLE in February and March 2014.

250. During AAMPLE, Professor Keith Howard and other CSL staff told Plaintiff Marros and his AAMPLE classmates that fewer than 10% of them would earn AAMPLE grades high enough to qualify them for CSL's JD program.

251. After completing AAMPLE, Plaintiff Marros was admitted to CSL's fall 2014 full-time JD program.

252. Upon enrolling in the JD program, Plaintiff Marros discovered that half or more of his AAMPLE classmates were also enrolled in the JD program, contrary to the representations made to him during AAMPLE.

253. Defendants' caused CSL and CSL's agents to make these misrepresentations to Plaintiff Marros and other AAMPLE students in order to convince those who passed AAMPLE – the majority – to believe that they were suited to become attorneys, and therefore to persuade them to enroll in CSL's JD program.

254. CSL's misrepresentations about AAMPLE's exclusivity had the desired effect; Plaintiff Marros was convinced that he would become a successful attorney and therefore enrolled in CSL's JD program.

255. During the application process, during AAMPLE, during orientation, and during subsequent workshops for CSL students, from spring 2014 through spring 2015, CSL faculty and staff represented to Plaintiff Marros that CSL was in good standing with the ABA and in complete compliance with ABA Standards.

256. During the application process, during AAMPLE, during orientation, and during subsequent workshops for CSL students, from spring 2014 through spring 2015, CSL faculty and staff represented to Plaintiff Marros that CSL graduates' passing rate was the fourth-highest of the state's seven law schools on recent administrations of the North Carolina Bar exam.

257. This was not true. In fact, during 2014, CSL graduates' 57 percent passing rate was the lowest of the seven schools, it CSL's rate fell further from there.

258. In deciding to enroll at CSL, Plaintiff Marros relied upon Defendants' representations that CSL was accredited, in good standing, and in complete compliance with all ABA standards.

259. In deciding to enroll at CSL, Plaintiff Marros relied upon Defendants' representations that CSL had relatively high bar passage rates and that a CSL education and degree led to high-quality job opportunities for graduates.

260. Plaintiff Marros was not aware that CSL was a for-profit institution when he enrolled in CSL's JD program.

261. Plaintiff Marros was academically dismissed on June 9, 2015, when his GPA feel below a 2.0.

262. Plaintiff Marros first learned of CSL's noncompliance with multiple ABA standards after CSL was placed on probation by the ABA in November 2016.

263. Plaintiff Marros incurred costs moving from York, Pennsylvania, to Charlotte, North Carolina.

264. Plaintiff Marros paid tuition, fees, and dues to CSL.

265. Plaintiff Marros needed to take out loans to pay for his tuition and living expenses. On December 9, 2014, Plaintiff Marros took out a loan in the amount of $1,080.00

with an interest rate of 6.96%. On August 29, 2014, Plaintiff Marros took out a loan in the amount of $20,500.00 with an interest rate of 5.96%. Also on August 29, Plaintiff Marros took out a loan in the amount of $41,464.00 with an interest rate of 6.96%.

J. PLAINTIFF MILLER'S EXPERIENCE AT CSL

266. Before enrolling at CSL, Plaintiff Miller lived in Pittsburgh, Pennsylvania.

267. Before enrolling at CSL, Plaintiff Miller worked as a quality manager for a software company, with an annual salary of $40,000.00 plus a bonus that varied from year to year.

268. Plaintiff Miller applied to law schools and enrolled at CSL to pursue a career as an attorney practicing criminal law.

269. Plaintiff Miller took the LSAT twice, scoring 129 and 135.

270. Plaintiff Miller applied to New York Law School, in Manhattan, New York; Brooklyn Law School, in Brooklyn, New York; and CSL.

271. Plaintiff Miller was accepted only to CSL, through its AAMPLE program.

272. Plaintiff Miller was not aware that CSL was a for-profit institution when she applied or first enrolled.

273. Plaintiff Miller enrolled in CSL's AAMPLE program in October 2014.

274. Plaintiff Miller took the courses Fourth Amendment law and negotiable instruments as an AAMPLE participant.

275. Plaintiff Miller completed AAMPLE in November 2014.

276. Defendants CSL and Corporation represented to Plaintiff Miller that her performance on the two AAMPLE exams suggested a strong likelihood that she would succeed in law school, graduate, and eventually pass a bar exam.

277. Plaintiff Miller was then admitted into CSL's J.D. program for spring 2015.

278. Around this time, a representative of CSL e-mailed Plaintiff Miller to tell her that she, as an AAMPLE participant who enrolled at CSL, would have access to a wide range of academic support services, including an assigned personal mentor who would work with her one-on-one whenever she needed help.

279. Plaintiff Miller then decided to enroll at CSL.

280. In deciding to attend CSL, Plaintiff Miller relied upon CSL's representations that she was likely to succeed in law school, graduate, and pass a bar exam and that an assigned mentor or tutor would support her in her studies.

281. In deciding to attend CSL, Plaintiff Miller relied upon her understanding, which Defendants' fostered, that CSL was accredited by and in good standing with the ABA and in complete compliance with all ABA Standards. Plaintiff Miller would not have attended CSL if Defendants had not concealed CSL's noncompliance with ABA Standards.

282. In deciding to attend CSL, Plaintiff Miller relied upon Defendants' representations that CSL had high bar passage rates and led to high-quality jobs as attorneys.

283. Near the middle of her first semester, Plaintiff Miller began to feel overwhelmed, and realized she had not been assigned a mentor as she had been promised when she first enrolled. Plaintiff Miller contacted Keith Howard, the CSL professor in charge of its AAMPLE program, to request such an assignment.

284. Howard responded to Plaintiff Miller's request by assigning a CSL staff member who was not a law professor not even an attorney, and had not even attended law school.

285. Plaintiff Miller met with this staff member for several minutes and concluded she had nothing to offer.

286. Several weeks later, near the end of her first semester, Plaintiff Miller e-mailed the "mentor" to request guidance in studying for finals. The "mentor" did not respond. Plaintiff Miller concluded that the "mentorship" arrangement was a ruse and did not request further help.

287. Defendants CSL and Corporation delayed disbursal of Plaintiff Miller's federal student aid at least once, causing Plaintiff Miller to incur late charges and other expenses in connection with her living expenses such as utilities.

288. Plaintiff Miller was academically dismissed following the fall 2015 semester.

289. Plaintiff Miller first learned of CSL's noncompliance with multiple ABA standards in November 2016 after CSL was placed on probation by the ABA.

290. Plaintiff Miller incurred more than $1,000 in costs moving from Pennsylvania to Charlotte, North Carolina.

291. Plaintiff Miller paid tuition, fees, and dues to CSL.

292. Plaintiff Miller needed to take out loans to pay for her tuition and living expenses. On January 26, 2015, Plaintiff Miller took out a loan in the amount of $10,250.00 with an interest rate of 5.84%, resulting in accrued interest of $1,014.00 and a principal balance of $11,087.00 as of November 30, 2017. Also on January 26, 2015, Plaintiff Miller took out a loan in the amount of $16,622.00 with an interest rate of 7.21%, resulting in $3,340.00 in accrued interest as of November 30, 2017.

293. On May 28, 2015, Plaintiff Miller took out a loan in the amount of $7,309.00 with an interest rate of 7.21%, resulting in accrued interest of $1,293.00 as of November 30, 2017. Also on May 28, 2015, Plaintiff Miller took out a loan in the amount of $10,250.00 with an interest rate of 6.21%, resulting in accrued interest of $995.00 and a principal balance of $10,874.00 as of May 18, 2017.

294. On August 27, 2015, Plaintiff Miller took out a loan in the amount of $10,000.00 with an interest rate of 6.84%. Also on August 27, 2015, Plaintiff Miller took out a loan in the amount of $10,250.00 with an interest rate of 5.84%. On August 31, 2015, Plaintiff Miller took out a loan in the amount of $7,707.00 with an interest rate of 6.84%.

K. PLAINTIFF OVIEDO'S EXPERIENCE AT CSL

295. Plaintiff Oviedo lived in Concord, North Carolina before enrolling at CSL.

296. Plaintiff Oviedo worked as a salesman for Hendrick Kia, earning approximately $650 per week, before enrolling at CSL.

297. Plaintiff Oviedo scored a 134 on the LSAT exam in 2013.

298. Plaintiff Oviedo applied to CSL and three other law schools to pursue a career as an attorney. Plaintiff Oviedo was particularly interested in helping to protect immigrants' rights, because he comes from a family of immigrants.

299. Plaintiff Oviedo was accepted into AAMPLE at CSL.

300. At the direction of Defendant SFM, CSL, Corporation, and Lively represented to Plaintiff Oviedo that AAMPLE was designed to identify applicants who had high potential for success in law school, despite applications that were weak by traditional criteria.

301. Plaintiff Oviedo completed AAMPLE in fall 2014.

302. At the direction of Defendant SFM, Corporation, and Lively represented to Plaintiff Oviedo that his performance in the two AAMPLE classes suggested a strong likelihood that he would succeed in law school and go on to pass a bar exam.

303. CSL, Corporation, and Lively did not believe their own representations to Plaintiff Oviedo on this point, nor did Defendant SFM. In fact, they knew the opposite to be true, because they had historical data showing that even AAMPLE participants admitted to the JD

program were more likely than not to be academically dismissed and that a tiny fraction of them went on to pass a bar exam. In particular, CSL, Lively, Conison, and Ogene knew that Plaintiff Oviedo was unlikely to succeed at CSL, graduate, and then pass the bar exam in at least one U.S. jurisdiction, based on his LSAT score and other information in his application.

304. Plaintiff Oviedo enrolled in CSL's JD program in January 2015.

305. Plaintiff Oviedo was not aware that CSL was a for-profit institution when he enrolled.

306. In deciding to enroll at CSL and then, in deciding to remain enrolled for a second and third semester, Plaintiff Oviedo relied upon the façade, created by CSL, Corporation, and Defendant Sterling, that CSL was accredited, in good standing, and in complete compliance with all ABA Standards, had bar passage rates comparable to North Carolina statewide averages, and led to high-quality job opportunities. If CSL, Corporation, and Defendant Sterling had not concealed CSL's noncompliance with ABA Standards, Plaintiff Oviedo would not have attended CSL.

307. In deciding to enroll at CSL and then, in deciding to remain enrolled for a second and third semester, Plaintiff Oviedo relied on representations by CSL, Lively, Conison, and Ogene that Plaintiff Oviedo was likely to succeed at CSL, graduate, and then pass the bar exam in at least one U.S. jurisdiction.

308. Plaintiff Oviedo's GPA fell below 2.0 after the spring 2016 semester.

309. Acting on criteria laid out by Defendant Sterling, CSL, Corporation, Conison, and Ogene then academically dismissed Plaintiff Oviedo.

310. Plaintiff Oviedo first learned of CSL's noncompliance with multiple ABA Standards after CSL was placed on probation by the ABA in November 2016.

311. Plaintiff Oviedo paid tuition, fees, and dues to CSL.

312. Plaintiff Oviedo needed to take out loans to pay for his tuition and living expenses. On January 26, 2015, Plaintiff Oviedo took out a loan in the amount of $10,250.00 with an interest rate of 6.21%. Also on January 26, 2015, Plaintiff Oviedo took out a loan in the amount of $21,316.00 with an interest rate of 7.21%.

313. On February 25, 2015, Plaintiff Oviedo took out a loan in the amount of $1,253.00 with an interest rate of 7.21%.

314. On August 27, 2015, Plaintiff Oviedo took out a loan in the amount of $44,532.00 with an interest rate of 6.84%. Also on August 27, 2015, Plaintiff Oviedo took out a loan in the amount of $20,500 with an interest rate of 5.84%.

L. PLAINTIFF MAURICE RUSSELL'S EXPERIENCE AT CSL

315. Prior to enrolling at CSL, Plaintiff Russell lived in Atlanta, Georgia.

316. Plaintiff Russell initially enrolled in AAMPLE.

317. Plaintiff Russell paid $500.00 to participate in AAMPLE.

318. Plaintiff Russell completed CSL's AAMPLE in June of 2014.

319. After completing CSL's AAMPLE program, Plaintiff Russel was admitted to CSL's JD program beginning in August 2014.

320. Plaintiff Russell enrolled at CSL to pursue a career as an attorney.

321. Upon acceptance, Plaintiff Russell received a $1,000.00 merit scholarship.

322. Both because he had been deemed to have passed the two AAMPLE classes, and because of the "merit" scholarship, Plaintiff Russell reasonably concluded that he stood a chance of completing CSL's course of study, graduating, passing a bar exam, and gaining employment as an attorney.

323. CSL's website and printed marketing brochures, which Plaintiff read while considering attendance at CSL, made similar representations.

324. CSL faculty and administrators furthermore reinforced this message in oral presentations at Plaintiff's orientation session and in subsequent one-on-one conversations with Plaintiff Russell.

325. These faculty and administrators did not believe their own representations on this point.

326. Plaintiff Russell was academically dismissed in January 2016.

327. Plaintiff Russell paid tuition in the amount of $46,044.00 to CSL.

328. Plaintiff Russell paid fees and dues in the amount of $2,877.00 to CSL.

329. Plaintiff Russell needed to take out loans to pay for his tuition and living expenses in the amount of $42,389.00.

330. Plaintiff Russell's loans have accrued interest.

331. Plaintiff Russell relied on CSL to remain in good standing with the American Bar Association.

332. Plaintiff Russell relied upon the representations of CSL and Corporation, which they made at the direction of Defendant SFM, that CSL was accredited, in good standing, and in complete compliance with all ABA Standards.

333. If Defendants had not concealed and misrepresented CSL's noncompliance with ABA Standards, Plaintiff Russell would not have attended CSL.

334. Plaintiff Russell first learned of CSL's noncompliance with American Bar Association standards in November 2016 after CSL was placed on probation by the ABA.

AFFIRMATIVE AVOIDANCES REGARDING TIME-RELATED DEFENSES

Plaintiffs reassert the allegations above and in addition alleges as follows:

A. DISCOVERY OF FRAUDULENT CONDUCT AND DECEPTIVE BUSINESS PRACTICES

335. CSL, at the direction of InfiLaw and Defendants, intentionally, purposely, fraudulently, and systematically misrepresented and concealed material facts, including its failure to comply with ABA Standards and other key statistics and information, such as its bar-passage rates and the sufficiency of its curriculum to prepare students for effective, ethical, and responsible participation as members of the legal profession.

336. CSL, InfiLaw, and Defendants knew at the time the representations were made that they were untrue.

337. Plaintiffs had no knowledge of the falsity of the representations.

338. Plaintiffs reasonably and materially relied on these representations in deciding to enroll at and continue to attend CSL.

339. Plaintiffs had the right to rely on the truthfulness of CSL's representations as to its compliance with ABA Standards, bar-passage rates, the sufficiency of its curriculum, and other key information relevant to their legal education and decision to enroll at the school.

340. Knowledge regarding the truth of CSL's misrepresentations was not within the fair and reasonable reach of Plaintiffs, in that the ABA's own rules provide that only a school can disclose ABA accreditation findings, which here included findings that, for example, the admissions process was not predictive of academic success; bar passage rates remained significantly low; and the legal education program did not prepare students for effective, ethical, and responsible participation as members of the legal profession. In other words, Plaintiffs were without means, capacity, or opportunity of knowing the falsity of CSL's misrepresentations.

341. Additionally, as reflected by CSL's appeal of the ABA's requirement that CSL

disclose its noncompliance to students, CSL, InfiLaw, and Defendant SFM knew that students were relying on CSL's misrepresentations and concealment regarding its compliance with ABA Standards and other key information relevant to their legal education and decision to enroll at the school.

342. Thus, despite exercising reasonable and due diligence, Plaintiffs were unable to discover the falsity of the concealed and misrepresented information in deciding to attend or remain enrolled at CSL and had no legal basis for their suit prior to discovering the falsity of the concealed and misrepresented information.

343. As a direct and proximate result of CSL's, InfiLaw's, and Defendant SFM's fraudulent actions, Plaintiffs were not aware of CSL's failure to comply with ABA Standards and other misrepresentations regarding information relevant to their enrollment such as its bar-passage rates and curriculum, nor did they have any way to obtain such knowledge, before the school's disclosure of such on November 15, 2016.

344. Accordingly, the accrual of any applicable statutes of limitation or other time-related defense that might otherwise apply to this action are tolled by the fraudulent conduct of CSL, InfiLaw, and Defendants until at least November 15, 2016.

B. EQUITABLE ESTOPPEL

345. Further, if any Plaintiff suspected that CSL may have misrepresented or concealed material facts such as its bar-passage rates, curriculum, or other relevant information prior to November 15, 2016, he or she relied on CSL's continuous and responsive representations regarding its compliance with ABA Standards in continuing his or her enrollment and declining to file suit and did not otherwise have means to obtain knowledge as to the real facts in question.

346. In other words, in good-faith reliance on the misrepresentations and concealments

of CSL, InfiLaw, and Defendants, one or more Plaintiffs to their detriment or prejudice declined to file a claim prior to the expiration of the statutes of limitations.

347. CSL, InfiLaw, and Defendants knew that their statements were false and knew or reasonably expected that Plaintiffs would rely on their misrepresentations and concealments in declining to file a claim prior to the expiration of any statutes of limitation or other time-related defenses.

348. Plaintiffs did not know that the misrepresentations were untrue when they were made and in acting upon such representations.

349. Because of Defendants' conduct, it would prejudice Plaintiffs and be unjust to allow Defendants to deprive Plaintiffs of the value of any of the below-stated causes of action based on the failure to file a claim prior to the expiration of any statutes of limitation or other time-related defense.

350. As a result of Defendants' actions, any applicable statutes of limitations or time-related defenses are equitably tolled.

COUNT I
North Carolina Unfair and Deceptive Trade Practices Act
(Plaintiff Friedman against all Defendants)

Plaintiff Friedman reasserts the allegations above and in addition alleges as follows:

351. Defendants committed unfair and/or deceptive acts and practices, which violate and are prohibited by the UDTPA, N.C. GEN. STAT. § 75-1.1, et seq.

352. The Defendants' unfair and deceptive acts and practices toward Plaintiff Friedman included:

a. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent CSL as being compliant with ABA Standards 301(a), 501(a), and 501(b), and other ABA Standards;

b. Directing and causing CSL, InfiLaw, and those companies' agents to conceal CSL's noncompliance with ABA Standards 301(a), 501(a), and 501(b), and other ABA Standards;

c. Directing and causing CSL, InfiLaw, and those companies' agents to overstate the bar-passage rates for CSL graduates;

d. Directing and causing CSL, InfiLaw, and those companies' agents to pay low-performing students to defer taking the exam, resulting in the inflation of CSL's aggregate bar passage rates;

e. Directing and causing CSL, InfiLaw, and those companies' agents to misappropriate, at least temporarily, the proceeds of loans on which Plaintiff was obligated before belatedly disbursing the funds to her; and

f. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent CSL's prospects for remaining eligible to participate in federal loan programs, despite having having no basis for beliving that CSL would remain eligible.

353. As described elsewhere in this Complaint, Defendants intended that Plaintiff Friedman and other students and potential students rely on their deceptive acts and practices.

354. As described elsewhere in this Complaint, Defendants' unfair and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

355. Further, Defendants' unfair and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Friedman quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

356. The Defendants' unfair and deceptive conduct described above proximately caused damage to Plaintiff Friedman in that she relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

357. Pursuant to the North Carolina Unfair and Deceptive Practices Act, Plaintiff Friedman seeks relief for the Defendants' violations of this statute and a refund of the tuition, interest on loans, books, and fees that Plaintiff Friedman paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

358. Defendants' unfair and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Friedman.

359. Defendants' conduct described above was willful in nature, in violation of N.C. GEN. STAT. § 75-1.1, et seq.

360. Pursuant to N.C. GEN. STAT. § 75-16, Plaintiff Friedman is further entitled to a trebling of the damages caused by the Defendants' unfair and deceptive conduct.

361. Pursuant to N.C. GEN. STAT. § 75-16.1, Plaintiff Friedman is furthermore entitled to recover attorneys' fees.

WHEREFORE, Plaintiff Friedman, by and through her undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT II
North Carolina Unfair and Deceptive Trade Practices Act
(Plaintiff Lampazianie against all Defendants)

Plaintiff Lampazianie reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

362. Defendants committed unfair and/or deceptive acts and practices, which violate and are prohibited by the UDTPA, N.C. GEN. STAT. § 75-1.1, et seq.

363. The Defendants' unfair and deceptive acts and practices toward Plaintiff Lampazianie included:

a. Causing CSL and Corporation to admit Plaintiff into the JD program when Defendants knew or should have known that Plaintiff was not capable of satisfactorily completing the JD program and gaining admission to the bar.

b. Causing CSL and Corporation to conceal CSL's noncompliance with ABA Standards 301(a), 501(a), and 501(b), and other ABA Standards;

c. Causing CSL and Corporation to refrain from disclosing to Plaintiff that unusually high numbers of CSL students are dismissed after two semesters – or even one semester – due to its strict grade curve and the relatively high GPA that could result in academic dismissal;

d. Causing CSL and Corporation to manipulate CSL's aggregate bar-passage rates by paying low-performing students to defer taking the exam; and

e. Causing CSL and Corporation to misrepresent the severity of the grading curve that would apply to Plaintiff in his classes, thus causing him to earn lower grades and be academically dismissed.

364. As described elsewhere in this Complaint, Defendants intended that Plaintiff Lampazianie and other students and potential students rely on their deceptive acts and practices.

365. As described elsewhere in this Complaint, Defendants' unfair and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

366. Further, Defendants' unfair and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Lampazianie quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

367. The Defendants' unfair and deceptive conduct described above proximately caused damage to Plaintiff Lampazianie in that he relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

368. Pursuant to the North Carolina Unfair and Deceptive Practices Act, Plaintiff Lampazianie seeks relief for the Defendants' violations of this statute and a refund of the tuition, interest on loans, books, and fees that Plaintiff Lampazianie paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

369. Defendants' unfair and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Lampazianie.

370. Defendants' conduct described above was willful in nature, in violation of N.C. GEN. STAT. § 75-1.1, et seq.

371. Pursuant to N.C. GEN. STAT. § 75-16, Plaintiff Lampazianie is further entitled to a trebling of the damages caused by the Defendants' unfair and deceptive conduct.

372. Pursuant to N.C. GEN. STAT. § 75-16.1, Plaintiff Lampazianie is furthermore entitled to recover attorneys' fees.

WHEREFORE, Plaintiff Lampazianie, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT III
North Carolina Unfair and Deceptive Trade Practices Act
(Plaintiff Maze against all Defendants)

Plaintiff Maze reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

373. Defendants committed unfair and/or deceptive acts and practices, which violate and are prohibited by the UDTPA, N.C. GEN. STAT. § 75-1.1, et seq.

374. The Defendants' unfair and deceptive acts and practices toward Plaintiff Maze included:

a. Directing and causing CSL, InfiLaw, and those companies' agents to overstate the bar-passage rates for CSL graduates;

b. Directing and causing CSL, InfiLaw, and those companies' agents to pay low-performing students to defer taking the exam, resulting in the inflation of CSL's aggregate bar passage rates;

c. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent to Plaintiff that most CSL graduates ended up getting high-quality jobs as attorneys within a few months of graduation, despite knowing such misrepresentations were at best misleading;

d. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent the severity of the grading curve that would apply to Plaintiff in her classes, thus causing her to earn lower grades and lose her scholarship eligibility;

e. Directing and causing CSL, InfiLaw, and those companies' agents to refrain from disclosing the severity of the grading curve that would apply to Plaintiff in her classes, thus causing her to earn lower grades and lose her scholarship eligibility; and

f. Representing to Plaintiff that she would be able to participate in a law clinic, and then, later, specifically in a real estate law clinic, despite knowing that Defendants CSL and Corporation would probably not be able to follow through on the promise.

375. As described elsewhere in this Complaint, Defendants intended that Plaintiff Maze and other students and potential students rely on their deceptive acts and practices.

376. As described elsewhere in this Complaint, Defendants' unfair and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

377. Further, Defendants' unfair and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Maze quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

378. The Defendants' unfair and deceptive conduct described above proximately caused damage to Plaintiff Maze in that she relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

379. Pursuant to the North Carolina Unfair and Deceptive Practices Act, Plaintiff Maze seeks relief for the Defendants' violations of this statute and a refund of the tuition, interest on loans, books, and fees that Plaintiff Maze paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

380. Defendants' unfair and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Maze.

381. Defendants' conduct described above was willful in nature, in violation of N.C. GEN. STAT. § 75-1.1, et seq.

382. Pursuant to N.C. GEN. STAT. § 75-16, Plaintiff Maze is further entitled to a trebling of the damages caused by the Defendants' unfair and deceptive conduct.

383. Pursuant to N.C. GEN. STAT. § 75-16.1, Plaintiff Maze is furthermore entitled to recover attorneys' fees.

WHEREFORE, Plaintiff Maze, by and through her undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT IV
North Carolina Unfair and Deceptive Trade Practices Act
(Plaintiff Marros against all Defendants)

Plaintiff Marros reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

384. Defendants committed unfair and/or deceptive acts and practices, which violate and are prohibited by the UDTPA, N.C. GEN. STAT. § 75-1.1, et seq.

385. The Defendants' unfair and deceptive acts and practices toward Plaintiff Marros included:

a. Directing and causing CSL, InfiLaw, and those companies' agents to overstate the bar-passage rates for CSL graduates;

b. Directing and causing CSL, InfiLaw, and those companies' agents to pay low-performing students to defer taking the exam, resulting in the inflation of CSL's aggregate bar passage rates;

c. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent the characteristics and backgrounds of CSL students to prospective students, including Plaintiff Marros;

d. Directing and causing CSL, InfiLaw, and those companies' agents to exaggerate the availability of academic support services available to Plaintiff Marros and other CSL students, which led them to choose CSL yet not receive the substantial benefits they expected; and

e. Mirepresenting to Plaintiff Marros that he had strong prospects for succeeding at CSL, graduating, and becoming an attorney, despite believing that those prospects were very weak.

386. As described elsewhere in this Complaint, Defendants intended that Plaintiff Marros and other students and potential students rely on their deceptive acts and practices.

387. As described elsewhere in this Complaint, Defendants' unfair and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

388. Further, Defendants' unfair and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Marros quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

389. The Defendants' unfair and deceptive conduct described above proximately caused damage to Plaintiff Marros in that he relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

390. Pursuant to the North Carolina Unfair and Deceptive Practices Act, Plaintiff Marros seeks relief for the Defendants' violations of this statute and a refund of the tuition, interest on loans, books, and fees that Plaintiff Marros paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

391. Defendants' unfair and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Marros.

392. Defendants' conduct described above was willful in nature, in violation of N.C. GEN. STAT. § 75-1.1, et seq.

393. Pursuant to N.C. GEN. STAT. § 75-16, Plaintiff Marros is further entitled to a trebling of the damages caused by the Defendants' unfair and deceptive conduct.

394. Pursuant to N.C. GEN. STAT. § 75-16.1, Plaintiff Marros is furthermore entitled to recover attorneys' fees.

WHEREFORE, Plaintiff Marros, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT V
North Carolina Unfair and Deceptive Trade Practices Act
(Plaintiff Miller against all Defendants)

Plaintiff Miller reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

395. Defendants committed unfair and/or deceptive acts and practices, which violate and are prohibited by the UDTPA, N.C. GEN. STAT. § 75-1.1, et seq.

396. The Defendants' unfair and deceptive acts and practices toward Plaintiff Miller included:

a. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent CSL as being compliant with ABA Standards 301(a), 501(a), and 501(b), and other ABA Standards;

b. Directing and causing CSL, InfiLaw, and those companies' agents to conceal CSL's noncompliance with ABA Standards 301(a), 501(a), and 501(b), and other ABA Standards;

c. Directing and causing CSL, InfiLaw, and those companies' agents to overstate the bar-passage rates for CSL graduates;

d. Directing and causing CSL, InfiLaw, and those companies' agents to pay low-performing students to defer taking the exam, resulting in the inflation of CSL's aggregate bar passage rates;

e. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent the characteristics and backgrounds of CSL students to prospective students, including Plaintiff Miller;

f. Directing and causing CSL, InfiLaw, and those companies' agents to exaggerate the availability of academic support services available to Plaintiff Miller and other CSL students, which led them to choose CSL yet not receive the substantial benefits they expected, and, more crucially, proximately caused Plaintiff Miller to be academically dismissed;

g. Recruiting and admitting Plaintiff while knowing, based on her LSAT score and other information in her application, as well as CSL's own grading policies, that she was likely to be academically dismissed;

h. Misrepresenting to Plaintiff her likelihood of succeeding at CSL, graduating, and then passing a bar exam;

i. Misrepresenting the severity of the grading curve that would apply to Plaintiff in her classes, thus causing her to earn lower grades and be academically dismissed.

397. As described elsewhere in this Complaint, Defendants intended that Plaintiff Miller and other students and potential students rely on their deceptive acts and practices.

398. As described elsewhere in this Complaint, Defendants' unfair and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

399. Further, Defendants' unfair and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Miller quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

400. The Defendants' unfair and deceptive conduct described above proximately caused damage to Plaintiff Miller in that she relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

401. Pursuant to the North Carolina Unfair and Deceptive Practices Act, Plaintiff Miller seeks relief for the Defendants' violations of this statute and a refund of the tuition, interest on loans, books, and fees that Plaintiff Miller paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

402. Defendants' unfair and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at

trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Miller.

403. Defendants' conduct described above was willful in nature, in violation of N.C. GEN. STAT. § 75-1.1, et seq.

404. Pursuant to N.C. GEN. STAT. § 75-16, Plaintiff Miller is further entitled to a trebling of the damages caused by the Defendants' unfair and deceptive conduct.

405. Pursuant to N.C. GEN. STAT. § 75-16.1, Plaintiff Miller is furthermore entitled to recover attorneys' fees.

WHEREFORE, Plaintiff Miller, by and through her undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT VI
North Carolina Unfair and Deceptive Trade Practices Act
(Plaintiff Oviedo against all Defendants)

Plaintiff Oviedo reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

406. Defendants committed unfair and deceptive acts and practices, which violate and are prohibited by the UDTPA, N.C. GEN. STAT. § 75-1.1, et seq.

407. The Defendants' unfair and deceptive acts and practices toward Plaintiff Oviedo included:

a. Directing and causing CSL, InfiLaw, and those companies' agents to overstate the bar-passage rates for CSL graduates;

b. Directing and causing CSL, InfiLaw, and those companies' agents to pay low-performing students to defer taking the exam, resulting in the inflation of CSL's aggregate bar passage rates;

c. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent the characteristics and backgrounds of CSL students to prospective students, including Plaintiff Oviedo;

d. Directing and causing CSL, InfiLaw, and those companies' agents to exaggerate the availability of academic support services available to Plaintiff Oviedo and other CSL students, which led them to choose CSL yet not receive the substantial benefits they expected; and

e. Mirepresenting to Plaintiff Oviedo that he had a significant likelihood of succeeding at CSL, graduating, and becoming an attorney, despite believing that this likelihood was very weak.

408. As described elsewhere in this Complaint, Defendants intended that Plaintiff Oviedo and other students and potential students rely on their deceptive acts and practices.

409. As described elsewhere in this Complaint, Defendants' unfair and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

410. Further, Defendants' unfair and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Oviedo quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

411. The Defendants' unfair and deceptive conduct described above proximately caused damage to Plaintiff Oviedo in that he relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

412. Pursuant to the North Carolina Unfair and Deceptive Practices Act, Plaintiff Oviedo seeks relief for the Defendants' violations of this statute and a refund of the tuition, interest on loans, books, and fees that he paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

413. Defendants' unfair and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Oviedo.

414. Defendants' conduct described above was willful in nature, in violation of N.C. GEN. STAT. § 75-1.1, et seq.

415. Pursuant to N.C. GEN. STAT. § 75-16, Plaintiff Oviedo is further entitled to a trebling of the damages caused by the Defendants' unfair and deceptive conduct.

416. Pursuant to N.C. GEN. STAT. § 75-16.1, Plaintiff Oviedo is furthermore entitled to recover attorneys' fees.

WHEREFORE, Plaintiff Oviedo, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT VII
North Carolina Unfair and Deceptive Trade Practices Act
(Plaintiff Russell against all Defendants)

Plaintiff Russell reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

417. Defendants committed unfair and deceptive acts and practices, which violate and are prohibited by the UDTPA, N.C. GEN. STAT. § 75-1.1, et seq.

418. The Defendants' unfair and deceptive acts and practices toward Plaintiff Russell included:

a. Directing and causing CSL, InfiLaw, and those companies' agents to overstate CSL's bar-passage rates;

b. Directing and causing CSL, InfiLaw, and those companies' agents to inflate CSL's bar-passage rates by paying low-performing students not to take the bar exam;

c. Directing and causing CSL, InfiLaw, and those companies' agents to exaggerate the availability of academic support services available to Plaintiff Russell and other CSL students, which led them to choose CSL yet not receive the substantial benefits they expected; and

d. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent to Plaintiff Russell that he had a significant likelihood of succeeding at CSL, graduating, and becoming an attorney, despite believing that this likelihood was very weak.

419. As described elsewhere in this Complaint, Defendants intended that Plaintiff Russell and other students and potential students rely on their deceptive acts and practices.

420. As described elsewhere in this Complaint, Defendants' unfair and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

421. Further, Defendants' unfair and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Russell quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

422. The Defendants' unfair and deceptive conduct described above proximately caused damage to Plaintiff Russell in that he relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

423. Pursuant to the North Carolina Unfair and Deceptive Practices Act, Plaintiff Russell seeks relief for the Defendants' violations of this statute and a refund of the tuition, interest on loans, books, and fees that he paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

424. Defendants' unfair and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Russell.

425. Defendants' conduct described above was willful in nature, in violation of N.C. GEN. STAT. § 75-1.1, et seq.

426. Pursuant to N.C. GEN. STAT. § 75-16, Plaintiff Russell is further entitled to a trebling of the damages caused by the Defendants' unfair and deceptive conduct.

427. Pursuant to N.C. GEN. STAT. § 75-16.1, Plaintiff Russell is furthermore entitled to recover attorneys' fees.

WHEREFORE, Plaintiff Russell, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT VIII
Illinois Consumer Fraud and Deceptive Business Practices Act
(Plaintiff Friedman against all Defendants)
(alternative claim)

Plaintiff Friedman reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

428. Defendants committed fraudulent and deceptive acts and practices, which violate and are prohibited by the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2.

429. The Defendants' fraudulent and deceptive acts and practices toward Plaintiff Friedman included:

a. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent CSL as being compliant with ABA Standards 301(a), 501(a), and 501(b), and other ABA Standards;

b. Directing and causing CSL, InfiLaw, and those companies' agents to conceal CSL's noncompliance with ABA Standards 301(a), 501(a), and 501(b), and other ABA Standards;

c. Directing and causing CSL, InfiLaw, and those companies' agents to overstate the bar-passage rates for CSL graduates;

d. Directing and causing CSL, InfiLaw, and those companies' agents to pay low-performing students to defer taking the exam, resulting in the inflation of CSL's aggregate bar passage rates;

e. Directing and causing CSL, InfiLaw, and those companies' agents to misappropriate, at least temporarily, the proceeds of loans on which Plaintiff was obligated before belatedly disbursing the funds to her; and

f. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent CSL's prospects for remaining eligible to participate in federal loan programs, despite having having no basis for beliving that CSL would remain eligible.

430. As described elsewhere in this Complaint, Defendants intended that Plaintiff Friedman and other students and potential students rely on their deceptive acts and practices.

431. As described elsewhere in this Complaint, Defendants' fraudulent and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

432. Further, Defendants' fraudulent and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Friedman quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

433. The Defendants' fraudulent and deceptive conduct described above proximately caused damage to Plaintiff Friedman in that she relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

434. Pursuant to the Illinois Consumer Fraud and Deceptive Business Practices Act, Plaintiff Friedman seeks relief for the Defendants' violations of this statute and a refund of the tuition, interest on loans, books, and fees that Plaintiff Friedman paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

435. Defendants' fraudulent and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Friedman.

436. Pursuant to 815 ILCS 505/10a(c), Plaintiff Friedman is entitled to recover reasonable costs and attorneys' fees.

WHEREFORE, Plaintiff Friedman, by and through her undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT IX
Illinois Consumer Fraud and Deceptive Business Practices Act
(Plaintiff Lampazianie against all Defendants)
(alternative claim)

Plaintiff Lampazianie reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

437. Defendants committed fraudulent and deceptive acts and practices, which violate and are prohibited by the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2.

438. The Defendants' fraudulent and deceptive acts and practices toward Plaintiff Lampazianie included:

a. Directing and causing CSL and Corporation to admit Plaintiff into the JD program when CSL and Corporation and Defendant SFM knew or should have known that Plaintiff was not capable of satisfactorily completing the JD program and gaining admission to the bar.

b. Directing and causing CSL and Corporation to conceal CSL's noncompliance with ABA Standards 301(a), 501(a), and 501(b), and other ABA Standards;

c. Directing and causing CSL and Corporation to refrain from disclosing to Plaintiff that unusually high numbers of CSL students are dismissed after two semesters – or even one semester – due to its strict grade curve and the relatively high GPA that could result in academic dismissal;

d. Directing and causing CSL and Corporation to manipulate CSL's aggregate bar-passage rates by paying low-performing students to defer taking the exam; and

e. Directing and causing CSL and Corporation to misrepresent the severity of the grading curve that would apply to Plaintiff in his classes, thus causing him to earn lower grades and be academically dismissed.

439. As described elsewhere in this Complaint, Defendants intended that Plaintiff Lampazianie and other students and potential students rely on their deceptive acts and practices.

440. As described elsewhere in this Complaint, Defendants' fraudulent and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

441. Further, Defendants' fraudulent and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Lampazianie quit gainful employment, took out

student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

442. The Defendants' fraudulent and deceptive conduct described above proximately caused damage to Plaintiff Lampazianie in that he relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

443. Pursuant to the Illinois Consumer Fraud and Deceptive Business Practices Act, Plaintiff Lampazianie seeks relief for the Defendants' violations of this statute and a refund of the tuition, interest on loans, books, and fees that Plaintiff Lampazianie paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

444. Defendants' fraudulent and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Lampazianie.

445. Pursuant to 815 ILCS 505/10a(c), Plaintiff Lampazianie is entitled to recover reasonable costs and attorneys' fees.

WHEREFORE, Plaintiff Lampazianie, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT X
Illinois Consumer Fraud and Deceptive Business Practices Act
(Plaintiff Maze against all Defendants)
(alternative claim)

Plaintiff Maze reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

446. Defendants committed fraudulent and deceptive acts and practices, which violate and are prohibited by the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2.

447. The Defendants' fraudulent and deceptive acts and practices toward Plaintiff Maze included:

a. Directing and causing CSL, InfiLaw, and those companies' agents to overstate the bar-passage rates for CSL graduates;

b. Directing and causing CSL, InfiLaw, and those companies' agents to pay low-performing students to defer taking the exam, resulting in the inflation of CSL's aggregate bar passage rates;

c. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent to Plaintiff that most CSL graduates ended up getting high-quality jobs as attorneys within a few months of graduation, despite knowing such misrepresentations were at best misleading;

d. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent the severity of the grading curve that would apply to Plaintiff in her classes, thus causing her to earn lower grades and lose her scholarship eligibility;

e. Directing and causing CSL, InfiLaw, and those companies' agents to refrain from disclosing the severity of the grading curve that would apply to Plaintiff in her classes, thus causing her to earn lower grades and lose her scholarship eligibility; and

f. Representing to Plaintiff that she would be able to participate in a law clinic, and then, later, specifically in a real estate law clinic, despite knowing that Defendants CSL and Corporation would probably not be able to follow through on the promise.

448. As described elsewhere in this Complaint, Defendants intended that Plaintiff Maze and other students and potential students rely on their deceptive acts and practices.

449. As described elsewhere in this Complaint, Defendants' fraudulent and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

450. Further, Defendants' fraudulent and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Maze quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

451. The Defendants' fraudulent and deceptive conduct described above proximately caused damage to Plaintiff Maze in that she relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

452. Pursuant to the Illinois Consumer Fraud and Deceptive Business Practices Act, Plaintiff Maze seeks relief for the Defendants' violations of this statute and a refund of the tuition, interest on loans, books, and fees that Plaintiff Maze paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

453. Defendants' fraudulent and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Maze.

454. Pursuant to 815 ILCS 505/10a(c), Plaintiff Maze is entitled to recover reasonable costs and attorneys' fees.

WHEREFORE, Plaintiff Maze, by and through her undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XI
Illinois Consumer Fraud and Deceptive Business Practices Act
(Plaintiff Marros against all Defendants)
(alternative claim)

Plaintiff Marros reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

455. Defendants committed fraudulent and deceptive acts and practices, which violate and are prohibited by the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2.

456. The Defendants' fraudulent and deceptive acts and practices toward Plaintiff Marros included:

a. Directing and causing CSL, InfiLaw, and those companies' agents to overstate the bar-passage rates for CSL graduates;

b. Directing and causing CSL, InfiLaw, and those companies' agents to pay low-performing students to defer taking the exam, resulting in the inflation of CSL's aggregate bar passage rates;

c. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent the characteristics and backgrounds of CSL students to prospective students, including Plaintiff Marros;

d. Directing and causing CSL, InfiLaw, and those companies' agents to exaggerate the availability of academic support services available to Plaintiff Marros and other CSL students, which led them to choose CSL yet not receive the substantial benefits they expected; and

e. Mirepresenting to Plaintiff Marros that he had strong prospects for succeeding at CSL, graduating, and becoming an attorney, despite believing that those prospects were very weak.

457. As described elsewhere in this Complaint, Defendants intended that Plaintiff Marros and other students and potential students rely on their deceptive acts and practices.

458. As described elsewhere in this Complaint, Defendants' fraudulent and deceptive acts and practices were in the course of their business in establishing and managing equity funds

that purchased or created businesses to generate profits and then sell the business at a profit for investors.

459. Further, Defendants' fraudulent and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Marros quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

460. The Defendants' fraudulent and deceptive conduct described above proximately caused damage to Plaintiff Marros in that he relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

461. Pursuant to the Illinois Consumer Fraud and Deceptive Business Practices Act, Plaintiff Marros seeks relief for the Defendants' violations of this statute and a refund of the tuition, interest on loans, books, and fees that Plaintiff Marros paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

462. Defendants' fraudulent and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Marros.

463. Pursuant to 815 ILCS 505/10a(c), Plaintiff Marros is entitled to recover reasonable costs and attorneys' fees.

WHEREFORE, Plaintiff Marros, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XII
Illinois Consumer Fraud and Deceptive Business Practices Act
(Plaintiff Miller against all Defendants)
(alternative claim)

Plaintiff Miller reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

464. Defendants committed fraudulent and deceptive acts and practices, which violate and are prohibited by the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2.

465. The Defendants' fraudulent and deceptive acts and practices toward Plaintiff Miller included:

a. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent CSL as being compliant with ABA Standards 301(a), 501(a), and 501(b), and other ABA Standards;

b. Directing and causing CSL, InfiLaw, and those companies' agents to conceal CSL's noncompliance with ABA Standards 301(a), 501(a), and 501(b), and other ABA Standards;

c. Directing and causing CSL, InfiLaw, and those companies' agents to overstate the bar-passage rates for CSL graduates;

d. Directing and causing CSL, InfiLaw, and those companies' agents to pay low-performing students to defer taking the exam, resulting in the inflation of CSL's aggregate bar passage rates;

e. Directing and causing CSL, InfiLaw, and those companies' agents to recruit and enroll students who they knew or reasonably should have known would not complete CSL's course of study, graduate and pass a bar exam;

f. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent to those students their chances of completing CSL's course of study, graduating, and passing a bar exam;

g. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent the characteristics and backgrounds of CSL students to prospective students, including Plaintiff Miller;

h. Directing and causing CSL, InfiLaw, and those companies' agents to group Plaintiff Miller and other scholarship recipients together in the same sections

and grading them on a curve against one another, thus causing Plaintiff Miller and other students to lose their scholarship eligibility;

i. Directing and causing CSL, InfiLaw, and those companies' agents to refrain from disclosing CSL's method of grouping scholarship recipients into the same class sections;

j. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent the severity of the grading curve that would apply to Plaintiff Miller and other students in their classes, thus causing them to earn lower grades and lose their scholarship eligibility; and

k. Directing and causing CSL, InfiLaw, and those companies' agents to exaggerate the availability of academic support services available to Plaintiff Miller and other CSL students, which led them to choose CSL yet not receive the substantial benefits they expected.

466. As described elsewhere in this Complaint, Defendants intended that Plaintiff Miller and other students and potential students rely on their deceptive acts and practices.

467. As described elsewhere in this Complaint, Defendants' fraudulent and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

468. Further, Defendants' fraudulent and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Miller quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

469. The Defendants' fraudulent and deceptive conduct described above proximately caused damage to Plaintiff Miller in that she relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

470. Pursuant to the Illinois Consumer Fraud and Deceptive Business Practices Act, Plaintiff Miller seeks relief for the Defendants' violations of this statute and a refund of the

tuition, interest on loans, books, and fees that Plaintiff Miller paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

471. Defendants' fraudulent and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Miller.

472. Pursuant to 815 ILCS 505/10a(c), Plaintiff Miller is entitled to recover reasonable costs and attorneys' fees.

WHEREFORE, Plaintiff Miller, by and through her undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XIII
Illinois Consumer Fraud and Deceptive Business Practices Act
(Plaintiff Oviedo against all Defendants)
(alternative claim)

Plaintiff Oviedo reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

473. Defendants committed fraudulent and deceptive acts and practices, which violate and are prohibited by the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2.

474. The Defendants' fraudulent and deceptive acts and practices toward Plaintiff Oviedo included:

a. Directing and causing CSL, InfiLaw, and those companies' agents to overstate the bar-passage rates for CSL graduates;

b. Directing and causing CSL, InfiLaw, and those companies' agents to pay low-performing students to defer taking the exam, resulting in the inflation of CSL's aggregate bar passage rates;

c. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent the characteristics and backgrounds of CSL students to prospective students, including Plaintiff Oviedo;

d. Directing and causing CSL, InfiLaw, and those companies' agents to exaggerate the availability of academic support services available to Plaintiff Oviedo and other CSL students, which led them to choose CSL yet not receive the substantial benefits they expected; and

e. Mirepresenting to Plaintiff Oviedo that he had a significant likelihood of succeeding at CSL, graduating, and becoming an attorney, despite believing that this likelihood was very weak.

475. As described elsewhere in this Complaint, Defendants intended that Plaintiff Oviedo and other students and potential students rely on their deceptive acts and practices.

476. As described elsewhere in this Complaint, Defendants' fraudulent and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

477. Further, Defendants' fraudulent and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Oviedo quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

478. The Defendants' fraudulent and deceptive conduct described above proximately caused damage to Plaintiff Oviedo in that he relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

479. Pursuant to the Illinois Consumer Fraud and Deceptive Business Practices Act, Plaintiff Oviedo seeks relief for the Defendants' violations of this statute and a refund of the

tuition, interest on loans, books, and fees that Plaintiff Oviedo paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

480. Defendants' fraudulent and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Oviedo.

481. Pursuant to 815 ILCS 505/10a(c), Plaintiff Oviedo is entitled to recover reasonable costs and attorneys' fees.

WHEREFORE, Plaintiff Oviedo, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XIV
Illinois Consumer Fraud and Deceptive Business Practices Act
(Plaintiff Russell against all Defendants)
(alternative claim)

Plaintiff Russell reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

482. Defendants committed fraudulent and deceptive acts and practices, which violate and are prohibited by the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2.

483. The Defendants' fraudulent and deceptive acts and practices toward Plaintiff Russell included:

a. Directing and causing CSL, InfiLaw, and those companies' agents to overstate CSL's bar-passage rates;

b. Directing and causing CSL, InfiLaw, and those companies' agents to inflate CSL's bar-passage rates by paying low-performing students not to take the bar exam;

c. Directing and causing CSL, InfiLaw, and those companies' agents to exaggerate the availability of academic support services available to Plaintiff Russell and other CSL students, which led them to choose CSL yet not receive the substantial benefits they expected; and

d. Directing and causing CSL, InfiLaw, and those companies' agents to misrepresent to Plaintiff Russell that he had a significant likelihood of succeeding at CSL, graduating, and becoming an attorney, despite believing that this likelihood was very weak.

484. As described elsewhere in this Complaint, Defendants intended that Plaintiff Russell and other students and potential students rely on their deceptive acts and practices.

485. As described elsewhere in this Complaint, Defendants' fraudulent and deceptive acts and practices were in the course of their business in establishing and managing equity funds that purchased or created businesses to generate profits and then sell the business at a profit for investors.

486. Further, Defendants' fraudulent and deceptive acts and practices were in the course of and affecting commerce, as Plaintiff Russell quit gainful employment, took out student loans, paid tuition, purchased books and incurred fees, all in reliance upon the Defendants' representations.

487. The Defendants' fraudulent and deceptive conduct described above proximately caused damage to Plaintiff Russell in that he relied on the deceptive information in deciding to attend and then remain enrolled at CSL.

488. Pursuant to the Illinois Consumer Fraud and Deceptive Business Practices Act, Plaintiff Russell seeks relief for the Defendants' violations of this statute and a refund of the tuition, interest on loans, books, and fees that Plaintiff Russell paid to CSL, which Defendant SFM then siphoned upward to InfiLaw and the Sterling Funds.

489. Defendants' fraudulent and deceptive conduct as set forth in this cause of action and elsewhere in the Complaint, and as will be further determined through discovery and proven at trial, was the proximate cause of the monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt and loss of professional reputation suffered by Plaintiff Russell.

490. Pursuant to 815 ILCS 505/10a(c), Plaintiff Russell is entitled to recover reasonable costs and attorneys' fees.

WHEREFORE, Plaintiff Russell, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XV
Fraudulent Misrepresentation
(Plaintiff Friedman against all Defendants)

Plaintiff Friedman reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

491. The Defendant Sterling Entities, both directly by Defendant SFM and through the subsidiaries Holding, Corporation, and CSL, which were dominated and controlled by the Sterling Funds and SFM, made false representations to Plaintiff Friedman as described elsewhere in this Complaint, including that:

a. CSL's JD Program was in full compliance with the ABA Standards during her enrollment;

b. Plaintiff Friedman would be eligible to receive financial aid in order to complete the CSL JD program;

c. CSL's bar-passage rates were at or above average bar-passage rates in North Carolina, Florida, and other states where CSL graduates applied for bar admission.

492. As described elsewhere in this Complaint, these representations were false. To wit, CSL was out of compliance with ABA Standards throughout 2015 and 2016. CSL's "substantial misrepresentations" rendered it and its students ineligible for financial aid in January 2017. CSL graduates' bar-passage rates were below state averages.

493. CSL and InfiLaw made these misrepresentations intentionally, fraudulently, and with reckless disregard for their truth or falsity, and at the deliberate direction of Defendant SFM.

494. CSL and InfiLaw made these representations at Defendant SFM's direction with no intention of performing their promises to, *inter alia*, continue to provide financial aid or academic support services to students.

495. CSL and InfiLaw, at Defendant SFM's direction, deliberately misled Plaintiff Friedman to induce her to enroll in and to continue enrollment in CSL's JD program and to pay tuition for the program.

496. These intentional misrepresentations were material representations upon which Plaintiff Friedman reasonably relied in enrolling and continuing enrollment in CSL's JD program, thereby causing Plaintiff Friedman to assume student loans, pay tuition for the program, and incur out-of-pocket expenses.

497. Plaintiff Friedman was in fact deceived by the misrepresentations of the Sterling Funds' subsidiaries, CSL and InfiLaw, made at Defendant SFM's direction. Relying upon these representations of material facts, Plaintiff Friedman enrolled in and continued her enrollment in the JD program at CSL. Plaintiff Friedman paid tuition, expenses and fees, and further lost opportunities to transfer when Plaintiff Friedman remained at CSL. The representations and

omissions of Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds were false and concerned material facts.

498. These representations were reasonably calculated to deceive Plaintiff Friedman and other students and potential students. Further, these representations were made intentionally and knowingly by the Defendants, both directly by Defendant SFM and through the subsidiaries that the Sterling Funds dominated and controlled, with the intent to mislead and deceive Plaintiff Friedman; to prevent or delay Plaintiff Friedman from transferring to a law school which was ABA-compliant and where Plaintiff Friedman could receive financial aid; and to ensure Plaintiff Friedman paid additional tuition, fees and expenses to CSL and InfiLaw while Plaintiff Friedman remained in the CSL JD program.

499. Plaintiff Friedman actually relied upon these statements of material facts and has suffered damages as a result of her reliance. Plaintiff Friedman invested time and money into the CSL JD program and has incurred loan obligations which will need to be repaid with interest. Plaintiff Friedman lost academic credits from CSL's contrived curriculum in transferring to a different institution to complete her JD degree.

500. As a result of the Defendants' fraudulent misrepresentations set forth above, Plaintiff Friedman suffered and will continue to suffer monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation.

501. As a result, Plaintiff Friedman is entitled to recover the damages he sustained as a result of the Defendants' conduct.

WHEREFORE, Plaintiff Friedman, by and through her undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XVI
Fraudulent Misrepresentation
(Plaintiff Lampazianie against all Defendants)

Plaintiff Lampazianie reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

502. The Defendant Sterling Entities, both directly by Defendant SFM and through the subsidiaries Holding, Corporation, and CSL, which were dominated and controlled by the Sterling Funds and SFM, made false representations to Plaintiff Lampazianie as described elsewhere in this Complaint, including that CSL's JD Program was in full compliance with the ABA Standards during his enrollment.

503. As described elsewhere in this Complaint, these representations were false. To wit, CSL was out of compliance with ABA Standards as early as 2014.

504. CSL and InfiLaw made these misrepresentations intentionally, fraudulently, and with reckless disregard for their truth or falsity, and at the deliberate direction of Defendant SFM, which also knew these representations to be false.

505. CSL and InfiLaw made these representations at Defendant SFM's direction with no intention of performing their promises to, *inter alia*, continue to provide financial aid or academic support services to students.

506. CSL and InfiLaw, at Defendant SFM's direction, deliberately misled Plaintiff Lampazianie to induce him to enroll in and to continue enrollment in CSL's JD program and to pay tuition for the program.

507. These intentional misrepresentations were material representations upon which Plaintiff Lampazianie reasonably relied in enrolling and continuing enrollment in CSL's JD program, thereby causing Plaintiff Lampazianie to assume student loans, pay tuition for the program, and incur out-of-pocket expenses.

508. Plaintiff Lampazianie was in fact deceived by the misrepresentations of the Sterling Funds' subsidiaries, CSL and InfiLaw, made at Defendant SFM's direction. Relying upon these representations of material facts, Plaintiff Lampazianie enrolled in and continued his enrollment in the JD program at CSL. Plaintiff Lampazianie paid tuition, expenses and fees, and further lost opportunities to transfer when Plaintiff Lampazianie remained at CSL. The representations and omissions of Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds were false and concerned material facts.

509. These representations were reasonably calculated to deceive Plaintiff Lampazianie and other students and potential students. Further, these representations were made intentionally and knowingly by the Defendants, both directly by Defendant SFM and through the subsidiaries that the Sterling Funds dominated and controlled, with the intent to mislead and deceive Plaintiff Lampazianie; to prevent or delay Plaintiff Lampazianie from transferring to a law school which was ABA-compliant and where Plaintiff Lampazianie could receive financial aid; and to ensure Plaintiff Lampazianie paid additional tuition, fees and expenses to CSL and InfiLaw while Plaintiff Lampazianie remained in the CSL JD program.

510. Plaintiff Lampazianie actually relied upon these statements of material facts and has suffered damages as a result of her reliance. Plaintiff Lampazianie invested time and money into the CSL JD program and has incurred loan obligations which will need to be repaid with interest.

511. As a result of the Defendants' fraudulent misrepresentations set forth above, Plaintiff Lampazianie suffered and will continue to suffer monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation.

512. Plaintiff Lampazianie is therefore entitled to recover the damages he sustained as a result of the Defendants' conduct.

WHEREFORE, Plaintiff Lampazianie, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XVII
Fraudulent Misrepresentation
(Plaintiff Maze against all Defendants)

Plaintiff Maze reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

513. The Defendant Sterling Entities, both directly by Defendant SFM and through the subsidiaries Holding, Corporation, and CSL, which were dominated and controlled by the Sterling Funds and SFM, made false representations to Plaintiff Maze as described elsewhere in this Complaint, including that:

a. That CSL students graduating in 2012 and 2013 passed the bar North Carolina bar exam on their first attempt at a rate at or above 90%; and

b. Representing to Plaintiff that she would be able to participate in a law clinic, and then, later, specifically in a real estate law clinic.

514. As described elsewhere in this Complaint, these representations were false. To wit, CSL's bar-passage rates were far below 90%. Plaintiff Maze was not able to participate in these clinics, and Defendants knew this from the beginning.

515. CSL and InfiLaw made these misrepresentations intentionally, fraudulently, and with reckless disregard for their truth or falsity, and at the deliberate direction of Defendant SFM, which also knew these representations to be false.

516. CSL and InfiLaw made these representations at Defendant SFM's direction with no intention of performing their promises to, *inter alia*, continue to provide financial aid or academic support services to students.

517. CSL and InfiLaw, at Defendant SFM's direction, deliberately misled Plaintiff Maze to induce her to enroll in and to continue enrollment in CSL's JD program and to pay tuition for the program.

518. These intentional misrepresentations were material representations upon which Plaintiff Maze reasonably relied in enrolling and continuing enrollment in CSL's JD program, thereby causing Plaintiff Maze to assume student loans, pay tuition for the program, and incur out-of-pocket expenses.

519. Plaintiff Maze was in fact deceived by the misrepresentations of the Sterling Funds' subsidiaries, CSL and InfiLaw, made at Defendant SFM's direction. Relying upon these representations of material facts, Plaintiff Maze enrolled in and continued her enrollment in the JD program at CSL. Plaintiff Maze paid tuition, expenses and fees, and further lost opportunities to transfer when Plaintiff Maze remained at CSL. The representations and omissions of Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds were false and concerned material facts.

520. These representations were reasonably calculated to deceive Plaintiff Maze and other students and potential students. Further, these representations were made intentionally and knowingly by the Defendants, both directly by Defendant SFM and through the subsidiaries that the Sterling Funds dominated and controlled, with the intent to mislead and deceive Plaintiff Maze; to prevent or delay Plaintiff Maze from transferring to a law school which was ABA-compliant and where Plaintiff Maze could receive financial aid; and to ensure Plaintiff Maze paid additional tuition, fees and expenses to CSL and InfiLaw while Plaintiff Maze remained in the CSL JD program.

521. Plaintiff Maze actually relied upon these statements of material facts and has suffered damages as a result of her reliance. Plaintiff Maze invested time and money into the CSL JD program and has incurred loan obligations which will need to be repaid with interest. Plaintiff Maze lost academic credits from CSL's contrived curriculum in transferring to a different institution to complete her JD degree.

522. As a result of the Defendants' fraudulent misrepresentations set forth above, Plaintiff Maze suffered and will continue to suffer monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation.

523. As a result, Plaintiff Maze is entitled to recover the damages he sustained as a result of the Defendants' conduct.

WHEREFORE, Plaintiff Maze, by and through her undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XVIII
Fraudulent Misrepresentation
(Plaintiff Marros against all Defendants)

Plaintiff Marros reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

524. The Defendant Sterling Entities, both directly by Defendant SFM and through the subsidiaries Holding, Corporation, and CSL, which were dominated and controlled by the Sterling Funds and SFM, made false representations to Plaintiff Marros as described elsewhere in this Complaint, including that CSL's JD Program was in full compliance with the ABA Standards during his enrollment.

525. As described elsewhere in this Complaint, these representations were false. To wit, CSL was out of compliance with ABA Standards as early as 2014.

526. CSL and InfiLaw made these misrepresentations intentionally, fraudulently, and with reckless disregard for their truth or falsity, and at the deliberate direction of Defendant SFM, which also knew these representations to be false.

527. CSL and InfiLaw made these representations at Defendant SFM's direction with no intention of performing their promises to, *inter alia*, continue to provide financial aid or academic support services to students.

528. CSL and InfiLaw, at Defendant SFM's direction, deliberately misled Plaintiff Marros to induce him to enroll in and to continue enrollment in CSL's JD program and to pay tuition for the program.

529. These intentional misrepresentations were material representations upon which Plaintiff Marros reasonably relied in enrolling and continuing enrollment in CSL's JD program, thereby causing Plaintiff Marros to assume student loans, pay tuition for the program, and incur out-of-pocket expenses.

530. Plaintiff Marros was in fact deceived by the misrepresentations of the Sterling Funds' subsidiaries, CSL and InfiLaw, made at Defendant SFM's direction. Relying upon these representations of material facts, Plaintiff Marros enrolled in and continued his enrollment in the JD program at CSL. Plaintiff Marros paid tuition, expenses and fees, and further lost opportunities to transfer when Plaintiff Marros remained at CSL. The representations and omissions of Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds were false and concerned material facts.

531. These representations were reasonably calculated to deceive Plaintiff Marros and other students and potential students. Further, these representations were made intentionally and knowingly by the Defendants, both directly by Defendant SFM and through the subsidiaries that the Sterling Funds dominated and controlled, with the intent to mislead and deceive Plaintiff Marros; to prevent or delay Plaintiff Marros from transferring to a law school which was ABA-compliant and where Plaintiff Marros could receive financial aid; and to ensure Plaintiff Marros paid additional tuition, fees and expenses to CSL and InfiLaw while Plaintiff Marros remained in the CSL JD program.

532. Plaintiff Marros actually relied upon these statements of material facts and has suffered damages as a result of her reliance. Plaintiff Marros invested time and money into the CSL JD program and has incurred loan obligations which will need to be repaid with interest.

533. As a result of the Defendants' fraudulent misrepresentations set forth above, Plaintiff Marros suffered and will continue to suffer monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation.

534. Plaintiff Marros is therefore entitled to recover the damages he sustained as a result of the Defendants' conduct.

WHEREFORE, Plaintiff Marros, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XIX
Fraudulent Misrepresentation
(Plaintiff Miller against all Defendants)

Plaintiff Miller reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

535. The Defendant Sterling Entities, both directly by Defendant SFM and through the subsidiaries Holding, Corporation, and CSL, which were dominated and controlled by the Sterling Funds and SFM, made false representations to Plaintiff Miller as described elsewhere in this Complaint, including that CSL's JD Program was in full compliance with the ABA Standards during her enrollment.

536. As described elsewhere in this Complaint, these representations were false. To wit, CSL was out of compliance with ABA Standards as early as 2014.

537. CSL and InfiLaw made these misrepresentations intentionally, fraudulently, and with reckless disregard for their truth or falsity, and at the deliberate direction of Defendant SFM, which also knew these representations to be false.

538. CSL and InfiLaw made these representations at Defendant SFM's direction with no intention of performing their promises to, *inter alia*, continue to provide financial aid or academic support services to students.

539. CSL and InfiLaw, at Defendant SFM's direction, deliberately misled Plaintiff Miller to induce her to enroll in and to continue enrollment in CSL's JD program and to pay tuition for the program.

540. These intentional misrepresentations were material representations upon which Plaintiff Miller reasonably relied in enrolling and continuing enrollment in CSL's JD program, thereby causing Plaintiff Miller to assume student loans, pay tuition for the program, and incur out-of-pocket expenses.

541. Plaintiff Miller was in fact deceived by the misrepresentations of the Sterling Funds' subsidiaries, CSL and InfiLaw, made at Defendant SFM's direction. Relying upon these representations of material facts, Plaintiff Miller enrolled in and continued her enrollment in the JD program at CSL. Plaintiff Miller paid tuition, expenses and fees, and further lost opportunities to transfer when Plaintiff Miller remained at CSL. The representations and omissions of Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds were false and concerned material facts.

542. These representations were reasonably calculated to deceive Plaintiff Miller and other students and potential students. Further, these representations were made intentionally and knowingly by the Defendants, both directly by Defendant SFM and through the subsidiaries that

the Sterling Funds dominated and controlled, with the intent to mislead and deceive Plaintiff Miller; to prevent or delay Plaintiff Miller from transferring to a law school which was ABA-compliant and where Plaintiff Miller could receive financial aid; and to ensure Plaintiff Miller paid additional tuition, fees and expenses to CSL and InfiLaw while Plaintiff Miller remained in the CSL JD program.

543. Plaintiff Miller actually relied upon these statements of material facts and has suffered damages as a result of her reliance. Plaintiff Miller invested time and money into the CSL JD program and has incurred loan obligations which will need to be repaid with interest. Plaintiff Miller lost academic credits from CSL's contrived curriculum in transferring to a different institution to complete her JD degree.

544. As a result of the Defendants' fraudulent misrepresentations set forth above, Plaintiff Miller suffered and will continue to suffer monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation.

545. As a result, Plaintiff Miller is entitled to recover the damages he sustained as a result of the Defendants' conduct.

WHEREFORE, Plaintiff Miller, by and through her undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XX
Fraudulent Misrepresentation
(Plaintiff Oviedo against all Defendants)

Plaintiff Oviedo reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

546. The Defendant Sterling Entities, both directly by Defendant SFM and through the subsidiaries Holding, Corporation, and CSL, which were dominated and controlled by the Sterling Funds and SFM, made false representations to Plaintiff Oviedo as described elsewhere in this Complaint, including that CSL's JD Program was in full compliance with the ABA Standards during his enrollment.

547. As described elsewhere in this Complaint, these representations were false. To wit, CSL was out of compliance with ABA Standards as early as 2014.

548. CSL and InfiLaw made these misrepresentations intentionally, fraudulently, and with reckless disregard for their truth or falsity, and at the deliberate direction of Defendant SFM, which also knew these representations to be false.

549. CSL and InfiLaw made these representations at Defendant SFM's direction with no intention of performing their promises to, *inter alia*, continue to provide financial aid or academic support services to students.

550. CSL and InfiLaw, at Defendant SFM's direction, deliberately misled Plaintiff Oviedo to induce him to enroll in and to continue enrollment in CSL's JD program and to pay tuition for the program.

551. These intentional misrepresentations were material representations upon which Plaintiff Oviedo reasonably relied in enrolling and continuing enrollment in CSL's JD program,

thereby causing Plaintiff Oviedo to assume student loans, pay tuition for the program, and incur out-of-pocket expenses.

552. Plaintiff Oviedo was in fact deceived by the misrepresentations of the Sterling Funds' subsidiaries, CSL and InfiLaw, made at Defendant SFM's direction. Relying upon these representations of material facts, Plaintiff Oviedo enrolled in and continued his enrollment in the JD program at CSL. Plaintiff Oviedo paid tuition, expenses and fees, and further lost opportunities to transfer when Plaintiff Oviedo remained at CSL. The representations and omissions of Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds were false and concerned material facts.

553. These representations were reasonably calculated to deceive Plaintiff Oviedo and other students and potential students. Further, these representations were made intentionally and knowingly by the Defendants, both directly by Defendant SFM and through the subsidiaries that the Sterling Funds dominated and controlled, with the intent to mislead and deceive Plaintiff Oviedo; to prevent or delay Plaintiff Oviedo from transferring to a law school which was ABA-compliant and where Plaintiff Oviedo could receive financial aid; and to ensure Plaintiff Oviedo paid additional tuition, fees and expenses to CSL and InfiLaw while Plaintiff Oviedo remained in the CSL JD program.

554. Plaintiff Oviedo actually relied upon these statements of material facts and has suffered damages as a result of her reliance. Plaintiff Oviedo invested time and money into the CSL JD program and has incurred loan obligations which will need to be repaid with interest.

555. As a result of the Defendants' fraudulent misrepresentations set forth above, Plaintiff Oviedo suffered and will continue to suffer monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career

advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation.

556. Plaintiff Oviedo is therefore entitled to recover the damages he sustained as a result of the Defendants' conduct.

WHEREFORE, Plaintiff Oviedo, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XXI
Fraudulent Misrepresentation
(Plaintiff Russell against all Defendants)

Plaintiff Russell reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

557. The Defendant Sterling Entities, both directly by Defendant SFM and through the subsidiaries Holding, Corporation, and CSL, which were dominated and controlled by the Sterling Funds and SFM, made false representations to Plaintiff Russell as described elsewhere in this Complaint, including that CSL's JD Program was in full compliance with the ABA Standards during his enrollment.

558. As described elsewhere in this Complaint, these representations were false. To wit, CSL was out of compliance with ABA Standards as early as 2014.

559. CSL and InfiLaw made these misrepresentations intentionally, fraudulently, and with reckless disregard for their truth or falsity, and at the deliberate direction of Defendant SFM, which also knew these representations to be false.

560. CSL and InfiLaw made these representations at Defendant SFM's direction with no intention of performing their promises to, *inter alia*, continue to provide financial aid or academic support services to students.

561. CSL and InfiLaw, at Defendant SFM's direction, deliberately misled Plaintiff Russell to induce him to enroll in and to continue enrollment in CSL's JD program and to pay tuition for the program.

562. These intentional misrepresentations were material representations upon which Plaintiff Russell reasonably relied in enrolling and continuing enrollment in CSL's JD program, thereby causing Plaintiff Russell to assume student loans, pay tuition for the program, and incur out-of-pocket expenses.

563. Plaintiff Russell was in fact deceived by the misrepresentations of the Sterling Funds' subsidiaries, CSL and InfiLaw, made at Defendant SFM's direction. Relying upon these representations of material facts, Plaintiff Russell enrolled in and continued his enrollment in the JD program at CSL. Plaintiff Russell paid tuition, expenses and fees, and further lost opportunities to transfer when Plaintiff Russell remained at CSL. The representations and omissions of Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds were false and concerned material facts.

564. These representations were reasonably calculated to deceive Plaintiff Russell and other students and potential students. Further, these representations were made intentionally and knowingly by the Defendants, both directly by Defendant SFM and through the subsidiaries that the Sterling Funds dominated and controlled, with the intent to mislead and deceive Plaintiff Russell; to prevent or delay Plaintiff Russell from transferring to a law school which was ABA-compliant and where Plaintiff Russell could receive financial aid; and to ensure Plaintiff Russell

paid additional tuition, fees and expenses to CSL and InfiLaw while Plaintiff Russell remained in the CSL JD program.

565. Plaintiff Russell actually relied upon these statements of material facts and has suffered damages as a result of her reliance. Plaintiff Russell invested time and money into the CSL JD program and has incurred loan obligations which will need to be repaid with interest.

566. As a result of the Defendants' fraudulent misrepresentations set forth above, Plaintiff Russell suffered and will continue to suffer monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation.

567. Plaintiff Russell is therefore entitled to recover the damages he sustained as a result of the Defendants' conduct.

WHEREFORE, Plaintiff Russell, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XXII
Fraudulent Concealment
(Plaintiff Friedman against all Defendants)

Plaintiff Friedman reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

568. Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds—CSL and InfiLaw—had a duty to disclose material information to Plaintiff Friedman because they took affirmative steps to conceal from him material facts that, had they been known

to her, would have influenced her judgment and decision to enroll at and then continue to attend CSL.

569. The material facts that Defendants took affirmative steps to conceal included the ABA decisions regarding CSL's noncompliance, with Dean Conison of CSL representing that the ABA's January 2015 decision was very positive (notwithstanding that the ABA had stated it had reason to believe that CSL was not in compliance with certain Standards). Moreover:

a. CSL, InfiLaw, and Defendant SFM continued to try to conceal the ABA's decisions after the ABA affirmatively concluded that CSL was not in compliance with fundamental Standards; and

b. CSL, InfiLaw, and Defendant SFM resisted the ABA's directive to disclose their decisions to CSL students by appealing the ABA's July 2016 decision, even though CSL admitted that it was not challenging the ABA's conclusion that CSL was not in compliance with fundamental Standards, because CSL, InfiLaw, and Defendant SFM wished to eliminate the requirement that CSL publicly disclose the ABA's findings of noncompliance in order to avoid the anticipated adverse impact on CSL's ability to retain high-performing students and enrollment.

570. Even if CSL and InfiLaw, under the direction and management of Defendant SFM, did not have a prior duty to speak, they had a duty to make a full and fair disclosure of facts concerning the matters on which they chose to speak. CSL and InfiLaw, under Defendant SFM's direction and management, told Plaintiff Friedman that CSL was compliant with ABA Standards during a time when that was arguably true, yet they failed to correct their statement after it became clearly untrue.

571. Furthermore, under Defendant SFM's direction, Dean Conison e-mailed Plaintiff Friedman and other students, on behalf of CSL, stating that the ABA January 2015 decision was very positive and that the ABA's additional requests were normal, despite knowing that the ABA had concluded that it had reason to believe that CSL was not in compliance with fundamental

Standards. Thus, CSL, InfiLaw, and Defendant SFM had a duty to disclose additional information about the ABA's subsequent decisions.

572. These facts were material. In fact, CSL itself admitted that students' and prospective students' awareness of the ABA's findings of compliance would have a profound impact on admissions.

573. In sum, Defendant SFM and the subsidiaries that the Sterling Funds dominated and controlled—InfiLaw and CSL—gave Plaintiff Friedman the impression that CSL was fully compliant with ABA Standards and knew that Plaintiff Friedman was relying on this impression in deciding to enroll and then to remain at CSL.

574. Defendant SFM and the Sterling Funds subsidiaries'—InfiLaw and CSL—understanding of the ABA's Standards, accreditation, and review process, as well as their knowledge of CSL's state of noncompliance, was substantially superior to Plaintiff Friedman's at all material times.

575. The Sterling Funds' subsidiaries, InfiLaw and CSL, concealed from Plaintiff Friedman the information CSL received from the ABA in 2015 and through 2016 until CSL was forced by the ABA to make a public disclosure. Defendant SFM similarly caused the Sterling subsidiaries to conceal this information. But for the ABA's demand, there is no guarantee that CSL, InfiLaw, or the Defendants would have revealed anything to CSL students to this day—nor would the Defendants have directed them to do so.

576. Given the Defendants' knowledge that Plaintiff Friedman and other students were relying on their previous statements about CSL's compliance, the failure to correct this misrepresentation after January 2015 amounted to an affirmation that the impression was correct.

577. CSL, InfiLaw, and Defendant SFM were aware that students and prospective students do not have access to the ABA's data on each law school's bar-passage rate until a year or more after the fact. Therefore, Plaintiff Friedman relied on CSL, InfiLaw, and/or Defendant SFM to publish CSL's bar passage rate as soon as they calculated it.

578. Defendant SFM instructed CSL and InfiLaw agents, including faculty, counselors, and other staff, not to disclose CSL's state of noncompliance to Plaintiff Friedman and other students who asked about such compliance issues.

579. The concealment of this information was reasonably calculated to deceive Plaintiff Friedman, made with the intent to deceive Plaintiff Friedman, and did in fact deceive Plaintiff Friedman. CSL and InfiLaw, under Defendant SFM's direction, concealed this material information about ABA compliance and bar-passage rates from Plaintiff Friedman in order to continue receiving her payments for tuition, fees, and dues, and did in fact continue receiving these payments.

580. Before November 2016, Defendant SFM prevented InfiLaw and CSL from making any public statements that would have informed a student or prospective student that the ABA had found CSL to be out of compliance with ABA Standards, or that the ABA had determined that CSL has "not demonstrated that it is maintaining a rigorous program of legal education that prepares its students, upon graduation, for admission to the bar, and for effective, ethical, and responsible participation as members of the legal profession." Nor was there any statement or disclosure during that period by CSL that the ABA had determined that CSL was "admitting applicants who do not appear capable of satisfactorily completing its program of legal education and being admitted to the bar."

581. Moreover, once Plaintiff Friedman became aware of DoE's denial of CSL's request for financial assistance, CSL knowingly concealed the severity of the matter from Plaintiff Friedman by locking the seventh floor doors at CSL and cutting off elevator access to the seventh floor, thereby leaving current students in the dark.

582. As a result of Defendant SFM's and the Sterling Funds' subsidiaries' fraudulent concealment, Plaintiff Friedman suffered and will continue to suffer damages including monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation. Plaintiff Friedman is therefore entitled to recover the damages she sustained as a result of the Defendants' conduct.

583. Additionally, as a result of CSL's, InfiLaw's, and Defendants' fraudulent concealment, the accrual of any applicable statutes of limitation or other time-related defense that might otherwise apply to this action should be tolled.

WHEREFORE, Plaintiff Friedman, by and through her undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XXIII
Fraudulent Concealment
(Plaintiff Lampazianie against all Defendants)

Plaintiff Lampazianie reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

584. Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds—CSL and InfiLaw—had a duty to disclose material information to Plaintiff Lampazianie

because they took affirmative steps to conceal from him material facts that, had they been known to her, would have influenced her judgment and decision to enroll at and then continue to attend CSL.

585. The material facts that Defendants took affirmative steps to conceal included the ABA decisions regarding CSL's noncompliance, with Dean Conison of CSL representing that the ABA's January 2015 decision was very positive (notwithstanding that the ABA had stated it had reason to believe that CSL was not in compliance with certain Standards).

586. Even if CSL and InfiLaw, under the direction and management of Defendant SFM, did not have a prior duty to speak, they had a duty to make a full and fair disclosure of facts concerning the matters on which they chose to speak. CSL and InfiLaw, under Defendant SFM's direction and management, told Plaintiff Lampazianie that CSL was compliant with ABA Standards during a time when that was arguably true, yet they failed to correct their statement after it became clearly untrue.

587. Furthermore, under Defendant SFM's direction, Dean Conison e-mailed Plaintiff Lampazianie and other students, on behalf of CSL, stating that the ABA January 2015 decision was very positive and that the ABA's additional requests were normal, despite knowing that the ABA had concluded that it had reason to believe that CSL was not in compliance with fundamental Standards. Thus, CSL, InfiLaw, and Defendant SFM had a duty to disclose additional information about the ABA's subsequent decisions.

588. These facts were material. In fact, CSL itself admitted that students' and prospective students' awareness of the ABA's findings of compliance would have a profound impact on admissions.

589. In sum, Defendant SFM and the subsidiaries that the Sterling Funds dominated and controlled—InfiLaw and CSL—gave Plaintiff Lampazianie the impression that CSL was fully compliant with ABA Standards and knew that Plaintiff Lampazianie was relying on this impression in deciding to enroll and/or remain at CSL.

590. Defendant SFM and the Sterling Funds subsidiaries'—InfiLaw and CSL—understanding of the ABA's Standards, accreditation, and review process, as well as their knowledge of CSL's state of noncompliance, was substantially superior to Plaintiff Lampazianie's at all material times.

591. The Sterling Funds' subsidiaries, InfiLaw and CSL, concealed from Plaintiff Lampazianie the information CSL received from the ABA in 2015 and through 2016 until CSL was forced by the ABA to make a public disclosure. Defendant SFM similarly caused the Sterling subsidiaries to conceal this information. But for the ABA's demand, there is no guarantee that CSL, InfiLaw, or the Defendants would have revealed anything to CSL students to this day—nor would the Defendants have directed them to do so.

592. Given the Defendants' knowledge that Plaintiff Lampazianie and other students were relying on their previous statements about CSL's compliance, the failure to correct this misrepresentation after January 2015 amounted to an affirmation that the impression was correct.

593. CSL, InfiLaw, and Defendant SFM were aware that students and prospective students do not have access to the ABA's data on each law school's bar-passage rate until a year or more after the fact. Therefore, Plaintiff Lampazianie relied on CSL, InfiLaw, and/or Defendant SFM to publish CSL's bar passage rate as soon as they calculated it.

594. Defendant SFM instructed CSL and InfiLaw agents, including faculty, counselors, and other staff, not to disclose CSL's state of noncompliance to Plaintiff Lampazianie and other students who asked about such compliance issues.

595. The concealment of this information was reasonably calculated to deceive Plaintiff Lampazianie, made with the intent to deceive Plaintiff Lampazianie, and did in fact deceive Plaintiff Lampazianie. CSL and InfiLaw, under Defendant SFM's direction, concealed this material information about ABA compliance and bar-passage rates from Plaintiff Lampazianie in order to continue receiving his payments for tuition, fees, and dues, and did in fact continue receiving these payments.

596. Before November 2016, Defendant SFM prevented InfiLaw and CSL from making any public statements that would have informed a student or prospective student that the ABA had found CSL to be out of compliance with ABA Standards, or that the ABA had determined that CSL has "not demonstrated that it is maintaining a rigorous program of legal education that prepares its students, upon graduation, for admission to the bar, and for effective, ethical, and responsible participation as members of the legal profession." Nor was there any statement or disclosure during that period by CSL that the ABA had determined that CSL was "admitting applicants who do not appear capable of satisfactorily completing its program of legal education and being admitted to the bar."

597. As a result of Defendant SFM's and the Sterling Funds' subsidiaries' fraudulent concealment, Plaintiff Lampazianie suffered and will continue to suffer damages including monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment,

humiliation, loss of enjoyment of life, and loss of professional reputation. Plaintiff Lampazianie is therefore entitled to recover the damages he sustained as a result of the Defendants' conduct.

598. Additionally, as a result of CSL's, InfiLaw's, and Defendants' fraudulent concealment, the accrual of any applicable statutes of limitation or other time-related defense that might otherwise apply to this action should be tolled.

WHEREFORE, Plaintiff Lampazianie, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XXIV
Fraudulent Concealment
(Plaintiff Maze against all Defendants)

Plaintiff Maze reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

599. Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds—CSL and InfiLaw—had a duty to disclose material information to Plaintiff Maze because they took affirmative steps to conceal from him material facts that, had they been known to her, would have influenced her judgment and decision to enroll at and then continue to attend CSL.

600. The material facts that Defendants took affirmative steps to conceal included the ABA decisions regarding CSL's noncompliance, with Dean Conison of CSL representing that the ABA's January 2015 decision was very positive (notwithstanding that the ABA had stated it had reason to believe that CSL was not in compliance with certain Standards). Moreover:

a. CSL, InfiLaw, and Defendant SFM continued to try to conceal the ABA's decisions after the ABA affirmatively concluded that CSL was not in compliance with fundamental Standards; and

b. CSL, InfiLaw, and Defendant SFM resisted the ABA's directive to disclose their decisions to CSL students by appealing the ABA's July 2016 decision, even though CSL admitted that it was not challenging the ABA's conclusion that CSL was not in compliance with fundamental Standards, because CSL, InfiLaw, and Defendant SFM wished to eliminate the requirement that CSL publicly disclose the ABA's findings of noncompliance in order to avoid the anticipated adverse impact on CSL's ability to retain high-performing students and enrollment.

601. Even if CSL and InfiLaw, under the direction and management of Defendant SFM, did not have a prior duty to speak, they had a duty to make a full and fair disclosure of facts concerning the matters on which they chose to speak. CSL and InfiLaw, under Defendant SFM's direction and management, told Plaintiff Maze that CSL was compliant with ABA Standards during a time when that was arguably true, yet they failed to correct their statement after it became clearly untrue.

602. Furthermore, under Defendant SFM's direction, Dean Conison e-mailed Plaintiff Maze and other students, on behalf of CSL, stating that the ABA January 2015 decision was very positive and that the ABA's additional requests were normal, despite knowing that the ABA had concluded that it had reason to believe that CSL was not in compliance with fundamental Standards. Thus, CSL, InfiLaw, and Defendant SFM had a duty to disclose additional information about the ABA's subsequent decisions.

603. These facts were material. In fact, CSL itself admitted that students' and prospective students' awareness of the ABA's findings of compliance would have a profound impact on admissions.

604. In sum, Defendant SFM and the subsidiaries that the Sterling Funds dominated and controlled—InfiLaw and CSL—gave Plaintiff Maze the impression that CSL was fully compliant with ABA Standards and knew that Plaintiff Maze was relying on this impression in deciding to enroll and/or remain at CSL.

605. Defendant SFM and the Sterling Funds subsidiaries'—InfiLaw and CSL—understanding of the ABA's Standards, accreditation, and review process, as well as their knowledge of CSL's state of noncompliance, was substantially superior to Plaintiff Maze's at all material times.

606. The Sterling Funds' subsidiaries, InfiLaw and CSL, concealed from Plaintiff Maze the information CSL received from the ABA in 2015 and through 2016 until CSL was forced by the ABA to make a public disclosure. Defendant SFM similarly caused the Sterling subsidiaries to conceal this information. But for the ABA's demand, there is no guarantee that CSL, InfiLaw, or the Defendants would have revealed anything to CSL students to this day—nor would the Defendants have directed them to do so.

607. Given the Defendants' knowledge that Plaintiff Maze and other students were relying on their previous statements about CSL's compliance, the failure to correct this misrepresentation after January 2015 amounted to an affirmation that the impression was correct.

608. CSL, InfiLaw, and Defendant SFM were aware that students and prospective students do not have access to the ABA's data on each law school's bar-passage rate until a year or more after the fact. Therefore, Plaintiff Maze relied on CSL, InfiLaw, and/or Defendant SFM to publish CSL's bar passage rate as soon as they calculated it.

609. Defendant SFM instructed CSL and InfiLaw agents, including faculty, counselors, and other staff, not to disclose CSL's state of noncompliance to Plaintiff Maze and other students who asked about such compliance issues.

610. The concealment of this information was reasonably calculated to deceive Plaintiff Maze, made with the intent to deceive Plaintiff Maze, and did in fact deceive Plaintiff Maze. CSL and InfiLaw, under Defendant SFM's direction, concealed this material information

about ABA compliance and bar-passage rates from Plaintiff Maze in order to continue receiving her payments for tuition, fees, and dues, and did in fact continue receiving these payments.

611. Before November 2016, Defendant SFM prevented InfiLaw and CSL from making any public statements that would have informed a student or prospective student that the ABA had found CSL to be out of compliance with ABA Standards, or that the ABA had determined that CSL has "not demonstrated that it is maintaining a rigorous program of legal education that prepares its students, upon graduation, for admission to the bar, and for effective, ethical, and responsible participation as members of the legal profession." Nor was there any statement or disclosure during that period by CSL that the ABA had determined that CSL was "admitting applicants who do not appear capable of satisfactorily completing its program of legal education and being admitted to the bar."

612. As a result of Defendant SFM's and the Sterling Funds' subsidiaries' fraudulent concealment, Plaintiff Maze suffered and will continue to suffer damages including monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation. Plaintiff Maze is therefore entitled to recover the damages she sustained as a result of the Defendants' conduct.

613. Additionally, as a result of CSL's, InfiLaw's, and Defendants' fraudulent concealment, the accrual of any applicable statutes of limitation or other time-related defense that might otherwise apply to this action should be tolled.

WHEREFORE, Plaintiff Maze, by and through her undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XXV
Fraudulent Concealment
(Plaintiff Marros against all Defendants)

Plaintiff Marros reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

614. Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds—CSL and InfiLaw—had a duty to disclose material information to Plaintiff Marros because they took affirmative steps to conceal from him material facts that, had they been known to her, would have influenced her judgment and decision to enroll at and then continue to attend CSL.

615. The material facts that Defendants took affirmative steps to conceal included the ABA decisions regarding CSL's noncompliance, with Dean Conison of CSL representing that the ABA's January 2015 decision was very positive (notwithstanding that the ABA had stated it had reason to believe that CSL was not in compliance with certain Standards).

616. Even if CSL and InfiLaw, under the direction and management of Defendant SFM, did not have a prior duty to speak, they had a duty to make a full and fair disclosure of facts concerning the matters on which they chose to speak. CSL and InfiLaw, under Defendant SFM's direction and management, told Plaintiff Marros that CSL was compliant with ABA Standards during a time when that was arguably true, yet they failed to correct their statement after it became clearly untrue.

617. Furthermore, under Defendant SFM's direction, Dean Conison e-mailed Plaintiff Marros and other students, on behalf of CSL, stating that the ABA January 2015 decision was very positive and that the ABA's additional requests were normal, despite knowing that the ABA had concluded that it had reason to believe that CSL was not in compliance with fundamental Standards. Thus, CSL, InfiLaw, and Defendant SFM had a duty to disclose additional information about the ABA's subsequent decisions.

618. These facts were material. In fact, CSL itself admitted that students' and prospective students' awareness of the ABA's findings of compliance would have a profound impact on admissions.

619. In sum, Defendant SFM and the subsidiaries that the Sterling Funds dominated and controlled—InfiLaw and CSL—gave Plaintiff Marros the impression that CSL was fully compliant with ABA Standards and knew that Plaintiff Marros was relying on this impression in deciding to enroll and/or remain at CSL.

620. Defendant SFM and the Sterling Funds subsidiaries'—InfiLaw and CSL—understanding of the ABA's Standards, accreditation, and review process, as well as their knowledge of CSL's state of noncompliance, was substantially superior to Plaintiff Marros's at all material times.

621. The Sterling Funds' subsidiaries, InfiLaw and CSL, concealed from Plaintiff Marros the information CSL received from the ABA in 2015 and through 2016 until CSL was forced by the ABA to make a public disclosure. Defendant SFM similarly caused the Sterling subsidiaries to conceal this information. But for the ABA's demand, there is no guarantee that CSL, InfiLaw, or the Defendants would have revealed anything to CSL students to this day—nor would the Defendants have directed them to do so.

622. Given the Defendants' knowledge that Plaintiff Marros and other students were relying on their previous statements about CSL's compliance, the failure to correct this misrepresentation after January 2015 amounted to an affirmation that the impression was correct.

623. CSL, InfiLaw, and Defendant SFM were aware that students and prospective students do not have access to the ABA's data on each law school's bar-passage rate until a year or more after the fact. Therefore, Plaintiff Marros relied on CSL, InfiLaw, and/or Defendant SFM to publish CSL's bar passage rate as soon as they calculated it.

624. Defendant SFM instructed CSL and InfiLaw agents, including faculty, counselors, and other staff, not to disclose CSL's state of noncompliance to Plaintiff Marros and other students who asked about such compliance issues.

625. The concealment of this information was reasonably calculated to deceive Plaintiff Marros, made with the intent to deceive Plaintiff Marros, and did in fact deceive Plaintiff Marros. CSL and InfiLaw, under Defendant SFM's direction, concealed this material information about ABA compliance and bar-passage rates from Plaintiff Marros in order to continue receiving his payments for tuition, fees, and dues, and did in fact continue receiving these payments.

626. Before November 2016, Defendant SFM prevented InfiLaw and CSL from making any public statements that would have informed a student or prospective student that the ABA had found CSL to be out of compliance with ABA Standards, or that the ABA had determined that CSL has "not demonstrated that it is maintaining a rigorous program of legal education that prepares its students, upon graduation, for admission to the bar, and for effective, ethical, and responsible participation as members of the legal profession." Nor was there any statement or disclosure during that period by CSL that the ABA had determined that CSL was

"admitting applicants who do not appear capable of satisfactorily completing its program of legal education and being admitted to the bar."

627. As a result of Defendant SFM's and the Sterling Funds' subsidiaries' fraudulent concealment, Plaintiff Marros suffered and will continue to suffer damages including monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation. Plaintiff Marros is therefore entitled to recover the damages he sustained as a result of the Defendants' conduct.

628. Additionally, as a result of CSL's, InfiLaw's, and Defendants' fraudulent concealment, the accrual of any applicable statutes of limitation or other time-related defense that might otherwise apply to this action should be tolled.

WHEREFORE, Plaintiff Marros, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XXVI
Fraudulent Concealment
(Plaintiff Miller against all Defendants)

Plaintiff Miller reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

629. Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds—CSL and InfiLaw—had a duty to disclose material information to Plaintiff Miller because they took affirmative steps to conceal from him material facts that, had they been known

to her, would have influenced her judgment and decision to enroll at and then continue to attend CSL.

630. The material facts that Defendants took affirmative steps to conceal included the ABA decisions regarding CSL's noncompliance, with Dean Conison of CSL representing that the ABA's January 2015 decision was very positive (notwithstanding that the ABA had stated it had reason to believe that CSL was not in compliance with certain Standards).

631. Even if CSL and InfiLaw, under the direction and management of Defendant SFM, did not have a prior duty to speak, they had a duty to make a full and fair disclosure of facts concerning the matters on which they chose to speak. CSL and InfiLaw, under Defendant SFM's direction and management, told Plaintiff Miller that CSL was compliant with ABA Standards during a time when that was arguably true, yet they failed to correct their statement after it became clearly untrue.

632. Furthermore, under Defendant SFM's direction, Dean Conison e-mailed Plaintiff Miller and other students, on behalf of CSL, stating that the ABA January 2015 decision was very positive and that the ABA's additional requests were normal, despite knowing that the ABA had concluded that it had reason to believe that CSL was not in compliance with fundamental Standards. Thus, CSL, InfiLaw, and Defendant SFM had a duty to disclose additional information about the ABA's subsequent decisions.

633. These facts were material. In fact, CSL itself admitted that students' and prospective students' awareness of the ABA's findings of compliance would have a profound impact on admissions.

634. In sum, Defendant SFM and the subsidiaries that the Sterling Funds dominated and controlled—InfiLaw and CSL—gave Plaintiff Miller the impression that CSL was fully

compliant with ABA Standards and knew that Plaintiff Miller was relying on this impression in deciding to enroll and/or remain at CSL.

635. Defendant SFM and the Sterling Funds subsidiaries'—InfiLaw and CSL—understanding of the ABA's Standards, accreditation, and review process, as well as their knowledge of CSL's state of noncompliance, was substantially superior to Plaintiff Miller's at all material times.

636. The Sterling Funds' subsidiaries, InfiLaw and CSL, concealed from Plaintiff Miller the information CSL received from the ABA in 2015 and through 2016 until CSL was forced by the ABA to make a public disclosure. Defendant SFM similarly caused the Sterling subsidiaries to conceal this information. But for the ABA's demand, there is no guarantee that CSL, InfiLaw, or the Defendants would have revealed anything to CSL students to this day—nor would the Defendants have directed them to do so.

637. Given the Defendants' knowledge that Plaintiff Miller and other students were relying on their previous statements about CSL's compliance, the failure to correct this misrepresentation after January 2015 amounted to an affirmation that the impression was correct.

638. CSL, InfiLaw, and Defendant SFM were aware that students and prospective students do not have access to the ABA's data on each law school's bar-passage rate until a year or more after the fact. Therefore, Plaintiff Miller relied on CSL, InfiLaw, and/or Defendant SFM to publish CSL's bar passage rate as soon as they calculated it.

639. Defendant SFM instructed CSL and InfiLaw agents, including faculty, counselors, and other staff, not to disclose CSL's state of noncompliance to Plaintiff Miller and other students who asked about such compliance issues.

640. The concealment of this information was reasonably calculated to deceive Plaintiff Miller, made with the intent to deceive Plaintiff Miller, and did in fact deceive Plaintiff Miller. CSL and InfiLaw, under Defendant SFM's direction, concealed this material information about ABA compliance and bar-passage rates from Plaintiff Miller in order to continue receiving her payments for tuition, fees, and dues, and did in fact continue receiving these payments.

641. Before November 2016, Defendant SFM prevented InfiLaw and CSL from making any public statements that would have informed a student or prospective student that the ABA had found CSL to be out of compliance with ABA Standards, or that the ABA had determined that CSL has "not demonstrated that it is maintaining a rigorous program of legal education that prepares its students, upon graduation, for admission to the bar, and for effective, ethical, and responsible participation as members of the legal profession." Nor was there any statement or disclosure during that period by CSL that the ABA had determined that CSL was "admitting applicants who do not appear capable of satisfactorily completing its program of legal education and being admitted to the bar."

642. As a result of Defendant SFM's and the Sterling Funds' subsidiaries' fraudulent concealment, Plaintiff Miller suffered and will continue to suffer damages including monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation. Plaintiff Miller is therefore entitled to recover the damages she sustained as a result of the Defendants' conduct.

643. Additionally, as a result of CSL's, InfiLaw's, and Defendants' fraudulent concealment, the accrual of any applicable statutes of limitation or other time-related defense that might otherwise apply to this action should be tolled.

WHEREFORE, Plaintiff Miller, by and through her undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XXVII
Fraudulent Concealment
(Plaintiff Oviedo against all Defendants)

Plaintiff Oviedo reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

644. Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds—CSL and InfiLaw—had a duty to disclose material information to Plaintiff Oviedo because they took affirmative steps to conceal from him material facts that, had they been known to her, would have influenced her judgment and decision to enroll at and then continue to attend CSL.

645. The material facts that Defendants took affirmative steps to conceal included the ABA decisions regarding CSL's noncompliance, with Dean Conison of CSL representing that the ABA's January 2015 decision was very positive (notwithstanding that the ABA had stated it had reason to believe that CSL was not in compliance with certain Standards). Moreover:

a. CSL, InfiLaw, and Defendant SFM continued to try to conceal the ABA's decisions after the ABA affirmatively concluded that CSL was not in compliance with fundamental Standards; and

b. CSL, InfiLaw, and Defendant SFM resisted the ABA's directive to disclose their decisions to CSL students by appealing the ABA's July 2016 decision, even though CSL admitted that it was not challenging the ABA's conclusion that CSL was not in compliance with fundamental Standards, because CSL, InfiLaw, and Defendant SFM wished to eliminate the requirement that CSL

> publicly disclose the ABA's findings of noncompliance in order to avoid the anticipated adverse impact on CSL's ability to retain high-performing students and enrollment.

646. Even if CSL and InfiLaw, under the direction and management of Defendant SFM, did not have a prior duty to speak, they had a duty to make a full and fair disclosure of facts concerning the matters on which they chose to speak. CSL and InfiLaw, under Defendant SFM's direction and management, told Plaintiff Oviedo that CSL was compliant with ABA Standards during a time when that was arguably true, yet they failed to correct their statement after it became clearly untrue.

647. Furthermore, under Defendant SFM's direction, Dean Conison e-mailed Plaintiff Oviedo and other students, on behalf of CSL, stating that the ABA January 2015 decision was very positive and that the ABA's additional requests were normal, despite knowing that the ABA had concluded that it had reason to believe that CSL was not in compliance with fundamental Standards. Thus, CSL, InfiLaw, and Defendant SFM had a duty to disclose additional information about the ABA's subsequent decisions.

648. These facts were material. In fact, CSL itself admitted that students' and prospective students' awareness of the ABA's findings of compliance would have a profound impact on admissions.

649. In sum, Defendant SFM and the subsidiaries that the Sterling Funds dominated and controlled—InfiLaw and CSL—gave Plaintiff Oviedo the impression that CSL was fully compliant with ABA Standards and knew that Plaintiff Oviedo was relying on this impression in deciding to enroll and/or remain at CSL.

650. Defendant SFM and the Sterling Funds subsidiaries'—InfiLaw and CSL—understanding of the ABA's Standards, accreditation, and review process, as well as their

knowledge of CSL's state of noncompliance, was substantially superior to Plaintiff Oviedo's at all material times.

651. The Sterling Funds' subsidiaries, InfiLaw and CSL, concealed from Plaintiff Oviedo the information CSL received from the ABA in 2015 and through 2016 until CSL was forced by the ABA to make a public disclosure. Defendant SFM similarly caused the Sterling subsidiaries to conceal this information. But for the ABA's demand, there is no guarantee that CSL, InfiLaw, or the Defendants would have revealed anything to CSL students to this day—nor would the Defendants have directed them to do so.

652. Given the Defendants' knowledge that Plaintiff Oviedo and other students were relying on their previous statements about CSL's compliance, the failure to correct this misrepresentation after January 2015 amounted to an affirmation that the impression was correct.

653. CSL, InfiLaw, and Defendant SFM were aware that students and prospective students do not have access to the ABA's data on each law school's bar-passage rate until a year or more after the fact. Therefore, Plaintiff Oviedo relied on CSL, InfiLaw, and/or Defendant SFM to publish CSL's bar passage rate as soon as they calculated it.

654. Defendant SFM instructed CSL and InfiLaw agents, including faculty, counselors, and other staff, not to disclose CSL's state of noncompliance to Plaintiff Oviedo and other students who asked about such compliance issues.

655. The concealment of this information was reasonably calculated to deceive Plaintiff Oviedo, made with the intent to deceive Plaintiff Oviedo, and did in fact deceive Plaintiff Oviedo. CSL and InfiLaw, under Defendant SFM's direction, concealed this material information about ABA compliance and bar-passage rates from Plaintiff Oviedo in order to

continue receiving his payments for tuition, fees, and dues, and did in fact continue receiving these payments.

656. Before November 2016, Defendant SFM prevented InfiLaw and CSL from making any public statements that would have informed a student or prospective student that the ABA had found CSL to be out of compliance with ABA Standards, or that the ABA had determined that CSL has "not demonstrated that it is maintaining a rigorous program of legal education that prepares its students, upon graduation, for admission to the bar, and for effective, ethical, and responsible participation as members of the legal profession." Nor was there any statement or disclosure during that period by CSL that the ABA had determined that CSL was "admitting applicants who do not appear capable of satisfactorily completing its program of legal education and being admitted to the bar."

657. As a result of Defendant SFM's and the Sterling Funds' subsidiaries' fraudulent concealment, Plaintiff Oviedo suffered and will continue to suffer damages including monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation. Plaintiff Oviedo is therefore entitled to recover the damages he sustained as a result of the Defendants' conduct.

658. Additionally, as a result of CSL's, InfiLaw's, and Defendants' fraudulent concealment, the accrual of any applicable statutes of limitation or other time-related defense that might otherwise apply to this action should be tolled.

WHEREFORE, Plaintiff Oviedo, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XXVIII
Fraudulent Concealment
(Plaintiff Russell against all Defendants)

Plaintiff Russell reasserts the allegations in paragraphs 1 through 350 and in addition alleges as follows:

659. Defendant SFM and the subsidiaries dominated and controlled by the Sterling Funds—CSL and InfiLaw—had a duty to disclose material information to Plaintiff Russell because they took affirmative steps to conceal from him material facts that, had they been known to her, would have influenced her judgment and decision to enroll at and then continue to attend CSL.

660. The material facts that Defendants took affirmative steps to conceal included the ABA decisions regarding CSL's noncompliance, with Dean Conison of CSL representing that the ABA's January 2015 decision was very positive (notwithstanding that the ABA had stated it had reason to believe that CSL was not in compliance with certain Standards).

661. Even if CSL and InfiLaw, under the direction and management of Defendant SFM, did not have a prior duty to speak, they had a duty to make a full and fair disclosure of facts concerning the matters on which they chose to speak. CSL and InfiLaw, under Defendant SFM's direction and management, told Plaintiff Russell that CSL was compliant with ABA Standards during a time when that was arguably true, yet they failed to correct their statement after it became clearly untrue.

662. Furthermore, under Defendant SFM's direction, Dean Conison e-mailed Plaintiff Russell and other students, on behalf of CSL, stating that the ABA January 2015 decision was very positive and that the ABA's additional requests were normal, despite knowing that the ABA had concluded that it had reason to believe that CSL was not in compliance with fundamental Standards. Thus, CSL, InfiLaw, and Defendant SFM had a duty to disclose additional information about the ABA's subsequent decisions.

663. These facts were material. In fact, CSL itself admitted that students' and prospective students' awareness of the ABA's findings of compliance would have a profound impact on admissions.

664. In sum, Defendant SFM and the subsidiaries that the Sterling Funds dominated and controlled—InfiLaw and CSL—gave Plaintiff Russell the impression that CSL was fully compliant with ABA Standards and knew that Plaintiff Russell was relying on this impression in deciding to enroll and/or remain at CSL.

665. Defendant SFM and the Sterling Funds subsidiaries'—InfiLaw and CSL—understanding of the ABA's Standards, accreditation, and review process, as well as their knowledge of CSL's state of noncompliance, was substantially superior to Plaintiff Russell's at all material times.

666. The Sterling Funds' subsidiaries, InfiLaw and CSL, concealed from Plaintiff Russell the information CSL received from the ABA in 2015 and through 2016 until CSL was forced by the ABA to make a public disclosure. Defendant SFM similarly caused the Sterling subsidiaries to conceal this information. But for the ABA's demand, there is no guarantee that CSL, InfiLaw, or the Defendants would have revealed anything to CSL students to this day—nor would the Defendants have directed them to do so.

667. Given the Defendants' knowledge that Plaintiff Russell and other students were relying on their previous statements about CSL's compliance, the failure to correct this misrepresentation after January 2015 amounted to an affirmation that the impression was correct.

668. CSL, InfiLaw, and Defendant SFM were aware that students and prospective students do not have access to the ABA's data on each law school's bar-passage rate until a year or more after the fact. Therefore, Plaintiff Russell relied on CSL, InfiLaw, and/or Defendant SFM to publish CSL's bar passage rate as soon as they calculated it.

669. Defendant SFM instructed CSL and InfiLaw agents, including faculty, counselors, and other staff, not to disclose CSL's state of noncompliance to Plaintiff Russell and other students who asked about such compliance issues.

670. The concealment of this information was reasonably calculated to deceive Plaintiff Russell, made with the intent to deceive Plaintiff Russell, and did in fact deceive Plaintiff Russell. CSL and InfiLaw, under Defendant SFM's direction, concealed this material information about ABA compliance and bar-passage rates from Plaintiff Russell in order to continue receiving his payments for tuition, fees, and dues, and did in fact continue receiving these payments.

671. Before November 2016, Defendant SFM prevented InfiLaw and CSL from making any public statements that would have informed a student or prospective student that the ABA had found CSL to be out of compliance with ABA Standards, or that the ABA had determined that CSL has "not demonstrated that it is maintaining a rigorous program of legal education that prepares its students, upon graduation, for admission to the bar, and for effective, ethical, and responsible participation as members of the legal profession." Nor was there any statement or disclosure during that period by CSL that the ABA had determined that CSL was

"admitting applicants who do not appear capable of satisfactorily completing its program of legal education and being admitted to the bar."

672. As a result of Defendant SFM's and the Sterling Funds' subsidiaries' fraudulent concealment, Plaintiff Russell suffered and will continue to suffer damages including monetary loss, loss of income, loss of employment opportunities, loss of educational opportunities, loss of opportunities for career advancement, significant debt, emotional pain, inconvenience, mental anguish, interference with family relationships, personal embarrassment, humiliation, loss of enjoyment of life, and loss of professional reputation. Plaintiff Russell is therefore entitled to recover the damages he sustained as a result of the Defendants' conduct.

673. Additionally, as a result of CSL's, InfiLaw's, and Defendants' fraudulent concealment, the accrual of any applicable statutes of limitation or other time-related defense that might otherwise apply to this action should be tolled.

WHEREFORE, Plaintiff Russell, by and through his undersigned attorneys, demands judgment against all Defendants in a sum of money in excess of $50,000, together with the costs of this action and attorney fees.

COUNT XXIX
Willful and Wanton Conduct
(as to all Plaintiffs and all Defendants)

Plaintiffs reassert all the allegations above and in addition allege as follows:

674. The actions of Defendant SFM and those of the Sterling subsidiaries were reckless, willful, wanton, grossly negligent, and in total disregard for Plaintiffs' rights.

675. Defendant SFM's officers, partners, and managers participated in or condoned the willful and wanton conduct, as did the officers, partners, and managers of the Sterling Funds.

DAMAGES

676. As a direct and proximate result of the Defendants' wrongful conduct, jointly and severally, as set forth above in the Complaint, Plaintiffs suffered damages including, but not limited to, the following:

a. Specific economic losses including the payment of tuition, fees, indebtedness, interest on debt and other out-of-pocket expenses incurred by Plaintiffs in their attempt to complete their education as promised by the Sterling Defendants, both directly and through the subsidiaries they dominated and controlled;

b. Aggravation, annoyance, inconvenience, emotional pain, mental anguish, personal embarrassment, humiliation, interference with family relationships, loss of enjoyment of life and emotional distress;

c. Loss of educational opportunities;

d. Lost wages;

e. Loss of future earning capacity and income;

f. Loss of employment opportunities;

g. Loss of opportunities for career advancement;

h. Loss of professional reputation;

i. Monetary expenses incurred in an attempt to mitigate damages;

j. Attorney fees and costs incurred in prosecuting this action; and

k. Such further relief as the Court deems appropriate.

WHEREFORE, Plaintiffs respectfully request the Court to enter judgment against the Defendant Sterling Entities, jointly and severally, and in favor of Plaintiffs, and each of them, for compensatory damages, with both pre-judgment and post-judgment interest calculated at the current legal rate, together with the costs of this action.

PLAINTIFFS DEMAND A TRIAL BY JURY.

This the 22nd day of March 2019.

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