UNITED STATES DISTRICT COURT DISTRICT OF MINNESOTA

| AARON BLEESS, |) |
|-----------------------------------|--|
| individually and on behalf of all |) Case No.: 16-CV-4402 |
| others similarly situated, |) |
| Plaintiffs, |) |
| V. |)) CLASS ACTION COMPLAINT) FOR DAMAGES |
| WALDEN UNIVERSITY, LLC and |) |
| LAUREATE INTERNATIONAL |) Jury Trial Demanded |
| UNIVERSITIES, |) |
| D/B/A LAUREATE EDUCATION INC., |) |
| |) |
| Defendants. |) |

INTRODUCTION

Plaintiff Aaron Bleess ("Bleess") ("Plaintiff"), by and through his undersigned counsel, brings this Class Action Complaint ("Complaint") on behalf of himself and all others similarly situated against Defendant Walden University, LLC ("Walden") and Laureate International Universities d/b/a Laureate Education Inc. ("Laureate") (collectively "Defendants").

1. This action seeks redress for Plaintiff and thousands of similarly situated doctoral students who were harmed by 1) Walden's false representations and omissions, and 2) its dissertation process ("the Walden Dissertation Process")—a process designed to ensure that it would be difficult, if not impossible, for students to timely complete, or complete at all, their doctoral programs. In turn, Defendants' false representations and omissions and Walden's deliberately drawn-out dissertation process ensured that Walden

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 2 of 93

and Laureate continued to receive tuition and fee payments from doctoral students for an extended period, well beyond the completion dates promised to Plaintiffs and other similarly situated doctoral students.

2. Walden's marketing materials, recruiters, and admissions officers misled prospective and new students by promising that their doctoral degrees—mostly financed by student loans—would cost less and take a shorter time to complete than its doctoral programs were actually designed to take. For example, students seeking a PhD. in Psychology were told it would take three to four years with an overall cost of \$55,000 to \$65,000 to complete the general psychology program. However, later-released Walden/Laureate documents confirm the same psychology program was "designed" to take six years.

3. Further, students seeking a Doctors of Business Administration ("DBA") were told it would take as little as 96 total weeks to obtain their degree. Walden/Laureate, however, later admitted the DBA program was "designed" to take much longer: 50 months. Other programs such as the Doctor of Education (EdD.) and the Doctor of Philosophy in Management ("PhD. in Management") were commonly represented as taking three years to completion, though the courses again were "designed" to, and did, take longer (52 months for the EdD. program, although only 23% of students who graduated did so in that time frame, and 66 months for the PhD. in Management program, though only 33% who graduated did so in that time frame).

4. Walden's marketing materials, recruiters, and student handbooks also reassured prospective students that after their doctoral course work was completed, the

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 3 of 93

dissertation process—the final hurdle to achieving a doctoral degree—would take as little as 13 or 18 months, or would only require five dissertation-level courses.

5. The scheme deepened once the doctoral students were committed, having paid significant money for the necessary pre-dissertation classes and course work. Instead of moving students through the promised 13- or 18-month dissertation period, or five dissertation-level classes, the Walden Dissertation Process drew them into an endless routine of hurdles and tuition payments. Students who had believed they were moving ever-closer to obtaining their doctoral degree were instead saddled with decreasing resources, high faculty turnover, disorganization, poorly trained instructors, a lack of oversight, and lack of feedback, all of which increased the length of the doctoral students' enrollments at Walden. Doctoral students came to realize that contrary to Walden's promises, they did had no control over the time it would take to complete their dissertation; rather, they were at the mercy of the Walden Dissertation Process.

6. While students reasonably believed they were taking the necessary steps to obtain their doctoral degrees, academic quarters stretched into years, accompanied by continuing tuition payments. Walden's sham promises of an affordable education turned into \$100,000 to \$400,000 of crushing debt, while the dissertation process dragged on for years.

7. Finally, many students' debt grew so large, they had no choice but to unenroll so they could stop accumulating debt and dedicate themselves full-time to paying back their enormous student loans, without degrees to show for their work.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 4 of 93

8. Though Walden and Laureate knew their programs were designed to last longer than promised, this information was withheld from Plaintiffs and other Walden doctoral students before their enrollment and while they were enrolled.

9. The Walden Dissertation Process ensnared thousands of students in addition to Plaintiffs. For 2014-15, Walden allegedly awarded 462 doctoral degrees in the winter of 2014, 545 doctoral degrees in the summer of 2014, 558 doctoral degrees in the winter of 2015, and 457 doctoral degrees in the summer of 2015. Upon information and belief, more than 12,500 doctoral students are enrolled in Walden at any given time; however, less than 10% of that doctoral population would (or will) graduate in any given year.

10. Universities exist to educate and grant degrees. However, with a completion rate for its doctoral population of less than 10%, upon information and belief, Walden does not behave like a university—for-profit or otherwise. Walden behaves instead like a for-profit corporation.

11. As for-profit enterprises, Walden and its parent Laureate designed this process to receive ever-increasing amounts of money in the form of tuition payments and fees. The longer a student pursued a degree, the more tuition payments and fees that student would hand over. Further, having already paid tens of thousands of dollars to get "half way" through their program—*i.e.*, completing their classroom work before starting the dissertation process—most students would understandably feel compelled to continue pursuing their degree despite Walden's hurdles, in hopes they could successfully complete the Walden Dissertation Process if they just kept working.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 5 of 93

12. It was nearly the perfect scheme. Because the Walden doctoral program functions mostly online, students were isolated from their peers, unable to observe whether others were having the same experiences. Instead, the students would assume it was just them, and continue a battle they could not win.

13. The Walden Dissertation Process was intended to (and did) generate substantial additional revenue for Walden and Laureate by way of additional tuition and fees. The practice caused Plaintiffs and the members of the Class and Subclasses (defined below) to pay substantially more for Walden's doctoral-educational services than promised to (or reasonably anticipated by) the students, and, upon information and belief, caused them to fail to graduate when they were told they would, if they managed to graduate at all.

14. The Walden Dissertation Process caused substantial damage to Plaintiffs and the members of the Class and Subclasses. Had Walden not misrepresented or withheld the number of students that completed its doctoral programs—upon information and belief, less than 10% of the doctoral student population in any given year—*no one* would have attended Walden or made any tuition and fee payments.

15. Further, had Walden not misrepresented the timelines, costs, and realities of its doctoral program and dissertation process, Plaintiffs and the members of the Class and Subclasses would not have paid for the doctoral-educational services offered by Walden.

16. Instead, Plaintiffs and the members of the Class and Subclasses relied upon Walden's misrepresentations and omissions, and are now saddled with crippling debt, and, for the most part, no doctoral degree.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 6 of 93

17. Recently, Walden's doctoral programs came under government scrutiny. In October 2016, the Minnesota Office of Higher Education ("MOHE") launched a review of Walden's doctoral programs. Sandy Connolly, MOHE's director of communications, told NBC News, "We have seen an increased number of complaints related to dissertations at Walden University." Elizabeth Talbot, MOHE's manager of Institutional Legislation and Licensing, told NBC News that the agency was conducting "a qualitative and a quantitative analysis" of student complaints and comparing it to Walden's marketing materials, aiming to determine whether the complaints were related to a "policy issue, a culture issue or ... something more nefarious."

18. Even if the state government investigation were to stop Walden's scheme, Plaintiffs are entitled to justice for their and the Class's claims in court.

THE PARTIES

19. Plaintiff Aaron Bleess is, and has been at all relevant times, a resident and citizen of the state of Minnesota, who attended Walden as a PhD. student continuously from 2009 until the present.

20. Defendant Walden is a limited liability company organized under the laws of the State of Florida with its headquarters in Minnesota and its principal place of business in Baltimore, Maryland. Upon information and belief, Walden is a whollyowned subsidiary of Laureate Education, Inc.

21. Upon information and belief, Defendant Laureate is a corporation organized under the laws of the State of Delaware with its principal place of business in Baltimore, Maryland. Laureate is a parent of Walden.

JURISDICTION AND VENUE

22. This Court has federal subject-matter jurisdiction under the Class Action Fairness Act ("CAFA"), 28 U.S.C. § 1332(d)(2), because the matter in controversy, upon information and belief, exceeds \$5,000,000, exclusive of interest and costs, and this is a class action in which certain members of the Class and Defendants are citizens of different states.

23. This Court has personal jurisdiction over Walden because Walden conducts significant business in Minnesota, including (upon information and belief) interacting directly with Plaintiffs online from Minnesota (*e.g.*, providing an interactive portal through which students "attend" Walden), as well as other members of the class. Walden is also currently under investigation by the state of Minnesota for the same doctoral dissertation practices at issue in this action.

24. This Court has personal jurisdiction over Laureate because it conducts significant business in Minnesota, including receiving profits from tuition paid by Plaintiffs and other members of the Class that reside in Minnesota.

25. Venue is proper in the United States District Court for the District of Minnesota, under 28 U.S.C. § 1391, because Walden engaged and engages in substantial business throughout this district, and many of the acts complained of herein took place within this district.

WALDEN, ITS GROWTH, AND ITS FUNDING

26. Walden is a for-profit, online university.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 8 of 93

27. Founded in 1970, Walden started as an institution that enabled working adults to obtain graduate-level degrees in school administration. Walden currently offers bachelor's, master's, and doctoral degrees to online students.

28. Walden offers a number of online, doctorate-level degrees, including Doctor of Business Administration (DBA), PhD. in Management, PhD. in Counselor Education and Supervision, PhD. in Criminal Justice, Doctor of Education (EdD.), PhD. in Education, Education Specialist (EdS), Doctor of Nursing Practice (DNP), PhD. in Nursing, Doctor of Public Health (DrPH), PhD. in Public Health, Doctor of Healthcare Administration (DHA), PhD. in Health Education and Promotion, PhD. in Health Services, Doctor of Information Technology, PhD. in Public Policy and Administration, PhD. in Psychology, PhD. in Industrial and Organizational Psychology, PhD. in Human and Social Services, and Doctor of Social Work and PhD. in Social Work.

29. Due to the number of degrees offered, and (as described below) the large sums spent on marketing, enrollment at Walden has increased significantly over the last 15 years. In 2001, Walden had an enrollment of 2,082 students. Over the next nine years, enrollment increased over 2,000%, according to a U.S. Senate investigative report:



30. In 2016, Walden's enrollment is estimated to have grown to 52,600 students.

31. This increased enrollment has caused Walden's revenue to spike as well. In 2006, Walden had revenue of approximately \$190,700,000. In 2009, its revenue had nearly doubled to approximately \$377,000,000. With an estimated 52,600 current students, Walden's 2016 revenue likely will exceed \$400,000,000.

32. Most of Walden's revenue comes from federally funded student loans. In 2010, more than 78% of Walden's revenue (\$348,000,000) was derived from federal funds.

33. Substantial portions of Walden's revenue go to marketing and profit. As of 2009, Walden spent approximately 26.8% of its revenue (\$101,000,000) on marketing and recruitment of new students. In 2009, Walden also allocated approximately 26.8% of

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 10 of 93

its revenue (\$101,000,000) to profit. The amount that Walden spends on marketing and recruitment, as well as amounts allocated to profit, is higher than average even for other for-profit colleges.

34. From 2006 to 2009, the annual profit generated by Walden increased from \$33,000,000 to \$101,000,000.

35. In 2009, Walden spent only \$1,574 per student on instruction compared to \$2,230 per student on marketing. Even more striking, Walden realized \$1,915 in profits per student. By way of comparison, the University of Minnesota spent \$13,247 per student on instruction during the same period.

36. Walden's maximization of its profits and marketing at the expense of student instruction is behind the scheme that is the Walden Dissertation Process. Put another way, by failing to use more of its doctoral students' tuition to fund the infrastructure necessary to support a legitimate dissertation process, and instead channeling that tuition to profits and to recruiting more doctoral students, Walden has chosen to create a dissertation process which cannot be completed in a timely fashion.

37. In part because of this scheme, Walden students carry some of the highest student-loan debt loads in the country. A 2015 Brookings Institution study found that by 2014, students had accumulated a total of \$6.1 *billion* in debt at Walden. This was the fifth largest debt load of the more than 3,000 schools in the report.

38. Further, a 2015 study by the Center for American Progress found that Walden students received the most federal graduate loans in the 2013–14 academic year, more than \$756 million.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 11 of 93

39. Walden doctoral students (like all students) are required to pay back their student-loan debt, whether or not they complete their program and receive a degree.

40. According to the U.S. Senate's 2012 investigation of for-profit colleges, in the 2008–09 time frame, 5,325 doctoral students enrolled at Walden:

| Status of Students Enrolled in Walden E-Learning LLC in 2008-9, as of 2010 | | | | | | |
|--|------------|----------------------|---------------------------|----------------------|---------------------|----------------|
| Degree Level | Enrollment | Percent Completed | Percent Still Enrolled | Percent Withdrawn | Number Withdrawn | Median Days |
| Bachelor's Degree | 3,230 | 1.4% | 47.3% | 51.4% | 1,659 | 91 |
| Masters | 11,770 | 14.4% | 57.5% | 28.1% | 3,309 | 173 |
| Doctoral | 5,325 | .6% | 59.8% | 39.6% | 2,108 | 174 |
| All Students | 20,325 | 8.7% | 56.5% | 34.8% | 7,076 | 154 |

41. Of the 5,325 doctoral students enrolled in 2008 and 2009, the Senate investigation found that only 0.6% completed their program, or roughly 319 students—an appalling figure, especially compared to the percentage and number of students who withdrew.

42. From this data, it appears 25% of Walden's student population are doctoral students. With an enrollment of 52,600 in 2016, if the 25% doctoral-student share still holds true, it would suggest approximately 13,150 of those students are doctoral students.

43. Because less than 10% of Walden's doctoral-student population receives a doctoral degree each year, upon information and belief, an exceedingly large number do not receive a degree, despite paying the aforementioned staggering sums in tuition.

LAUREATE

44. Laureate is not simply the parent company of Walden; upon information and belief, it also exerts an undue amount of control over Walden's activities.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 12 of 93

45. This is evidenced by web pages owned and operated by Laureate that display information about the inner workings of Walden. These web pages are hosted on a Laureate domain (*e.g.*, <u>http://programdata.laureate.net/walden/)</u>, not a <u>www.walden.com</u> domain. Importantly, these Laureate web pages describe how the Walden Dissertation Process was created and implemented for Walden's doctoral programs, and how it ensnared Walden students.

WALDEN'S NEVER-ENDING PHD. PROGRAMS

46. Through recruiting and marketing, Walden promises that obtaining a doctoral degree from Walden is not only feasible, it is inexpensive and relatively quick.

47. Upon information and belief, before 2012, Walden did not publicly provide meaningful data regarding graduation rates of its various doctoral programs. It appears that only after a Senate investigation into for-profit schools, which targeted Walden along with many other such schools, did Walden began providing such information.

Walden Designed its PhD. in Psychology Program to Take 72 Months, But Promised A Shorter Timeframe

48. Regarding Walden's PhD. in Psychology, the first available web page about Walden graduation rates, time to completion, and potential costs is from December 2012. While not providing much data on graduation rates, Walden stated it had an "On-time completion rate" of 58.3% between July 1, 2010 and June 30, 2011, with tuition-and-fees cost ranging from \$73,040 to \$102,270, plus \$3,600–\$5,500 for books and supplies:

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 13 of 93

Program Completion—The program completion rate is the percentage of students who graduated between July 1, 2010, and June 30, 2011, who completed this program in the normal completion time.

The program completion time may vary depending on transfer of credit and the pace at which a student chooses to complete the program. Because many of the students in this program are working adults and need to balance personal and professional commitments, our academic advisors can help establish an appropriate program of study that enables each student to complete this program in a time frame that works best for him or her.

| Rate | Percentage |
|-------------------------|------------|
| On-time completion rate | 58.3% |

Program Costs—The total program costs are the estimated average costs over the duration of the program, excluding any scholarship or tuition reductions, for students completing the program on time. These costs can vary based on the number of credits. Typically, tuition and fees are subject to change annually.

| Expense | Cost |
|--------------------|------------------|
| Tuition and Fees | \$73,040-102,270 |
| Books and Supplies | \$3,600-5,500 |
| Room and Board | Not applicable |

49. The 58.3% completion rate was represented as arising from the following metric: Program Completion—The program completion rate is the percentage of students who graduated between July 1, 2011, and June 30, 2012, who completed this program in the normal completion time.

50. Upon information and belief, the 58.3% "On-time completion rate" and "Tuition and fees" amount that Walden provided on this page were false.

51. Upon information and belief, Walden provided the 58.3% "On-time completion rate" and "Tuition and fees" amount to induce students to enroll in its Psychology PhD. program.

52. In this web page, as with all its other doctoral-degree web pages, Walden did not define "normal completion time." However, the next sentence on the PhD.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 14 of 93

program page represented that "program completion time may vary" depending on various factors. One of the two specific variables identified by Walden was the "pace at which **a student chooses** to complete the program." (Emphasis added.) To further reinforce the illusion that its students would have control over the length of time the program took to complete, Walden also represented that a student could "complete this program in a time frame that works best for him or her."

53. Upon information and belief, the statements that doctoral students could choose a) the pace at which they can complete the PhD. in Psychology program and/or b) the time frame that works best for them to complete their degree were false at the time they were made.

54. Upon information and belief, Walden provided the "pace at which a student chooses to complete the program" and "complete this program in a time frame that works best for him or her" statements to induce students to enroll in its PhD. in Psychology program.

55. About seven months later, on or about July 13, 2013, Walden updated this web page to state its "On-time completion rate" was a range from 49.3 to 72.9% with tuition costs ranging from \$71,510 to \$100,655 and books and supplies from \$3,816 to \$5,830.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 15 of 93

Program Completion—The program completion rate is the percentage of students who graduated between July 1, 2011, and June 30, 2012, who completed this program in the normal completion time.

The program completion time may vary depending on transfer of credit and the pace at which a student chooses to complete the program. Because many of the students in this program are working adults and need to balance personal and professional commitments, our academic advisors can help establish an appropriate program of study that enables each student to complete this program in a time frame that works best for him or her.

| Rate | Percentage |
|-------------------------|------------|
| On-time completion rate | 49.3-72.9% |

Program Costs—The total program costs are the estimated average costs over the duration of the program, excluding any scholarship or tuition reductions, for students completing the program on time. These costs can vary based on the number of credits. Typically, tuition and fees are subject to change annually.

| Expense | Cost |
|--------------------|------------------|
| Tuition and Fees | \$71,510-100,655 |
| Books and Supplies | \$3,816-5,830 |

56. The 49.3–72.9% completion-rate range was represented as arising from the following metric: "Program Completion—The program completion rate is the percentage of students who graduated between July 1, 2011, and June 30, 2012, who completed this program in the normal completion time."

57. Besides not making sense, upon information and belief, the 49.3 to 72.9% "On-time completion rate" and "Tuition and fees" representations that Walden provided on this page were false at the time they were made.

58. Upon information and belief, Walden provided the 49.3 to 72.9% "On-time completion rate" and "Tuition and fees" amount to induce students to enroll in its PhD. in Psychology program.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 16 of 93

59. In 2014-15, the web page format for this page changed, as did its location. Although hyperlinked on Walden's web site, it was moved to (and hosted on) Laureate's web site at http://programdata.laureate.net/walden/phd-in-psychology.html.

60. The Laureate web site provided additional information about the Walden PhD. in Psychology. This new information showed the representations made by Walden in the previous two versions of this web page were false.

61. For the first time, Walden/Laureate admitted the PhD. in Psychology program was "designed to take 72 months."



62. Despite the program being designed to allegedly take "72 months," Walden still used its previous undefined "normal time to completion" time frame (whatever that was) when it calculated the "Tuition and fees" "for the entire program"—representing that a student who took "the normal time to completion" (i.e., apparently 72 months) would pay \$67,610. Upon information and belief, these figures were false at the time provided.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 17 of 93

63. Upon information and belief, had the "normal time to completion" been calculated from the "designed" 72-month time, tuition would have exceeded \$150,000.

64. Further, only 44% of students who graduated with a PhD. in Psychology completed the 72-month designed program within that time frame. The remaining 56% of students who graduated took longer.

65. It is reasonable to assume that if Walden designed the course to take 72 months, then 72 months should be the "minimum time to completion." However, Walden used a still-undefined and likely false "minimum time to completion" calculation. Walden provided this false information to induce prospective students to enroll in its PhD. in Psychology program.

66. Also, as discussed in greater detail below, Walden's specific promises that its PhD. in Psychology program would take only 3 to 4 years were obviously false, because the program was designed to take 6 years.

67. This Laureate web page admits that only 44% of students in 2012–13 completed the program within the "normal" 72-month timeframe. The "normal time to completion" then cannot be as low as 72 months then; it must be longer.

68. It is reasonable to assume a "normal" time to completion would require 50% or more of the student population to complete the program in that time frame. Anything less, including 44%, cannot reasonably be considered "normal."

69. Despite these fraudulent misrepresentations, this Laureate web page remained available from 2014 through early 2016. When Walden and Laureate finally

updated the web page in mid-to-late 2016, its misrepresentations became even more pronounced.



70. While the PhD. in Psychology program from 2014 through early 2016 was allegedly "designed to take 72 months," inexplicably, the mid-to-late 2016 program was shortened so that it now allegedly was "designed to take 66 months to complete." This is despite the most recent web page reflecting an even lower rate of students—only 21%— completing the 66-month program.

71. Moreover, despite an eight-month reduction in "designed" completion time as noted above, the represented tuition and fees increased from increased almost \$20,000. Further, the \$86,987 tuition was calculated from a fictional "normal time to completion" of likely three years. Had the "normal time to completion" been calculated from the "designed" 66-month time, it would have exceeded \$100,000.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 19 of 93

72. Even further, the "normal completion time" could not be 66 months, as only 21% of graduating students completed the program in that time frame, meaning a "normal completion time" (i.e., when half or more of the students would complete the program) would exceed 66 months.

73. The statements on the aforementioned web page were false and intended to induce prospective students to enroll in Walden's PhD. in Psychology program.

74. Importantly, "normal time to completion" is calculated from students who *graduated*. Upon information and belief, the clear majority of Walden doctoral students do <u>not</u> graduate, yet still paid for tuition fees and costs and are still burdened by student-loan debt.

Walden Designed its EdD. Program to Take 52 Months But Promised A Shorter <u>Timeframe</u>

75. For years, Walden misrepresented to prospective and current students that the EdD. program would take its students three years. For example, its 2005 Viewbook (also used for at least 2006 enrollment) states, "The Ed.D. program takes three years to compete." Further, students in at least 2010 and 2011 completed documents for their instructors entitled, "My AL/CIA/HEAL/HEL/SPED/TL Ed.D. Timeline," which calculated EdD. three-year completion deadlines for the EdD. program and six EdD. specializations. Also, as discussed below, promises of three-year programs were made at multiple events attended by Walden recruiters.

76. These representations were false, as Walden designed the EdD. program to take 52 months.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 20 of 93

77. The first available web page about Walden graduation rates, time frames, and potential costs is from January 2013. While not providing much data regarding graduation rates, Walden stated it had a 59.2% "on time completion rate" from July 1, 2010 through June 30, 2011. Walden stated its tuition and fees cost was \$57,945 to \$62,565 with \$0 for books and supplies:

Program Completion—The program completion rate is the percentage of students who graduated between July 1, 2010, and June 30, 2011, who completed this program in the normal completion time.

The program completion time may vary depending on transfer of credit and the pace at which a student chooses to complete the program. Because many of the students in this program are working adults and need to balance personal and professional commitments, our academic advisors can help establish an appropriate program of study that enables each student to complete this program in a time frame that works best for him or her.

| Rate | Percentage |
|--|------------|
| On-time completion rate | 59.2% |
| Program Costs—The total program costs are the estimated av excluding any scholarship or tuition reductions, for students co | - |

| Expense | Cost |
|--------------------|-----------------|
| Tuition and Fees | \$57,945-62,565 |
| Books and Supplies | \$0 |

can vary based on the number of credits. Typically, tuition and fees are subject to change annually.

78. The 59.2% completion rate was represented as arising from the following metric: Program Completion—The program completion rate is the percentage of students who graduated between July 1, 2011, and June 30, 2012, who completed this program in the normal completion time.

79. Upon information and belief, the 59.2% "On-time completion rate" and "Tuition and fees" amount that Walden provided on this page were both false.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 21 of 93

80. Upon information and belief, Walden provided the 59.2% "On-time completion rate" and "Tuition and fees" to induce students to enroll in its EdD. program.

81. For this web page, Walden did not define "normal completion time." However, the next sentence on the page represented that "program completion time may vary" depending on various factors. One of the two specific variables identified by Walden was the "... pace at which **a student chooses** to complete the program." (emphasis added). To further reinforce the illusion that its students would have control over the length of time the program took them to complete, Walden also represented that the student can "complete this program in a time frame that works best for him or her."

82. Upon information and belief, the statements that doctoral students can choose a) the pace at which they can complete the EdD. program and/or b) the time frame that works best for them to complete their degree were false at the time they were made.

83. Upon information and belief, Walden provided the "... pace at which a student chooses to complete the program" and "complete this program in a time frame that works best for him or her" statements to induce students to enroll in its EdD. program.

84. In 2016, the web page format for this page changed, as did its location. Instead of being hosted on a Walden website, it was moved to Laureate's website.

85. The Laureate web site also provided additional information about the Walden EdD. program. This new information showed the prior representations made by Walden in the previous version of this web page were false.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 22 of 93

86. For the first time, Walden/Laureate admitted the EdD. program was "designed to take 52 months":



87. Despite the program being designed to take "52 months," Walden still used its prior undefined "normal time to completion" time frame (whatever that was) when it calculated the "Tuition and fees" "for the entire program" – representing that a student that took "the normal time to completion" (i.e., apparently 52 months) would be \$59,731.

88. Further, only 23% of students who graduated with an EdD. completed the 52-month designed program within that time frame. The remaining 77% *of graduates* took longer.

89. The misrepresentations did not stop there. While admitting on the Laureate web page that Walden's EdD. program was "designed" to take 52 months, Walden's contemporaneously offered tuition-and-fees page calculated a time to graduation of 12 quarters, continuing its misrepresentation of the EdD. program as a three-year program.

| Curriculum Component | Requirements | Cost | Total* |
|----------------------|----------------------------------|--|----------|
| Tuition | 76 total quarter credit hours | \$590 per quarter hour | \$44,840 |
| Residency Fee | One residency | \$925 (travel, lodging, and other expenses are additional) | \$925 |
| Technology Fee | Per quarter | \$125 | \$1,750 |
| | | Total | \$47,515 |
| | | Transfer up to 38 credits | \$22,670 |
| | | Total with Maximum Transfer Credits [†] | \$24,845 |

....

90. The EdD. Laureate page contained data from April 15, 2016. The EdD. Tuition and Fees page from Walden's cite is dated April 12, 2016.

91. Walden includes a "Technology Fee" of \$125 a quarter and estimates it will take 1,750 of such fees until graduation (hence 12 quarters...125 * 12 = 1,750). Twelve quarters equals a time frame of 3 years.

92. Walden's tuition calculation omitted the additional 18 months of the 52 month "designed" time to in order to present prospective students with a lower cost.

93. The Laureate "designed" time web page is dated from April 15, 2016 (and is only "updated once annually), showing it is concurrent with the Walden tuition-andfees page.

94. The tuition estimates on both the Walden and Laureate pages also are inconsistent. On Walden's tuition-and-fees page, Walden estimates it will cost \$47,515 in tuition and fees, while the Laureate page states it will cost \$59,731. Regardless, upon information and belief, both estimates are lower than the course design, are therefore

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 24 of 93

false. Both misrepresentations were made by Walden/Laureate to induce students to enroll in Walden's EdD. program.

95. The above materials show that despite designing its EdD. program to take 52 months, Walden promised a much shorter time frame (e.g., twelve quarters). Walden knowingly made these false statements to induce students to enroll in its EdD. program.

96. It is reasonable to assume that if Walden designed the course to take 52 months, then 52 months should be the "minimum time to completion" (although again, only 23% of students who graduated did so in 52 months, so the "minimum time to completion" should be longer than 52 months). Walden, however, used false and misleading tuition-and-fees calculations based on three years or less for its "minimum time to completion" calculation. Walden provided this false information to induce prospective students to enroll in its EdD. program.

97. Further showing Walden's dishonesty, in a 2014 submission to MOHE, Walden provided the "Number of Months to Complete the Ed.D. Higher Education and Adult Learning (HEAL) Program" since 2009. In contrast to the Timeline document provided to at least 2010–11 EdD. students (including EdD. HEAL students) which calculated a three-year graduation rate, Walden's letter to MOHE confirmed that only *two* EdD. HEAL students from 2009–14 graduated in three years or less:

| Months | # of Grads | % of Grads |
|--------|------------|------------|
| 35 | 2 | 2% |
| 39 | 5 | 4% |
| 41 | 1 | 1% |
| 43 | 18 | 16% |
| 45 | 3 | 3% |
| 47 | 18 | 16% |
| 49 | 8 | 7% |
| 51 | 19 | 16% |
| 53 | 6 | 5% |
| 55 | 13 | 11% |
| 57 | 3 | 3% |
| 59 | 16 | 14% |
| 63 | 2 | 2% |
| 65 | 2 | 2% |
| TOTAL | 116 | 100% |

Number of Months to Complete the Ed.D. Higher Education and Adult Learning (HEAL) Program: Graduates since 2009

Average # of Months

50 months (or roughly 4 years)

98. Walden also admitted to MOHE that the average time to graduation was "50 months." This again confirms that not only were Walden's promises of faster timelines false, it was aware such promises were untruthful.

Walden's "Normal Time to Completion" and Course Design Fraud Apply to All Its Doctoral Programs.

99. Walden and Laureate's manipulation of tuition rates and times to completion were not confined to the doctoral programs described above. Despite blanket statements of estimates based on "minimum time to completion" and "normal completion time" across Walden's doctoral programs, the clear majority were "designed" to take longer.

100. The Laureate web page for the PhD. in Health Services program (upon information and belief, available from 2014 until early 2016) stated it was "designed to

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 26 of 93

take 66 months to complete," although only 27% of the 2012–13 graduates completed the program within that time. Despite reciting "66 months" until completion, the "Tuition and fees" cited for this program was \$59,285 "assuming normal time to completion." However, if 66 months was used as a "normal time to completion" (despite only 27% of students who graduated in this time frame), the estimated tuition and fees should have exceeded \$100,000. Further, with only 27% of students meeting the "designed" time, a "normal time to completion" must be longer than 66 months.

101. The Laureate web page for the PhD. in Public Policy and Administration program (upon information and belief, available from 2014 until early 2016) stated it was "designed to take 66 months to complete" and, allegedly, 100% of its 2012–13 graduates completed it within that time frame. Despite this statement, Laureate still indicated that students' "Tuition and fees" and "Books and supplies" would cost only \$48,650 and \$3,933 respectively. However, if 66 months was used as a "normal time to completion," the estimated tuition and fees should have exceeded \$100,000.

102. In mid-to-late 2016, the Laureate web page for a PhD. in Public Policy Administration was updated to state the program was now "designed to take 55 months to complete" (allegedly shortening the program by 11 months), yet the number of students that completed it on time dropped drastically, to 28%. Despite shortening the program by 11 months, the costs of "Tuition and fees" and "Books and supplies" increased to \$67,241 and \$4,367. However, if 55 months was used as a "normal time to completion," the estimated tuition and fees should have likely exceeded \$100,000. Further, with only

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 27 of 93

28% of students meeting the "designed" time, a "normal time to completion" must be longer than 55 months.

103. The same Laureate web page for the PhD. in Public Health program (upon information and belief, available from 2014 until early 2016) stated it was "designed to take 66 months to complete," although of those that completed the program in 2012–13, only 37% completed it within that time frame. This was a drastic drop for a program that allegedly in March 6, 2012, reported an alleged 88.9% completion rate from the still-nebulous "normal completion time" metric. Further, with only 37% of students meeting the "designed" time, a "normal time to completion" must be longer than 66 months. Also, Walden stated that the "Tuition and fees" and "Books and supplies" for this program would cost \$49,200 and \$3,528, respectively. Obviously, if a 66-month designed time to completion were used, the fees would far exceed \$49,200.

104. Still, in mid-to-late 2016, the Laureate web page for the PhD. in Public Health was updated to report that the program was "designed to take 63 months to complete" (an alleged three-month shortening of the program), although now only 30% of students who graduated in 2014–15 completed the program in that time frame. Further, regardless of whether a 66- or 63-month time frame was used, the "Tuition and fees" would not be \$70,563; rather, they would exceed \$100,000. Finally, with only 30% of students meeting the "designed" time, a "normal time to completion" must be longer than 63 months.

105. Similarly, the web page for Walden's Doctorate in Business Administration ("DBA") stated in December 2012 that the total program costs, including

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 28 of 93

tuition and fees, for "students completing the program on time" was \$61,850. Five months later, Walden updated the web page to lower the estimated total cost to \$54,530 and claim the program had an "[o]n-time completion rate" of 97.1%. Although Walden did not define "on-time completion rate," it implied through its statements—as with the other programs—that students could choose the pace at which they obtained a DBA, inducing the students to enroll in the DBA program. Walden also used the undefined 97.1% figure to induce students to enroll in the DBA program.

106. Later, as with the other programs, Walden moved the web page to a Laureate-hosted site and revised the information to admit that the DBA program was "designed to take 50 months," that completing the program in a "normal time" would pay \$75,931, and that only 52% of students finished in 50 months. All the misrepresentations regarding completion time and cost that were present in the other programs were present in the DBA program as well.

107. A detailed discussion of similar misrepresentations regarding the PhD. in Management is set forth in ECF Doc. 1 at 10–20, 33–41, 50, 65, *Thornhill v. Walden*, Case No. 2:16-cv-00962-ALM-KAJ (S.D. Ohio Oct. 5, 2016).

<u>Promises Of Tuition Costs And Times To Graduate By Walden And Its Recruiters</u> <u>Were Well Below The "Design" Of Each Program</u>

108. The Defendants' plan to extract as much money from doctoral students as possible began with recruiting and enrollment.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 29 of 93

109. Despite the actual "design" of each doctoral program, Walden recruiting and enrollment employees repeatedly touted shorter time frames for completion of the programs and its dissertation process.

110. Walden recruiters made these verbal promises on the phone when speaking to prospective students as well as at public events.

111. Later, such promises were confirmed by Walden employees in the enrollment office.

112. While most promises were verbal, some promises by recruiters and the enrollment office were in writing.

113. Such verbal and written representations were made specifically to Plaintiffs in this action, as described in greater detail below.

114. Representations of a faster timeline were not made to only the named Plaintiffs. There are numerous complaints online about this practice, and how misleading Walden's estimates were.

115. For example, one woman recounts how she and five other educators from Coffee County, Georgia were promised that their doctoral program would take only three years (for a program Walden/Laureate would later admit was designed to take 52 months, though only 23% of those that graduated did so in that time frame). Despite that, only one of those educators received her doctorate in the time promised:

Vette S. said 364 days ago

Thank goodness someone has staeted this process. I am from Coffee County, GA. In 2004 or 2005 A Walden representative met with a large group of teachers and made the following statements. The program would be a 3 year Doctorial program costing of approximately \$ 25,000. The Universitywould "hold your hand" through the program as your dissertation would be composed through research articles used in your coursework. After completing my coursework with a 4.0. I began the dissertation process. After writing chapters 1-2 and having it reviewed by my chair I went through the process of revions paying more out of pocket for additional semesters. After my chair approved chapters 1-2, he said after writing and revising chapter 3 I would be ready to schedule a proposal defense. Then I get back an email stating that the dissertation rubric had changed and all my articles used for my study needed to be peer reviewed and were beginning to be dated. After 4 years yes...some of the research would begin to be dated. My three chapters at this point were a total rewrite. Having hired a corporate editor to review my work, she was disturbed that my first 3 chapters were not being approved. Already going beyond the 3 year program with over \$70,000 in debt and receiving emails from my chair stating this program was a "process", I withdrew from the program in December of 2008. Stuck with a 900 loan payment, no degree, and the emotional stress of going through almost 4 years to receive nothing ... I began to see what the word "process" meant to Walden. Another semester, more money and nothing but heartache for me. Out of 6 educators from Coffee County School System only one was able to receive her Doctorate Degree within the 3 year time frame.

Excerpt from "Got a Class Action" (available at: http://gotaclassaction.com/walden-

university-and-laureate-education-inc-named-in-class-action-lawsuit-over-systematic-

prolonging-of-the-thesis-and-dissertation-process/).

116. Another poster confirmed that her 18-month program was now in its fourth

year:

Carolyn B. said 255 days ago My 18 month program is now in its 4 th yr. My chair actually submitted a 14month old draft to form and style for review instead of the finished product(its been complete for 6 months now). I didn't even receive an apology. I am now at 130,000 in debt for a degree I don't think will ever be finished. This quarter, our class doesn't have an instructor but they still took money for it. Is that legal??

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 31 of 93

117. Taken together, the 2012 Senate Report, the history of Plaintiffs, and the stories of the above students (as well as many others referenced herein) confirm that Walden's and Laureate's representations concerning the timeline to complete a Walden doctoral degree were false. Further, with a doctoral "completion" rate of, upon information and belief, less than 10% of its doctoral student population, any statements concerning a "minimum completion time," or a completion time at all, would be false and misleading.

The Trap of Walden's Dissertation Scheme Continues After Students Enroll

118. Once doctoral students enrolled in Walden, Defendants' false promises continued.

119. At Walden, each doctoral degree candidate, regardless of discipline, must go through the process of completing a dissertation.

120. The Walden Student Handbook reflects that the dissertation process could be completed in as little as 13 months:

Dissertation Timing

Doctoral students who want to graduate in a specific quarter must plan their program carefully as follows or their graduation date will be delayed:

• Begin planning for program completion at least 13 months in advance of the anticipated graduation date

121. Further, as stated above, it was common for Walden to represent that the dissertation process could be completed in 13–18 months or after five dissertation-level classes (i.e., five semesters). For example, numerous DBA program materials confirm just five 9000-level dissertation classes are required to complete the program. The

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 32 of 93

psychology doctoral degree and the counseling and organizational psychology specializations were touted as requiring only 30 credits. For these programs, 30 credits equate to five terms of a 6-credit course. The EdD. program also calculated time to completion of the dissertation process of about 16-18 months.

122. After students exceeded the 18 months/five dissertation classes, Walden continued the trap by suggesting to them that the finish line was near. One example is a March 5, 2013 email sent to DBA students who had gone past the promised five dissertation classes:

Hello future doctor,

You are receiving this message as you have completed 5 sessions of 9000. I wanted to alert you to some resources that might be helpful as you complete your DBA program this year. I really like the sound of Dr. and I am confident this can be an accomplishment that you can complete this year!!!

123. Walden made such statements knowing enticements were necessary to keep students enrolled in the program beyond its promised end dates.

How Walden's Dissertation Process Trap Was Sprung

124. Doctoral degrees, including Walden's doctoral degrees, differ from bachelor's degrees in several important respects; however, as pertinent to this Complaint, the most significant difference is that after completion of course work, doctoral degrees require independent study and research by the student to complete the dissertation.

125. To complete the dissertation, students must consult and seek the approval of faculty and institutional entities at Walden. This makes it imperative that students

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 33 of 93

work closely with faculty members, whose approval is necessary for the advancement of the dissertation through its many stages.

126. In an online program, such coordination is more difficult as most students cannot regularly interact with their chairs, members or advisors, unless they do so through the Interactive Blackboard System provided by Walden. Limited to this confined communication system, doctoral students often feel isolated and without direction.

127. There are five stages of the dissertation process: Premise (or preliminary Prospectus), Prospectus, Proposal, conducting the study and/or research that is the subject of the dissertation, and defending the completed dissertation.

128. At each stage of the process, a doctoral student must gain approval of the dissertation supervisory committee chair ("chair") and a supervisory committee member ("member"). Approvals must be sought first from the chair, then the member. In this line of approvals, if the member does not issue an approval, the student must begin the process again with the chair before approaching the member again.

129. Given the need for consecutive approvals from multiple Walden personnel for each stage of the dissertation process, timely responses by the chair and member are required to advance the process.

130. To start the dissertation process, a student must enroll in the dissertation course for his or her respective field of study. Typically, this will be the only course or class the doctoral student will enroll in for that semester/term (and for their remaining semesters/terms at Walden). Despite this, the doctoral students must still pay full tuition.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 34 of 93

131. As discussed above, it was commonly promised that students would only need five dissertation-level classes (or 13–18 months of dissertation-level classes) to graduate.

132. Once enrolled in the dissertation course, the student must develop and draft a Premise. The Premise is a brief document which identifies a preliminary topic for the dissertation. The Premise is also used to locate faculty members who will form the dissertation supervisory committee.

133. After determining a topic and drafting the Premise, the *student* must nominate the dissertation supervisory committee. The dissertation supervisory committee has two members: the chair and member. The dissertation supervisory committee is supposed to provide guidance to the student on both the content and the methodology of his or her dissertation. Further, once the chair and member accept their nominations, they must approve of the Premise before the student can advance.

134. The Student Handbook describes Doctoral Committee Member Roles as follows:

Faculty members in Walden University doctoral programs who accept the duty of serving on a dissertation or doctoral study committee assume a dual responsibility of high importance. **One part is service to their students**; the other is service to the academic practice, discipline, and professional field to which the dissertation is related. For the first part, expectations concerning the faculty service to be performed are determined by students' needs, and by university academic policy pertaining to how these needs are to be addressed. For the second, expectations are set both by university academic policies and practice that frame acceptable work in the discipline and professional field at large.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 35 of 93

135. Further, the handbook stated, "Walden intends that dissertation/doctoral study committee members work as a team, directly guiding students through the proposal, research and analysis, and ultimately the final oral presentation."

136. The Prospectus—the second step in the dissertation process—is meant to build on the Premise and serve as the foundation of the Proposal (the third step in the process). The goal of the Prospectus is to develop a plan for the Proposal and ultimately outline the basic structure of the dissertation. Like the Premise, the Prospectus must be approved by both the chair and member before proceeding to the Proposal.

137. The Proposal—the third step in the dissertation process—is essentially the first three chapters of the dissertation, outlining the rationale for conducting the study and describing the design and methodology of the study. Students must work closely with the chair and member to complete the Proposal. As the Handbook promises, the chair and member are to "guide" their students "through the proposal."

138. In addition to approval by the dissertation supervisory committee chair and member, the Institutional Review Board ("IRB") must also approve the Proposal. This adds a third level of approvals, and as with the member, if the IRB does not approve the Proposal (even if just for minor, grammatical reasons), instead of the student going back to the IRB with edits to the Proposal, he or she must begin again with the chair, then (if approved by the chair) to the member, and then (again, if approved) finally to the IRB again.

139. It is common for the IRB to disagree with the student's Proposal or sometimes the student's topic in its entirety. Thus, regardless of whether the previous

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 36 of 93

chair and member had approved the student's topic (for years in some cases), Premise, Prospectus and Proposal, the student is forced to start the process all over to address the IRB's concerns. And the student does not address the concerns directly to the IRB, but rather, to the chair, and then (if approved) the member, and finally (if approved) the IRB again.

140. If the Proposal is approved by the IRB, the student must conduct the study and/or research that is the subject of the dissertation, and finish drafting the dissertation.

141. The chair and member must approve the completed dissertation, which is then submitted to the University Research Review ("URR") for approval. This again adds another level of approval. If the URR does not approve the dissertation—even if over minor, grammatical reasons—instead of the student going back to the URR with edits to the dissertation, he or she must begin again with the chair, then (if approved by the chair) to the member, and then (again, if approved) finally to the URR again.

142. It is also common for the URR to disagree with the student's dissertation in its entirety. As a result, regardless of whether the prior chair, member, and IRB approved the Proposal and the chair and member approved the dissertation, the student is forced to start the process all over to address the URR's concerns. And, as with the IRB, the student does not address the concerns directly to the URR, but rather, to the chair, then (if approved) the member, and finally (if approved) the URR again.

143. If approval is received from the URR, the student must orally defend the dissertation.
CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 37 of 93

144. After successful oral defense of the dissertation, the student has finally completed the dissertation process and the dissertation may be submitted for publishing.

Walden Systematically Prolongs Its Dissertation Process

145. With so many levels of approval required (and the need to constantly restart the approval process), the dissertation process described above is designed to maximize tuition and fees paid to Walden.

146. Beyond this, the dissertation process is plagued by a disregard for Walden's promises and policies, making the process drag on for term after term, year after year. This disregard by Walden and Laureate is intentional.

147. Walden also offers a Knowledge Area Module ("KAM") option in its doctoral programs. The same review problems that arise during the dissertation process also arise with KAMs.

148. Further, Walden funnels most of its students' tuition into marketing and profits, devoting insufficient funds to managing students or creating an infrastructure to efficiently operate the dissertation process. However, this works to Walden's financial benefit, because this ensures numerous delays, requiring students to pay additional tuition and costs.

149. These facts illustrate a knowing and intentional scheme by Defendants to unduly prolong the dissertation process to extract additional tuition and costs from its students and funnel it to pure profit, at the expense of those students it promised to educate.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 38 of 93

150. First, the process for obtaining a chair and member is time-consuming and difficult, based on obsolete and outdated materials provided by Walden. Making matters worse, students face numerous challenges to retaining the chair and member throughout the entire dissertation process.

151. Walden instructs students to consult the Faculty Expertise Directory—an outdated spreadsheet—to identify Walden faculty members capable of serving on the dissertation supervisory committee as either chair or member. The dissertation supervisory committee must feature an expert on the student's content and an advisor on methodology. To obtain a chair and member, the student must submit a Committee Member Nomination form, along with a copy of the Premise, to the nominee. If the nominee agrees to serve on the committee and that nominee's service is approved by the program director, then the student may begin finalizing the Premise.

152. However, the chair and member nomination process does not operate as Walden represents to its students. First, students spend multiple months attempting to obtain the agreement of a faculty member to serve as chair or member. Students submit requests to faculty members and usually do not hear back, either because the Faculty Expertise Directory is outdated or because the faculty members simply do not respond.

153. Even when faculty members agree to serve in the roles of chair and member, they often quit, are fired, or simply stop responding to the student. Upon information and belief, retention of chairs and members is a systemic, institution-wide issue. This issue is not corrected by Walden because 1) it is in Walden's financial interest to prolong its students' time in the dissertation process and 2) Walden is not

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 39 of 93

willing to spend the necessary amount to hire and retain quality, Committee-qualified employees. Instead, Walden chooses to spend its money on marketing to bring in additional doctoral students.

154. When a Walden student's member or chair quits the committee, the student must start the dissertation process from scratch. The student is forced to locate an additional faculty member to serve in the vacated role. This requires the student to consult the same outdated list of faculty members, hoping to receive a positive response (or any response) from his or her inquiries. However, even if the student locates a new faculty member to serve in the role, the new chair or member may (and often does) disagree with the student's Prospectus, Proposal, or dissertation. As a result, even if the prior chair or member approved the Prospectus, Proposal, or dissertation, the student is forced to start the process over and address the new chair or member's concerns.

155. The requirement that students find substitute faculty members and the delay it causes violates Walden's rules. Walden's Handbooks promise that if a faculty member suddenly departs, *Walden* will take the appropriate steps to rectify the situation:

Unexpected interruptions: Faculty services may be unexpectedly interrupted because of an instructor's death or prolonged ill health, or because of an instructor's discontinuation of association with the university. In such cases, the student's associate dean/executive director, or designee, ensures that faculty services are restored to all affected students. The associate dean/executive director or designee communicates with affected students throughout the restoration process until appropriate assignments are finalized.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 40 of 93

156. As stated above, Walden repeatedly broke this promise by forcing students to find replacements. This delay benefitted Walden by requiring additional tuition payments from students, including costs for books, residency, technology fees, and more.

157. Further, upon information and belief, the turnover rate of chairs and members is high. This high turnover results in Walden students being caught in a cycle of finding chairs and/or members, and gaining their approval, only to be forced to start the process again when a committee chair or member leaves Walden or simply stops responding.

158. The turnover is intentional, part of Walden's policy to essentially hold its students captive to the tuition-generating machine that Walden has built, while it pockets profits and spends money on marketing to lure additional students. Upon information and belief, Walden's lack of supervision causes most Walden doctoral students to experience a loss of a chair or member at least once (and usually more times) during their dissertation.

159. This lack of resources and infrastructure also often leaves chairs and members unsupervised by Walden in their interactions with students, leading to numerous problems, which in turn extend the dissertation process. For example, Walden students depend on the chair and member for guidance and feedback during the entire process. As part of Walden's overall scheme, however, that much-needed counsel is consistently lacking and frequently nonexistent.

160. The lack of supervision by Walden allows the chairs and members great latitude to shirk their duties, either by giving no or inconsistent feedback, or by simply

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 41 of 93

giving students a "satisfactory" grade term after term regardless of the quality of the work product reviewed, so that the student stays enrolled and keeps paying tuition.

161. Internal Walden emails confirm this lack of supervision. For example, in May 2015, the Walden Leadership Team expressed concern that dissertation chairs continually awarded students "satisfactory" grades even when students allegedly made little or no progress:

The leadership team is very concerned that some students have been awarded a grade of satisfactory for assignments and for the overall course grade when little or no progress was made. Such students incur a heavy debt burden and are often dissatisfied and problematic.

162. Walden admitted in the email that its unsupervised and flawed dissertation process resulted in students "incur[ring] a heavy debt burden." Walden, however, seemed more "concerned" with students being "problematic" than incurring a "heavy debt burden."

163. Walden allows many chairs and members to lack the proper educational backgrounds to understand their students' research. Often, this is not discovered by the students until many months (or even years) into the dissertation process. When it is discovered, the students are again forced to replace their chairs/members, risking yet again receiving a new committee member who might disagree with the students' work, and potentially requiring them to start over.

164. In some cases, under Walden's scheme, chairs/members require students to pay for third-party editors, some of whom work for companies created by the very same chairs/members. This results in the chair/member receiving additional money, and creates

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 42 of 93

a conflict of interest, where if students refuse to use the chair/member's outside editor, they fear retribution in the form of an "unsatisfactory" grade or the withholding of approval at some stage in the process.

165. Walden also has a formal policy stating that the chair and member must respond to requests from students for commentary, feedback, or even formal review, within 14 days.

166. However, due to a lack of supervision and as part of the Walden's scheme, Walden faculty routinely do not abide by the 14-day response requirement. This is especially frustrating for Walden students because they literally cannot progress without the approval of the chair and member. Thus, it causes significant delays in moving forward with, and the completion of, the dissertation process.

167. Upon information and belief, most Walden doctoral students experience a breach of the 14-day response period at least once (and usually many more times) during their dissertation. These breaches unnecessarily prolong students' efforts to obtain their degrees, and results in students having to stay enrolled in their respective dissertation course and keep paying tuition, including costs for books, residency, technology fees, and more.

168. In fact, even a 14-day "response" time is too long. 14 days to receive input comprises 1/6 of a Walden term. While waiting for input—the substance of which is most times guidance on how to proceed—the student essentially cannot advance his or her dissertation for two weeks, yet still must pay tuition during that time frame. With a 14-

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 43 of 93

calendar day response time, a student who needs input from their chair or member just three times in a quarter would lose half of the academic quarter.

169. Delays caused by Walden's lack of supervision in turn often require substantive changes to the students' dissertation. For example, dissertation references can only be used if they are less than five years old. However, through chair and member delays, the approved references often age beyond the five-year requirement and need to be discarded. This requires the student to spend time and additional tuition finding new references. For programs such as the PhD. in Psychology program, a program "designed to take 72 months," this can mean all of students' references become outdated and must be replaced, solely due to program design and through no fault of the students.

170. Walden's failure to oversee, dedicate sufficient resources to, and regulate the supervisory committee program unnecessarily prolongs students' efforts to obtain their degrees, and results in students having to extend their enrollment in their respective dissertation course and pay additional tuition, including costs for books, residency, technology fees, and more.

171. Dissertation courses at Walden can cost about \$3,000 or more per academic term. Accordingly, the practical effect of Walden's tuition-generation scheme, which forces repeated enrollment for additional terms, is extremely expensive for students and highly lucrative for Walden.

172. Walden, as experienced by Plaintiffs and the Class and Subclass members, is intentionally and deliberately using its dissertation process as a means of improperly extracting tuition and generating revenue. Walden has intentionally and knowingly

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 44 of 93

created and implemented a dissertation process that is fraught with inefficiencies, meant to ensure that students do not receive the timely responses and attention that they were promised, and has created inordinate turnover of faculty and supervisory committee chairs and members.

173. All of this is done without any honesty or transparency by Walden regarding the actual time and expense that its doctoral students will incur in an effort to complete their degrees, if completion is even possible.

174. The result of Defendants' scheme is that once students have spent considerable time and expense embarking on the process, they are left with two options in the face of these delays: 1) quit the program, thereby essentially throwing away the time and money expended (because most, if not all, of their credits are not transferable to other institutions) and accelerating the start of the payback period; or 2) continue to enroll in additional quarters with the hope of completing the program before they run out of money.

FACTS SPECIFIC TO NAMED PLAINTIFF

175. Plaintiff Aaron Bleess ("Bleess"), over the course of his time with Walden, has experienced numerous delays and multiple instances of faculty members failing to fulfill their responsibilities as dissertation supervisory committee chairs and members, due to the hurdles Walden itself designed into the process. Bleess has been subjected to, and victimized by, Walden's intentional and knowing scheme to prolong the dissertation process in order to generate more revenue from its doctoral students.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 45 of 93

176. Bleess enrolled at Walden in June 2007 with the intent of pursuing first a master's degree and then a PhD. in Psychology with an emphasis in counseling.

177. Bleess chose Walden based on representations made by Walden employees and representations on Walden's web site.

178. Bleess initially contacted Walden by e-mail to request information. A recruiter or admissions officer named Lisa Lockwood, among others, contacted Bleess in response.

179. In a telephone call, Bleess asked Lockwood and/or other Walden employees whether Walden's PhD. in Psychology program was accredited by the American Psychological Association ("APA"). This was crucial because state licensure in many states was and is dependent on graduating from an accredited program.

180. Lockwood or others said Walden was in the process of submitting required documents to the APA and was awaiting (and expecting) formal approval. Lockwood said the program would be APA-accredited by the time it mattered for Bleess, meaning 2010.

181. Bleess asked Lockwood and/or other Walden employees whether Walden would help him find an internship. Lockwood or others said Walden would help him find an internship. Additionally, Walden's web site and/or course catalog also assured students, including Bleess, that Walden would help them with internships.

182. Before approaching Walden, Bleess saw representations on Walden's web site and that the university had a Writing Resource Center was available to students. Bleess saw additional representations in Walden's course catalog about the writing

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 46 of 93

center. Lockwood also told Bleess that the writing center was available as an "editorial service" to Walden students.

183. Bleess also had questions at the start about the dissertation process. Walden resolved Bleess's concerns by stating in its academic catalog that the dissertation process could be completed in no more than six quarters.

184. In an email to Bleess dated November 13, 2008, Walden invited Bleess to a telephone and online seminar entitled "Support: The Key to Success." The seminar was to explain, among other topics, "How Walden fulfills its commitment to your success through **extensive student support services**." (Emphasis added.)

185. In 2009, Bleess completed the nine quarters of course work for his Walden masters' degree.

186. In September 2009, Bleess transitioned into the PhD. in Psychology program.

187. Bleess passed 34 courses in Walden's Masters and Ph.D. programs with a3.6 grade-point average.

188. Upon completion of his required doctoral-level courses, Bleess began his dissertation in the PhD. in Psychology program.

189. During the early stage of his dissertation program, Bleess also completed four residency courses, obtaining the necessary satisfactory grades to advance from each of those courses. Bleess's residencies, performed over the course of about 18 months, were in Nashua, N.H., Minneapolis (twice), and Miami.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 47 of 93

190. In 2011, in just his second quarter of the dissertation program, Bleess began to be subjected to Walden's scheme of unreasonable and expensive delays.

191. After Bleess's Prospectus was approved, he was unable to immediately arrange a permanent chair for his dissertation committee. As a result of delays caused by Walden, it took an entire quarter to secure a permanent chair.

192. In January 2011, Walden provided Bleess with a list of 98 faculty members and put the onus on him to contact them to request that one serve as his chair. Of the faculty members on the list, 59 were already noted *not* to be taking on new students at the time. Of the 38 answering "yes," several limited their availability to only part of the dissertation process. On information and belief, the list was already outdated, as several of those marked as "Yes" said they were too busy to be Bleess's chair. The list was supposed to have been updated every 60 days.

193. On or about March 3, 2011, Bleess contacted Walden that the process of contacting faculty members one at a time to make the chair request, then waiting to hear back from each (rather than e-mail the entire list at once), was eating up his time to find a chair. Additionally, every faculty member he had contacted so far—who had been marked as taking new students on Walden's list—had responded that they were too busy to be his dissertation chair.

194. Walden responded by sending Bleess another faculty list and giving him the contact information of its student research coordinator.

195. Finally, in April 2011, Dr. David Kriska became Bleess's permanent chair.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 48 of 93

196. Because of delays caused by Walden, Bleess's dissertation supervisory committee—consisting of Dr. Kriska and a committee member—was not approved until July 2012.

197. From 2012 into 2014, Bleess was unable to timely obtain the meaningful feedback he needed from Kriska.

198. Dr. Kriska's advice was too vague and too limited in scope to enable Bleess to progress at a reasonable pace toward finishing his dissertation.

199. Walden promises students in the Student Handbook that they are to receive feedback on any submitted dissertation draft within two weeks. Walden failed Bleess in this regard on numerous occasions. In two instances, Bleess did not receive input for three weeks.

200. In 2013 and 2014, Bleess complained to the other dissertation committee members, other Walden faculty, Walden staff, and even Walden and Laureate executives about the delays, to no avail.

201. In late 2014, Bleess notified a Walden collections staffer that he had been charged tuition for dissertation although he had received "no actual help from my chair."

202. In 2014, Bleess demanded a replacement for Kriska as his chairman.

203. In December 2014, as a result of Bleess's complaints, Dr. Tracy Marsh became Bleess's new dissertation chairman.

204. Dr. Marsh, however, failed to provide Bleess with the feedback and guidance that Walden had promised him. In fact, Dr. Marsh stated in a telephone call that she would never approve *any* dissertation that Bleess wrote.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 49 of 93

205. Throughout 2014, Bleess complained to numerous Walden faculty, staff, and administrators that he had been defrauded and was entitled to a refund of tuition paid.

206. Walden not only rebuffed Bleess's complaints, it found he had not made adequate progress on the dissertation, dismissed him from Walden, and kept his money.

207. Bleess was misled about Walden's student-to-faculty ratio. Upon information and belief, the true ratio turned out to be much higher than what was conveyed to Bleess by Walden.

208. Still other Walden common policies and practices stretched out Bleess's time at (and payments to) Walden. In spring 2011, when he tried to register for practicum placements, Bleess discovered that a pair of "C" grades he had received in courses several months earlier meant the courses did not qualify him for practicum. Walden had not disclosed that practice, leaving Bleess under the impression that his passing grades in the classes made them ones that supported his eligibility for practicum.

209. By the time Bleess became aware of the problem and attempted to appeal the C grades, Walden took the position that he was beyond the deadline to appeal and therefore the grades could not (and would not) be changed.

210. Bleess complained to Walden that its policies seemed designed to force him to retake classes, spend more money, and slow his progress toward completion of the dissertation.

211. Because of Walden's policies and procedures, Bleess's appeal dragged on through several months of 2011 and into 2012.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 50 of 93

212. Finally in March 2012, Walden's associate dean in the School of Psychology waived the "B" requirement for practicum and allowed Bleess to continue in the program.

213. The long appeal process regarding the classes for practicum further dragged out the dissertation process and caused Bleess to pay more.

214. Upon information and belief, this practice—deciding but not disclosing to students that a "C" grade would be a passing grade but not support eligibility for practicum—was a common practice perpetrated by Walden against the Class.

215. During his time in the dissertation program, Bleess also experienced delays and other obstacles in accessing Walden's Writing Center, a resource that would (inter alia) help ensure he was meeting APA writing guidelines.

216. Bleess was told he could choose an advisor at the Writing Center with the specific background necessary to understand and provide further input on his Proposal.

217. According to Walden's current web page, students who use the Writing Center can receive the following types of input:

Sample Paper Reviews: Overview

Wondering what to expect from your Writing Center review? Below are the types of assignments we review, along with sample feedback. Feedback will vary among writing instructors but will consist of some of these:

- Explanations of errors
- Links to resources
- · Questions or reactions from a reader's perspective
- Recommended next steps
- Revision strategies
- Highlighted patterns
- Models of effective writing
- Video clips to watch

218. The writing center is purported to employ staff or faculty who work with students on their dissertations.

219. Walden publicized the writing center, including in its academic catalog, as a resource that would be available to any student who needed help.

220. Both direct access to his chair and committee members and use of the Writing Center were important resources, and Bleess relied upon the promises about them in hopes of completing his dissertation.

221. Bleess, however, found it was nearly impossible to get an appointment in the writing center. Walden required students to submit formal request forms in order to use the writing center; only one appointment could be made at a time; and appointments were often unavailable until six to eight weeks from the time of the request.

222. When Bleess was finally able to attend an appointment in the writing center, he discovered that it was limited to 15 to 30 minutes, meaning that the staff would only review and comment on a relative few pages of his 87-page draft dissertation.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 52 of 93

223. In at least one of his writing-center appointments, Bleess was given *no* specific, substantive feedback—only that his paper was "not good enough."

224. The long timeline to obtain appointments in the writing center, and the 15minute limits on appointments, added further delay to the dissertation program.

225. The long timeline to obtain appointments in the writing center, and the 15minute limits on appointments, were caused by Walden's choice of not to spend money to help students but instead plow it into marketing and profits.

226. In the 2014-15 academic year, Walden changed its policy regarding the writing center. On or about January 2, 2015, Walden abruptly prohibited doctoral students from using and relying upon the Writing Center for their dissertations. In the wake of cutting off this promised resource, Walden did not decrease doctoral students' tuition.

227. On or about March 9, 2015, Bleess contacted the Writing Center for an appointment and was told of the new policy. The Writing Center referred Bleess to a statement on Walden's web site, "Changes to Services for Doctoral Capstone Students FAQ," and suggested he take a Walden six-week writing workshop.

228. Bleess objected that the Writing Center was advertised by Walden as a resource for doctoral dissertation students at the time he enrolled and he had been paying tuition for six years on the basis of that agreement.

229. Bleess objected that the Writing Center was advertised by Walden as a resource for doctoral dissertation students at the time he enrolled and he had been paying tuition for six years on the basis of that agreement. Walden did not change its policy.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 53 of 93

230. The new policy regarding the Writing Center forced Bless and members of the Class to purchase the services of outside editors, adding more time, expense, and delay to the dissertation process.

231. On or about October 30, 2014, doctoral students were informed about a new procedure in which any requests for specific advice from their dissertation supervisory committee chair and members could only take place through Walden's MyDR computer application. However, doctoral students were specifically prohibited from using MyDR until they had completed Chapters 1—3 of their dissertations (*i.e.*, their Proposals).

232. This placed Bleess and other members of the Class and Subclasses in the untenable situation of needing to complete the first three chapters of their dissertation, one of the most important foundation steps in the dissertation process, before they could use the MyDR service.

233. Despite paying full quarterly tuition for the educational services that Walden said it would provide, including assertions from the Handbook that "Walden intends that dissertation/doctoral study committee members work as a team, directly guiding students through **the proposal**," Bleess and other members of the Class and Subclasses were limited to only receiving the most general input on their Proposal. (Emphasis added.)

234. This was a substantial hurdle for Bleess and members of the Class and Subclasses. In particular, Chapter 3 was the proposed methodology of the dissertation, which was often quite complex (requiring explanations of how to carry out the research,

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 54 of 93

which tools to use, how to prepare and conduct meaningful interviews and observations, and more). For this important part of the Proposal and the dissertation process as a whole, specific input was often necessary to ensure proper methodologies were used. Despite this, Walden prohibited Bleess and the members of the Class and Subclasses from receiving anything but the most general input from the guidance from their Committee advisers that they had been promised.

235. In 2015, Walden removed Bleess from the PhD. in Psychology dissertation program, ostensibly for a lack of academic progress over two consecutive semesters.

236. Bleess wrote to Walden after his removal, objecting that the claimed lack of progress was due to delays caused by Walden.

237. Bleess relied upon Walden's representations in choosing Walden and enrolling in its Psychology PhD. program.

238. These representations, however, were false. Laureate's Program Data for Walden's PhD. in Psychology program from March 6, 2015 explains the PhD. in Psychology program was "designed to take 72 months," although only 44% of students *who graduated* would do so within that time frame:



239. Because Walden was in possession of this data, Walden's promises of anything shorter were knowingly false, and made purposefully for prospective and current students to rely upon.

240. Had Bleess and other PhD. in Psychology students known that the program was designed to take 72 months, they would not have enrolled in the program.

241. Walden's representations about the estimated costs of receiving a PhD. in Psychology were also false. The length of Bleess's time at Walden supports that Walden's representations were false. Bleess has incurred more than \$294,000 in debt because of his time with Walden, for a program he was promised would be completed in three to four years at a cost of \$55,000–\$65,000.

242. Walden's scheme caused Bleess to "max out" his available student loans.

243. Walden's representations about support for internships were also false.

244. Walden's Lisa Lockwood and/or other employees told Bleess that he would be able to choose from lists of internships by state. However, Walden refused to provide

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 56 of 93

Bleess with a list from any state except South Dakota, where he was living at the time he was researching internships.

245. Walden provided Bleess with a list of internships that contained only three locations in South Dakota, which were either no longer in business or had no openings.

246. Walden refused to provide Bleess with a list of internships for Minnesota or Iowa, even after he said he would move to whichever of these states he could secure an internship in.

247. Completely on his own, without any support from Walden, Bleess found and obtained an internship in California. This took Bleess away for substantial periods of time from his daughters, who resided in Minnesota.

248. Bleess's internship supervisor in California stated that, in his personal experience, it was extremely difficult for Walden students to obtain internships.

249. Bleess suffered additional delays and additional costs due to Walden's lack of support for his internship, including costs associated with having to take the internship in California.

250. Bleess also suffered significant emotional distress due to having to perform the internship in California, because it forced him to be away from his young daughters in Minnesota for substantial periods.

251. Bleess is now into his eighth year of the doctoral program. This is disturbing for all the reasons discussed above, and also because Walden imposes an eight-year limit on its doctoral programs, extended only under special circumstances.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 57 of 93

252. As of now, Bleess has paid for 27 quarters during his time at Walden, including 16 dissertation classes, four residencies, required conference trips to Chicago and San Antonio, and an internship. Despite being promised it would take three to four years to complete his degree, he is almost in his *eighth* year, and is still on the third step (of five) of the dissertation process.

253. Although Walden grants tuition waivers under some circumstances, its requirement that students initiate such requests, rather than performing such reimbursements automatically or at the request of the chairs/members who were aware of the missed two-week deadlines, demonstrates an intentional lack of oversight.

254. Bleess could not transfer from Walden to another institution to finish his dissertation, because no brick-and-mortar university will accept Walden credits.

255. Walden never obtained the APA accreditation that it promised Bleess it was close to obtaining.

256. Walden, in fact, was never close to obtaining APA accreditation for the PhD. in Psychology program. To the contrary, when Walden officials told Bleess they were close to obtaining APA accreditation for the PhD. in Psychology program, they knew they would not receive it.

257. Had Bleess been made aware of Walden's abysmally low completion rate, he would not have enrolled in the doctoral program or paid the tuition, residency and internship fees (including travel), supply costs, and other fees charged by Walden.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 58 of 93

258. Had Walden not misrepresented the timeline, costs, and hurdles to completing a dissertation or had it disclosed its true scheme, Bleess would not have enrolled in or agreed to pay for the educational services offered by Walden.

259. Had Walden not omitted to inform Plaintiff of the "design" time of its program, he would not have agreed to enroll in and pay for the educational services offered by Walden.

260. Had Bleess been aware of the lack of oversight Walden exercised over its faculty, he would not have agreed to enroll in and pay for the educational services offered by Walden.

261. Walden has intentionally and unjustly prolonged Bleess's work toward his doctoral degree and extracted extra tuition payments from him for dissertation coursework, which would not have been necessary but for Walden's scheme. Because of Walden's illegal conduct, Plaintiff spent more time and tuition payments than he reasonably anticipated he would.

262. Bleess also was forced to incur the cost of an independent editor because of Walden's inadequate support.

263. Bleess has lost more than money and time due to Walden's scheme. He has also suffered emotional distress from the repeated, prolonged delays, and from being forced to spend substantial time away from his family.

264. Walden's knowing and intentional delays as described above have also caused Bleess's dissertation-related research to become outdated, meaning the research

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 59 of 93

would need to be conducted again in order for Bleess to obtain his dissertation, at additional expense to Bleess.

265. Walden has subjected the other members of the Class and Subclasses to the

same scheme, thereby causing them to be damaged in the same manner as Bleess.

Plaintiffs' Experiences are Common at Walden

266. Plaintiff Bleess's experiences mirror those of thousands of other students.

Many such complaints have been preserved online.

267. Below are some of the more relevant complaints regarding Walden's dissertation scheme:

bonniea2 🖂 Send email

Walden Doctoral Program

Like many of you, I have a similar story regarding the amount of money I am now in debt. I have recently graduated with my PhD. However, the process of reaching this milestone was prolonged by the dissertation process. I am now 178,000 in debt. I want to join this class action suit because of the unethical practices of this University.

Acts333 🖂 Send email

Sep 7, 2016

Sep 18, 2016

Doctoral in DNP

I've been in this program since 2009 and have seen professors quit, Chair persons change, courses added, e-mails disappear, conflicts in time zones and so many other excuses. Walden should be reported to the Department of Education. Their headquarters in Minnesota should be reported to the Atrroney General in the state. Their practices and recruitment should be investigated. What is the percentage of African Americans who take courses are graduating more quickly than other groups. What political connections did they have with Bill Clinton. A major law suit should be filed in all 50 states to recover hundreds of millions today dollars this university has taken from hard working citizens

juliedefelice 🖂 Send email

Way Too Much Money; No Returns On My Investment Yet

Wow, I have been experiencing some of the same problems notated above.

I am stuck in the proposal phase of my Ed.D degree at Walden.

After comparing rubrics, I submitted to the URR now 4 times, I have passed sections previously that are now deemed as not passing. I had a problem in the very beginning of this journey with a chair person who lived across the globe from me. We were 8 hours apart. How can I make progress when we live in time zones that far apart??? After a fight to get a change, I got an awesome person to help me, but now my URR, who was friends with the first chair person is making my life unbearable. I receive mixed communication and now a grade that keeps changing from draft to draft. My chair and 2nd seems to think the proposal is just fine, but every time the URR gets it, she says it is not. I am spending mega bucks and now have school loans that are in the \$100K+. I would love to be part of this class action lawsuit. I think there is a scam someone going on here. I would also like to be reimbursed for all the money I have spent when there has not been progress made towards graduation.

kerrnonne42 🖂 Send email

Sep 4, 2016

Walden University

I am 287,000 in debt. If I continue with the PhD program in psychology it would take another year or two. I am stuck in proposal, and there is absolutely no help with regard to methodology. I have never defaulted on a loan in my life, and I can't imagine how I will pay off a house. I had to take plus loans. They are not eligible for income based repayment. I am going back to work as a counselor. It took 6 years to spin my wheels, and lose everything. I am suffering from depression. What is happening in this country? How could the federal government even fund this program? This is awful. The residencies were expensive. I had to leave my job to complete 2,750 hours of clinical full time, and needed to take more loan money. This is just awful. Unfortunately, I am losing hope that the government will do anything about this. I need help. I have been in the program from 2010.

amhPhd_Scam 🖂 Send email

Aug 24, 2016

11 Years PhD Program \$200k in debt

Began my doctorate program with Walden University in September 2003. Completed all required course work before beginning the dissertation process. Problem!!! The course work (mostly independent white papers on a sundry of business management topics) did NOT prepare me for the dissertation process. Why? Walden knew that if they had prepared its ABD (all but dissertation) students with significant courses related to the PROCESS of writing a dissertation (URR, ethical reviews, etc.) they would not make as much money. Fast forward to 2009 - my dissertation process took me two years to complete. Why? My dissertation chair refused to accept my methodology. So I changed it. Then, another member of the dissertation committee (brought on 1 1/2 years later) felt that he didn't like my research - even the title! THEN . . . the another member of the committee suddenly left the university. University failed to notify me; but, I couldn't move forward until the committee member was replaced (all the while, I'm being required to pay tuition). I did complete the program . . . 11 years and \$200k in debt (my credit is so messed up). Why did I continue to attend Walden? At the point in which I knew that the school was scamming me - it was too late. I had to complete it (borrowing from parents, taking out credit cards to pay tuition, deeper and deeper into debt). It was better to have my doctorate, than not to have my doctorate.

Sep 6, 2016

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 61 of 93

JIanaii 🖂 Send email

Aug 24, 2016

Walden's Doctoral Program

I have a similar story as those written here. I have been a part of the doctoral program at Walden going on five years now and every year I was vocal about the waste of time with the two years of "coursework" that I learned absolutely nothing. Then starting the project study process I really started noticing the scam beginning. I had three chairs up to this point and after working on just the proposal phase for two years I am going nowhere. I hired an outside publisher to help me through the process but even that is not really helping as much as I thought it would. I am on my third round of proposal approval and one round of URR. I am almost \$200,000 in debt with my undergrad and other degree loans. Walden alone is \$100,000. I will be glad to be a part of a class action lawsuit!

Mari

cassie32368 🖂 Send email

Aug 24, 2016

Aug 20, 2016

Walden Fraud and still no Ph.D

I began my Ed.D quest in 2011 and began to work on my dissertation in 2014. They prolonged approval at the dissertation stage at which I knew it was going to be an uphill battle. I requested a new chair because I knew my work was of quality. I'm now thousands of dollars in debt! I pray thatthese predatory practices at Walden University are looked into by the White House

KNWMN 🖂 Send email

Let's get this law suit against Walden off the ground

I have been communicating with students as angry at Walden as I am. Time to move this lawsuit forward. Greetings:

Last week I twice spoke with an experienced reporter from a major newspaper. They are very excited about running with this story. It can be perhaps on the same level of fraud and corruption as the for profit Corinthian College. I have told the reporter my story, and have three others lined up to speak with her next week.

Please send me your story with Walden. I'll forward it to the reporter with your email contact info and she'll reach out to you. We students are doing this to attract the attention of a lawyer. Let's get this thing going.

My story goes like this. I started my Doctorate with Walden in 2008. All went well and my Chair approved my study and I was to start my University Research Review (URR) in December 2011. My chair was then dismissed by the university and I was given a new Chair and a new Second. My second required that I start my study all over. Three years late in 2014 my Chair was about to approve me to start URR again. Then that chair was removed and I again received a new Chair and new Second. The new second was not assigned until about 6 weeks into the class. The very next day my father-in-law died so not much progress was made during that semester. The next semester I was again approved to begin URR and the university dismissed me for lack of progress. I made URR and they call that a lack of progress?! So here I am over \$100K in debt, having had my study formally approved twice by two different chairs, yet I have no degree.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 62 of 93

KNWMN 🖂 Send email

Let's sue Walden

Zkeithnewman@yahoo.com

My Walden story begins in 2008 and all went well until January 2012. I had just (in December 2011) been approved to begin the URR phase of my doctoral program. Walden dismissed my chair, assigned a new one, and I had to start all over. In 2015, after accruing 3 more years of debt my chair was about ready to approve me to start URR again. Guess what!? They changed my chair again. I stayed with it and was approved to start URR but am now too old and too far in debt to continue at Walden. After 8 years I have nothing but a debt that will not disappear until I am 70.

Please, let us join together. Contact me at my yahoo email address and let's get going.

760student 🖂 Send email

Jun 30, 2016

Aug 2, 2016

to much time in doctoral study stage

I have had two chairs, 3 second committee members. I was told to use the walden university writing center to get my doctoral study paper APA compliant. I did and my chair said they did a bad job. Each second committee member required 1000's of changes to my document and I made the changes, once complete I would have a new second committee member. I ran out of money using approved APA editors and my document would still get kicked back. This needs to stop, I just want to finish and graduate.

sbealldavis 🖂 Send email

Jun 7, 2016

Walden University Unethical and Fraudulent!

Please add me to the Walden Class Action Law Suit! I started Walden's doctoral program in 2007 and now it's 2016. I have a 3.7 GPA in course work completed, all residences completed plus extra, submitted my prospectus waited almost 3 months @ over \$4k per quarter to get a URR assigned, wrote my initial proposal- rejected but comments were needs minor changes and organization. As time went on I kept re-submitting and getting comments that just a few more changes. I hired and editor, have paid several hundred dollars to get help and each time I'm told how wonderful the paper is but just make these few changes and you'll move forward. I'm more than \$200, 000.00 in debt now government loans and 40,000 in personal loans. I'm 60 years old now and still no degree nor moving pass URR. There has also been instances where the 14 day review period took more than 20 days pushing me into another quarter adding more debt to the already enormous debt. Lies, deception and false hopes is what I've experienced. I have lots of documentation. Please add me to the lawsuit, the legacy I once dreamed of leaving for my children and grandchildren has been destroyed. I'm still waiting for Walden to create a way to remove me from the school or continue to drain me until I can't get another loan to continue. They've told me that if I take a leave of absence, I more than likely can't get back I'm now another \$8000 in debt to them trying to complete the Summer session to get pass the URR. They are predators the approval of the proposal process has been going on since 2014 now...See below

Student resubmits Proposal committee rubric analysis Jun 02, 2016 Proposal not ready for URR Approval May 21, 2016 Student resubmits Proposal committee rubric analysis Apr 25, 2016 Student resubmits Proposal committee rubric analysis Apr 22, 2016 Proposal not ready for URR Approval Apr 11, 2016 Student resubmits Proposal committee rubric analysis Mar 30, 2016 URR Denies Proposal Feb 22, 2016 Proposal ready for URR Approval Feb 12, 2016 Student resubmits Proposal committee rubric analysis Feb 02, 2016 Proposal not ready for URR Approval Nov 10, 2015 Student resubmits Proposal committee rubric analysis Nov 01, 2015 Proposal not ready for URR Approval Oct 23, 2015 Student resubmits Proposal committee rubric analysis Oct 20, 2015 Proposal not ready for URR Approval Sep 10, 2015 Student resubmits Proposal committee rubric analysis Aug 27, 2015 Student resubmits Proposal committee rubric analysis Aug 27, 2015 Student resubmits Proposal committee rubric analysis Aug 27, 2015 Proposal not ready for URR Approval May 13, 2015 Student resubmits Proposal committee rubric analysis Apr 21, 2015 Student initial submits Proposal for committee rubric analysis Apr 19, 2015 Program Director Approves Prospectus Jan 12, 2015 Prospectus Ready for PD Approval Dec 30, 2014 Student resubmits Prospectus for committee rubric analysis Dec 10, 2014 Student resubmits Prospectus for committee rubric analysis Dec 09, 2014 Prospectus not ready for PD Approval Dec 08, 2014 Student initial submits Prospectus for committee rubric analysis Dec 08, 2014 Student initial submits Prospectus for committee rubric analysis Nov 10, 2014

Minglee1! Send email

Doctorial program

I have many of the complaints as most of collogues, I entered Walden University 2011, did very well through the course work and earned 4.0. Once I entered the doctorial program (5 stages to complete) its been one disaster after another. Assigned to a verbally abusive professor and proving derogatory statement were made through email and phone conferencing, I was transferred to another professor. Unfortunately the first abusive professor is the "head" of the department and over sees everyone. Therefore, not a lot changed except the second refused to speak with me without a committee and he is always "super" nice without productive feedback. After 3 months in the first stage, he sent me an email to move forwardtask stream had passed my prospectus with 3/5 points. Only to receive an email 4 weeks into the course 2nd stage that stated the "committee" my previous professor said I did not pass. Eventually, he gave me a U I had to take off a semester and fight to get back in. Returning 6 months later, I hired a professor on a doctorial committee in another state to review my prospectus- she did and stated there were a few errors that needed corrections . For 12 weeks the Walden professor returned my paper with "minor" problems and stated major improvements....etc. Ten days prior to the semester ending I submitted my paper, it was not returned until 5 days AFTER the course ended stating I received another U and I should rewrite my entire paper. I also have a problem with the course survey that MUST be completed 5 days prior to the course ending or you will not get a grade. I was told they are confidential, but I know for a fact that the professors do reading them prior to grading. 5 years in I have run out of money and still no degree.

syndibradley 🖂 Send email

May 9, 2016

Unfinished EdD Dissertation

Please let me know if there is in fact a class action law suit against Walden University. I too began the EdD process in 2008. When I began working on the dissertation, my initial 1st Chair person fell off the face of the earth after 2 semesters, and 2 weeks into the 3rd semester, the head of the department began asking us questions of this Chair person's whereabouts. Within the next 2 weeks, we were added to another Chair person's caseload. She didn't approve of the proposal I had already completely (nearly) established with the missing Chair person. So, I began with a completely new topic. I never received positive feedback and she refused to talk to me until I had completed the 1st section. Well, after 3 semesters with her, I requested a new Chair. Denied. So, I took a 6 month break. Upon returning, same Chair person. After 1&1/2 semesters more with her, they finally granted me another Chair person. This Chair person loved my new (3rd) topic and we worked for 18 months to finally get to the URR. The URR loved the proposal, gave feedback and I worked for 4 weeks to revise and resubmit. When I resubmitted, I was informed I had a new URR. Then 2 weeks later I was informed I had yet another new URR. This 3rd URR person finally after 33 days returned the proposal with over 300 negative comments. My Chair quit and they gave me a 4th Chair person and another new URR. I cannot do this anymore. This is ridiculous. I would love to know if there is really a class action law suit against this institution. I can be reached at syndi.bradley@yahoo.com Thanks, Bradley.

khen2011 🖂 Send email

Mar 29, 2016

Walden University

I enrolled in a doctorate program at Walden University in 2011 and I am still working with my chair to revise and edit my project study. Each semester, I may have two to three opportunities to receive feedback from him. According to the project study guide, the committee members have 14 days to provide feedback. My chair takes all 14 days to provide feedback and the feedback is inconsistent. I contacted the advisory team and was told it often takes multiple years to complete the project study. However, when being recruited, I was told it was a 3-year program (most students complete in 3 years). Even after contacting the program director, little has changed, with the exception of upsetting the committee members. I think I was misled.

May 12, 2016

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 65 of 93

Fer2848 Send email

Mar 20, 2016

Walden University Purposely Prolonges Degree Programs

I have many of the same complaints listed below. I enjoyed my coursework at Walden with a high grade point average. However, after almost 2 years my proposal still is incomplete. My committee chair gives pitiful feedback, and I usually have to request it be sent back after 14 days. When I raised concerns, nothing was done. It is unacceptable to be spending \$20,000 a year for an advanced degree when staff are not fit for helping students succeed!

kitd 🖂 Send email

Mar 19, 2016

Dec 24, 2015

Unresponsive Faculty and Administration

I was enrolled in Walden for two semesters. Despite have been very successful in traditional graduate programs, I was unable to get my initial proposal approved, but never received clear rationale for the rejection. It took my first "mentor" 6 weeks to respond to me and when he finally did his communication skills were so circular that I could not understand what he was saying. I asked for a transfer. Several months later I was assigned a new adviser, but this one was no more responsive than the first. So - I paid for two semesters through student loans that were completely useless. I made numerous efforts with the administration to resolve this issue, with no success whatsoever. I've had this loan on my back for 20 years. Walden's promises are fraudulent.

hateful 🖂 Send email

PhD holdup Walden University

Working on PhD for years, kept having to rewrite, get approval, then told to rewrite what was all ready approved a few versions back. Finally, after a year with one advisor and approval, I was told by a new member I would have to start over again because it wasn't a PhD type of study. Now, I'm continuing the process and \$250,000 in debt which I will never get back in promotions, etc.

They say it costs \$43,000 to get the PhD which is a lie. It also takes a long time to get 4 residencies and all of the credits needed THEN years more for the rest of it.

Nightmarish. Was a great school until the PhD itself began, then horrible and a rip off. Biggest mistake of my life, time and money lost with no gain. Need to finish it now, I'm stuck and cannot transfer and have to just play the waiting game registering for one 6 credit class each semester until I'm done. (6 credits is a lot of money) Hope this helps someone.

Jimmy

rpb250 🖂 Send email

Nov 30, 2015

I want to join Walden class action lawsuit

I would like to join this class action suit against Walden University. I have experienced the same issues. I started the DBA program in 2012 and was told it would take 2-3 years to complete due to credits received from the MBA program. The guidelines and requirements changed so many times that I have had to start over again and again. January 2015, after my chair resigned, I had to start over yet again. Now, my student loans have maxed out and I have no more money to complete the degree. I am 100K in debt, with nothing to show for it. I feel like I have wasted 3 years. I complained to the director of our program, and her solution was for me to pay to attend ANOTHER DBA Intensive and really focus on writing. What kind of answer is that? She did not speak to or address any of the issues I raised: continuous changes, wasted tuition dollars, inability to make progress through the program, inconsistencies in expectations. We are still working on the proposal 3 years later. I should be finished by now. I was misled. I am very unhappy with the results of the DBA program.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 66 of 93

hokieskb 🖂 Send email

Same Story

My story matches the others on this page. I completed the coursework for my Ed.D. with a 4.0 gpa. I spent approximately 7 years trying to get my dissertation completed and was simply spinning my wheels. During that time I had 3 different Committee Chairs, 2 different 2nd committee members and 2 different URR Committee members. Ever change in member brought on more and more changes in the dissertation. I finally ran out of money and had to stop. I made the comment to my last Committee Chair several times that it seemed as if Walden was simply trying to keep me in their program so they could continue collecting tuition. It is so sad to me that a institution can get away with this the way they have. Everyone's story is exactly the same. I definitely would like to be part of a class action suit against them!

bikerbabe1 🖂 Send email

Walden is all about money

I, too, am a Ph.D. in candidate. I, too, have completed all course work. I have been working on my proposal for at least five years and have had two committee chairs. I discovered that my last chair had not even been reading my proposal. I had to hire a private coach to assist me with my proposal. I am over \$70,000 in student loans. My student loans are at their limit so we have had to take money out of our house to finance this term. I have a call into the attorneys as well. I do hope they call me soon.

jabralyn3 🖂 Send email

6 Figures in Debt Thanks to Walden University

I enrolled in the Ed.D program at Walden University in 2009. Here it is, 2015 and I still do not have my Ed.D. I had advanced to the URR stage of my dissertation. During one submission, I was told that adequate progress was being made. During another submission, many negative comments were made to my proposal draft. Seemingly, this process went back and forth forever. When I finally reached the URR stage of my dissertation, would you believe there were over 100 negative comments made after it was supposedly reviewed by my primary Chair? I have the documentation to support this accusation. There's so much more to report. I was told by Walden's Financial Department that I had exhausted all of my funds causing me to opt out of the Ed.D program. Therefore, considering the small amount of financial aid I had left, it was suggested that I attend the Capstone course to obtain an Ed.S from Walden University. I exhausted so much TIME and MONEY on an Ed.D that I may not ever get the opportunity to receive. I am 6 figures in debt thanks to Walden University. Can you imagine how long it would take me to payoff a student loan of this caliber? I feel that I am a victim of an educational fraud. I'm interested in joining other past and present colleagues of Walden University in the event there's a Class Action Law Suit against Walden University. mclaurinann@gmail.com 9/12/2015

Unhappy Walden Customer 🖂 Send email

Jun 14, 2015

Fraud at its finest

This "school" is the most unethical, predatory online business in existence today. I was informed that my doctoral program would take on average between 3-4 years to complete barring any unforeseen life emergencies and would cost approximately \$45,000. Six years of continual enrollment and almost \$250,000.00 of student debt later, I am still stuck in the never ending, perpetual cycle of dissertation classes. The feedback is non-existent for these "courses" and the instructor doesn't even bother to check in to the class anymore. The discussion forums, questions for instructor, etc. are literally bare with the exception of student complaints and questions regarding feedback for dissertation drafts submitted months ago. Proactive attempts to reach out to advisors, department chairs, etc. will typically receive no response or they are forwarded with no resolve. Enrolling in Walden was unquestionably the WORST mistake that I have ever made. I am currently shopping legal counsel. THE FRAUD MUST STOP!

Nov 6, 2015

Sep 12 2015

Sep 24, 2015

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 67 of 93

268. `Walden is and has been aware of these complaints. Walden has responded to student concerns on web sites such as the Better Business Bureau (see, e.g., April 6, 2015 BBB page concerning "rumored 'common' practice of Walden to delay Doctoral Students," with Walden response of, "Walden strongly denies that there is any 'common practice' or any practice at all to delay doctoral students."). Walden has also responded to some of the above complaints in the Complaint Board forum.

Walden University 🖂 Send email

Sep 7, 2016

Contact Walden University

At Walden University, we take the concerns and experiences of our students very seriously, and wish to hear from you if your experience did not meet your expectations, so that we can work with you to try to resolve your concerns. If you would like to discuss your specific situation, we are here to help you. If you are a current student, or attended Walden within the past year, please contact studentaffairs@waldenu.edu and provide us with your name, student ID, program of study, location, and specific details of your situation, and one of our school managers will contact you.

If you are a former Walden University student who last attended Walden more than one year ago, please contact formerWUstudent@waldenu.edu and provide us with your name, student ID, program of study, dates of enrollment, location, and specific details of your situation, and a Walden representative will contact you.

Thank you.

Walden's Misrepresentations and Omissions

269. Walden has made and broken many promises to its students as detailed above.

270. The Walden Student Handbook indicates that after coursework is completed, the dissertation process can be completed in 13 months.

271. Walden's materials, web site and recruiters have promised faster timelines to completion than its doctoral programs' "design" time, including the commonly promised three years to completion and dissertation processes that take only 18 months (or five dissertation courses).

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 68 of 93

272. Walden also represents online "normal time to completion" and "On-time completion rates" for its courses that are false in view of Walden/Laureate's admitted "design" times for these programs.

273. Because Walden, upon information and belief, has a completion rate below 10% of its doctoral student population, the fact that Walden is representing *any* time to completion (let alone a "normal time to completion" or "On-time completion rates") is fraudulent.

274. Walden and Laureate also failed to disclose the "design" time of its programs to its students.

275. Walden withheld the actual completion rate of its student doctoral population from prospective and current students.

276. Walden made promises to its students through its Student Handbooks.

277. Walden promised its faculty would be accessible to its students. Under a

section entitled "Faculty Members' Accessibility," the Handbook states:

Walden expects faculty members to be reasonably accessible to students. The expectation of reasonable accessibility does not mean 24/7 access of faculty members to students. However, it does mean that students receive quality feedback on course submissions within a reasonable time frame.

278. The Student Handbook also promises timelines for "Faculty Members'

Feedback."

Faculty members are to return graded classroom assignments that are submitted by the due date to students within 10 calendar days of the assignments' due dates for coursework in classrooms, and within 14 calendar days of the due date for manuscript drafts (including KAMs, theses, doctoral studies, and dissertations) in research forums. Faculty members are to provide a grade and also written, formative feedback on

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 69 of 93

assignments. Assignments that are submitted late may be graded with feedback in the time frame of the instructor. Late assignments may receive minimal feedback other than the grade. The instructor is expected to give priority to assignments submitted on time.

279. This promise was broken in that many doctoral students experienced delays beyond the promised 14 days, causing them to pay additional amounts in tuition.

280. Further, the Handbook provides that "Faculty members are expected to be available to students outside the course discussion areas and in addition to providing substantive feedback on assignments and discussion posts."

281. This promise was broken to Bleess and members of the Class and Subclasses, because substantive feedback was denied on many occasions. For example, once the MyDR system was implemented, doctoral students were denied anything more than the most general input until they completed the Proposal/first three chapters of the dissertation, even though doctoral students required detailed input on how the Proposal should be prepared (especially for Chapter 3, the methodology of the dissertation). The denial of feedback caused delays for the students, if not an ultimate roadblock, again resulting in additional revenue for Walden.

282. The Handbook further promises that if a faculty member suddenly departed, Walden would restore faculty services to the students.

Unexpected interruptions: Faculty services may be unexpectedly interrupted because of an instructor's death or prolonged ill health, or because of an instructor's discontinuation of association with the university. In such cases, the student's associate dean/executive director, or designee, ensures that faculty services are restored to all affected students. The associate dean/executive director or designee communicates

with affected students throughout the restoration process until appropriate assignments are finalized.

283. This promise was repeatedly broken, in that once instructors left, Walden forced students to find replacements for their dissertation advisors, which would sometimes take months, during which time the students were still required to (and many did) pay tuition to Walden.

284. The Handbook also describes Doctoral Committee Member Roles as follows:

Faculty members in Walden University doctoral programs who accept the duty of serving on a dissertation or doctoral study committee assume a dual responsibility of high importance. One part is service to their students; the other is service to the academic practice, discipline, and professional field to which the dissertation is related. For the first part, expectations concerning the faculty service to be performed are determined by students' needs, and by university academic policy pertaining to how these needs are to be addressed. For the second, expectations are set both by university academic policies and practice that frame acceptable work in the discipline and professional field at large.

285. The Handbook further states that "Walden intends that dissertation/doctoral study committee members work as a team, directly guiding students through the proposal, research and analysis, and ultimately the final oral presentation."

286. As explained above, this statement does not reflect how Walden actually worked. For example, the MyDR application placed a wall between students and their advisers before completion of the Proposal. Additionally, often dissertation committee chairs and members would give inconsistent advice, sometimes advising after months, if not years, that a previously (and multiple times) approved topic needed to change, which would require students, after months/years of relying upon prior acceptance, to start over.

CLASS ACTION ALLEGATIONS

287. Bleess's experiences at Walden were similar to those experienced by numerous other students attempting to navigate the dissertation process across all of Walden's doctoral disciplines.

288. Bleess requests the Court certify this lawsuit as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure.

289. Bleess seeks certification of a nationwide Class under Minnesota law, including certification of claims for breach of contract under Minnesota law (Count I), Breach of Implied Covenant of Good Faith and Fair Dealing under Minnesota Law (Count II), fraud in the inducement under Minnesota law (Count III), violations of the Minnesota Deceptive Trade Practices Act (Count IV), violations of the Minnesota Prevention of Consumer Fraud Act (Count V), and unjust enrichment under Minnesota law (Count VI).

290. Thus, Bleess seeks to certify the following nationwide Class pursuant to Rule 23:

All current or former students of Walden University who enrolled in and paid for a doctoral degree dissertation course at Walden University ("Class").

291. In the alternative, should the Court decide not to certify a nationwide class under Minnesota law, Bleess seeks certification of state Subclasses according to Class members' state of residency.

292. **Numerosity:** Upon information and belief, the members of the Class number in at least the thousands. As a result, the Class is so numerous that joinder of all

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 72 of 93

members in a single action is impracticable. The members of the Class should be readily identifiable from academic records and enrollment records of Walden. The disposition of these claims will provide substantial benefits to the Class.

293. **Commonality:** There is a well-defined community of interest and common questions of law and fact that predominate over any questions affecting only individual members of the Class. These common legal and factual questions, which will generate common answers apt to drive the resolution of the litigation, do not vary between members of the Class. These common questions may be determined without reference to individual circumstances and will provide common answers. The following represent a non-exhaustive list of common questions:

- a. Whether Walden maintains institutional control over its doctoral programs;
- b. Whether, with knowledge of its low doctoral-completion rate, Walden promised potential and current students false timelines to completion of its doctoral program, when graduating with a doctoral degree was the exception to the rule;
- c. Whether, with knowledge of its low doctoral completion rate, Walden omitted the true average annual doctoral completion/graduation rate of, on information and belief, 10% of its doctoral student population,
- d. Whether, with knowledge of the "designed" lengths of time for Walden's various doctoral programs, Walden and Laureate promised potential and current students false times to completion of Walden's doctoral programs;
- e. Whether, with knowledge of its low doctoral completion rate, Walden made false representations to its students about their actual chances of even completing a doctoral program at Walden;
- f. Whether Walden and Laureate constructed and implemented a system that caused the dissertation process to last longer than
represented so that Walden could generate additional revenue though tuition payments and other payments;

- g. Whether Walden and Laureate have been unjustly enriched by their conduct at the expense of the Class;
- h. Whether Walden breached its contracts with the Class;
- i. Whether Walden and Laureate violated consumer-protection statutes by their conduct toward the Class; and
- j. Whether, because of Walden and Laureate's conduct, Plaintiffs and the Class are entitled to damages, restitution, equitable relief, and other relief, and, if so, the amount and nature of such relief.
- 294. Typicality: The named Plaintiffs' claims are typical of the claims of the

Class. Named Plaintiffs and all members of the Class were injured by the same wrongful practices perpetrated by Walden. Bleess experienced the same misrepresentations regarding the time frame, costs, and faculty support in the dissertation program; support in the writing center; support for internships; and the other facets of the scheme described above. Named Plaintiffs are also typical because regardless of the specific doctoral degree they sought, the scheme—especially the misrepresentations regarding time to completion, costs, and support, and the deliberate and knowing process fostering delay—did not substantially differ among or between doctoral programs. Further, named Plaintiffs and members of the Class seek relief based on the same legal theories. There may be differences in the amount of damages sustained by each member of the Class; however, classwide and individual damages can be determined readily. Individual damages issues will not bar Class certification.

295. Adequacy of Representation: Named Plaintiffs will fairly and adequately protect and pursue the interests of the Class. Named Plaintiffs understand the nature of

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 74 of 93

the claims herein, their role in the proceedings, and have and will vigorously represent the Class. Named Plaintiffs have retained Class counsel who are experienced in and qualified in prosecution of consumer protection class actions and other forms of complex litigation. Neither named Plaintiffs, nor their attorneys, have interests which are contrary to or conflict with those of the Class.

Predominance and Superiority: A class action is superior to all other 296. available methods of adjudication of this lawsuit. Because individual litigation of the claims of Class members is economically infeasible and judicially impracticable, the class-action device is the only just way to adjudicate named Plaintiffs' and the Class's claims. Further, due to the conduct of Walden, named Plaintiffs and members of the Class have significant debt burdens from their time at Walden and cannot afford to hire counsel to pursue their claims on an hourly-fee basis. Even assuming individual Class members could afford it, the likelihood of individual claims being pursued by the Class members is remote given the high indebtedness the students have (thus needing to work full-time to pay for the damage caused by Walden), as well as fear of reprisals by Walden for students still enrolled in Walden doctoral programs. Also, while the aggregate damages sustained by the Class are in the hundreds of millions, the individual damages incurred by each member resulting from Walden's wrongful conduct are not significant enough to proceed individually under even a contingency model. Even then, the burden on the judicial system would be unjustifiable in light of the availability of the class-action device. Individual members of the Class do not have significant interest in individually controlling the prosecution of separate actions and individualized litigation could result in varying,

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 75 of 93

inconsistent, or contradictory judgments. Named Plaintiffs know of no reason that this litigation should not proceed as a class action.

297. **Manageability:** A class action is manageable here, and if necessary to preserve the case as a class action, the Court itself can redefine the Class or Subclasses, create additional subclasses, or both.

298. The nature of notice to the Class is contemplated to be by direct mail upon certification of the Class or, if such notice is not practicable, by best notice possible under the circumstances including, *inter alia*, email, publication in major newspapers, and maintenance of a website.

TOLLING AND ESTOPPEL

299. Plaintiffs' causes of action did not arise until Plaintiffs discovered, or by the exercise of reasonable diligence should have discovered, that they were injured by Walden and Laureate's intentional and deliberate scheme. Plaintiffs did not and could not have discovered the intentional scheme through reasonable diligence.

300. The applicable statutes of limitations have been tolled by Walden's and Laureate's knowing and active concealment of the material facts regarding its scheme to intentionally prolong the dissertation and theses process. Walden and Laureate kept Plaintiffs and the members of the Class and Subclasses ignorant of the vital information essential to pursue their claims, without any fault or lack of diligence on the part of Plaintiffs and Class and Subclass members.

301. Walden and Laureate were and are under a continuous duty to disclose to Plaintiffs and the members of the Class and Subclasses the true nature of the scheme that

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 76 of 93

they created and implemented to prolong the dissertation process. At all relevant times, and continuing to this day, Walden and Laureate knowingly, affirmatively, and actively misrepresented and concealed the true character, quality and nature of its scheme.

302. Based on the foregoing, Walden and Laureate are estopped from relying on any statute-of-limitation defense in this action. Walden and Laureate are also estopped from relying on any statute-of-limitation defense in this action because they failed to disclose the scheme prior to accepting each tuition payment in exchange for the provision of educational services.

303. Pursuant to the doctrines of Equitable Tolling, Equitable Estoppel, Fraudulent Concealment and the Discovery Rule, the period for bringing claims is not barred due to any statute of limitations or statute of repose. With respect to each cause of action asserted herein, Plaintiffs expressly plead Equitable Tolling, Equitable Estoppel, Fraudulent Concealment, and the Discovery Rule, regarding the facts pleaded here.

304. All conditions precedent to the filing of this Complaint have been satisfied. This action is filed before the expiration of any applicable statute of limitations or statute of repose.

CAUSES OF ACTION

COUNT I Breach of Contract Against Walden

305. Plaintiffs reallege and incorporate the preceding allegations by reference as if set forth fully herein.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 77 of 93

306. Plaintiffs bring this cause of action, in the alternative, on behalf of a Nationwide Class under Minnesota common law. Walden has systematically violated its contracts with Plaintiffs and each member of the Nationwide Class.

307. Plaintiffs and each member of the Nationwide Class contracted with Walden to receive doctoral educational services. Implied in each contract was a covenant of good faith and fair dealing.

308. As part of the contract, Walden promised, *inter alia*, that, in connection with providing doctoral educational services: 1) dissertation/doctoral study committee members would work as a team, directly guiding students through the various stages of the dissertation process, including the proposal; 2) students had control over how long it would take to obtain their doctoral degree, 3) the dissertation process could take as little as 13 or 18 months, or five dissertation classes; 4) their respective programs could be completed in the promised time, 5) the process for obtaining a dissertation chair and member would be reasonable and not burdensome, and when chairs or members left, Walden would find replacements; 6) there would be reasonable stability in faculty-member retention so that the process for obtaining a dissertation supervisory chair and member would not have to be repeated; and 7) Walden faculty on students' dissertation committees would provide appropriate and timely feedback (within 14 days).

309. Rather than provide doctoral educational services in accordance with its contractual agreement, Walden knowingly and intentionally created and implemented a dissertation process fraught with inefficiencies, meant to ensure that students receive neither adequate resources, nor the timely responses and attention they were promised.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 78 of 93

All of this was done without honesty or transparency by Walden regarding the actual length of time the dissertation process would take, and the expense that would be incurred by, its doctoral students to complete their degrees (if they managed to complete their doctoral degrees). The policy implemented by Walden breached its contracts with Plaintiffs and the Nationwide Class.

310. Plaintiffs and each member of the Nationwide Class provided significant value to Walden in the form of tuition payments and fees for doctoral dissertation courses as contracted.

311. Furthermore, Plaintiffs and each member of the Nationwide Class complied with their obligations under the contract. To the extent that they did not comply with their obligations under the contract, it was solely the result of conduct engaged in by Walden.

312. Walden's breach of contract has resulted in Walden's doctoral students enrolling in more dissertation courses than would have been necessary if Walden had honored its contract and, in many instances, caused Class members to stop pursuing their education altogether because Walden improperly continued to charge them for tuition and other costs.

313. Despite its knowing and intentional breach of the contracts, Walden has retained the tuition payments, including costs for books, residency, technology fees, and more, made by the members of the Nationwide Class.

314. Walden has breached its contracts for doctoral education services with Plaintiffs and each member of the Nationwide Class. Walden's breach has caused damage to Plaintiffs and each member of the Nationwide Class in the form of additional

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 79 of 93

and unexpected tuition payments for doctoral dissertation courses, including costs for books, residency, technology fees, and more, and, in many instances, stopping the pursuit of their education altogether, which caused them to be further damaged in the amount of wasted tuition payments they made before being forced to withdraw from Walden's doctoral program.

315. Walden has breached its contracts with Plaintiffs and each member of the Class to provide doctoral educational services to them by engaging in systematic conduct, failing to honor the covenant of good faith and fair dealing implied in every contract. Walden has engaged in unreasonable conduct entirely inconsistent with the reasonable expectations of Plaintiffs and each member of the Nationwide Class. Walden has breached its contracts for doctoral education services with Plaintiffs and each member of the Nationwide Class. Walden's breach has caused damage to Plaintiffs and each member of the Nationwide Class in the form of additional and unexpected tuition payments for doctoral dissertation courses, including costs for books, residency, technology fees, and more, and, in many instances, students stopping the pursuit of their education altogether, which caused them to be further damaged in the amount of wasted tuition payments they made before being forced to withdraw from Walden's doctoral program.

COUNT II Breach of Implied Covenant of Good Faith and Fair Dealing Against Walden

316. Plaintiffs reallege and incorporate all the preceding allegations by reference as if set forth fully herein.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 80 of 93

317. Plaintiffs bring this cause of action on behalf of a Nationwide Class under Minnesota common law. Walden has systematically violated its contracts with Plaintiffs and each member of the Nationwide Class.

318. Plaintiffs and each member of the Nationwide Class contracted with Walden to receive doctoral-education services.

319. Implied in each contract was a covenant of good faith and fair dealing.

320. Plaintiffs and each member of the Nationwide Class provided value to Walden in the form of tuition payments for doctoral-dissertation courses as contracted.

321. By the scheme and conduct detailed herein, Walden has breached the implied duty of good faith and fair dealing implied in its contracts.

322. Through its scheme to intentionally, knowing, or recklessly misrepresent the costs of, and then drag out the time to complete, its doctoral dissertation programs, Walden unjustifiably hindered Plaintiff's and the Class's performance of the contract for educational services.

323. Through its scheme to intentionally, knowing, or recklessly misrepresent the costs of, and then drag out the time to complete, its doctoral dissertation programs, Walden violated its contractual obligations based on its ulterior motives, and in bad faith.

324. Walden's violations have resulted in its doctoral students being damaged, because they were required to enroll in dissertation courses that would not have otherwise been necessary, thereby requiring them to make substantial additional tuition payments, including costs for books, residency, technology fees, and more. In addition, many

students have been forced to stop pursuing their education because they ran out of funds or reached the maximum amount that they were allowed to incur in student loans.

COUNT III Fraudulent Inducement Against Walden and Laureate

325. Plaintiffs bring this cause of action on behalf of a nationwide Class under Minnesota common law.

326. Plaintiffs reallege and incorporate all the preceding allegations by reference as if set forth fully herein.

327. Walden and Laureate made actual or implied false representations concerning the cost and length of time to obtain a doctoral degree, while concealing the truth from prospective and actual students.

328. Walden and Laureate concealed and are still concealing how long Walden's doctoral programs take to complete.

329. For example, Walden intentionally misled Plaintiffs with statements that the program would take a shorter time frame, and that Plaintiffs would have control over how quickly they could complete the program.

330. Instead, at the time Plaintiffs were recruited and enrolled in their respective doctoral degrees, Walden and Laureate concealed that the programs in which they enrolled were designed to take longer than disclosed.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 82 of 93

331. Similar or identical false representations and omissions were also made to other members of the Class about their degree programs via recruiters, in Walden marketing materials, and on Walden and Laureate web pages.

332. Walden and Laureate also concealed or otherwise omitted information about the actual percentage of students who graduated with doctoral degrees from Walden.

333. Further, Walden informed prospective students and current students they would have resources available to them, when Walden knew that such resources would not be available.

334. All these representations were material to Plaintiffs and the members of the Class agreeing to attend Walden.

335. Walden and Laureate were aware of the falsity of their representations, or at a minimum had an utter disregard for their truthfulness. For example, they purposefully designed Walden's doctoral programs to last a certain (longer) time frame than the time frame they represented to students.

336. Walden and Laureate intended students to rely upon these representations, because they were included in marketing materials and on their websites.

337. Plaintiffs and members of the Class were justified in relying upon these representations.

338. Walden and Laureate made these representations for the purpose of defrauding the Plaintiffs and members of the Class.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 83 of 93

339. Plaintiffs and members of the class were injured by relying on these false representations and omissions, because had Walden and Laureate been truthful about the timelines and costs for Walden's doctoral programs, as well as the annual graduation rate and resources available to them, Plaintiffs and members of the class would not have enrolled as doctoral students at Walden and incurred exorbitant, dragged-out costs and debts.

COUNT IV

Violation of Minnesota Uniform Deceptive Trade Practices Act, §325D.44, Against Walden and Laureate

340. Plaintiffs reallege and incorporate all the preceding allegations by reference as if set forth fully herein.

341. Plaintiffs bring this cause of action on behalf of a Nationwide Class. Walden and Laureate have engaged in unfair, unlawful, and fraudulent business practices, as set forth above.

342. The Minnesota Uniform Deceptive Trade Practices Act ("MDTPA"), Minn. Stat. §325D.44, specifically prohibits the use of unfair or deceptive trade practices in the course of a business, vocation, or occupation. A deceptive trade practice occurs when a person represents under those circumstances that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have, or that a person has a sponsorship, approval, status, affiliation, or connection that the person does not have; represents that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another; advertises goods or services with intent not to sell them as advertised; and engages in any other

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 84 of 93

conduct which similarly creates a likelihood of confusion or of misunderstanding. Minn. Stat. § 325D.44, subds. 5, 7, 9, and 13.

343. Educational services are within the scope of services covered under the MDTPA. *Alsides v. Brown Inst., Ltd.*, 592 N.W.2d 468 (Minn. Ct. App. 1999).

344. By engaging in the acts and practices described in this complaint, Defendants have committed one or more acts of unfair and deceptive trade practices. For example, Walden and Laureate represent that Walden's doctoral services 1) have characteristics that they do not have, and 2) are of a particular standard, quality, or grade of which they are not. Walden and Laureate also 3) advertise Walden's doctoral services with intent not to sell them as advertised, and 4) engage in conduct which similarly creates a likelihood of confusion or of misunderstanding.

345. Specifically, one or both Defendants misrepresented that: 1) doctoral dissertation study committee members would work as a team, directly guiding students through the various stages of the dissertation process, including the proposal; 2) students had control over how long it would take to obtain their doctoral degree, 3) the dissertation process could take as little as 13 or 18 months, or five dissertation classes; 4) students' respective programs could be completed in the promised time, 5) the process for obtaining a dissertation chair and member would be reasonable and not burdensome, and when chairs or members left, Walden would find replacements; 6) there would be reasonable stability in faculty retention so that the process for obtaining a dissertation chair and member would not need to be repeated; and 7) appropriate and timely feedback

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 85 of 93

(within 14 days) from their dissertation committee would be provided to students about their dissertation work.

346. Defendants also knowingly concealed, omitted and otherwise failed to state material facts about Walden's doctoral-education services that would tend to, and did in fact, deceive students. Specifically, Walden and Laureate falsely represented the time and tuition costs of obtaining a doctoral degree, not only knowing that such representations were false, but also with no intent to offer such services to its students. Defendants also failed to disclose that they intentionally and deliberately used Walden's dissertation process as a means of improperly extracting tuition and generating revenue. Walden and Laureate further failed to disclose that they knowingly created and implemented a dissertation process that is fraught with inefficiencies, meant to ensure that students do not receive the timely responses and attention that they were promised, and creates inordinate turnover of faculty and supervisory committee chairs and members.

347. Defendants knew that the doctoral dissertation coursework was (and continues to be) systematically prolonged by the practices described herein.

348. The misrepresentations and omissions were material to Plaintiffs and the members of the Class.

349. Defendants' unfair and deceptive trade practices and acts occurred and continue to occur repeatedly during the course of their businesses. These practices and acts constitute unfair and deceptive trade practices.

350. Plaintiffs and members of the Class relied on these representations and omissions in the course of pursuing their doctoral degrees. Furthermore, Walden and

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 86 of 93

Laureate intended that Plaintiffs and members of the Class would rely on the representations and omissions.

351. Reliance by Plaintiffs and members of the Class on Defendants' representations and omissions was reasonable.

352. As a direct and proximate result of Walden and Laureate's unfair and deceptive practices and acts, Plaintiffs and the Class have suffered and will continue to suffer actual damages. Had Plaintiffs and the members of the Class been aware of the misrepresentations and omissions, they would not have paid tuition to Walden for the educational services that Defendant Walden purported to provide.

COUNT V Violation of Minnesota Consumer Fraud Act, §325F.69 Against Walden and Laureate

353. Plaintiffs reallege and incorporate all the preceding allegations by reference as if set forth fully herein.

354. Plaintiff is a resident of the State of Minnesota.

355. Minnesota's Private Attorney General Statute (Minn. Stat. § 8.31, subd. 3a) allows Plaintiff and the Class to bring a claim under Minn. Stat. § 325F.69.

356. The Minnesota Prevention of Consumer Fraud Act ("MCFA") prohibits "[t]he act, use, or employment by any person of any fraud, false pretense, false promise, misrepresentation, misleading statement or deceptive practice, with the intent that others rely thereon in connection with the sale of any merchandise, whether or not any person has in fact been misled, deceived, or damaged thereby. . ." Minn. Stat. § 325F.69(1).

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 87 of 93

357. One or both Defendants advertised and represented to Plaintiff and members of the Class that: 1) doctoral dissertation study committee members would work as a team, directly guiding students through the various stages of the dissertation process, including the proposal; 2) students had control over how long it would take to obtain their doctoral degree, 3) the dissertation process could take as little as 13 or 18 months, or five dissertation classes; 4) students' respective programs could be completed in the promised time, 5) the process for obtaining a dissertation chair and member would be reasonable and not burdensome, and when chairs or members left, Walden would find replacements; 6) there would be reasonable stability in faculty retention so that the process for obtaining a dissertation chair and member would not need to be repeated; 7) appropriate and timely feedback (within 14 days) from their dissertation committee would be provided to students about their dissertation work; (8) the writing center would support them by timely reviewing and advising about their draft dissertations; and (9) there would timely and adequate internship opportunities and placement support.

358. Other states across the Country have enacted substantially similar consumer-protection statutes that require the same or similar showings of proof, and which prevent the unlawful conduct described herein.¹

¹ See Alaska Stat. § 45.50.471, et seq., Ark. Code § 4-88-101, et seq., Colo. Rev. Stat. § 6-1-105, et seq., Conn. Gen. Stat. § 42-110b, et seq., 6 Del. Code § 2511, et seq., D.C. Code § 28-3901, et seq., Fla. Stat. § 501.201, et seq., Ga. Code Ann. § 10-1-393, et seq. and Ga. Code Ann. § 10-1-370 et seq., Haw. Rev. Stat. § 480, et seq., Idaho Code § 48-601, et seq., 815 ILCS § 505/1, et seq., Kan. Stat. § 50-623, et seq., Ky. Rev. Stat. § 367.110, et seq., La. Rev. Stat. § 51:1401, et seq., M.G.L. c. 93A, et seq., Me. Rev. Stat. § 445.901, et seq., Missouri Stat. § 407.010, et seq., Neb. Rev. Stat. § 59-1601, et seq.,

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 88 of 93

359. Defendants' advertisements and representations with respect to their educational services were made in connection with the sale of those services to Plaintiff and the Class.

360. Defendants intentionally, knowingly, or recklessly misrepresented the true nature of their educational services to Plaintiff and the Class, including the time to complete their doctoral dissertation programs and the costs.

361. For example, Walden and Laureate falsely represented the time and tuition costs of obtaining a doctoral degree, not only knowing that such representations were false, but also with no intent to offer such services to its students. Defendants also failed to disclose that they intentionally and deliberately used Walden's dissertation process as a means of improperly extracting tuition and generating revenue. Walden and Laureate further failed to disclose that they knowingly created and implemented a dissertation process that is fraught with inefficiencies, meant to ensure that students do not receive the timely responses and attention that they were promised, and creates inordinate turnover of faculty and supervisory committee chairs and members.

362. Defendants intended for Plaintiff and the Class to rely on, and accept as true, these advertisements and representations with respect to the time it would take to

Nev. Rev. Stat. § 598.0903, et seq., N.H. Rev. Stat. § 358-A:1, et seq., N.J. Rev. Stat. § 56:8-1, et seq., N.M. Stat. § 57-12-1, et seq., N.Y. Gen. Bus. Law § 349 et seq., N.D. Cent. Code § 51-15-01, et seq., Ohio Rev. Code Sec. 4165.01 et seq., Okla. Stat. 15 § 751, et seq., Or. Rev. Stat. § 646.605, et seq., R.I. Gen. Laws. § 6-13.1-1, et seq., S.C. Code Laws § 39-5-10, et seq., S.D. Code Laws § 37-24-1, et seq., Tex. Bus. & Com. Code § 17.45, et seq., 9 Vt. § 2451, et seq., Va. Code § 59.1-196, et seq., Wash. Rev. Code. § 19.86.010, et seq., W. Va. Code § 46A-6-101, et seq., Wis. Stat. Ann. § 100.18, et seq.

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 89 of 93

complete their doctoral dissertation programs and the costs, in deciding whether to enroll in and pay tuition and fees to Walden.

363. Defendants' unfair or deceptive acts or practices were likely to deceive reasonable consumers about the time it would take to complete their doctoral dissertation programs at Walden and how much it would cost. Plaintiff and the Class relied on, and were in fact deceived by, Defendants' advertisements and representations with respect to the time it would take to complete their doctoral dissertation programs at Walden and how much it would cost, in deciding to pursue doctoral degrees through Walden rather than through other educational institutions.

364. Plaintiff and the Class were injured in fact and suffered actual damages as a result of their reliance on Defendants' advertisements and representations with respect to the time it would take to complete their doctoral dissertation programs at Walden and how much it would cost. Defendants' wrongful conduct was the direct and proximate cause of the injuries to Plaintiff and the Class. Because of Defendants' fraudulent conduct, Plaintiff and the Class have incurred costs they would not have otherwise incurred, such as out-of-pocket costs and student-loan debt for tuition, fees, and other items. Additionally, because of Defendants' fraudulent conduct, Plaintiff and the Class have amassed credits at Walden that they cannot transfer to another educational institution because the institutions will not accept them, and that some states will not recognize for the purpose of professional licensing.

365. Had Plaintiff and the Class been aware of these misrepresentations and defects in Walden's program, they would not have pursued the doctoral degrees through

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 90 of 93

Walden. Plaintiff and the Class did not receive the benefit of their bargain as a result of Defendants' misconduct.

366. Pursuant to Minn. Stat. § 8.31, subd. 3a, Plaintiff and the Class seek actual damages, attorneys' fees, and any other just and proper relief available under the Minnesota Prevention of Consumer Fraud Act.

367. An action by Plaintiff and the Class under the MCFA would benefit the public. *E.g., Collins v. Minn. Sch. Of Bus.*, 655 N.W.2d 320, 330 (Minn. 2003).

COUNT VI Unjust Enrichment Against Walden

368. Plaintiffs reallege and incorporate all the preceding allegations by reference as if set forth fully herein.

369. Plaintiffs bring this cause of action, in the alternative, on behalf of a Nationwide Class under Minnesota common law. Walden has engaged in unjust conduct, to the detriment of Plaintiffs and each member of the Nationwide Class.

370. Plaintiffs and each member of the Nationwide Class provided significant value to Walden in the form of tuition payments for doctoral dissertation courses—part of which, on information and belief, ultimately went to Laureate in the form of profits.

371. Walden appreciated or had knowledge of the benefit received by retaining the money paid by Plaintiffs and each member of the Nationwide Class.

372. Although Walden accepted the tuition payments and retained and received benefit therefrom, it did not provide students with the doctoral process that was promised and expected in connection with the payment of the tuition. On the contrary, Walden

CASE 0:16-cv-04402 Document 1 Filed 12/29/16 Page 91 of 93

intentionally and deliberately used the dissertation process as a means of improperly extracting tuition and generating revenue and, on information and belief, eventually profit. Walden has intentionally and knowingly created and implemented a dissertation process that is fraught with inefficiencies and spurs inordinate turnover of faculty and supervisory committee chairs and members, all meant to ensure that students do not receive the timely responses and attention they were promised. All this was done without honesty or transparency by Walden regarding the actual time and expense it would take to complete the process and obtain a doctoral degree.

373. This unjust conduct on the part of Walden has resulted in its doctoral students enrolling in more dissertation courses than would be necessary but for Walden's scheme. The scheme has also caused certain Nationwide Class members to stop pursuing the dissertation process altogether.

374. Despite their inequitable conduct, Walden has retained the tuition payments, including costs for books, residency, technology fees, and more, made by Walden doctoral students pursuing dissertation coursework, and the profits therefrom.

375. As a result, Walden has been unjustly enriched, to the detriment of Plaintiffs and the members of the Nationwide Class.

376. To the extent Plaintiffs and the Class have no remedy at law to compensate them for the damage caused by Walden's conduct, Plaintiffs and the Class are entitled to return of the benefits they conferred upon Walden and that Walden inequitably retained.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs and members of the Class and Subclasses request that the Court enter an Order or judgment against Walden as follows:

- Certifying this case as a class action and appointing Plaintiffs and their counsel to represent the Class;
- B. Awarding Plaintiffs and other members of the Class damages and all other relief available under the claims alleged;
- C. Awarding Plaintiffs and other members of the Class prejudgment and postjudgment interest as a result of the wrongs complained of herein;
- D. Awarding Plaintiffs and other members of the Class their costs and expenses in this litigation, including reasonable attorneys' fees and other costs of litigation;
- E. Awarding a trebling of damages, where allowed under applicable state law;
- F. Requiring Walden to disgorge the revenue earned through the excessive doctoral-dissertation coursework;
- G. Enjoining Walden from engaging further unlawful conduct as described herein;
- H. Awarding Plaintiffs and other members of the Class restitution; and
- I. Awarding such other relief as the Court deems just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury on all issues so triable.

Dated: December 29, 2016

By: <u>/s/Robert K. Shelquist</u> Robert K. Shelquist, #21310X Eric N. Linsk, #388827 Rebecca A. Peterson, # 392663 LOCKRIDGE GRINDAL NAUEN P.L.L.P. 100 Washington Avenue S., Suite 2200 Minneapolis, MN 55401 Telephone: (612) 339-6900 Facsimile: (612) 339-0981

Bill Sieben, #100808 Alicia N. Sieben, #0389640 SCHWEBEL GOETZ & SIEBEN 80 South Eighth Street, Suite 5120 Minneapolis, MN 55402 Telephone: (612) 377-7777 Facsimile: (612) 333-6311

ATTORNEYS FOR PLAINTIFFS

JS 44 (Rev. 12/12)

CASE 0:16-cv-044 Civerent in 1 Page 1 of 1 Page 1 of 1

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. *(SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)*

| I. (a) PLAINTIFFS AARON BLEESS | | | | DEFENDANTS WALDEN UNIVERSITY, LLC; LAUREATE INTERNATIONAL UNIVERSITIES D/B/A LAUREATE EDUCATION INC. | | | |
|--|--|--|--|--|--|--|--|
| (b) County of Residence of First Listed Plaintiff <u>Todd County, MN</u> (EXCEPT IN U.S. PLAINTIFF CASES) | | | | _ County of Residence NOTE: | (IN U.S. PLAINTIFF CASES O | ASES, USE THE LOCATION OF | |
| (c) Attorneys (Firm Name, Address, and Telephone Number) Robert Shelquist, Eric Linsk, LOCKRIDGE GRINDAL NAUEN PLLP, 10 Washington Ave. South, Ste 2200, Minneapolis, MN 55401, Telephone: 61: 6900 Bill Sieben, Alicia Sieben, SCHWEBEL GOETZ & SIEBEN, 80 South Eig Ste 5120, Minneapolis, MN 55402, Telephone: 612-377-7777 | | | | | | | |
| II. BASIS OF JURISDICTION (Place an "X" in One Box Only) III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Pl | | | | | | | |
| □ 1 U.S. Government Plaintiff | | | | (For Diversity Cases Only) and One Box for Defendant) PTF DEF Citizen of This State □ 1 Incorporated or Principal Place □ 4 Of Business In This State | | | |
| 2 U.S. Government Defendant | ☑ 4 Diversity (Indicate Citizenship of Parties in Item III) | | | Citizen of Another State Citizen or Subject of a | of Business In A | Principal Place ☐ 5 ⊠ 5 Another State ☐ 6 ☐ 6 | |
| | | | | Foreign Country | | | |
| IV. NATURE OF SUIT (Place an "X" in One Box Only) CONTRACT TORTS | | | | FORFEITURE/PENALTY | BANKRUPTCY | OTHER STATUTES | |
| 110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment & Enforcement of Judgment 151 Medicare Act 152 Recovery of Defaulted Student Loans | PERSONAL INJURY ☐ 310 Airplane ☐ 315 Airplane Product Liability ☐ 320 Assault, Libel & | PERSONAL INJURY 365 Personal Injury - Product Liability 367 Health Care/ Pharmaceutical Personal Injury Product Liability 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage Product Liability | | 625 Drug Related Seizure of Property 21 USC 881 690 Other | DATABLE TET OTHERGUTTET 422 Appeal 28 USC 158 375 False Claims Act 423 Withdrawal 400 State Reapportionment 28 USC 157 410 Antitrust 430 Banks and Banking PROPERTY RIGHTS 450 Commerce 820 Copyrights 460 Deportation 830 Patent 470 Racketeer Influenced a Corrupt Organizations 480 Consumer Credit | | |
| (Excludes Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise | ☐ 345 Marine Product Liability ☐ 350 Motor Vehicle ☐ 355 Motor Vehicle Product Liability ☐ 360 Other Personal Injury ☐ 362 Personal Injury - Medical Malpractice | | | LABOR The second standards The | SOCIAL SECURITY 861 HIA (1395ff) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI 865 RSI (405(g)) | 490 Cable/Sat TV 850 Securities/Commodities/ Exchange 890 Other Statutory Actions 891 Agricultural Acts 893 Environmental Matters 895 Freedom of Information Act 896 Arbitration | |
| REAL PROPERTY 210 Land Condemnation | CIVIL RIGHTS | PRISONER PETIT Habeas Corpus: | TIONS | 791 Employee Retirement Income Security Act | FEDERAL TAX SUITS 870 Taxes (U.S. Plaintiff | 899 Administrative Procedure Act/Review or Appeal of | |
| 220 Foreclosure 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability 290 All Other Real Property | 441 Voting 442 Employment 443 Housing/ Accommodations 445 Amer. w/Disabilities Employment 446 Amer. w/Disabilities Other 448 Education | ☐ 463 Alien Detaine ☐ 510 Motions to Vasentence ☐ 530 General | other control of the second se | IMMIGRATION 462 Naturalization Application 465 Other Immigration Actions | or Defendant) 871 IRS—Third Party 26 USC 7609 | Agency Decision 950 Constitutionality of State Statutes | |
| V. ORIGIN (Place an "X" in One Box Only) △ 1 Original 2 Removed from 3 Remanded from Proceeding State Court Appellate Court ↓ 4 Reinstated or Reopened ↓ 5 Transferred from ↓ 6 Multidistrict Another District Litigation | | | | | | | |
| VI. CAUSE OF ACTION | | | | | | | |
| VII. REQUESTED IN COMPLAINT: Image: Check if this is a class action UNDER RULE 23, F.R.Cv.P. DEMAND \$ 5,000,000+ CHECK YES only if demanded in complain JURY DEMAND: CHECK YES only if demanded in complain UNDER RULE 23, F.R.Cv.P. | | | | | | | |
| VIII. RELATED CASE(S) IF ANY (See instructions): JUDGE Judge Doty and Magistrate Judge Menendez DOCKET NUMBER 16-CV-4037-DSD-KMM | | | | | | | |
| DATE | SIGNATURE OF ATTO | | | OF RECORD | | | |
| 12/29/2016 FOR OFFICE USE ONLY | | s/Robert K. Shel | quist | | | | |
| RECEIPT # AMOUNT APPLYING IFP | | | JUDGE | MAG. JUE | DGE | | |