

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN

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ELIZABETH LAUBER and JAIME YANEZ,  
on behalf of themselves and a class consisting  
of all of those similarly  
situated, and CARRIE McCLUSKEY,

Plaintiffs,

Case No. 2:09-cv-14345-MAG-MKM  
Hon. Mark A. Goldsmith

v.

BELFORD HIGH SCHOOL, BELFORD UNIVERSITY,  
EDUCATION SERVICES PROVIDER, INC.,  
INTERNATIONAL ACCREDITATION AGENCY FOR  
ONLINE UNIVERSITIES, UNIVERSAL COUNCIL FOR  
ONLINE EDUCATION ACCREDITATION,  
ZUNCH WORLDWIDE, INC., ZUNCH CHINA, INC.,  
MELVILLE P. CROWE, DAN ROBERTSON,  
SYDNEY GOLDSTEIN, KEN CALVERT,  
WILLIAM J. McTIERNEN, SALEM KURESHI,  
and JOHN DOES 1-35,

Defendants.

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**THIRD AMENDED COMPLAINT AND JURY DEMAND**

Plaintiffs Elizabeth Lauber and Jaime Yanez, on behalf of themselves and the class of those similarly situated, and Plaintiff Carrie McCluskey, on behalf of herself, by and through their attorneys, The Googasian Firm, P.C., allege as follows:

**NATURE OF ACTION**

1. This is a class action seeking injunctive relief, damages and other remedies for Plaintiffs and a class of similarly situated individuals.
2. In this civil action, Plaintiffs seek recovery due to an Internet scam perpetrated upon each of them and on other similarly situated persons seeking a high school diploma. Due to the fraud, Plaintiffs and the class of thousands of similarly situated individuals who have sought to better

themselves through completion of their high school education are owed millions of dollars in damages arising from payment of tuition to the operators of a purported online high school program that does not really administer legitimate equivalency tests or confer legitimate academic credentials.

3. Belford High School holds itself out to be a legitimate high school offering legitimate equivalency tests and offering valid, accredited high school diplomas via the Internet, when in fact it is not.

4. Plaintiffs Elizabeth Lauber, Jaime Yanez, and each of the Plaintiffs in the class of similarly situated individuals contracted with Belford High School to obtain the accredited and valid high school diploma Defendants represented Belford High School would provide them. Defendants Belford High School and International Accrediting Agency for Online Universities (“IAAOU”) represented to Plaintiffs and the public that IAAOU is an accrediting agency and that Belford High School is accredited by IAAOU. Defendants Belford High School and Universal Council for Online Education Accreditation (“UCOEA”) represented to Plaintiffs and the public that UCOEA is an accrediting agency and that Belford High School is accredited by UCOEA. Upon information and belief, Belford High School is a sham, and the supposed accrediting agencies it lists are either utterly fictitious entities or are active participants in this fraud.

#### **PARTIES, JURISDICTION AND VENUE**

5. At all relevant times, Plaintiff Elizabeth Lauber (“Lauber”) was a resident and citizen of Bay City, Michigan.

6. At all relevant times, Plaintiff Jaime Yanez was a resident and citizen of Sacramento, California.

7. At all relevant times, Plaintiff Carrie McCluskey (“McCluskey”) was a resident and

citizen of Flint Michigan.

8. At all relevant times, Defendant Belford High School was a foreign corporation doing business via interactive websites [www.belfordhighschool.com](http://www.belfordhighschool.com) and [www.belfordhighschool.org](http://www.belfordhighschool.org), around the United States and Michigan with its principal offices, on information and belief, at 5715 Will Clayton Parkway, #1301, Humble, Texas 77338.

9. At all relevant times, Defendant Belford University was a foreign corporation doing business via interactive websites [www.belforduniversity.org](http://www.belforduniversity.org) and [www.belforduniversity.net](http://www.belforduniversity.net) throughout the United States and in Michigan, with its principal offices, on information and belief, at 5715 Will Clayton Parkway, #1301, Humble, Texas 77338.

10. At all relevant times, Defendant Education Services Provider, Inc. (“Education Services Provider”), was a foreign corporation doing business via an interactive website [www.educationsp.com](http://www.educationsp.com) throughout the United States and in Michigan. Upon information and belief, Education Services Provider had its principal offices at 8721 Santa Monica Blvd, Suite 1079, West Hollywood, CA 90069.

11. At all relevant times, Defendant International Accreditation Agency For Online Universities (“IAAOU”) was or was held to be an accrediting agency doing business via an interactive website at [www.iaaou.org](http://www.iaaou.org) throughout the United States and in Michigan.

12. At all relevant times, Defendant Universal Council For Online Education Accreditation (“UCOEA”) was or was held out to be an accrediting agency doing business via an interactive website at [www.ucoea.org](http://www.ucoea.org) throughout the United States and in Michigan.

13. At all relevant times, Defendant Zunch Worldwide, Inc., was a corporation organized under the laws of the State of Texas, and can be served with legal process through its registered

agent, James Sadler, at 15770 North Dallas Parkway, Suite 450, Dallas, Texas, 75248.

14. At all relevant times, Defendant Zunch China, Inc. was, upon information and belief, a foreign corporation organized under the laws of the state of Texas, and can be served with legal process through its registered agent, John G. Sanchez, at 15770 North Dallas Parkway, Suite 450, Dallas, Texas, 75248.

15. Defendant Melville P. Crowe is or was identified as the President of Belford High School and Belford University.

16. Defendant Dan Robertson is or was identified as the “Superintendent” of Belford High School.

17. Defendant Sydney Goldstein is or was identified as “Administration Head” of Belford High School.

18. Defendant William J. McTiernen is or was identified as Registrar of Belford High School.

19. Defendant Ken Calvert is or was identified as the Secretary of the School Board of Belford High School.

20. At all relevant times, Defendant Salem Kureshi operated and controlled Belford High School and Belford University from his home in Karachi, Pakistan.

21. Defendant John Doe #1, whose name is currently unknown, is identified as the Principal of Belford High School.

22. Defendant John Doe #2, whose name is currently unknown, is identified as the President of the School Board of Belford High School.

23. The identities of Defendants John Doe #3 through John Doe #35 are currently

unknown. Defendants John Doe #3 through John Doe #35 are, along with the other Defendants, on information and belief, members of an association in fact under the Racketeer Influenced And Corrupt Organizations (RICO) statutes.

24. Defendants John Does #3-10 established, published to the internet, and maintain the websites at [www.belforduniversity.org](http://www.belforduniversity.org), [www.iaaou.com](http://www.iaaou.com), [www.ucoea.com](http://www.ucoea.com), [www.belfordhighschool.com](http://www.belfordhighschool.com), [www.belfordhighschoolscam.com](http://www.belfordhighschoolscam.com), and [www.belfordhighschool.org](http://www.belfordhighschool.org).

25. Defendants John Does #11-15 established, published to the internet, and maintain [www.educationsp.com](http://www.educationsp.com), the website for Defendant Education Services Provider, Inc., and receive, process, and transfer the funds obtained fraudulently from Plaintiffs and the class.

26. Defendants John Does #16 - 25 answer calls to the toll free numbers provided by Belford High School, Belford University, Education Services Provider, IAAOU and UCOEA, make calls to prospective students, answer online chats, arrange for the sophisticated and coordinated Internet marketing campaign to drive students and traffic to Belford High School and its related websites, coordinate and conduct the internet campaign against this class action lawsuit, and communicate with prospective students, or the schools and employers to which they have attempted to apply their diploma, and are otherwise involved in the scheme.

27. Defendants John Does #26-30 prepare and print the high school diploma packets sent to Plaintiffs and the class.

28. Defendants John Does #31-35 mail or otherwise transmit the high school diploma packets to Plaintiffs and the class.

29. From at least 2003 to the present, Defendants acting in concert have defrauded a class of current and former students by representing that Belford High School offers valid, accredited high

school diplomas and engaged in a pattern of racketeering activity that included mail, wire fraud, and money laundering.

30. During this period, Defendants have furthered the fraudulent activity by issuing documents purporting to be high school diplomas to a class that numbers, on information and belief, in the thousands around the country, and includes Plaintiffs.

31. Belford High School's fraudulent conduct from early 2003 to the present with regard to its accreditation and diploma granting authority has induced Plaintiffs and, on information and belief, thousands of other similarly situated students to enroll, take online equivalency tests, pay tuition and forego other educational and work opportunities.

32. Plaintiffs are members of a class of similarly situated United States residents who have obtained a Belford High School diploma at a time from January 1, 2003 to the present.

33. This Court has original jurisdiction over this action pursuant to 28 U.S.C. § 1331 and 28 U.S.C. §1332(d).

34. Venue exists pursuant to 28 U.S.C. § 1391(a).

35. The amount in controversy exceeds \$5,000,000 exclusive of interest and costs.

**Class Action Allegations**

36. Plaintiffs hereby incorporate by reference the preceding allegations.

37. Representative Plaintiff Elizabeth Lauber contracted with Belford High School for a valid, accredited high school diploma.

38. Ms. Lauber paid money in order to obtain an accredited high school diploma from Belford High School.

39. Representative Plaintiff Jaime Yanez contracted with Belford High School for a valid,

accredited high school diploma.

40. Mr. Yanez paid money in order to obtain an accredited high school diploma from Belford High School.

41. The Class includes all students who, like Ms. Lauber and Mr. Yanez, reside in the United States and who have obtained a Belford High School diploma at any time from January 1, 2003 to the present.

42. On information and belief, the Class includes thousands of similarly situated persons from around the country.

43. The Class is so numerous that joinder of all members is impracticable.

44. There are questions of law or fact common to the members of the Class that predominate over questions affecting only individual members and a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

45. The claims of the representative plaintiffs are typical of the claims of the other members of the Class.

46. The representative plaintiffs will fairly and adequately assert and protect the interests of the Class.

47. The maintenance of the action as a class action will be superior to other available methods of adjudication in promoting the convenient administration of justice.

**General Allegations regarding Zunch**

48. Plaintiffs incorporate by reference the preceding allegations.

49. Defendant Zunch Worldwide, Inc. and/or Defendant Zunch China, Inc. (collectively, “the Zunch Defendants”) are, upon information and belief, corporations that are successors in

interest to another entity, Zunch Communications, Inc. (“Zunch Communications”).

50. The Zunch Defendants, upon information and belief, are legally responsible for the actions of Zunch Communications.

51. On information and belief, Zunch Communications has shared such a unity of interest and ownership with one or both of the Zunch Defendants that its separate status as a corporation ceased to exist.

52. On information and belief, Zunch Communications is and has been a mere instrumentality or a device to avoid legal obligations of the Zunch Defendants.

53. Upon information and belief, the Zunch Defendants, directly and/or by and through Zunch Communications, have conspired with Defendant Belford High School and the other Defendants identified herein to help Belford High School’s websites become more visible to the target market of people interested in a GED program and/or earning a high school diplomas, even though Belford High School is not a legitimate and accredited high school.

54. Upon information and belief, the Zunch Defendants, directly and/or by and through Zunch Communications, have provided so-called search engine optimization to further these improper goals.

55. For example, the Zunch Defendants, directly and/or by and through Zunch Communications, have issued a press release announcing the “conducting” of “search engine optimization services for Belford High School ([www.belfordhighschool.com](http://www.belfordhighschool.com)), an affordable high school diploma program that allows professionals and working adults to earn a high school diploma on the basis of prior life experience or online equivalency test.”

56. The press release quotes an agent or employee of the Zunch Defendants, stating,



“Belford High School is an accredited online high school program that is committed to providing its students with a quality education. Our search engine optimization team is excited and looking forward to improving its online visibility.”

57. The press release further states, “Students can receive an accredited high school diploma without admission in high school, attending classes or submitting assignments within seven days.”

58. The Zunch Defendants further state that “Belford High School is the only fully accredited high school providing high school diplomas based on life experiences or online equivalency test. Its high school diploma program provide[s] a rich learning experiences for working adults without requiring them to attend classes or take admission in a high school.”

59. The Zunch Defendants’ statements regarding Belford High School’s accreditation and the education it provides to students are false.

60. Upon information and belief, the Zunch Defendants have implemented and maintained a variety of search engine optimization tactics to assist Defendants, including, but not limited to, researching popular keywords people use when conducting an online search and positioning Belford High School to better incorporate these keywords into Belford High School’s website copy and structure.

61. Upon information and belief, the Zunch Defendants assist Defendants in using search engine optimization to cause adults seeking GED programs and other means of completing high school requirements to be directed to Defendant Belford High School’s websites, where Defendants falsely represented that Belford High School was a legitimate and accredited high school program offered online.

62. Upon information and belief, the Zunch Defendants provide regular reports to Defendants containing information regarding the success of their efforts to mislead adults seeking GED programs and other means of completing high school requirements, including, but not limited to, where Belford High School's website ranked in search engines and regarding optimization of keywords.

**General Allegations regarding Belford's Scheme**

63. Plaintiffs incorporate by reference the preceding allegations.

64. The term "Defendants" herein refer to Defendants Belford High School, Belford University, Education Services Provider, Inc., IAAOU, UCOEA, Zunch Worldwide, Inc., Zunch China, Inc., Melville P. Crowe, Dan Robertson, Sydney Goldstein, William J. McTiernen, Ken Calvert, Salem Kureshi, and John Does #1-35.

65. Defendants are operating an Internet fraud scam and in doing so have deceived numerous students. On information and belief, Defendants have duped thousands of students throughout the United States. On information and belief, Belford is located in Pakistan.

66. Defendants operate a website at [www.belfordhighschool.com](http://www.belfordhighschool.com) that they represent to be connected to a legitimate and accredited high school.

67. At the time of the commencement of this action, Defendants were paying for their website, [www.belfordhighschool.com](http://www.belfordhighschool.com) to appear at the top of a list of sponsored results each time a Google search was performed for "high school diploma," "online high school," "GED," or "online GED."

68. At the time of the commencement of this action, Defendants were paying for their website, [www.belfordhighschool.com](http://www.belfordhighschool.com), to appear in sponsored links results for similar searches on

Yahoo, Dogpile, and other Internet search engines.

69. At the time of the commencement of this action, a search for “online high school” would reveal sponsored results for [www.belfordhighschool.com](http://www.belfordhighschool.com) representing “Become a high school graduate. Earn your diploma at home.”

70. At the time of the commencement of this action, a search for “online GED” would reveal sponsored results for [www.belfordhighschool.com](http://www.belfordhighschool.com) stating “Earn your high school diploma at home and get more than a GED.”

71. Defendants represent to prospective students that Belford High School is accredited.

72. Defendants represent to prospective students that Belford High School “[h]olds valid accreditation from reputable accrediting agencies including IAAOU and UCOEA.”

73. IAAOU and UCOEA, in turn, purport to represent on their websites that Belford High School is fully approved by their “evaluation committee.”

74. Belford High School does not possess any valid accreditation from any reputable accrediting agency.

75. Belford High School appears to be owned and operated by Salem Kureshi and by Belford University, to which graduates of Belford High School are directed for enrollment. Defendants represent that students of Belford High School can obtain valid and accredited college degrees through Belford University. Belford University has profited from these representations.

76. Defendants encourage students to pay for diplomas from Belford High School by representing that students of Belford High School have an advantage in that they can obtain admission to Belford University, at [www.belfordhighschool.com/school/insideBelford.html](http://www.belfordhighschool.com/school/insideBelford.html). According to the website, “[i]n accordance with an alliance agreement, Belford University proudly

offers its life experience degrees to Belford High School graduates.”

77. Defendants represent that Belford University and Belford High School are accredited by IAAOU and UCOEA.

78. The supposed accreditation certificates from IAAOU and UCOEA for Belford High School and Belford University are identical, with the exception of the replacement of the words “High School” with “University.”

79. Defendants falsely represent at [www.belfordhighschool.com/school/why\\_uni.asp](http://www.belfordhighschool.com/school/why_uni.asp) that students can “Get An Accredited High School Diploma Online” from Belford.

80. On information and belief, IAAOU is a sham organization and fictitious entity created for the purposes of providing the appearance of legitimacy to Belford High School to individuals considering obtaining an online high school diploma through Belford High School and [www.belfordhighschool.com](http://www.belfordhighschool.com) or an online college degree through Belford University at [www.belforduniversity.org](http://www.belforduniversity.org).

81. On information and belief, UCOEA is a sham organization and fictitious entity created for the purposes of providing the appearance of legitimacy to Belford High School to individuals considering obtaining an online high school diploma through Belford High School and [www.belfordhighschool.com](http://www.belfordhighschool.com) or an online college degree through Belford University at [www.belforduniversity.org](http://www.belforduniversity.org).

82. UCOEA is not recognized by the United States Department of Education.

83. IAAOU is not recognized by the United States Department of Education.

84. Defendants falsely represent to prospective students that Belford High School’s accreditation by UCOEA and IAAOU provides “[a]ssurance that the institution’s diplomas will be

widely accepted by employers, professional associations, other schools, colleges and universities.”

85. Defendants falsely represent that IAAOU and UCOEA are the same as legitimate accrediting agencies like the North Central Association of Colleges and Schools, Middle States Association of Colleges and Schools, and other similar organizations, stating “[a]ll these boards and agencies are well-known and institutions receiving their accreditation hold the same level of credibility and recognition worldwide.” [www.belfordhighschool.org/school/accredit.html](http://www.belfordhighschool.org/school/accredit.html).

86. Defendants falsely represent that “Belford High School is an accredited institution recognized by two renowned accreditation agencies for on-line education, namely the International Accrediting Agency for Online Universities (IAAOU) and Universal Council for Online Education Accreditation (UCOEA). When you get a high school diploma from Belford, you benefit from having the recognition of these accrediting agencies.” [www.belfordhighschool.com/school/accredit.html](http://www.belfordhighschool.com/school/accredit.html).

87. The representation that IAAOU and UCOEA are “renowned accreditation agencies for on-line education” is false. On information and belief, IAAOU and UCOEA are fictitious entities created to give Belford High School the appearance of legitimacy to prospective students.

88. Neither IAAOU and UCOEA appear to have a physical address.

89. Belford’s website, [www.belfordhighschool.com](http://www.belfordhighschool.com), depicts a building with the name “Belford High School” on the side, representing that an actual building exists housing Belford and its campus. On information and belief, this representation is false because no such school building or campus exists.

90. Defendants falsely represent that Belford High School has an actual campus and offers jobs. “Belford offers exciting and prestigious job prospects to its students. The university has

a variety of on campus and off campus jobs and internship opportunities that students can explore,” according to [www.belfordhighschool.com/school/insideBelford.html](http://www.belfordhighschool.com/school/insideBelford.html).

91. On information and belief, neither Belford High School nor Belford University has a campus, and neither offers internships or jobs.

92. Defendants represent on the Belford High School website (at [www.belfordhighschool.com/school/insideBelford.html](http://www.belfordhighschool.com/school/insideBelford.html)) that a letter is printed from Belford University President and Defendant Melville P. Crowe. The letter invites Belford High School students to enroll at Belford University. The signature matches the purported signature of the “President” of Belford High School contained on documents sent to students through the mails.

93. Defendants falsely represent that Belford High School “deliver[s] superior quality education through the internet.”

94. Defendants falsely represent that Belford High School will permit students to obtain “a credible high school diploma.”

95. On information and belief, Defendants also operate [www.belfordhighschoolscam.com](http://www.belfordhighschoolscam.com), which purports to be an independent site providing unbiased information about Belford High School. The site is another sham set up by Defendants to deceive students and to direct them to obtain their high school diploma from [www.belfordhighschool.com](http://www.belfordhighschool.com).

96. Defendants, through [www.belfordhighschoolscam.com](http://www.belfordhighschoolscam.com), falsely represent that an education at Belford High School is “worth [a student’s] money, time and effort”:

High school is most imperative aspect of anyone’s education life. . . . Many employers and educational institutes give high school diploma and institution from where it has been taken a lot of importance. . . . An education institute, whose objective is to make education available to everyone, can never do anything unauthentic or dubious. So if you are planning to take your high school diploma

from Belford High School, go for it. It is worth your money, time and effort.

97. Defendants falsely represent to prospective students that Belford High School “[i]s the only fully accredited high school providing high school diplomas based upon your life experience or online equivalency test.” [www.belfordhighschool.com/school/why\\_uni.asp](http://www.belfordhighschool.com/school/why_uni.asp). This representation is false because Belford High School is not accredited and does not provide valid high school diplomas and the online test it offers is not the equivalent of a GED test.

98. Following the filing of this lawsuit, Defendants, including John Does 16-25, furthered the fraudulent scheme by establishing several new websites, including [www.googasian.org](http://www.googasian.org), [www.googasianmalice.com](http://www.googasianmalice.com), [www.googasian.net](http://www.googasian.net), [www.deangoogasian.com](http://www.deangoogasian.com), [www.deangoogasian.org](http://www.deangoogasian.org), [www.deangoogasian.net](http://www.deangoogasian.net), [www.thomashowlett.com](http://www.thomashowlett.com), [www.thomashowlett.net](http://www.thomashowlett.net), [www.thomashowlett.org](http://www.thomashowlett.org), denouncing this suit and attempting to convince prospective victims of the scam that Belford High School is a legitimate high school.

99. Defendants, including John Does 16-25, are also conducting search engine optimization to drive potential victims to these sites in their continued attempt to convince victims that Belford High School and its diplomas are legitimate, recognized, accredited and universally accepted.

100. After prospective students inquire about the school online, they are contacted by one or more Defendants who assure students by phone that the Belford High School diploma they will receive is accredited and universally accepted.

101. Students who complain to Defendants after having their Belford High School diplomas rejected are told to complete numerous steps designed to discourage them from pursuing

refunds.

102. Even after students comply with all the requirements set up by Belford High School to discourage them from pursuing refunds, Belford High School refuses to provide refunds.

103. When students are charged for the diploma, charges are made by and paid to Defendant Education Services Provider. These charges appear on credit and debit card statements transmitted electronically and/or through the mails as charges to “educationsp.com.” Education Services Provider represents itself as a provider of consulting and other educational services.

104. Plaintiffs have reasonably relied on Defendants’ many misrepresentations.

105. In or about May 2006, Representative Plaintiff Elizabeth Lauber searched online for online high school programs.

106. Ms. Lauber’s search brought up the website [www.belfordhighschool.com](http://www.belfordhighschool.com) and other websites.

107. Ms. Lauber took Belford’s online test.

108. After passing the online test, Belford sent Ms. Lauber an e-mail advising that she had passed the test and providing information about how she could obtain her diploma.

109. Ms. Lauber’s diploma was paid for via money order.

110. Belford sent a package to Ms. Lauber at her home in Bay City. The package received in the mail from Belford High School was comprised of a folder containing several documents, including a purported certification, diploma, and other documents.

111. The package received in the mail from Belford High School contained a certification dated May 24, 2006, purportedly signed by Defendant Melville P. Crowe and Defendant William J. McTiernen.



112. The package mailed by Belford High School contained a purported diploma from “Belford High School,” stating “[u]pon recommendation of the Faculty, and by virtue of its vested authority, the Belford School Board confers upon Elizabeth Lauber the respectable High School Diploma.”

113. The “diploma” purports to show signatures from a superintendent, principal, president of the school board, and secretary of the school board. Upon information and belief, none of the signatures purporting to be that of Melville P. Crowe, William McTiernen, Dan Robertson, Ken Calvert, or Sydney Goldstein actually were written by any such individuals.

114. Defendant Dan Robertson purportedly signed the diploma as Superintendent.

115. Defendant Ken Calvert purportedly signed the diploma as Secretary of the School Board of Belford High School.

116. Defendant John Doe #1 purportedly signed the diploma as the Principal of Belford High School.

117. Defendant John Doe #2 purportedly signed the diploma as President of the School Board of Belford High School.

118. The package contained other documents purportedly signed by Sydney Goldstein, who is identified as “Administration Head.”

119. In early April 2009, Plaintiff Carrie McCluskey began to search online for a high school diploma program or GED program.

120. The search brought up [www.belfordhighschool.com](http://www.belfordhighschool.com).

121. Ms. McCluskey clicked on the search result for [www.belfordhighschool.com](http://www.belfordhighschool.com).

122. Ms. McCluskey took a test online and was then contacted by representatives of

Belford High School, who telephoned her at her home in Michigan.

123. On April 5, 2009, “educationsp.com” debited a \$99 purchase on a debit card held by Ms. McCluskey.

124. On April 6, 2009, “educationsp com” debited a payment of \$137.55 from a card in the name of Ms. McCluskey.

125. After passing what she understood to be the online equivalency test and making the required payments, Ms. McCluskey received a package in the mails from Defendants.

126. The package received in the mail from Belford High School was comprised of a folder containing several documents, including a certification, a diploma, and other documents.

127. The package received in the mail from Belford High School contained a certification dated April 3, 2009, and purportedly signed by Defendant Melville P. Crowe and Defendant William J. McTiernen.

128. The package mailed by Belford High School contained a purported diploma from “Belford High School,” stating “[u]pon recommendation of the Faculty, and by virtue of its vested authority, the Belford School Board confers upon Carrie M McCluskey the respectable High School Diploma.”

129. The “diploma” purports to show signatures from a superintendent, principal, president of the school board, and secretary of the school board. Upon information and belief, none of the signatures purporting to be that of Melville P. Crowe, William McTiernen, Dan Robertson, Ken Calvert, or Sydney Goldstein actually were written by any such individuals.

130. Defendant Dan Robertson purportedly signed the diploma as Superintendent.

131. Defendant Ken Calvert purportedly signed the diploma as Secretary of the School

Board of Belford High School.

132. Defendant John Doe #1 purportedly signed the diploma as the Principal of Belford High School.

133. Defendant John Doe #2 purportedly signed the diploma as President of the School Board of Belford High School.

134. The package contained other documents purportedly signed by Sydney Goldstein, who is identified as "Administration Head."

135. In early March 2009, Jaime Yanez went online looking for information about obtaining a high school diploma or a GED. Mr. Yanez performed a search looking for information about a high school diploma online, and a link to the Belford High School website appeared. Mr. Yanez clicked onto the site where Belford High School represented that it was accredited, and offered legitimate, valid high school diplomas to those who passed on online equivalency test.

136. In reliance on the representations by Defendants that Belford High School was accredited to offer a valid high school diploma, Mr. Yanez decided to proceed to seek a diploma.

137. Defendants charged Mr. Yanez approximately \$250 through Education Services Provider.

138. Defendants then sent a package to Mr. Yanez through a common carrier.

139. The package received in the mail from Belford High School was comprised of a folder containing several documents, including a certification, a diploma, and other documents. Upon information and belief, none of the signatures purporting to be that of Melville P. Crowe, William McTiernen, Dan Robertson, Ken Calvert, or Sydney Goldstein actually were written by any such individuals.

140. The package received through the mails from Belford High School contained a certification dated March 4, 2009, purportedly signed by Defendant Melville P. Crowe and Defendant William J. McTiernen.

141. The package mailed by Belford High School contained a purported diploma from “Belford High School” dated March 4, 2009, stating “[u]pon recommendation of the Faculty, and by virtue of its vested authority, the Belford School Board confers upon Jaime Yanez the respectable High School Diploma.”

142. The “diploma” purports to show signatures from a superintendent, principal, president of the school board, and secretary of the school board.

143. Defendant Dan Robertson purportedly signed the diploma as Superintendent.

144. Defendant Ken Calvert purportedly signed the diploma as Secretary of the School Board of Belford High School.

145. Defendant John Doe #1 purportedly signed the diploma as the Principal of Belford High School.

146. Defendant John Doe #2 purportedly signed the diploma as President of the School Board of Belford High School.

147. The package contained other documents purportedly signed by Sydney Goldstein, who is identified as “Administration Head.”

148. Mr. Yanez requested a refund of the money he paid to Defendants through [www.educationsp.com](http://www.educationsp.com) for his high school diploma, but Defendants have failed and refused to refund his money.

**Count I**

**Breach of Contract**

149. Plaintiffs hereby incorporate by reference the preceding allegations.

150. Defendants entered into express or implied contracts with each Plaintiff under which Belford High School agreed it was authorized and accredited to grant valid high school diplomas to students upon the successful completion of a course of study or testing.

151. Defendants breached their obligations under these contracts because Belford High School was and is not authorized to grant any high school diplomas or any other academic credential, nor was it accredited, nor do employers or academic institutions recognize its diplomas as valid.

152. Plaintiffs have been damaged as a proximate result of Defendants' actions.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against Defendants for whatever damages they are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, attorneys fees, injunctive relief and any other or further relief the Court deems just.

**Count II**

**Fraud**

153. Plaintiffs hereby incorporate by reference the preceding allegations.

154. In order to induce students to enroll at Belford High School, Defendants made material representations outlined above, including but not limited to that: Belford High School was an actual academic institution, Belford High School offered valid high school diplomas, Belford High School was accredited to offer high school diplomas by legitimate accrediting agencies that actually exist, IAAOU was an actual, legitimate accrediting agency with accrediting authority within

the United States, UCOEA is an actual, legitimate accrediting agency with accrediting authority within the United States, Belford High School diplomas would be accepted by employers, and Belford High School diplomas would be recognized by colleges and universities.

155. The representations made by Defendants were false.

156. When making these representations, Defendants knew or should have known the representations were false.

157. Plaintiffs acted upon Defendants' false representations and suffered damages as a result. Among other things, Plaintiffs were induced to enter into contracts with Defendants and to incur financial and other obligations.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, attorneys fees, injunctive relief and any other or further relief the Court deems just.

### **Count III**

#### **Negligent or Innocent Misrepresentation**

158. Plaintiffs hereby incorporate by reference the preceding allegations.

159. Plaintiffs detrimentally relied on one or more false representations made by Defendants.

160. Plaintiffs suffered an injury as a result of their reliance.

161. Plaintiffs' reliance was such that the injury they suffered inured to Defendants'

benefit.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, attorneys fees, injunctive relief and any other or further relief the Court deems just.

**Count IV**

**Promissory Estoppel**

162. Plaintiffs hereby incorporate by reference the preceding allegations.

163. Defendants made promises alleged above to Plaintiffs including, but not limited to, that Belford High School was accredited, Belford High School had the authority to grant high school diplomas or other academic credentials, and that the high school diplomas offered by Belford High School are valid and recognized by employers and other academic institutions.

164. Defendants' promises were definite and clear.

165. Defendants should have reasonably expected to induce action of a definite and substantial character on the part of Plaintiffs.

166. Plaintiffs acted in reliance on Defendants' promises as outlined above, including by applying for admission, enrolling, paying tuition, and taking other actions all in the manner the Defendants expected.

167. Defendants' promises must be enforced if injustice is to be avoided.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs

and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, attorneys fees, injunctive relief and any other or further relief the Court deems just.

**Count V**

**Unjust Enrichment/Breach of Quasi-contract**

168. Plaintiffs hereby incorporate by reference the preceding allegations.

169. Defendants have received benefits from Plaintiffs in the form of tuition and fees, among other benefits.

170. It is inequitable to allow Defendants to retain these benefits granted to them by Plaintiffs.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, attorneys fees, injunctive relief and any other or further relief the Court deems just.

**Count VI**

**Equitable Estoppel**

171. Plaintiffs hereby incorporate by reference the preceding allegations.

172. Defendants, by representations, admissions or silence intentionally or negligently induced Plaintiffs to believe facts alleged above, including but not limited to the facts that Belford High School was accredited, Belford High School had the authority to grant high school diplomas



or other academic credentials, and that the high school diplomas offered by Belford High School are valid and recognized by employers and other academic institutions.

173. Plaintiffs justifiably relied and acted in belief of those facts.

174. Plaintiffs will be prejudiced if Defendants are permitted to assert any statute of limitations defenses when their fraud and misrepresentation were concealed from Plaintiffs.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against Defendants, for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, attorneys fees, injunctive relief and any other or further relief the Court deems just.

#### **Count VII**

#### **Concert of Action**

175. Plaintiffs hereby incorporate by reference the preceding allegations.

176. Defendants acted in concert to defraud and deceive Plaintiffs.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, attorneys fees, injunctive relief and any other or further relief the Court deems just.

#### **Count VIII**

#### **Racketeer Influenced and Corrupt Organizations Act (RICO)**

177. Plaintiffs hereby incorporate by reference the preceding allegations.

178. An enterprise existed including Defendants and others operating as an association in fact in conducting a pattern of racketeering activity.

179. Defendants and others operated the association in fact to conduct the pattern of racketeering activities through coordinated activities and a sophisticated fraudulent scheme involving several interrelated websites, organizations and entities. Specifically, Defendants established websites for Belford High School and represented to the public and prospective students that Belford High School offered accredited valid high school diplomas. Defendants furthered these false representations by establishing websites for supposed accrediting bodies at [www.iaaou.org](http://www.iaaou.org) and [www.ucoea.org](http://www.ucoea.org) intended to legitimize Belford High School in the eyes of prospective students, as well as the employers and colleges to whom the Belford High School diplomas would be presented for recognition. Defendants obtained funds from students through charges that were sought and accepted by Education Services Provider, Inc., at [www.educationssp.com](http://www.educationssp.com), and the funds obtained were used to further the enterprise by paying for sponsored links and other online advertising aimed at ensuring that students searching for information about GED or high school diplomas were directed to [www.belfordhighschool.com](http://www.belfordhighschool.com) and [www.belfordhighschool.org](http://www.belfordhighschool.org), and from there to [www.belforduniversity.org](http://www.belforduniversity.org). The association also includes individuals whose identities are currently unknown who staff the toll free phones used to further the fraud and to encourage students to pay the money, those individuals with live chats on the websites, and those who set up and maintain the websites.

180. The enterprise had a common purpose and ongoing structure or organization supported by Defendants and others, and is distinct from Defendants and the pattern of racketeering

activity.

181. Defendants conducted and participated in the conduct of the association in fact enterprise through a pattern of racketeering activity, including mail fraud, wire fraud, and money laundering in violation of 18 U.S.C. §1962(c) and conspired to conduct the enterprise through a pattern of racketeering activity in violation of 18 U.S.C. §1962(d).

182. Defendants, through the commission of two or more predicate acts including acts of mail fraud, wire fraud and money laundering that occurred within ten years of each other, engaged in a pattern of racketeering activity.

183. The enterprise affects interstate or foreign commerce.

184. Defendants engaged and conspired to engage in a scheme to defraud through a pattern of racketeering activity, and Defendants used the mails and interstate wires in furtherance of the fraud, and engaged in money laundering with the proceeds of the fraudulent scheme.

185. For each transaction Defendants engaged in with each Class member from at least the beginning of 2003 to the present, it was foreseeable that the mails could be used to advance the fraudulent scheme.

186. Defendants engaged and conspired to engage in a scheme to defraud, and Defendants used interstate electronic communications in furtherance of the scheme.

187. For each transaction Defendants engaged in with each Class member, it was foreseeable that a wire communication would be used to advance the fraudulent scheme.

188. Ms. Lauber, Mr. Yanez and all Class members were injured in their business or property as a result of the pattern of racketeering activity.

189. The mailing of the high school diploma packages to Ms. Lauber, Mr. Yanez, and

each similarly situated class member was an act of mail fraud. Defendants, having devised a scheme to defraud and for the purpose of executing the scheme or attempting to do so, placed false high school diploma documents in a post office or authorized depository or to be delivered by a private or commercial interstate carrier.

190. The May 24, 2006 mailing of the diploma package to Ms. Lauber was an act of mail fraud.

191. The April 3, 2009 mailing of the diploma package to Ms. McCluskey was an act of mail fraud.

192. Each of the two charges to Ms. McCluskey's debit cards by Education Service Provider, on April 5, 2009 and April 6, 2009 respectively, and the charges to each similarly situated class member was an act of wire fraud, using an interstate electronic communication in furtherance of the fraud.

193. Each of the charges to Ms. McCluskey's debit cards also constitutes a separate act of wire and mail fraud because each charge was made with the knowledge that the use of the mails and wires would occur in the ordinary course of business as a result of the transactions.

194. The mailing of the diploma package to Mr. Yanez was an act of mail fraud.

195. The credit card charge for Mr. Yanez's diploma was an act of wire fraud, and caused a separate act of mail or wire fraud in furtherance of the scheme because the charge was made with the knowledge that use of the mails and wires would occur in the ordinary course of business.

196. On information and belief, Defendants, and Education Services Provider in particular, wired or mailed the funds relating to each Class member's transactions to the enterprise, an additional act of mail or wire fraud, or both.

197. Defendants knowingly engaged in monetary transactions involving criminally derived property of a value greater than \$10,000.

198. Each of the telephone conversations with Class members prior to their purchase assuring them that the high school diploma was authentic, valid, and accredited, was an act of wire fraud.

199. Each of the telephone conversations with Class members subsequent to their purchase lulling them by reassuring them that the high school diploma was authentic, valid, and accredited was an act of wire fraud.

200. Each of the identical high school diploma packets contained a document certifying that the student had been awarded a high school diploma that instructed employers, schools and others want verification of the diploma to access the Belford High School Website. "If you'd like to personally verify [the student]'s academic documents, enter the provided graduate ID and Password in the link given below: <http://www.belfordhighschool.org/verification/>".

201. Each of the packets contained a graduate ID and password to permit "verification" of the diploma.

202. Defendants knew that employers, colleges and others wishing to verify the diploma would log onto the [www.belfordhighschool.com](http://www.belfordhighschool.com) site following these instructions from Defendants, and that wire transactions would result.

203. WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, attorneys fees, injunctive relief and any other or further

relief the Court deems just.

**Count IX**

**Civil Conspiracy**

204. Plaintiffs hereby incorporate by reference the preceding allegations.

205. Beginning at least 2003, Defendants actively participated in a scheme to defraud Plaintiffs.

206. During this period, agents and employees of Defendants engaged in concerted action to continue the scheme to defraud Plaintiffs.

WHEREFORE, Plaintiffs request that this Court enter judgment in their favor, and against Defendants for whatever damages Plaintiffs are found to be entitled to recover, plus interest, costs and attorney's fees, including, but not limited to, direct damages, incidental damages, consequential damages, exemplary damages, attorneys fees, injunctive relief and any other or further relief the Court deems just.

WHEREFORE, Plaintiffs respectfully request that the Court enter an order:

- certifying this case as a class action;
- ordering the relief permitted by 18 U.S.C. 1964(a), including ordering that any person involved divest himself or herself of any direct or indirect interest in any enterprise including but not limited to ownership or rights to any domain name mentioned in this Complaint, imposing reasonable restrictions on the future activities or investments of those involved, prohibiting any person from engaging in the same type of behavior as the enterprise engaged in, ordering dissolution or reorganization of any enterprise, and making due provisions for the rights of innocent persons.

- Immediately and permanently enjoining Defendants and their employees, agents, partners, officers, directors, owners, servants, attorneys, shareholders, principals, subsidiaries, related companies, affiliates, distributors, dealers, and all persons in active concert or participation with any of them from using the names “Belford High School,” “Belford University,” “Googasian,” or “Howlett” and any other marks or names that are similar to Belford High School, Belford University, Googasian or Howlett, or as part of, a trademark, trade name, logo, corporate name, business name, e-mail address, domain name or text on a website, URL, metatag, or other name, mark, advertisement, posting, or identifier;

Permanently enjoining Defendants, their employees, agents, partners, officers, directors, owners, servants, attorneys, shareholders, principals, subsidiaries, related companies, affiliates, distributors, dealers, and all persons in concert or participation with any of them, as well as domain name registrars, server hosts, and servers, from operating or hosting the following websites:

- [www.belfordhighschool.com](http://www.belfordhighschool.com)
- [www.belfordhighschool.org](http://www.belfordhighschool.org)
- [www.iaaou.org](http://www.iaaou.org)
- [www.ucoea.org](http://www.ucoea.org)
- [www.belforduniversity.org](http://www.belforduniversity.org)
- [www.educationsp.com](http://www.educationsp.com)
- [www.googasian.net](http://www.googasian.net), [www.googasian.org](http://www.googasian.org), [www.googasianmalice.com](http://www.googasianmalice.com),
- [www.deangoogasian.com](http://www.deangoogasian.com), [www.deangoogasian.net](http://www.deangoogasian.net), [www.deangoogasian.org](http://www.deangoogasian.org)
- [www.thomashowlett.com](http://www.thomashowlett.com), [www.thomashowlett.net](http://www.thomashowlett.net), [www.thomashowlett.org](http://www.thomashowlett.org),
- [www.carriemccluskey.com](http://www.carriemccluskey.com)

- awarding ownership and all rights of the following domain names  
[www.belfordhighschool.com](http://www.belfordhighschool.com), [www.belfordhighschool.org](http://www.belfordhighschool.org), [www.iaaou.org](http://www.iaaou.org), [www.ucoea.org](http://www.ucoea.org),  
[www.belforduniversity.org](http://www.belforduniversity.org), [www.educationsp.com](http://www.educationsp.com), [www.googasian.net](http://www.googasian.net), [www.googasian.org](http://www.googasian.org),  
[www.googasianmalice.com](http://www.googasianmalice.com), [www.deangoogasian.com](http://www.deangoogasian.com), [www.deangoogasian.net](http://www.deangoogasian.net),

www.deangoogasian.org, www.thomashowlett.com, www.thomashowlett.net,  
www.thomashowlett.org, www.carriemcluskey.com, and any trademark or other copyrights  
associated with them to Plaintiffs, and the websites at these address be taken down and that content  
not be posted under any other domain names or through any other manners online or otherwise;

- awarding Plaintiffs actual, exemplary, punitive and treble damages for their injuries;
- awarding Plaintiffs their attorney fees; and
- granting whatever other or further relief the Court deems just under the  
circumstances.

THE GOOGASIAN FIRM, P.C.

By           /s/ Dean M. Googasian          

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Dated: July 11, 2011



UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN

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ELIZABETH LAUBER and JAIME YANEZ,  
on behalf of themselves and a class consisting  
of all of those similarly  
situated, and CARRIE McCLUSKEY,

Plaintiffs,

Case No. 2:09-cv-14345-LPZ-MKM  
Hon. Lawrence J. Zatkoff

v.

BELFORD HIGH SCHOOL, BELFORD UNIVERSITY,  
EDUCATION SERVICES PROVIDER, INC.,  
INTERNATIONAL ACCREDITATION AGENCY FOR  
ONLINE UNIVERSITIES, UNIVERSAL COUNCIL FOR  
ONLINE EDUCATION ACCREDITATION,  
ZUNCH WORLDWIDE, INC., ZUNCH CHINA, INC.,  
MELVILLE P. CROWE, DAN ROBERTSON,  
SYDNEY GOLDSTEIN, KEN CALVERT,  
WILLIAM J. McTIERNEN, SALEM KURESHI,  
and JOHN DOES 1-35,

Defendants.

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**JURY DEMAND**

Plaintiffs hereby demand a trial by jury in this action.

THE GOOGASIAN FIRM, P.C.

By       /s/ Dean M. Googasian

Thomas H. Howlett (P57346)

Dean M. Googasian (P53995)

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Dated: July 11, 2011