

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MAINE**

ANNIE ZHAO, individually and on behalf of
all others similarly situated,

Plaintiff,

v.

CIEE, INC.,

and

COUNCIL ON INTERNATIONAL
EDUCATIONAL EXCHANGE, INC.,

Defendants.

Civil Action No.

NOTICE OF REMOVAL

Pursuant to the Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C. §§ 1332(d), 1453, and 1711-1715, Defendants CIEE, Inc. and Council on International Educational Exchange, Inc. (collectively “CIEE” or “Defendants”) hereby file this Notice of Removal (the “Notice”) and remove the above-captioned state court action, originally filed as Docket No. CV-20-243 in the Maine Superior Court in Cumberland County (the “State Court Action”) to the United States District Court for the District of Maine. Removal is proper pursuant to CAFA on the following grounds:

I. REMOVAL IS TIMELY

1. On or about June 11, 2020, Plaintiff Annie Zhao (“Plaintiff”) filed the above-captioned Complaint against CIEE in the Maine Superior Court in Cumberland County, Docket No. CV-20-243. On or about June 16, 2020, Plaintiff served CIEE with a Summons, Civil

Summary Sheet, and copy of the Complaint. Pursuant to 28 U.S.C. § 1446(a), a true and correct copy of the Summons, Civil Summary Sheet, Complaint, and the Superior Court docket sheet are attached hereto as **Exhibit 1**.

2. This Notice is timely because CIEE is filing it within 30 days of Plaintiff serving the Summons and Complaint on CIEE. *See* 28 U.S.C. § 1446(b).

II. NATURE OF THE ACTION

3. The Complaint alleges that CIEE is “America’s largest provider of study abroad collegiate educational programs” and that its decision to “cancel” its Spring 2020 study abroad programs was “undeniably” the “right decision,” but that CIEE “erred” when it failed to offer refunds “to thousands of participants” for the “educational programs, internships, housing, activities, and services that CIEE did not deliver,” which prevented those participants from receiving the full value of the services they paid for, as well as the material benefit of their bargain with CIEE. *See* Compl. ¶¶ 1-3.

4. The Complaint alleges that “CIEE has pointed to the opportunity for some students to receive credit for coursework by participating in online classes after returning home,” but that “[s]tudents bargained and paid for an actual study abroad experience, not online education,” and “the value of the remote learning CIEE delivered to students who did finish their Spring 2020 coursework online is far less than the in-person international educational experience that students paid CIEE to provide.” Compl. ¶ 2.

5. In addition, the Complaint alleges that “CIEE terminated all housing, canceled all activities, and never provided related services such as trips and excursions, but has refused to offer any refund for the months of services it failed to provide to thousands of participants.” Compl. ¶ 3.

6. Plaintiff asserts claims for breach of contract (Count I) and unjust enrichment (Count II) and that she and putative class members are entitled to: “Damages for breach of contract, including the amount of unrefunded tuition, fees, and charges for room and board”; “[a] monetary award to remedy Defendants unjust enrichment, including the amount of inequitably retained tuition, fees, and charges for room and board”; “[o]ther damages and all such other relief as provided under law”; “[p]re-judgment and post-judgment interest on such monetary relief”; “[a]ppropriate injunctive relief as permitted by law or equity including an order enjoining Defendant from refusing to give refunds for tuition, fees, and charges for room and board”; and “[t]he costs of bringing this suit, including reasonable attorney’s fees.” Compl. Prayer for Relief.

7. Plaintiff brings this action pursuant to Maine Rule of Civil Procedure 23 on behalf of herself and a class of persons defined as:

All persons who paid any tuition, fees, or room and board charges to CIEE but did not receive the bargained-for in-person instruction, internship, international experience, activities, or room and board in 2020. Excluded from the Class are Defendants, any entity in which Defendants have a controlling interest, and Defendants’ legal representatives, predecessors, successors, assigns, and employees. Further excluded from the Class are this Court and its employees.

Compl. ¶ 80.

8. CIEE denies any liability as to Plaintiff’s individual claims and to the claims of the putative class members. CIEE expressly reserves all its rights, including but not limited to, its right to file motions challenging class certification and the pleadings. For the purposes of demonstrating the jurisdictional requirements for removal *only*, CIEE submits on a good-faith basis that this action satisfies each requirement for jurisdiction pursuant to CAFA.

III. THIS COURT HAS JURISDICTION OF THIS ACTION PURSUANT TO CAFA

9. As set forth below, this Court has subject-matter jurisdiction over the State Court Action pursuant to CAFA because: (1) there is “minimal diversity” (meaning that at least one

plaintiff and one defendant are from different states); (2) the amount in controversy exceeds \$5 million; and (3) this action involves at least 100 class members. *See* 28 U.S.C. §§ 1332(d)(2), (5)(B); *Descoteau v. Analogic Corp.*, No. CIV. 09-312-P-S, 2009 WL 3327234, at *1 (D. Me. Oct. 13, 2009) (citing *Manson v. GMAC Mortgage, LLC*, 602 F.Supp.2d 289, 293 (D. Mass. 2009)).

A. There is “Minimal Diversity”

10. For an individual, “[u]nder generally accepted principles, citizenship is determined by domicile, which can be established by demonstrating that the individual is physically present in the state and has an intent to remain indefinitely.” *Hall v. Curran*, 599 F.3d 70, 72 (1st Cir. 2010).

11. Plaintiff alleges that she resides in Allen, Texas and does not allege any intent to return elsewhere. Compl. ¶ 6. Thus, the sole named plaintiff in this matter is a citizen of Texas for the purposes of diversity jurisdiction.

12. Pursuant to 28 U.S.C. § 1332(c)(1) (“[A] corporation shall be deemed to be a citizen of every State and foreign state by which it has been incorporated and of the State or foreign state where it has its principal place of business.”); *Bearbones, Inc. v. Peerless Indem. Ins. Co.*, 936 F.3d 12, 15 (1st Cir. 2019) (explaining that a “corporation’s principal place of business” is its “nerve center” where “its officers direct, control, and coordinate the corporation’s activities” and that the “nerve center is often the location of its headquarters.” (alterations and quotation marks omitted)).

13. As Plaintiff alleges, CIEE, Inc. is a Delaware non-profit corporation with its headquarters and principal place of business in Portland, Maine. *See* Compl. ¶ 12.

14. As Plaintiff alleges, Council on International Educational Exchange, Inc. is a New York non-profit corporation with its headquarters and principal place of business in Portland, Maine. Compl. ¶ 13.

15. The so-called “forum defendant rule” does not apply to removals effected under CAFA. *See* 28 U.S.C. § 1453(b).

16. The Defendants are diverse from the Plaintiff because neither defendant is a citizen of Texas.

17. If Plaintiff is not a citizen of Texas, CIEE has a good-faith basis to believe, and on that basis avers, that the putative class includes program participants that are citizens of states diverse to the Defendants.

18. Accordingly, at least one plaintiff is diverse from at least one defendant, satisfying the CAFA diversity requirement.

B. The Amount in Controversy Exceeds \$5 Million

19. CIEE denies any liability in this case and expressly retains its right to oppose class certification. For the sole purposes of the jurisdictional requirements for removal, however, CIEE has a good faith basis to believe, and on that basis avers, that the allegations in Plaintiff’s Complaint generate a “reasonable probability” that the amount in controversy – the aggregated claims of the individual class members – exceeds \$5 million, exclusive of interests and costs. *See Amоче v. Guarantee Trust Life Ins. Co.*, 556 F.3d 41, 51 (1st Cir. 2009) (“[A] court’s analysis of the amount in controversy focuses on whether a removing defendant has shown a reasonable probability that more than \$5 million is in controversy *at the time of removal*.” (emphasis in original)); 28 U.S.C. § 1332(d)(6).

20. Solely for the purpose of this Notice, CIEE calculates with reasonable probability that the amount in controversy exceeds \$5 million as follows:

- a. Plaintiff alleges that “CIEE’s charges for tuition, fees, and room and board for its international programs vary depending on location but are generally in the range of \$15,000 to \$25,000 per semester, without about one-quarter of the total amount accounted for as room and board.” Compl. ¶ 33.
- b. Plaintiff alleges that “schools delivering online-only educational programs assess significantly discounted rates” and that CIEE in particular charges “\$750 for a 3-credit course” online, which is “4 times higher, assuming a 15 credit course load over a semester at a cost of \$15,000—a typical CIEE tuition charge.” Compl. ¶ 36.
- c. Plaintiff’s allegations, therefore, indicated a 15-credit online semester course load from CIEE, therefore, would cost approximately \$3,750 (\$750 x 5).
- d. Plaintiff alleges that her “Educational Costs” were approximately \$15,000 for her Spring 2020 semester program. Compl. ¶ 34.
- e. The Complaint alleges that “[i]n late January, 2020, CIEE welcomed most of its participating U.S. college students studying abroad.” Compl. ¶ 39.
- f. Plaintiff’s Spring 2020 semester program in the Netherlands was scheduled to end at the end of May 2020.¹

¹ <https://www.ciee.org/go-abroad/college-study-abroad/programs/netherlands/amsterdam/social-sciences-humanities#dates-and-fees>

- g. Spring 2020 semester programs such as Plaintiff's, therefore, were scheduled to run for approximately 120 days (late January through late May 2020).
- h. Based on the allegations regarding "canceled" programs in the Complaint, students were on-site at their programs for approximately 48 days (January 27 to March 15), approximately 40% of the Spring 2020 semester program (48 / 120).
- i. According to the Complaint's allegations, Plaintiff only received approximately 40% of the educational experience she bargained for, or approximately \$6,000.00 (40% x \$15,000 "Educational Cost" fee), and then received 60% of the value of a \$3,750 cost per semester for online learning, or \$2,250.00 (60% x \$3,750).
- j. Accordingly, based on the allegations related to the educational fees alone (and not accounting for any of the housing-related allegations in the Complaint) Plaintiff claims to be entitled to a return of approximately \$6,750 (\$15,000 - \$8,250 (\$6,000 + \$2,250)).
- k. Plaintiff alleges that "about 4,000" students were forced to leave their programs early, Compl. ¶ 63, and that she is bringing this case on behalf of the "thousands of similarly situated American college students." Compl. ¶ 1. Conservatively assuming that there are only 1,000 "similarly situated" members of the putative class, the total amount in controversy, absent pre- and post-judgment interest, attorneys' fees and costs would be

approximately \$6,750,000 – for the educational costs alone – which exceeds the \$5,000,000 threshold.

21. Accordingly, CIEE has applied a “reasonable amount of intelligence” to the allegations in Plaintiff’s Complaint and met its burden of establishing “a reasonable probability” that the amount in controversy exceeds \$5 million. *Romulus v. CVS Pharmacy, Inc.*, 770 F.3d 67, 81 (1st Cir. 2014); *see* 28 U.S.C. § 1332(d)(2).

C. The Putative Class Contains More Than 100 Members

22. Plaintiff seeks to represent “[a]ll persons who paid any tuition, fees, or room and board charges to CIEE but did not receive the bargained-for in-person instruction, internship, international experience, activities, or room and board in 2020.” Compl. ¶ 80.

23. Plaintiff alleges in the Complaint that “about 4,000” students returned home in March of 2020 following CIEE’s purported cancellation of its programs and “all student housing.” Compl. ¶ 63.

24. Plaintiff also alleges, multiple times, that there are “thousands” of student participants that are entitled to refunds from CIEE. Compl. ¶¶ 1-2, 82.

25. The allegations in Plaintiff’s own Complaint indicate, therefore, that there exist more than 100 persons in the putative class she seeks to represent. *See* 28 U.S.C. § 1332(d)(5)(B).

IV. ALL PROCEDURAL REQUIRMENTS ARE MET

26. This Court is the proper venue for removal because the State Court Action is pending in the Maine Superior Court in Cumberland County, which is within this District. 28 U.S.C. §§ 99, 1441(a).

27. Pursuant to 28 U.S.C. § 1446(d), a true and correct copy of this Notice of Removal will be filed with the clerk of the Maine Superior Court in Cumberland County and served upon counsel for the Plaintiff.

28. Should Plaintiff seek to remand this case, or the Court considers remand *sua sponte*, CIEE respectfully requests the opportunity to submit evidence and additional arguments in support of removal prior to any order remanding this case.

V. NO ADMISSIONS OR WAIVER OF DEFENSES

29. CIEE does not admit any allegations in the Complaint or relinquish any right to assert defenses, including affirmative defenses and its right to challenge the pleadings.

WHEREFORE, Defendants CIEE, Inc. and Council on International Educational Exchange, Inc. respectfully remove this action from the Maine Superior Court in Cumberland County to this Court. CIEE also requests all other relief, at law or in equity, to which it justly is entitled.

Dated: July 6, 2020

Respectfully Submitted,

/s/ Chad W. Higgins
Chad W. Higgins, Esq.
Robert J. Keach, Esq.
Patrick I. Marass, Esq.
Zachary B. Brandwein, Esq.
Bernstein Shur
100 Middle Street
PO Box 9729
Portland, ME 04104-5029
207-774-1200
chiggins@bernsteinshur.com
rkeach@bernsteinshur.com
pmarass@bernsteinshur.com
zbrandwein@bernsteinshur.com

Attorneys for Defendants
CIEE, Inc. and Council on International
Educational Exchange, Inc.

STATE OF MAINE
CUMBERLAND, ss

SUPERIOR COURT
DOCKET NO. _____

ANNIE ZHAO, individually and on behalf of all
others similarly situated

Plaintiff,

v.

CIEE INC.

and

COUNCIL ON INTERNATIONAL EDUCATIONAL
EXCHANGE, INC.,

Defendants.

**CLASS ACTION
COMPLAINT AND
DEMAND FOR JURY TRIAL**

Plaintiff Annie Zhao, individually and on behalf of all others similarly situated, for a class action complaint against Defendants CIEE, Inc. and Council on International Educational Exchange, Inc. (jointly, "CIEE" or "Defendants"), complains as follows:

I.

SUMMARY OF THE ACTION

1. This is a class action claim against America's largest provider of study abroad collegiate educational programs, CIEE, on behalf of thousands of similarly situated American college students and other CIEE participants who were denied any refund of tuition, room and board, and other fees they paid for Spring 2020 study abroad programs that CIEE cancelled. CIEE undeniably made the right decision to cancel its study abroad programs in light of travel restrictions and safety concerns posed by the COVID-19 pandemic, but it erred by placing 100% of the financial burden of that cancellation on

financially strapped young adults, many of whom went into debt to pay for overseas educational programs, internships, housing, activities, and services that CIEE did not deliver. Despite cancelling all of its study abroad and other programs and terminating all housing and other services to program participants, CIEE has failed and refused to refund fees participants paid to CIEE for their cancelled Spring 2020 study abroad and other programs.

2. In refusing to refund tuition, CIEE has pointed to the opportunity for some students to receive credit for coursework by participating in online classes after returning home. But the *raison d'être* of CIEE's study abroad programs is living and studying in a different culture—an immersive international experience that cannot be replicated by remote learning online. Students bargained and paid for an actual study abroad experience, not online education from their kitchen tables. The value of the remote learning CIEE delivered to students who did finish their Spring 2020 coursework online is far less than the in-person international educational experience that students paid CIEE to provide. As for housing, activities, and other services that students paid for, CIEE terminated all housing, cancelled all activities, and never provided related services such as trips and excursions, but has refused to offer any refund for the months of services it failed to provide to thousands of participants.

3. While some American study abroad providers, colleges, and universities have made the fair and equitable decision to offer appropriate refunds to students in similar circumstances, CIEE instead adopted a harsh no-refund policy. In so doing CIEE breached its contract with students participating in its programs and has been unjustly enriched insofar as it has inequitably retained tuition, payments for room and board, and

other fees that should in fairness be refunded, in whole or in part, to students and interns. Plaintiff brings this action because she and other class members did not receive full value for the educational services they purchased, did not receive housing and other services they paid for, and lost the material benefit of their bargain with CIEE.

II. JURISDICTION AND VENUE

4. This Court has jurisdiction over the claims alleged herein pursuant to 4 M.R.S. § 105(1). This Court is the appropriate venue because CIEE is headquartered in and has its principal place of business in Cumberland County.

5. This Court also has jurisdiction over this action because CIEE's contract with participants contains a forum selection clause specifying that "any dispute or claim which refers or relates to this contract, any literature related to the Program, or the Program itself shall be litigated solely and exclusively in and for courts in Portland, Maine, subject to the substantive and procedural Maine law, and for this limited purpose, the parties agree to exclusive venue and personal jurisdiction therein."

III. PARTIES

6. Plaintiff Annie Zhao is a member of the Harvard College Class of 2021 and resides in Allen, Texas. She paid CIEE for a Spring 2020 study-abroad educational program at the University of Amsterdam in the Netherlands. She paid CIEE for educational programs, housing, activities and services that CIEE did not provide to her.

7. Plaintiff enrolled in CIEE because of the opportunity to live and study abroad in Europe and to interact in-person with other cultures, faculty, and peers.

8. CIEE cancelled its Spring 2020 study abroad programs, causing Plaintiff to suffer a direct loss and to not receive the bargained-for international educational experience CIEE had agreed to provide and that Plaintiff had paid CIEE for.

9. Plaintiff has had no meaningful opportunity to interact with other cultures, faculty, or peers after CIEE cancelled her program. Completing some of her coursework by online instruction a few hours per week is a far cry from the immersive international experience of living and learning in Europe. Plaintiff's opportunities for education, collaboration, and interaction are also limited in this online format by the difficulties of scheduling around multiple time zones.

10. It is not possible to transition the experience of living and learning abroad to taking classes from home online. None of the CIEE facilities, housing, activities, and experiences in Amsterdam are available to Plaintiff from her home in Texas. The same is true for all similarly situated Plaintiffs, compared to their study abroad locations.

11. Plaintiff brings this action on behalf of a proposed class which includes other CIEE study abroad participants who suffered the same or similar injuries, including participants in CIEE internship programs. CIEE interns have likewise suffered the loss of payments made to CIEE for services not received, including international experiences, room and board, activities, excursions, and other services. The CIEE interns have suffered a common injury with the study abroad students as a result of CIEE's failure and refusal to refund all or a sufficient part of those payments.

12. Defendant CIEE, Inc., is a Delaware non-profit corporation headquartered in and with a principal place of business in Portland, Maine.

13. Defendant Council on International Educational Exchange, Inc., is a New York non-profit corporation headquartered in and with a principal place of business in Portland, Maine. Defendants are referred to collectively as "CIEE."

14. The two entities identified collectively as CIEE are commonly run, commonly controlled, have the same headquarters at 300 Fore Street in Portland, Maine, use the same or confusingly similar names and identities, have overlapping management, and are alter egos of one another. CIEE, Inc., stands for Council for International Educational Exchange and does business under that name; Council for International Educational Exchange, Inc., does business as CIEE.

15. The contract by which program participants enter CIEE study abroad programs is between the participant, on the one hand, and "the Council on International Educational Exchange, Inc., its owners, directors, officers, employees and affiliates," on the other hand. CIEE, Inc., is an affiliate and alter ego of the Council on International Educational Exchange, Inc. Because both CIEE, Inc., and the Council on International Educational Exchange, Inc., are parties to the same contract, they also are liable jointly and severally for their breach of the contract. They also are jointly and severally liable for unjust enrichment.

16. CIEE's administrative, billing, invoicing, and refund policies are established, implemented, and enforced worldwide from Maine.

IV. FACTS

A. Introduction to CIEE

17. Founded in 1947, CIEE describes itself as America's oldest and largest nonprofit study abroad and intercultural exchange organization.

18. CIEE's mission statement is: "To help people gain understanding, acquire knowledge, and develop skills for living in a globally interdependent and culturally diverse world by offering the most comprehensive, relevant, and valuable exchange programs available."

19. Typically, CIEE annually sends more than 15,000 Americans to study or intern abroad and welcomes more than 30,000 international exchange visitors to the United States.

20. CIEE's worldwide network of international exchange locations includes about 60 sites in about 40 countries.

21. As the end of its 2017-18 fiscal year, the most recent year for which information is publicly available, CIEE had \$160 million in revenue, of which \$150 million consisted of international study fees. CIEE's President and CEO, James P. Pellow, received over \$900,000 in annual compensation.

B. The key component of CIEE's study and internship abroad programs is cultural immersion.

22. While many educational programs offer and highlight remote learning capabilities as a primary component of their efforts to deliver educational value (e.g., Western Governors University, Southern New Hampshire University, and University of Phoenix-Arizona), CIEE's international programs could not be more different.

23. CIEE's study abroad programs are built on the experiential and culturally immersive experience of learning and living abroad, which CIEE describes as "illuminating and life-changing."

24. The section of CIEE's website captioned "Why CIEE" touts "Cultural Immersion," and explains, "We offer you the life-changing opportunity to live like a local, rounding out your experience with field work and cultural excursions."¹

25. CIEE promotes international education as "more important than ever" to build "bridges between nations and cultures" and to prepare "the next generation of leaders to work across cultures and tackle global crises."

26. In a CIEE video promoting its architectural study program in Barcelona, Spain, a student explains the importance of place to the study abroad educational program:

I think the best part about study abroad is that you not only get to learn in the classroom in a traditional lecture environment like you would if you were in a University, but you have the benefit of living around everything you're learning about.²

27. CIEE's marketing materials for its Arts & Sciences program in Gaborone, Botswana, touts educational experiences that are only available in-country:

You can also choose a for-credit internship at a local business or make a real difference by volunteering at a local organization. All courses are complemented with CIEE co-curricular activities and excursions beyond the city to enhance classroom learning and provide intercultural understanding.

Enjoy life as a villager and be exposed to different socio-economic space in modern day Botswana during a three-day stay in rural Botswana.

Explore a Wildlife Sanctuary with 30 animal species and more than 230 species of birds.

Practice Setswana while you lead a research or community project that's close to your heart.

¹ <https://www.ciee.org/go-abroad/college-study-abroad>.

² <https://www.youtube.com/watch?v=4Z07P-m8Gzk&list=PLt-Ewl1FrRSHQGo1Jtsom3J7myJTqFOES>.

Meet students by joining a campus sports team or student group, such as the Human Rights Organization or Students Against HIV/AIDS.

Expand your view of Africa with local and regional excursions to places like the National Museum, and the Khama Rhino Sanctuary.

Discover Botswana's rich history and biodiversity with excursions to Bahurutshe Cultural Village and Mokolodi Game Reserve.

This program invites students of all majors to earn credits toward their degree with cutting-edge courses at University of Botswana and CIEE Gaborone. In addition, students volunteer and participate in unique excursions designed to immerse themselves in the community. Together, these pieces give students a solid understanding of contemporary Botswana culture and its role in Southern Africa.³

28. The CIEE program in Copenhagen, Denmark, also highlights the vital nature of being physically present to the educational experience:

Embark on a two-night/three-day study tour included in your program during each block. Students might visit Helsinki or Tallinn, or Danish destinations such as Ribe (the oldest town in Denmark, founded by Vikings), Århus (2017 European Cultural Capital), or Skagen (the country's northernmost town).

Give back and create a deeper connection to Copenhagen. Denmark has a rich tradition in volunteer activity, mainly through special interest groups (called "Foregning") or Non-Governmental Organizations (NGOs). By volunteering, CIEE students meet with local Danish students and peers and get a deeper understanding about Danish society.

Build new skills and intercultural competencies with a CIEE Academic Internship and become an active member of the Copenhagen professional environment.

Pursue a research project of your own design incorporating independent, local field work.

Combine course-based learning with practical, relevant project experience to meet a community-defined need.

³ <https://www.ciee.org/go-abroad/college-study-abroad/programs/botswana/gaborone/arts-sciences>.

29. For its Amsterdam program, CIEE's promotional video touts the "really awesome experience" of "excursions" as "just one example of the many opportunities CIEE provides students to go explore the Netherlands."⁴ CIEE also promotes students' ability to plan their own independent excursions and travel.⁵

30. A hallmark of CIEE's course offerings in Amsterdam, as elsewhere, is bringing the host country into the classroom by integrating students and the place where they are studying. CIEE's courses incorporate field trips, field assignments, excursions, guided site visits, firsthand experiences, and other out-of-classroom activities.

31. CIEE's Spring 2020 Amsterdam course catalog includes the following (these excerpts are abridged, in part):

Business and Sustainability in the Netherlands, BUSI 3004 AMNT. A combination of classroom work with guest lectures and company visits/excursions will provide students with firsthand experiences that will allow them to better understand how Dutch history (e.g. the fight against rising sea levels), culture (e.g. the Dutch as practical problem-solvers), and society have shaped the development of a sustainability-focused business culture.

Intercultural Communication and Leadership, COMM 3301 NETH. Learning will involve in-class exercises, active reflection, discussion, readings, field reports, short lectures, and out-of-class activities that help you engage in the local culture on a deeper level. As part of this course, you are required to identify a Cultural Partner – someone who has been a resident of the host culture for many years – with whom you will need to complete several activities throughout the semester.

Beginning Dutch, DUTC 1003 NETH. The course includes a field assignment: students have to document (by video) a typical, authentic, day-to-day situation in the Netherlands (marketplace, supermarket, public transport, beach, etc.).

Race in the Netherlands, SOCI 3003 AMNT. By completing this course, students will: Gain an in-depth understanding of the history of race as a concept and a lived reality particularly in the Netherlands. While lectures by the instructor will anchor every unit and serve as the basis of class discussions, these will be amply supplemented by guest lectures from experts in the field, as well as guided site

⁴ <https://www.youtube.com/watch?v=1M19rkzR-jM>

⁵ <https://www.youtube.com/watch?v=PpcfSeOBa4Y>

visits, which will both cover a theoretical understanding of race, and how this intersects with lived experiences in the field.

32. The experience CIEE offers to college students and interns spending a semester (or more) abroad is only possible with face-to-face, in-person interaction with foreign people, places, and cultures. This experience cannot be replicated by online or internet learning.

33. CIEE's charges for tuition, fees, and room and board for its international programs vary depending on location but are generally in the range of \$15,000 to \$25,000 per semester, with about one-quarter of the total amount accounted for as room and board.

34. For example, CIEE's program fees for its Amsterdam Spring 2020 program total \$20,450, which is made up of a Participation Confirmation Fee (\$300), Educational Costs (\$14,733), Housing (\$5,250), and Insurance (\$167). Students are responsible to pay out of pocket for all travel, meals, books, and expenses.

35. By contrast, schools delivering online-only educational programs assess significantly discounted rates. For example, Western Governor's University charges between \$3,225 and \$3,550 for six month terms, while Southern New Hampshire University charges \$960 per course for online undergraduate programs and \$1,881 per course for online graduate programs. These schools do not charge for room and board because students study from home.

36. CIEE is among the schools now offering online education at a bargain price as compared to the fees charged for live instruction on campus. In April, 2020, CIEE announced that it would be offering 25 online summer classes in language, art, culture, business, STEM, psychology, political science, economics, marketing, and leadership at a

cost of \$750 for a 3-credit course.⁶ Its in-person full-time study abroad programs charge a tuition that is 4 times higher, assuming a 15 credit course load over a semester at a cost of \$15,000—a typical CIEE tuition charge.

37. CIEE's own fee structure recognizes that online learning is a vastly different and less valuable experience for its student participants as compared to study abroad, and that online learning can be offered at a small fraction of the cost of providing in-person instruction to students living abroad.

C. CIEE cancels all of its study abroad programs due to travel disruptions and safety concerns arising from the novel coronavirus ("COVID-19").

38. At the time COVID-19 emerged in the first months of 2020 as a global health crisis, CIEE was operating in 59 locations in about 40 countries. CIEE's enrollment was at record levels.

39. In late January 2020, CIEE welcomed most of its participating U.S. college students studying abroad for all or a portion of the spring semester of 2020, but shortly thereafter it began to cancel its study abroad programs—first in COVID-19 hot spots, and eventually worldwide.

40. On January 27, 2020, CIEE canceled its study abroad programs in China, announcing that students "who are already on program in Shanghai will be departing immediately."⁷

⁶ <https://www.prnewswire.com/news-releases/the-council-on-international-educational-exchange-continues-its-mission-to-bring-the-world-together-despite-global-pandemic-301049729.html>; see also <https://www.ciee.org/go-abroad/college-study-abroad/programs/online/summer-sessions-online>

⁷ <https://www.ciee.org/about/blog/ciee-suspending-programs-china>.

41. On January 30, 2020, the World Health Organization declared the outbreak of COVID-19 a “public health emergency of international concern.”

42. On February 25, 2020, CIEE cancelled its Seoul, South Korea Arts & Sciences Program for Spring 2020.⁸

43. On February 29, 2020, CIEE cancelled its Rome open campus program and required students to leave the program by March 6, 2020. CIEE offered to refund “any recoverable expenses” and to allow students to cancel participation in the following session and receive a refund of “the full fee.”⁹

44. CIEE’s cancellation of its study abroad programs in China, South Korea and Italy affected hundreds of college students, but as of the beginning of March the majority of its study abroad programs continued unchanged.

45. On March 1, 2020, the U.S. Centers for Disease Control issued a statement recommending that institutions of higher education “consider postponing or canceling student foreign exchange programs” and “consider asking current program participants to return to their home country.”¹⁰ In response to this guidance, many American colleges advised students studying abroad in countries where coronavirus cases had been reported to return home. CIEE did not.

46. On March 2, 2020, CIEE communicated the CDC’s recommendation to its program participants, but did not cancel or suspend its Spring 2020 study abroad programs. CIEE announced, “After careful consideration, and in the absence of any

⁸ <https://www.ciee.org/about/blog/ciee-cancelling-arts-sciences-program-seoul-for-spring-2020>.

⁹ <https://www.ciee.org/about/blog/ciee-suspending-rome-open-campus-program-for-spring-blocks-2-and-3>.

¹⁰ <https://www.cdc.gov/coronavirus/2019-ncov/community/student-foreign-travel.html>.

specific change in conditions in the other 35+ countries in which CIEE operates, we will continue to offer our programs as planned.”

47. CIEE assured participants in its study abroad programs:

If and when we make a determination that local conditions require us to cancel or suspend programs in a country, then we will work to provide options that will enable students to still earn the academic credits they had planned, including the option to move to an alternative program location or to complete coursework remotely, if feasible. We will support students in changing travel plans and completing their semester with the least disruption possible.

48. On March 4, 2020, CIEE informed participants in its study abroad programs that “unless and until there is a direct and specific threat that cannot be managed, CIEE does not intend to cancel or suspend any further study abroad operations due to COVID-19.” It explained in the same communication:

We believe that the health risks posed by COVID-19 remain low for CIEE participants in all study abroad programs currently operating at our locations worldwide. Based on the science and data reported thus far, we believe COVID-19 should be taken seriously, but we should also keep in mind that 82% of all those infected have only minor symptoms and there has been a 99.8% recovery for college-aged students.

49. On March 11, 2020, CIEE’s President and CEO, James P. Pellow, announced that all of its courses will be available “in an online delivery format, starting next week” in Czech Republic (Prague), France (Paris, Rennes, Toulouse), Germany (Berlin), Hungary (Budapest), Netherlands (Amsterdam), Portugal (Lisbon), and Spain (Alicante, Barcelona, Madrid, Palma de Mallorca, Seville).

50. CIEE explained that most students would be permitted to remain onsite. “In some cases, universities have opted to have students return to the United States, while other colleges have permitted students to make the choice.” CIEE explained that students would “be free to decide whether they prefer to stay onsite and continue their

coursework, or if they prefer to return home,” and that “for some students, depending on the particulars of their situation, staying at their program site may well be the best option.”

51. CIEE continued to offer onsite housing and staff support for all students and to make available CIEE Centers located in each country hosting a program—it described those Centers as students’ “home away from home.”

52. CIEE also explained that because its programs had not been suspended, “normal terms and conditions apply so students are not eligible for a refund regardless of” whether the student returns home or stays onsite.

53. During the first half of March, CIEE also hosted town halls with its program participants.

54. At a CIEE-hosted town hall for its Amsterdam program participants, CIEE staff announced that at least a partial refund would be offered if the U.S. CDC issued a Level 3 Health Notice for the Netherlands and the program was cancelled.

55. On March 11, 2020, the World Health Organization recognized COVID-19 as a pandemic.¹¹

56. The same day, March 11, 2020, the CDC elevated its Travel Warning to “Level 3: Avoid Nonessential Travel” for Europe, and to “Level 2: Practice Enhanced Precautions” for the entire world, and the U.S. Department of State raised its global travel advisory to “Level 3: Reconsider Travel.” In addition, the White House issued a 30-day

¹¹ <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>.

travel restriction for Europe, barring people who are not U.S. citizens or permanent residents from traveling to the United States from Europe.

57. The following day, March 12, 2020, CIEE responded to the pandemic declaration, travel warnings, and White House travel restriction by changing course and cancelling all of its programs in the Schengen countries (Belgium, Czech Republic, Denmark, France, Germany, Hungary, Netherlands, Poland, Portugal, and Spain), effective March 22, 2020. CIEE directed all students to make arrangements to return home.

58. On March 12, 2020, CIEE also provided guidance to students on flight change costs and program costs, withdrawals and refund requests. For example, Jonathan Key, the Amsterdam Program Director, explained that CIEE would cover up to \$500 in airline change fees upon presentation of a receipt. He also explained, "We are currently working through the details of whether and to what extent refunds will be available, and will be providing those details separately."

59. On March 13, 2020, the President declared a U.S. national emergency concerning COVID-19.¹²

60. On March 15, 2020, CIEE cancelled all of its spring 2020 study abroad programs.¹³ CIEE's President and CEO, James P. Pellow, explained:

In response to the expanding global disruption caused by the spread of COVID-19, CIEE's Health, Safety, and Security and program management teams have been continuously assessing and reassessing risk at all CIEE worldwide locations.

Uncertainty around travel restrictions has increased significantly across the globe in the last 48 hours. Since the response to the global pandemic has

¹² <https://www.whitehouse.gov/presidential-actions/proclamation-declaring-national-emergency-concerning-novel-coronavirus-disease-covid-19-outbreak/>

¹³ <https://www.ciee.org/about/blog/ciee-suspend-all-spring-study-abroad-programs>

become increasingly unpredictable, ALL spring CIEE study abroad programs will be suspended with immediate effect.

We know that, for some, this end to ambiguity will come as a relief, and that for others this will be truly awful news. We, too, are disappointed that this semester must be cut short in response to the COVID-19 pandemic. However, we must put the safety and wellbeing of our students above all other concerns, and we believe that this is the best path forward at this time.

....

CIEE staff will continue to support students in their current housing until travel can be arranged, but all students must arrange to depart by March 22.

....

NEXT STEPS

As a follow up to this communication, students will receive an email from their local Center Director with more specifics on how course credit may be obtained, as well as details regarding refunds, as applicable.

61. On March 18, 2020, CIEE told program participants, "We will be sharing information on refunds, where applicable, with students and parents within the next two weeks. Please bear with us in the coming days as we focus on getting our spring students safely home."

62. CIEE cancelled all student housing effective March 22, 2020, and cancelled liability insurance for students effective March 31, 2020.

63. All of CIEE's study abroad students, about 4,000 in total, returned home, except for a very small number who, against CIEE's directive, refused to depart.

D. CIEE announces a no-refund policy, with limited exceptions.

64. On April 1, 2020, CIEE announced a no-refund policy for the Spring 2020 study abroad programs it had cancelled, with limited exceptions.

65. For Spring 2020 semester programs and “Open Campus Block 2” participants, CIEE said that “there will be no refund”¹⁴ for students offered the opportunity to complete their courses online or through another distance-learning method and earn their originally anticipated academic credits.

66. Even for students who are unable to obtain credits due to inability to complete courses online, or for whom no distance learning option is offered, CIEE’s policy is not to guarantee refunds, but rather to determine whether to offer a refund on a “case-by-case” basis.

67. For students participating in CIEE’s “Open Campus Block 3” program, which it said would be offered exclusively online, CIEE’s policy is to offer a full refund for any student who canceled by March 31, 2020, and a 20% refund for all other students.¹⁵ CIEE did not explain why “Open Campus Block 3” program participants engaged in online learning would be offered a 20% refund while students in Spring Semester programs also engaged in online learning at the same time would be offered no refund.

68. CIEE has refused to offer an appropriate and timely refund to students who withdrew from courses because Spring 2020 programs were cancelled.

69. CIEE’s no-refund policy for tuition cannot be squared with and breaches its contractual obligation to provide students with in-person study abroad, not online learning.

¹⁴ <https://www.ciee.org/what-we-stand-for/health-safety-security/coronavirus-covid-19-updates#college-study-abroad> (“What Is CIEE’s Refund Policy For Spring 2020 Programs?”).

¹⁵ Id.

70. CIEE's no-refund policy for room and board cannot be squared with and breaches its contractual obligation to provide students with housing, which CIEE cancelled after directing that all students return to the United States.

71. CIEE's no-refund policy for program services, such as trips, activities, and insurance, cannot be squared with and breaches its contractual obligation given that it cancelled all trips, activities, and insurance. CIEE told its participants that the program's liability insurance was cancelled effective March 31, 2020.

72. CIEE's no-refund policy for its cancelled Spring 2020 programs cannot be squared with and breaches the term of its contract with participants, which provides, among other things: "In the unlikely event that a program is cancelled (due to low enrollment or any other reason), CIEE will refund all payments received but will have no further liability to participant."

73. With respect to air travel, CIEE initially led students to think that it would be reimbursing everyone up to \$500 for the cost of flying home early, which led Plaintiff Annie Zhao to email CIEE's billing office about reimbursement. But CIEE later instituted a policy of reimbursing up to \$500 only for airline change fees.

74. Since Ms. Zhao booked an entirely new flight to safely and promptly return home, CIEE told her that she was not eligible to receive any reimbursement.

75. On April 1, 2020, Plaintiff Annie Zhao contacted CIEE to ask: "Will we at least get a partial refund for the housing costs and the money that would have gone toward CIEE trips/activities? In addition, if I withdraw from one course, would I get refunded for that class?" She also explained, "During the coronavirus town hall that we all

attended, we were told that we would get at least a partial refund in the case that the CDC issued a Level 3 Health Notice for the Netherlands and the program was canceled.”

76. More than two weeks later, on April 17, 2020, CIEE responded to Ms. Zhao, “Thank you for following up on this and I apologize for the delay in my response. We are currently looking in to [sic] the recoverable housing costs associated with your program, and will let you know as soon as we have more information.”

77. That was the last time Ms. Zhao heard from CIEE on that subject.

78. CIEE’s no-refund position contrasts with other providers of study abroad programs, which have offered at least partial refunds.

79. The net effect of CIEE’s no-refund position is to shift all of the risk of study abroad program cancellation from itself—a \$160 million per year global business with decades of experience navigating global risks and the capacity to protect itself from such risks—to individual 20-year-old college students, many of whom went into debt to pay for CIEE’s study abroad program. This is unfair and constitutes a material breach of CIEE’s contractual obligations to its student participants.

V. CLASS ACTION ALLEGATIONS

80. Plaintiff sues under Rule 23(a), (b)(2), and (b)(3) of the Maine Rules of Civil Procedure on behalf of herself and a Class defined as follows:

All persons who paid any tuition, fees, or room and board charges to CIEE but did not receive the bargained-for in-person instruction, internship, international experience, activities, or room and board in 2020. Excluded from the Class are Defendants, any entity in which Defendants have a controlling interest, and Defendants’ legal representatives, predecessors, successors, assigns, and employees. Further excluded from the Class are this Court and its employees. The persons defined as the Class, above, are the “Class Members.” Plaintiff reserves the

right to modify or amend the Class definition, including through the creation of sub-classes if necessary, as appropriate during this litigation.

81. The definition of the Class is unambiguous. Plaintiff is a member of the Class she seeks to represent. Class Members can be notified of this action through contact information or address lists maintained in the usual course of business by Defendants.

82. Per Rule 23(a)(1), Class Members are so numerous and geographically dispersed that the individual joinder of all Class Members is impracticable. The precise number of Class Members is unknown to Plaintiff, but given the thousands of student participants in Defendants' Spring 2020 study abroad program it is clear that the number greatly exceeds the number at which joinder ceases to be practical. Class Members may be notified of the pendency of this action by recognized, Court-approved notice dissemination methods, which may include U.S. Mail, electronic mail, Internet or social media postings, text message, or published notice.

83. Defendants have acted or refused to act on grounds generally applicable to Plaintiff and the Class Members, making appropriate final injunctive and declaratory relief for the Class under Rule 23(b)(2).

84. Consistent with Rule 23(a)(2), Defendant engaged in a common course of conduct giving rise to the legal rights sought to be enforced by the Class Members. The injuries sustained by the Class Members flow from a common nucleus of operative facts—Defendants' cancellation of all of its international programs and the mandatory return of all participants to their home countries, the transition to remote learning, and Defendants' refusal to fully or partially refund tuition, fees and/or room and board.

85. Common questions of law and fact predominate over the questions affecting only individual Class Members under Rule 23(a)(2) and Rule 23(b)(3). Some of the common legal and factual questions include:

- A. Whether Defendants engaged in the conduct alleged;
- B. Whether Defendants have a policy or procedure of denying refunds, in whole or in part, to Plaintiff and Class Members;
- C. Whether Defendants breached their substantially identical contracts with Plaintiff and Class Members;
- D. Whether Defendants violated the common law of unjust enrichment; and
- E. The nature and extent of damages and other remedies to which the conduct of Defendants entitles the Class Members.

86. The Class Members have been damaged by Defendants through their practice of denying refunds to Class Members.

87. Plaintiff's claims are typical of the claims of the other Class Members under Rule 23(a)(3). Plaintiff is a student enrolled in a CIEE study abroad program for the Spring 2020 semester. Like other Class Members, she was instructed to leave Defendants' study abroad program, was forced to take online classes, and has been completely denied any refund for tuition, fees, and room and board.

88. Plaintiff and Plaintiff's counsel will fairly and adequately protect the interests of the Class as required by Rule 23(a)(4). Plaintiff is familiar with the general facts that form the basis for the Class Members' claims. Plaintiff's interests do not conflict with the interests of the other Class Members she seeks to represent. Plaintiff has retained competent counsel who are experienced in class action litigation and intend to

prosecute this action vigorously. Plaintiff's counsel has successfully prosecuted complex class actions, including consumer protection class actions. Plaintiff and her counsel will fairly and adequately represent the interests of the Class Members.

89. The class action device is superior to other available means for the fair and efficient adjudication of the claims of Plaintiff and the Class Members under Rule 23(b)(3). The relief sought for each individual member of the Class is modest in relation to the burden and expense of individual prosecution of the potentially extensive litigation necessitated by the conduct of Defendants. It would be impractical for each Class Member to seek redress individually. Even if the Class Members themselves could afford individual litigation, the court system could not.

90. In addition, under Rule 23(b)(3)(A), individual litigation of the legal and factual issues raised by Defendants' conduct would impose significant expense and delay on all parties and on the court system. The class action device presents far fewer management difficulties and provides the benefits of a single, uniform adjudication, economies of scale, and comprehensive supervision by a single court.

91. Under Rule 23(b)(3)(C), it is desirable to concentrate the litigation of the claims of Plaintiff and the Class Members in this forum given that Defendants are located in this judicial district and discovery of relevant evidence will occur in this district.

92. Additionally, the contract between CIEE and program participants specifies that disputes or claims "shall be litigated solely and exclusively in and for courts in Portland, Maine."

93. Given the similar nature of the Class Members' claims and the fact that all of them are subject to a contractual choice of law provision specifying that Maine

substantive and procedural law shall apply, a nationwide class will be easily managed by the Court and the parties pursuant to Rule 23(b)(3)(D).

**VI.
CAUSES OF ACTION**

**Count I
(Breach of Contract)**

94. Plaintiff re-alleges the preceding paragraphs and incorporates them by reference as if they were fully set forth herein.

95. Plaintiff and the Class Members entered into the same or substantially similar binding contracts with Defendants.

96. Under their contracts with CIEE, Plaintiff and Class Members paid tuition, fees, and charges for room and board. In return, CIEE was to provide in-person instruction, internship, and cultural immersion experiences at study abroad locations and access to CIEE facilities and housing owned or arranged by CIEE.

97. Plaintiff and the Class Members have fulfilled their contractual obligations, held up their end of the bargain, and have paid in full for Spring 2020 CIEE international programs.

98. CIEE breached its contracts with Plaintiff and Class Members, failed to provide contracted-for in-person Spring 2020 study abroad programs, room and board, and other services. CIEE has failed to provide refunds for any portion of the programs that were cancelled.

99. CIEE's offer to substitute online classes, which was not agreed to in any contract with program participants, deprived Plaintiff and Class Members of the benefit of their bargain with CIEE by substituting a materially less valuable educational experience

in place of the in-person study abroad educational experience that Plaintiff and Class Members paid to receive.

100. Plaintiff and the Class Members have been damaged as a direct and proximate result of CIEE's breach.

101. Plaintiff and Class Members are entitled to damages from Defendants, including but not limited to tuition refunds, fee refunds, and room and board refunds.

**Count II
(Unjust Enrichment)**

102. Plaintiff re-alleges the preceding paragraphs and incorporates them by reference as if fully set forth herein.

103. At all relevant times, Plaintiff and Class Members directly conferred benefits on CIEE, in the form of monetary payments for tuition, fees, and room and board, so that Plaintiff and Class Members could avail themselves of in-person education experiences at CIEE's study abroad programs, including the use of CIEE facilities, room and board, and activities and other services.

104. CIEE knowingly accepted the benefits conferred upon them by Plaintiff and the Class Members.

105. CIEE appreciated or knew of the non-gratuitous nature of the benefits conferred upon them by Plaintiff and members of the Class.

106. CIEE accepted and retained the benefits conferred by Plaintiff and members of the Class with full knowledge and awareness of those benefits.

107. CIEE's retention of the benefits conferred upon it by Plaintiff and members of the Class under these circumstances was unjust and inequitable.

108. Because CIEE's retention of the benefits conferred by Plaintiff and members of the Class is unjust and inequitable, Plaintiff and members of the Class are entitled to, and seek, disgorgement and restitution of the benefits unjustly retained by CIEE, in whole or in part, including refunds for tuition, fees, and room and board.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff and Class Members request that the Court enter an order or judgment against Defendant including:

- A. Certification of the action as a class action under Rules 23(b)(2) and 23(b)(3) of the Maine Rules of Civil Procedure, and appointment of Plaintiff as Class Representatives and her counsel of record as Class Counsel;
- B. Damages for breach of contract, including in the amount of unrefunded tuition, fees, and charges for room and board;
- C. A monetary award to remedy Defendants' unjust enrichment, including the amount of inequitably retained tuition, fees, and charges for room and board;
- D. Other damages and all such other relief as provided under law;
- E. Pre-judgment and post-judgment interest on such monetary relief;
- F. Appropriate injunctive relief as permitted by law or equity including an order enjoining Defendant from refusing to give refunds for tuition, fees, and charges for room and board;
- G. The costs of bringing this suit, including reasonable attorney's fees; and
- H. All other relief to which Plaintiff and members of the Class may be entitled by law or in equity.

JURY DEMAND

Plaintiff demands trial by jury on all issues so triable.

Dated at Portland, Maine this 11th day of June, 2020.



Sigmund D. Schutz, Bar No. 8549
Gregory P. Hansel, Bar No. 8465
Randall B. Weill, Bar No. 2836
Alexandra A. Harriman, Bar No. 6172
**PRETI FLAHERTY BELIVEAU & PACHIOS
LLP**

P.O. Box 9546, One City Center
Portland, ME 04112
Telephone: 207-791-3000
sschutz@preti.com
ghansel@preti.com
rweill@preti.com

Behram V. Parekh
Pro Hac Vice to be filed
KIRTLAND & PACKARD LLP
1638 South Pacific Coast Highway
Redondo Beach, CA 90277
Telephone: 310-536-1000
bvp@kirtlandpackard.com

*Counsel for Plaintiff Annie Zhao and the
Proposed Class*