

ATTORNEY GENERAL OF THE STATE OF NEW YORK
WATERTOWN REGIONAL OFFICE

In The Matter of

THE ACADEMY AT IVY RIDGE

**ASSURANCE OF DISCONTINUANCE
PURSUANT TO EXECUTIVE LAW
SECTION 63, SUBDIVISION 15**

Pursuant to the provisions of Executive Law Section 63 (12), General Business Law Sections 349 and 350, Section 216 of the Education Law, Section 104 (e) of the Business Corporation Law, and Section 100.2 (p) of the Regulations of the Commissioner of Education, Eliot Spitzer, Attorney General of the State of New York, caused an inquiry to be made into the organization and business practices of the Academy at Ivy Ridge, a boarding school located near Ogdensburg, New York. Upon such inquiry, the Attorney General has determined as follows:

ATTORNEY GENERAL'S FINDINGS OF FACT

1. The Academy at Ivy Ridge ("Ivy Ridge") is a for profit private boarding school and behavior modification facility operated by a business partnership whose articles of partnership were filed in the Office of the Clerk of St. Lawrence County on December 17, 2001 ("Partnership"). The Partnership is comprised of two domestic general purpose business corporations: the Jason G. Finlinson Corporation and the Joseph and Alyn Mitchell Corporation. The corporations were formed November 7, 2001, and were created for the express purpose of being the partners in the aforementioned partnership, whose purpose was to operate the Academy at Ivy Ridge.
2. Ivy Ridge began admitting students in 2001. By the Spring of 2005 enrollment was at 460 students. Ivy Ridge currently offers tuition options ranging from \$3,490 to \$3,990 per month. Additional money is required for medical care, counseling, and other expenses, including uniforms.
3. Most, if not all, of Ivy Ridge's students are teenagers who have a significant history of bad behavior. Ivy Ridge advertises that its pristine and isolated setting, strict code of discipline and academic program will both educate students and set them on the path to productive citizenship.
4. Over the course of its existence, the informational and advertising material concerning Ivy Ridge has emphasized that its educational offerings distinguishes it from many of the boarding schools that serve "troubled teens". At Ivy Ridge academic credit is earned for courses mastered. Students earning the requisite amount of credits were issued high school diplomas. Ivy Ridge offered two types of diplomas, a general diploma, and a "college prep" diploma.

5. The representation that Ivy Ridge issued diplomas to its graduates was contained in its written promotional material, on various web sites maintained by the school, and in direct marketing of the school to parents of prospective students. Since its formation, Ivy Ridge has issued one hundred and thirteen (113) diplomas to its graduates.
6. Ivy Ridge stated in its promotional materials that it was accredited by the Northwest Association of Schools and Colleges. In fact, however, Ivy Ridge was only a candidate for accreditation, working its way through the multi-year process for becoming accredited by the Northwest Association of Accredited Schools (NWAAS), formerly known as the Northwest Association of Schools and Colleges, headquartered in Boise Idaho.
7. In order to be accredited by NWAAS, the by-laws of that organization require that a school be licensed, certificated, or registered in the state in which it is located. Because Ivy Ridge has never been licensed, certificated, or registered in New York State, the school never should have been considered for accreditation by NWAAS. In March of 2005, after receiving information that the school was not licensed, certified, or registered in the State of New York, NWAAS suspended Ivy Ridge's candidacy for accreditation. That candidacy has not been restored.
8. Under New York State law, a corporation may not operate an educational institution without the consent of the Board of Regents. Similarly, two corporations may not form a partnership to operate an educational institution without the consent of the Board of Regents. It is the position of the Attorney General that the formation of the Partnership between the Jason G. Finlinson Corporation and the Joseph and Alyn Mitchell Corporation to own and operate Ivy Ridge violates Section 216 of the Education Law and Section 104 (e) of the Business Corporation Law.
9. The Regulations of the Commissioner of Education Section 100 2(p) prohibit high schools in New York State, whether public or nonpublic, from issuing diplomas without first obtaining a Certificate of High School Registration from the Board of Regents. Ivy Ridge awarded 113 of its graduates with high school diplomas despite not having nor ever applying for a Certificate of High School Registration.
10. Ivy Ridge, by stating in its promotional material that it awarded its graduates high school diplomas and that it was accredited by the Northwest Association of Schools and Colleges, violated GBL 349 (deceptive acts and practices), and Section 350 (false advertising).
11. The actions, representations and conduct of Ivy Ridge as described herein constitute repeated and persistent fraudulent and illegal conduct actionable by the Attorney General pursuant to Executive Law, Section 63(12).

AGREEMENT

12. It now appears that The Academy at Ivy Ridge is willing to enter into this Assurance of Discontinuance ("Assurance") and the Attorney General is willing to accept this Assurance in lieu of commencing legal action with respect to the issues of the organizational structure of Ivy Ridge, the past issuance of diplomas by Ivy Ridge, and representations by Ivy Ridge as to its accreditation status.

13. This Assurance shall be binding upon The Academy at Ivy Ridge, the Jason G. Finlinson Corporation, the Joseph and Alyn Mitchell Corporation, Jason G. Finlinson, Joseph Mitchell and Alyn Mitchell, and/or their directors, members, partners, principals, employees, representatives, administrators, agents, successors and assigns, or any other individual or entity through whom they may act (hereinafter "Respondents").

14. Respondents agree to forthwith reconstitute the organizational structure of Ivy Ridge by reorganizing in such manner as is statutorily allowed. The successor entity shall be formed within thirty (30) days from the execution of this Assurance.

15. Respondents agree that Ivy Ridge shall cease awarding any diplomas and cease advertising that Ivy Ridge is a diploma granting entity, until such time as Ivy Ridge is granted a Certificate of High School registration from the New York State Education Department.

16. Respondents agree that they shall affirmatively represent in Ivy Ridge's website, for a period of 180 days following the execution of this Assurance, that Ivy Ridge is not registered in any manner by the State of New York until such time as Ivy Ridge is granted a Certificate of High School Registration from the New York State Department of Education.

17. Respondents agree that they will not represent in any of Ivy Ridge's informational, advertising and promotional material, websites, and recruitment activities that Ivy Ridge is accredited by an accrediting agency, unless and until an accrediting agency entitled to accredit high schools in New York State confers accreditation upon the school.

18. Respondents agree that within 30 days of the execution of this Assurance, a letter, approved by the Attorney General and in the form annexed hereto as Exhibit "A", on Ivy Ridge letterhead, will be sent to the parents or financially responsible persons for each student enrolled at Ivy Ridge as of the date this agreement is signed, advising the recipient that: (1) Ivy Ridge is not registered in any manner by the State of New York or the New York State Department of Education, (2) Ivy Ridge is not currently accredited by any academic accrediting organization, and (3) Ivy Ridge is not authorized by the New York State Department of Education to grant high school diplomas to its students.

19. Respondents agree that within 60 days of the execution of this Assurance, Respondents shall pay to the Attorney General an amount equal to 15% of the total tuition paid for each of 113 students issued diplomas by Ivy Ridge. Respondents agree that concurrently with making this payment, they shall provide to the Attorney General the names of these 113 graduates, the names and last known

addresses of those who were financially responsible for them, and the total sum paid on behalf of each student. This information shall be provided in affidavit form. Upon receipt of the payment and the specified information, the Attorney General shall remit an amount equal to 15% of the total tuition paid to those persons financially responsible for each of the 113 graduates, together with a letter in the form annexed hereto as Exhibit "B".

20. Respondents agree that within 100 days of the execution of this Assurance, Respondents shall provide to the Attorney General, in affidavit form, the following information concerning current or former students at Ivy Ridge with the following characteristics:

- A. Information to be supplied: name of student, name(s) and last known address(es) of person(s) financially responsible for the student, total amount of tuition paid to Ivy Ridge on behalf of the student.

- B. Students: current or former Ivy Ridge students who:
 - 1. Did not receive a diploma from Ivy Ridge, and
 - 2. While at Ivy Ridge held eighteen or more credits toward graduation on or before the date this Assurance was signed, and
 - 3. Withdrew from Ivy Ridge between April 15th and the 60th day after the letters referenced in paragraph 18 are sent out, inclusive; and
 - 4. Did not enroll at Ivy Ridge on or after April 15, 2005.

21. For each of the students identified in paragraph 20 (B), the Attorney General shall send a letter to the student and to his or her parent or guardian inquiring as to the reason for the student's withdrawal, in the form annexed hereto as Exhibit "C". Where, within 30 days of mailing, the Attorney General receives a written response that the indicated reason for withdrawal is either Ivy Ridge's lack of accreditation or its inability to confer a high school diploma, Respondents shall pay to the Attorney General an amount equal to 15% of the total tuition paid to Ivy Ridge on behalf of each of the withdrawing students. Such payments shall be made on or before the 60th day following notification to Ivy Ridge by the Attorney General of the total amount due, together with a copy of all written responses. Ivy Ridge may present to the Attorney General any equitable or other reasons why an otherwise qualifying student should not receive the offered restitution. The Attorney General's decision that a student withdrew from Ivy Ridge due to Ivy Ridge's lack of accreditation or its inability to confer a high school diploma, or should not otherwise be disqualified from receiving restitution, shall be final.

PENALTY

22. Respondents agree to pay to the Attorney General \$250,000 as a civil penalty and \$2,000 for the costs of this investigation within 60 days from the date set forth below

MISCELLANEOUS

23. Nothing in this Assurance shall be construed to deprive any person of any right or remedy under the law.

24. Pursuant to Executive Law Section 63(15), violation of this Assurance hereafter shall constitute prima facie proof of a violation of the applicable statutes in any civil action or proceeding hereafter commenced by the Attorney General.

25. Acceptance of this Assurance by the Attorney General shall not be deemed or construed as an approval of the Attorney General of any of the activities or business practices of Ivy Ridge, and Ivy Ridge shall make no representation to the contrary. Acceptance of this Assurance shall not be deemed or construed as an admission by Ivy Ridge as to any of the claims set forth in this Assurance of Discontinuance or any admission of liability therefore.

WHEREFORE, the following signatures are offered hereto this 17th day of August, 2005.

The Academy at Ivy Ridge, a New York Partnership

Jason G. Finlinson, Corporation Partner

By: [Signature]
Name: Jason Finlinson
Title: President Owner

Joseph and Alyn Mitchell Corporation, Partner

By: [Signature]
Name: Joseph E. Mitchell
Title: President

Jason G. Finlinson Corporation

By: [Signature]
Name: Jason Finlinson
Title: President

Joseph and Alyn Mitchell Corporation

By: Joseph E. Mitchell
Name: Joseph E. Mitchell
Title: President

Jason G. Finlinson, Individually

Jason Finlinson

Joseph Mitchell, Individually

Joseph E. Mitchell

Alyn Mitchell, Individually

Alyn Mitchell

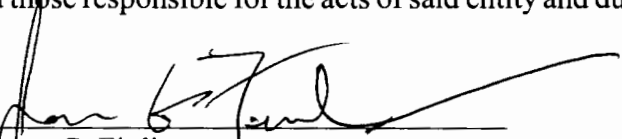
ELIOT SPITZER
Attorney General of the
State of New York

By: John T. Sullivan, Jr.
JOHN T. SULLIVAN, JR.
Assistant Attorney General In Charge
Watertown Regional Office
317 Washington Street
Watertown, New York 13601

CORPORATE ACKNOWLEDGMENT

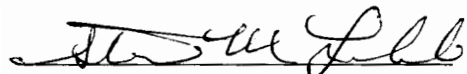
STATE OF NEW YORK)
)SS
COUNTY OF ST. LAWRENCE)

Jason G. Finlinson, the undersigned, being duly sworn, deposes and says: I am President of Jason G. Finlinson Corporation, the respondent described in and which executed the foregoing Assurance of Discontinuance. I have executed the aforesaid instrument with the consent and authority of Jason G. Finlinson Corporation and those responsible for the acts of said entity and duly acknowledge the same.



Jason G. Finlinson

Sworn to before me this
10 day of August, 2005



STEVEN M. LASHOMB
NOTARY PUBLIC, STATE OF NEW YORK
No. 01LA6110613
QUALIFIED IN ST. LAWRENCE COUNTY
MY COMMISSION EXPIRES JUNE 1, 2008

EXHIBIT A

[Date]

[Name]

[Address 1]

[Address 2]

Re: The Academy at Ivy Ridge

Dear [Name]:

As you are aware, your son or daughter is currently enrolled as a student at the Academy at Ivy Ridge (“Ivy Ridge”).

Pursuant to an agreement entered into by the Academy and the Office of the Attorney General of the State of New York, I am writing to inform you that (1) Ivy Ridge is not registered in any manner by the State of New York or the New York State Department of Education, (2) Ivy Ridge is not currently accredited by any academic accrediting organization, and (3) Ivy Ridge is not authorized by the New York State Department of Education to grant high school diplomas to its students.

Thank you for your attention in this matter.

Very truly yours,

Jason Finlinson, Director

EXHIBIT B

[Date]

[Name]

[Address 1]

[Address 2]

Re: The Academy at Ivy Ridge

Dear [Name]:

As you are aware, your son or daughter was formerly enrolled as a student at the Academy at Ivy Ridge ("Ivy Ridge") and received a diploma of high school graduation.

Pursuant to an agreement entered into by Ivy Ridge and the Office of the Attorney General of the State of New York, the text of which can be found on our website (www.oag.state.ny.us), every student who received a diploma, which at the time was unauthorized, is entitled to a refund of 15% of the total amount of tuition paid.

Consequently, we enclose herewith a refund check in the amount of \$_____, representing 15% of the total tuition paid in connection with your child's attendance, as reported to us by Ivy Ridge officials.

Thank you for your attention in this matter, and should you have any questions, feel free to contact the undersigned..

Very truly yours,

ELIOT SPITZER, ATTORNEY GENERAL

By:

John T. Sullivan Jr.
Assistant Attorney General-In -Charge
Watertown Regional Office
Ph. 315-785-2444

Exhibit C

[Date]

[Name]

[Address 1]

[Address 2]

Re: The Academy at Ivy Ridge

Dear [Name]:

This letter is being sent to you with the understanding that your son or daughter used to be a student at the Academy at Ivy Ridge ("Ivy Ridge") in Ogdensburg, New York.

The Office of the Attorney General of the State of New York and The Academy at Ivy Ridge recently entered into an agreement under the terms of which certain former students may be eligible for a partial refund of tuition paid. If you wish to be considered for this partial refund, it is necessary that you complete and return the form printed at the bottom of this page within thirty days. A stamped, self-addressed envelope is enclosed for your use.

Thank you in advance for your assistance in this matter. Should you have any questions, feel free to contact the undersigned.

Very truly yours,

ELIOT SPITZER, ATTORNEY GENERAL

By:

John T. Sullivan Jr.
Assistant Attorney General-In-Charge
Watertown Regional Office
Ph. 315-785-2444

Name:

Current Address:

Name of Student:

Reason for Withdrawal:
