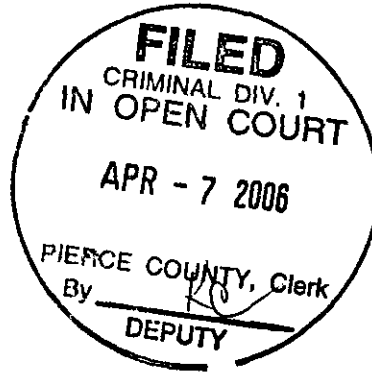




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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF PIERCE

LATESHA GONZALEZ, a single woman,)	NO. 04 2 09023 2
)	
Plaintiff,)	[PROPOSED] FINDINGS OF FACT
)	AND CONCLUSIONS OF LAW
v.)	
)	Hon. Kathryn Nelson
KILLEGREW/DALTON, INC., d/b/a as)	Dept. 13
CROWN COLLEGE; and DOES 1 through)	
10,)	
)	
Defendants.)	

This matter was tried before a jury beginning on January 18, 2006 and ending on January 27, 2006, the Honorable Kathryn Nelson presiding. Plaintiff's Amended Complaint stated causes of action for intentional misrepresentation (fraud), breach of contract, negligent infliction of emotional distress, and breach of the consumer protection act (RCW 19.86.020), however only the fraud and consumer protection act causes of action were tried. The jury returned a verdict finding that the Defendant had violated the consumer protection act and awarded plaintiff damages of \$2,000. The jury found that Crown College had not committed fraud. Following the reading of the verdict, the plaintiff moved the court pursuant

1 to RCW 19.86.090 for the entry of an order enjoining the defendant from certain
2 acts based on the jury's finding that the defendant violated the consumer protection
3 act. The Court makes the following findings of fact and conclusions of law.

4 **FINDINGS OF FACT**

5 1. Defendant Killebrew/Dalton, Inc., d/b/a Crown College operates a for-
6 profit post-secondary educational institution named Crown College which is located
7 at 8739 South Hosmer, Tacoma, Washington. Crown College is accredited by the
8 Accrediting Commission of Career Schools and Colleges of Technology ("ACCSC"),
9 which accredits career, vocational and technical schools.

10 2. Crown College offers, among other educational programs, Associate of
11 Science Degrees in Criminal Justice and Paralegal Studies.

12 3. Latesha Gonzalez enrolled in Crown College in June 2001 in the criminal
13 justice Associate of Science Degree program. On the enrollment form, Ms. Gonzalez
14 wrote down her goal as to ultimately transfer the credits she anticipated earning at
15 Crown College to Gonzaga University and pursue a degree in criminal psychology.
16 The admissions representative who interviewed her made a notation on one of the
17 enrollment forms affirming Ms. Gonzalez's stated goal.

18 4. Ms. Gonzalez attended Crown College intermittently from July of 2001
19 until March of 2003. Subsequently Ms. Gonzalez filed this lawsuit alleging that the
20 admissions representative for Crown College had misrepresented the transferability
21 of her credits to Gonzaga University.

22 5. At the time she enrolled and during the period she was enrolled at
23 Crown College Gonzaga University would not accept credits from Crown College for
24 transfer.

1 6. There are two distinct types of accreditations which are bestowed on
2 post-secondary educational institutions: national and regional. Each of these
3 accreditations is recognized by and meets the standards of the United States
4 Department of Education for purposes of Title IV funding.

5 7. The regionally accredited post-secondary institutions generally consist of
6 the "traditional", academic colleges and universities in the United States and include
7 such local schools as the University of Washington, Seattle University, Gonzaga
8 University and Chapman University. Most of the post-secondary institutions in
9 Washington State and the nation are regionally accredited. Certain relatively new
10 schools such as the University of Phoenix and City University are also regionally
11 accredited.

12 8. The majority of nationally accredited schools, such as Crown, are career,
13 vocational or technically oriented schools.

14 9. The majority of regionally accredited institutions, including University of
15 Washington, Seattle University, Gonzaga University, Chapman University, Tacoma,
16 Highline and Edmonds Community Colleges are reluctant to or will not accept
17 credits for transfer from nationally accredited schools such as Crown College,
18 however, they will accept generally accept credits from other regionally accredited
19 institutions.

20 10. The University of Phoenix and City University do accept most credits from
21 Crown College because Crown College has an articulation agreement with each of
22 these schools in which they agree to accept each other's credits and degrees.

23 11. Crown College's catalog and, sometime after the beginning of 2002, its
24 enrollment agreements contain a clause which generally states as follows:

1 Transfer of Earned Credits:

2 Can the credits you earn while attending Crown College be transferred to another
 3 institution? It is up to the receiving institution whether or not it would choose to
 4 apply Crown College credits toward their program of interest. Most Crown credits
 5 are recognized and accepted at City University and the University of Phoenix. Most
 6 colleges, including Crown College, require that transcripts be submitted to analyze
 7 whether credits will be accepted. If you have a question whether your Crown credits
 would transfer to an institution, it is advised that you contact that institution. It is
 8 totally up to the discretion of each institution whether credits will or will not be
 9 accepted. Authority to accept credit is under the jurisdiction of the college or
 10 university that is to grant the degree."

11 12. This Transfer of Credits clause does not mention the fact that Crown is
 12 nationally accredited and by virtue of the fact that it lacks regional accreditation,
 13 the majority of regionally accredited schools are very reluctant to accept its credits.

14 Based on the foregoing findings of fact and specifically based on the verdict
 15 returned by the jury, this court makes the following:

16 **CONCLUSIONS OF LAW**

17 1. Defendant Killebrew/Dalton, Inc. violated the Consumer Protection Act.
 18 The defendant's actions with respect to Ms. Gonzales constituted an unfair and
 19 deceptive act or practice which occurred in the conduct of trade or commerce and
 20 they caused injuries to the plaintiff's property. The defendant's conduct affected the
 21 public interest. Defendant induced plaintiff to enroll in Crown College based on the
 22 misrepresentation made through Aubrey Zeitzer that plaintiff's credits would
 transfer to Gonzaga University, when in fact during the relevant time period
 23 Gonzaga University would not accept credits from nationally accredited institutions
 24 such as Crown.

25 2. Defendant's actions have the potential for repetition.

26 3. The jury awarded the plaintiff \$2,000 in damages, and this court, in its
 discretion, ~~assessed treble punitive damages totaling \$6,000~~ ^{increases the damage award to \$6,000} under RCW 19.86.090.

OK
 KL
 KJm

1 4. The plaintiff is entitled to an award of the costs of the suit, including a
2 reasonable attorney fee pursuant to RCW 19.86.090, the amount of which will be
3 determined by separate motion and order.

4 5. Plaintiff is entitled to injunctive relief as follows:

5 The Court hereby orders that Defendant Killebrew/Dalton, Inc. d/b/a Crown
6 College and all successors, assigns, transferees, officers, agents, servants,
7 employees, representatives and all other persons or entities in active concert or
8 participation with Defendant are hereby permanently enjoined and restrained from
9 directly or indirectly engaging in the following acts, practices or omissions in
10 marketing or selling its educational services to Washington consumers:

11 a. Misrepresenting, directly or by implication, to any prospective student,
12 parent or other interested party, that credits and degrees from Crown College can
13 be easily transferred or recognized by any other post-secondary institution unless
14 Crown has an articulation agreement with such institution ^{or other direct evidence} mandating that such
15 institution will accept Crown College credits and/or degrees as the case may be.

OK
KL
Jm

16 b. Failing to educate all staff members, including admission representatives
17 and/or counselors, who interact with prospective students, about the nature of
18 national accreditation and the fact that the majority of regionally accredited post-
19 secondary educational institutions are presently reluctant to accept for transfer or
20 recognize degrees and credits earned at nationally accredited schools such as
21 Crown College.

22 c. Failing to include in all advertising whether on the Internet, radio, television
23 or any other media that Crown College is accredited by the Accrediting Commission
24 of Career Schools and Colleges of Technology ("ACCSCCT") a national accrediting
25 agency recognized by the Department of Education.

26 shall be effective 30 days from April 7, 2006

This paragraph (c) OK
KL
Jm

1 d. Failing to have prospective students sign and acknowledge receipt of a
2 separate form before they enroll in Crown College that contains the following
3 language:

4 "Crown College is accredited by the Accrediting Commission of Career Schools
5 and Colleges of Technology, which is a national accrediting agency, recognized by
6 the Department of Education, the Washington State Higher Education Coordinating
7 Board (although Crown College is provisionally exempt from HEC Board oversight)
8 and the Department of Veteran Affairs and is eligible for Title IV funding. However,
9 Crown College is not accredited by the Northwest Association of Schools and
10 Colleges or any of the other regional accrediting bodies which include the Middle
11 States Association of Colleges and Schools, the Western association of Schools and
12 Colleges, the New England Association of Schools and Colleges, the North Central
13 Association of Colleges and Schools, and the Southern Association of Colleges and
14 Schools, thus Crown College is not regionally accredited. The majority of post-
15 secondary regionally accredited educational institutions, i.e., those that are
16 accredited by the regionally accredited bodies set forth above, are presently
17 reluctant to accept for transfer or recognize credits and degrees from nationally
18 accredited post-secondary educational institutions such as Crown College.
19 Examples of post-secondary educational institutions are University of Washington,
20 Chapman University, Seattle University, Washington State University, Pacific
21 Lutheran University and all Washington State community colleges. There are some
22 regionally accredited schools that accept Crown College credits and/or degrees
23 though many of those require that the student take extra steps which might include
24 having their credits and/or degrees specially evaluated. It is imperative that
25 prospective students check with any post-secondary regionally accredited institution

1 which he or she may anticipate wishing to transfer credits or degrees earned at
2 Crown College before he or she enrolls in Crown College to make sure that that
3 institution will accept credits and/or degrees earned at Crown College. *This paragraph*
4 *(d) shall be effective two weeks from April 7, 2006.* *OK*
5 Presently City University and the University of Phoenix accept for transfer most *KL*
6 credits and recognize the degrees earned at Crown College, ~~this is because Crown~~ *OK*
7 ~~College has entered into an articulation agreement with each of these schools in~~
8 ~~which each of them have agreed to accept Crown College's credits and/or degrees~~
9 and vice versa.

10 DATED this 7 day of April, 2006.

[Handwritten Signature]
Hon. Kathryn Nelson
Judge of the Superior Court
KATHRYN J. NELSON

13 Presented by:
14 LUNDAHL LAW

[Handwritten Signature: Karen Lundahl]
15 Karen Lundahl, WSB 8746
16 Attorney for Plaintiff

17 Approved as to Form:

[Handwritten Signature: Grant Kinnear]
18 Grant Kinnear, WSB 8935
19 Attorney for Defendant
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