

I.

DISCOVERY CONTROL PLAN

In accordance with Rule 190.1, Texas Rules of Civil Procedure, Plaintiffs will conduct discovery in this civil action under Discovery Control Plan Level Three.

II.

PARTIES

Plaintiff Miesha Daniels (*Daniels*) is an individual who resides in Dallas, Dallas County, Texas. Plaintiff William Engman (*Engman*) is an individual who resides in Garland, Dallas County, Texas. Plaintiff Tonua Franklin (*Franklin*) is an individual who resides in Grand Prairie, Dallas County, Texas. Plaintiff Dana Garcia (*Garcia*) is an individual who resides in Richardson, Dallas County, Texas. Plaintiff Sharhonda Harris (*Harris*) is an individual who resides in Arlington, Tarrant County, Texas. Plaintiff Victoria Herrera (*Herrera*) is an individual who resides in Dallas, Dallas County, Texas. Plaintiff Jason Malitz (*Malitz*) is an individual who resides in Irving, Dallas County, Texas. Plaintiff Cindy Matias (*Matias*) is an individual who resides in Grand Prairie, Dallas County, Texas. Plaintiff Christina Moore (*Moore*) is an individual who resides in Euless, Tarrant County, Texas. Plaintiff Brenda Lynn Nelson (*Nelson*) is an individual who resides in Dallas, Dallas County, Texas. Plaintiff Mechelle Reagan (*Reagan*) is an individual who resides in Grand Prairie, Dallas County, Texas. Plaintiff Quinton Sanders (*Sanders*) is an individual who resides in Irving, Dallas County, Texas. Plaintiff Tonya Steed (*Steed*) is an individual who resides in Grand Prairie, Dallas County, Texas.

Defendant Rhodes Colleges, Inc., d/b/a Everest College is a corporation that is organized under the laws of the state of Delaware. Rhodes Colleges, Inc.'s principal office is located Santa

Anna, California. Rhodes Colleges, Inc. may be served through its registered agent for service of process, CT Corporation System, 350 N. St. Paul Street, Dallas, Texas 75201-4240.

Defendant Rhodes Business Group, Inc., d/b/a Everest College is a corporation that is organized under the laws of the state of Delaware. Rhodes Business Group, Inc.'s principal office is located in Santa Anna, California. Rhodes Business Group Inc. may be served through its registered agent for service of process, CT Corporation System, 350 N. St. Paul Street, Dallas, Texas 75201-4240.

Defendant Corinthian Colleges, Inc. is a corporation that is organized under the laws of the state of Delaware. Corinthian Colleges, Inc.'s principal office is located in Santa Anna, California. Corinthian Colleges, Inc. may be served through its registered agent for service of process, CT Corporation System, 350 N. St. Paul Street, Dallas, Texas 75201-4240.

Defendant Elgrie Hurd III is an individual resident of Dallas, Dallas County, Texas. Hurd may be served at his residence, 1351 Strickland Street, Dallas, Texas 75216.

III.

JURISDICTION

This court has personam jurisdiction over all Defendants since Plaintiffs' causes of action arose in Texas and since Defendants are amenable to service by a Texas court. This Court has subject matter jurisdiction because district courts are constitutional courts of general jurisdiction, and the amount in controversy is within the jurisdictional limits of the court.

IV.

VENUE

Venue is proper in Dallas County, Texas under TEX. CIV. PRAC. & REM. CODE §§15.002(a)(1) and 15.003(a).

V.

FACTS

Corinthian Colleges, Inc is one of the largest for-profit, post-secondary education companies in North America, with more than 100 campuses within the United States and Canada. Its campuses offer short-term diploma and degree programs in a number of career fields. Rhodes Colleges, Inc. and Rhodes Business Group, Inc. are both wholly-owned subsidiaries of Corinthian Colleges, Inc., and each are doing business in Texas under the assumed name of “Everest College” (*Everest*). Everest campuses offer diploma and degree programs in the health care, business, and computer technology career field. There are over 100 Everest campuses located across the United States and Canada, including campuses in Fort Worth, Dallas, and Arlington. At all times relevant herein, Elgrie Hurd III (*Hurd*) was the Dean of Student Services at the Dallas campus of Everest College.

Plaintiffs were, at all times relevant herein, students enrolled at Everest’s Fort Worth, Dallas, and Arlington campuses. Plaintiffs Reagan, Nelson, Malitz, Garcia, Herrera, and Engman were enrolled at either Everest’s Dallas or Arlington campuses, in the Criminal Justice program. Plaintiffs Steed, Franklin, Harris, Daniels, and Matias were enrolled in the Medical Insurance Billing and Coding program at Everest’s Arlington campus. Plaintiff Moore was enrolled at Everest’s Fort Worth campus in the Medical Assisting program. She was to attain an Associate of Applied Science through this program.

Defendants’ agents and representatives, including Hurd, made numerous promises to Plaintiffs to induce them to enroll at Everest. Students enrolled in the Criminal Justice program were told by officials of the school, including Hurd, that Everest would prepare them for a career in corrections, probation, criminology, forensic sciences, law enforcement, immigration, and

security administration. Everest represented that through its program, Plaintiffs would gain the skills necessary to maintain law and order, protect life and property, and conduct administration, planning, and research services. Students enrolled in Everest's Medical Insurance Billing and Coding program were told that Everest would teach them the basic concepts and procedures needed to perform the tasks involved in health insurance as well as successful completion of insurance claim forms. They were also told that they would gain knowledge of basic coding definitions and how to apply those codes to medical documentation. Moore was told that Everest would prepare her to maintain a high quality of patient care, take vital signs, run laboratory and diagnostic tests, all while utilizing her organization, communication and management skills, which would also be developed through Everest's program.

Plaintiffs were told that Everest's programs were characterized by hands-on training that would allow them to practice with the tools of their new careers, small work teams where they would be able to ask questions and work with instructors who would offer helpful instruction to students, and experienced and qualified instructors. Admissions personnel specifically told Plaintiffs that Everest offered career placement services, which would help students launch their new careers after graduation. Through the schools' admissions departments, Defendants represented that Everest had between a 90 and 99.9 percent job placement rate.

The college specifically encouraged students to use their time at Everest as a "starting point" for their post-secondary education. In fact, central to Everest's efforts to induce Plaintiffs to enroll at Everest was the promise that their course credits would transfer to any four-year college or university in the country. Defendant Hurd in particular represented, many times, that students' course credits would transfer to other schools.

Based on these and other representations made by Defendants' agents and

representatives, Plaintiffs enrolled in their respective programs. Their experience fell overwhelmingly short of expectation. Plaintiffs found that with few exceptions, many on Everest's faculty were either unqualified to teach in their respective fields, or simply uninterested in teaching. Many plaintiffs experienced significant instructor turnover in their courses, and some courses did not have assigned instructors at all. In September 2008 an instructor assigned to teach a course at the Arlington campus within the Medical Insurance Billing and Coding program stopped attending class, and the course remained without an instructor for the duration of the program.

Not only were many instructors unqualified, disinterested, or inexplicably absent from class, but the curriculum often lacked rigor and failed to challenge Plaintiffs. Much classroom instruction involved reading from overhead slides, and meaningful homework assignments were rare. A group of students brought these concerns to school officials in September 2008 and were told that they would have to take the classes over, at the students' expense. Suffice it to say that once Everest secured Plaintiffs' tuition payments the schools' commitment to fostering their professional development diminished greatly.

Nor did the "on the job training" provided Plaintiffs measure up to Defendants' representations. Many students found themselves answering telephones and tending to other administrative tasks at their externships rather than "practicing with the tools of their new careers," as promised.

Because of these deficiencies many students elected to discontinue their studies at Everest, but quickly found that despite Defendants' representations that their course credits would readily transfer to any college or university, this was not the case. In fact, their course credits were not accepted by any institution of higher learning, leaving these students with no

options but to start over at great and duplicative expense, or simply abandon their educational goals altogether. In Moore's case, Everest decided, during her matriculation, to discontinue the Associate of Applied Science degree in the Medical Assisting program. Moore found that her credits would not transfer to any other institution. She was therefore unable to complete her degree at Everest, or at any other institution.

While many students discontinued their studies at Everest, those Plaintiffs that did complete their programs found themselves without any effective assistance from Everest's career placement department. Predictably, with a worthless credential and no career placement services, Plaintiffs have not found jobs within their fields of study.

VI.

CAUSES OF ACTION

Count One -- Deceptive Trade Practices Act

Plaintiffs incorporate by reference the foregoing, as if those allegations were set forth verbatim. Plaintiffs were consumers as defined by the Texas Deceptive Trade Practices and Consumer Protection Act, TEX. BUS. & COM. CODE § 17.41 *et. seq.*, and purchased education services from Defendants. Defendants, and their agents, employees, servants and apparent agents, while in the course and scope of their employment with Defendants, violated the following provisions of the Texas Deceptive Trade Practices and Consumer Protection Act, TEX. BUS. & COM. CODE §17.46(b):

- (2) causing confusion or misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- (3) causing confusion or misunderstanding as to affiliation, connection, or association with, or certification by, another;
- (5) representing that goods or services have sponsorship, approval,

characteristics, ingredients, uses, benefits, or quantities they do not have;

(7) representing that goods or services are of a particular standard, quality or grade or that goods are of a particular style or model if they are of another;

(9) advertising goods or services with intent not to sell them as advertised; and

(24) failing to disclose information about goods or services that was known at the time of the transaction if their failure to disclose was intended to induce the consumer into a transaction that the consumer would not have entered into had the information been disclosed.

The representations by Defendants, their agents, employees, servants, and apparent agents, while in the course and scope of their employment with Defendants, were false, misleading and deceptive in that the goods or services did not have the sponsorship, approval, characteristics, ingredients, uses, benefits or quantities as represented; were not of a particular standard, quality or grade as represented; and did not confer or involve rights, remedies or obligations as represented.

Count Two – Fraud

Plaintiffs incorporate by reference the foregoing, as if those allegations were set forth verbatim. Defendants made material misrepresentations about the quality of Everest's programs, the qualifications and commitment of its faculty, the effectiveness of its career placement department, its job placement rates, and the ability to transfer course credits obtained at the institution.

Defendants made these misrepresentations with knowledge of their falsity, or alternatively, made these misrepresentations recklessly without any knowledge of the truth of the statements.

Defendants made these misrepresentations with the intent that Plaintiffs would rely on these statements, and pay the school money in order to enroll in its Criminal Justice, Medical Assisting, and Medical Insurance Billing and Coding programs, even though the quality of these programs, and students' post-graduation career prospects, were severely lacking. Plaintiffs suffered significant financial injuries by actively and justifiably relying on Defendants' misstatements.

Count Three – Breach of Contract

Plaintiffs incorporate by reference the foregoing, as if those allegations were set forth verbatim. Each Student was required to sign an "Application / Enrollment Agreement." Pursuant to the contract the student is obligated to make certain tuition payments in exchange for the school offering training in the student's chosen field. The contract provides specifically that their tuition would be refunded if "the enrollment of the student was procured as the result of any misrepresentation in advertising, promotional materials of the school or college, or representations by the owner or representations of the school or college." All plaintiffs were entitled to a refund under this provision, and none have been forthcoming. Plaintiffs' Application / Enrollment Agreements also provide that "[i]f a course of instruction is discontinued by the career school or college and this prevents the student from completing the course, all tuition and fees paid are then due and refundable." This provision entitles Moore to a complete refund of her tuition. None has been rendered.

Defendants are consequently in breach of Plaintiffs' Application / Enrollment Agreements.

VII.

DAMAGES

Defendants' conduct as described above was a producing cause of Plaintiffs' damages. As a result, Plaintiffs sustained economic damages including tuition and fees paid, interest accrued on student loans, diminished earning capacity, lost time for attending class, as well as mental anguish damages. The conduct of Defendants as described in this Petition was committed knowingly; that is, Defendants were actually aware of the falsity, deception, and unfairness of the conduct about which Defendants complain. Accordingly, Defendants are liable to Plaintiffs for additional damages as provided by the Texas Deceptive Trade Practices and Consumer Protection Act.

Defendants' conduct as described in this Petition and the resulting damages and losses to Plaintiffs has necessitated Plaintiffs retaining the undersigned attorney. Plaintiffs are, therefore, entitled to recover from Defendants an additional sum to compensate Plaintiffs for reasonable fees for such attorney's services in the preparation and prosecution of this action, as well as a reasonable fee for any and all appeals to other courts.

The conduct of Defendants, as set forth herein, is of such a character as to make Defendants liable for fraudulent conduct, malicious intent or gross negligence. The actions of Defendants involve such an entire want of care as could only have resulted from actual conscious indifference to the rights, safety or welfare of Plaintiffs, and Plaintiffs hereby sue for exemplary damages in an amount far in excess of the minimum jurisdictional limits of this Court.

VIII.

JURY DEMAND

Plaintiffs request that all ultimate fact issues be submitted to a jury for determination in accordance with Texas law. They have paid the jury fee.

IX.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiffs respectfully pray that Defendants be cited to appear and answer herein, and that on trial of this cause of action Plaintiffs shall have judgment against Defendants for the following relief:

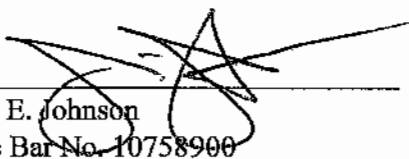
1. Judgment against Defendants, jointly and severally, for a sum in excess of the minimum jurisdictional limits of this Court;
2. Further damages by reason of Defendants knowing misconduct in accordance with the provisions of §17.50(b)(1) of the Business and Commerce Code;
3. Judgment against Defendants for exemplary damages in an amount far in excess of the minimum jurisdictional limits of the Court;
4. Prejudgment interest as provided by law;
5. Attorney's fees;
6. Post-judgment interest as provided by law;
7. Costs of suit; and
8. Such other and further relief to which Plaintiffs may be entitled.

X.

REQUEST FOR DISCLOSURES

Pursuant to TEX. R. CIV. P. 194, Defendants herein are requested to disclose, within 50 days of the service of this Petition and request, the information and/or material described in Rule 194.2.

Respectfully Submitted,



Julie E. Johnson
State Bar No. 10758900
Law Office of Julie Johnson, PLLC
3100 Monticello Avenue, Suite 500
Dallas, Texas 75205
(214)265-7600
Fax: (214) 265-7626

COUNSEL FOR PLAINTIFFS



DALLAS COUNTY CIVIL DISTRICT COURT COVER SHEET

STYLED Miesha Daniels v. Everest College Inc. et al

This Civil Cover Sheet must be completed, filed and served with every petition. The information should be the best available at the time of filing, understanding that the information may change before trial. This information does not constitute a discovery request, response, or supplementation, and is not admissible at trial. Check (✓) all applicable boxes.

Plaintiff(s) <input type="checkbox"/> Pro Se Address _____ Telephone/Fax _____ E-mail _____	Defendant(s) (list separately) Rhodes College, Inc., d/b/a Everest College Rhodes Business Group, Inc. d/b/a Everest College Corinthian Colleges, Inc. Elgrie Hurd, III
--	--

Attorney for Plaintiff(s): Julie E. Johnson
 State Bar No.: 10758900
 Address: 3100 Monticello Avenue, Suite 500, Dallas, TX 75205
 Telephone/Fax: (214) 265-7600/(214) 265-7626 Fax
 Email: julie@juliejohnsonlaw.com

PARTIES MUST CHECK ONE CASE TYPE AND MAY CHECK ONE SUB-TOPIC		
<input type="checkbox"/> Administrative Appeal <input type="checkbox"/> Bill of Review <input type="checkbox"/> Certiorari <input type="checkbox"/> Code Violations <input type="checkbox"/> Condemnation <input type="checkbox"/> Construction <input type="checkbox"/> Debt/Contract <input type="checkbox"/> Defamation <input checked="" type="checkbox"/> Other Commercial Dispute <input type="checkbox"/> Antitrust/Unfair Comp <input type="checkbox"/> Consumer/DTPA <input type="checkbox"/> Franchise <input checked="" type="checkbox"/> Fraud/Misrep <input type="checkbox"/> Intellectual Property <input type="checkbox"/> Non-Competes <input type="checkbox"/> Partnership <input type="checkbox"/> Securities/Stock <input type="checkbox"/> Tortious Interference <input type="checkbox"/> Other Commercial <input type="checkbox"/> Discipline <input type="checkbox"/> Discovery <input type="checkbox"/> Rule 202 Depositions <input type="checkbox"/> Commissions <input type="checkbox"/> Subpoena <input type="checkbox"/> Letters Rogatory <input type="checkbox"/> Other Discovery <input type="checkbox"/> Employment <input type="checkbox"/> Discrimination <input type="checkbox"/> Retaliation	<input type="checkbox"/> Termination <input type="checkbox"/> Other Employment <input type="checkbox"/> Foreclosure <input type="checkbox"/> R 736 <input type="checkbox"/> Other than R 736 <input type="checkbox"/> Foreign Judgment <input type="checkbox"/> Insurance <input type="checkbox"/> Mass Tort/MDL/Rule 11 <input type="checkbox"/> Asbestos <input type="checkbox"/> Baycol <input type="checkbox"/> Breast Implant <input type="checkbox"/> Firestone <input type="checkbox"/> Phen-Fen <input type="checkbox"/> Silica <input type="checkbox"/> Other Multi-Party <input type="checkbox"/> Motor Vehicle Accident <input type="checkbox"/> Other Personal Injury <input type="checkbox"/> Assault/Battery <input type="checkbox"/> Product <input type="checkbox"/> Premises <input type="checkbox"/> Other Personal Injury <input type="checkbox"/> Name Change <input type="checkbox"/> Post-Judgment <input type="checkbox"/> Professional Liability <input type="checkbox"/> Accounting <input type="checkbox"/> Legal <input type="checkbox"/> Med/Mal <input type="checkbox"/> Other Prof. Liab. <input type="checkbox"/> Property	<input type="checkbox"/> Partition <input type="checkbox"/> Quiet Title <input type="checkbox"/> Trespass/Try Title <input type="checkbox"/> Other Property <input type="checkbox"/> Prejudgment Remedy <input type="checkbox"/> Seizure/Forfeiture <input type="checkbox"/> Tax <input type="checkbox"/> Tax Appraisal <input type="checkbox"/> Tax Delinquency <input type="checkbox"/> Tax Land Bank <input type="checkbox"/> Tax Personal <input type="checkbox"/> Tax Real <input type="checkbox"/> Workers Comp <input type="checkbox"/> Other ADDITIONAL SUB-TOPICS <input type="checkbox"/> Attachment <input type="checkbox"/> Bill of Discovery <input type="checkbox"/> Class Action <input type="checkbox"/> Declaratory Judgment <input type="checkbox"/> Garnishment <input type="checkbox"/> Interpleader <input type="checkbox"/> License <input type="checkbox"/> Mandamus <input type="checkbox"/> Receiver <input type="checkbox"/> Sequestration <input type="checkbox"/> Severance <input type="checkbox"/> TRO/Injunction <input type="checkbox"/> Turnover

DISCOVERY LEVEL <input type="checkbox"/> Level 1 <input type="checkbox"/> Level 2 <input checked="" type="checkbox"/> Level 3
Local Rule 1.08 Certification (Must be completed and signed) <input type="checkbox"/> This case is not subject to transfer pursuant to Local Rule 1.07, OR <input type="checkbox"/> This case is related to another case filed or disposed of in Dallas County: Court: _____ Style: _____ Case No. _____ <div style="text-align: right; margin-top: 10px;"> Attorney's Signature </div>