

SUPREME COURT: STATE OF NEW YORK  
COUNTY OF BROOME

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PEOPLE OF THE STATE OF NEW YORK  
by BARBARA D. UNDERWOOD,  
Attorney General of the State of New York,

Petitioner,  
against

VERIFIED PETITION

Index No.:  
RJI No.:

AAUCONNECT.COM, LLC  
d/b/a New York International Academy,  
CHRIS BEVIN and HAZEL WARD,

Respondents.

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The People of the State of New York, by their attorney, Barbara D.  
Underwood, Attorney General of the State of New York, respectfully allege upon  
information and belief:

**INTRODUCTION**

1. Petitioner brings this special proceeding pursuant to Executive Law § 63(12) and General Business Law ("GBL") Article 22-A to enjoin Respondents' deceptive, fraudulent and illegal business practices in connection with their ownership and operation of a high school and post-graduate high school basketball business. Petitioner also seeks to recover restitution and damages for individuals victimized by these unlawful practices, and civil penalties and costs as authorized by statute, to be paid to the State of New York.

2. Executive Law § 63(12) authorizes Petitioner to bring a special proceeding for injunctive relief, restitution, damages and costs when any person or business entity has engaged in or otherwise demonstrated repeated

fraudulent or illegal acts in the transaction of business. GBL § 349(a) prohibits deceptive acts or practices in the conduct of any business, trade or commerce or in the furnishing of any service in New York. GBL § 350 prohibits false advertising in the conduct of any business, trade or commerce or in the furnishing of any service in New York. GBL § 350-d empowers the NYAG to seek civil penalties of up to \$5,000 for each violation when any person or entity has engaged in deceptive business practices or false advertising in violation of GBL §§ 349 and 350.

### **PARTIES AND JURISDICTION**

3. Petitioner is the People of the State of New York, by their attorney Barbara D. Underwood, Attorney General of the State of New York (hereinafter "Petitioner" or "NYAG").

4. Respondent AAUCONNECT.COM, LLC ("AAUCONNECT") is a domestic limited liability company organized and existing under the laws of the State of New York, having filed its Articles of Organization with the New York State Department of State on February 25, 2015. AAUCONNECT has an office and principal place of business located at 23 Jackson Ave., Endicott, NY and also does business under the assumed name "New York International Academy".

5. Respondent, Chris Bevin, is the C.E.O and managing member of AAUCONNECT, with an office and principal place of business located at 23 Jackson Avenue, Endicott, New York. Upon information and belief, Bevin resides at an unknown address located outside of the United States of America.

6. Respondent, Hazel Ward, is the head of Admissions and member of AAUCONNECT, with an office and principal place of business located at 23 Jackson Avenue, Endicott, New York. Upon information and belief, Ward resides at an unknown location outside of the United States of America.

7. Upon information and belief, Respondents, Chris Bevin and Hazel Ward, are a married couple who reside together outside of the United States of America. Although living outside the United States, they are actively involved in the business's day to day operations, management and control. They have personal knowledge of and participated in the deceptive, fraudulent and illegal acts alleged herein.

8. At all times hereinafter mentioned, Respondents have jointly engaged in the ownership and operation of a high school and post-high school basketball business located in Endicott, New York.

9. The NYAG has complied with the statutory notice requirements of GBL § 349(c) and 350-c.

### **FACTS**

10. Since at least February 25, 2015, Respondents have owned and operated a private basketball business purportedly for high school and post-graduate high school players ("Program"). Respondents promote the Program as being designed for players seeking to play college basketball or start a professional basketball career.

11. Respondents advertise on their website (aaauconnect.com) that they offer a selection of programs for boys and girls, including, among others, a ten-

month New York International Academy High School and six-month high school post-graduate program.

12. Upon information and belief, Respondents identify potential participants by searching college recruiting websites and contacting high school players who have posted on those sites, or by contacting college recruiting services. Respondents contact these players through email and other social media sites directing them to Respondents' website ([aaconnect.com](http://aaconnect.com)) for further information.

13. Upon information and belief, potential participants may also contact Respondents, directly, after finding Respondents' website through internet searches.

14. Although claiming to be the CEO and Admissions Counselor, respectively, Respondents Chris Bevin and Hazel Ward are not present at the Program's facilities to personally supervise the Program or address problems that arise.

15. Respondents advertise their Program as being the "best Post Grad Basketball Program in upstate New York" and "the North-East's #1 basketball academy", offering a NCAA Division I environment and claiming that participants will live in a "recreated" college living environment with academic support and college placement services. Respondents claim to have "...the very best coaching, training & educational facilities and college placement service." They also advertise that they get the players recruited by colleges.

16. Respondents also represent that their Program prepares players for Division I basketball by living, training, practicing and playing in high-quality accommodations. For example, they claim on their website that players will be staying in “high-quality” apartments, playing in the Floyd Maines Broome County Arena, exclusive strength training their “training studio”, and eating at a private restaurant where meals are designed and prepared by a “top Chef”.

17. Respondents also claim that education is their top priority, offering consumers such academic services as a full-time Teacher, SAT prep, English classes for foreign consumers (TOEFL), and access to college level courses.

18. Respondents represent that they offer participants a rigorously structured program with twice-daily training and practice sessions, nightly academic courses, and regular video sessions of practices and games. They also represent that each participant receives an individual highlight video, shot chart, and season statistics.

19. In October 2017, Respondents began requiring all participants to pay for a mandatory meal plan that Respondents claimed was prepared by their “top chef” to feed the players “like a Pro-Athlete”. They represent that the meals are served at Respondents’ “new private restaurant” and are specifically designed to meet the dietary requirements of athletes.

20. Respondents’ advertise their current tuition on their website, but entice consumers to apply by also advertising that “scholarships” are available to reduce the cost.

21. Although Respondents advertise the price of tuition, they fail to clearly and conspicuously disclose that they charge an additional cost for the mandatory meal plan (most recently \$3,000) and apartment/key deposits (recently \$350).

22. Respondents send each applicant an acceptance letter setting forth the amount they are being charged for tuition, meal plan and other fees, while listing a deduction for the "scholarship" that is being awarded.

23. The acceptance letters set forth a payment schedule, including a demand for an immediate payment of \$2,000 to "secure" the consumer's place in the Program. The payment plan requires the balance of all tuition to be paid approximately one month prior to the October 1 Program start date.

24. The acceptance letters fail to notify participants that any payments they make are non-refundable, even if consumers withdraw from the Program. Additionally, the acceptance letters fail to notify consumers that if they are late in making any of the payments, Respondents will charge them significant late fees and will also prevent them from participation in the Program until all the fees have been paid.

### **Respondents' False Advertising and Deceptive Business Practices**

#### **A. Falsely advertises "highly-rated" program and coaching staff**

25. Respondents repeatedly and persistently mislead consumers by misrepresenting, directly and by implication, that they run a highly-rated program when such is not the case.

26. Respondents advertise on their website that they operate the #1 post-graduate boys and girls basketball programs in the Northeast and “the best in upstate New York”.

27. However, Respondents’ programs have never been rated, much less highly-rated, by any third-party organization.

28. Moreover, upon information and belief, Respondents have never operated a girls’ post-graduate basketball program, making any claims of being a top-rated program in the Northeast untrue.

29. Respondents, repeatedly and persistently misrepresent to consumers, directly and by implication, that the administrators and coaching staff have the top-quality background, experience and training to prepare them for college basketball. However, Respondents fail to disclose to consumers the administrators’ and coaches’ actual qualifications, which, upon information and belief, are not what consumers are led to believe.

30. Moreover, Respondents’ entire coaching staff quit the program at the beginning of November 2017, leaving consumers to fend for themselves. Respondents failed to provide the advertised and promised practice and skills development, and ended up withdrawing from tournaments and cancelling or postponing games for approximately one month, thereby depriving consumers of what they paid for. This problem was exacerbated by the fact the Respondents Chris Bevin and Hazel Ward were not present in Endicott to resolve the issue.

**B. Falsely represents housing accommodations**

31. Respondents also repeatedly and persistently, directly or by implication, misrepresent the type and quality of housing accommodations that they furnish to consumers.

32. Respondents advertise on their website that consumers would be staying in “high quality” two-bedroom apartments with a shared living room, kitchen, cable TV and internet. They advertise that the accommodations are in a college living environment close to grocery stores, shopping and entertainment.

33. In the summer of 2016, Respondents told consumers that they would be living in quality accommodations in a hotel in Johnson City, NY near the Oakdale Mall, Wegman's grocery store and other convenient services, when such was not the case.

34. After consumers arrived for the Program on October 1, 2016, some of them were left waiting around Respondents' offices without a place to live because Respondents had not arranged enough housing for all of the consumers who had signed up. While the consumers waited for hours, Respondents scrambled to find housing accommodations for them.

35. When the consumers were finally directed to their apartment, they discovered that Respondents placed them in a rundown, filthy house that did not have a working stove or microwave, no promised cable or internet, and was too small to accommodate the six consumers who were assigned to live there. The building was located across the street from a bar, and not near grocery stores,



restaurants, or the team's practice facilities. There were also used syringes scattered on the ground outside the building.

36. Respondents and their coaches/agents initially told consumers that the housing was temporary and that they would be moved to another place, but that did not happen until after several consumers quit the Program, leaving room for the remaining consumers to move into the apartment complex on the outskirts of Endicott.

37. Respondents also provide inadequate housing for consumers while traveling out of town for tournaments. Respondents put four consumers in a room with two small beds. Some consumers have to sleep on the floor because there is not enough room in the beds.

**C. Falsely advertises meal plan and restaurant accommodations**

38. Respondents also prominently advertise on their website that they instituted a meal plan at its new "private restaurant" with food prepared by Respondents' "top chef" that was delicious and specifically designed for optimum athletic performance. The meal plan was mandatory at a cost of \$3,000.

39. Respondents fail to disclose on their website that meal plan is really a partial meal plan, only serving 2 meals per day and only on weekdays.

40. Additionally, Respondents posted a picture of the purported restaurant on their website. The picture depicts an upscale restaurant. However, this is not the case. In actuality, the facility was a former restaurant stripped down to a bare cafeteria setting.

41. Moreover, the meals are not designed and prepared by an experienced chef, but rather prepared by a local cook after taking instructions from Respondents. The meals were bland and tasteless and inadequate for practicing athletes. Rather than two hot meals a day, as advertised on their website, Respondents often serve things like scones and fruit for the breakfast meal and soup and a sandwich for the afternoon meal.

42. When players' parents bring their son's complaints about the meals to Respondents and ask for copies of the menus, Respondents refuse to disclose menus and send pictures purportedly showing the food that is being served. Those pictures, as well as pictures of the food posted on Respondents' website, do not represent what is actually being served to the consumers.

43. Additionally, the plates and utensils used in Respondents' restaurant are often not adequately cleaned. Consumers have even found flies and hair in some of the food.

**D. Falsely advertises "New York International Academy High School"**

44. Respondents also fraudulently advertise on its website that, among other programs, they offer a high school program referred to as "New York International High School." They claim that they "...teach 7<sup>th</sup>-12<sup>th</sup> grade students in private small classes to maximize student learning and development."

45. Respondents initially posted a picture of the front of their purported "high school" on their website, which was actually a picture of a local private high school not affiliated with Respondents. Respondents finally took the picture down after the school complained.

46. Respondents have never obtained authority from the New York State Department of Education to operate a school. Yet, Respondents continue to misrepresent that they have a high school when no such school exists.

**E. Fail to disclose that payments are non-refundable and inform consumers of late fees.**

47. Respondents fail to inform consumers that payments, whether partial or full, are non-refundable. They do not clearly and conspicuously disclose on their website and acceptance letters that payments will not be refunded. The only notice is buried in a small link for "Terms and Conditions" located inconspicuously among several other small links at the bottom of Respondents' webpage.

48. When consumers attempt to withdraw from the Program, they are told that any payments they have made are non-refundable and will be forfeited.

49. Additionally, Respondents do not inform consumers that they impose significant fees for any late payments and refuse to allow consumers to join the Program until all the money, including late fees, have been paid.

**F. Fail to pay refunds**

50. Respondents repeatedly and persistently fail and otherwise refuse to issue refunds to consumers, who end up leaving the program due to Respondents not providing the services and accommodations that they advertised, or for other legitimate reasons.

51. Respondents also repeatedly and persistently fail to refund the apartment/key "deposits" that they collect from consumers when they sign into the Program. Although represented by Respondents as a "deposit",

Respondents keep the money claiming it is used to "professionally clean" the apartment once vacated. This is not clearly and conspicuously disclosed to consumers.

52. Even when Respondents are overpaid by consumers, they fail and otherwise refuse to refund the difference owed to consumers.

**F. Additional miscellaneous false representations**

53. Respondents, repeatedly and persistently misrepresent to consumers, directly and by implication, that they will regularly train and play in college-quality facilities, including a home court at the Floyd Maines Veteran's Memorial Arena, when such is not the case. They rarely practice and play in that venue. They end up practicing in local community and church gyms and only at times when those gyms are not being used by other community groups. This leads to irregular and inconsistent practice times, not the structured program as advertised by Respondents.

54. Although claiming that academics is their "top priority", Respondents fail to provide advertised and represented academic services. Respondents represent that consumers entering the program will receive academic opportunities, including SAT prep, English classes (TOEFL), college courses, full-time tutor and college placement. When questioned about when the college classes would be starting due to the Program beginning on October 1 (after the customary start date for colleges), Respondents' agents tell consumers that they would begin the following week, which is not the case.

55. Respondents also falsely advertise on its website that it offers a rigorous program by displaying a "typical weekly schedule" with each day filled with two practices/skill training sessions, class work and film study, when this is not the case. Respondents rarely, if ever, follow that schedule.

56. Respondents also lead consumers to believe that they will provide regular transportation for personal business. However, Respondents do not provide regular transportation so consumers can attend to personal business, such as grocery shopping. Moreover, after the coaching staff quit in November 2017, there was no regular transportation at all, including for practice and meals. Consumers had to walk the mile from their apartment complex to their closest practice facility.

57. Respondents also failed provide the represented wi-fi and cable services to consumers.

58. Additionally, Respondents resort to threats and false allegations against consumers in order to coerce them into paying additional money, withdraw complaints they filed against Respondents, or to leave the program.

**FIRST CAUSE OF ACTION  
PURSUANT TO EXECUTIVE LAW § 63(12)  
FRAUD**

59. Petitioner repeats and realleges the allegations contained in paragraphs 9 - 58 as if fully set forth again herein.

60. Executive Law § 63(12) defines "fraud" or "fraudulent" to include a device, scheme or artifice to defraud and any deception, misrepresentation, concealment, suppression, false pretense, false promise, or unconscionable contractual provisions.

61. As set forth above, Respondents repeatedly and persistently engage in fraud in their high school and post-high school basketball business. Respondents' conduct constitutes repeated and persistent fraud in violation of Executive Law § 63(12).

**SECOND CAUSE OF ACTION  
PURSUANT TO EXECUTIVE LAW § 63(12)  
REPEATED ILLEGALITY  
VIOLATIONS OF GBL § 349  
DECEPTIVE ACTS AND PRACTICES**

62. Petitioner repeats and realleges the allegations contained in paragraphs 9 - 58 as if fully set forth again herein.

63. GBL § 349 declares unlawful any deceptive acts or practices in the conduct of any business, trade or commerce in this state.

64. As alleged above, Respondents repeatedly engage in deceptive acts and practices in the course of their business.

65. Respondents' acts and practices are deceptive in violation of GBL § 349.

66. Respondents' conduct constitutes repeated and persistent illegality in violation of Executive Law § 63(12).

**THIRD CAUSE OF ACTION  
PURSUANT TO EXECUTIVE LAW § 63(12)  
REPEATED ILLEGALITY  
VIOLATION OF GBL § 350  
FALSE ADVERTISING**

67. Petitioner repeats and realleges the allegations contained in paragraphs 9 - 58 as if fully set forth again herein.

68. GBL § 350 declares unlawful false advertising in the conduct of any

business, trade or commerce or in the furnishing of any service in the State of New York.

69. As alleged above, Respondents' advertisements are false and misleading.

70. As set forth above, Respondents repeatedly and persistently engage in false advertising, in violation of GBL § 350.

71. Respondents' conduct constitutes repeated and persistent illegality in violation of Executive Law § 63(12).

**WHEREFORE**, Petitioner requests an Order and Judgment pursuant to Executive Law § 63(12), GBL §§ 349 and 350, as follows:

1. Permanently enjoining Respondents from violating Executive Law § 63(12) and GBL Article 22-A, §§ 349 and 350 and from engaging in the fraudulent, deceptive and illegal practices alleged herein;

2. Permanently enjoining Respondents from owning and operating a high school and post-graduate high school basketball business in the State of New York until a \$250,000 performance bond is filed with the Attorney General by a surety or bonding company licensed by and in good standing with the New York State Department of Financial Services, guaranteeing that Respondents will comply with any injunction which may be entered herein, the proceeds of that bond to provide a fund for restitution to consumers defrauded or damaged by the past or future conduct of Respondents and to ensure payment of penalties and costs herein;

3. Directing Respondents to pay restitution, including appropriate interest on the principal amount thereof at the rate of 9% per annum, to each and every consumer, known and unknown, defrauded or damaged by Respondents' deceptive, illegal, and fraudulent conduct as alleged in the Verified Petition;

4. Directing Respondents to refund all deposits paid by consumers for the upcoming fall-winter Program.

5. Directing Respondents to pay a civil penalty in the sum of \$5,000 to the State of New York for each instance of a deceptive act or practice, pursuant to GBL § 350-d;

6. Directing Respondents to pay statutory costs in the amount of \$2,000 pursuant to New York Civil Practice Law and Rules § 8303(a)(6); and

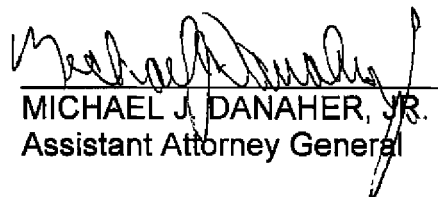
7. Granting Petitioner such other and further relief as this Court finds just and proper.

DATED: Binghamton, New York  
September 17, 2018

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