

**BEFORE THE  
AMERICAN ARBITRATION ASSOCIATION**

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T'LANI ROBINSON and ROBBY BROWN,  
Individually and on Behalf of All Others  
Similarly Situated,

Claimants,

v.

DEVRY EDUCATION GROUP, INC.,  
DEVRY UNIVERISTY, INC., and  
DEVRY/NEW YORK, INC.

Defendants.

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**Claim No.: 01-16-0002-2591**

**Claims for: (1) Breach of Contract;  
(2) Negligence; (3) Violation of the Illinois  
Uniform Deceptive Trade Practices Act, 815  
ILCS 510, *et seq.*; (4) Conversion; (4) Unjust  
Enrichment; and (6) Declaratory Relief**

**REPRESENTATIVE FORM OF  
CLASS ACTION ARBITRATION CLAIM**

**STATEMENT OF CLAIM**

Claimants T'Lani Robinson and Robby Brown (individually referred to herein as "Claimant" and collectively as "Claimants") for their claim, allege as follows upon personal knowledge as to themselves and their own acts and experiences, and, as to all other matters, upon information and belief, including the investigation conducted by their attorney.

Claimants bring this representative form of class action claim on behalf of themselves and all other similarly situated consumers against Defendants DeVry Education Group, Inc. ("DEG"), DeVry University, Inc. ("DVU"), and DeVry/New York, Inc. ("DVNY") (collectively referred to herein as "DeVry" or "Defendants"):

(a) for breach of DeVry's contractual provisions and the representations, warranties, promises, and covenants set forth in DeVry's standard form enrollment agreement with Claimants and other consumers that:

(i) "DVU publishes accurate information about its programs, policies, services, and graduate outcomes";

(ii) "Complete, accurate information is provided on our website, In [sic] our catalogs, and in advertisements and other materials published by DeVry"; and

(iii) "DeVry's graduate employment statistics do not Include [sic] graduates who do not actively participate in an employment search," (collectively referred to as the "Breached Covenants");

(b) for violations of State law, including without limitation the Illinois Uniform Deceptive Business Practices Act ("UDTPA"), 815 ILCS 505/1 et. seq.;

(c) to stop and obtain declaratory relief that Defendants' deceptive acts and practices of making misrepresentations and deceptive omissions of material facts in the advertising, marketing, distribution, and sales of educational products and services to consumers violate applicable State law; and

(d) to obtain redress for all persons injured by Defendants' conduct.

### **FORM AND NATURE OF THE CLAIM**

1. This is a representative form of a consumer contract class action claim on behalf of all persons other than Defendants who entered into DeVry's form enrollment agreement with substantially in accordance with the terms and conditions attached hereto as Exhibit A and incorporated herein by this reference (the "Agreement"), and purchased or otherwise paid for an education and related educational products and services sold by DeVry (the "Education") between January 1, 2008 and April 8, 2016, both dates inclusive (the "Class Period"). Claimants seek:

- (a) to obtain restitution and damages from Defendants for breach of contract and the Breached Covenants set forth in Defendants' form Agreement;
- (b) to obtain restitution and damages from Defendants for their negligent acts and omissions and breach of duty owed to Claimants in violation of applicable laws, statutes, regulations, and standards;
- (c) declaratory relief that Defendants' deceptive acts and practices of making misrepresentations and deceptive omissions of material facts in the advertising, marketing, distribution, and sales of the Education violate applicable State law, including without limitation the Illinois Deceptive Business Practices Act ("ICFA"), 815 ILCS 505/1 *et. seq.*;
- (d) to pursue equitable remedies, including without limitation rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and
- (e) declaratory and injunctive relief to stop, prevent, and remedy Defendants' unlawful conduct.

### **ARBITRATION PROVISION**

2. The DVU Agreement required to be entered into by all purchasers of a DeVry

Education states:

***“Any claim or controversy arising out of or related to this Agreement or the education provided by DeVry, regardless of form or cause of action shall be decided and determined by binding arbitration under the commercial rules of the American Arbitration Associates. The parties acknowledge and agree that this agreement involves interstate commerce and that the Federal Arbitration Act will govern the the enforceability of this provision.” [Emphasis added.]***

The arbitration provision not only intends to apply to the specific agreement between the parties, but also expressly intends, provides for, and authorizes a representative class-wide form of

arbitration form of action in connection with, “*any controversy . . . related to . . . the education provided by DeVry, regardless of form . . . shall be decided by arbitration . . .*” See Exhibit A.

3. A representative form of arbitration under the Supplementary Rules for Class Arbitrations and the Consumer Due Process Protocol of the AAA is expressly intended and provided under the arbitration agreement for any controversy or claim:

(a) related to the difference between the value and quality of the DeVry Education being advertised and sold as contractually represented, warranted, promised, and covenanted versus the true value of the Education provided by DeVry; and

(b) because the arbitration clause does not limit the scope of the arbitration of claims or controversies to:

(i) the parties to any particular enrollment Agreement; or

(ii) to the terms and conditions of any particular enrollment Agreement itself.

Indeed, arbitration for a representative form of class action claim and attendant causes of action is mandated for “any controversy,” including without limitation claims regarding the value or quality of the Education being sold to consumers on a nationwide basis, and a claim for violations of the UDTPA.

### **BACKGROUND**

4. DEG is a Delaware corporation and for-profit education company headquartered in Downers Grove, Illinois. DEG’s stock is publicly traded on the NYSE under the ticker symbol "DV." DEG has a market capitalization of over a billion dollars and total annual revenues approaching \$2 billion.

5. DEG owns and operates DVU and DVNY which collectively comprise approximately 60 campuses in the United States, along with an online division, and offers 10

certificate, diploma, and degree programs with over 30 concentrations in health care, business, and technology for five different colleges and a graduate school of business.

6. Enrollment growth is critical to DeVry because many students drop out out. DeVry's 2014 The Graduation Rate for the 2008 Entering Class to which the Grad Rate Applies was 18%. See Exhibit B attached hereto and incorporated herein by this reference.

7. Enrollment growth is also critical because like most publicly traded for-profit educational companies, it is a closely watch metric by Wall Street analysts. In order to meet revenue and profit expectations, and keep its doors open, DeVry must recruit and enroll as many students as possible.

8. To do this, DeVry spends hundreds of millions of dollars each year (*e.g.*, \$288 million in 2009) advertising, marketing, recruiting, and promoting DeVry's graduate placement and income claims in connection with its Education. DeVry also employs a large sales and recruiting staff to promote its "graduate outcome" claims.

9. To recruit new students, DeVry's has made false, deceptive, and unfair claims about the job placement rates of its graduates, including without limitation that 90% of DeVry graduates who were actively seeking employment had obtained jobs in their field of study within six months of graduation (the "90% Placement Claim"). DeVry has also made false, deceptive, and unfair claims about the median income levels of its graduates, including without limitation that one year after graduation its bachelor's degree graduates on average earn 15% more than graduates from other colleges and universities. See Exhibit C attached hereto and incorporated herein by this reference for examples of DeVry advertisements.

10. As recently as April 8, 2016, DeVry advertised on its website that 90% of the 2013 graduates in all Undergraduate Degree programs who were already employed, or actively sought employment, had careers in fields related to their education with six months of graduation.

See Exhibit D attached hereto and incorporated herein by this reference. DeVry also advertised that its Bachelor's Degree Management Program had a 6-month graduate placement rate of 97%.

11. In fact, the true gainful employment rate and graduate employment statistic for the 2014 Bachelor's Degree Management Program is just 20%. See Exhibit E attached hereto and incorporated herein by this reference.

12. DeVry's 2014 graduation rate was between 18% and 42%. See Exhibit B. Thus, what DeVry doesn't tell consumers is that at enrollment, your chances of completing, for example, the Bachelor's Degree Management Program and landing a job in that field within six months of graduation is at best just 3.6%. The true statistics for DeVry's overall and other program graduate outcomes are similarly dismal, rendering DeVry promotional and advertising statements false and misleading.

13. Historically, DeVry has derived nearly 80% of its revenues from Title IV federal education funds, such as the Pell grant, Stafford loan, and Veterans Affairs education programs, which assist students in paying for higher education. According to the U.S. Department of Education, DeVry received more than \$1 billion in taxpayer dollars through federal student aid in 2015.

14. DeVry students cumulatively hold \$8.3 billion in student debt – the fourth highest debt volume of any higher education institution in America – and have a 2009 five-year cohort default rate of 43%.<sup>1</sup> This means that approximately \$3.6 billion in revenues that DeVry received from students in the form of federal student loans is now either in forbearance or in default.

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<sup>1</sup> Dick Durbin, United States Senator Illinois, 01.27.16 Newsroom Press Release, **Durbin: "FTC Charges Of Deception Against DeVry University Are The Latest Chapter In The Shameful Story Of So Many For-Profit Colleges"** - *Students From DeVry University Are The 'Story Behind The Story' Cumulatively Holding \$8.3 Billion In Student Debt, But Nearly Half Aren't Prepared To Pay It Back* - [WASHINGTON, D.C.] – After learning that the Federal Trade Commission (FTC) filed suit against DeVry University, U.S. Senator Dick Durbin (D-IL) today said “it’s time to clean up the for-profit college industry and stand up for students and taxpaying families.” DeVry University is a for-profit college whose students cumulatively hold \$8.3 billion in student debt – the fourth highest debt volume of any

15. Throughout the Class Period, Defendants represented, warranted, promised, and covenanted in its form Agreement with consumers who purchased an Education from DeVry (referred to herein as “Purchasers” or “Students”) that:

**Accurate Information Disclosure**

“DeVry publishes accurate information about its programs, policies, services, and graduate outcomes. Complete, accurate information is provided on our website, In [sic] our catalogs, and in advertisements and other materials published by DeVry.”

16. Throughout the Class Period Defendants incorporated into the Agreement by reference the 90% Placement Claim and other representations, warranties, promises, and covenants of graduate outcome information on its website by providing tin the contract:

“For comprehensive consumer information, please visit devry.edu/studentconsumerinfo.”

17. Throughout the Class Period, Defendants represented, warranted, promised, and covenanted in the Agreement with Claimants and other Students that:

**Career Services**

“DeVry’s graduate employment statistics do not include graduates who do not actively participate in an employment search.”

18. DeVry’s 90% Placement Claim and other advertisements and publications regarding graduate outcomes were unsubstantiated, false, inaccurate, misleading, deceptive, unfair, illegal, and violated applicable State and federal laws (the “Illegal Claims”). Throughout the Class Period, Defendants breached their contractual representations, warranties, promises, and covenants that their advertising and published information was accurate and complete when, in fact, it was false, deceptive, unfair, and misleading, and failed and omitted to disclose material

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higher education institution in America – and have a 2009 five-year cohort default rate of 43%. <http://www.durbin.senate.gov/newsroom/press-releases/durbin-ftc-charges-of-deception-against-devry-university-are-the-latest-chapter-in-the-shameful-story-of-so-many-for-profit-colleges>

facts, about the employment outcomes of DeVry graduates in connection with the Education it was selling to Students.

19. DeVry represented to Claimants, prospective Students, and others that its superior Education was the reason for its graduate employment outcomes, the 90% Placement Rate, and the income success of its graduates. DeVry integrated the 90% Placement Claim and other false claims in connection with its graduate outcomes into the Agreement and the DeVry brand, then widely disseminated and leveraged these deceptive and misleading employment outcomes through a number of advertisements and advertising channels, including without limitation television commercials, on DeVry websites, in telephone and face to face sales pitches with prospective students, in brochures and print advertisements, in social media advertisements such as on YouTube, Facebook, and Twitter, in radio ads, in other advertising and promotional materials, in press releases, in securities filings, in earnings conference calls with analysts and investors, in letters to Students and shareholders, and in other communications with Students, consumers, investors, and analysts.

20. During the Class Period DeVry then represented, warranted, promised, and covenanted in its Agreement with Claimants and other Students that the Illegal Claims were complete and accurate, and incorporated them by reference into the Agreement's terms and conditions.

### **CLAIMANTS**

21. Claimant T'Lani Robinson is a natural person and resident of the state of Georgia who has purchased and paid for a DeVry Education during the Class Period, with student loans and other funds, the value of which was substantially and materially less than what was falsely represented, warranted, promised, and covenanted by DeVry in its Agreement with her.



22. Claimant Robby Brown is a natural person and resident of the state of Missouri who has purchased and paid for a DeVry Education during the Class Period with student loans and other funds, the value of which was substantially and materially less than what was falsely represented, warranted, promised, and covenanted by DeVry in its Agreement with him.

### **DEFENDANTS**

23. Defendant DeVry Education Group Inc. (DEG) is a publicly traded Delaware corporation with its principal place of business at 3005 Highland Parkway, Downers Grove, Illinois. DEG was formerly known as DeVry Inc. DEG transacts or has transacted business throughout the United States. At all times material to this Claim, with respect to the acts and practices of DeVry University, Inc. and DeVry/New York Inc. that are described herein, acting alone or in concert with others, DEG has advertised, marketed, distributed, or sold the Education to consumers and Students nationwide throughout the United States and dominated and controlled the acts and practices of DVU and DeVry New York, knew or approved of those acts and practices, and benefitted from those acts and practices.

24. Defendant DeVry University, Inc. (DVU), a Delaware corporation, is a subsidiary of DEG with its principal place of business at 3005 Highland Parkway, Downers Grove, Illinois. DVU transacts or has transacted business nationwide throughout the United States. At all times material to this Claim, acting alone or in concert with others, DVU has advertised, marketed, distributed, or sold the Education to consumers and Students nationwide throughout the United States.

25. Defendant DeVry/New York Inc. (DeVry New York), a Delaware corporation sometimes doing business as DeVry College of New York, is a subsidiary of DEG, with its principal place of business at 3005 Highland Parkway, Downers Grove, Illinois. At all times

material to this Claim acting alone or in concert with others, DeVry New York has advertised, marketed, distributed, or sold the Education to consumers throughout the State of New York.

26. At all times mentioned in the claims, causes of action, and controversy alleged herein, each and every Defendant was acting in concert with, and/or was an agent and/or employee of each and every other Defendant. In performing the acts and/or omissions stated herein, each and every Defendant was acting within the course and scope of a common enterprise and this agency or employment, and was acting with the consent, permission, or authorization of each of the remaining Defendants.

27. All actions of each Defendant as alleged in the causes of action stated herein were ratified and approved by every other defendant or its officers or managing agents, and by agreeing to actively conceal the true facts regarding the acts or omissions, and in committing the wrongful acts alleged herein, Defendants have pursued, or joined in the pursuit of a common course of conduct, and have acted in concert via agreement with, and conspired with, one another in furtherance of the improper acts, plans, schemes, and transactions that are the subject of this Claim.

28. In addition, each of the Defendants rendered substantial assistance in the wrongs complained of herein. In taking such actions to substantially assist the commission of the wrongdoing complained of herein, each Defendant acted with knowledge of the primary wrongdoing, and was aware of its overall contribution to and furtherance of the wrongdoing.

### **COMMON FACTUAL ALLEGATIONS**

29. DVU's total annual undergraduate enrollment in July 2014 was 37,210 Students and 31,292 in July 2015. There were 10,045 Students enrolled for the July 2015 session in DVU's graduate programs. Since 1975, more than 870,000 Students have enrolled at DVU.

30. Since at least 2008, in its efforts to promote itself, DVU represents, expressly or by implication, in television commercials, on its websites, in telephone and face to face sales pitches

with prospective students, in brochures and print advertisements, in social media advertisements such as on YouTube, Facebook, and Twitter, in radio ads, and in other advertising and promotional materials, without limitation that: (a) as a result of obtaining a DVU degree, 90% of DVU graduates, from a specific year (*e.g.*, 2012) or during a specific period (*e.g.*, since 1975 or “for more than 30 years”) who were actively seeking employment obtained a new job in their field of study within six months of graduation; and (b) that DVU bachelor’s degree graduates earn 15% more than graduates from other colleges and universities as a result of obtaining their degree from DVU and that one year after graduation, the average or median earnings of DVU graduates with bachelor’s degrees were 15% higher than the average or median earnings of graduates with bachelor’s degrees from all other colleges and universities (the “Illegal Claims”).

31. To substantiate their promotional and advertising claims, Defendants use information they obtain from Students about their majors, graduation dates, their employment, and DVU’s classifications of their employment status and from other third parties. Defendants used and manipulated these records to calculate the 90% Placement Claim, 15% greater income figures, and other false graduate outcome statistics they use in their advertisements and sales pitches.

32. The data, records, and information used by Defendants to make the Illegal Claims that DeVry represented, warranted, promised, and covenanted as accurate and complete do not provide a reasonable basis that substantiates Defendants’ claims because, among other reasons, Defendants counted a substantial number of DVU graduates as having been placed successfully who should not be counted such as graduates (such as those who were employed when they enrolled and who never actively participated in an employment search), and similarly excluded a substantial number of DVU graduates in the pool of those actively seeking employment who should not be excluded. As examples, and without limitation, Defendants count graduates who did not obtain a

job as a result of obtaining a degree from DVU, and include DVU graduates who after graduation continued with the same job they had when they enrolled in DVU.

33. Defendants also unreasonably count jobs that employers, industry experts, graduates, and consumers would not reasonably consider to be in the graduate's field of study and exclude Students as "inactive" who were in fact seeking jobs. The actual percentage of DVU graduates who, at or near the time they graduated, found jobs that could be reasonably considered "in their field" is in fact significantly and materially smaller than 90%.

34. Defendants also hired a third party company to obtain income data from Students who had graduated from DVU and other schools in 2010 which it then used and manipulated in its 2012 summary income information. In representing the higher income claim they use in their advertisements and sales pitches, DeVry knew, or should have known, the reliability of the conclusions and information contained in the income report was contradicted by its own data because, without limitation, the information did not account or adjust for material differences such as age, experience, and degree field. Further, income statistics collected by DeVry directly from thousands of its own graduates each year materially differed from the third party report consisting of a sample size of only several hundred individuals per year.

35. Defendants had extensive and contradictory information in their own files about the graduate outcomes and income of DVU graduates as well as publicly available data reflecting the incomes of graduates of schools throughout the United States, by school and by field which shows that DVU graduates a year after graduating do not in fact earn significantly more than graduates from all other schools combined.

36. Defendants' Illegal Claims about placement and income are false and unsubstantiated. Defendants unjustly converted monies and profited from these misrepresentations and material omissions because Students unknowingly create increased sales

and profits for Defendants in buying the Education at a price higher than than they would otherwise be willing to pay, if indeed they would purchase such educational products and services willingly at all. This case seeks to have these practices declared unlawful, including without limitation as a violation of applicable State law, and obtain relief for Defendants' Breached Covenants in connection with the accuracy and completeness of the Illegal Claims.

37. Defendants are aware that Claimants and Students lack the material information regarding the statistics used in their placement and income advertising, including the methods, methodology, and reliability of how such claims are substantiated. Students, including Claimants, purchased a DeVry Education represented, warranted, promised, and covenanted to be of superior value to other competing educational products and services based on the accuracy and completeness of its Illegal Claims when, had they known the Breached Warranties and Illegal Claims were false, would otherwise not have willingly paid the inflated purchase price for the Education, if in fact they would have purchased the Education from DeVry at all.

38. DeVry's financial performance and stock price depends on the number of Students who sign up for and take classes at any of its schools. For decades (DeVry claims since 1975) DeVry's 90% Placement Claim has been the heart and soul of its advertising and promotional brand used to drive enrollment, and since 1991, when DeVry went public, to drive its stock price. DeVry has effectively so branded itself by its 90% Placement Claim as to be married to it. DeVry is so married to its 90% Placement Claim, it is so core, so central, so important, and so material to DeVry's brand, that Defendants could not falsely make it without being aware that it is false.

***False Advertising on the Internet, in Print, and on Television and Radio***

39. Since at least 2008, Defendants have made its 90% Placement Claim in numerous television advertisements in both English and Spanish. These advertisements have run on

national broadcast, satellite, and cable channels and stations at least some of these advertisements on DVU's YouTube channel.

40. These advertisements state verbally and/or in writing, in English and in Spanish, without limitation: (a) "In 2012, 90% of DeVry University grads actively seeking employment had careers in their field in six months."; (b) "90% of our grads actively seeking employment had careers in 6 months."; (c) "Join the 90%. Learn how at [devry.edu](http://devry.edu)."; (d) "The offer letter. If you're going to college, or back to college, that's your bull's-eye. It is for DeVry University students. In fact, for more than thirty years, 90% of all graduates in the active job market had careers in their fields within six months. 90%."; (e) "This is the guy ready for a great career in technology. "90% of our grads actively seeking employment had careers in 6 months."; and (f) 90% of DeVry University grads actively seeking employment had careers in their field in six months. Learn how at [devry.edu](http://devry.edu)."

41. Since at least 2008, Defendants have made their 90% Placement Claim and higher income claim on various DVU webpages, including without limitation on the DVU website, at [www.devry.edu](http://www.devry.edu). Examples of the claims made on such webpages include without limitation: (a) "Excellent employment results. Nobody wants to go to college and just be a number . . . unless they're numbers like these. Each year, thousands of our grads find themselves right where they want to be – employed in their fields of study."; (b) "**Do DeVry University graduates get good jobs?** Employers want DeVry University graduates. More than 90% of our new graduates quickly land jobs in their fields of study within six months of graduation ([learn more](#)). This is a true testament to the fact that DeVry University teaches what companies are looking for. . . . DeVry University graduates leave school well-prepared to enter the workforce and begin contributing immediately."; and (c) "**Outstanding Career Services** - In addition to a relevant education and a highly respected degree, DeVry University offers invaluable career

services that have helped thousands of students begin rewarding careers in their fields. The proof is the numbers. Since 1975, 265,869 undergraduate students have graduated from DeVry and 90% of those in the active job market were employed in career related positions within six months of graduation.”

42. Defendants have used Twitter to make promotional representations of DVU’s public Twitter page at <https://twitter.com/DeVryUniv> including without limitation: (a) on or about September 14, 2009 using @devryuniv by tweeting: “For over 30 years, 90% of all DeVry graduates in the active job market had careers in their fields within six months: <http://bit.ly/hyYns>; and (b) on or about July 29, 2013 using @DeVryGroup by tweeting “90% of #DeVry grads active in the job market find employment in their field of study within 6 months. @DeVryUniv president Dave Pauldine.”

43. Defendants have made similar 90% Placement Claims in print advertisements, handouts to prospective students, and brochures.

#### ***Sales Pitches and Slide Shows***

44. DVU’s marketing and sales involves both inbound and outbound campaigns. DVU’s inbound campaign involves promotional and advertising materials to generate phone calls to DVU *from* prospective students, while DVU’s outbound campaign involves DVU sales personnel making cold call and lead generated phone calls *to* prospective students.

45. Prospective DVU students often have multiple conversations with DVU sales representatives. During the course of these phone calls, Defendants make statements and representations as set forth herein to induce prospective students to enroll in DVU.

46. Since at least 2013, DVU’s sales staff has told prospective students: “The DeVry University difference includes outstanding career outcomes—In 2012, 90% of DeVry

University grads actively seeking employment had careers in their field within six months of graduation.”

47. Prospects are invited to one or more interviews that take place either in person on a DVU campus or by telephone. Prospective students who are interested in attending a DVU campus are invited to take a tour followed by an interview with a DVU “Admissions Advisor” and other salespeople.

48. Prospective online students are invited to have one or more telephonic interviews with an Admissions Advisor. Although titled “admissions advisors”, “enrollment advisors”, “financial advisors”, or “enrollment counselors,” an internal document makes the job function of these DeVry employees clear: “This is a sales position.” As one salesman (who was told to represent himself as a “military adviser” to veterans) said, it was critical to get “asses in classes.”

49. During the campus tour, some prospects, like Claimant Robinson, are fed lunch, and/or shown a graduation uniform, and/or photos of a mock graduation are taken with the prospects wearing the graduation uniform. For the interview stage of the sales pitch, Defendants have provided the Admissions Advisors and salespeople with a training guide as well as other guidelines instructing the Admissions Advisor on how to pitch the prospect. DVU Admissions Advisors are also armed with a PowerPoint slide presentation that they can use during the interview. When the interview takes place by telephone, the prospective student may be directed to a website that allows the prospect to walk through a slide presentation with the Admissions Advisor.

50. DVU’s Admissions Advisors represent during the interviews with prospective students that one of the benefits of obtaining a DVU degree is that, as a result of attaining that degree, 90% of DVU graduates obtain jobs in their field soon after graduating. The training



guide instructs the Admissions Advisor to tell the prospect, “[a]s a result of these types of career assistance our graduates have shown excellent career results, let’s take a look at those.” The prospective student is then immediately shown a slide on DeVry’s website entitled “Excellent Employment Results.”

51. This slide includes, without limitation, the following text: In 2012, 90% of DeVry University graduates from all programs who actively sought employment had careers in their field of study within six months of graduation. Within that same population: 83% of associate degree graduates had careers in their field – 92% of bachelor’s degree grads had careers in their field.

52. The Admissions Advisors are instructed to “[r]ead the career statistics on the screen verbatim” and to click a link to access “employment statistics.” If the interview is conducted in person, the Admissions Advisor provides a paper copy of this information to the prospect.

53. DVU Admissions Advisors are told to respond to employment assistance questions from the prospect with a statement that, “DeVry offers career services that include assistance with job searches, resume preparation, practice interviews, career fairs, etc. These services are very successful, as evidenced by our employment statistics.”

54. The Admissions Advisors are also instructed to represent to prospects that one year after graduation, DeVry University grads report earning 15% more than the median earning reported by all other bachelor’s degree graduates. DVU Admissions Advisors are also instructed to ask prospects, “How do you think having a 15% higher median earning helped those students?”

55. The core focus of DeVry’s Illegal Claims on graduate employment outcomes and the 90% Placement Claim, is demonstrated in a “Letter to Shareholders” addressed to “Fellow

Owners, Students, Colleagues, and Friends” written on or about August 29, 2013 by DEG Chief Executive Officer Daniel Hamburger which stated:

“The *best measure of our quality is the successful outcomes* that our students achieve. Notably, *90 percent of DeVry University’s 2012 graduates active in the job market were employed in their fields of study within six months of graduation*, earning an average of more than \$43,500 annually.” [*Emphasis added.*]

And,

“PayScale recently validated the ROEI [return on educational investment] of DeVry University, *ranking three campuses in the top 100 list of PayScale’s annual College Return on Investment Report.*” [*Emphasis added.*]

The letter was signed by Mr. Hamburger.

***The 90% Placement Claims Are Inaccurate, Incomplete, Misleading, and False***

56. DVU collects and maintains files of information obtained from communications with DVU students. These records contain information about the students’ majors, graduation dates, their employment, and DVU’s classifications of their employment status. DVU’s staff conducts analysis of those files and Defendants manipulate these records to calculate the 90% figure and other Illegal Claims they use in their advertisements and sales pitches.

57. These student records do not substantiate Defendants’ Illegal Claims because, without limitation: (a) Defendants count graduates who did not obtain a job as a result of obtaining a degree from DVU; (b) Defendants include a significant number of DVU graduates who had with the same job after graduation as they had when they enrolled who were not actively seeking employment; (c) and Defendants count graduates who did not obtain jobs a reasonable consumer or any other person could reasonably consider to be in the graduate’s field of study.

58. Many of the graduates themselves do not consider themselves as employed in their field of study when reporting to DVU, but Defendants misrepresent them as employed in their field, including without limitation in the class of 2012: (a) graduates with degrees in

technical management who were working as: a rural mail carrier (human resources concentration); a yard salesman at a nursery (business information systems concentration); a sales associate at Macy's (general technical concentration); a driver delivering rain gutters for a construction services company; a data entry specialist for a radio station (human resources concentration); and unpaid volunteers at medical centers (human resources management and health services management concentrations); (b) a graduate with a degree in business administration (health services management concentration) working as a server at the Cheesecake Factory; (c) a graduate with a degree in business administration (health care management concentration) working as a car salesman; (d) a graduate with a degree in business administration (accounting concentration) working as a secretary at a prison; and (e) graduates with various degrees working as customer service representatives.

59. Students who informed Defendants they were actively seeking employment (*i.e.*, reviewing jobs in the DVU database, attending job interviews, attending DVU career fairs, actively applying for positions, and actively following up with prospective employers) within days before the six-month, 90% calculation are being knowingly classified as "inactive" and excluded from Defendants' analysis.

60. Defendants' own data shows the actual percentage of DVU graduates who, at or near the time they graduated, found jobs that could be reasonably considered "in their field" is significantly and materially smaller than 90%.

***The 15% Higher Income Claims Are Inaccurate, Incomplete, Misleading, and False***

61. In 2012, Defendants hired a third-party to prepare a report from income data given it by DVU and obtained from other schools in 2010. Defendants questioned, the reliability of the conclusions and information contained in the income report, but nonetheless knowingly made the 15% higher income misrepresentations.

62. DVU personnel questioned the information and conclusions of the income report and whether the data was accurate and sufficient to supported their higher-income claim because, without limitation: (a) the data did not take into account age, experience, and field; (b) the sample size consisted of only several hundred individuals for each graduation year and was therefore not statistically significant; and (c) the statistics in the income report materially differed from DVU's own income data that it had collected from thousands of its own graduates for each graduation year.

63. Defendants were also aware of and familiar with publicly available data reflecting the incomes of graduates of schools throughout the United States, by school and by field. Defendant's knew or should have known its higher income representations were false because, without limitation, the information in Defendants' own files compared to publicly available income data shows that DVU graduates do not earn materially more than graduates from other schools one year after graduation.

64. Defendants reliance on the third-party data for its higher-income claim was unreasonable. Defendants knew or should have known the conclusions and information contained in the income report were false because of their own questioning of the methods and methodology of the survey that underlay the income report. Defendants knew or should have known that their higher income claims and representations were false and unreliable.

#### ***The FTC False and Deceptive Advertising Lawsuit***

65. On January 27, 2016, the Federal Trade Commission ("FTC") filed a civil complaint (the "FTC Lawsuit") against DeVry in the United States District Court for the Central District of California alleging that certain of DVU's Illegal Claims were false, deceptive, unfair, misleading, unsubstantiated, and illegal at the time they were made in violation of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a), as amended (the "FTC Act"). See

Exhibit F attached hereto and incorporated herein by this reference. The Illegal Claims at issue relate to DVU graduates' employment rates and earnings relative to graduates of other colleges and universities.

66. The FTC Lawsuit seeks permanent injunctive relief against future alleged violations of the FTC Act, reimbursement of FTC costs, and such other relief as the court deems necessary to redress any consumer injury from the alleged violations, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. DeVry is under threat of losing access to federal financial aid from the Education Department if it fails to pull those advertisements and notify students of its inability to substantiate the claims and faces potential restitution and disgorgement payments of over \$8 billion.

67. Also, on January 27, 2016, DeVry University received a Notice of Intent to Limit from ED FSA (the "January 2016 Notice"), based on a portion of its pending August 28, 2015 inquiry, informing DeVry University of ED FSA's intention to impose certain limitations on the participation of DeVry University in programs authorized pursuant to Title IV. See Exhibit G attached hereto and incorporated herein by this reference. The proposed limitations relate to representations in advertising and marketing, regarding the post-graduation employment outcomes of DeVry University students over a period from 1975 to October 1980 (the "Since 1975 Representation").

68. On March 14, 2016 the Department of Veterans Affairs (the "VA") suspended DeVry University from participation in a program that identifies schools doing a good job of serving former troops in light of the FTC Lawsuit accusing the for-profit chain of misleading consumers about the employment and earnings of its graduates in advertisements.

69. The VA is also conducting compliance reviews at all DeVry campuses to measure compliance with federal regulations. The agency has also posted a warning on its online GI Bill Comparison Tool to call attention to the FTC lawsuit against DeVry. The online tool is part of a series of resources directing agencies to implement and promote “principles of excellence” for educational institutions that interact with veterans, active service members and their families.

### **CLAIMANT ROBINSON’S EXPERIENCE**

70. Claimant T’Lani Robinson is a resident of Decatur, Georgia. Since at least 2010, Claimant had seen DVU’s television ads touting their Illegal Claims, including without limitation the 90% Placement Claim. In or around the first quarter 2013, Claimant received a telephone call out of the blue reciting the sales pitch touting DVU’s Illegal Claims, including without limitation DVU’s 90% Placement Claim, and inviting her to attend a tour of the Decatur, Georgia DVU campus. Claimant went to DVU’s website where, in addition to the ads she had seen on television and the representations made to her in the cold call, she was shown the Illegal Claims, including without limitation the 90% Placement Claim, in writing. Claimant was attending Georgia Perimeter College at the time she received the cold call.

71. In or around the second quarter of 2013, Claimant attended an in person tour of the Decatur, Georgia DVU campus where she was fed lunch, shown the graduation uniform, had pictures taken of her in a mock graduation with other touring prospects, and met with an Admissions Advisor who gave her the sales pitch and a computer presentation. The Admissions Advisors’ sales pitch and computer presentation reiterated verbally, on screen, and in writing the Illegal Claims, including without limitation the 90% Placement Claim and 15% higher income misrepresentation.

72. After the tour and initial interview, Claimant Robinson was mailed brochures and given student resource guides which contained the Illegal Claims. Thereafter Claimant also had numerous (at least another three) phone calls with a DeVry Admissions Advisor and/or other sales representatives, including a “Financial Advisor” as well as at least one additional interview at the Decatur campus.

73. The DeVry representatives repeated the Illegal Claims sales pitch and advised and assured Claimant Robinson the higher cost of the Education would be paid for by grants, scholarships, and financial aid. Claimant Robinson was told during a meeting with a DeVry representative that she should nonetheless apply for a loan, just so she would get accepted admitted to DUV.

74. Claimant Robinson left Georgia Perimeter and enrolled at DVU. Claimant and DVU entered into the Agreement wherein DVU represented, warranted, promised, covenanted, and made the Breached Covenants about the accuracy and completeness of its information and the Illegal Claims, including without limitation the 90% Placement Claim and higher income claim. Claimant Robinson attended the DVU Decatur campus in 2013, ultimately spent more than \$17,000 on the DeVry Education comprised of a \$12,000 parent Plus loan which was paid directly to, and converted by, DVU to its own use, plus interest, and \$5,000 in other funds, and paid other DVU Education related expenses such as books and supplies.

#### **CLAIMANT BROWN’S EXPERIENCE**

75. Claimant Robby Brown is a resident of Kearney, Missouri. Since at least 2010, Claimant had seen DVU’s television ads and heard DVU’s radio ads touting their Illegal Claims, including without limitation the 90% Placement Claim. In or around the first and second quarters of 2010, Claimant Brown had several telephone calls with DeVry where in

DeVry recited the sales pitch touting DVU's Illegal Claims, including, as always, the 90% Placement Claim.

76. Claimant Brown went to DVU's website where, in addition to the ads he had seen on television and heard on the radio, and the representations made to him in the phone calls, he read the Illegal Claims in writing. Claimant was also mailed brochures and other promotional material containing the Illegal Claims. At the time, Claimant was starting the enrollment process to attend Centric College.

77. In or around the second quarter of 2010, Claimant Brown met in person with an Admissions Advisor who gave him the sales pitch, brochures, and a computer presentation. The Admission Advisor's sales pitch and computer presentation reiterated verbally, on screen, and in writing the Illegal Claims, including without limitation the 90% Placement Claim and 15% higher income misrepresentation.

78. Claimant Brown spoke on the telephone several times (five to eight times) with a DeVry "Financial Advisor" who repeated the Illegal Claims sales pitch and advised and assured him not to worry about the higher cost of the Education because it was superior to an education from Centric and would be "all covered by grants."

79. Claimant Brown subsequently stopped the enrollment process at Centric and enrolled at DVU. Claimant and DVU entered into the Agreement wherein DVU represented, warranted, promised, covenanted, and made the Breached Covenants about the accuracy and completeness of its information and the Illegal Claims, including without limitation the 90% Placement Claim and the superiority of the Education. Claimant Brown attended DVU at both of its Kansas City locations commencing in June, 2010, paid DVU approximately \$16,579 in tuition comprised of student loans which were paid directly to and converted by DVU to its



own use, plus interest, and paid for other DVU Education related expenses such as books and supplies.

### **CLASS ACTION ALLEGATIONS**

80. Under Rule 24 of the Supplementary Rules of Class Arbitrations and the Consumer Due Process Protocol of the AAA, Claimants seek certification of a Class preliminarily defined as:

All Students who: (a) entered into an enrollment agreement substantially in accordance with the terms and conditions of the Agreement wherein DeVry made the Breached Covenants as set forth herein that the Illegal Claims and its advertising and other information and materials were accurate and complete; and (b) purchased or otherwise paid for and received a DVU Education (the “Class” or “Class Members”), from January 1, 2008 until April 8, 2016 (the “Class Period”), inclusive.

81. Excluded from the Class are Defendants; the officers, directors or employees of Defendant; any entity in which Defendants have a controlling interest; and any affiliate, legal representative, heir or assign of Defendants. Also, excluded from the Class are any federal, state or local governmental entities; any judicial officer or arbitrator presiding over this action, and the members of his/her immediate family and judicial or arbitration staff; and any juror assigned to any part of this action.

82. The arbitration clause in DVU’s Agreement required for all Purchasers of a DeVry Education expressly permits and requires class-wide arbitration to proceed according to the Supplementary Rules for Class Arbitrations and the Consumer Due Process Protocol of the AAA because:

(a) the arbitration clause in the Agreement for “any claim or controversy arising out of, or related to, the Education provided by DeVry, regardless of form” unambiguously includes a representative model of bringing together in the form of a class action breach of contract claims in connection with the difference in quality and value of the Education promised and what was received, declaratory relief as to DeVry’s violation

- of applicable State law, and any other controversy related to the Education or arising out of the breach of DeVry's express representations, warranties, promises, and covenants it made on a nationwide basis;
- (b) the arbitration clause does not limit the scope of claims or controversies to any particular parties or to any particular enrollment Agreement, and expressly mandates that any claim or controversy related to the Education provided by DeVry be arbitrated, regardless of form;
  - (c) a nationwide class action arbitration to decide the difference in value between the Education that was represented, warranted, promised, and covenanted to the Class Members versus its true value is a form of controversy, claim, or action related to the Education provided by DeVry; and
  - (d) a nationwide class action arbitration to declare DeVry's use of the Illegal Claims in its advertising and promotions a violation of applicable State law under the Illinois Uniform Deceptive Practices Act is a form of controversy, claim, or action related to the Education provided by DeVry.

83. Claimants do not know the exact number of Class Members at the present time. However, due to the nature of the advertising and commerce involved, there appear to be tens of thousands of Class Members such that joinder of all Class Members is impracticable.

84. The Class is ascertainable by DeVry's business records and objective criteria permitting self-identification in response to notice, and notice can be provided through techniques similar to those customarily used in other consumer breach of contract, breach of warranty, and class actions controversies.

85. There are questions of law and fact common to the Class. Defendant's breach of its representations, warranties, promises, and the Breached Covenants in the enrollment Agreement

with Class Members similarly impacts Class Members, all of who purchased an Education from Defendants.

86. Claimants assert claims that are typical of the Class. Claimants and all Class Members have been subjected to the same wrongful conduct because they all have entered into the enrollment Agreement that contained false representations, warranties, promises, and the Breach Covenants and purchased an Education from Defendants that was not as represented, warranted, promised, and covenanted. As a result, and like other members of the Class, Claimants purchased and paid for goods and services for which they would not have paid as much, if indeed they would have purchased such goods and services at all.

87. Claimants will fairly and adequately represent and protect the interests of the Class. Claimant is represented by counsel competent and experienced in complex litigation.

88. Class certification is appropriate because Defendants have acted on grounds that apply generally to the Class, so that final injunctive and/or declaratory relief is appropriate respecting the Class as a whole.

89. Class certification is appropriate because common questions of law and fact substantially predominate over any questions that may affect only individual members of the Class, including, *inter alia*, the following:

- a. Whether the DeVry Agreement was a valid and enforceable contract;
- b. Whether DeVry breached its contractual representations, warranties, promises, and covenants that its published information about its programs, policies, services, and graduate outcomes provided on its website, in its catalogs, and in advertisements and other materials were complete and accurate;
- c. Whether Claimants and the Class were damaged as a proximate cause or result of Defendants' breach;

- d. Whether Defendants failed to disclose that Defendants' Education and goods and services were of a lower quality and value than, and not as, expressly represented, warranted, promised, and covenanted;
- e. Whether Defendants had a duty to disclose the truth about its Illegal Claims in connection with the DeVry Education and goods and services;
- f. Whether Defendants knew or should have known their practices and representations related to the marketing, labeling and sales of the Education were false or misleading;
- g. Whether Defendants are liable for negligence or gross negligence;
- h. Whether Defendant's misrepresentations and omissions about its Illegal Claims in connection with the DeVry Education and goods and services were likely to deceive, confuse, or create a misunderstanding;
- i. Whether Defendant's conduct, practices, and representations related to the marketing, advertising, labeling, and sales of the DeVry Education and goods and services were unfair, deceptive, confusing, misleading and/or unlawful in any respect, thereby violating the UDTPA;
- j. Whether Defendants collected, took, or received monies from loan proceeds in Defendants' possession and belonging to Claimants and the Class and wrongfully converted such monies to their own use and benefit;
- k. Whether Defendant's practices and representations related to the marketing, labeling and sales of the Education breached express warranties;
- l. Whether Defendant's practices and representations related to the marketing, labeling and sales of the Education breached implied warranties;
- m. Whether Defendant's conduct as set forth above injured Claimants and the Class and if so, the extent of the injury; and
- n. Whether Claimant and members of the Class are entitled to rescission, restitutionary, injunctive, declaratory, or other relief.

90. A class action is superior to other available methods for the fair and efficient adjudication of this controversy since joinder of all the individual Class Members is impracticable. Furthermore, because the restitution and/or damages suffered, and continue to be suffered, by each individual Class Member may be relatively small, the expense and burden of individual litigation would make it very difficult or impossible for individual Class Members to redress the wrongs done to each of them individually and the burden imposed on the judicial and/or alternative dispute resolution system would be enormous.

91. The prosecution of separate actions by the individual Class Members would create a risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct for Defendants. In contrast, the conduct of this arbitration as a class action presents far fewer management difficulties, conserves judicial and American Arbitration Association resources as well as the parties' resources, and protects the rights of each Class Member.

### **CAUSES OF ACTION**

#### **FIRST CAUSE OF ACTION (Breach of Contract)**

92. Claimants, on half of themselves and other Class Members similarly situated, reallege and incorporate by reference each of the allegations contained herein.

93. Claimants, and each Class Member, entered into a written Agreement and contract with DVU in substantially the form and content attached hereto and incorporated herein as Exhibit A. Pursuant to the terms of the Agreement, DVU agreed, amongst other obligations, to provide the Education to Claimants who in turn agreed to pay DVU money in the form of tuition payments.

94. In the Agreement, DVU contractually represented, warranted, promised, and covenanted that:

### **Accurate Information Disclosure**

“DeVry publishes accurate information about its programs, policies, services, and graduate outcomes. Complete, accurate information is provided on our website, In [sic] our catalogs, and in advertisements and other materials published by DeVry.”

95. Defendants incorporated the Illegal Claims into the Agreement with Claimants and the Class by reference, including the 90% Placement Claim and other warranties of graduate outcomes set forth on their website, by expressly referencing such information and providing:

“For comprehensive consumer information, please visit [devry.edu/studentconsumerinfo](http://devry.edu/studentconsumerinfo).”

96. Defendants represented, warranted, promised, and covenanted in the Agreement with Claimants and the Class that:

#### **Career Services**

“DeVry’s graduate employment statistics do not include graduates who do not actively participate in an employment search.”

97. DVU breached its Agreement with Claimants and the Class Members, and each of them, in that DVU’s representations, warranties, promises, and the Breached Covenants regarding the Illegal Claims in connection with the information about its programs, policies, services, and graduate outcomes provided on their website, in their catalogs, and in their advertisements and other materials published by DVU were false, incomplete, inaccurate, deceptive, and unfair. Had Claimants and the Class Members, and each of them, known the falsity of the Breached Covenants and representations, warranties, promises, and covenants made by DeVry in the Agreement, they would not have entered into the Agreement, would not have paid as much for the Education, if in fact they would have purchased any goods and services from DeVry at all, and would not have taken out student loans and paid monies to DeVry.

98. On or about January 27, 2016, the Federal Trade Commission filed the FTC Lawsuit. Prior thereto Claimants were not aware, and had no reason to suspect or believe, that DeVry's Breached Covenants and Illegal Claims were false.

99. Defendants breached the Agreement as alleged herein, and Claimants and the Class have been damaged as a direct and proximate result thereof. Claimants and the Class are entitled to actual damages in an amount to be determined in this proceeding.

**SECOND CAUSE OF ACTION  
(Negligence)**

100. In providing the Education to Claimants and the Class, DeVry owed a duty to exercise reasonable care to make full, fair, and adequate disclosure in connection with the characteristics, uses, benefits, standards, quality, attributes, and nature of the Education. This duty included, among other things, taking reasonable measures to protect the rights of Class Members in compliance with applicable law, including, but not limited to, procedures and policies to supervise, restrict, limit, and determine the accuracy and truthfulness of its claims, materials, and advertising in connection with the Education.

101. In providing the Education to Claimants and the Class, DeVry owed a duty to exercise reasonable care regarding and when making the Illegal Claims, and representations, warranties, promises, statements, and omissions in connection with the characteristics, uses, benefits, standards, quality, attributes, and nature of the Education.

102. DeVry's advertising and promotional materials were intended to affect Claimants and the Class. DeVry was aware that by promising, warranting, representing, and covenanting that its claims, materials, and advertising about the Education were accurate, that it had a responsibility to take reasonable measures to ascertain and fully, fairly, and adequately disclose the accuracy and truthfulness thereof.

103. There is a close connection between DeVry's failure to take reasonable measures to ascertain and disclose the accuracy and truthfulness of its materials and advertising, and the injury to Claimants and the Class. DeVry failed to take measures to ensure the accuracy of its materials.

104. It was foreseeable that if DeVry did not take reasonable measures to ascertain and ensure the accuracy and truthfulness of its promises, warranties, representations, and covenants, the Claimants and Members of the Class would borrow money through student loans to purchase the Education. DeVry should have known to take precautions to ensure its Illegal Claims, advertising, materials, and representations were accurate.

105. DeVry breached its duty to exercise reasonable care in connection with the accuracy of its Illegal Claims regarding the Education by: (a) failing to implement and maintain adequate measures to ensure accuracy and truthfulness; (b) failing to monitor its advertising, promotional, and other materials to identify unlawful, inaccurate, or untruthful materials; (c) allowing untruthful and inaccurate and untruthful advertising and promotional materials and claims regarding the nature of the Education to be given and made to Claimants and the Class; and (d) failing to otherwise prevent inaccurate and untruthful claims and advertising and promotional materials to be made and published.

106. DeVry breached its duty of full, fair, and adequate disclosure about the Education. DeVry has failed to notify its current and former Students affected by the Illegal Claims. DeVry was, or should have been, aware of the Illegal Claims as early as January 1, 2008.

107. But for DeVry's failure to implement and maintain adequate measures to ensure the accuracy of its claims and materials in connection with the Education, and its failure to monitor its policies and procedures to identify inaccurate, untruthful, and unlawful claims, Claimants and Class Members would not have taken out the student loans they did, would not have purchased the



Education for the price they did, if in fact they would have purchased the Education from DeVry at all, and would not be at a heightened risk of being financially unable to repay their student loans in the future.

108. DeVry's negligence was a substantial factor in causing harm to Claimants and Class Members. As a direct and proximate cause and result of DeVry's failure to exercise reasonable care and use reasonable measures to ensure the accuracy of its Illegal Claims in connection with the Education, Claimants and Class Members have suffered economic damages, including incurring student loans and paying Education related costs, expenses, and charges they would not have otherwise incurred and paid.

109. Neither Claimants nor other Class Members contributed to the unlawful conduct set forth herein, nor did they contribute to DeVry's making of the Illegal Claims, nor to the insufficient policies, procedures, and measures which were omitted and led to the failure to ensure the accuracy and truthfulness of DeVry's claims in connection with the nature of the Education.

110. Claimants and the Class seek compensatory damages and punitive damages with interest, the costs of suit and attorneys' fees, and other and further relief as is deemed just and proper as further set forth below.

**THIRD CAUSE OF ACTION**  
**Illinois Uniform Deceptive Trade Practices Act**  
**(815 ILCS 510/1 *et. seq.*)**

111. Claimants, on half of themselves and other Class Members similarly situated, reallege and incorporate by reference each of the allegations contained herein.

112. Claimants, Class Members, and Defendants are "persons" under UDTPA 815 ILCS 510/1(5), which defines a "person" as "an individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership, unincorporated

association, 2 or more of any of the foregoing having a joint or common interest or any other legal or commercial entity.”

113. Under UDTPA 815 ILCS 510/2(5), a person engages in a deceptive trade practice when, in the course of his or her business, vocation or occupation, “***represents that goods or services have*** sponsorship, approval, ***characteristics***, ingredients, ***uses, benefits***, or quantities that ***they do not have*** or that a person has a sponsorship, approval, status, affiliation, or connection that he or she does not have.” [Emphasis added.]

114. Under UDTPA 815 ILCS 510/2(7), a person engages in a deceptive trade practice when, in the course of his or her business, vocation or occupation, “***represents that goods or services are of particular*** standard, ***quality***, or grade or that goods are of a particular style or model, ***if they are of another.***” [Emphasis added.]

115. Under UDTPA 815 ILCS 510/2(9), a person engages in a deceptive trade practice when, in the course of his or her business, vocation or occupation, the person, “***advertises goods or services with intent not to sell them as advertised.***” [Emphasis added.]

116. Under UDTPA 815 ILCS 510/2(12), a person engages in a deceptive trade practice when, in the course of his or her business, vocation or occupation, the person “***engages in any other conduct which similarly creates a likelihood of confusion or misunderstanding.***” [Emphasis added.]

117. Through the means described herein above, Defendants have represented, expressly or by implication, in their advertising and promotional material that: (a) as a result of obtaining a DVU degree, 90% of DVU graduates from a specific year who were actively seeking employment landed or obtained new jobs in their field of study within six months of graduation; (b) as a result of obtaining a DVU degree, for at least the last 10 years, 90% of DVU graduates who were actively seeking employment landed or obtained new jobs in their field of study within

six months of graduation; (c) one year after graduation, the average or median earnings of DVU graduates with bachelor's degrees were 15% higher than the average or median earnings of graduates with bachelor's degrees from all other colleges and universities; and (d) DVU bachelor's degree graduates earn 15% more than graduates from other colleges and universities, as described in part (c) above, as a result of obtaining a bachelor's degree from DVU.

118. Each representation set forth in above is false or misleading and was not substantiated at the time the representation was made. Therefore, the making of each representation as set forth herein above constitutes a deceptive act or practice, in violation the UDTPA.

119. Defendants intended that Claimants and the Class Members rely on its deceptive practices in an attempt to induce them to purchase an Education from DeVry. Defendants' deception occurred during the marketing and sale of the Education and related products and services in the course of Defendants' business.

120. Defendants had a duty arising from their superior knowledge of Defendants true placement statistics of its graduates as compared to consumers (*e.g.*, through Defendants' years of study of the statistics for the placement of its graduates) and its partial representations, omissions, and/or misrepresentations to the contrary, to disclose at the point of sale and/or otherwise the likelihood that: (a) that the majority of DVU graduates from a specific year who were actively seeking employment had not landed or obtained new jobs in their field of study within six months of graduation; (b) as a result of obtaining a DVU degree, for at least the last 10 years, the majority of DVU graduates who were actively seeking employment had not landed or obtained new jobs in their field of study within six months of graduation; (c) one year after graduation, the average or median earnings of DVU graduates with bachelor's degrees were not any higher than the average or median earnings of graduates with bachelor's degrees from all other colleges and universities;

and (d) DVU bachelor's degree graduates do not earn more than graduates from other colleges and universities as a result of obtaining a bachelor's degree from DVU.

121. Defendants owed a duty to Claimants and the Class, and intentionally failed to disclose one or more important and material facts to Claimants and the Class; and/or Defendants disclosed some facts to Claimants and the Class, but willfully and intentionally failed to disclose one or more other important and material facts, making the disclosure deceptive; and/or Defendants willfully and intentionally failed to disclose one or more important and material facts that were only known to them and that Claimants and the Class could not have discovered; and/or Defendants actively concealed one or more important and material facts from Claimants and the Class and/or prevented them from discovering such fact or facts.

122. Defendants failed to disclose and concealed the true facts that: (a) the 90% placement claim was false and that substantially and materially less than 90% of graduates were employed in their chosen field within six months of graduation; (b) graduates of DVU did not have any higher income than graduates from other schools; (c) Defendants questioned the methodology and statistical significance of the study upon which they based their 15% income claim; (d) Defendants' own statistics showed that graduates of DVU did not have any higher income than graduates from other schools and that such claim was false, misleading, deceptive and incomplete; (e) Defendants had no reasonable basis to make these representations without the disclosure of the fact that the statistics were false in connection with the Illegal Claims, including without limitation the 90% Placement Rate and 15% higher income rate; and (f) the Illegal Claims were misleading, deceptive, and incomplete.

123. Defendants do not disclose that despite its awareness of the true facts regarding its Illegal Claims, including without limitation the 90% Placement Claims and 15% higher income claims, such claims are false. These omissions would be material to a reasonable consumer.

Reasonable consumers are likely to be deceived and confused by Defendants' material misrepresentations and omissions.

124. Claimant and Class Members suffered injury in fact, including the loss of money, as a result of Defendant's unlawful, unfair, and/or deceptive practices. Claimant and members of the Class were directly and proximately injured by Defendant's conduct and lost money as a result of Defendant's material omissions, because they would not have purchased nor paid as much for the Education and Defendants' other educational products and services had they known the truth. Consumers are likely to be damaged by Defendants' continuing deceptive trade practices

125. All of the wrongful conduct alleged herein is part of a general practice that was perpetuated and repeated throughout the states of Illinois, Missouri, Kansas, Georgia, California, and nationwide throughout the United States during the Class Period.

126. Claimant requests that the Arbitrators: (a) enter an order declaring Defendants' conduct to be a willful violation of the UDTPA and applicable State laws; (b) enter an order declaring Defendants engaged in deceptive trade practices in violation of 815 ILCS 510(5), (7), (9), and (12) by, *inter alia*, deliberately misrepresenting the quality, characteristics, uses, and benefits of the Education in and of itself, and relative to other products and services, and actively concealing, and causing others to conceal, material information about the true nature of the Education sold by Defendants; and (c) enter such other orders or judgments as may be necessary to enjoin Defendant from continuing their unfair and deceptive business practices, and to provide such other relief as set forth below.

127. Claimant is entitled to an award of reasonable attorneys' fees and costs under 815 ILCS 510/3 by any declaratory, injunctive, or other relief entered herein.

**FOURTH CAUSE OF ACTION  
(Conversion)**

128. Claimants, on half of themselves and other Class Members similarly situated, reallege and incorporate by reference each of the allegations contained herein.

129. Claimants and Class Members are the lawful owners of the student loan proceeds and other monies lent to and borrowed by them in the form of student loans from the U.S. Treasury and administered by the federal government Department of Education.

130. The student loan proceeds were paid directly to DeVry for Claimants account and benefit. As a result of Defendants' wrongful conduct, which includes their collection and receipt of loan proceeds paid for Claimants' and the Class' benefit, Defendants have interfered with and converted Claimants' and the Class' ownership interest in, or right to possess, such loan proceeds.

131. The loan proceeds Defendants misappropriated are in a specific sum capable of identification. Claimants and Class Members have been damaged by Defendants' conversion.

**FIFTH CAUSE OF ACTION  
(Unjust Enrichment)**

132. Claimants, on half of themselves and others Class Members similarly situated, reallege and incorporate by reference each of the allegations contained herein.

133. Defendants have been unjustly enriched in that they sold the Education and related goods and services to Claimants and the Class that did not have the attributes, quality, or value, represented, warranted, promised, and covenanted.

134. When purchasing an Education from Defendants, Claimants and Class members reasonably believed the Education they would receive from Defendants was as represented, warranted, promised, and as advertised, and that the Illegal Claims, including without limitation the 90% Placement Claim, 15% higher income claim, and other graduate outcomes information and materials were true.

135. Claimants and Class members received less than what they paid for in that the Illegal Claims were not true and the DeVry Education and related goods and services were not as represented, and therefore Defendants did not deliver as promised.

136. Claimant and Class members conferred a benefit on Defendants by taking out student loans, purchasing, and paying a premium for the Education sold them. Had Claimants and Class Members known about the misrepresentations and the true placement rate and income rate, they would not have purchased the Education or any goods or services from Defendants, or would have paid significantly less for them, if at all.

137. Defendants should therefore be required to disgorge all revenues, gross income, profits, benefits, and other such consideration it obtained through their wrongful conduct.

**SIXTH CAUSE OF ACTION**  
**(Declaratory Relief)**

138. Claimants, on half of themselves and others Class Members similarly situated, reallege and incorporate by reference each of the allegations contained herein.

139. An actual dispute between Claimants and the other Class Members and Defendants exists, and the parties have genuine, direct, and substantial opposing interests for which a judicial determination will be final and conclusive.

140. Claimants and the Class Members who took out student loans have a defense against repayment in any action to collect such loans based on any act or omission of Defendants that would give rise to a cause of action against Defendants under applicable State law.

141. To the extent Claimants and the Class Members are relieved of repayment obligations for student loans based on violations of applicable State law, Defendants may be subject to payment of the amount of the loan to which the defense applied.

142. Claimants and the Class Members are therefore entitled to a declaratory judgment that Defendants' acts and omissions as alleged herein violates applicable State law, including without limitation the UDTPA, as well as such other and further relief as may follow from the entry of such a judgment.

### **PRAYER FOR RELIEF**

Claimants, individually and on behalf of all others similarly situated, respectfully request the Arbitrators enter a judgment against Defendants, and grant the following relief:

A. a declaration that the arbitration agreements entered into by the Claimants and the Class permit a representative form of class action arbitration claim;

B. an order certifying an appropriate Class, designating Claimants as Class Representatives, and designating their counsel of record as Class Counsel;

C. a declaration that Defendants breached their Agreement with Claimants and the Class;

D. a declaration that Defendants owed a duty of full, fair, adequate, and truthful disclosure in connection with its Education and other educational goods, services, and material;

E. an award to Claimant and Class members compensatory, exemplary, punitive, and statutory penalties and damages as allowed by law, including interest, in an amount to be proven at trial;

F. an order permitting Claimant and Class members to elect to affirm their contracts or alternatively demand rescission and seek damages;

G. a declaration that Defendants must disgorge for the benefit of Claimant and Class Members, all or part of the ill-gotten revenue, gross income, profits, and benefits received from



the sale of the Education and/or any other goods and services, and make full restitution to Claimant and Class members;

H. restitution in the amount of monies paid by Claimant and Class members for the Education and any goods and services purchased from and sold by Defendants;

I. a declaration that the acts, omissions, and practices described in this Claim exist, are unfair, deceptive, unlawful, and a violation of applicable State law;

J. an order enjoining Defendants from engaging in further unfair and deceptive advertising, promotion, distribution and sales practices with respect to the Education and any educational goods and services;

K. a permanent injunction prohibiting Defendants and their officers, agents, employees and successors, from engaging in the unlawful practices complained of herein in violation of applicable State law;

L. a permanent mandatory injunction requiring Defendants to adopt business practices in conformity with the requirements of applicable laws;

M. a declaration that Defendants are financially responsible for notifying all Class members about the true nature of the Education and Defendants educational goods and services;

N. an order requiring Defendants to notify the Class that the Illegal Claims, including without limitation the 90% Placement Claim and 15% income claim are false and untrue;

O. an order imposing a constructive trust upon Defendants such that their enrichment, benefit, and ill-gotten gains may be allocated and distributed equitably to and for the benefit of Claimants and the Class Members.

P. an award of attorneys' fees and costs, including expert fees, as allowed by law;

Q. an award of pre-judgment and post-judgment interest, as provided by law;

R. leave to amend this Complaint to conform to the evidence produced at trial; and

S. such other relief as the Arbitrators may deem just, proper, and appropriate under the circumstances.

DATED: June 16, 2016

Respectfully submitted,

Robert L. Teel, Attorney for Claimants  
and the Putative Class



By: \_\_\_\_\_

207 Anthes Avenue, Suite 201  
Langley, WA 98260  
Telephone 866-833-5529  
Facsimile 855-609-6911  
[lawoffice@rlteel.com](mailto:lawoffice@rlteel.com)

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# EXHIBIT A

## DeVry Enrollment Agreement

**Application/Enrollment Agreement – DeVry University Passport2College (NMUGHS)**

APPLICANT'S LAST NAME		SUFFIX	FIRST NAME		MI	SOCIAL SECURITY NO *	
STREET ADDRESS OR BOX NO				CITY		STATE and ZIP CODE	
EMAIL ADDRESS			(AREA CODE) PHONE		(AREA CODE) EMERGENCY PHONE		
COUNTY	CNTY CODE	DATE OF BIRTH (M/DD/YY)		AGE	GENDER <input type="checkbox"/> Male <input type="checkbox"/> Female		
PARENT'S EMAIL ADDRESS			PARENT'S CELL PHONE		ALTERNATE PHONE		
CITIZENSHIP: <input type="checkbox"/> U.S. CITIZEN <input type="checkbox"/> PERMANENT RESIDENT <input type="checkbox"/> VISA							
RACE/ETHNICITY**: Do you consider yourself to be Hispanic/Latino? <input type="checkbox"/> Yes <input type="checkbox"/> No							
Please also select one or more of these racial codes to describe yourself:							
<input type="checkbox"/> AMERICAN INDIAN OR ALASKA NATIVE		<input type="checkbox"/> ASIAN		<input type="checkbox"/> WHITE			
<input type="checkbox"/> BLACK OR AFRICAN AMERICAN		<input type="checkbox"/> NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER					
COUNTRY OF BIRTH:				FOREIGN COUNTRY OF RESIDENCE:			
NAME OF HIGH SCHOOL:							
STREET ADDRESS							
CITY		STATE		ZIP/POSTAL CODE		(AREA CODE) PHONE	
DATE OF HIGH SCHOOL GRADUATION (MM/YYYY)	HIGH SCHOOL GPA	HIGH SCHOOL STUDENT ID #	DEVRY CLASS START DATE:	MONTH	DAY	YEAR	
Did you previously attend DeVry: <input type="checkbox"/> Yes <input type="checkbox"/> No							
* Optional							
** This information is not used to determine acceptance.							

**Location Planning To Attend (select one):**

Arizona

- 6751 Sunset Blvd., Glendale
- 1201 S. Alma School Rd., Mesa
- 2149 W. Dunlap Ave., Phoenix

California

- 1000 S. Fremont Ave. Building A-11, Alhambra
- 1900 South State College Blvd, Anaheim
- 3000 Ming Ave., Bakersfield
- 1090 E Washington St., Colton
- 2001 Juniper Serra Blvd., Daly City
- 2216 Kausen Dr., Elk Grove
- 6600 Dumbarton Cr., Fremont
- 7575 N. Fresno St., Fresno
- 3880 Kilroy Airport Way, Long Beach
- 505 14<sup>th</sup> Street, Oakland
- 300 E. Esplanade Dr., Oxnard
- 39115 Trade Center Dr., Palmdale
- 901 Corporate Center Dr., Pomona
- 2655 Camino Del Rio N., San Diego
- 2160 Lundy Ave., San Jose
- 15301 Ventura Blvd., Sherman Oaks

Colorado

- 1175 Kelly Johnson Blvd., Colorado Springs
- 6312 S. Fiddlers Green Cr., Greenwood Village
- 1870 W. 122nd Ave., Westminster

Florida

- 600 Corporate Dr., Ft. Lauderdale
- 5200 Belfort Rd., Jacksonville
- 8700 W. Flagler St., Miami
- 2300 SW 145th Ave., Miramar
- 4000 Millenia Blvd., Orlando
- 1800 Pembroke Dr., Orlando
- 5540 W. Executive Dr., Tampa
- 6700 Lakeview Center Dr., Tampa

Georgia

- 2555 Northwinds Pkwy., Alpharetta
- 100 Galleria Pkwy. SE, Atlanta
- 1 West Court Square, Decatur
- 3505 Koger Blvd., Duluth
- 675 Southcrest Pkwy., Stockbridge

Illinois

- 1221 N. Swift Rd., Addison
  - 3300 N. Campbell Ave., Chicago
  - 225 W. Washington St., Chicago
  - 8550 W. Bryn Mawr Ave., Chicago
  - 3005 Highland Parkway, Downers Grove
  - 2250 Point Blvd., Elgin
  - 1075 Tri-State Pkwy., Gurnee
  - 2056 Westings Ave., Naperville
  - Online [www.devry.edu/online](http://www.devry.edu/online)
  - 18624 W. Creek Dr., Tinley Park
- Indiana
- 9100 Keystone Crossing, Indianapolis
  - 1000 E. 80th Pl., Merrillville

Kentucky

- 10172 Linn Station Rd., Louisville

Maryland

- 4550 Montgomery Ave., Bethesda

Michigan

- 26999 Central Park Blvd., Southfield

Minnesota

- 7700 France Ave. S., Edina
- 400 Highway 169 S., St. Louis Park

Missouri

- 11224 Holmes Rd., Kansas City
- 1100 Main St., Kansas City
- 11830 Westline Industrial Drive, St. Louis

Nevada

- 2490 Paseo Verde Pkwy., Henderson

New Jersey

- 630 U.S. Highway One, North Brunswick
- 921 Haddonfield Rd., Cherry Hill
- 35 Plaza, 81 E. State Route 4, Paramus

New York (DeVry College of New York)

- 180 Madison Avenue, New York

North Carolina

- 2015 Ayrley Town Blvd., Charlotte
- 1600 Perimeter Park Dr., Morrisville

Ohio

- 8800 Governor's Hill Dr., Cincinnati

- 1350 Alum Creek Dr., Columbus

- 8800 Lyra Dr., Columbus
- 3610 Pentagon Blvd., Dayton
- 4141 Rockside Rd., Independence

Oklahoma

- 4013 NW Expressway St., Oklahoma City

Oregon

- 9755 SW Barnes Rd., Portland

Pennsylvania

- 150 Allendale Rd., King of Prussia
- 1140 Virginia Dr., Ft. Washington
- 1800 JFK Blvd., Philadelphia
- 210 Sixth Ave., Pittsburgh

Tennessee

- 6401 Poplar Ave., Memphis
- 3343 Perimeter Hill Dr., Nashville

Texas

- 11044 Research Blvd., Austin
- 301 Commerce St., Ft. Worth
- 11125 Equity Dr., Houston
- 2000 West Loop S., Houston
- 4800 Regent Blvd., Irving
- 2201 N. Central Expressway, Richardson
- 618 NW Loop 410, San Antonio
- 14100 Southwest Freeway, Sugar Land

Utah

- 9350 S 150 E., Sandy

Virginia

- 2450 Crystal Dr., Arlington
- 1317 Executive Blvd., Chesapeake
- 10432 Balls Ford Rd., Manassas

Washington

- 600 108<sup>th</sup> Ave. NE, Bellevue
- 3600 S. 344<sup>th</sup> Way, Federal Way
- 119020 33<sup>rd</sup> Ave., Lynnwood

Wisconsin

- 411 E. Wisconsin Ave., Milwaukee
- N14 W23833 Stone Ridge Dr., Waukesha

Other: \_\_\_\_\_

### Application Requirements

The academic manager will place documentation in the student's file that regular admissions requirements have been waived. Applicants are required to obtain the co-signature of a parent or legal guardian prior to admission. To apply for the Passport2College program:

- Complete the Passport2College program application
- Include the following items with your application:
  - Letter of recommendation from your principal, counselor or teacher.
  - Statement of purpose addressing why the student wants to participate in this program, and how the selected courses fit into the student's college plans
  - Copy of your SAT/PSAT/ACT test results, if available. (Results noted on high school transcripts are acceptable.)
  - Current official high school transcript signed by school official. We must receive your transcript no later than two weeks prior to the start of class.

### Purpose

The intent of this agreement is to make clear the educational services to which you are entitled as an undergraduate non-matriculating student at DeVry. Academic requirements and your financial obligations are also covered within.

Please complete the following information for the classes you wish to take. Course descriptions are found in the academic catalog.

Course Title/Course Number/Credit Hours: \_\_\_\_\_

Course Title/Course Number/Credit Hours: \_\_\_\_\_

Course Title/Course Number/Credit Hours: \_\_\_\_\_

DeVry reserves the right to alter the number of credit or contact hours for reasons including, but not limited to, the following: natural occurrences beyond DeVry's control, holidays, special institutional activity days and registration days.

### Academic Credit

Non-matriculating students who wish to become degree candidates must meet regular admission requirements. If accepted for matriculating admission, courses completed as a non-matriculating student may apply toward a degree. This requires approval of the academic manager. Acceptance of transfer credit awarded by institutions other than DeVry is at the discretion of DeVry.

### General Information

DeVry reserves the right to discontinue the instruction of a student whose conduct is in its judgment unsatisfactory. Students who commit a breach of school rules or normal standards of good conduct will be dismissed. DeVry reserves the right to suspend or cancel instruction and to cancel a starting class or section if enrollment is insufficient. In this case, a refund of any money paid will be issued within 30 days of such notice. Applications for a forming class may be taken through the end of late registration only.

The term of this agreement is one semester. However, if a student's schooling is ongoing after the first semester with no interruptions, no new agreement need be signed, and the terms of this agreement are reaffirmed and applicable to the student and DeVry upon the student's enrollment for each consecutive subsequent semester and during the term thereof. **This agreement terminates when the student completes high school.** Students who do not register for a subsequent semester must execute a new enrollment application prior to resuming.

Except by any attached printed addenda to this application, written by DeVry and acknowledged by applicant, this agreement is not subject to oral or written modification from its printed form. This agreement supersedes and terminates any DeVry enrollment agreement you may have signed previously.

DeVry is an educational institution that admits academically qualified students without regard to gender, age, race, color, religion, sexual orientation, national origin, political affiliation or belief, or disability and affords them all rights, privileges, programs and opportunities generally available to students. DeVry does not discriminate on the basis of gender, age, race, color, religion, sexual orientation, national origin, political affiliation or belief, or disability in admissions, employment services, or access to its program and activities.

DeVry complies with Section 504 of the Rehabilitation Act of 1973 and with the Americans with Disabilities Act of 1990. DeVry does not discriminate on the basis of disability. Persons wishing additional information about this policy or assistance to accommodate individual needs should contact General Counsel at DeVry University, 3005 Highland Parkway, Downers Grove, IL 60515-5799; 800-225-8000.

### Tuition/Course Materials Charges/Fees

Tuition, course materials charges and fees for non-degree seeking high school students enrolled in the Passport2College program will be waived.

### Additional Information

High school students are not eligible for career services, housing assistance, part-time employment assistance, Veterans Administration benefits or financial aid.

### Accurate Information Disclosure

DeVry publishes accurate information about its programs, policies, services and graduate outcomes. Complete, accurate information is provided on our website, in our catalogs, and in advertisements and other materials published by DeVry. You may have received information from other sources that was not sanctioned by DeVry. You should only rely on written information provided by DeVry during the application and enrollment process to make an enrollment decision. For comprehensive consumer information, please visit [devry.edu/studentconsumerinfo](http://devry.edu/studentconsumerinfo).

### Publicity Waiver and Release Disclosure

By signing this enrollment agreement, the student grants to DeVry University Inc., its parent, subsidiary and affiliated companies, agents, licensees and designees (collectively, "DeVry"), including their successors and assigns, the absolute, royalty-free, irrevocable, worldwide, right and permission with respect to any testimonial (written or oral), photographs, film, video or other images, or sound recordings taken by DeVry:

- (a) To use, re-use, publish, re-publish, copy, modify, display and create derivative works in whole or in part, individually or in conjunction with other photographs, images, recordings or testimonials in any medium (including without limitation, in print and on the Internet) and for any purpose whatsoever, including, without limitation in advertising, marketing, publications, electronic distribution, and the Internet and for any other commercial purpose; and
- (b) To use the student's name in connection therewith if DeVry so chooses; and
- (c) To copyright the same in the name of DeVry, or any other name that DeVry may choose.

The student understands that there will be no compensation for the permitted use of any testimonial (written or oral), photographs, film, video or other images, or sound recordings taken by DeVry or of the student's name. By signing, the student releases and discharges DeVry, its successors, assigns and any designee (including any agency, client, broadcaster, periodical or other publication) from any and all claims and demands arising out of or in connection with the use of such photographs, film, video or other images, sound recordings, or testimonial, including but not limited to any claims for defamation, invasion of privacy, right of publicity, emotional distress or any similar right. Furthermore, the student represents and warrants that any testimonial given is original and does not infringe upon copyright or proprietary rights of another person or entity.

By signing this agreement, the student waives any and all rights to such photographs, film, video or other images, sound recordings, or testimonial and assigns all such rights to DeVry. **If the student is under the age of 18, the parent or legal guardian's signature indicates that he/she and the student have read, understand, and agree to be bound by the terms of this disclosure.**

---

**APPLICANT (BUYER)**

I certify that all information provided by me in the Application for Admission is accurate and that I have read both pages of this Agreement and will abide by its provisions. I have retained a completely filled-in copy of this Agreement.

NOTE: Provisions of any attached addenda acknowledged by applicant modify those of this Agreement. This enrollment agreement and any addendum incorporated by reference herein supersede all prior or contemporaneous representations, proposals, communications and negotiations, both oral and written, and constitute the entire agreement between the parties with respect to education services. Any representations, warranties, or statements made by an employee or agent of DeVry and not expressed in this Agreement are not binding on DeVry. This Agreement may only be changed by written agreement signed by an authorized representative of the party against whom enforcement is sought.

Any claim or controversy arising out of or related to the terms of this Agreement or the education provided by DeVry, regardless of form or cause of action shall be decided and determined by binding arbitration under the commercial arbitration rules of the American Arbitration Associates. The parties acknowledge and agree that this agreement involves interstate commerce and that the Federal Arbitration Act will govern the enforceability of this provision.

---

<b>Name in full - PLEASE PRINT</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
------------------------------------	----------------	-------------	--------------	------------

**FOR APPLICANTS WHO ARE MINORS: If applicant has not reached the age of majority under state law in the state of applicant's residence, the parent or legal guardian must complete this section.**

---

<b>Name in full - PLEASE PRINT</b>	<b>Telephone #</b>	<b>Relationship to Applicant</b>
------------------------------------	--------------------	----------------------------------

---

<b>Address</b>	<b>City, State, Zip</b>	<b>Signature of Parent or Guardian</b>	<b>Date</b>
----------------	-------------------------	--	-------------

**SCHOOL OFFICIALS:** The Director of Admissions and the Academic Dean signatures on this document certify that this student's records have been reviewed, that DeVry's regular admission requirements have been waived, and that the student has met DeVry's requirements for special admission to the Passport2College program.

---

<b>Director of Admission Signature</b>	<b>Date</b>	<b>Academic Dean Signature</b>	<b>Date</b>
--	-------------	--------------------------------	-------------

# EXHIBIT B

## DeVry Graduation Rates



## Student Right-to-Know Disclosures

### 2014 Graduation Rates

The cohort consists of all full-time degree-seeking students entering college for the first time in fall 2008, minus qualifying exclusions. The graduation rate is the percent of the cohort graduating within 150% normal time for the student's program.

DeVry University			
Locations *	Graduation Rate for First-time, Full-time Students	Percent of Entering Class to which Grad Rate Applies	Graduation Rate for All New Full-time Students (incl. transfers)
Arizona	41%	30%	49%
California	35%	24%	41%
Colorado	37%	13%	43%
Florida	42%	22%	47%
Georgia	30%	18%	41%
Illinois	32%	11%	41%
Indiana	29%	17%	40%
Maryland	100% **	10%	50% **
Michigan	0% **	4%	57% **
Minnesota	25% **	8%	49%
Missouri	31%	22%	45%
North Carolina	11%	14%	39%
New Jersey	31%	37%	36%
Nevada	18%	19%	34%
New York	26%	37%	30%
Ohio	40%	24%	46%
Oklahoma	11% **	26%	30%
Oregon	14% **	23%	37%
Pennsylvania	26%	22%	34%
Tennessee	38%	17%	36%
Texas	24%	21%	36%
Utah	0% **	4%	0% **
Virginia	18%	24%	32%
Washington	26%	30%	39%
Wisconsin	50% **	12%	54%
<b>Overall</b>	<b>32%</b>	<b>18%</b>	<b>41%</b>

\* Includes all locations in the state

\*\* At least one but fewer than ten students in cohort

**In New York, DeVry University operates as DeVry College of New York**

# EXHIBIT C

## DeVry Advertising Examples

# DeVry University

**We major in careers.**

**Over 80 locations nationwide. Plus online.**  
Program availability varies by location.

DeVry University operates as DeVry Institute of Technology in New York and Calgary, Alberta.

© 2008 DeVry University. All rights reserved.

Why DeVry

Programs

Locations

Online Options

Financial Aid

Admissions

Career Services

Search

90.2% of DeVry grads were employed in their field within 6 months of graduation.\*

Are you ready to step it up?

Go!

Tell us who you are and we'll help you get started.

High School Students  
Parents  
Los Padres  
Educators/Counselors  
Current Students  
Corporate Information

Transfer Students  
Military Students  
International Students  
Corporate Education  
Employee Training  
Alumni

DeVry University offers flexible scheduling and the convenience of studying at 80+ locations, online or both. Earn a respected associate, bachelor's or master's degree from an accredited university. A career-oriented education from DeVry University puts you in a great place to begin or advance in the workplace when you graduate. Turn your passion into purpose. At DeVry University. Looking for DeVry's Keller Graduate School of Management?



The nation's #1 path to accounting careers.

New at DeVry.

Web Graphic Design.

Edge out the competition with skills, experience and a degree.

© 2008 DeVry University, All Rights Reserved Privacy Policy

Career Success: \*Since 1975, 227,605 undergraduate students system-wide have graduated from DeVry and 90.2% of those in the active job market were employed in career-related positions within six months of graduation.



**DeVry University** ✓

@devryuniv

 Follow

For over 30 years, 90% of all DeVry graduates in the active job market had careers in their fields within six months:  
<http://bit.ly/hyYns>

2:35 PM - 14 Sep 2009



## Graduate Employment Rates

Since 1975, more than 250,000 students systemwide have graduated from DeVry University. We have long held ourselves accountable and are proud to publish our performance on graduate employment goals.

Even in this year's tough job market, 88.3 percent of graduates (in the active job market) found jobs or were already employed in their education-related fields within six months of graduation.

The following table summarizes our 2009 Career Services results by currently offered degree program.

### 2009 Career Services Results – by Degree Program

Combined statistics for students who graduated from the February 2009, June 2009 and October 2009 classes

	Graduates who actively pursued and obtained employment and those who were already employed in education-related careers within 180 days of graduation	Average reported annual compensation	Graduates	Graduates eligible for career assistance	Graduates who actively pursued employment for up to 180 days and those who were already employed	Graduates employed in education-related positions within 180 days of graduation	Graduates employed outside their field of study
Accounting	93%	\$35,000	34	22	15	14	6
Biomedical Engineering Technology	84%	\$41,672	75	64	55	46	9
Business Administration	91%	\$38,549	1,523	1,265	1,145	1,045	48
Computer Engineering Technology	76%	\$38,854	129	110	94	71	5
Computer Information Systems	79%	\$45,235	668	560	457	360	76
Electroneurodiagnostic Technology	100%	\$39,115	2	2	2	2	0
Electronics & Computer Technology	84%	\$30,746	351	253	190	159	55
Electronics Engineering Technology	77%	\$40,808	300	264	229	177	25
Game & Simulation Programming	59%	\$39,686	275	242	154	91	55
Health Information Technology	83%	\$35,450	333	253	198	164	48
Network & Communications Management	88%	\$41,966	579	508	442	391	49
Network Systems Administration	88%	\$41,782	476	273	197	173	65
Technical Management	93%	\$47,540	3,213	2,768	2,542	2,363	129
Web Graphic Design	62%	\$41,928	59	35	21	13	10
<b>Total</b>	<b>88%</b>	<b>\$43,074</b>	<b>8,017</b>	<b>6,619</b>	<b>5,741</b>	<b>5,069</b>	<b>580</b>

<b>2010 Career Services Results by degree program</b> Combined statistics for students who graduated from the February 2010, June 2010 and October 2010 classes.	Graduate who actively pursued and obtained employment and those already employed in education-related careers within 180 days of graduation	Average reported annual compensation <sup>3</sup>	Graduates	Graduates eligible for career assistance <sup>4</sup>	Graduates who actively pursued employment for up to 180 days and those who were already employed <sup>5</sup>	Graduates employed in education-related positions within 180 days of graduation
<b>ASSOCIATE DEGREE PROGRAM</b>						
Accounting	75%	\$33,066	90	70	56	42
Electroneurodiagnostic Technology	100%	\$47,840	2	2	2	2
Electronics & Computer Technology	87%	\$33,381	331	254	210	182
Health Information Technology	76%	\$31,561	489	356	283	215
Network Systems Administration	84%	\$38,263	540	329	248	209
Web Graphic Design	50%	\$30,827	273	131	60	30
<b>TOTAL</b>	<b>79%</b>	<b>\$34,145</b>	<b>1,725</b>	<b>1,142</b>	<b>859</b>	<b>680</b>
<b>BACHELOR'S DEGREE PROGRAM</b>						
Biomedical Engineering Technology <sup>2</sup>	80%	\$42,480	76	70	64	51
Business Administration	90%	\$39,220	1,550	1,314	1,237	1,115
Clinical Laboratory Science	100%	\$49,640	7	7	6	6
Computer Engineering Technology	80%	\$37,369	134	119	105	84
Computer Information Systems	84%	\$43,849	718	628	530	443
Electronics Engineering Technology	88%	\$41,297	256	238	215	190
Game & Simulation Programming	63%	\$38,847	374	334	226	143
Multimedia Design & Development	0%	N/A	1	1	1	0
Network & Communications Management	90%	\$44,287	511	462	411	369
Technical Management	92%	\$46,649	3,608	3,052	2,827	2,594
<b>TOTAL</b>	<b>89%</b>	<b>\$43,953</b>	<b>7,235</b>	<b>6,225</b>	<b>5,622</b>	<b>4,995</b>

2011 Career Services Results by degree program	Graduates who actively pursued employment for up to 180 days and those who were already employed <sup>4</sup>	Average reported annual compensation <sup>2</sup>	Graduates	Graduates eligible for career assistance <sup>3</sup>	Graduates who actively pursued employment for up to 180 days and those who were already employed <sup>4</sup>	Graduates employed in education related positions within 180 days of graduation
Combined statistics for students who graduated from the February 2011, June 2011 and October 2011 classes.						
<b>ASSOCIATE DEGREE PROGRAM</b>						
Accounting	74%	\$33,287	159	97	88	65
Electroneurodiagnostic Technology <i>(renamed Neurodiagnostic Technology November 8, 2012)</i>	100%	\$35,391	9	8	8	8
Electronics & Computer Technology	82%	\$37,043	336	218	201	165
Health Information Technology	69%	\$33,321	849	523	460	318
Network Systems Administration	81%	\$37,502	696	407	373	303
Web Graphic Design	52%	\$31,739	412	140	110	57
<b>ASSOCIATE TOTAL</b>	<b>74%</b>	<b>\$35,327</b>	<b>2,461</b>	<b>1,393</b>	<b>1,240</b>	<b>916</b>
<b>BACHELOR'S DEGREE PROGRAM</b>						
Biomedical Engineering Technology <sup>1</sup>	81%	\$43,568	113	101	94	76
Business Administration	91%	\$38,180	1,703	1,334	1,269	1,150
Clinical Laboratory Science	100%	\$44,075	15	14	14	14
Computer Engineering Technology	86%	\$40,834	122	97	91	78
Computer Information Systems	85%	\$44,178	806	613	570	484
Electronics Engineering Technology	91%	\$44,386	285	240	232	211
Game & Simulation Programming	61%	\$36,096	439	298	246	149
Management	100%	\$29,062	9	5	5	5
Multimedia Design & Development	82%	\$29,208	66	45	40	33
Network & Communications Management	90%	\$43,838	543	433	407	366
Technical Management	90%	\$47,001	4,099	3,176	3,033	2,726
<b>BACHELOR'S TOTAL</b>	<b>88%</b>	<b>\$43,849</b>	<b>8,200</b>	<b>6,356</b>	<b>6,001</b>	<b>5,292</b>

### Graduate Employment Rates

Even in today's challenging economic environment, a large percentage of 2011 DeVry University graduates in the active job market were either employed in their fields before graduating or found jobs within six months of graduation. For those who earned associate degrees, the employment rate was 74 percent; the rate was 88 percent for those who earned bachelor's degrees<sup>5</sup>.



<b>2012 Career Services Results by degree program</b> Combined statistics for students who graduated from the February 2012, June 2012, October 2012 and December 2012 classes	Graduates who actively pursued and obtained employment and those already employed in education-related careers within 180 days of graduation	Average reported annual compensation <sup>1</sup>	Graduates	Graduates eligible for career assistance <sup>2</sup>	Graduates who actively pursued employment for up to 180 days and those who were already employed <sup>3</sup>	Graduates employed in education-related positions within 180 days of graduation
<b>ASSOCIATE DEGREE PROGRAM</b>						
Accounting	90%	\$33,892	234	144	124	112
Electronics & Computer Technology	91%	\$37,395	378	246	215	195
Health Information Technology	79%	\$31,847	1,018	619	522	411
Network Systems Administration	87%	\$39,937	797	437	377	329
Neurodiagnostic Technology	100%	\$37,960	7	7	7	7
Web Graphic Design	64%	\$33,327	403	145	88	56
<b>ASSOCIATE TOTAL</b>	<b>83%</b>	<b>\$35,436</b>	<b>2,837</b>	<b>1,598</b>	<b>1,333</b>	<b>1,110</b>
<b>BACHELOR'S DEGREE PROGRAM</b>						
Biomedical Engineering Technology	90%	\$45,281	110	98	88	79
Business Administration	92%	\$38,558	1,911	1,536	1,430	1,318
Clinical Laboratory Science	100%	\$46,176	26	23	21	21
Computer Engineering Technology	87%	\$44,421	119	102	93	81
Computer Information Systems	89%	\$44,651	901	697	633	562
Electronics Engineering Technology	93%	\$48,208	318	282	269	249
Game & Simulation Programming	69%	\$38,688	362	248	194	133
Justice Administration	100%	\$26,000	4	3	2	2
Management	96%	\$42,353	74	52	48	46
Multimedia Design & Development	84%	\$32,251	196	127	92	77
Network & Communications Management	93%	\$44,891	660	525	494	461
Technical Management	94%	\$48,101	4,620	3,614	3,413	3,196
<b>BACHELOR'S TOTAL</b>	<b>92%</b>	<b>\$45,031</b>	<b>9,301</b>	<b>7,307</b>	<b>6,777</b>	<b>6,225</b>

## Quality: Student Outcomes

---

90/44



Figure based on 2012 graduates self-reporting data to DeVry University Career Services who were employed at graduation or actively seeking employment in their field after graduation. Does not include graduates who were not actively seeking employment, as determined by DeVry University Career Services, or who did not report data on employment status to DeVry University Career Services.

5

## Excellent employment results

Nobody wants to go to college and just be a number...unless they're numbers like these. Each year, thousands of our grads find themselves right where they want to be - employed in their fields of study.



## An education that pays

Not only can a degree from DeVry University prepare you for a lifetime of career success, it can also increase your earning potential right from the start.





**DeVry**  
@DeVryGroup



 **Follow**

"90% of #DeVry grads active in the job market find employment in their field of study within 6 months." @DeVryUniv president Dave Pauldine

RETWEETS

2



11:36 AM - 29 Jul 2013



Reply to @DeVryGroup @devryuniv



**David W. Messner MBA** @DavidWMessner · 29 Jul 2013

@DeVryInc awesome statistics.





**90%** of DeVry grads were employed within 6 months\*

\*90% of DeVry grads nationwide in the active job market were employed in career-related fields within 6 months of graduation (10-year period ending 10/06)



**90%** of DeVry grads were employed within 6 months\*

\*90% of DeVry grads nationwide in the active job market were employed in career-related fields within 6 months of graduation (10-year period ending 10/06)

## About DeVry University, cont'd

- One of the largest degree-granting higher education systems in North America
- Since 1975, 237,957 undergraduate students system-wide have graduated and 90% of those in the active job market were employed in career-related positions within 6 months of graduation



90+%

Graduate employment at  
 DeVry University

**Published on May 29, 2015**

DeVry University is a division of DeVry Education Group, a for-profit higher education organization that is also the parent organization for Keller Graduate School of Management, Ross University School  
DeVry University helps prepare you to advance in your chosen career. In 2013, 90% of DeVry University graduates actively seeking employment obtained careers in their field within six months of graduation, or were already employed in their field when they graduated.\*

\*Based on self-reported data from bachelor's and associate degree graduates. Does not include graduates not actively seeking employment, as determined by DeVry University Career Services or graduates who did not report data on employment status to DeVry University Career Services

Category	<a href="#">Education</a>
License	Standard YouTube License
Created using	<a href="#">YouTube Video Editor</a>

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SHOW LESS



# 90%

DeVry University helps prepare you to advance in your chosen career. In 2013, 90% of DeVry University graduates actively seeking employment obtained careers in their field within six months of graduation, or were already employed in their field when they graduated.\*

\*Based on self-reported data from bachelor's and associate degree graduates. Does not include graduates not actively seeking employment, as determined by DeVry University Career Services or graduates who did not report data on employment status to DeVry University Career Services.

90+%

Graduate employment  
at DeVry University

97%

USMLE Step 1 pass rates at  
American University of the  
Caribbean and Ross  
University School of Medicine

90%

Elijah Watts Sells winners who  
prepared with Becker  
Professional Education

# EXHIBIT D

## 2013 Claimed Placement Rates



# DeVry University Graduate Employment Statistics

2013 Career Services results by degree program	Graduates who were already employed, or actively sought employment, that had careers in fields related to their education within six months of graduation	Average reported annual compensation <sup>2</sup>	Graduates	Graduates who were already employed in fields related to their education or were available to actively seek employment <sup>3</sup>	Graduates who were already employed in fields related to their education or actively sought employment for up to six months after graduation <sup>4</sup>	Graduates who were already employed, or actively sought employment, that had careers in fields related to their education within six months of graduation
Combined statistics for students who graduated from the February 2013, April 2013, June 2013, August 2013, October 2013 and December 2013 classes. <sup>1</sup>						
<b>ASSOCIATE DEGREE PROGRAMS:</b>						
Accounting	90%	\$37,458	187	99	94	85
Neurodiagnostic Technology	100%	\$47,410	8	8	8	8
Electronics & Computer Technology	90%	\$38,350	254	164	149	135
Health Information Technology	83%	\$32,375	719	416	383	320
Network Systems Administration	87%	\$37,691	681	389	359	315
Web Graphic Design	71%	\$30,375	310	101	78	56
<b>Associate Degree Total<sup>5</sup></b>	<b>85%</b>	<b>\$35,555</b>	<b>2159</b>	<b>1177</b>	<b>1071</b>	<b>919</b>
<b>BACHELOR'S DEGREE PROGRAMS:</b>						
Accounting	100%	\$29,800	11	7	5	5
Biomedical Engineering Technology	86%	\$42,238	95	79	75	65
Business Administration	92%	\$40,322	1833	1440	1373	1271
Clinical Laboratory Science	85%	\$46,905	26	21	20	17
Communications	100%	\$44,171	7	6	5	5
Computer Engineering Technology	91%	\$44,844	126	98	98	90
Computer Information Systems	86%	\$46,856	881	686	648	563
Electronics Engineering Technology	92%	\$49,551	356	300	289	267
Game & Simulation Programming	72%	\$43,337	285	190	163	118
Healthcare Administration	66%	\$50,000	4	3	3	2
Justice Administration	90%	\$30,142	54	24	21	19
Management	97%	\$40,623	106	83	79	77
Multimedia Design & Development	75%	\$30,631	305	188	174	132
Network & Communications Management	93%	\$46,733	673	558	533	498
Technical Management	94%	\$48,863	3596	2867	2788	2631
<b>Bachelor's Degree Total<sup>5</sup></b>	<b>91%</b>	<b>\$45,747</b>	<b>8358</b>	<b>6550</b>	<b>6274</b>	<b>5760</b>
<b>All Undergraduate Degree Total</b>	<b>90%</b>	<b>\$44,295</b>	<b>10517</b>	<b>7727</b>	<b>7345</b>	<b>6679</b>

## We're always here for you.

Career Services professionals across the DeVry system work diligently to partner with graduates to attain positions in their career fields. Although DeVry cannot guarantee employment, we're dedicated to helping guide and motivate our students and graduates through the career process. We work with them on career planning, job interviewing and resumé preparation. Students' career efforts are also supported by an employer database containing information on national and local companies, and virtual and onsite Career Fairs held periodically to enable our students to meet and network with recruiters of DeVry graduates. As a student at DeVry, you'll have the opportunity to partner with one of the most dedicated career services teams in education.

## The proof is in the numbers.

In 2013, 90% of DeVry University graduates actively seeking employment had careers in their field within 6 months of graduation.<sup>6</sup>

<sup>1</sup> Figures based on graduates self-reporting data to DeVry.

<sup>2</sup> Includes base salary and any additional taxable compensation of those graduates who chose to disclose this information.

<sup>3</sup> Graduates employed in fields related to their education prior to graduation generally earn more than graduates who accept new employment after graduation. All compensation is reported in U.S. dollars.

<sup>4</sup> Excludes graduates who did not report employment related to their education who were continuing their education, employed in non-education related positions and not seeking education related positions, foreign graduates legally ineligible to work in the United States/Canada and those unable to accept career advising assistance because of circumstances such as military deployment, national service (Peace Corps, Teach for America, etc.), participation in a religious mission, incarceration, critical illness or death.

<sup>5</sup> Excludes graduates who actively sought employment for less than 6 months after graduation and did not become employed.

<sup>6</sup> Associate and bachelor's degree totals exclude programs no longer accepting applicants. Statistics for graduates of new programs that do not yet have graduates will be available approximately six months after the first classes graduate.

<sup>7</sup> Figure based on 2013 graduates self-reporting data to DeVry University Career Services who were employed at graduation or actively seeking employment in their field after graduation. Does not include graduates who were not actively seeking employment, as determined by DeVry University Career Services, or who did not report data on employment status to DeVry University Career Services.

For comprehensive consumer information, visit [devry.edu/studentconsumerinfo](http://devry.edu/studentconsumerinfo)

In New York, DeVry University operates as DeVry College of New York. DeVry University operates as DeVry Institute of Technology in Calgary, Alberta. Program availability, and course requirements and availability, vary by location. Some courses may be available online only. Refer to the current academic catalog for more detailed information. DeVry is certified to operate by the State Council of Higher Education for Virginia. DeVry University is authorized for operation by the THEC, [www.state.tn.us/theC](http://www.state.tn.us/theC). Nashville Campus: 3343 Perimeter Hill Dr., Nashville, TN 37211. 55-500034 8/14.



EXHIBIT E

2014 Management Program  
Graduate Employment Statistics

## DeVry University

## Management

Program Level - Bachelor's degree

Program Length - 48 months



## COST

**How much will this program cost me?\***

**Tuition and fees: \$74,648**

**Books and supplies: \$3,040**

**On-campus room & board: *not offered***

What other costs are there for this program?

For further program cost information [click here](#).

\* The amounts shown above include costs for the entire program, assuming normal time to completion. Note that this information is subject to change.

## SUCCESS

**How long will it take me to complete this program?**

The program is designed to take 48 months to complete. Of those that completed the program in 2014-2015, 69% finished in 48 months.

**What are my chances of getting a job when I graduate?**

**The job placement rate for students who completed this program is 20%.**

For further information about this job placement rate, [click here](#).

## FINANCING

**What financing options are available to help me pay for this program?**

Financing for this program may be available through grants, scholarships, loans (federal and private) and institutional financing plans. The median amount of debt for program graduates is shown below:

**Federal loans: \$44,667**

**Private education loans: \$0**

**Institutional financing plan: \$0**

*Click here for more information on jobs related to this program.*

For additional information related to this program and/or the information provided above, [click here](#).

**Date Created: 1/28/2016**

# EXHIBIT F

## FTC Lawsuit

*Robinson, Brown, et al. v. DeVry Education Group, Inc.*  
American Arbitration Association Claim

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14 Attorneys for Plaintiff  
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15  
16 UNITED STATES DISTRICT COURT  
17 CENTRAL DISTRICT OF CALIFORNIA

18 FEDERAL TRADE COMMISSION, ) Case No.  
19 )  
20 Plaintiff, )  
21 v. ) COMPLAINT FOR PERMANENT  
22 ) INJUNCTION AND OTHER  
23 )  
24 )  
25 )  
26 )  
27 )  
28 )  
DEVRy EDUCATION GROUP )  
INC., formerly known as DeVry Inc., )  
a corporation; )  
DEVRy UNIVERSITY, INC., a )  
corporation; and )  
DEVRy/NEW YORK INC., a )  
corporation; )  
Defendants. )



1 Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

2 1. The FTC brings this action under Section 13(b) of the Federal Trade  
3 Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain permanent injunctive  
4 relief, rescission or reformation of contracts, restitution, the refund of monies paid,  
5 disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts  
6 or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

7 **JURISDICTION AND VENUE**

8 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§  
9 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

10 3. Venue is proper in this district under 28 U.S.C. § 1391 (b)(2) and  
11 (c)(2), and 15 U.S.C. § 53(b).

12 **PLAINTIFF**

13 4. The FTC is an independent agency of the United States Government  
14 created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC  
15 Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or  
16 affecting commerce.

17 5. The FTC is authorized to initiate federal district court proceedings, by  
18 its own attorneys, to enjoin violations of the FTC Act, and to secure such equitable  
19 relief as may be appropriate in each case, including rescission or reformation of  
20 contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten  
21 monies. 15 U.S.C. § 53(b).

22 **DEFENDANTS**

23 6. Defendant DeVry Education Group Inc. (DEG) is a publicly traded  
24 Delaware corporation with its principal place of business at 3005 Highland  
25 Parkway, Downers Grove, Illinois. DEG was formerly known as DeVry Inc. DEG  
26 transacts or has transacted business in this district and throughout the United  
27 States. At all times material to this Complaint, with respect to the acts and  
28 practices of DeVry University, Inc. and DeVry/New York Inc. that are described

1 below, DEG dominated or controlled those acts and practices, knew of or approved  
2 those acts and practices, and/or benefitted from those acts and practices. DEG,  
3 DeVry University, Inc., and DeVry/New York Inc. are collectively referred to in  
4 this Complaint as “DeVry” or “Defendants.”

5 7. Defendant DeVry University, Inc. (DVU), a Delaware corporation, is  
6 a subsidiary of DEG with its principal place of business at 3005 Highland  
7 Parkway, Downers Grove, Illinois. DVU transacts or has transacted business in  
8 this district and throughout the United States. At all times material to this  
9 Complaint, acting alone or in concert with others, DVU has advertised, marketed,  
10 distributed, or sold educational products and services to consumers throughout the  
11 United States.

12 8. Defendant DeVry/New York Inc. (DeVry New York), a Delaware  
13 corporation sometimes doing business as DeVry College of New York, is a  
14 subsidiary of DEG, with its principal place of business at 3005 Highland Parkway,  
15 Downers Grove, Illinois. At all times material to this Complaint, acting alone or in  
16 concert with others, DeVry New York has advertised, marketed, distributed, or  
17 sold educational products and services to consumers.

18 **COMMERCE**

19 9. At all times material to this Complaint, Defendants have maintained a  
20 substantial course of trade in or affecting commerce, as “commerce” is defined in  
21 Section 4 of the FTC Act, 15 U.S.C. § 44.

22 **BUSINESS ACTIVITIES**

23 ***Background***

24 10. DeVry operates DVU, a private, for-profit postsecondary educational  
25 institution, which currently has more than 50 campuses throughout the United  
26 States, and at times has had as many as 96 campuses. DVU also offers online  
27 classes and degree programs. DVU’s predecessor, DeVry Institute of Technology,  
28 began offering bachelor’s degrees in 1970. DVU comprises five colleges, as well

1 as a graduate school of business. More than ten majors and 40 specializations are  
2 available. Annual new-student enrollment between 2008 and 2014 ranged from  
3 approximately 29,000 to 49,000. Since 1975, more than 870,000 students have  
4 enrolled at DVU, and approximately 278,000 undergraduate students have  
5 obtained degrees from DVU.

6 11. DVU tuition is \$609 for each credit hour for new students and \$365  
7 for each credit hour in excess of seven credit hours for continuing students.  
8 According to DEG's 2015 10-K filing with the Securities and Exchange  
9 Commission, based upon current tuition rates, a full-time student enrolled in the  
10 five-term undergraduate network systems administration associate degree program  
11 will pay total tuition of \$39,585 and a full-time student enrolled in the eight-term  
12 undergraduate business administration program will pay total tuition of \$75,516.  
13 Most DVU students do not attend full-time, and the total cost for a part-time  
14 student is higher than the cost for a full-time student.

15 12. DEG's total gross revenues between 2008 and mid-2015 exceeded  
16 \$14.5 billion. DVU's gross revenues between 2008 and mid-2015 exceeded \$8.6  
17 billion.

18 13. In each fiscal year between and including 2011 and 2014, DVU spent  
19 over \$135 million on the advertising, marketing, or other promotion of DVU's  
20 educational products and services.

### 21 ***Overview***

22 14. Through the use of English and Spanish-language advertisements and  
23 other marketing materials, and during sales pitches with prospective students,  
24 Defendants have made deceptive representations about the benefits of obtaining a  
25 degree from DVU.

26 15. Defendants have advertised and promoted DVU's degree programs  
27 through television commercials, DVU's website, YouTube advertisements, radio  
28 spots, brochures, print advertisements, Facebook, Twitter, sales pitches with

1 prospective students, and other advertising and promotional materials. DeVry's  
2 target audience includes, but is not limited to, high-school students and current and  
3 former members of the military.

4 16. One of the messages of Defendants' advertisements and recruitment  
5 efforts is that obtaining a degree from DVU is highly likely to result in obtaining a  
6 desirable job soon after graduating—a well-paying, career-oriented job in the  
7 student's chosen field of study.

8 17. Among other methods, Defendants convey this message by  
9 representing that, as a result of obtaining a DVU degree, 90% of DVU graduates  
10 who were actively seeking employment landed or obtained new jobs in their field  
11 of study within six months of graduation. In some instances when Defendants  
12 make this representation, they claim this statistic applies to DVU graduates from a  
13 recent year, while in other instances, Defendants claim this statistic applies to all  
14 graduates since 1975, or "for more than 30 years." In its advertising and in its  
15 presentations to prospective students, Defendants present this 90% "employment  
16 rate" as evidence of the likelihood that obtaining a DeVry degree leads to finding a  
17 job. While Defendants' advertisements and sales pitches most commonly express  
18 DVU's employment rate for recent graduates as exactly 90%, in some instances,  
19 during certain limited time periods, Defendants have stated a percentage that is  
20 slightly less or more than 90% (*e.g.*, 87% or 92%). As explained below, these  
21 representations (Defendants' "90% claims") are false and unsubstantiated.

22 18. Defendants also have conveyed the message that DVU graduates  
23 obtain desirable jobs by representing that DVU graduates obtain jobs that pay  
24 significantly more than jobs that graduates of other colleges and universities obtain  
25 (Defendants' "higher income claim"). For example, Defendants have represented  
26 that, one year after graduation, DVU graduates with bachelor's degrees earned  
27 15% more than graduates with bachelor's degrees from all other colleges and  
28 universities. As explained below, this representation is false and unsubstantiated.



1 transcript of this advertisement is attached as Exhibit A.1.) Defendants also made  
2 this advertisement, including a shortened version, available on the Internet on  
3 DeVry’s YouTube channel. This advertisement contains the following statements  
4 and depictions:

- 5 a. A DVU student narrates the advertisement. She concludes by stating:  
6 “And when I finish my degree in business, a new job at a great  
7 company—that’s the graduation present I want.”
- 8 b. Immediately after the student refers to wanting a new job at a great  
9 company, an announcer states: “In 2012, 90% of DeVry University  
10 grads actively seeking employment had careers in their field in six  
11 months.”
- 12 c. While the announcer is speaking, the following screen appears, with  
13 people walking in the background, for approximately five seconds:  
14



15  
16  
17  
18  
19  
20  
21  
22  
23  
24 The text in the middle of the screen reads:

25 **90%** of our **grads** actively seeking  
26 employment **had careers** in 6 months

- 27 d. The screen with the text then disappears, and the announcer then  
28 states: “Join the 90%. Learn how at devry.edu.”

1           23. A copy of another advertisement that Defendants ran on various  
2 national cable and satellite television channels, in approximately 2010, which is  
3 titled “Offer Letter,” is attached as Exhibit B. (A transcript of this advertisement is  
4 attached as Exhibit B.1.) Defendants also ran this advertisement starting in 2009,  
5 and continuing for an undetermined time, on YouTube. Defendants included a link  
6 to this YouTube video on DVU’s Facebook page. This advertisement contains the  
7 following statements and depictions:

- 8           a. The advertisement depicts people in business attire taping letters  
9 extending offers of employment to a large clear wall. The following  
10 two images are screen shots taken from this advertisement as the wall  
11 is filling up:



- 18  
19           b. An announcer states:

20                   The offer letter. If you’re going to college, or back to  
21 college, that’s your bull’s-eye. It is for DeVry University  
22 students. In fact, for more than thirty years, 90% of all  
23 graduates in the active job market had careers in their  
24 fields within six months. 90%. And all those offer  
25 letters up there, that’s just for last year. DeVry  
26 University: Discover education working at devry.edu.

27           24. A copy of an advertisement that Defendants have disseminated, or  
28 caused to be disseminated, at various times between October 2013 and April 2014

1 on numerous national cable and satellite TV channels, which Defendants titled  
2 “Roommates,” is attached as Exhibit C. (An English-language translation of this  
3 advertisement is attached as Exhibit C.1.) This advertisement contains the  
4 following statements and depictions:

5 a. During this advertisement, the announcer states:

6 En el 2012, el 90% de los graduados de DeVry University que  
7 buscaron empleo de forma activa ejercían su carrera en menos de 6  
8 meses. (Translation: “In 2012, 90% of graduates from DeVry  
9 University actively seeking employment had careers in less than 6  
10 months.”)

11 b. While the announcer is speaking, the following screen appears, for  
12 approximately five seconds:



23 The text in the middle of the screen reads:

24 el **90%** de nuestros **graduados** que buscaron empleo de  
25 forma activa **ejercían su carrera** en 6 meses.

26 (This translates to mean: “90% of our grads actively  
27 seeking employment had careers in 6 months.”)

28 DVU’s Website



1           25. Since at least 2008, Defendants have made their 90% claims and  
2 higher income claim on various webpages on the DVU website, at www.devry.edu.  
3 Examples of such webpages include, but are not limited to, the webpages described  
4 below.

5           26. A copy of a printout of webpages, which were available starting in  
6 2013 by clicking a link on DVU’s homepage (www.devry.edu) titled “Why  
7 DeVry,” is attached as Exhibit D. This page contains the following statements and  
8 depictions:

9           a. At the top of the page it states the following:

10                           **Excellent employment results.**

11                           Nobody wants to go to college and just be a number . . . unless  
12 they’re numbers like these. Each year, thousands of our grads  
13 find themselves right where they want to be – employed in their  
14 fields of study.

15           b. Immediately below this statement, the following graphic appears:



23  
24           (1) The text that accompanies this graphic reads:

25                           In 2012, 90% of DeVry University **GRADS** actively  
26 seeking employment **HAD CAREERS<sup>1</sup>** in their field  
27 within six months of graduation.  
28

1 (2) The corresponding footnote, which is printed in a small font  
2 size at the end of the webpage attached as Exhibit D, reads:

3 <sup>1</sup>Figure based on 2012 graduates self-reporting  
4 data to DeVry University Career Services who  
5 were employed at graduation or actively seeking  
6 employment in their field after graduation. Does  
7 not include graduates who were not actively  
8 seeking employment, as determined by DeVry  
9 University Career Services, or who did not report  
10 data on employment status to DeVry University  
11 Career Services.

12 c. Another heading on the same webpage reads, “**An education that**  
13 **pays,**” which is followed by the statement that “Not only can a degree  
14 from DeVry University prepare you for a lifetime of career success, it  
15 can also increase your earning potential right from the start.”

16 (1) The following graphic appears immediately below this  
17 statement, on page 2 of Exhibit D:



25 (2) The text that accompanies this graphic reads:

26 One year after graduation, **DeVry University grads**  
27 **report earning 15% more** than the median earnings  
28 reported by all other bachelor's degree candidates.<sup>3</sup>

1 (3) The corresponding footnote, which appears at the end of the  
2 page in a small font size reads:

3 <sup>3</sup>Based on PayScale.com study commissioned by  
4 DeVry University. Data for the study was collected in  
5 2012 and compared reported earnings for 2010  
6 graduates. 73,309 bachelor's degree graduates  
7 reported earnings including 620 DeVry graduates.  
8 Self-reported information may not reflect actual  
9 earnings and may not be representative of earnings of  
10 individuals that do not supply information. Results  
11 may not be statistically significant. Comparative data  
12 includes private not-for-profit schools, private for-  
13 profit schools, and public schools.

14 27. A copy of a printout of one version of DVU's homepage at  
15 [www.devry.edu](http://www.devry.edu), which appeared beginning in 2014 and continued into 2015, is  
16 attached as Exhibit E. This page contains the following statements and depictions:

- 17 a. In large bold font, on the first screen, Defendants assure visitors to  
18 DVU's website that they can "Count on DeVry for Career Success."  
19 b. Immediately below this line, the figure "90%" is printed in bold,  
20 extra-large font, on the left half of the screen. On the right half of the  
21 screen, the following text appears:

22 DeVry University helps prepare you to advance in your  
23 chosen career. In 2013, 90% of DeVry University  
24 graduates actively seeking employment obtained careers in  
25 their field within six months of graduation, or were already  
26 employed in their field when they graduated.\*

- 27 c. Below this statement, the following text appears:  
28

1                   \*Based on self-reported data from bachelor's and associate  
2 degree graduates. Does not include graduates not actively  
3 seeking employment, as determined by DeVry University  
4 Career Services or graduates who did not report data on  
5 employment status to DeVry University Career Services.

6           28.    DVU's website has included webpages directed at high-school  
7 students, including webpages at <http://www.high-school.devry.edu>. A copy of one  
8 such webpage, which includes "Frequently Asked Questions" for parents of high-  
9 school students, is attached as Exhibit F. This webpage appeared in at least 2014  
10 and 2015. The following question and answer are included on this webpage:

11                   **Do DeVry University graduates get good jobs?**

12                   Employers want DeVry University graduates. More than  
13 90% of our new graduates quickly land jobs in their fields of  
14 study within six months of graduation ([learn more](#)). This is a  
15 true testament to the fact that DeVry University teaches what  
16 companies are looking for. . . . DeVry University graduates  
17 leave school well-prepared to enter the workforce and begin  
18 contributing immediately.

19           29.    Clicking on the "[learn more](#)" link on Exhibit F leads or did lead to a  
20 landing page for the "Career Services" section of DVU's website. A copy of  
21 one version of this Career Services webpage that appeared in at least 2015,  
22 attached as Exhibit G, includes the same "90%" statements that Defendants  
23 made on DVU's homepage as described in Paragraph 26.

24           30.    DVU's website also has included webpages that appeared in at least  
25 2015 that were directed at current and former members of the armed services. An  
26 example of one of these pages, attached as Exhibit H, contains the following  
27 statements and depictions:  
28

1           **90%** DeVry University helps prepare you to advance in your  
2 chosen career. In 2013, 90% of DeVry University graduates  
3 actively seeking employment obtained careers in their field within  
4 six months of graduation, or were already employed in their field  
5 when they graduated.\*

6           \*Based on self-reported data from bachelor's and associate degree  
7 graduates. Does not include graduates not actively seeking  
8 employment, as determined by DeVry University Career Services  
9 or graduates who did not report data on employment status to  
10 DeVry University Career Services.

11           31. Another webpage, which has appeared on DVU's website since at  
12 least 2013 and is attached as Exhibit I, contains the following statement:

13           **Outstanding Career Services**

14           In addition to a relevant education and a highly respected degree,  
15 DeVry University offers invaluable career services that have  
16 helped thousands of students begin rewarding careers in their  
17 fields. The proof is the numbers. Since 1975, 265,869  
18 undergraduate students have graduated from DeVry and 90% of  
19 those in the active job market were employed in career related  
20 positions within six months of graduation.

21           YouTube Advertisements

22           32. At various times since at least 2009, Defendants have disseminated or  
23 caused to be disseminated video advertisements to YouTube, including videos that  
24 Defendants has uploaded to DVU's publicly available YouTube channel at  
25 <https://www.youtube.com/user/TheDevryUniversity/videos>. Examples of such  
26 videos include, but are not limited to, the video described below, as well as the  
27 "Graduation Present" and "Offer Letter" videos described above.



1 DeVry University has been helping students do just that since  
2 1931. Everything we offer . . . is focused on your career  
3 success. Read on to learn how you can thrive at DeVry  
4 University – and beyond.

- 5 c. The statistic “90%” immediately follows this statement, in a bold,  
6 extra-large font, followed by the statement that:

7 For over 30 years, 90% of all DeVry graduates in the active  
8 job market have been employed in their field of study  
9 within six months of graduation\*.

- 10 d. At the bottom of the page, the following sentence appears, in fine  
11 print: “\*Active job market includes those already employed prior to  
12 graduation.”

13 36. Another brochure, entitled, “Why Should I Invest in an Education,”  
14 which Defendants disseminated or caused to be disseminated to high-school  
15 students, and which Defendants made available on DVU’s website beginning in  
16 2015, contains the following statements and depictions:

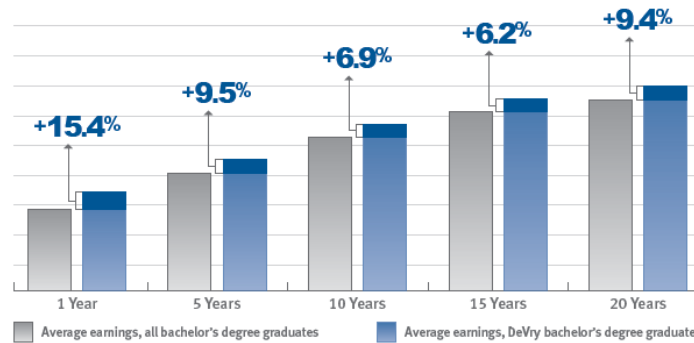
- 17 a. The following statements appear at the top of page 5 of the brochure:

18 **It pays to earn a degree at DeVry University**

19 Not only can a bachelor’s degree make it possible to earn more  
20 money when you first enter the workforce, but a bachelor’s  
21 degree from DeVry University can also help you earn more  
22 over the life of your career.

- 23 b. The following graphic appears immediately below this text:  
24  
25  
26  
27  
28

DeVry bachelor's degree graduates report earning more than other bachelor's degree holders



Source: Based on PayScale study commissioned by DeVry. Data collected in 2012 and compared median self-reported earnings for graduates at different stages in their careers. Self-reported information may not reflect actual earnings and may not be representative of earnings of individuals who don't supply information. Results may not be statistically significant. For information on study methodology, visit [devry.edu/sourceinfo](http://devry.edu/sourceinfo).

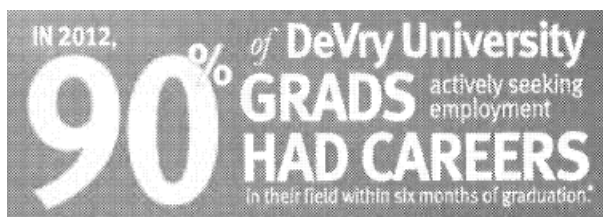
- (1) The text above this bar graph reads:  
DeVry bachelor's degree graduates report earning more than other bachelor's degree holders.
- (2) The key beneath the graph explains that the gray bar on the left side of each pair of bars depicts the "average earnings, all bachelor's degree graduates," and that the blue bar on the right side of each pair depicts the "average earnings, DeVry bachelor's degree graduates."
- (3) The fine print under the graph reads:  
Source: Based on PayScale study commissioned by DeVry. Data collected in 2012 and compared median self-reported earnings for graduates at different stages in their careers. Self-reported information may not reflect actual earnings and may not be representative of earnings of individuals who don't supply information. Results may not be statistically significant. For information on study methodology, visit [devry.edu/sourceinfo](http://devry.edu/sourceinfo).



1 Print Advertisements

2 37. Copies of two different print advertisements that Defendants  
3 disseminated or caused to be disseminated are attached as Exhibit L. These  
4 advertisements contain the following statements and depictions:

- 5 a. “Everything we do is focused on preparing our students for today’s  
6 careers. Our quality, real-world degrees and lifetime of career  
7 assistance can lead to exceptional employment results.”  
8 b. Below this statement, the following graphic appears:



14 The text of this graphic reads:

15 In 2012, **90%** of **DeVry University GRADS** actively  
16 seeking employment **HAD CAREERS** in their field within  
17 six months of graduation\*

- 18 c. The phrase “Join the 90%” immediately follows this graphic.  
19 d. The following statement appears at the bottom of the page, in fine  
20 print:

21 \*Figure based on 2012 graduates self-reporting data to  
22 DeVry University Career Services who were employed at  
23 graduation or actively seeking employment in their field  
24 after graduation. Does not include master’s degree  
25 graduates or graduates who were not actively seeking  
26 employment, as determined by DeVry, or who did not  
27 report data on employment status to DeVry.  
28

1 Twitter

2 38. Defendants have disseminated, or caused to be disseminated,  
3 representations on DVU’s public Twitter page at <https://twitter.com/DeVryUniv>.  
4 For example, on July 29, 2013, Defendants, using “@DeVryGroup,” tweeted the  
5 following:

6 “90% of #DeVry grads active in the job market find employment in  
7 their field of study within 6 months.” @DeVryUniv president Dave  
8 Pauldine.

9 Sales pitches

10 39. Prospective DVU students often have two different conversations  
11 with DVU representatives—an initial call with “an appointment setter,” and then a  
12 more extensive “interview” with one of DVU’s “Admissions Advisors.” During  
13 the course of these interactions, Defendants make statements and representations  
14 described below to induce prospective students to enroll in DVU.

15 40. Since at least 2013, appointment setters, using an outline provided by  
16 Defendants, have told prospective students: “The DeVry University difference  
17 includes outstanding career outcomes—In 2012, 90% of DeVry University grads  
18 actively seeking employment had careers in their field within six months of  
19 graduation.”

20 41. If an appointment is made, prospective students then speak to a DVU  
21 Admissions Advisor. Defendants’ policy is that students go through an  
22 “interview” with an Admissions Advisor before enrolling in DVU. The  
23 “interview” typically takes place in person on a DVU campus, although sometimes  
24 the discussion takes place by telephone. Defendants have provided DVU’s  
25 Admissions Advisors with a PowerPoint slide presentation that they use during this  
26 “interview.” Defendants also have provided guidelines, including a training guide,  
27 that instructs the Admissions Advisors how to use the presentation. When the  
28 “interview” takes place by telephone, the prospective student is directed to a

1 website that allows the student to walk through the slide presentation with the  
2 Admissions Advisor.

3 42. DVU’s Admissions Advisors represent during the “interviews” with  
4 prospective students that one of the benefits of obtaining a DVU degree is that, as a  
5 result of attaining that degree, 90% of DVU graduates obtain jobs in their field  
6 soon after graduating.

7 a. For example, the training guide instructs the Admissions Advisor,  
8 after showing a prospective student a slide touting DVU’s Career  
9 Services department, to tell him or her that, “[a]s a result of these  
10 types of career assistance our graduates have shown excellent career  
11 results, let’s take a look at those.” The prospective student is then  
12 immediately shown a slide entitled “Excellent Employment Results.”

13 (1) The following is a screen shot of a version of this slide that was  
14 used in 2013:



24 (2) This screen includes, but is not limited to, the following text:  
25 In 2012, 90% of DeVry University graduates from all  
26 programs who actively sought employment had careers in  
27 their field of study within six months of graduation.  
28





- b. This screen includes, but is not limited, to the following text:

One year after graduation, DeVry University grads report earning 15% more than the median earning reported by all other bachelor's degree graduates.
- c. While viewing this slide, Admissions Advisors also are instructed to ask prospects, "How do you think having a 15% higher median earning helped those students?"

***Defendants' Substantiation for 90% Claims***

44. To substantiate their 90% claims, Defendants have relied upon files maintained by DVU's Career Services department, which consists of information DVU obtained from students and graduates, information its Career Services department maintained concerning communications with students and graduates, related information obtained by Career Service department personnel, and analysis that DVU's staff conducted of those files. These records contain information about the students' majors, graduation dates, their employment, and DVU's classifications of their employment status. Defendants used these records to calculate the 90% figure that they use in their advertisements and sales pitches.

1           45. These student records, however, do not provide a reasonable basis that  
2 substantiates Defendants' 90% claims. Among other reasons, when calculating the  
3 90% claims, Defendants count a substantial number of DVU graduates who should  
4 not be counted and similarly exclude a substantial number of DVU graduates who  
5 should not be excluded. For example, Defendants count graduates who did not  
6 obtain a job as a result of obtaining a degree from DVU. In fact, Defendants  
7 include the substantial percentage of DVU graduates who, after graduation,  
8 continued with the same job they had when they enrolled in DVU. Defendants  
9 also count graduates who did not obtain jobs in their field of study. A significant  
10 percentage of the jobs that Defendants count as being in the graduate's field of  
11 study include jobs that employers, industry experts, graduates, and consumers  
12 would not reasonably consider to be in the graduate's field of study. Several  
13 examples of graduates from DVU's class of 2012 who did not believe they were  
14 employed in their field of study but whom Defendants nonetheless classified as "in  
15 field" include (but are not limited to):

- 16           a. graduates with degrees in technical management who were working  
17 as: a rural mail carrier (human resources specialization); a yard  
18 salesman at a nursery (business information systems specialization); a  
19 sales associate at Macy's (general technical specialization); a driver  
20 delivering rain gutters for a construction services company; a data  
21 entry specialist for a radio station (human resources specialization);  
22 and unpaid volunteers at medical centers (human resources  
23 management and health services management specializations);
- 24           b. a graduate with a degree in business administration (health services  
25 management specialization) working as a server at the Cheesecake  
26 Factory;
- 27           c. a graduate with a degree in business administration (health care  
28 management specialization) working as a car salesman;

- 1 d. a graduate with a degree in business administration (accounting
- 2 specialization) working as a secretary at a prison;
- 3 e. graduates with various degrees working as customer service
- 4 representatives.

5 46. Defendants also exclude certain students from the calculation who in  
6 fact were actively seeking employment. For example, in June 2013, Defendants  
7 excluded one 2012 graduate who, prior to being classified as inactive: viewed 177  
8 jobs leads in DVU’s jobs database; had at least six job interviews in the previous  
9 two months (including two interviews eleven days before DVU classified him as  
10 inactive); sent an email to DVU’s Career Services department, two weeks before  
11 being classified as inactive, in which he stated that he “wanted to let you know I’ve  
12 been getting more response now that I am much more actively applying to  
13 positions,” and that he “had two face to face interviews a while back and now 2  
14 Skype interviews”; attended a DVU “Career Fair” the following day; and then sent  
15 the Career Services department an email informing them that, after attending the  
16 career fair, he sent three thank you notes to companies whose representatives he  
17 had spoken to at the fair.

18 47. The actual percentage of DVU graduates who, at or near the time they  
19 graduated, found jobs that could be reasonably considered “in their field” is  
20 significantly smaller than 90%.

21 ***Defendants’ Substantiation for Higher-Income Claim***

22 48. To substantiate Defendants’ higher-income claim, Defendants have  
23 relied upon a report and summary information (“income report”) that Defendants  
24 received from a third-party company in 2012. This income report, relating to  
25 income data the company had received from people who had graduated from DVU  
26 and other schools in 2010, does not provide a reasonable basis to substantiate  
27 Defendants’ higher-income claim. Among other reasons, the income report is  
28

1 insufficient because DVU had good cause to question, and did question, the  
2 reliability of the conclusions and information contained in the income report.

3 49. The sampling methods and methodology of the survey that underlay  
4 the income report all gave or should have given Defendants reason to question the  
5 reliability of the conclusions and information contained in the report. In fact, DVU  
6 personnel expressed concerns over whether the data sufficiently supported the  
7 higher-income claim. Among other problems, the comparison of the incomes of  
8 DVU graduates with incomes of graduates from other schools did not account or  
9 adjust for significant salary drivers such as age, experience, and degree field. In  
10 addition, statistics that DVU had directly collected from thousands of its graduates  
11 each year about their incomes differed significantly from the third party's statistics,  
12 which consisted of information from only several hundred individuals per  
13 graduation year.

14 50. Defendants not only had extensive information in their own files  
15 about the income of DVU graduates, but they also had ready access to publicly  
16 available data reflecting the incomes of graduates of schools throughout the United  
17 States, by school and by field. Comparing the information in Defendants' own  
18 files with publicly available income data shows that DVU graduates a year after  
19 graduating do not in fact earn significantly more than graduates from all other  
20 schools combined, casting doubt on Defendants' higher-income claim.  
21 Defendants' reliance on the third-party data for its higher-income claim was  
22 therefore unreasonable.

### 23 **VIOLATIONS OF THE FTC ACT**

24 51. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or  
25 deceptive acts or practices in or affecting commerce."

26 52. Misrepresentations or deceptive omissions of material fact constitute  
27 deceptive acts or practices prohibited by Section 5(a) of the FTC Act.  
28



1 **Count I**

2 53. Through the means described in Paragraphs 14 through 42,  
3 Defendants have represented, expressly or by implication, that:

- 4 a. As a result of obtaining a DVU degree, 90% of DVU graduates from a  
5 specific year (e.g., graduates from 2012) who were actively seeking  
6 employment landed or obtained new jobs in their field of study within  
7 six months of graduation.
- 8 b. As a result of obtaining a DVU degree, for at least the last 30 years,  
9 90% of DVU graduates who were actively seeking employment  
10 landed or obtained new jobs in their field of study within six months  
11 of graduation.

12 54. Each representation set forth in Paragraph 53 is false or misleading or  
13 was not substantiated at the time the representation was made.

14 55. Therefore, the making of each representation as set forth in Paragraph  
15 53 of this Complaint constitutes a deceptive act or practice, in or affecting  
16 commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

17 **Count II**

18 56. Through the means described in Paragraphs 14 through 18, 25 through  
19 26, 36, 39, 41 and 43, Defendants have represented, expressly or by implication,  
20 that:

- 21 a. one year after graduation, the average or median earnings of DVU  
22 graduates with bachelor's degrees were 15% higher than the average  
23 or median earnings of graduates with bachelor's degrees from all  
24 other colleges and universities; and
- 25 b. DVU bachelor's degree graduates earn 15% more than graduates from  
26 other colleges and universities, as described in part "a" above, as a  
27 result of obtaining a bachelor's degree from DVU.
- 28



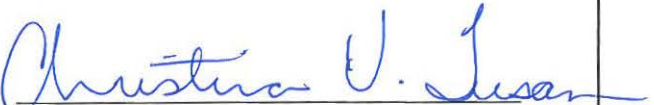
1 B. Award such relief as the Court finds necessary to redress injury to  
2 consumers resulting from Defendants' violations of the FTC Act, including but not  
3 limited to, rescission or reformation of contracts, restitution, the refund of monies  
4 paid, and the disgorgement of ill-gotten monies; and

5 C. Award Plaintiff the costs of bringing this action, as well as such other  
6 and additional relief as the Court may determine to be just and proper.

7  
8 Respectfully submitted,

9  
10 Jonathan E. Nuechterlein  
11 General Counsel

12  
13 Dated: 1-27-16

14 

15 Christina V. Tusan  
16 John D. Jacobs  
17 Thomas J. Syta  
18 Barbara Chun  
19 Faye Chen Barnouw  
20 Yan Fang  
21 Sarah E. Schroeder  
22 Attorneys for Plaintiff  
23 FEDERAL TRADE COMMISSION  
24  
25  
26  
27  
28

EXHIBIT G  
Department of Education  
Notice of Intent to Limit



January 27, 2016

Mr. Robert Paul  
President  
DeVry University  
3005 Highland Parkway  
Downers Grove, IL 60515

Sent Via UPS  
Tracking No:  
1ZA879640199403383  
  
OPE ID: 01072700

Re: **NOTICE OF INTENT TO LIMIT:** *Placement Rate and Employability Advertisements and Representations for DeVry University, 3300 N. Campbell Avenue, Chicago, IL 60618 (OPE ID 01072700)*

Dear Mr. Paul:

Pursuant to 20 U.S.C. § 1094(c)(1)(F), 34 C.F.R. § 668.86, and 34 C.F.R. § 668.93, the United States Department of Education (“Department”) is hereby providing notice of its intent to impose limitations, effective February 16, 2016, on the participation by DeVry University (OPE ID: 01072700) (“DeVry”) in programs authorized pursuant to Title IV of the Higher Education Act of 1965 as amended (“HEA”), 20 U.S.C. § 1070 *et seq.*

As described more fully below, starting in at least 2008 and continuing until at least August 2015, DeVry made representations to students and prospective students regarding the post-graduation employment outcomes of students who graduated from DeVry over a cumulative period stretching more than 30 years. The specific representation that forms the basis of this action was highlighted in DeVry’s *We Major in Careers* campaign, a 2008 “career-focused brand marketing campaign” that sought to position DeVry as an institution that helped its graduates achieve career success. That campaign, which reflected more than a year’s worth of in-depth consumer, marketplace, and brand research by DeVry, represented a conscious decision by DeVry to make certain representations to students and prospective students for marketing and recruitment purposes. Yet with respect to certain representations that were made by DeVry as part of that campaign and which continued to be made until at least August 2015, DeVry is unable to substantiate the truthfulness of those representations, as is required by federal law.

Accordingly, as a condition of its continued participation in the Title IV programs and consistent with existing statutory and regulatory requirements, the Department is hereby notifying DeVry that neither it nor its agents or employees may make any representations, in advertisements or otherwise, that include statistics consisting of or based upon the post-graduation employment outcomes of students who graduated during the time that DeVry has conceded it does not possess graduate-specific information, *i.e.*, the type of information that is necessary to substantiate the truthfulness of any post-graduation employment claims. Nor may DeVry make any representations that include or are based upon post-graduation employment statistics regarding

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Administrative Actions and Appeals Service Group  
830 First St., N.E. Washington, D.C. 20002-8019  
StudentAid.gov

other time periods that cannot be substantiated with graduate-specific information. Moreover, for a period of five years following the effective date of this action, DeVry must subject all such representations to review by an independent auditor prior to the utterance (*i.e.*, oral, written, or otherwise) of such representations. The Department is also requiring DeVry to contact third parties who are repeating or re-publishing DeVry's unsubstantiated representations and demand that those entities cease doing so, to retain records used to develop and substantiate certain advertisements, to notify the Department of any legal claims, investigations, subpoenas or other inquiries regarding its post-graduation employment representations, and to notify its students of this limitation. DeVry's failure to comply with these limitations could subject DeVry to further actions pursuant to 34 C.F.R. Part 668, Subpart G, up to and including termination from its participation in Title IV programs.

### **PROCEDURAL BACKGROUND**

On August 28, 2015, the Department sent DeVry a letter requesting information about representations made by DeVry regarding the employability of its graduates, including, *inter alia*, the following assertion made by DeVry in marketing and promotional materials:

“Since 1975, 90.1% of DeVry graduates system-wide in the active job market held positions in their fields of study within 6 months of graduation.” (the “Since 1975 Representation” or “Representation”).<sup>1</sup>

*See* Exh. A. In addition to requesting a detailed description of the methodology used to derive the statistic contained in the Since 1975 Representation, the Department also requested that DeVry produce all summary charts and spreadsheets summarizing student-by-student information developed or maintained by DeVry which DeVry believes is sufficient to substantiate the statistics for graduates for a 15-year component of the Since 1975 Representation (between 1975 and 1990). The Department also requested that DeVry produce all evidence, organized by year and graduate, on which DeVry relies to substantiate job placement rates for all individuals who graduated from DeVry between 1975 and 1981.

On September 18, 2015, Thomas Babel of DeVry Education Group responded on behalf of DeVry by providing a narrative description (hereinafter “Response”), documents bearing bates

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<sup>1</sup> For purposes of this letter and action, the Department considers the “Since 1975 Representation” to include variations that convey a similar message to an individual hearing or reading the representation. For instance, in 2010, DeVry provided a copy of materials to the U.S. Senate which contains the representation that “Since 1975 ...[o]ver 90% of graduates active in the job market were employed in career-related positions within six months of graduation.” *See* Exh. B at 10. The Department considers this representation, and other similar representations regarding the employment rates of DeVry graduates since 1975, to be within the scope of the phrase “Since 1975 Representation.”

Although this Notice is based only on findings relating to the Since 1975 Representation, we note for the purposes of completeness that the August 28 letter also sought information regarding two other assertions made by DeVry.

numbers DVG-ED-0000001 to DVG-ED-0002258, and additional information in a cover letter transmitting the Response and documents (hereinafter “Cover Letter”). At the Department’s request, additional materials were produced on October 23, 2015 (DVG-ED-0002259 to DVG-ED-0002424) and on October 30, 2015 (DVG-ED-0002425 to DVG-ED-0113744).

### **STATUTORY AND REGULATORY REQUIREMENTS**

Under the HEA, institutions that participate in the Title IV programs and that advertise job placement rates as a means of attracting students to enroll must make available to prospective students, at or before the time of application, the most recent available data concerning employment statistics and any other information necessary to substantiate the truthfulness of the advertisements. 20 U.S.C. § 1094(a)(8). *See also* 34 C.F.R. § 668.14(b)(10). Institutions that choose to participate in the Title IV programs also must agree to administer the programs in accordance with all statutory provisions of or applicable to Title IV of the HEA, *see* 34 C.F.R. § 668.16, and to act as a fiduciary in the administration of the Title IV programs, thereby administering those programs subject to the highest standard of care and diligence, *see* 34 C.F.R. §§ 668.82(a)-(b). Participating institutions must also “[e]stablish[] and maintain[] records required under [Part 668] and individual Title IV, HEA program regulations,” 34 C.F.R. § 668.16(d)(1), and must provide access to such records to the Secretary, 34 C.F.R. § 668.24(f).

### **FACTUAL FINDINGS**

1. Starting in at least February 2008,<sup>2</sup> DeVry was using the Since 1975 Representation in marketing and advertisements in the national media. *See e.g.*, Exh. C (JET Magazine excerpt (Feb. 11, 2008) (full version *available at* <https://books.google.com/books?id=6TwDAAAAMBAJ>)) (advertising that 90% of DeVry University undergraduate graduates system-wide in the active job market since 1975 were employed in their fields within 6 months of graduation).<sup>3</sup>

---

<sup>2</sup> According to DeVry, in 2002, Career Services began a project to create an aggregated rate dating back to 1975. Response at 17.

<sup>3</sup> As noted at the outset, the Department understands that the Since 1975 Representation was used as part of DeVry’s *We Major in Careers* campaign, launched in early 2008. *See, e.g.*, Press Release: *Alumni Success Forms Foundation for DeVry University Brand Campaign* (Feb. 12, 2008) (attached hereto as Exh. D) (available within: <http://investors.devryeducationgroup.com>) (“DeVry University’s ‘We Major In Careers’ campaign is based on some impressive achievements...[S]ince 1975 ... 90 percent of those in the active job market were employed in career-related positions within six months of graduation.”) (last visited January 19, 2016). This campaign, which was “developed by Chicago-based global brand-building powerhouse The Marketing Store, reflect[ed] more than a year’s worth of in-depth consumer, marketplace and brand research[.]” *Id.* The Department also understands that the Since 1975 Representation also appeared at various times on the main page at [www.devry.edu](http://www.devry.edu). *See* Exh. E (<http://web.archive.org/web/20080218200808/http://www.devry.edu/> (showing what purports to be the [www.devry.edu](http://www.devry.edu) page as of February 18, 2008) & <http://web.archive.org/web/20110403191942/http://www.devry.edu/> (same, as of April 3, 2011)).

2. The Since 1975 Representation conveyed to prospective students that since 1975, 90% – or some close variation thereof, depending on the specific utterance – of DeVry graduates actively seeking employment in their field of study were employed within 6 months of graduation. *See, e.g.*, Exh. A (compilation of representations).
3. DeVry made the Since 1975 Representation in order to demonstrate the value of a DeVry degree and to provide information to prospective students in order to assist with their evaluation of DeVry relative to other education options or institutions. *See* Exh. F (DVG-ED-0002259); Exh. D (describing the inclusion of the representation in the *We Major in Careers* brand for DeVry).
4. The Since 1975 Representation was published by DeVry *at least* until January 23, 2014 (*i.e.*, the date by which DeVry claims it had discontinued its use of the Representation). The Since 1975 Representation remained in promotional materials available on DeVry’s website until shortly after DeVry received the Department’s August 28, 2015 letter requesting information about the Representation.<sup>4</sup> Versions of the representation remain present today on websites controlled by DeVry. *See, e.g.*:
  - i. <http://newsroom.devry.edu/news/devry-university-announces-new-alhambra-location.htm> (Exh. H at 1) (last visited January 19, 2016);
  - ii. <http://newsroom.devry.edu/news/devry-university-announces-new-anaheim-location.htm> (Exh. H at 3) (last visited January 19, 2016);
  - iii. Press Release: DeVry Inc. Announces Fiscal 2009 Third-Quarter Results; Record revenues driven by favorable enrollment trends (Apr. 23, 2009) available within <http://investors.devryeducationgroup.com> (attached hereto as Exh. I) (last visited January 19, 2016)
  - iv. Press Release: Alumni Success Forms Foundation for DeVry University Brand Campaign (Feb. 12, 2008) (Exh. D)
5. The Since 1975 Representation was used repeatedly as part of DeVry’s brand marketing campaign. *See, e.g.*, Exhs. A, B at 10, G & H. *See also, e.g.*, DVG-ED-0107525; DVG-ED-0055686 (March 26, 2009 Radio Script, Titled “Good Idea”) (“Well, because since 1975, 90% of all DeVry graduates seeking employment had careers in their fields within 6 months of graduation.”); DVG-ED-0024408 at 1:07 (“We ask people to spend their

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<sup>4</sup> Although DeVry claims that the representation ceased being made at an uncertain date before January 23, 2014, in August 2015, the Department independently located the Representation in numerous marketing and recruitment pieces on DeVry’s website. DeVry appears, however, to have removed those pieces from its website shortly after receiving the Department’s August 2015 request letter. In addition, DeVry has also produced to the Department what appears to be a printout dated February 14, 2014 (*i.e.*, after January 23, 2014) of a DeVry University website page containing the Since 1975 Representation. *See* Exh. G (DVG-ED-0113737). Thus, the Department finds DeVry’s claim that it ceased making the Representation prior to January 23, 2014 to lack credibility.



time and money with us. And we give them a return on their investment it would be hard to get anywhere. The simple fact of the matter is, since 1975, 90 percent of our graduates system-wide seeking employment had a career in their fields within six months. 90 percent.”); DVG-ED-0011119 (video showing former DeVry University President David Pauldine making the Since 1975 Representation at time stamp 1:55-2:15 and including the Representation as part of DeVry’s “Manifesto” at time stamp 8:14); DVG-ED-0024409 (similar, but noting that the return on student investment is one that students “can’t get anywhere else” and asserting the veracity of the 90 percent figure “even in a recession”). As a consequence of DeVry’s decision to make the Representation, the Representation remains in visible publication today in forms that appear to not be under DeVry’s direct or continuing control.<sup>5</sup>

6. DeVry cannot provide the Department with all graduate-specific data that form the basis of the Since 1975 Representation. Specifically, DeVry has stated that it is “unable to locate” student-by-student career services data that forms the basis of the Since 1975 Representation for the period between 1975 and October 1980. *See* Response at 17. With respect to the period between October 1980 and 1990, only “*certain* student-by-student” records exist, suggesting that some records do not exist. *Id.* at 18 (emphasis added). Accordingly, with respect to at least a period of nearly six years, and likely a period of fifteen years, DeVry is unable to produce all student-by-student (or graduate-by-graduate) data that forms the basis of the Since 1975 Representation.
7. The Since 1975 Representation was developed, at least in part, through the compilation and aggregation of annual “By-Campus Rollup Reports” that DeVry asserts were contemporaneously created and which summarized the employment results of each class. Response at 17.
8. DeVry’s practices and procedures with respect to reporting graduate employment information and calculating graduate employment statistics are contained in Career Services Policy Manuals. Response at 16. DeVry has only been able to locate such written policies back to 1983, but asserts that “for over 40 years,” such policies “controlled” the calculation of the graduate employment rates. *Id.*
9. The practices and procedures used by DeVry to calculate annual graduate employment rates changed, or “evolved,” over time. *See* Response at 16. For instance, in August 1989, DeVry changed the methodology by which it calculated (and thus presented) the

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<sup>5</sup> The Since 1975 Representation is in matters of public record, for example in the record of proceedings of the United States Senate and in filings with the U.S. Securities and Exchange Commission. *See, e.g.,* Written Testimony of Ms. Sharon Thomas Parrott, Senior Vice President, Government and Regulatory Affairs & Chief Compliance Office of DeVry Education before the Senate Committee on Health, Education Labor, and Pensions (June 24, 2010) *available at* <http://www.help.senate.gov/imo/media/doc/Parrott.pdf> (attached hereto as Exh. B); DeVry University’s 8-K, filed July 15, 2010, at Exh. 99.1 *available at* <http://www.sec.gov/Archives/edgar/data/730464/000115752310004049/a6361777ex99-1.htm>. Moreover, the Representation can be found on third-party websites. *See, e.g.,* Exh. J.

post-graduation employment rates of its students, with the result of enabling DeVry to “present a much higher percentage of placed students.” *See* Exh. K (DVG-ED-0002129).

10. Because the “By-Campus Rollup Reports” were created contemporaneously and annually, and because the practices and procedures used by DeVry changed over time, the methodology underlying the Since 1975 Representation may vary with respect to the component years.

### CONCLUSIONS

1. Having chosen to advertise job placement rates as a means of attracting students to enroll, and as a participating institution in the Title IV programs, DeVry is required to be able to make available all information necessary to substantiate the truth of advertisements made. 20 U.S.C. § 1094(a)(8); 34 C.F.R. § 668.14(b)(10). When an institution chooses to use job placement rates as a means of attracting students to enroll, the institution must be able to provide “the most recent available data concerning employment statistics *and . . . any other information necessary to substantiate the truth* of the advertisements.” 20 U.S.C. § 1094(a)(8); 34 C.F.R. § 668.14(b)(10) (emphasis added).

2. An institution is capable of satisfying part of its burden under 20 U.S.C. § 1094(a)(8) and 34 C.F.R. § 668.14(b)(10) if it can produce copies of all graduate-specific data that underlie any statistical representations.<sup>6</sup> Indeed, DeVry has informed the Department that it has maintained such information with respect to 2012 graduates and has made those records available to the Department. *See* Response at 12 (“Student-by-student substantiation is available for the class of 2012 should the Department wish to review it.”). But with respect to the Since 1975 Representation, which DeVry chose to make starting in at least 2008, DeVry does not have, or cannot locate, the graduate-by-graduate records necessary to substantiate the veracity of that representation.<sup>7</sup> Response at 17 (“[W]e have been unable to locate the underlying student-by-student Career Services data relating to [1975-October 1980] despite a diligent, ongoing search.”).

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<sup>6</sup> The mere retention (and ability to produce) graduate-specific data does not suffice to meet the statutory and regulatory requirements. The information retained must still substantiate the truthfulness of the advertisements. Moreover, the Department is not suggesting that graduate-specific data should be made available to all prospective students upon request, as such information would contain personally identifiable information, the disclosure of which would be prohibited under 20 U.S.C. § 1232g(b) and other federal laws. Rather, to be administratively capable of complying with 20 U.S.C. § 1094(a)(8) and 34 C.F.R. § 668.14(b)(10), graduate-specific information must be retained by the institution if the institution opts to advertise job placement rates that are based on the post-graduation employment outcomes of those graduates. *Cf. In re Macomb Community College*, Dkt. No. 91-80-SP (June 28, 1993) (“Undoubtedly, the purposes of Title IV could easily be defeated if institutions could not be taken to task for failure to maintain records which could substantiate that an institution was entitled to the Federal funds that it was given.”). *See also, e.g.* 34 C.F.R. § 668.16(d)(1); 34 C.F.R. § 668.24.

<sup>7</sup> Although DeVry reports of having conducted a diligent search for student-by-student materials, DeVry has alternatively claimed that, if such records are available, they are “likely” stored on microfiche/microfilm format at local campuses.

3. DeVry asserts that “graduate-specific information is [not] necessary to substantiate its claim.” Cover Ltr. at 2. Instead, DeVry maintains that it has satisfied its statutory and regulatory burden by producing three types of information: (i) a series of historical “compilation reports” that DeVry asserts were contemporaneously prepared between 1975 and 1990 in the ordinary course of business and which summarize student-by-student information, Response at 17; Cover Ltr. at 2 (citing to DVG-ED-0001656-2254); (ii) “student-by-student data extracted from a legacy database relating to the period 1980 to 1990, which demonstrates the[] reliability” of the compilations for the period between 1980 and 1990, Cover Ltr. at 2; and (iii) recently prepared affidavits from two individuals who were employed by DeVry in career-services related positions at two DeVry campuses between at least 1975 and 1979. *See* DVG-ED-0001644-1654.

**The Department has reviewed and analyzed DeVry’s submissions and has concluded that DeVry has failed to meet the substantiation requirement with respect to the Since 1975 Representation.**

As an initial matter, neither the HEA, 20 U.S.C. § 1094(a)(8), nor the Department’s regulations, 34 C.F.R. § 668.14(b)(10), permit a school to “substantiate the truthfulness” of advertisements regarding job placement rates by relying on summary compilations of data without having retained, and without being able to provide to the Department for verification, the backup documentation necessary to substantiate the truth of the compilations (and, by extension, the truth of the advertisements). Substantiation requires more than the offering of some evidence or support for a proposition.<sup>8</sup> The reason for this is clear: prospective students are likely to rely upon claims regarding employment prospects in order to evaluate the relative value of a particular institution. Generally, prospective students will not be in a position to verify the accuracy of representations made by an institution prior to enrollment, and must therefore rely upon the truthfulness of representations made by the institution. Institutions must, therefore, be able to “substantiate the truthfulness” of representations they make – *i.e.*, not merely provide some evidence to generally support the representations.

As it relates to the Since 1975 Representation, DeVry is implicitly suggesting that Department (and, by extension, a prospective student) trust that the compilations were made both accurately and in a methodologically sound manner. Although DeVry has offered argument and affidavits to support its assertion that the compilations are both accurate and methodologically sound, the affidavits do not suffice to “substantiate” the truthfulness of the compilations or the representations made that were based on those compilations. That can only be done with underlying data.

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<sup>8</sup> *See, e.g.*, Webster’s Third New International Dictionary, Unabridged (1979) (defining “substantiate” as “to establish the existence or truth of by proof or competent evidence”); *Godwin v. Sec’y of Health & Human Servs.*, No. 94-CV-72386-DT, 1995 WL 871199, at \*5 (E.D. Mich. May 2, 1995) (“*Webster’s* ... provides that to substantiate is to establish the existence or truth of an object or idea by proof or competent evidence.”); Webster’s II New Riverside University Dictionary (1984) (defining “substantiate” as “[t]o support *and verify* with proof or evidence”) (emphasis added); *Minnesota Lawyers Mut. Ins. Co. v. Larson*, No. 06-CV-074-WDS, 2007 WL 2688443, at \*3 (S.D. Ill. Sept. 11, 2007) (“Larson would need more facts to actually ‘substantiate’ a claim than he would simply to ‘support’ one.”).

A. With respect to DeVry's assertion that the accuracy of, and methodology underlying, the compilation reports are "corroborate[d]" by "student-by-student graduate information ... extracted from its earliest legacy computer database" relating to the period from October 1980-1990 which demonstrates the reliability of the historical compilations, including those covering the period between 1975 and October 1980, *see* Cover Ltr. at 2; Response at 19, any such corroboration is limited to the period *after* October 1980. DeVry's assertions that the legacy database corroborates the accuracy of the historical compilation reports do not speak to the accuracy of those compilations from *before* October 1980.

B. With respect to the accuracy of, and methodology underlying, the historical compilation reports, DeVry has also provided two recently prepared affidavits from individuals employed by DeVry in the 1970s. *See* DVG-ED-0001644-1654. Assuming the veracity of the statements contained in the affidavits, the affiants only have personal knowledge of certain policies followed by the campuses on which they worked. Neither affidavit speaks to the process by which DeVry's "Home Office" compiled the reports submitted by the individual campuses. For instance, although the first affiant makes certain representation about the processes used by the Kansas City campus of DeVry, he affirmed that the campus "made reports to Home Office" on a periodic basis, and that the "Home Office," *i.e.*, not the Kansas City campus, "compiled these reports in order to prepare a graduate employment statistic every year." DVG-ED-0001646-47 at ¶¶ 20-21. Similarly, although the second affiant was "confident that the statistics reported by DeVry Institute Chicago in the Home Office's yearly summary spreadsheets are accurate," she did not make affirmations about the processes used by other campuses or the generation of the system-wide employment rate by the Home Office. DVG-ED-0001653 at ¶ 31. Accordingly, even accepting the truth of the statements in affidavits for purposes of determining whether DeVry has satisfied 20 U.S.C. § 1094(a)(8) and 34 C.F.R. § 668.14(b)(10), the affidavits do not provide sufficient information.<sup>9</sup>

C. With respect to the methodology underlying the compilation reports, information provided by DeVry in response to the Department's request establishes that the compilation reports are insufficient to substantiate the truthfulness of the representations made. As noted above, the practices and procedures used by DeVry to derive annual job placement statistics changed over time. *See* Response at 16. For instance, in August 1989, with the stated result of giving DeVry "the opportunity to present a much higher percentage of placed students," DeVry

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<sup>9</sup> Nor does the Department consider sufficient to substantiate (or support the substantiation of) the truthfulness of the Since 1975 Representation the fact that DeVry placed advertisements in the 1970s which advertised, without substantiation, a graduate of employment rate in excess of 90%. *See* Response at 18 & n.33. Nor does the Department find a 1980 Consent Order between the FTC and a DeVry predecessor, Bell & Howell, persuasive evidence that DeVry can substantiate the truthfulness of the Since 1975 Representation. There is no evidence that the FTC ever included within the scope of its investigation an analysis of DeVry's graduate employment rate, apart from a 2015 recollection of a review, by the FTC, of graduate employment rates in 1974. *See* DVG-ED-0001653 at ¶¶ 32-36. But even if that recollection is accurate, (i) that analysis would have been of data that predates the Since 1975 Representation; and (ii) the decision by a federal agency not to take action against a company is certainly not conclusive evidence that the company was making only truthful, and substantiated, representations in its advertising.

changed the methodology by which it calculated (and thus presented) the post-graduation employment rates of its students. *See* Exh. K (DVG-ED-0002129). Moreover, DeVry has only been able to produce the Career Services Policy Manuals (which contain DeVry's practices and procedures with respect to reporting job placement information and calculating job placement statistics) dating back to 1983. Accordingly, because the compilations were created contemporaneously, the practices changed over time, and DeVry cannot produce the methodologies used before 1983, the Since 1975 Representation may be based on internally inconsistent methodologies. For example, a particular 1979 DeVry graduate may (or may not) not have counted as "employed" for statistical purposes in 1979, a graduate in identical circumstances in 1989 may have counted as "employed," or may have been omitted from the calculation altogether. But the Department has no way to assess whether this is a pure hypothetical, nor does it have any way to assess *at all* the methodology used between 1975-1983.

### **LIMITATION**

An institution participating in the Title IV programs must, at all times, act in the nature of, and with the competency and integrity necessary to qualify as, a fiduciary in the administration of those programs. 34 C.F.R. § 668.82. As a fiduciary, an institution "is subject to the highest standard of care and diligence in administering [Title IV] programs," 34 C.F.R. § 668.82(b)(1), and the failure by an institution to administer such programs in accordance with that standard may be subjected to, *inter alia*, a limitation on the institution's participation in that program. *See* 34 C.F.R. § 668.82(c). *See also* 20 U.S.C. § 1094(c)(1)(F) (permitting the imposition of a "limitation" by the Secretary whenever the Secretary "has determined, after a reasonable notice and opportunity for hearing, that such institution has violated or failed to carry out any provision" of Title IV). More specifically, the Department "may limit ... an institution's participation" in the Title IV programs if an institution "[v]iolates any statutory provision of or applicable to Title IV of the HEA," or "any regulatory provision prescribed under that statutory authority." 34 C.F.R. § 668.86. "A limitation may include, as appropriate to the Title IV, HEA program in question ... [any] conditions as may be determined by the Secretary to be reasonable and appropriate." 34 C.F.R. § 668.93(i).

**Because of the facts and conclusions stated above, the Department, consistent with the substantive and procedural requirements in 34 C.F.R. Part 668, Subpart G, is hereby providing notice that the following limitations are being placed on DeVry's continued eligibility to receive Title IV funding. Notwithstanding any other applicable requirements, as a condition of receiving Title IV funds:**

- (1) DeVry must immediately cease making any representations that are based, in whole or in part, on graduate employment rates for the period between 1975 and October 1980.
- (2) DeVry may not make representations that are based, in whole or in part, on graduate employment rates, unless:
  - a. DeVry can substantiate such representations with graduate-specific information, which shall be made available to the Department upon request; and

- b. with respect to any such representation made during the five (5) years following the effective date of the limitation, DeVry obtains the report of an independent auditor conducting an examination-level attestation engagement of the veracity of such representation. The audit must be performed by the independent auditor in accordance with Generally Accepted Government Auditing Standards (“GAGAS”) issued by GAO and attestation standards issued by the American Institute of Certified Public Accountants (“AICPA”). The report of such audit must be issued before a representation is made, and DeVry Education Group must provide the Department with a copy of the report within 60 days of the representation being made.
- (3) DeVry must comply with the following student notification requirements:
- a. Within 60 days of the effective date of this limitation, DeVry must notify all students who are enrolled at DeVry on the effective date of the limitation, that the Since 1975 Representation was not substantiated to the extent required by law. Such notification must be made to each enrolled student at the most recent e-mail address that DeVry has for each of these students. Within 60 days of the effective date of this limitation, DeVry must provide the Department with a copy of the message issued to each student, and a list (with names and email addresses) of all recipients who were provided the message. The e-mail must contain, verbatim, the following language (hereinafter “Disclosure Language”):  
  

*Following a final Department of Education action effective [INSERT DATE], DeVry was determined to have made marketing representations to current and prospective students that were unsubstantiated to the extent required by law. Specifically, DeVry was not able to adequately substantiate the truthfulness of its marketing claim that, in effect, “Since 1975, 90% of DeVry graduates system-wide in the active job market held positions in their fields of study within 6 months of graduation.” Please be advised that DeVry has ceased making such representations and is making outreach efforts to outside entities that made such representations and is requesting those entities to cease repeating DeVry’s prior representations.*
  - b. Within 60 days of the effective date of this limitation, and for a period of five (5) years, DeVry must (i) prominently post the Disclosure Language on the home page of its Website in a simple and meaningful manner; (ii) provide a prominent and direct link on any other Web page containing any information or representations about the post-graduation employment outcomes of DeVry students and (iii) prominently include the Disclosure Language in a simple and meaningful manner in all other marketing or recruiting materials containing

representations about post-graduation employment outcomes. Within 60 days of the effective date of this limitation, DeVry must also provide the Department with proof of its compliance with this limitation, including by providing a document listing all URLs to which the Disclosure Language has been posted and a copy of all other marketing materials to which the Disclosure Language has been included.

- c. Effective immediately, and for five (5) years following the effective date of the limitation, DeVry must include the Disclosure Language in any and all enrollment agreements or other such documents memorializing the enrollment of a student at DeVry University.
- (4) Within 60 days of the effective date of this limitation, DeVry shall provide to the Department an exact copy of the notice attached hereto as Attachment A, showing the date of delivery, to all persons or entities who DeVry believes (after a reasonable, good faith investigation) to be continuing to publish the Since 1975 Representation to the public, regardless of whether the representation is being made under an arrangement with DeVry. The notice required by this paragraph shall not include any document or enclosures other than those referenced in the notice and may be sent to the principal place of business or registered agent of each entity so identified. In addition, DeVry must provide documentation to the Department of the investigation and methodology it used to identify the recipients of this notice.
- (5) Effective immediately, and for five (5) years following the effective date of the limitation, if DeVry makes any representation that is based, in whole or in part, on graduate employment rates, DeVry must preserve the following information in its possession, custody, or control, without regard to whether it was relied upon to develop or to substantiate the representation. Such information must be preserved for a period of five (5) years following the last utterance or publication of the representation.
- a. All student files relating to the students or graduates whose graduate employment information serves as a basis for the representation;
  - b. All documentation relating to the employment of any such student before, during, and after the student's graduation from DeVry;
  - c. All communications with any such student or graduate regarding post-graduation employment;
  - d. All documents relating to any audit, survey, or other review by any person or entity affiliated with or retained by DeVry Education Group, of any statistic underlying any representations that are based, in whole or in part, on graduate employment rates;
  - e. All documents, including, without limitation, Career Services Manuals, that describe, refer, or relate to the methodology used by DeVry to calculate or create a representation based, in whole or in part, on graduate employment rates; and
  - f. To the extent not included above, all evidence on which DeVry relies to substantiate any representation it makes about the employability of its graduates

(including representations that are based, in whole or in part, on graduate employment rates).

- (6) Effective immediately, and for five (5) years following the effective date of the limitation, DeVry must submit to the Department, no later than 10 days after the event described below, written notice of the occurrence of any of the following:
- a. Any adverse action whatsoever, including, without limitation, written warnings, adverse factual determinations, show cause orders, probation and similar actions, taken against DeVry by its accrediting agency, State authorizing agencies, a Federal agency, or a private party relating to representations made by DeVry regarding the employability of its graduates (including representations that are based, in whole or in part, on graduate employment rates); or
  - b. DeVry's receipt of a subpoena, civil investigative demand, or other inquiry by its accrediting agency, State authorizing agencies, or a Federal agency, relating to representations made by DeVry regarding the employability of its graduates (including representations that are based, in whole or in part, on graduate employment rates).

### **RIGHTS**

Consistent with 34 C.F.R. § 668.86(b)(1)(ii), the effective date of the above stated limitations shall be February 16, 2016, unless we receive by that date a request for a hearing or written material indicating why the limitation should not be imposed. 34 C.F.R. § 668.86(b)(1)(iii). DeVry may submit either a written request for a hearing or written material indicating why this limitation action is inappropriate. 34 C.F.R. § 668.86(b)(1)(iii). If DeVry chooses to request a hearing or to submit written material, you must write to me, via overnight mail, at:

Administrative Actions and Appeals Service Group  
U.S. Department of Education  
Federal Student Aid/PC  
830 First Street, NE, UCP-3  
Room 84F2  
Washington, DC 20002-8019

If DeVry requests a hearing, the case will be referred to the Office of Hearings and Appeals. That office will arrange for the assignment of the institution's case to an official who will conduct an independent hearing. 34 C.F.R. § 668.86(b)(3). DeVry is entitled to be represented by counsel at the hearing and otherwise during the proceedings. If DeVry does not request a hearing, but submits written materials instead, I shall consider that material and notify DeVry whether the limitation will become effective, will be modified, or will be dismissed. 34 C.F.R. § 668.86(b)(2).



**ANY REQUEST FOR A HEARING OR WRITTEN MATERIAL THAT DEVRY SUBMITS MUST BE RECEIVED BY FEBRUARY 16, 2016. OTHERWISE THE LIMITATION WILL BE EFFECTIVE ON THAT DATE.**

If you have any questions or desire any additional explanation of the institution's rights with respect to this action, please contact me at (202) 377-4647 or via email at [susan.crim@ed.gov](mailto:susan.crim@ed.gov).

**CONCLUSION**

The Department continues to investigate and consider DeVry's use of job placement rates and other employment-related statistics as a means of attracting prospective students. The Department is also cognizant of other actions and investigations by other governmental agencies regarding DeVry's advertisements. The action herein stated should not be read as an indication that the Department has concluded that aspect of its investigation, or made any final determinations about the veracity of any advertisement made by DeVry. Moreover, although DeVry appears to have removed the "Since 1975" representation from recruiting and marketing materials on its website, should DeVry make any representation that is based on unsubstantiated data, including the "Since 1975" representation, the Department may seek to impose additional sanctions. The Department reserves the right to take additional action against DeVry pursuant to 34 C.F.R. Part 668, Subpart G or other applicable regulations.

Sincerely,



Susan D. Crim, Director  
Administrative Actions & Appeals Service Group

Encl.

cc: (w/out exhibits)

Karen Solinski, Executive Vice President for Legal and Governmental Affairs, The Higher Learning Commission, via [ksolinski@hlcommission.org](mailto:ksolinski@hlcommission.org)

Zach Waymer, Coordinator for Legal and Governmental Affairs, The Higher Learning Commission, via [zwaymer@hlcommission.org](mailto:zwaymer@hlcommission.org)

Teri Stanfill, School Compliance Associate, Arizona State Board for Private Postsecondary Education, via [teri.stanfill@azppse.gov](mailto:teri.stanfill@azppse.gov)

Yvette Johnson, Enforcement Chief, California Bureau for Private Postsecondary and Vocational Education, via [Yvette.johnson@bppe.ca.gov](mailto:Yvette.johnson@bppe.ca.gov)

Heather DeLange, Academic Policy Officer, Colorado Department of Higher Education, via [heather.delange@dhe.state.co.us](mailto:heather.delange@dhe.state.co.us)

Joey Smith, Operations and Program Manager, Florida Commission for Independent Education, via [joey.smith@fldoe.org](mailto:joey.smith@fldoe.org)

Carl Camann, Deputy Director, Georgia Postsecondary Education Commission, via [ccam@gnpec.org](mailto:ccam@gnpec.org)

Dan Cullen, Deputy Director of Academic Affairs, Illinois Board of Higher Education, via [cullenb@ibhe.org](mailto:cullenb@ibhe.org)

Ross Miller, Executive Director, Indiana Commission on Proprietary Education, via [rmiller@che.in.gov](mailto:rmiller@che.in.gov)

Jay Morgan, Vice President of Academic Affairs, Kentucky Council on Postsecondary Education, via [jay.morgan@ky.gov](mailto:jay.morgan@ky.gov)

Tonya Johnson, Executive Associate, Maryland Higher Education Commission, via [tonya.johnson@maryland.gov](mailto:tonya.johnson@maryland.gov)

Mike Beamish, Proprietary School Manager, Michigan Department of Education, via [beamishm@michigan.gov](mailto:beamishm@michigan.gov)

Larry Pogemiller, Commissioner, Minnesota Office of Higher Education, via [larry.pogemiller@state.mn.us](mailto:larry.pogemiller@state.mn.us)

Leroy Wade, Deputy Commissioner, Missouri Coordinating Board for Higher Education, via [Leroy.wade@dhe.mo.gov](mailto:Leroy.wade@dhe.mo.gov)

Kelly Wuest, Director, Nevada Commission on Postsecondary Education, via [kdwuest@cpe.state.nv.us](mailto:kdwuest@cpe.state.nv.us)

Gregg Edwards, Director of Higher Education, New Jersey Commission on Higher Education, via [Gregg.edwards@oshe.nj.gov](mailto:Gregg.edwards@oshe.nj.gov)

Leslie Templeman, Director of Higher Education, New York State Education Department, via [leslie.templeman@nysed.gov](mailto:leslie.templeman@nysed.gov)

Terrence Scarborough, Director of Licensure, University of North Carolina General Administration, via [trscarborough@northcarolina.edu](mailto:trscarborough@northcarolina.edu)

John Carey, Chancellor, Ohio Board of Regents, via [chancellor@regents.state.oh.us](mailto:chancellor@regents.state.oh.us)

Glen Johnson, Chancellor, Oklahoma State Regents for Higher Education, via [chancellorjohnson@osrhe.edu](mailto:chancellorjohnson@osrhe.edu)

Hilda Rosselli, Office of Degree Authorization, Oregon Student Assistance Commission, via [hilda.roselli@state.or.us](mailto:hilda.roselli@state.or.us)

Wil Del Pilar, Director of Compliance, Pennsylvania Department of Education, via [widelpilar@pa.gov](mailto:widelpilar@pa.gov)

Stephanie Bellard-Chase, Associate Executive Director, Tennessee Higher Education Commission, via [Stephanie.bellard@tn.gov](mailto:Stephanie.bellard@tn.gov)

Raymund Paredes, Commissioner, Texas Higher Education Coordinating Board, via [raymund.paredes@thecb.state.tx.us](mailto:raymund.paredes@thecb.state.tx.us)

D. Buhler, Commissioner, Utah System of Higher Education, via [dbuhler@utah.sbr.edu](mailto:dbuhler@utah.sbr.edu)

Sylvia Rosa-Casanova, Director of Higher Education, Virginia State Council of Higher Education, via [sylviarosacasanova@schev.edu](mailto:sylviarosacasanova@schev.edu)

Michael Ball, Director for State Approving Agency and Degree Authorization, Washington Student Achievement Council, via [michaelball@wsac.wa.gov](mailto:michaelball@wsac.wa.gov)

Anna Fosdick, Director of School Administration, Wisconsin Educational Approval Board, via [anna.fosdick@eab.wisconsin.gov](mailto:anna.fosdick@eab.wisconsin.gov)

Department of Defense, via [osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil](mailto:osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil)

Mr. Robert Paul  
DeVry University  
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Department of Veterans Affairs, via [incoming.vbavaco@va.gov](mailto:incoming.vbavaco@va.gov)  
Consumer Financial Protection Bureau, via [cfpb enf students@cfpb.gov](mailto:cfpb_enf_students@cfpb.gov)

**ATTACHMENT A**

[ON DEVRY EDUCATION GROUP LETTERHEAD]

**IMPORTANT NOTICE ABOUT DEVRY UNIVERSITY'S  
ADVERTISING AND MARKETING MATERIALS**

[insert addressee name]  
[insert addressee address]

To whom it may concern:

As a result of action taken by the United States Department of Education (“ED”), DeVry University (“DeVry”) has been ordered not to make certain representations in advertisements or otherwise concerning the employability of its graduates (including representations regarding graduate employment statistics).

It has come to our attention that your company has been retransmitting a representation previously made by DeVry, but which is being prohibited by ED. Specifically, that representation is:

*[INSERT PRECISE TEXT OF SINCE 1975 REPRESENTATION USED BY ENTITY]*

That representation is currently being broadcast by your company in the following manner:

*[INSERT WEB URL OR OTHER DESCRIPTION OF WHERE REPRESENTATION IS BEING USED]*

DeVry requests that you stop using or repeating this representation. This should be done immediately. DeVry will make revised marketing materials available to you shortly, which do not contain representations that have been prohibited by ED.

Should you have any questions about compliance with this notification, please contact

*[insert contact person]*.

Sincerely,

Robert Paul  
President  
DeVry University