

<b>CIVIL ACTION COVER SHEET</b>	TRIAL COURT OF MASSACHUSETTS SUPERIOR COURT DEPARTMENT		DOCKET NO. <u>15-2218 B</u>
	COUNTY OF	SUFFOLK	
PLAINTIFF(S) <b>Commonwealth of Massachusetts</b>		DEFENDANT(S) <b>Kaplan, Inc., Kaplan Higher Education, LLC</b>	

Type Plaintiff's Attorney name, Address, City/State/Zip Phone Number and BBO#	Type Defendant's Attorney Name, Address, City/State/Zip Phone Number (If Known)
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Glenn Kaplan/Peter Leight, Office of the Attorney General  
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Boston, Massachusetts 02108  
617-963-2200  
BBO# 567308 / 631580

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Boston, MA 02110-1781  
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TYPE OF ACTION AND TRACK DESIGNATION (See reverse side)			IS THIS A JURY CASE?
CODE NO.	TYPE OF ACTION (specify)	TRACK	
	<b>E99 Misc Other (specify) - X track</b>		<input type="radio"/> Yes <input checked="" type="radio"/> No

The following is a full, itemized and detailed statement of the facts on which plaintiff relies to determine money damages. For this form, disregard double or treble damage claims; indicate single damages only.

**TORT CLAIMS**  
 (Attach additional sheets as necessary)

JUL 23 2015  
 SUPERIOR COURT-CIVIL  
 MICHAEL JOSEPH DONOVAN  
 CLERK/MAGISTRATE

A. Documented medical expenses to date:		\$
1. Total hospital expenses		\$
2. Total doctor expenses		\$
3. Total chiropractic expenses		\$
4. Total physical therapy expenses		\$
5. Total other expenses (describe)		\$
<b>Subtotal</b>		\$
B. Documented lost wages and compensation to date		\$
C. Documented property damages to date		\$
D. Reasonably anticipated future medical expenses		\$
E. Reasonably anticipated lost wages and compensation to date		\$
F. Other documented items of damages (describe)		\$
<b>Total</b>		\$

G. Brief description of plaintiff's injury, including nature and extent of injury (describe)

**CONTRACT CLAIMS**  
 (Attach additional sheets as necessary)

Provide a detailed description of claim(s):

**TOTAL**    \$.....

PLEASE IDENTIFY, BY CASE NUMBER, NAME AND COUNTY, ANY RELATED ACTION PENDING IN THE SUPERIOR COURT DEPARTMENT

"I hereby certify that I have complied with the requirements of Rule 5 of the Supreme Judicial Court Uniform Rules on Dispute Resolution (SJC Rule 1:18) requiring that I provide my clients with information about court-connected dispute resolution services and discuss with them the advantages and disadvantages of the various methods."

Signature of Attorney of Record *[Signature]*      Date: 7/23/2015

A.O.S.C. 3-2007

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPERIOR COURT  
CIVIL ACTION NO.

15-2218B

\_\_\_\_\_)  
IN THE MATTER OF KAPLAN, INC., )  
KAPLAN HIGHER EDUCATION, )  
LLC )  
\_\_\_\_\_)



**ASSURANCE OF DISCONTINUANCE  
PURSUANT TO M.G.L. CHAPTER 93A, § 5**

**I. INTRODUCTION**

1. The Commonwealth of Massachusetts ("Commonwealth"), through the Office of Attorney General Maura Healey ("AGO"), and Kaplan, Inc., Kaplan Higher Education, LLC and RETS Acquisition Corporation (collectively, "Kaplan"), enter into this Assurance of Discontinuance ("AOD") pursuant to M.G.L. c. 93A, § 5.

2. Kaplan, Inc. has its principal place of business at 6301 Kaplan University Avenue, Fort Lauderdale, Florida 33309. Kaplan Higher Education, LLC has its principal place of business at 1015 Windward Ridge Parkway, Alpharetta, Georgia 30005. RETS Acquisition Corporation is the subsidiary of Kaplan Higher Education, LLC that owned Kaplan Career Institute schools in Massachusetts. Kaplan owned and operated the Kaplan Career Institute campus in Kenmore Square in Boston, Massachusetts (the "School"), a for-profit school that offered Medical Assistant and Medical Billing & Coding certificate

programs. Massachusetts residents who attended these programs ("students") largely entered the programs in hopes of qualifying for and obtaining employment in the medical field. Kaplan closed the School in December 2012 and no longer operates any Kaplan Career Institute schools in Massachusetts.

3. Pursuant to M.G.L. c. 93A, § 6, the AGO has conducted an investigation of Kaplan's recruitment and educational practices in Massachusetts (the "Investigation"). Based on the Investigation, the AGO alleges that from 2009 through 2012, Kaplan engaged in unfair or deceptive practices designed to induce enrollment of students at the School. These practices, the AGO alleges, included unfair and harassing sales tactics and false and misleading representations in its oral recruitment statements and in written marketing and recruitment materials to consumers and prospective students concerning its educational program and employment. The AGO alleges that in some instances, Kaplan's website and admissions representatives reported placement rates for its Medical Billing and Coding and its Medical Assistant programs above 70% when in fact the actual placement rates were materially lower. Additionally, the AGO alleges that through oral recruitment statements and written materials, Kaplan promised to provide students assistance in finding jobs in their fields of study. The AGO alleges that students reported that the job listings provided by Kaplan were from publicly available resources and that Kaplan did not provide any special services or programs to assist students and graduates in their job search. The AGO alleges that as a consequence of these alleged representations, Kaplan unfairly or deceptively induced students to enroll in the Medical Billing & Coding and Medical Assistant programs at the Kenmore campus.



4. Kaplan denies the AGO's allegations as contained in the foregoing paragraphs and vigorously disputes any claim that its business conduct in Massachusetts was in any way unfair or deceptive.

5. The parties are nevertheless desirous of resolving these matters in the interests of advancing or supporting educational opportunities for deserving Massachusetts residents, and accordingly, the AGO and Kaplan both voluntarily enter into this AOD.

6. This AOD is made without any trial or adjudication of any issue of fact or law.

## **II. TERMS OF THIS ASSURANCE**

7. Kaplan agrees to pay to the AGO the sum of one million, three hundred seventy five thousand dollars (\$1,375,000) which shall be distributed by the AGO to or on behalf of students of the School at the sole discretion of the AGO. No part of this payment is or shall be considered a penalty or fine. Kaplan shall make this payment within thirty (30) days of the entry of this AOD by check payable to the Office of the Attorney General, delivered by hand to Katherine Hurley, Insurance & Financial Services Division, Office of the Attorney General, One Ashburton Place, 18th Floor, Boston, MA 02108.

8. Kaplan also agrees that, in the event that Kaplan Higher Education, LLC or any of its subsidiaries or affiliates, including but not limited to RETS Acquisition Corporation, operates a for-profit school with a ground campus in Massachusetts in the future, Kaplan will provide notice to the AGO of its intent to own or operate the school at least 60 days prior to the school's opening. In such circumstances, Kaplan will adopt in compliance with applicable

laws and regulations, appropriate safeguards and compliance functions and accurate disclosures to the public and prospective students regarding its educational programs and employment outcomes.

9. Kaplan also has offered and agreed to provide reasonable cooperation with the AGO during the implementation of this AOD and all necessary information not subject to applicable privileges that is reasonably requested by the AGO during the implementation.

10. The acceptance of this AOD by the AGO does not constitute acceptance or approval by the AGO of any of Kaplan's assertions of fact or past practices, and Kaplan will make no representation to that effect. This AOD does not constitute an admission of wrongdoing by Kaplan of any fact alleged by the AGO or non-compliance with any state or federal law, rule or regulation.

11. The AOD may be modified or supplemented only by a written document signed by both parties.


12. This AOD shall be binding upon Kaplan, its officers, directors, employees, agents, subsidiaries, affiliates, subdivisions, successors, and assigns, and upon the AGO, its officers and employees.

13. This AOD and its provisions shall be effective on the date that it is filed in Suffolk Superior Court.

14. By signing below, the Attorney General agrees that this AOD shall be in lieu of a civil action or proceeding against Kaplan under M.G.L. c. 93A, section 4 for acts or practices prior to the filing of this AOD related to the allegations referred to in this AOD or to

the Investigation. Any violation by Kaplan of this AOD may be pursued in a civil action or proceeding under M.G.L. c. 93A hereafter commenced by the AGO. By signing below, the parties agree to comply with their respective undertakings contained in this AOD.

**KAPLAN, INC.**

By:   
David Adams, General Counsel  
& Senior Vice President  
Kaplan, Inc.  
6301 Kaplan University Avenue  
Fort Lauderdale, FL 33309

**COMMONWEALTH OF MASSACHUSETTS  
MAURA HEALEY  
ATTORNEY GENERAL**

By:   
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Dated: July 17, 2015

Dated: 7/23/2015